Thirumalai Chemicals Ltd.

Reliable partnerships

Responsible actions

Ready to accelerate

Annual Report 2023-24

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Key highlights of FY 23-24

Total income

₹2,102 crores

EBIDTA

₹70 crores

51st Annual General Meeting

Date & Time
Wednesday, July 24, 2024 at 2.30 p.m.

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

Book Closure
Thursday, July 18, 2024 to Wednesday, July 24, 2024 (both days inclusive)

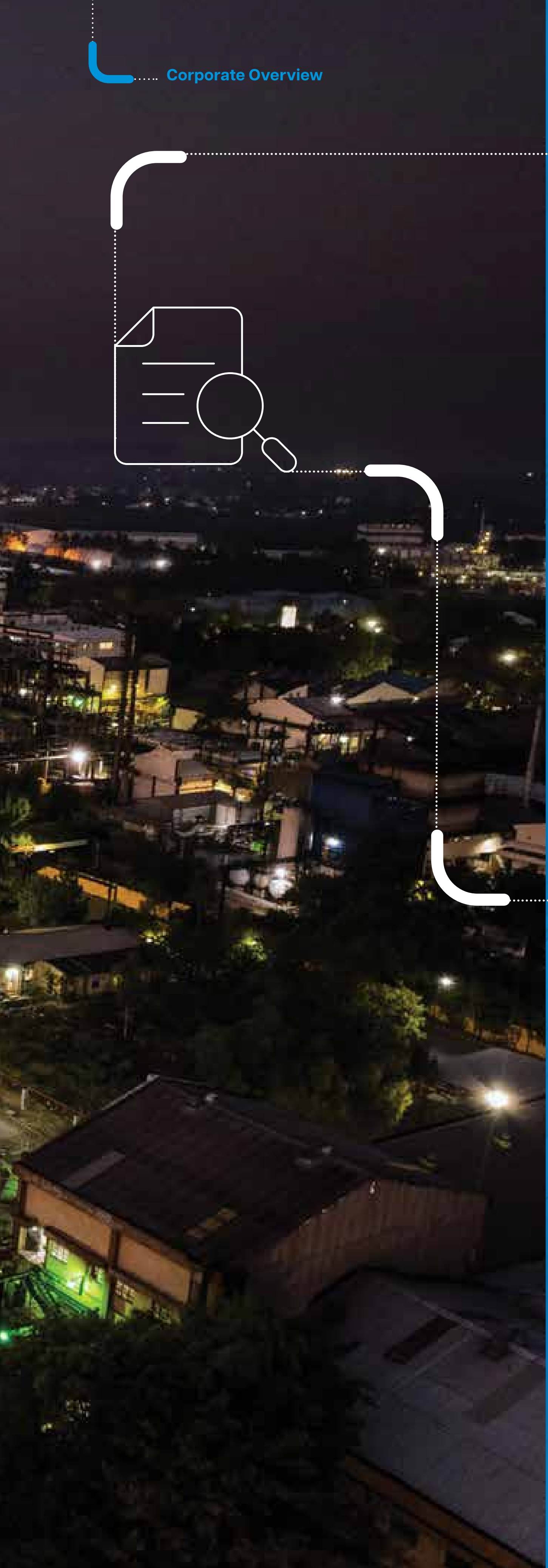
For over five decades, we, at **Thirumalai Chemicals Limited (TCL)**, continue to cultivate an illustrious legacy of reliable partnerships, establishing our Company as the premier supplier in the chemical manufacturing landscape. With best-in-class manufacturing prowess at our disposal, we cement our reputation for excellence and reliability.

Reliable **partnerships** Responsible **actions** Ready to **accelerate**

Our industry-suited portfolio enables us to deliver essential chemicals, including Phthalic Anhydride, Fumaric Acid and Malic acid, along with a diverse array of fine chemical derivatives. Trusted by leading chemical firms both domestically and internationally, we embody the essence of quality in the global chemical landscape.

Proactive and agile, we keep our pace to constantly evolve and meet the strategic demands of our business, industry, society, and environment. We are defined by our responsible actions that guide us to strive and build a sustainable future.

Driven by our team's progressive mindset, empowered by our products that enhance various downstream industries, and emboldened by our capabilities that cater to evolving demands, we continue to script a story of sustainable growth. This journey symbolises our commitment to responsible stewardship and our pursuit of a brighter, more sustainable future. With determination and focus, we are ready to accelerate, creating sustainable value for all stakeholders.



We, at Thirumalai Chemicals Limited (Here on referred to as Thirumalai Chemicals or TCL), perceive science as a holistic journey – much more than abstract concepts and mere aspirations. For us, it is the catalyst for transforming innovation into tangible achievements, that impact lives for the better.

Our **Identity**

Corporate Identity

Innovative **chemistry.** Sustainable **growth.**

By leveraging the power of science, we seek to energise our customers' products, enabling them to achieve their sustainability and quality objectives. We harness the power of innovative chemistry to unlock new possibilities and open a multitude of directions for sustainable growth.

We have emerged as a renowned and reliable player in the chemical manufacturing industry, distinguished for our commitment to quality, innovation, and sustainability. As one of the leading producers of industrial and specialty chemicals, we started our journey by focussing on manufacturing Phthalic Anhydride before expanding our portfolio to encompass Maleic Anhydride, Fumaric Acid, Malic Acid, and various other fine chemicals and derivatives. With a longstanding legacy and a worldwide footprint spanning numerous decades, we continue to deliver on our commitment to cater to a broad spectrum of industries.

We take pride in crafting products that enrich people's daily lives. Our extensive range of offerings serve a wide gamut of industries including plastics, paints, food, cosmetics, and pharmaceuticals. Leveraging best-in-class production facilities, we ensure prompt delivery and efficient logistics, earning acclaim for excellence and dependability.

All our products are certified, ensuring compliance with the highest health and safety standards. Concurrently, we uphold integrity, well-being, and safety of our employees and stakeholders as fundamental values. Together, we are devoted to being responsible contributors to the communities where we operate, actively engaging with and positively impacting them.

Integrity forms the cornerstone of our business ethos, demonstrated through our actions and transparent relationships with customers, partners, investors, and employees.

Key facts about us

Leading
Producer of Phthalic Anhydride

50
Years of legacy

2
Manufacturing facilities

8+
Products

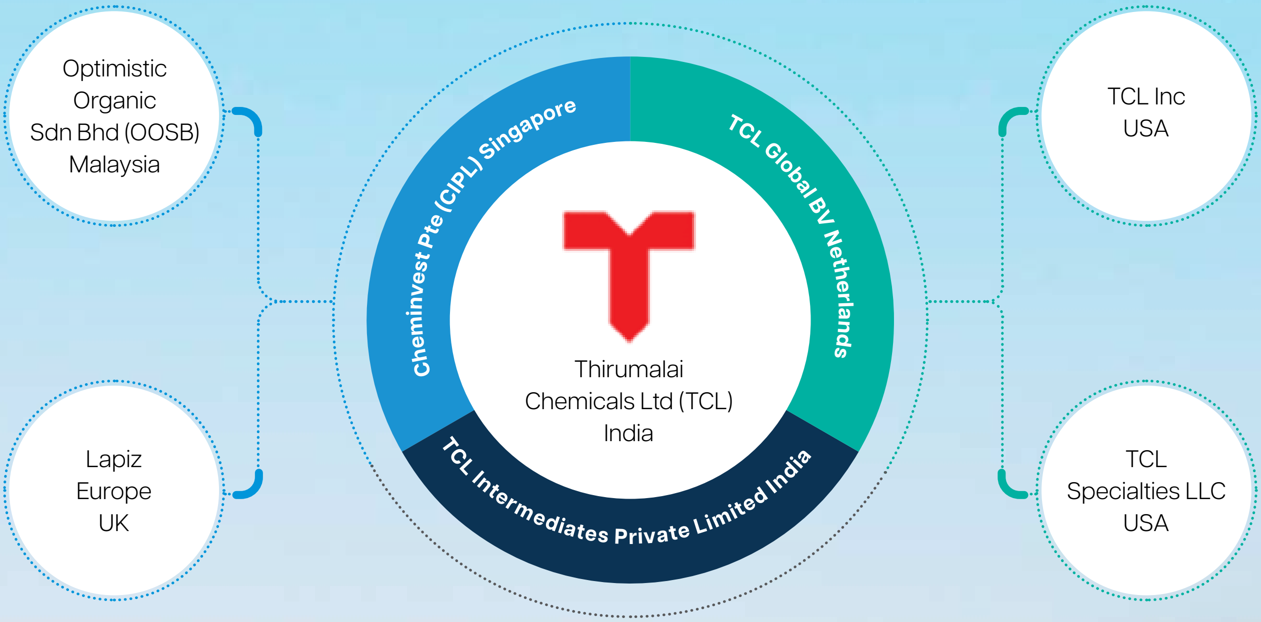
350+
Customers

600+
Workforce

60+
Countries to which we export

Our Group at a glance

Synergistic relationships with our group companies exemplify our commitment to integrated growth and shared success. These collaborations foster a culture of cooperation, maximising opportunities for collective advancement in all our endeavours.



Corporate Identity

Our universe of key clients

AARTI INDUSTRIES LIMITED	asianpaints	ORSON
Global Calcium	ITC Limited	Berger
iff	NOCIL	Payal Group
Balmer Lawrie	KANSAI NEROLAC	KLJ
PARLE	Reliance Industries Limited	symrise

Ranipet, Tamil Nadu

Our quality commitments

FSSC Certificate 2021-24	KOSHER Certificate 2023-24
IMS Certificate 2021-24	HALAL Certificate 2022-25
ISO 50001 Certificate 2021-25	QMS Certificate 2021-24
BIS certificate	REACH compliance

Our global presence and expansion

Worldwide reach

We boast a significant presence across all major geographies, bolstered by a global footprint that resonates with diverse markets.

North American operations

Through our office in the US we cater to the expansive North American market, offering tailored solutions and localised support.

Strategic locations

We leverage the strategic position of the representative office in the EU to serve the markets of the EU, UK, and Turkey, facilitating seamless operations and customer engagement.

Global manufacturing

We operate a world-class plant in Malaysia, and are in the process of establishing a modern facility in the USA. With these moves, we are scaling up our production capabilities to meet growing international demands.

Milestones

Continuous **Journey.** Defining **moments.**

We continue to scale new heights at regular intervals. Along a journey, dotted with significant milestones, we persist to excel, innovate and exceed expectations. Our growth endeavours are complemented by strategic expansion, guiding us to chart a consistently upwards trajectory. As a key player in the chemical manufacturing sector, our synergistic approach propels us towards newer achievements.

1944

Started as a chemical trading company

1973

Founded TCL in Ranipet, Tamil Nadu, for Phthalic Anhydride (PAn) manufacturing

1995

Expanded TCL's PAn and Food Ingredients capacities

1997

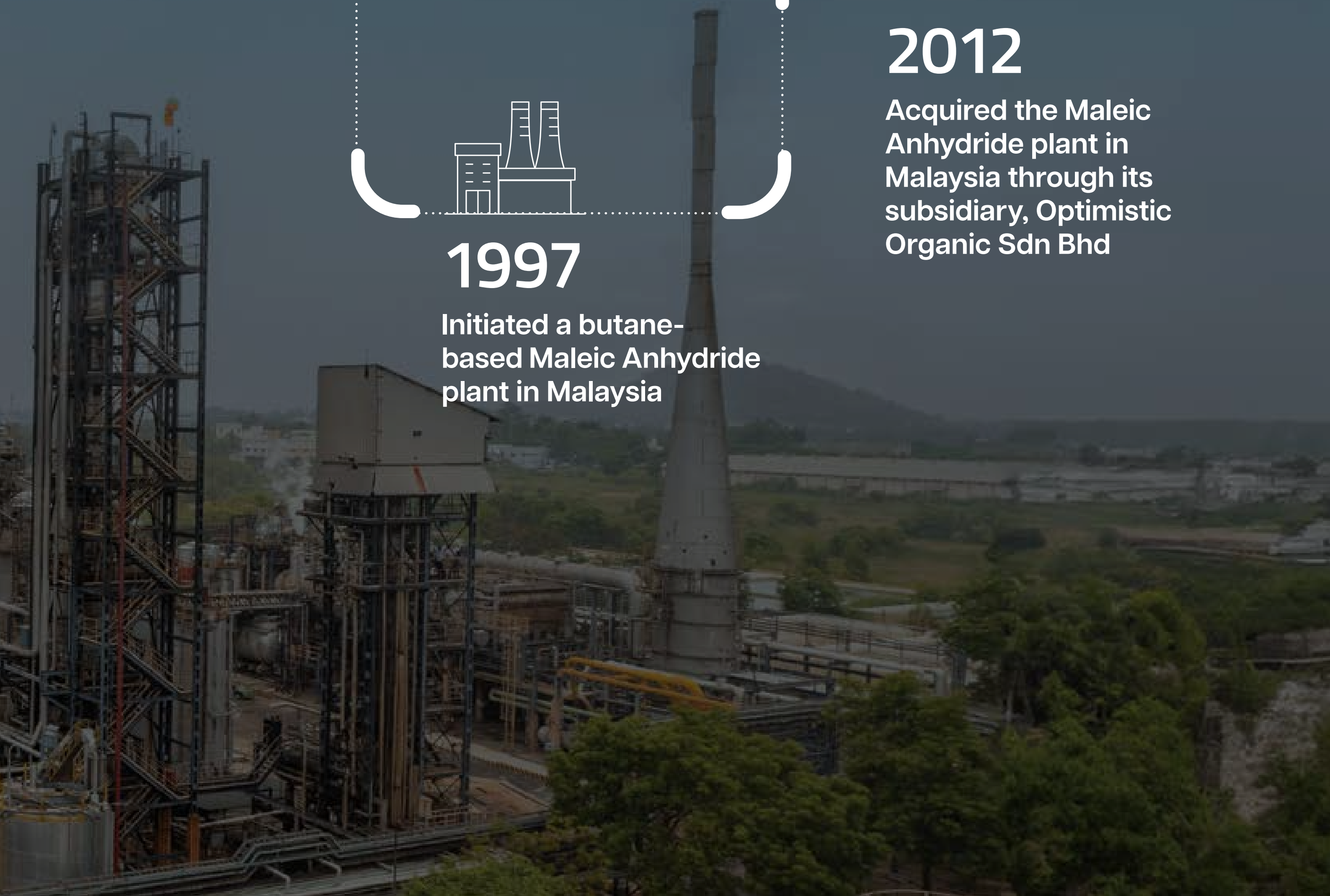
Initiated a butane-based Maleic Anhydride plant in Malaysia

2012

Acquired the Maleic Anhydride plant in Malaysia through its subsidiary, Optimistic Organic Sdn Bhd

2021

Unveiled a manufacturing facility in Dahej, Gujarat



Chairman's Letter

A challenging **time.** Moving ahead **with confidence.**

> We have undertaken significant strategic initiatives over the last two years. We are embarking on a major expansion in Gujarat–right at the centre of our market and supply sources. We are also making a significant investment in the US in petrochemicals and food ingredients.

Dear Shareholders,

I present to you our annual report for FY 23-24. The year has been a period of great challenge, and our performance as a company has been far below our expectations and plans.

We have gone through over three years of great volatility. The pandemic left behind a trail of disruption: we handled that well, improved performance in volumes and margins, and became a debt-free company 18 months ago despite major capital investments in 2018 and 2019.

In the last year and a half, we have faced another major shock: the Ukraine war, which has caused severe inflation in commodities and inputs. Interest rates are very high, propelled by inflation. Neither the war in Europe nor the more recent Middle East crisis show any sign of resolution. The logistics upset in the Red Sea affects Indian industry and trading costs seriously; the causes for these will not settle down in the near future. We in TCL are lucky that exports to and imports from the West are only a small part of our business.

This has been an extended period of back-to-back crises and extreme uncertainty, making business planning extremely difficult. However, India has been a region of hope, and we can be thankful that it remains our major market. Investment, consumption, and incomes are growing. Our present and long-term prospects are extremely good. The smooth, peaceful completion of the recent elections–a mammoth exercise of democracy–is a cause for great pride and confidence in our country and its people.

We can expect growth to continue on a sustained basis at 6.5 to 7.5%. This augurs well for our company, as our products are primary inputs for construction, truck and train infrastructure, households, electrical, and food and beverages—all with good and long-term prospects driven by our young population and their improving aspirations and standards of living.

During this difficult period, we have seen clear proof of the resilience of our company, built on foundations of world-scale capacity, best-in-breed technology, continuous improvement, and outstanding management and operating teams. This recent period has been the worst we have seen in over 50 years in terms of margin pressures and deeply adverse trading conditions. We have used this opportunity to aggressively improve efficiencies, maximise capacity utilisation, and drive down costs. These efforts will continue.

Despite the adverse trading situation, we have managed to operate at high capacity and will now push beyond these boundaries of capacity and costs further. Improving operating reliability and safety remains our constant effort. Our cash flows, even in this difficult time, have been reasonable.

Our ESG commitments reflect our dedication to environmental stewardship and a more sustainable future. Already, our consumption of water and energy is extremely low. We have been a Zero Liquid Discharge company since 2006, the first in India. Our greenhouse gas (GHG) emissions are correspondingly low. In spite of this, we are now setting targets for ourselves to further improve on these through innovation, careful plant management, and improvements.

We have set a robust target to reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 25% by the year 2030. This commitment signifies our dedication to mitigating the impacts of our operations on the environment and aligning with global efforts to limit global warming. Similarly, we have taken up efforts to reduce our water consumption by a further 10% by 2030.

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We have undertaken significant strategic initiatives over the last two years. We are embarking on a major expansion in Gujarat—right at the centre of our market and supply sources. We are also making a significant investment in the US in petrochemicals and food ingredients. The Gujarat expansion will start up during the current year, while the US plants will start operation by early next year. The latter is within a very advantageous cost location and will help us serve the largest addressable markets globally—North America, Europe, and Latin America.

We hope to build on this platform with more capacity and more products in the coming years.

In this turbulent and difficult year, the dedicated and outstanding efforts of our staff and management teams and the support from our directors have been invaluable.

I thank our shareholders, customers, suppliers, bankers, government and local authorities, and the communities we operate in for their confidence and support.

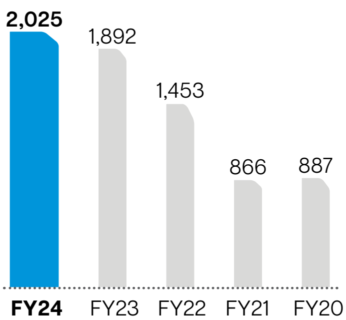
MR. R. PARTHASARATHY
Chairman

Key Performance Indicators

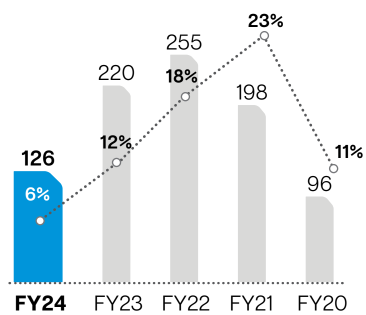
Progressing **sustainably.** Maintaining **prudence.**

Standalone

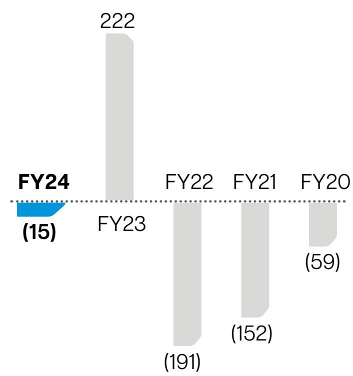
Total Income
(₹ in crores)



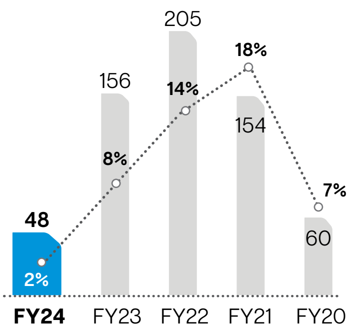
EBIDTA and EBIDTA Margins
(₹ in crores)



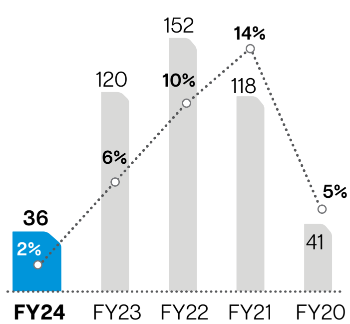
Net Debt
(₹ in crores)



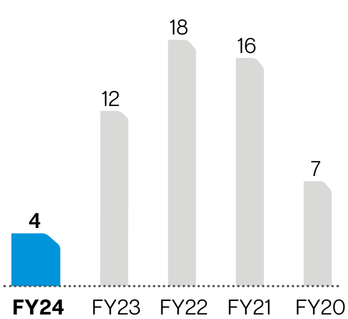
PBT and PBT Margins
(₹ in crores)



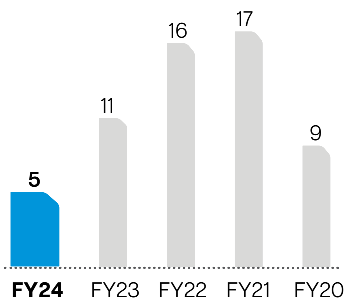
PAT and PAT Margins
(₹ in crores)



Return on Equity
(%)

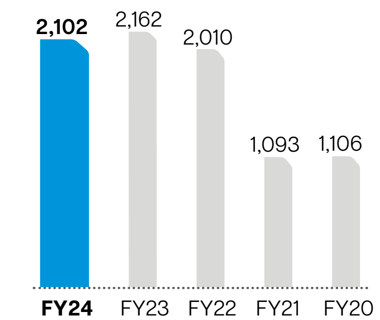


Return on Capital Employed
(%)

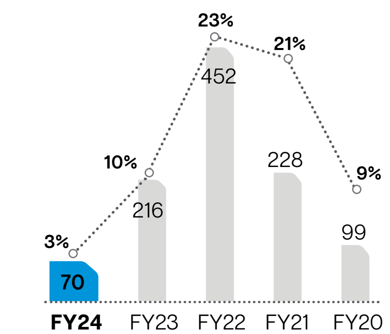


Consolidated

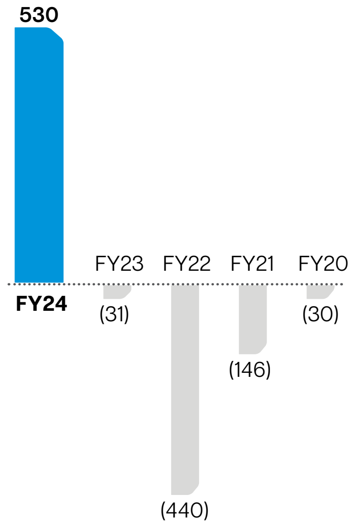
Total Income
(₹ in crores)



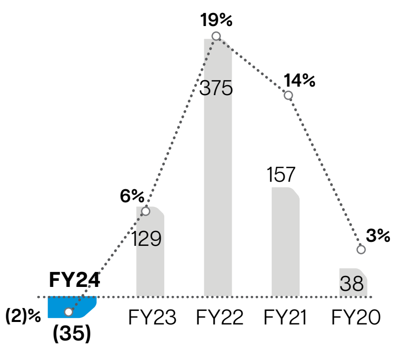
EBIDTA and EBIDTA Margins
(₹ in crores)



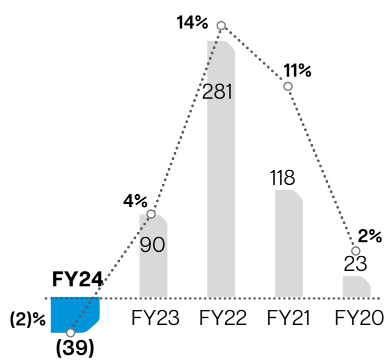
Net Debt
(₹ in crores)



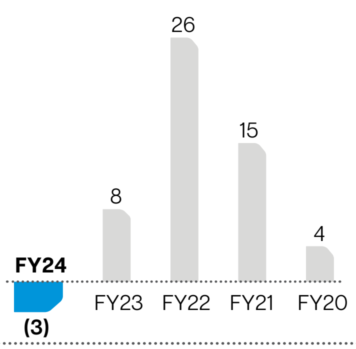
PBT and PBT Margins
(₹ in crores)



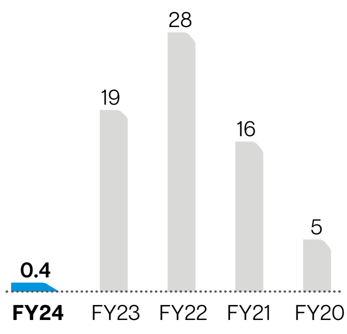
PAT and PAT Margins
(₹ in crores)



Return on Equity
(%)



Return on Capital Employed
(%)



We offer a diverse range of high-quality products that cater to various industries and applications. Our state-of-the-art manufacturing facilities, equipped with best-in-class technology, ensure precision and efficiency in every production process. Driven by our commitment to innovation, we continuously explore new advancements, refine existing products, and develop solutions that exceed industry standards.

Our business **enablers**


OME TO SAFETY PARK

Product Range

Relevant **portfolio.** Robust **readiness.**

We boast a diverse product range, encompassing industrial and specialty chemicals. We possess a unique spectrum of offerings, ranging from foundational ones like Phthalic Anhydride to advanced products such as Maleic Anhydride, Fumaric Acid, Malic Acid, and various fine chemicals and derivatives.

We stay committed to serve a wide array of industries through our distinct portfolio. With a focus on quality, innovation, and sustainability, we continuously strive to expand and enhance our product offerings to meet the evolving needs of our customers globally.

Indian dominance

SECOND-LARGEST
producer of Phthalic Anhydride in India

LARGEST
producer of Fumaric Acid in India

Global prominence

WORLD'S LARGEST

Ranked among the world's largest producers of Phthalic Anhydride

LARGEST

Largest manufacturer of Maleic Anhydride and Fumaric Acid in Southeast Asia

SOLE PRODUCER

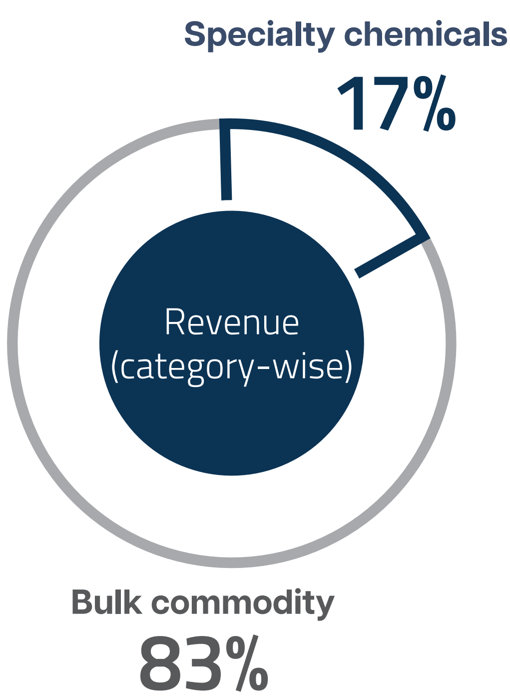
Sole producer of Malic Acid in Southeast Asia

DISTINCTIVE POSITION

Distinctive position in the esterification products of Phthalic Anhydride and Maleic Anhydride

COMPETITIVE COST

Maintain Competitive Cost positions across product lines



Product Range

Malic Acid

Raw material used
Maleic anhydride

Manufacturing location
Ranipet, India

Downstream industries catered
Foods, beverages, skincare products and Confectionery

Malic acid, an organic compound, lends its sour and tart flavour to numerous foods and beverages when blended with various acids, sugars, sweeteners, and flavours. It is also utilised in skin and dental care products, as well as technical applications like electroplating and metal cleaning.

Malic acid, naturally occurring in fruits and vegetables such as apricots, blackberries, blueberries, cherries, grapes, peaches, pears, and plums, and particularly abundant in apples, derives its name from the Latin word for apples, 'malum'. It is an extensive application such as Energy Drinks application, toothpaste, and mouthwash.

In various industries, malic acid serves a multitude of purposes:

- Functioning as a chelating agent in metal cleaning and finishing processes.
- Serving as a flavor enhancer and acidulant in the food industry.
- Being utilised within pharmaceuticals as a drug additive.
- Assisting in alleviating pain and tenderness in individuals with fibromyalgia when combined with magnesium.
- In skincare, it aids in rejuvenation and improving skin conditions.

Phthalic Anhydride

Raw material used
O- Xylene

Manufacturing location
Ranipet, India and Dahej, India

Downstream industries catered
Plasticisers, pigments, dyes, and resins

Phthalic anhydride (PA) is crucial for producing plasticisers, pigments, dyes, and resins, especially unsaturated polyester resins (UPR) used in fiberglass-reinforced plastics. In India, it is in high demand for pigments and dyes, including phthalocyanine blue and green. Additionally, PA is used in herbicides, insecticides, fire retardants, polyester polyols, and rubber scorch inhibitors. With over four decades of expertise under our belt, we stand as a leading manufacturer of PA, providing support to a multitude of industries.

Fumaric Acid

Raw material used
Maleic anhydride

Manufacturing location
Ranipet, India

Downstream industries catered
APIs, Tortillas, bakery, animal feed, bath salts, unsaturated polyester, alkyd resins, and printing inks

Fumaric acid, a white crystalline compound abundant in nature, plays a vital role in plant growth. It serves a diverse range of purposes like:

As an acidity regulator, acidulent, curing accelerant, and flavouring agent in various food products such as wheat and corn tortillas, sourdough and rye breads, refrigerated biscuit doughs, fruit juice and nutraceutical drinks, gelatin desserts, gelling aids, pie fillings, and wine.

Additionally, it serves as a food additive to enhance flavour, act as a coagulant, preserve food, and provide acidity in leavening processes. It extensively caters to animal feed, aiding in digestion of swine. In industrial applications, fumaric acid finds uses in the production of unsaturated polyester and alkyd resins, printing inks, and paper sizing. Moreover, it is employed as an Active Pharmaceutical Ingredient in the pharmaceutical industry.

Diethyl Phthalate

Raw material used
Ethanol and Phthalic anhydride

Manufacturing location
Ranipet, India

Downstream industries catered
Perfumes, cosmetics, Plasticizer for natural polymers

Diethyl phthalate (DEP) is a clear liquid—slightly denser than water—commonly used to enhance plastic flexibility. It is also employed in polysulfide rubber to ease mixing for adhesives. With its solvency properties, DEP binds cosmetics and fragrances, found in various formulations like bath preparations, eye shadows, perfumes, among others. Additionally, DEP acts as a plasticiser in cellulose ester plastic films, insecticide sprays, mosquito repellents, and various industrial applications, including solid rocket propellants and food/pharmaceutical packaging.

Manufacturing Excellence

Expanding **scale.** Broadening **scope.**

We are committed to generate operational efficiency and create high-quality products that build lasting value. We seamlessly blend the essence of unparalleled quality with scalable growth, infusing every endeavour with excellence. By deploying best-in-class manufacturing facilities, and implementing rigorous quality control protocols, we stay on the course of strategic expansion.

Our comprehensive distribution network, coupled with our focus on optimising our supply chain dynamics, enables us to deliver our products - safely and sustainably. As we continue to evolve, our scope broadens, embracing new opportunities for innovation and advancement.

Manufacturing eco-system

Our facilities thrive on indigenous technology, continuously refined through persistent advancements and enhancements. We prioritise operational efficiency, continuous improvement, and innovative interventions in our manufacturing methodologies. For enhanced efficiency, we continue to pursue best-in-class infrastructure, while infusing direct investments towards upgrading manufacturing facilities.

We have designed and currently operate the world's largest capacity phthalic anhydride reactor. Our in-house designed equipment is supported by a robust vendor network, ensuring consistent operation with minimal downtime.

From waste to wealth

We have innovated a proprietary process that transforms waste scrubber solution into high-value Fumaric Acid. This sustainable approach not only mitigates waste but also contributes to the production of a commercially significant chemical, demonstrating our commitment to environmental responsibility and economic efficiency.

Ranipet, India

At Ranipet, we enhanced our Process Safety Management (PSM) by implementing a thorough Pre-Startup Safety Review (PSSR). Additionally, we integrated new equipment using Simultaneous Operations (SIMOPS) methodologies. Our focus on cost optimisation through process modifications and equipment replacement has yielded significant benefits throughout the year.

Dahej, India

At Dahej, we replaced the old switch condensers, significantly reducing losses and optimising energy costs. This resulted in a substantial decrease in energy expenses. Additionally, by minimising losses through the scrubber, we improved the plant's yield and are now able to operate at full capacity.

Manufacturing Excellence

Employee working at Ranipet plant

Capacity expansion

We are embarking on a pioneering project, constructing a plant for the US market right here in India, using modular construction techniques. This venture is groundbreaking, potentially marking the first instance of a plant of this magnitude being built in this manner. The initiative underscores our 'Build in India for USA' philosophy, aligning closely with the Government's 'Make in India' initiative.

In our Dahej project, we are constructing a new **90KTA phthalic anhydride** plant, signifying a marked scaling-up in our production capabilities. This facility is designed to incorporate new processes and equipment, setting a benchmark in the industry.

90 KTA

New Phthalic Anhydride plant in Dahej

40 KTA

New Maleic Anhydride plant in the US

Simultaneously, we are establishing a **40KTA plant** in the US, dedicated to **Maleic Anhydride**, as well as its downstream products, **Malic Acid** and **Fumaric Acid**. This plant highlights our commitment to innovation and excellence, featuring state-of-the-art technology and processes that enhance efficiency and productivity.

These endeavours are not just about expanding our manufacturing footprint; rather we are more focussed on creating a legacy of technological advancement and superior quality, poised to serve the global market for years to come.

Operational efficiency

We consistently strive to enhance efficiency and productivity. In sync with these objectives, we implement an expansion strategy, aimed at increasing production capacity, refining the quality of raw materials, and managing waste. Over time, we have significantly reduced costs to maintain high competitiveness in energy, water, and fuel. Our energy integration includes utilising surplus energy from the Phthalic Anhydride process in downstream products of the Phthalic Anhydride and Maleic Anhydride chain. Furthermore, we conduct energy audits through independent entities and rigorously follow their recommendations.

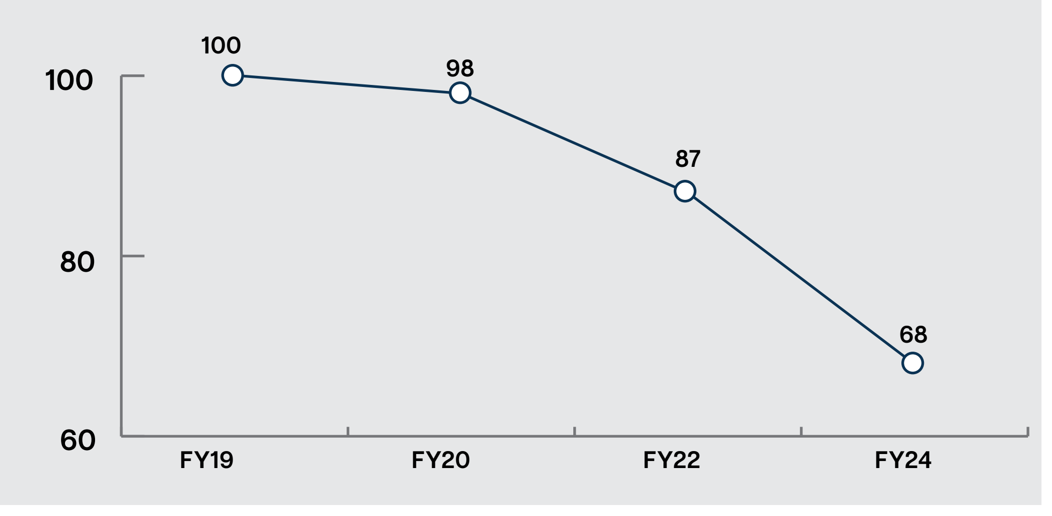
Quality control

We maintain a robust quality measurement system that adheres to defined standards. Quality maintenance strictly follows our customers' requirements without any deviations, following standard operating procedures. Our fully equipped quality laboratory and a highly trained team continuously monitor and support operations to uphold quality standards. Additionally, our products are certified and meet all quality parameters.

Reducing fuel consumption

We are committed to minimise our carbon footprint and conserve natural resources. Through tireless efforts to reduce fuel consumption, we actively contribute to environmental sustainability. Initiatives such as promoting fuel-efficient driving techniques and investing in alternative energy sources exemplify our dedication to environmental stewardship.

Specific Fuel Oil Consumption (L/MT)



* Indexed to FY19

Research and Development

Sound **innovation.**
Superior **tech-expertise.**

We focus on innovation to drive our expansion and maintain our dynamic progress. Through our dedicated research and development, we craft products that inspire trust among our clientele. By harnessing the power of technology and channelling investments into pioneering Technology, we forge processes that are safer, more intelligent, and more cutting-edge.

Our expertise is anchored in a rich reservoir of intellectual assets, including patents, trademarks, copyrights, technical knowledge, and formulations. Additionally, it encompasses a diverse range of innovative products and methods born out of the rigour of our research and development endeavours and various other initiatives.

2
Patents granted

8
R&D team size

₹2.4 crores
R&D expenditure in FY 23-24

R&D unit at Ranipet

Our R&D laboratory, equipped with a pilot plant, is dedicated to continuous improvement in processes and cost-efficiency. It serves as a dynamic hub where our team consistently explores innovative methods to enhance our operations.

In addition, our relentless pursuit of innovation has led to the development of cutting-edge technology for the production of Malic Acid, Fumaric Acid and Diethyl Phthalate. These advancements underscore our commitment to staying at the forefront of our industry.

Furthermore, we are proud to have patented a new process for manufacturing Malic Acid, further solidifying our position as innovators in the field.

Moreover, we standout globally for operating a Phthalic Anhydride plant at the highest possible throughput, showcasing our expertise and efficiency in production.

Looking ahead, we are actively engaged in the development of two new products slated for commercialisation within the next five years. This ongoing commitment to innovation underscores our dedication to meeting the evolving needs of our customers and driving transformative change across the industry.


KiDS
KiDS WORLD

Sustainability is woven into every facet of our operations. From ethically sourcing raw materials to fostering lasting social benefits, we meticulously balance our dedication to people, the planet, and profitability.

Our ESG **practices**

Environment

Responsible **steps.** Greener **tomorrow.**

We are deeply committed to environmental stewardship, striving to go beyond mere compliance with regulations. Through investment in innovative technologies and strategies, we seek to improve the eco-efficiency of our operations.

Our primary focus is on optimising the sustainable utilisation of natural resources, while minimising our environmental footprint by reducing energy, water, and waste impacts. These pro-environment initiatives reflect our responsibility to future generations and our dedication to creating a greener world for all.

Our strict objectives guide our actions, supported by regular evaluations and integrated milestones in our operations. These measures not only reduce the consumption of new resources but also facilitate the beneficial repurposing of waste. We ensure our team is fully educated about our environmental goals, equipping them with the necessary training to seamlessly incorporate sustainability into their daily tasks.

We have implemented a globally recognised Responsible Care programme, ensuring full compliance with safety, health, and environmental standards. All our critical parameters are linked in real-time to the Pollution Control Board's monitoring systems, reflecting our commitment to transparency and environmental stewardship.

Furthermore, we have established a comprehensive strategy to map and reduce greenhouse gas (GHG) emissions, complete with time-bound implementation plans.

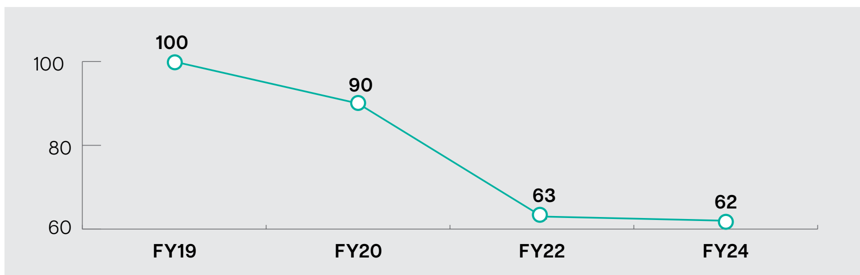
Energy management

We are optimising energy usage for achieving our objectives. We focus on embedding alternative solutions and operational excellence in our energy-intensive business activities.

To bolster our commitment to energy management, we have made substantial investments in upgrading our processes and technologies. Our team are continuously working towards low-carbon production methods to reduce our overall environmental impact and improve business margin.

We have increased the tonnage per truck, thereby reducing the number of trucks needed and ultimately contributing to environmental conservation.

Complex specific energy cost (₹/MT)



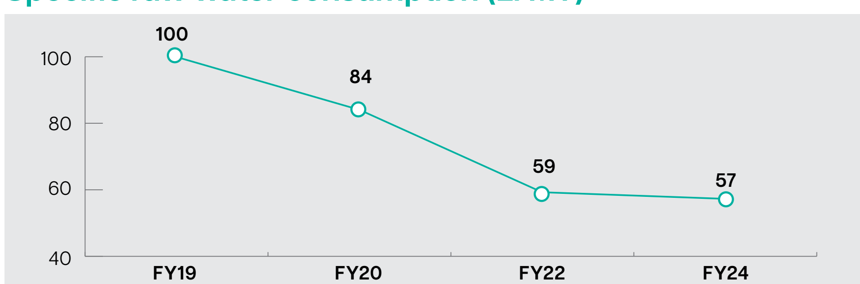
* Indexed to FY19

Water management

We prioritise efficient water management and the mitigation of water-related risks as integral components of our operations. Through the adoption of sustainable practices and advanced technology, we are committed to sustain water prudence. We have introduced several water conservation measures to strengthen our commitment to responsible water usage.

As a hallmark of our commitment to effective water management, we operate as a zero liquid discharge company (ZLD) and have implemented a scheme to recover rainwater from our roofs. This rainwater, which is pristine, is utilised alongside raw water for various activities. With such continuous efforts, we persistently focus on reducing water consumption.

Specific raw water consumption (L/MT)



* Indexed to FY19

Waste management

We strive to implement sustainable and eco-friendly practices in waste segregation, storage, and disposal by embracing a circular approach. Our comprehensive waste management system is designed to minimise waste generation. Recognising the intrinsic value of materials throughout their lifecycle, we aim to unlock this value through efficient waste utilisation and management. Through collaboration with processors, we continuously make conscious efforts to convert waste into value.

Social: People

Empowered **team.** Seamless **progress.**

Employees at Ranipet Plant

Building a robust team

We are gearing up for sustainable growth, emphasising the development of a robust talent pipeline. Our strategy involves recruiting industry experts laterally, enriching the organisation with essential experience. This approach remains pivotal to our success over the years. Additionally, we recruit our plant workforce primarily from surrounding villages and provide training to handle complex operations.

Upholding diversity and inclusion

We prioritise inclusivity as the fundamental value of our workplace culture, nurturing confidence and a sense of worth among our employees. We promote unity by encouraging the identification of expertise through collaboration and promoting effective work approaches. Our dedication to diversity extends to creating a gender-friendly environment, firmly opposing any form of discrimination.

Diversity is a fundamental aspect of our values, fostering deeper understanding, mitigating bias, and leading to improved decision-making and results. To achieve greater diversity, we actively advocate for increased representation of women across all levels of the organisation. Currently, two of our board members are women, and approximately 50 women comprise our total workforce.

We recognise and deeply appreciate the invaluable contribution of our workforce to our ongoing advancement. Our employees serve as the foundation that sustains our progress. With an unflinching commitment to prioritising the safety and well-being of our people above all else, we endeavour to cultivate an exceptional professional experience within an increasingly diverse and inclusive environment.

Empowering our employees, fostering a collaborative ambience, and offering assistance when needed are paramount to our approach. Through these efforts, we instil a sense of ownership and pride among our team members, driving our collective success forward.

Driving learning and development

We are dedicated to sustainable development, ensuring that each team member has the necessary knowledge and skills to contribute to our strategy. Our workforce has access to a wide range of ongoing professional development opportunities. Through inclusive career paths, skill enhancement, and equitable talent practices, we have attracted and retained a diverse, dedicated, and outstanding workforce.

We offer substantial growth opportunities for young individuals to take on additional responsibilities for learning and development. Learning is ingrained in our organisational culture, with 8 knowledge-oriented training programmes being conducted. Furthermore, continuous career improvement projects are closely monitored by the top management, with active involvement from the employees.

Maintaining safety-first approach

We are committed to ensuring a safe work environment for our team. Operating industrial manufacturing plants with hazardous materials demands a deep dedication to employee safety. Through the enforcement of rigorous health and safety standards and practices, we prioritise our employees' welfare and ensure a secure operational environment.

Social: Supplier Partners and Customers

Enduring **partnerships.** Long-term **sustainability.**

We understand that our engagement with customers and suppliers is crucial in our investment in innovation, enabling us to develop high-quality products with significant growth potential. Our strict adherence to standards ensures customer satisfaction, while our long-lasting partnerships with suppliers create seamless operational efficiency.

As we chart an upward trajectory in our business journey, we cultivate invaluable relationships at both ends of the supply chain, nurturing bonds that propel us forward.

Supplier partners

We prioritise sourcing raw materials from sustainable and reliable suppliers, forging strong relationships to ensure operational continuity. Upholding stringent standards in health, safety, human rights, integrity, and environmental protection is paramount in our supply chain ethos.

We ensure that truck drivers receive checklists for adherence to best practices. Our global distribution network, comprising leading distributors, facilitates efficient delivery worldwide. Additionally, we conduct regular training sessions for distributors to deepen their understanding of our product attributes and applications, reinforcing our commitment to quality and service excellence.

Customers

At the heart of our business progress lies a deep commitment to customer satisfaction. To solidify our position as a trusted partner of choice, we implement a multifaceted approach aimed at nurturing strong and enduring relationships with our valued customers. Through consistent engagement and innovation, we strive to create an environment built on trust, transparency, and mutual respect.

Employees at Ranipet Plant

We actively collaborate with customers to enhance their processes and offer daily driver training for the safe handling of materials. We understand that customer feedback is invaluable in driving continuous improvement, which is why we have established robust systems and resolution mechanisms to address any concerns promptly and effectively. By listening attentively to our customers' needs and preferences, we are able to tailor our offerings and services to exceed their expectations.

Social: Community

Nurtured **community.** Inclusive **growth.**

Vedavalli Vidyalaya School, Ranipet

We view responsible action and community support as essential pillars of our business philosophy. We believe in creating lasting societal impact by actively protecting and nurturing the communities we serve. This commitment to giving back is ingrained in the essence of our operations, ensuring that our success contributes positively to the broader society. Through our journey, we continue to sculpt inclusive growth, scripting a future where every stroke of progress is intertwined with community empowerment.

₹362 lakhs

CSR expenditure in FY 23-24

30,000+

Lives impacted through CSR programmes

Healthcare

We consider improving healthcare as one of the key priorities in our society's development. We have taken significant steps to promote the health and well-being of underprivileged communities.

Covering 315 villages, 36,500 households, and a population of 150,000, our community health programme conducts over 100 medical camps annually, led by experienced consulting physicians.

Thirumalai Mission Hospital, Ranipet

The Thirumalai Charity Trust (TCT) is embarking on an ambitious expansion project to enhance the existing 50-bedded hospital infrastructure and services in Ranipet. This expansion is set to unveil Centres of Excellence with following specialisation:

- Diabetes and heart disease
- Orthopedics and limb reconstruction
- Renal care
- Women's health and malignancies
- Surgical specialties

Our healthcare services have treated over 3,000 children under 5 for neurodevelopmental diseases,

Thirumalai Mission Hospital, Ranipet

provided general medical and surgical care to over 10,000 individuals, and facilitated alcoholics rehabilitation for over 1,000 patients, with 85% regularly attending follow-up appointments.

We also conduct extensive programmes targeting awareness and intervention for substance abuse and addiction.

We received the 2023 'Excellence in Community Engagement' Award by the Association of Healthcare Providers (India).

Education

Thirumalai Charity trust is extending its school's outreach to 6 villages, where the primary focus is to engage with local communities and raise awareness about key social and environmental issues. During these visits, we showcase our school's activities through engaging performances such as dances, skits, traditional Villupaatu, and street plays.

We are delighted to highlight that our students achieved a remarkable 100%

Vedavalli Vidyalaya School, Ranipet

pass percentage in both Class 10 and Class 12 board exams. Along with academics, our students consistently excel in interschool competitions, receiving numerous awards each year in sports, cultural activities, and other talent-oriented programmes.

We are proud to announce that Ms. Zarina Banu, one of our esteemed faculty members, has been honoured with the prestigious LAMPS Innovative Teacher Award by the Association of Management of Private Schools for her outstanding contributions to innovative teaching methods. Additionally, our school principal has been recognised with the Best Principal Award by the Association of Managements of Private Schools, signifying her exceptional leadership and commitment to academic excellence.

Vedavalli Vidyalaya School, Ranipet

Governance

Embedding **transparency.** Fostering **integrity.**

We harness our robust corporate governance framework, meticulously crafted to uphold the prosperity and enduring nature of our enterprise. We uphold unwavering accountability standards for ourselves and our collaborators, ensuring the integrity and longevity of our business operations.

Corporate governance stands as the cornerstone of our business management, guiding our operations with firm commitment. It serves as the bedrock upon which we build a foundation of trust, reliability, and sustainable growth for the future.

Our Board comprises experts from diverse domains, each assigned responsibilities matching their expertise. With requisite skills and experience, they strategically guide our Company, collectively bringing a wealth of knowledge to drive effective decision-making and direction.

Role of the Board

As the highest governing body, our Board is entrusted with upholding global standards of corporate governance. Functioning as the central authority, the Board of Directors manages and directs business operations, requiring their approval for any deviation or alterations to regular practices. Safeguarding stakeholder interests while charting the course for long-term goals is a pivotal responsibility.

01 Chairman & Managing Director

01 Managing Director & CFO

02 Non Independent Non -Executive Directors

07 Independent Non-Executive Directors

Board committees

Our Board members have established statutory committees, each formally approved and assigned specific responsibilities, to address key issues. The Board oversees these committees to ensure their effectiveness. Committee chairs regularly present updates, progress reports, and stakeholder feedback to the Board, inviting suggestions and observations.

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

Ethical and transparent practices

At the core of our business management lies corporate governance, a fundamental pillar guiding our operations. We continuously strive to enhance transparency, integrity, accountability, and fairness in our dealings with shareholders, customers, investors, and stakeholders. Our Board values ethics and its role in value creation, fostering a culture of transparency and ethical practices across the organisation.

Governing policies

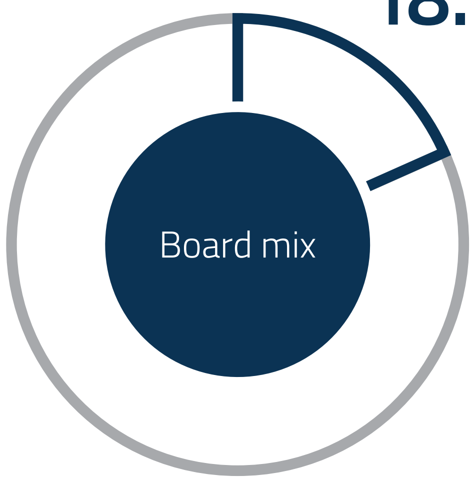
Our organisational policies govern the conduct and operations of all employees, ensuring a fair, safe, and productive work environment. These policies align with legal standards and uphold our Company's values and objectives. It is imperative for all employees to acquaint themselves with these policies and adhere to them consistently.

Read here: https://thirumalaichemicals.com/compliance-policies/

Directorship tenure (Nos.)

1	2	8
0-3 years	3-5 years	7-9 years

Female
18.18%



Male
81.82%

Board of Directors

We are honoured to have an outstanding Board, comprising a diverse blend of seasoned professionals with extensive expertise across various industries. Committed to collaborative leadership, they spearhead the development of our Company's long-term strategies for sustainable growth.

The Board exercises comprehensive oversight across all Company functions by delegating responsibilities to various committees, ensuring rigorous scrutiny and alignment with our vision and values. Their primary objective is to ensure the attainment of our Company's set goals and objectives, thus fostering the generation of long-term value for all stakeholders, while upholding principles of transparency and accountability.

Mr. R. Parthasarathy is the Chairman & Managing Director of Thirumalai Chemicals Limited. He served as Vice-President and President of the Indian Chemical Council from 2007 to 2011. He has managed manufacturing, technology development, marketing, and business start-ups in India, Europe, and the US. He is deeply involved in education and healthcare projects serving rural communities in South India.

Mrs. Ramya Bharathram is the Managing Director and CFO of TCL. She heads Strategy and the Specialty Chemicals Businesses. With over 25 years of experience in marketing, business management, new business development, customs & excise, and trade policy, she worked for a leading law firm in India specialising in trade policy and indirect taxation. She also worked for Deloitte and Touché.

Mr. P. Mohana Chandran Nair has worked at TCL for 9 years as President (manufacturing). A Chemical Engineer with over 36 years of experience in various roles at Rashtriya Chemicals and Fertilisers Ltd (RCF), he was the Head of Operations and Profit Centre Head before joining TCL. He is the Managing Director of TCL Intermediaries Private Limited, a subsidiary of the Company.

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

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

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

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

Board of Directors

Mr. Arun Ramanathan (IAS Officer retired) has held assignments in diverse areas in the 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 a member of the Advisory Council to several organisations. He brings deep Governmental, Regulatory, and Governance expertise to your Company. He is the chairman of the CSR and Stakeholders Relationship Committees and a member of the Audit Committee of TCL.

Mr. Arun Alagappan is the Executive Vice Chairman of Coromandel International Limited (CIL) and is a member of the Murugappa Family, the promoters of the ₹417 billion Murugappa Group of Companies. He was the Managing Director of Cholamandalam Investment and Finance Company Limited (CIFCL) before joining Coromandel International Limited. He completed his Graduation in Commerce from the University of Madras and the 'Owner President/Management Program' from Harvard Business School.

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

Mrs. Bhama Krishnamurthy has a Master's in Science (M.Sc.) from Mumbai University. She was Country Head and Chief General Manager at SIDBI. With a career spanning over 35 years in IDBI (now IDBI Bank) and SIDBI, an Apex Development Bank for micro, small, and medium enterprises in India, covering all areas of development in banking operations both from policy perspectives and relating to implementation aspects. She is also a member the CSR and Audit Committees of TCL.

Awards and Accolades

We have garnered a proud collection of numerous awards over the past five decades. These prestigious recognitions and accolades symbolise our unshakable dedication to excellence and our deep commitment to community engagement. They underscore the consistent pursuit of our core values and the relentless efforts of our team to exceed expectations and make a positive impact in people's lives. Following is a list of accolades, received in FY 23-24.

NATIONAL SAFETY COUNCIL - TAMIL NADU CHAPTER

Dear Sir,

National Safety Council – Tamil Nadu chapter pleased to convey our Appreciation for your continued patronage towards the council activities. We thankfully record your participation in "Occupational Health, Safety and Environment Awards 2023" and highly commend your efforts in highlighting the EHS performance and achievements.

The committee of experts duly constituted by the Chairman, National Safety Council – Tamil Nadu Chapter has evaluated the applications in stages, site visit to the shortlisted industries and arrived at the final recommendations.

On behalf of Chairman & Secretary of National Safety Council – Tamil Nadu Chapter, I am pleased to inform you that your organization has been adjudged for the

"Occupational Health, Safety and Environment Awards 2023"

We would like to Congratulate you and your team for bagging this Prestigious Award.

Thanks and Regards

Thanks and Regards

'Occupational Health, Safety, and Environment Awards 2023'

'Occupational Health, Safety, and Environment Awards 2023': Award of Honour presented by the National Safety Council – Tamil Nadu Chapter

'Best Performance and Partnership Award'

'Best Performance and Partnership Award' from Chennai Port, presented by Shri Sarbananda Sonowal, Honourable Union Minister of Ports, Shipping, Waterways, and AYUSH in June 2023

Corporate Information

Board of Directors

Mr. R. Parthasarathy
(Chairman & Managing Director)

Mrs. Ramya Bharathram
(Managing Director & CFO)

Mr. P. Mohana Chandran Nair

Mr. R. Sampath

Mr. R. Ravi Shankar

Mr. Raj Kataria

Mr. Dhruv Moondhra

Mr. Arun Ramanathan

Mr. Rajeev M Pandia

Mrs. Bhama Krishnamurthy

Mr. Arun Alagappan

Audit Committee

Mr. R. Ravi Shankar, Chairman

Mr. Raj Kataria

Mr. Arun Ramanathan

Mrs. Bhama Krishnamurthy

Mr. R. Sampath

Mr. Rajeev M Pandia

Stakeholders Relationship Committee

Mr. Arun Ramanathan, Chairman

Mr. Raj Kataria

Mr. R. Sampath

Nomination & Remuneration Committee

Mr. Raj Kataria, Chairman

Mr. Rajeev M Pandia

Mr. R. Sampath

Corporate Social Responsibility Committee

Mr. Arun Ramanathan, Chairman

Mrs. Bhama Krishnamurthy

Mr. R. Sampath

Business Review Committee

Mr. Rajeev M. Pandia, Chairman

Mr. R. Ravi Shankar

Mr. Dhruv Moondhra

Mr. R. Sampath

Risk Management Committee

Mr. Rajeev M. Pandia, Chairman

Mr. Dhruv Moondhra

Mrs. Ramya Bharathram

Mr. Sanjay Sinha

Mr. B. Krishnamurthy

Investment, Finance And Banking Committee

Mr. R. Ravi Shankar, Chairman

Mrs. Ramya Bharathram

Mr. Raj Kataria

Mr. Arun Ramanathan

Mrs. Bhama Krishnamurthy

Strategy Review Committee

Mrs. Ramya Bharathram, Chairperson

Mr. R. Parthasarathy

Mr. Rajeev M. Pandia

Chief Executive Officer

Mr. C.G. Sethuram – Group CEO

Mr. Sanjay Sinha – CEO

Chief Financial Officer

Mrs. Ramya Bharathram

Company Secretary

Mr. T. Rajagopalan

Bankers

- Axis Bank Ltd
- IDFC First Bank
- Standard Chartered Bank
- HSBC Bank
- Kotak Mahindra Bank Limited
- HDFC Bank
- ICICI Bank

Auditors

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

Internal Auditors

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

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

Cost Auditor

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

Registered Office

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

Registrar & Share Transfer Agents

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

Factory

Ranipet

25-A, SIPCOT, Ranipet,
Ranipet District - 632 403
Tamil Nadu, India.
Tel. : + 91 4172 244 441/6/8
+91 4172 244 308
E-mail: info@thirumalaichemicals.com

Dahej

Plot No.D-2/CH/171/B,
GIDC Estate, Dahej
Phase-II, Tal. Vagra, Bharuch,
Gujarat – 392 130, India.
Tel : +91 4172 244441/6/8
+91 4172 244308
E-mail: info@thirumalaichemicals.com

Notice

NOTICE is hereby given that the **FIFTY FIRST ANNUAL GENERAL MEETING OF THIRUMALAI CHEMICALS LIMITED** will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga C-Rly., Mumbai – 400 019 on Wednesday, July 24, 2024 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (including consolidated Financial Statements) for the Financial Year ended on March 31, 2024, and the Reports of the Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT the standalone and consolidated Audited Financial Statements for the Financial Year ended March 31, 2024, together with the Directors' Report and the Auditors' Reports thereon as circulated to the Members and presented to the meeting be and are hereby approved and adopted."

2. To declare dividend for the Financial Year ended March 31, 2024 and, in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT a dividend of ₹ 1 /- per equity share on the fully paid-up equity shares of the company as recommended by the Board be and is hereby declared for the Financial Year ended March 31, 2024."

3. To appoint a Director in place of Mr. P. Mohana Chandran Nair (DIN 07326079), who retires by rotation and being eligible, offers himself for re-appointment and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT Mr. P. Mohana Chandran Nair (DIN 07326079), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **To re-appoint Mrs. Ramya Bharathram (DIN:06367352) as 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 pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings and pursuant to the provisions of section 196, 197, 203, Schedule V and any other applicable provisions if any of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification or re-enactment thereof) and Articles of Association of the Company, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mrs. Ramya Bharathram (DIN:06367352), as the Managing Director of the Company for a period of three (3) years commencing from May 26, 2024 upon terms and remuneration & benefits as detailed below and is liable to retire by rotation.

Remuneration:

1. Basic Salary per month ₹5,50,000 with annual increment of 50,000 or multiples thereof. The Board may increase the Basic Salary suitably, based on performance.

2. Company's contributions to PF, Gratuity, Superannuation Fund, Encashment of Leave, and Insurance as per Rules. These shall not be included in the computation of limits/ restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of the schedule V of the Companies Act, 2013 and Mrs. Ramya Bharathram shall be entitled to the same.

3. Allowances and Benefits: including HRA, LTA, CCA, medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, upto 100% percent of the Annual Basic salary, as above.

4. Commission up to 2% of net profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013. The actual percentage of commission will be decided by the Board, for each Financial Year.

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

   RESOLVED FURTHER THAT in any Financial Year during the currency of the tenure of Mrs. Ramya Bharathram, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites as specified above, as permissible under Section-II, Part-II of Schedule V to the Companies Act, 2013 (including any statutory modification(s) or reenactment (s) thereof, for the time being in force) or up to such other limits as may be prescribed by the Government from time to time as minimum remuneration.

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

5. **To re-appoint Mr. Rajeev M Pandia (DIN 00021730) as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

"**RESOLVED THAT** notwithstanding his completion of 75 years during the proposed tenure, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their respective meetings held on May 13, 2024 and May 15, 2024 and pursuant to the provisions of Sections 149, 150, 152, 197 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), who holds office of Independent Director up to July 24, 2024 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 further term of three (3) consecutive years from July 25, 2024 and be eligible to receive Sittings fees and profit sharing commission in accordance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 any other applicable provisions as amended from time to time."

6. **To appoint Mr. M. Somasundaram (DIN: 05185268) 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 and pursuant to the provisions of Sections 149, 150, 152, 197 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), Mr. M. Somasundaram (DIN: 05185268), being eligible for appointment as well as meeting the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five (5) consecutive years from the conclusion of this meeting and be eligible to receive Sittings fees and profit sharing commission in accordance with the provisions of Section 197 of the Companies Act, 2013 and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 any other applicable provisions as amended from time to time."

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

"**RESOLVED THAT**, subject to the approval as may be required from the Central Government, the appointment of M/s GSVK & Co., Cost Accountants, having Registration No. 002371 at Block D, Flat 307, 3rd Floor, Shayam's Yesgeeyes, SP Homes, No. 156, Rajan Kuppam Road, Ayanambakkam, Chennai – 600 095 as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for FY 24-25 for a remuneration of ₹ 1,00,000/- (Rupees One Lakhs), 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 Thursday, July 18, 2024 to Wednesday, July 24, 2024 (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 attached

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 2015-2016 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits, Repayment warrants/interest warrants which remain unclaimed / unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All the persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.

6. Details under Reg. 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.

7. Electronic copy of the Notice of the 51st Annual General Meeting of the Company along with the Annual Report for FY 23-24 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 51st Annual General Meeting of the Company along with the Annual Report for FY 23-24 inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

8. Members may also note that the Notice of the 51st Annual General Meeting and the Annual Report for FY 23-24 will also be available on the Company's website www.thirumalaichemicals.com and on the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL https://www.evoting.nsdl.com for their download.

9. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_ RTAMB/P/CIR/2023/8 dated January 25, 2023 has mandated the listed Companies to issue securities in dematerialised form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.thirumalaichemicals.com and on the website of the Company's Registrar and Transfer Agents, Link Intime India Pvt. Ltd, at https://liiplweb.linkintime.co.in/KYC-downloads.html . It may be noted that any service request can be processed only after the folio is KYC Compliant.

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

11. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal https://smartodr.in/login.

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

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

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

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

16. The aforementioned documents (duly completed and signed) are required to be uploaded on RTA's website at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before July 9, 2024 in order to enable the Company to determine and deduct appropriate TDS / Withholding Tax. Incomplete and/or unsigned forms, declarations and documents will not be considered by the Company.

17. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, bank details along with KYC documents to their DPs in case the shares are held by them in electronic form and "Link Intime India Private Limited" on their email ID at rnt.helpdesk@linkintime.co.in if shares held in physical form.

    SEBI vide its circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) has mandated that with effect from April 01, 2024 dividend to shareholders holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only if the folio is KYC complaint i.e. the details of PAN, choice of nomination, contact details, mobile no. complete bank details and specimen signatures are registered.

18. 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.

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

20. 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, 2024, the Company is providing facility to the Members to exercise their right to vote at the 51st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.

The instructions for shareholders voting electronically are as under:

The voting period begins on Saturday, July 20, 2024 at 3.00 pm (IST) and ends on Tuesday, July 23, 2024 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date of Wednesday, July 17, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 23, 2024.

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

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at cdsl website HYPERLINK "http://www.cdslindia.com" www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on HYPERLINK "http://www.cdslindia.com" www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

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

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

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

b. Click on "Shareholders" module.

c. Now enter your User ID

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz; rmimani@csrma.in/mmimani@csrma.in and investorinfo@thirumalaichemicals.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

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

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

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

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

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

B. The 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 Scrutiniser to scrutinise the voting at the meeting and remote e-voting process in a fair and transparent manner.

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

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

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

Mr. P. Mohana Chandran Nair, (DIN: 07326079) aged 71, the Non-Executive Directors of the Company is liable to retire by rotation. He is also the Managing Director of TCL Intermediaries Private Limited, the Wholly Owned Subsidiary of the Company. As he is retiring by rotation at this AGM, it is proposed to re-appoint him as Director of the Company. His brief profile is given below:

Qualification	Mr. P. Mohana Chandran Nair is a Chemical Engineer with about 40 years of experience.
Expertise in specific functional areas	He has occupied various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF), where he started his career as a Trainee, and grew to Executive Director. He was the Head of Operations and Profit Centre Head at RCF, before he joined TCL. He has extensive experience in Manufacturing, Engineering, Project Management, Technology, Commercial, etc. During the last Nine years in TCL, his performance has been outstanding. He has consistently set high targets in Safety, Efficiency, Energy, and Costs, and has motivated and led diverse teams to deliver on these goals. He has also led a comprehensive change management initiative in the Company successfully. He is currently the Managing Director of TCL Intermediaries Private Limited, the Wholly Owned Subsidiary of the Company.
Relationship with Director	NIL
Directorship in other Companies	Managing Director of the WOS of the Company – TCL Intermediaries Private Limited
Shareholding in the Company	NIL

The Directors recommend the Resolution set out at item No. 3 of the accompanying notice for your approval. Except Mr. P. Mohana Chandran Nair, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the Resolution set out at item No. 3.

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

ITEM 4

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on May 15, 2024 re-appointed Mrs. Ramya Bharathram, aged 51, as Managing Director and CFO of the Company for a period of 3 years commencing from May 26, 2024 subject to the approval of shareholders at the Annual General Meeting of the Company. Her brief profile is given below:

Qualification	Mrs. Ramya Bharathram, is a Commerce Graduate and has completed her Inter CA.
Expertise in specific functional areas	• She has worked with M/s Lakshmikumaran & Sridharan, a leading Law firm, at Delhi, where she specialised in Indirect Taxation (Excise & Customs) and in International Trade Laws, Antidumping & Safeguard matters & actions. • She has worked in M/s Deloitte, in Assurance & Consulting services for corporate clients. • In 2006 / 7, she was selected to attend various business programs at IMD, Switzerland and at the Kellogg School of Management, Chicago. • She has been working in TCL for the last 16 years, where she has supported the Managing Director in the company's Business Reorganisation, in Finance & Regulatory matters, and the restructuring of its Banking. • She next headed and led growth of the Food Ingredients and Fine Chemicals businesses of the Company. • Since 2015 she has led the Company's growth strategy & execution, including Projects, in addition to her current Role as Managing Director and CFO. • She has completed a 3-year senior Management Program at Harvard Business School in 2017. She has over 20 years of experience.
Relationship with Director	Mr. R. Sampath – Director (Relative)
Directorship in other Companies	i. Jasmine Limited ii. N. R. Swamy Investments Private Limited
Shareholding in the Company	338920 Equity Shares

As Managing Director Mrs. Ramya Bharathram shall perform such functions as may from time to time be entrusted to her by the Board. She shall be subject to the supervision and control of the Board of Directors. She shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.

Based on her performance, the Board is of the opinion that the appointment of Mrs. Ramya Bharathram as Managing Director of the Company would be in the interest of the Company. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Ramya Bharathram as Managing Director, for the approval by the shareholders of the Company.

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

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

I. General information:

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

(2) Date or expected date of commencement of commercial production - 1973.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus – Not Applicable

(4) Financial performance based on given indicators – Mentioned in the Director's Report.

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

II. Information about the appointee:

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

(2) Past remuneration – (For last three years)

Year	Amount	Year	Amount	Year	Amount
FY 23-24	1,41,42,000	FY 22-23	3,16,47,000	FY 21-22	4,08,42,000

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

(4) Job profile and her suitability – Mrs. Ramya Bharathram has considerable knowledge and experience in the Chemical Industry with an established marketing knowledge which is compatible with the Organisational requirements and had demonstrated her leadership ability while discharging her responsibility.

(5) Remuneration proposed – The proposed remuneration of Mrs. Ramya Bharathram as mentioned in the resolution is in line with the provisions of Schedule V of the Companies Act, 2013.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person - The proposed remuneration of Mrs. Ramya Bharathram is commensurate with the position she occupies, size of your Company and as per the industry standards.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director if any. – Please refer explanatory statement Item No 4

III. Other information:

(1) Reasons of loss or inadequate profits - There is no inadequacy of profit during the last 3 Financial Years.

(2) Steps taken or proposed to be taken for improvement - Increased sales margins, cost control & reduction, focus on working capital and interest management.

(3) Expected increase in productivity and profits in measurable terms - Productivity and profits are expected to increase in the coming years.

ITEM 5

Mr. Rajeev Pandia, aged 74, was appointed as an Independent Director of the Company by the members at the 46th AGM of the Company held on July 25, 2019 for a period of five consecutive years which ends on July 24, 2024. As per Section 149(10) of the Act, Mr. Rajeev Pandia is eligible for re-appointment on passing a special resolution by the Company. After considering the performance evaluation of Mr. Rajeev Pandia, 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 15, 2024, recommended the re-appointment of Mr. Rajeev Pandia as an Independent Director for another term of 3 (three) consecutive years from July 25, 2024. Mr. Rajeev Pandia 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 Chemical Engineer from IIT, Bombay and holds a Master's degree from Stanford University, California, USA.
Expertise in specific functional areas	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.
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
Shareholding in the Company	2,400

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

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

Except Mr. Rajeev Pandia, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5.

ITEM 6

It is proposed to appoint Mr. M. Somasundaram, aged 60 as an Independent Director of the Company for a term of five years from the conclusion of this Annual General Meeting. Based on the recommendation of the Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, the Board of Directors have, recommended the appointment of Mr. M. Somasundaram as an Independent Director for a term of five (5) consecutive years from the conclusion of this AGM. Mr. M. Somasundaram meets the criteria of Independence as prescribed under subsection (6) of Section 149 of the Companies Act, 2013 and Regulation16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Qualification	He is a qualified professional with a Bachelor degree in Commerce (B. Com) from Madras University. He is also a qualified Cost Accountant and Company Secretary.
Expertise in specific functional areas	Mr. M Somasundaram is an experienced finance professional with over 35 years of experience in various capacities in reputed organisations. He has expertise in Accounting, Finance, Supply chain and Operations. He also has exposure to HR function. Mr. Somasundaram has worked in SRF Limited and Hindustan Unilever Limited. His last job was in Computer Age Management Services Ltd (CAMS) as its Chief Financial Officer during which he was part of the team that successfully led CAMS' IPO and listing of its shares.
Relationship with Director	NIL
Directorship in other Companies	i. Sterling Software Private Limited ii. CAMS Financial Information Services Private Limited iii. Carmel Point Investments India Private Limited iv. CAMS Investor Services Private Limited
Shareholding in the Company	NIL

The Board believes that Mr. M Somasundaram's association with the Company would be beneficial, and it is desirable to induct him as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. M. Somasundaram as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. M. Somasundaram, 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

The Board at its meeting held on May 15, 2024, as recommended by the Audit Committee, appointed M/s.GSVK & Co., Cost Accountants, having Registration No. 002371 at Block D, Flat 307, 3rd Floor, Shayam's Yesgeeyes, SP Homes, No. 156, Rajan Kuppam Road, Ayanambakkam, Chennai – 600 095 as Cost Auditors to audit the Cost Accounts of the Company and to issue Compliance Certificate for FY 24-25 for a remuneration of ₹1,00,000/-, in addition to reimbursement of out of pocket expenses. As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2024, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders. Hence this Resolution is placed for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 7. The Directors recommend the Resolution set out at item No. 7 of the accompanying Notice for your approval.

By Order of the Board
For **Thirumalai Chemicals Limited**

T.RAJAGOPALAN
Company Secretary

Registered Office: Thirumalai House,
Road No.29, Sion-East,
Mumbai - 400 022.
June 1, 2024

Directors' Report – for FY 23-24

With Management Discussion & Analysis

To,
The Members,
Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Fifty First Annual Report & Audited Statement of Accounts of the Company for the Financial Year ended March 31, 2024. The Management Discussion and Analysis has also been incorporated into this report.

Standalone Financial Results of Thirumalai Chemicals Ltd. – Summary

(In ₹ lakhs)

Sl. No.	Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
1	Revenue from Operations	1,98,681	1,84,727
2	Other Income	3,802	4,426
3	Total Income	2,02,483	1,89,153
4	Gross Profit/(Loss) before Interest, Finance Charges and Depreciation (EBITDA)	12,616	21,996
5	Interest and Finance Charges	(4,357)	(3,362)
6	Profit/(Loss) before Depreciation and Tax	8,259	18,634
7	Depreciation	(3,418)	(3,003)
8	Profit before Tax (PBT)	4,841	15,631
9	Provision for Tax	(1,127)	(3,473)
10	Profit after Tax	3,714	12,158
11	Provision for Deferred Tax	(84)	(205)
12	Profit after Tax (PAT)	3,630	11,953

- The Net Revenue includes Export Earning (FOB) during the year was ₹ 17,824 lakhs (Previous Year: ₹ 20,706 lakhs).

Consolidated Financial Reports – FY23-24

(In ₹ lakhs)

Sl. No.	Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
1	Revenue from Operations	2,08,313	2,13,224
2	Other Income	1,934	3,015
3	Total Income	2,10,247	2,16,239
4	Gross Profit before Interest, Finance Charges and Depreciation (EBITDA)	7,036	21,634
5	Interest and Finance Charges	(4,171)	(3,125)
6	Profit before Depreciation and Tax	2,865	18,509
7	Depreciation	(6,320)	(5,568)
8	Profit/(Loss) before Tax (PBT)	(3,455)	12,941
9	Provision for Tax	(1,105)	(3,790)
10	Profit/(Loss) after Tax	(4,560)	9,151
11	Provision for Deferred Tax	681	(168)
12	Profit/(Loss) after Tax (PAT)	(3,879)	8,983

The Dividend

Based on the performance of the Company and the anticipated Investments in various Projects that have been announced, your Directors have recommended a dividend of ₹ 1/- per share for the Financial Year 23-24 (previous year ₹ 1.50/-per share was paid). This would result in an out flow of ₹ 1,024 lakhs, if approved by the shareholders at the Annual General Meeting.

The company began its operations with cash and cash equivalent balance of ₹4,487 lakhs (Previous year ₹15,898 lakhs). During FY 23-24 it generated cash from operating activities to the extent of ₹12,904 lakhs (net) (Previous year ₹1,663 lakhs). The company generated a cash of ₹19,675 lakhs (Previous year outflow ₹29,973 lakhs) through investing activities. On account of financing activities there was an outflow of ₹21,409 lakhs against an inflow of ₹16,618 lakhs. The closing cash and cash equivalent balance remained at ₹15,975 lakhs (Previous year ₹4,487 lakhs).

MANAGEMENT DISCUSSION AND ANALYSIS

Global Challenges and our response

The world has faced several new and severe challenges over the past two years, including the economic slowdown in the Far East and Europe, as well as deepening geopolitical tensions. The war in Ukraine, the major conflict in the Middle East, and the consequent crisis in the Red Sea have created severe problems and risks. The tensions in the South China Sea between China, the Philippines, and Taiwan raise the risk of a major conflagration. The economic standoff between China and the US raises the temperature further, distorting trade and causing a severe crisis in shipping in recent weeks.

Major downstream industries in the chemical and polymer sector are faced with sharply reduced demand due to customer destocking, demand drops, and reduced margins. China's economy did not bounce back as expected, affecting Far East and Rest of Asia volumes and margins in our industry. European demand is stagnating and in some areas has shrunk significantly. The global and Indian chemical industry had to react and navigate each of these challenges without prior warning.

Most industries, including ours, have encountered sharp volatility in commodity prices since 2021. Fluctuating commodity prices have been a major concern, as stability in raw materials, product, and energy prices are essential for planning business operations, production, stocking, costs and margins, and working capital requirements. Equally important is the stability in supply chain, which has been experiencing numerous shocks since the beginning of the pandemic.

Falling demand coupled with sharp inflation of input costs creates additional pressure on margins. Operational efficiency, cost management in plants, and production planning are severely impaired. Most industries, especially the chemical industry, were not able to pass the increases in logistics and input costs on to customers, as they face their own crises. The chemical industry was particularly unable to pass on the logistics cost increase resulting from the Middle East conflicts to customers.

TCL and its subsidiaries have responded to these multiple challenges and volatility with excellent speed and adaptability. Our initiatives over the last five years—robust planning systems, continuous investment in technologies and plant improvement, tightening of working capital, intense training and development of staff, and significantly reduced operating and breakeven costs—have greatly helped us navigate this turbulence. This was possible only because of our mature and experienced management team, supported by well-trained middle management in all departments: Manufacturing, Marketing, Commercial, Technology, Finance, and Risk Management.

TCL and its subsidiaries quickly moved to alternate suppliers and markets to address weaknesses in these areas.

Business performance – FY24

The fiscal year 2023-24 witnessed a dynamic journey for our business, marked by fluctuations in performance amidst evolving market conditions. The year kicked off on a strong note, showcasing our robust operational efficiency, high-capacity manufacturing, and higher levels of production, sales, and collections. This performance was driven by solid domestic market demand for our products. The second quarter began the slide that would lead to severe hits in the second half of the financial year for us, and the entire chemical industry. Q2 and Q3 were extremely difficult, given dull demand and margin compression. Amid the volatility and uncertainty among our customers, along with aggressive destocking, we used this period to work on improving efficiencies and implementing severe cost reductions.

Sl. No.	Quarter	Total Income in ₹ lakhs	EBITDA in ₹ lakhs	PBT in ₹ lakhs
1	Q1 FY23-24	47,586	4,864	2,716
2	Q2 FY23-24	56,983	3,788	1,625
3	Q3 FY23-24	47,620	1,622	(114)
4	Q4 FY23-24	50,294	2,342	614

The decline in Q3 was primarily due to the economic downturns and supply chain disruptions. Logistics costs increased across the globe. Our investments in new plants and technologies from 2016 to 2019 helped us prioritise efficiency, cost control, and capacity utilisation. Despite the problems, quick changes in our marketing approach helped us sell the entire volume during this period.

We started several initiatives in FY 21-22, including process safety management, equipment reliability programs, and quality improvements. These initiatives reached maturity during the year and improved our productivity, product quality, safety, and capacity utilisation while significantly reducing costs. This was crucial as margins had become one of the lowest in the last 30 years.

Phthalic Anhydride:

While domestic product demand remains excellent, margins have been one of the worst ever. For some months, there have been negative spreads between raw materials and finished products. In India, growth and demand have occurred mainly in plastics, paints and coatings, and composite resins, driven principally by the automotive, construction, and public infrastructure sectors.

The Indian government has been supportive of the growth of the chemical industry, promoting initiatives such as AATMANIRBHAR BHARAT to boost domestic manufacturing. During this financial year, two new plants were commissioned in India. TCL will also be starting up a new plant in its 100% subsidiary at Dahej in Q2-Q3 FY25. These expansions will not only cater to Indian demand but also help our export efforts, which is vital for earning foreign exchange. This will help hedge our plants to increase imports of raw materials. We expect the Phthalic Anhydride industry to grow robustly between 5% and 6.5%, which will lead to the absorption of all new capacities within the next two years. Volatility in the price of the raw material, ortho-xylene, due to global supply contractions, fluctuating crude oil prices, and competing demand for higher-priced gasolines, will be the feedstock challenges that we will face. However, we are well prepared to handle these challenges as our import terminals and infrastructure in Chennai and Gujarat give us added flexibility.

Our expansion at Dahej, which includes significant capacity additions in PA and fine chemicals by-product recovery, will address our long-standing need to be closer to raw material supplies and positioned within the center of 80% of our market. We are leveraging the most advanced technology at this plant, drawing on our experience of replacing two older plants with a state-of-the-art facility in South India about four years ago. This investment brings world-class capacity with exceptional reliability, energy and yield efficiency, low-cost operations, and a high degree of automation and safety. In addition to providing the lowest energy footprint globally, the fine chemicals recovery from wastewater generates a valuable revenue stream for both domestic and export markets. The investment is designed to allow for quick and cost-effective capacity doubling.

Upon stabilisation, TCL will be the largest producer of this particular raw material globally. Despite the difficult situation in the market, we are confident that robust market growth, our cost leadership, and our logistics position will yield excellent results in the next few years.

Fine Chemicals and Food Ingredients:

The year was characterised by a combination of external factors that affected the performance of the Food Ingredients business of your company.

In the beginning of the year, there was the after effect of poor demand in Europe in various user segments with the Ukraine war and energy crisis affecting all industrial sectors and consumption. Many consumers in the Industrial, Food and Animal feed segments had carried over inventory from previous years resulting in lower demand for ingredients and additives. In the meantime, poor local demand in China resulted in large exportable surplus of food ingredients in the second quarter of the year resulting in low priced Chinese products flooding the European and Asian markets.

In the latter part of the year, your company's exports to US and Europe were severely impacted by high freight costs and some specific input costs due to the Red Sea Crisis, which could not be passed on to the consumers.

This combination of poor demand in EU and surplus crisis from China resulted in temporary supply excess affecting finished product prices and sales volume.

Therefore, the Food Ingredients performance was characterised by lower margins for the fiscal year 2023-24. However, excellent customer relationships, steady operating performance, ensured that the business still made profits under such testing market conditions.

Demand for the other fine chemical products by your company remained robust though margins were impacted because of low prices. Despite the challenges, your company has navigated a dynamic landscape characterised by evolving market demands and regulatory shifts. The company's robust supply chain and operational efficiencies ensured resilience amid the fluctuations.

Human Resource and Strengthening the Organisation:

Our company faced significant challenges in human capital development. As we grow succession planning and integration in key roles became pivotal in our HR agenda. To address this, we brought in senior professionals and internally promoted young managers into these roles. Your company is well known for 45 years for its efficient training and development programmes. These continue to be improved and modernised.

We embarked on a journey to benchmark the best HR practices and realign our policies and procedures to meet evolving industry standards. Additionally, numerous engagement activities were organised to nurture a sense of belonging among employees. We observed significant stability in employee turnover. This improvement is a testament to our focused efforts in human capital management.

New investments & Projects

Dahej Project

Our project in Dahej through our subsidiary TCL Intermediates Private Limited saw the start-up of Fumaric Acid production in January 2024. The rest of the plant is expected to be completed soon. The team is working very hard to drive the project to completion.

US Project and US Subsidiary Activities

Work on the project in the US is in the final stages of civil construction. About 80% of the plant is being assembled and constructed modularly at our TCL Technology and Engineering (TCL TE) Division in India. All other equipments purchased from Japan, Europe, and North America has already arrived at the site. We expect all the modules to be shipped out soon. The COVID-19 crisis, followed by the Ukraine war and the Red Sea shipping crisis, delayed engineering, equipment manufacturing, and shipping. However, we have managed to make up part of the lost time.

This modular design is unique and offers significant advantages in construction safety, supervision, inspection, testing quality, and post-construction performance. This will not only be the largest manufacturing plant for these food ingredients but also one of the most modern and efficient. The subsidiary will manufacture petrochemicals and fine chemicals/food ingredients for the North American, European, and Latin American markets. This strategic location will address the largest markets for these products and offer significant advantages in raw material sourcing and logistics.

Our Subsidiary in the Netherlands TCL Global B.V.

The European subsidiary, TCL Global B.V., has completed its third year of operations and continues to grow its marketing and distribution network, serving customers from the UK to Turkey. Despite facing serious headwinds in Europe, TCL Global currently distributes our products from India and Malaysia. With the start-up of our Dahej subsidiary and our US subsidiary, our export volume is set to increase many fold. Having a local presence is essential as it allows direct access to customers, better service and compliance, and improved margin capture. In a volatile market, it also provides the flexibility for quick repositioning.

Our Subsidiary in Malaysia

During the year FY 23-24, like most of other chemicals, Maleic Anhydride business was also adversely impacted due to drop in global Maleic Anhydride demand and low prices in the Far East, Asian and European regions. In spite of overall pressure of Maleic Anhydride demand, during this year, the company has sold all its production.

Scheduled re-catalyzation in two oxidation reactor trains were undertaken. Even after shutdown of these trains, production in FY 2024 was at the similar levels of FY 2023. The Company continued to implement several improvement programmes to improve efficiencies and reliability.

As part of the company policy to increase its downstream portfolio to improve performance, OOSB has developed a few new products in FY24 for specialty applications and for industrial feedstock; and received approvals and bulk orders from customers. Work on more new products is ongoing.

Going forward, increased use of bio-degradable plastics will significantly increase the demand of Maleic Anhydride, as these are fast catching on.

STANDALONE FINANCIAL RESULTS OF THE SUBSIDIARY (OOSB)

(USD in Mn)

Sl. No.	Particulars	Year Ended March 31, 2024	Year Ended March 31, 2023
1	Revenue from Operations	34.75	50.68
2	Other Income	0.67	0.86
3	Total Revenue	35.42	51.54
4	Gross Profit/(Loss) before Interest, Finance Charges and Depreciation (EBITDA)	(1.75)	3.03
5	Interest and Finance Charges	(0.18)	(0.2)
6	Profit/(Loss) before Depreciation and Tax	(1.93)	2.83
7	Depreciation	(3.01)	(3.06)
8	Loss before Tax	(4.94)	(0.23)
9	Provision for Tax	0.99	(0.16)
10	Profit/(Loss) after Tax	(3.95)	(0.4)
11	Loss after Tax	(3.95)	(0.4)

Finance and Accounts:

Despite various challenges faced by your company due to the external environment, it has been able to generate adequate funds during the year to meet its operating cash flow requirements and also deploy additional funds as equity to its domestic subsidiary in Dahej. This is after meeting the initial equity requirements of the U.S. subsidiary out of the accumulated surplus funds generated over the previous few years. Your company was able to efficiently manage the working capital cycle and focus on its operational needs. Your company will continue to strive to focus on generating cash flows from operations and building more reserves for meeting its inorganic growth opportunities.

Your company continues to emphasise process-driven initiatives in all areas of operations, starting from the manufacturing plants to various billing locations. Various subcommittees of the Board periodically monitor the progress in each area of operation and review the mitigation measures implemented by the company in reducing various types of risks. They also review the internal controls (both manual and systemic) built-in to address the processes being followed.

The continuing inflationary trend in the United States and the absence of anticipated interest rate reduction by the U.S. Fed has adversely impacted the interest rates of foreign currency loans in both India and abroad. Your company is constantly engaging with banks and forex experts to explore avenues of reduction in interest costs and is also negotiating hard to bring down each and every aspect of finance costs. Your company has been taking steps to mitigate risks that arise due to foreign currency fluctuations by using various derivative products available.

Looking forward to FY24-25:

In navigating the volatile landscape of the chemical industry, your company remains steadfast in its commitment to ride out downward cycle in the market. Notably, the demand for our flagship product, Phthalic Anhydride, remains robust, serving as a cornerstone of stability amidst fluctuating market conditions. Furthermore, the increasing capacities within key customer segments such as paints and plasticizers signify promising growth opportunities. By continuously optimising our cost structure, we position ourselves as a reliable and significant producer, ensuring sustained profitability and market relevance.

Additionally, our forward-thinking approach extends to exploring new avenues for growth and differentiation. With a focus on servicing higher priced segments within the food ingredients market, we aim to capitalise on premium opportunities, aligning with evolving consumer preferences and market dynamics. However, amidst our pursuit of growth, challenges such as the influx of low-priced imports from China persist, necessitating proactive measures and strategic responses. Through the implementation of trade remedies and vigilant market monitoring, we safeguard our interests and preserving fair market practices. Moreover, the imminent completion and commissioning of the second phase of Dahej project underscore our commitment to continue being a reliable partner to all our customers and other stakeholders. This further bolster our competitive edge and position us for sustained success in the global chemical domain.

New Business:

In the last fiscal year, we formed a team to identify new product lines in various chemistry and look at feasibility, market demand and other relevant details for establishing new business segments. With manufacturing bases in India and Asia, and recent investment in the resource-rich North American market, we see exciting prospects to expand our product range across various market segments.

People:

At your company, we implement comprehensive technical training programs tailored specifically for new graduates. Our commitment to continuous learning ensures that all employees have access to ongoing training opportunities, allowing them to stay at the forefront of industry advancements. Recently, we have introduced innovative programs focused on safety leadership, underscoring our dedication to creating a secure and productive work environment. These initiatives not only enhance technical competencies but also cultivate essential leadership skills, preparing our workforce to handle complex challenges safely and effectively. We believe that by investing in our employees' growth, we are building a stronger, more resilient organisation.

Public Initiatives:

Your company believes that social responsibility is an integral part of doing business. In line with this thought we continue to be actively involved in social initiatives in the fields of health care, education and community development.

We support local services and as part of this, have provided new chairs and tables to the collector's office to improve their work environment. Additionally, we have equipped the local police department with CCTV cameras and laptops to enhance security and efficiency.

Your company plays an active role in industry associations like the Indian Chemical Council (ICC), Confederation of Indian Industry (CII) and Chemical Industries Association. Through these associations the company also participates in Industry initiatives and government interactions to represent various issues of the industry to relevant authorities. Improvement in trade policy, international trade negotiations and tariff concession for the industry wre some of the key areas of engagement during the year.

Overall, your company remains dedicated to fostering positive change through various initiatives, partnerships, and contributions aimed at improving public welfare, healthcare, education and industry development.

OUR ASSOCIATES

None of our successes would be possible without the interest and participation of our stakeholders, including customers, bankers, suppliers, distributors, consultants, government agencies, and local communities.

We look forward to the ongoing involvement of all stakeholders in the company's activities and to sharing in its future achievements.

BOARD AND MANAGEMENT

The Board of your Company consists of

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

They are supported closely by

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

And the Business and Functional Heads

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

The term of appointment of the Managing Director of the Company, Mrs. Ramya Bharathram will be expiring on May 25, 2024, and the Board recommends her re-appointment as the Managing Director of the Company for a further period of three years from May 26, 2024.

Mr. Rajeev Pandia's tenure as Independent Director of the Company expires on July 24, 2024. Hence it is proposed to reappoint him as Independent Director of the Company for a further period of three (3) years at the ensuing Annual General Meeting.

The 2nd term of the following Independent Directors of the Company will end on August 5, 2024:

Mr. R. Ravi Shankar

Mr. Raj Kataria

Mr. Dhruv Moondhra

At this time, the management would like to acknowledge the significant contributions of these Directors. Their support and valuable advice over the past decade have been instrumental in the company's growth, particularly in strategic planning and efficiency improvements, paving the way for our continued success.

Our Directors play a highly active role in the company, bringing expertise in Business Strategy and Management, Technology, Finance and Accounting, Governance, Project Appraisal and Management, and Government Relations.

Their frequent and intense interactions with the management team occur through board and committee meetings, reviews, suggestions, criticisms, and advice over the past decade.

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

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

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

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

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

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

SOCIAL RESPONSIBILITY:

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

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

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

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

The TCT founded and operates the Thirumalai Mission Hospital, which provides health coverage to 315 village with 36,500 households and 150K population and over 100 medical camps/year with experienced consulting physicians. TCT is embarking on an ambitious expansion project to augment the existing 50-bedded to 100 bedded hospital.

This addresses a critical need of the community.

School Community Development coverage is 6 Villages, primary aim of these visits was to engage with the local communities and raise awareness on key social and environmental issues while showcasing our school's activities.

Industrial Relations:

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

Finance:

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

Exports:

Calculated on FOB basis, Exports amounted to ₹17824 lakhs (previous year ₹20,706 lakhs)

Related Party Transactions

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

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

Directors' Responsibility Statement:

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

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 Organisation. The Company has a robust risk management framework to identify, monitor and minimise risks. The composition of the Committee is given below:

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

Vigil Mechanism / Whistle Blower Mechanism

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

Corporate Social Responsibility (CSR) Committee:

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

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

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

A detailed note is given in the Corporate Governance report.

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

The Company's total spending on CSR is 2% of the average profit after taxes in the previous three Financial Years towards Health and Sanitation Programmes

The CSR report is set out in the Annexure B to the Directors' report.

Statement pursuant to Listing Regulations:

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

Business Responsibility and Sustainability Report:

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

Your Company is in the top 1000 listed entities as on March 31, 2024. The Company, has presented its BRSR Report for FY 23-24, which is part of this Annual Report.

Report on Corporate Governance

The Report on Corporate governance is annexed herewith.

Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and under obligations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, Execution and Performance of specific duties, obligations and governance.

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

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

The Directors expressed their satisfaction with the evaluation process.

Appraisal of Board's performance:

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

Board evaluation contributes significantly to improved performance and aims at,

a. Improving the performance of Board in line with the corporate goals and objectives.

b. Assessing the balance of skills, knowledge and experience on the Board.

c. Identifying the areas of concern and issues to be focused on for improvement.

d. Identifying and creating awareness about the role of Directors individually and collectively as Board.

e. Fostering Team work among the members of the Board.

f. Effective Coordination between the Board and Management.

g. Overall growth of the organisation

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. No. 001076N / N500013) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 21, 2021, to hold office from the conclusion of the Forty Eighth AGM till the conclusion of the Fifty Third AGM to be held in the year 2026.

Internal Auditors

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

Cost Auditors

M/s GSVK & Co., Cost Accountants, were appointed as Cost Auditor to conduct cost audit of the cost records maintained by our Company in respect of products manufactured during FY 23-24. The Cost Audit Report was filed with the MCA, Government of India, by the Company on August 3, 2023, well before September 30, 2023, the due date of filing for FY 22-23.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for FY 23-24. The Secretarial Audit Report for the Financial Year ended March 31, 2024 is attached to this Report. The Secretarial Audit Report does not contain any qualifications, or reservations.

Web link of Annual Return

Pursuant to the provisions of section 92(3) and Section 134 (3) (a) of the Companies Act, 2013 a copy of the Annual Return of the Company for the year ended March 31, 2024 will be placed on the website of the company at http://www.thirumalaichemicals.com.

Personnel

In terms of the provisions of section 197(12) of the of the Companies Act, 2013 read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the names and other particulars of employees are set out in the Annexure C 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:

Sl. No.	Name of Director	Ratio
1	Mr. R. Parthasarathy (Managing Director)	71: 1
2	Mrs. Ramya Bharathram (Managing Director and CFO*)	30:1

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

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

Mr. R. Parthasarathy – (Managing Director): Nil

Mrs. Ramya Bharathram (Managing Director and CFO*): NIL

Mr. T. Rajagopalan – (Company Secretary): 3%

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

c) The percentage increase in the median remuneration of employees in the Financial Year: 6%

d) The number of permanent employees on the rolls of the Company: 541

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

The Company's PAT has decreased from ₹11,953 lakhs to ₹3,630 lakhs, a decrease of 70% against which the average increase in remuneration is (NA);

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

Name	Designation	Remuneration ₹ In lakhs*	% Increase in Remuneration	PAT ₹ in lakhs*	% decrease in PAT
Mr. R. Parthasarathy	Managing Director	332	NIL	3,630	70%
Mrs. Ramya Bharathram	Managing Director and CFO	141	NIL		
Mr. T.Rajagopalan	Company Secretary	48	3%		

* It consists of Salary/Allowances & Benefits.

The remuneration of the Chairman and Managing Director, Mr. R. Parthasarathy includes the commission of ₹ NIL lakhs, which works out to approximately NIL% to the net profit for the Financial Year ended March 31, 2024.

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

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

Date	Issued Capital (No. of Shares)	Closing Market Price per share ₹	EPS in ₹	PE Ratio	Market Capitalisation (₹ in lakhs)
31.03.2023	10,23,88,120	171.85	11.67	14.72	1,75,954
31.03.2024	10,23,88,120	234.10	3.55	66.02	2,39,691
Increase /(Decrease)	NA	62	(8)	51	63,737
% of Increase/(Decrease)	NA	36.22	(70)	349	36
Issue Price of the share at the last Public Offer (IPO)		1.0			
Increase in market price as on 31.03.2024 as compared to Issue		233.1			
Price of IPO		23,310			
Increase in %					

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

Average increase in remuneration is 15% for Employees other than Managerial Personnel & NIL 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) and Mrs. Ramya Bharathram (Managing Director), no Directors have been paid any remuneration, as only sitting fees have been paid to them. The said Directors have not been paid any variable remuneration. The Directors are eligible for a commission on Net Profits as per the provision of sec.197 of the Companies Act, 2013.

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

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

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

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

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor.

The details form part of Note No. 36 of Notes to standalone financial statements.

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

R. Parthasarathy	**R. Ravi Shankar**
Managing Director	Director
(DIN :00092172)	(DIN:01224361)
Place: Ranipet	**Place**: Chennai
Date: May 15, 2024	**Date**: May 15, 2024

ANNEXURE TO DIRECTORS' REPORT

Annexure – A

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2024

(₹ In lakhs)

Company	Currency	Conversion rate	Capital	Reserve	Total Liability	Investment	Turnover	PBT	PAT	Proposed Dividend
Cheminvest Pte. Ltd	USD	83.37	6,670	8,817	8417	6,587	4,549	4,408	4,408	-
OOSB	USD	83.37	10,599	8,687	16,760	-	28,774	-4,092	-3,275	-
Lapiz Europe Ltd	GBP	105.29	0.11	28	6.55	-	0.00	-3	-3	-
TCL Global BV	Euro	90.22	19,766	359	9718	28,024	3,991	-54	-52	-
TCL INC	USD	83.37	29,182	-23	9	29,164	845	-6	-6	-
TCL Specialties LLC	USD	83.37	29,164	-1506	77,815	0	172	-439	-439	-
TCL Intermediates Private Limited	RS	0.00	19,800	-998	49,840	0	305	-1,053	-1,053	-

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

R. Parthasarathy
Managing Director
(DIN :00092172)
Place: Ranipet
Date: May 15, 2024

R. Ravi Shankar
Director
(DIN:01224361)
Place: Chennai
Date: May 15, 2024

Annexure-B

Reporting of Corporate Social Responsibility (CSR)

1. **Period for which CSR is being reported:** From 01/04/2023 to 31/03/2024.

2. **Brief outline on CSR Policy of the Company:** The areas of principal support of the CSR Policy are towards Education, Health, Women Empowerment and Community Development Services. The full policy is available in the Company's website http://www.thirumalaichemicals.com.

3. **Composition of CSR Committee:**

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

4. Composition of CSR Committee- https://thirumalaichemicals.com/compliance-policies/

   CSR Policy - https://thirumalaichemicals.com/compliance-policies/

   CSR projects: - https://thirumalaichemicals.com/announcements-updates/

5. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).: **Not Applicable**

6. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakhs)	Amount required to be set- off for the financial year, if any (₹ in lakhs)
1	FY 22-23	0	0
	TOTAL		

7. Average net profit of the Company as per section 135(5): ₹ 18,118 lakhs

8. (a) Two percent of average net profit of the company as per section 135(5): ₹362 lakhs

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

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

   (d) Total CSR obligation for the financial year (8a+8b- 8c): ₹362 lakhs

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

Total Amount spent for the Financial Year. (in ₹)	Amount Unspent (₹ in lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
362	50.30	23/04/2024	-	NIL	-

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		(11)	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implem-entation Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Community Based Mental Wellness and De-addiction	Promoting healthcare including preventive health care	Yes	Tamil Nadu	Ranipet	3 Years	51,30,000	1,00,000	50,30,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
	TOTAL						**51,30,000**	**1,00,000**	**50,30,000**			

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implem-entation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Programme for Early detection, Monitoring and Control of Non-communicable diseases in the community	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	2,00,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
2.	Community Database Digitalisation Program	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	20,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
3.	Construction of New Hospital	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	15,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
4.	Dialysis programme support	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	30,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
5.	Surgeries sponsorship support	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	15,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
6.	Free Medical Camps	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	5,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
7.	Medical Equipment Maintenance	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	5,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
8.	Upgrading in-parents infrastructure	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	10,00,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of implem-entation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
9.	For providing 62 Nos. Artificial Limb in Vellore District.	Promoting healthcare including preventive health care	YES	Tamil Nadu	Vellore	7,10,000	NO	Freedom Trust, Chennai	CSR00014451
10.	For its School "Vidya Vanam" which is providing education for Tribal and Underprivileged children in the village of Anaikatty, Coimbatore.	Promoting education including special education among children	YES	Coimbatore	Anaikatty	2,00,000	NO	Bhuvana Foundation, Chennai	CSR00004245
11.	For Renovation of a Toilet Block at Panchayat Primary School, Kelaiyur village, Maramangalam Panchayat, Yercaud – 636 601, Salem Dt. Tamilnadu and Purchase of reusable sanitary napkins & transportation costs.	Promoting education including special education among children	YES	Tamil Nadu	Vellore	2,00,000	NO	South Central India Network for Development Alternatives (SCINDeA), Vellore	CSR00004582
TOTAL						**3,11,10,000**			

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

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

(f) Total amount spent for the Financial Year (9b+9c+9d+9e) – **₹ 362 lakhs**

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

Sl. No.	Particular	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	362
(ii)	Total amount spent for the Financial Year	362
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund Nil	Amount (in ₹)	Date of transfer	
1.	FY 20-21	Nil	2,84,00,000	Nil	Nil	Nil	Nil
2.	FY 21-22	Nil	2,51,00,000	Nil	Nil	Nil	Nil
3.	FY 22-23	41,80,000	2,53,20,000	Nil	Nil	Nil	Nil
	TOTAL	**41,80,000**	**7,88,20,000**				

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project- Completed/ Ongoing.
1.	FY31.03.2023_1	Starting an Educational Institution for Allied Health Sciences Modified to	FY 22-23	3 years	43,30,000	NIL	1,50,000	Ongoing
2.	FY31.03.2023_1	Education & Sports Facilities and Critical Infrastructure for AVT Schools'	FY 22-23	3 years	41,80,000	NIL	NIL	Ongoing

NOTE: During the FY 23-24 on the request received from implementing agency, the Akshaya Vidya Trust, Ranipet the ongoing project under project ID: FY31.03.2023_1 was modified by the Board at its meeting held on November 3, 2023 and the funds were repurposed for the following project: Education & Sports Facilities and Critical Infrastructure for AVT Schools'.

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

(a)	(b)	(c)	(d)
Date of creation or acquisition of the capital asset(s)	**Amount of CSR spent for creation or acquisition of capital asset**	**Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc**	**Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)**
25-03-2024	227750	Thirumalai Mission Hospital	ACER Veriton M 200 Computers
23/03/2024	183000	[A unit of Thirumalai Charity Trust] Vanapadi Road & Post, Ranipet, Tamilnadu, India.	Air Conditioner 1.5 Ton Split AC Inverter

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

Sd/-
Arun Ramanathan
Director
(DIN: 00308848)

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

Annexure C

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, 2023 and forming part of the Directors' Report.

Sr. No	Name $	Designation	Qualification(s)	Age	Date of Commencement of Employment	Total Experience	Nature of Employment Whether Contractual or Otherwise	Nature of Duties of The Employee	Gross Remuneration ₹ in lakhs	Previous Employment / Designation	No shares held and related to any Director or Manager or KMP
1.	Mr. C. G. Sethuram	Group Chief Executive Officer	B.Tech., (Chemical Engineering), PGDM (IIMA)	68 Yrs	August 12, 2013	41 Years	Contractual	General Management	316	ED (emerging business, Archean Group)	NIL
2.	Mr. Sanjay Sinha	Chief Executive Officer	B.Tech (Chemical Engineering)	61 Yrs	January 18, 2021	37 Years	Contractual	General Management	179	Sector Head-Aromatics, Reliance Industries Limited	NIL
3.	Mr. S. Venkatraghavan	President (Food Ingredients)	M.Sc, M.Tech , MBA	58 Yrs	July 14, 2014	30 Years	Contractual	General management	118	Executive Vice President – Sales & Marketing Cabot Sanmar Ltd.	NIL
4.	Mr. Harshit Kapoor	Executive Vice President	BE Chemical, Management Education Program (MEP) - IIM Ahmedabad	39 Yrs	March 4, 2021	18 Years	Contractual	Project In charge	101	Luna Chemicals, Deepak Phenolics Limited, Larsen & Toubro Hydrocarbon Limited (LTHE)	NIL
5.	Mr.V. Thirumalaisamy	Executive Vice President (Project & Engineer- ing)	B.Tech – Chemical engineering	56 Yrs	October 24, 2016	33 Years	Contractual	Technol-ogy & Engineering management.	94	Technip France- Abu Dhabi, Foster wheeler Energy limited, Tirumala chemicals limited, Tanfac industries.	100
6.	Mr.S.Varadharajan	Vice President Marketing	B.Com, PGPMS (marketing)	52 Yrs	April 30, 2010	12 Years	Contractual	General Management	88	NA	435205
7.	Mr. Santosh Thomas Mathan	Exe Vice President	BE (Chem), 'MBA(Marketing)	58 Yrs	January 16, 2015	33 Years	Contractual	Global Head Sales	86	General Manager – Sales EICL limited	NIL
8.	Mr. Vijay Seth	President (Projects)	MBA, IIT, Mumbai	72 Yrs	February 28, 2018	41+ Years	Contractual	General Management	81	Sr.Vice President Reliance Industries Ltd	1000
9.	Ms. J. Radha	Executive Vice President, Finance	B.Com, CA, 'CS (Inter)'	57 Yrs	November 28, 2019	29 Years	Contractual	General Management	81	Rane (Madras) Ltd., Chennai – Vice President – Finance and Chief Financial Officer	NIL
10.	Mr. R. Srinivasa Raghavan	President – Factory Operations	BSc, Chemistry	67 Yrs	July 15, 2021	40 Years	Contractual	General Manag-e ment	62	President – Deepak Phenolics	NIL

Annexure D

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

I. CONSERVATION OF ENERGY:

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

	Fuel Consumption	Units	Year Ending 2023 – 2024	Year Ending 2022 – 2023
1	**Electricity**			
	a) Purchased Units	KWHR	41,16,137	53,14,571
	Total Amount Paid	₹	4,43,48,900	5,57,64,345
	Rate per Unit	₹	10.77	10.49
	b) Own Generation	KWHR	19,99,426	34,80,592
	Unit / Ltr of HSD	KWHR/LTR	2.94	3.07
	Cost per Unit	₹	31.80	33.91
2	**Coal: Not consumed in the process**	KWHR		
3	**Furnace Oil**			
	Total Quantity	KL	5,793	9,320
	Total Amount	₹	28,48,16,296	47,79,10,655
	Average Rate	₹	49,167	51,277
4	**Other Internal Generations**	KWHR	4,66,48,397	4,28,33,924
5	**Consumption Per Tonne of Production**			
	Electricity	KWHR	22.43	33.28
	Furnace Oil	Ltr	31.56	58.37
	Others (Diesel)	Ltr	3.70	9.43

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 utilisation, debottlenecking and lower Input use.
4) Research and Development Expenditure

Particulars	FY 23-24	FY 22-23
a) Capital	₹NIL	₹NIL
b) Recurring	₹247 lakhs	₹253 lakhs
c) Total	₹247 lakhs	₹253 lakhs
Total R&D expenditure as a % of sales	**0.14%**	**0.14%**

5) Technology Absorption, Adaptation and Innovation:

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

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

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

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

e. Techno-commercial studies of fine chemicals

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

III. Foreign Exchange Earning and Outgo

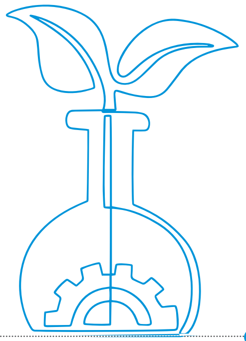
	FY 23-24	FY 22-23
Export earnings	₹17,824 lakhs	₹20,706 lakhs
Outgo	₹18,555 lakhs	₹36,698 lakhs

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

R. Parthasarathy	**R. Ravi Shankar**
Managing Director	Director
(DIN :00092172)	(DIN:01224361)
Place: Ranipet	**Place**: Chennai
Date: May 15, 2024	**Date**: May 15, 2024

Business Responsibility and Sustainability Report

BRSR OVERVIEW



SECTION A – General disclosures

SECTION B – Management and process disclosures

SECTION C – Principle-wise performance disclosure

Principle 1

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 2

Businesses should provide goods and services in a manner that is sustainable and safe

Principle 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Principle 4

Businesses should respect the interests of and be responsive to all its stakeholders

Principle 5

Businesses should respect and promote human rights

Principle 6

Businesses should respect and make efforts to protect and restore the environment

Principle 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Principle 8

Businesses should promote inclusive growth and equitable development

Principle 9

Businesses should engage with and provide value to their consumers in a responsible manner

HIGHLIGHTS

Principle 1:
Ethics

- **100%** of the BoD, KMP's, Employees and Workers underwent trainings on 9 NGRBC principles.
- **NIL** monetary/non-monetary proceedings or actions by the regulatory enforcement agency/ judicial institutions
- **100%** value chain partners underwent Safety Protocol and Material handling trainings

Principle 2:
Product Stewardship

- **7.14%** R&D investments utilised to Improve Environmental and Social Impacts of products.
- **91%** of our inputs are sustainably sourced.
- **16.7%** of our packaging material is reused in FY23-24

Principle 3:
Employee well-being

- **100%** of our Employees and Workers have Health Insurance and Accident Insurance
- **85%** Employees and 75% Workers provided with Skill Upgradation training.
- **92.5%** and 91% of our plants and offices are assessed for Health & Safety practices and Working Conditions respectively.

Principle 4:
Stakeholder Engagement

- **Robust Mechanism** to identify and engage with stakeholders.

Principle 5:
Human Rights

- **100%** of Employees and Workers provided with Human Rights training.
- **NIL** complaints of POSH, Child Labour, Forced Labour, Discrimination at workplace, Wages issue for the reporting period FY23-24

Principle 6:
Environment

- **493200 GJ** of Energy utilised in FY 23-24
- **741832 Kilo Litre** of Water Consumption
- **101475 Mt CO2e of** Scope **13050 Mt CO2e** of Scope 2 and **166216 Mt CO2e of** Scope 3 Greenhouse gases Emitted in FY23-24

Principle 7:
Public Policy Advocacy

- **0** cases filed regarding Unfair trade practices, Irresponsible advertising or Anti-Competitive behaviour.
- **5** chambers and associations in which TCL actively participates.

Principle 8:
CSR Initiatives

- **66%** input material directly sourced from MSME/Small Producers
- **89.5%** input material sourced from within India

Principle 9:
Customer Relations

- **0** Voluntary or Forced Recalls
- **0** Incidents of Data Breach

SECTION A – GENERAL DISCLOSURES

I. Detailed of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24100MH1972PLC016149
2.	Name of the company	THIRUMALAI CHEMICALS LIMITED
3.	Year of incorporation	25/05/1972
4.	Registered office address	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
5.	Corporate address	Spic House, 5th Floor, 88, Mount Road,Guindy, Chennai - 600032
6.	E-mail	rajagopalan.t@thirumalaichemicals.com
7.	Telephone	Tel: +91 22 2401 7841 / 53 / 61
8.	Website	www.thirumalaichemicals.com
9.	Financial year for which reporting is being done	2023-24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11.	Paid-up Capital	₹10,23,88,120
12.	Name of contact details of the person who may be contacted in case of any queries on the BRSR Report	Rajagopalan T (Company Secretary & Compliance office) Tel: +91 22 2401 7841 / 53 / 61 rajagopalan.t@thirumalaichemicals.com
13.	Reporting boundary	Standalone
14	Name of assurance provider	The report is not assured by an external assurance provider
15	Type of assurance obtained	Not applicable

II. Products and Services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% Of Turnover of the entity
1	Manufacture of basic chemicals except fertilisers and nitrogen compounds	Manufacturing, distribution, sales and marketing of basic chemicals except fertilisers and nitrogen compounds	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% Of total Turnover contributed
1	Phthalic Anhydride and Derivatives, Malic Acid, Fumaric Acid	2411	87%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

TCL has its:

i. Registered office in Mumbai

ii. Factories at Ranipet, Ranipet District, Tamil Nādu and Dahej, Gujarat

iii. Tank Farms at Walaja, Ranipet District, and Royapuram, Chennai, Tamil Nadu.

iv. Marketing offices at Chennai & Delhi

TCL has overseas subsidiaries in Malaysia, Singapore, the USA, the Netherlands & the UK.

Location	Number of Manufacturing Units	Number of Offices	Total
National	2	3	5

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	The Company sells its products in all the 28 states and 8 Union territories in the country
International (No. of Countries)	The Company sells its products in 4 continents (US, Europe, Asia, Middle East, Africa)

b. What is the contribution of exports as a percentage of the total turnover of the entity?

For FY 23-24, the exports contribution was 9%

c. A brief on types of customers

Phthalic Anhydride is a white crystalline substance used in the manufacture of plasticizers, pigments, dyes and resins.

It is notably consumed by the Phthalate plasticiser industry as a key component and is used in the production of flexible plastic products like wire & cable applications, hoses, pipes, coated fabrics, roofing membranes and swimming pool liners.

Phthalic Anhydride is also employed in the manufacturing of unsaturated polyester resins, (UPR), which are commonly mixed with glass fibres to create fiberglass reinforced plastics. The materials find significant applications in the construction, marine and transportation industries.

PA-based alkyd resins plays a crucial role in the formulation of paints and lacquers utilised in architectural, machinery, and furniture applications.

TCL is the sole manufacturer of Malic Acid in India and it is used predominantly in food and beverage application with customers including global companies like Perfetti, Symrise etc. Fumaric acid is used in the food industry and pharmaceutical industry.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	509	461	91%	48	9%
2.	Other than Permanent* (E)	27	25	93%	2	7%
3.	Total employees (D + E)	536	486	91%	50	9%
WORKERS						
4.	Permanent (F)	28	28	100%	0	0
5.	Other than Permanent* (G)	734	667	91%	67	10%
6.	Total workers (F + G)	762	695	91%	67	10%

* The Other than Permanent category of Employees & Workers are either Employed through contractor (Benefits as per the contractor) or Fixed term appointment on contract directly by TCL based on requirement

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	1	1	100	0	0
3.	Total differently abled employees (D + E)	1	1	100	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	0	0	0	0	0

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	2	18%
Key Management Personnel	3	1	33%

22. Turnover rate for permanent employees and workers

	FY 23-24			FY 22-23			FY 21-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12%	8 %	20%	26%	13%	39%	19%	15%	34%
Permanent Workers	3.5%	-	3.5%	3%	-	3%	18%	-	18%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% Of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	TCL Intermediates Private Limited	Subsidiary of TCL	100%	Yes, The Company's Code of Conduct provides guidelines to the company along with all its subsidiaries for conducting business in an ethical, responsible, and accountable manner. The Company encourages its subsidiaries to carry out Business Responsibility Initiatives to the extent that they are material in relation to the subsidiaries' business activities and operating region.
2.	Optimistic Organic sdn bhd.	Subsidiary of TCL & Cheminvest	TCL (15.80%) Cheminvest (84.20%)	
3.	Lapiz Europe	Subsidiary of Cheminvest	100%	
4.	TCL Global BV	Subsidiary of TCL/ Holding of TCL INC.	100%	
5.	TCL INC.	Subsidiary of TCL Global BV/ Holding entity of TCLS LLC	100%	
6.	TCL Specialties LLC (TCLS LLC)	Sole Member Corporation	100%	

VI. CSR

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

Yes, CSR is applicable for Thirumalai Chemicals Limited as per section 135 of Companies Act, 2013.

(ii) Turnover (in ₹) – 2,02,483 lakhs

(iii) Net worth (in ₹) – 98,395 lakhs

VII. Transparency and Disclosure Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/ No) (If yes, then provide web-link for grievance redress policy)	FY 23-24			FY 22-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Shareholders	Yes	8	0	All Complaints were duly addressed and closed	0	0	-
Employees & Workers	Yes	0	0	-	0		-
Customers	Yes	15	0	All Complaints were duly addressed and closed	19		All Complaints were duly addressed and closed
Value Chain Partner	Yes	0	0	-	0	0	-
Others	Yes	0	0	-	0	0	-
Weblink	https://thirumalaichemicals.com/wp-content/uploads/2023/05/STAKEHOLDER-GRIEVANCE-REDRESSAL-POLICY.pdf						

26. Overview of the entity's material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

In FY 22-23 , we carried out an extensive materiality assessment to identify and understand the material topics that directly or indirectly impacted our organisation and business operations within the ESG framework. Through this detailed analysis, we were able to focus our efforts on the most relevant sustainability issues for our stakeholders and strategic partners, aligning with our goals and targets.

Our approach, which prioritised stakeholder input, both external and internal, is seen as a balanced and holistic methodology to arrive at the topics most critical to the organisation. We identified key stakeholder groups vital to the entity and conducted surveys, incorporating ESG-related criteria. Additionally, we performed peer-benchmarking and analysed various ESG Rating agencies and standards within our sector to identify the specific materiality topics of importance to us. External Stakeholders included customers, suppliers, investors, and community representatives, while internal stakeholders comprised employees across different levels and departments. We designed comprehensive surveys that addressed a range of ESG-related topics such as environmental impact, social responsibility, ethical governance, and economic performance. These surveys were tailored to gather insights specific to each stakeholder group's perspectives and expectations. Once the surveys were completed, we analysed the data to identify the materiality topics. These findings were then mapped onto a materiality matrix., which visually represented the importance and impact of each material topic. This matrix helped us prioritise and categorise issues into high, medium, and low priority categories. The ESG materiality topics and matrix was presented by the senior management to the Board of Directors, highlighting key ESG issues based on stakeholder input and strategic priorities. Following a detailed review and discussion, the Board validated and firmed up the material topics, ensuring they accurately reflect the company's impact and objectives.

The comprehensive materiality assessment proved instrumental in establishing our ESG goals and targets. By identifying and prioritising key sustainability issues through this assessment, we were able to set specific and impactful targets that directly address the most relevant concerns for our stakeholders and business operations. Overall, integrating surveys and interviews from both external and internal stakeholders allowed us to conduct a robust materiality assessment that informed our sustainability strategy and target-setting process effectively. This approach ensured that our ESG initiatives were aligned with stakeholder expectations and industry best practices, leading to measurable progress and positive outcomes in our sustainability journey.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Health & Safety	R	As a chemical manufacturing industry, prioritising health and safety is paramount and deeply ingrained in our organisation. We are committed to creating a safe workplace by maintaining an accident-free environment, aiming for zero safety accidents, injuries and incidents that could harm our workplace or the environment.	Our safety culture is exceptional, supported by a robust reporting system that involves all levels of our organisation. We conduct regular safety training sessions to enhance employee well-being and maintain a safe work environment.	Negative
2	Business Ethics	R	Ethical practices form the foundation of our business operations. Our Company's Code of Conduct outlines the essential compliance requirements and provides guidelines for internal stakeholders to fulfil their duties with the utmost integrity and accountability.	TCL has implemented stringent policies to ensure ethical practices within the organisation. Our code of conduct and ethical policies establish a comprehensive framework for employees and internal stakeholders. We also offer training programs to ensure understanding and adherence to these standards.	Negative
3	Water Stewardship	O	Energy & Water stewardship have become fundamental aspects of our organisation's identity. We are dedicated to conducting our business operations in a sustainable and environmentally friendly manner. In line with our dedication to water stewardship, we commit to achieving by a 10% reduction in water consumption by year 2030.		Positive
4	Employee Development		Employee development plays a pivotal role in our sustainability journey. By investing in the growth and skills enhancement of our workforce, we create a more capable and adaptable team. This, in turn, enables us to implement sustainable practices effectively, innovate solutions, and respond to evolving challenges in our industry and the broader environmental landscape. Additionally, a well-developed and motivated workforce is more engaged, leading to higher productivity, better retention rates and stronger commitment to our sustainability goals.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5	Community Support	O	Community support is integral to our sustainability journey. We recognise the importance of engaging with and supporting the communities where we operate. By collaborating with local stakeholders, NGO's and government bodies we understand community needs and priorities better. This enables us to develop sustainable initiatives that not only benefit our business but also contribute positively to the social and economic well-being of the communities we serve. Through partnerships, outreach programs, and community projects, we aim to foster trust, build relationships, and create shared value, ultimately enhancing our overall sustainability impact. We provide training programmes to the local youth to improve the employment rate and are involved with various charitable organisations for providing affordable healthcare and education.		Positive
6	Zero Waste to Landfill	O	TCL has implemented a range of measures to ensure the proper handling and disposal of wastes. Our focus is on capturing and synthesising valuable products from waste streams, including gases, liquids and solids. Through these efforts, we have achieved a remarkable recovery rate, with over 85% of solid wastes being transformed into highly pure saleable products and valuable by-products. This approach not only minimises environmental impact but also maximises resource efficiency, contributing to our overall sustainability goals. We aim to achieve a 10% reduction in our industrial waste by 2030, from the baseline year 2022-23.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Carbon Footprint	R	TCL is committed to combating climate change through initiatives focused on enhancing energy efficiency and increasing the use to renewable energy sources to lower our carbon footprint. Our manufacturing processes are among the most efficient in the industry, resulting in significant reductions in specific energy consumption. Over the last three decades, we have achieved an impressive 78% decrease in specific energy consumption, showcasing our commitment to sustainability and environmental stewardship.	To achieve a near zero energy footprint, we have adopted a three-pronged approach to energy savings. First, we harness energy from waste heat, maximising resource utilisation. Second, we prioritise energy efficiency across our operations, ensuring every unit of energy is used judiciously. Third, we foster a culture of innovation, among our employees, encouraging them to propose, and implement creative solutions that further reduce energy consumption and contribute to sustainability goals. As a result of this approach and mitigation plans we look to bring about 25% reduction in GHG emissions from the baseline year 2022-23	Negative
8	Corporate Governance	R	The Company's Board of Director's is responsible for setting policies and strategies, providing overarching supervision and control over the management of the company. The Board and its committees regularly review the implementation of these policies and support the executive management team as required. They also ensure the implementation of good governance and risk management policies and practices ,as well as efficient business processes, with a rigorous approach.	Compliance with progressive social norms and regulatory requirements is not just a necessary cost but also essential for our sustainability. These values are ingrained in our culture ,and we continuously collaborate with our employees to ensure they internalise and work within this framework. As a result, we have gained a strong reputation as an employer, business partner ,and community member. Both the Board of Directors and the management team are dedicated to upholding this culture of integrity and transparency in all aspects of our business operations	Negative
9	Regulatory Issues & Compliance	R	TCL's policies and practices have consistently adhered to ethical standards, legal requirements and sustainability principles. We firmly believe that it is possible to uphold these policies while remaining competitive in the market, By prioritising compliance, we not only contribute positively to society and environment but also enhance our long-term competitiveness and reputation as a responsible business entity.	The company strictly adheres to regulations and compliance requirements, integrating them into our organisational culture and practices, we have established robust systems and processes to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. This proactive approach helps us operate ethically, mitigate risks, and uphold our commitment to legal and regulatory compliance across all aspects of our operations.	Negative
10	Product Safety & Quality	R	TCL gives paramount importance to ensure product safety and to deliver quality products for achieving customer delight.	We constantly communicate and receive feedback from the customers and work upon to fulfil their needs and requirements.	Negative

SECTION B – MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Our comprehensive management framework is in line with the NGRBC principles and serves as a driving force for our dedication to sustainable solutions across the three pillars of people, planet, and profit. Our policies, practices and procedures are geared towards achieving the needs of our stakeholders, including customers and employees, with clear goals and objectives.

The National Guidelines on Responsible Business Conduct (NGRBC) released by the Ministry of Corporate Affairs has updated and adopted nine areas of Business Responsibility. These are briefly as under:

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and Management Processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b) Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c) Web Link of the Policies, if available	https://thirumalaichemicals.com/compliance-policies/								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	All the policies of the Company are in compliance with national /international standards wherever applicable. TCL is a FSSC 22000 (equivalent to GFSI), HACCP, Halal & Kosher Certified, ISO 9001, ISO 9004, ISO 14001 & ISO 50001 compliant, SMETA and a Responsible Care Company								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any .	Our organisation is committed to integrating Environmental, Social and Governance principles into our core operations. We have set specific goals across Environmental, Social and Governance (ESG) dimensions. Environmentally, we commit to *: • 25% reduction in GHG emissions by 2030 • 10% reduction in water consumption by 2030 • 10% reduction in industrial waste by 2030 (*from the baseline year 2022-23) Socially, we will: • Ensure zero accidents at workplace • Continue to implement practices towards the Responsible Care Initiative								

Disclosure questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	• Ensure 100% digitally enabled workforce by 2030 • Invest in projects related to conservation of natural resources, education and access to healthcare • Continue to commit to product quality and safety as per global standards and certifications (REACH) In terms of governance, we commit to • Zero tolerance for human rights violations • Promote trust and transparency in financial and non-financial disclosures. • Zero regulatory violations and ensuring that all compliance issues are reported								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	In the current financial year, we have set targets and goals with a detailed implementation roadmap to achieve our sustainability vision. Refer question 5 above. The performance will be monitored from next financial year.								
Governance Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements Please refer to 'Chairman Letter' in the Annual Report FY 23-24.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Mr. Sanjay Sinha Designation: CEO e-mail id: mail@thirumalaichemicals.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	ESG committee is constituted for handling sustainability related matters and chaired by Mr. Sanjay Sinha. This committee will provide report to the Board on these aspects								

10. Details of Review of NGRBCs by the Company:

	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half - yearly/Quarterly/Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	Q	A	A	H
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	A	A	A	A	A	Q	A	A	H

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	N	Y	Y	N	N	Y	N	N	N

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C – PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1 – Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent, and accountable

At Thirumalai Chemicals we uphold a strong commitment to conducting and governing ourselves with integrity, ensuring that all our actions and decisions are guided by ethical principles. Our commitment is unwavering as we conduct ourselves with the highest standards of honesty, integrity ,and transparency.. These values are ingrained in our corporate culture and guide us in creating sustainable and trustworthy relationships with our customers, employees and the community. Our Directors and Senior Management adhere to a comprehensive Code of Conduct that outlines their responsibilities and ethical obligations, enabling them to fulfil their duties in a responsible, transparent, fair and ethical manner.

SDG Linkages-

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	2	Familiarisation Programs for Directors Awareness program on Sustainability	100%
Key Managerial Personnel	2	ESG Compliance, POSH	100%
Employees other than BoD and KMPs	51	Awareness on employee Well-being. Awareness on Human Rights	100%
Workers	17	Awareness on employee Well-being. Awareness on Human Rights	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Nil				
Settlement					
Compounding fee					

	Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agency/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Nil				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision are preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.

Yes, Our company maintains a robust and comprehensive anti-bribery and anti-corruption policy to ensure ethical business practices and integrity throughout our operations. This policy underscores our commitment to conducting business with transparency, fairness and honesty. It outlines clear guidelines and procedures to prevent bribery and corruption in all forms, emphasising compliance with legal requirements and ethical standards. Through continuous training, monitoring, and enforcement of this policy, we foster a culture of integrity and accountability within the organisation, building trust and assurance among our stakeholders.

The anti-corruption and anti-bribery policy is available on our website in the following link :

https://thirumalaichemicals.com/wp-content/uploads/2023/05/ANTI-BRIBERY-AND-ANTI-CORRUPTION-POLICY.pdf

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption.

	FY 23-24	FY 22-23
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 23-24		FY 22-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors		Nil		Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		Nil		Nil

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 23-24	FY 22-23
Number of days of accounts payables	112 days	104 days

9. Open-ness of business

Parameter	Metrics	FY 23-24	FY 22-23
Concentration of Purchases	a. Purchases from trading houses* as % of total purchases	2.6%	2.7%
	b. Number of trading houses where purchases are made from	12	13
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	2.6%	2.7 %
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	NA	NA
	b. Number of dealers / distributors to whom sales are made	NA	NA
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA	NA

Parameter	Metrics	FY 23-24	FY 22-23
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	.007%	.02%
	b. Sales (Sales to related parties / Total Sales)	.04%	.04%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	.062%
	d. Investments (Investments in related parties / Total Investments made)	94.79%	99.97%

*A trading house refers to a business entity that primarily engages in import and export of goods .

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programmes
4	Safety Protocols	Contract employees, logistics and visiting vendors- 100%
	Material Handling & Loading	Logistics-100 %
	Prevention of Sexual Harassment	Contract employees-30%
	Product responsibility	Critical vendors-57%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If yes, provide details of the same.

Yes, we have a comprehensive Code of Conduct policy which serves as a cornerstone, ensuring transparency and fairness in all our business dealings. This policy outlines clear guidelines and expectations for ethical behaviour, emphasising the importance of honesty, integrity and respect in each interaction. This commitment to ethical conduct not only strengthens trust and credibility with our stakeholders but also reinforces our dedication to operating with integrity and accountability.

Principle 2 – Businesses should provide goods and services in a manner that is sustainable and safe.

TCL's commitment to sustainability shines through its dedicated R&D team, which focuses on developing innovative products that meet global standards and are environmentally friendly. TCL excels in business practices, striving for near-zero energy footprint by manufacturing with high efficiency through energy-saving measures and waste data recovery. Additionally, the company strives to integrate sustainability principles across all stages of the product lifecycle, from raw material procurement and manufacturing to transportation, delivery, and consumer disposal. We uphold a strong commitment to environmental responsibility and ensure that our products and services meet rigorous safety standards. Through continuous innovation and responsible practices, we strive to minimise our environmental impact and prioritise the safety of our customers and communities.

SDG Linkages-

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 23-24	FY 22-23	Details of improvements in environmental and social impacts
R&D	7.14 %	0%	Reducing the waste by 2.8 tons per day
Capex	1%	3%	1. HCL Dosing system for Reliability improvement 2. CCTV PTZ Camera (ETP)

2. a. Does the entity have procedures in place for sustainable sourcing ? (Yes/No)

Yes, the company has embraced Responsible Care Guidelines and SEDEX Members Ethical Trade Audit (SMETA) Best Practice Guidance to ensure sustainable sourcing. By sourcing raw materials in bulk, the company minimises road transportation over long distances, effectively reducing its carbon footprint.

Kindly refer to our Sustainable Procurement Policy for more information regarding our sustainable sourcing practices .Weblink : https://thirumalaichemicals.com/wp-content/uploads/2023/05/SUSTAINABLE-PROCUREMENT-POLICY.pdf

b. If yes, what percentage of inputs were sourced sustainably ?

91% of our inputs are sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Waste type	Waste management procedure in place
Plastic (including packaging)	We are in process of tracking and increasing the reuse of our packaging materials. 16.7% of packaging material is reused this financial year. The remaining packaging materials and other plastics are disposed to authorised pre-processors.
E-waste	All our products like Phthalic Anhydride, Malic Acid, Fumaric acid are consumables in the manufacturing of plasticizers, pigments, dyes, resins, candies, beverages etc. Since Therefore, there is no scope for reusing / recycling products at the end of life. The specified category of wastes is not generated during our product life cycle. The waste generated during our manufacturing and operations are disposed through authourised vendors and as per waste management rules.
Hazardous waste	
Other waste (wastepaper and paper products)	

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable for TCL and it is registered as a brand owner with the Central Pollution Control Board .

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain	If yes, provide the web-link.
2411	Phthalic Anhydride Malic acid Fumaric acid	100 %	Life Cycle perspective is covered under the title" Product Stewardship". The product stewardship summary is provided in the public domain. The summary covers 1. Properties 2.Health & safety information 3.Environmental information, which includes biodegradability, exposure potential during manufacture, handling and Use, and 4. Regulatory Information	The data are obtained from the dossier submitted by the lead registrant representing the Consortium of manufacturers of the product to EU registration Agency (ECHA) as a statutory requirement under the EU law named REACH. TCL is a member of the consortium and owns the right of the data.	Yes	http://192.168.1.202/iso/

Note: The above Life cycle assessment has been conducted from the perspective of REACH (EU) and not a cradle to grave analysis. TCL is in the process of evaluating conducting full scale LCA for its products in the coming years.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same

Name of Product / Service	Description of the risk / concern	Action Taken
These parameters have been outlined in Material Safety Data Sheet (SDS) in the products tab in our website. http://www.thirumalaichemicals.com/Products		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 23-24	FY 22-23
Our products are chemicals such Phthalic Anhydride, Malic Acid and Fumaric Acid. While usage of recycle materials could be limited, we are in process of tracking and increasing the reuse of our packaging materials.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

- Not Applicable, since all our chemicals are used as consumables for the manufacturing of other products. There is no product reclamation at the end of product life.
- Plastics (including packaging) 24419 MT was reused out of the total despatch of 146028 MT in the current reporting period.
- The waste material generated at the manufacturing plant are disposed as per the applicable regulatory requirements as mentioned in Principle 6, Essential indicator 9.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Packaging material	16.7%

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Our core values revolve around prioritising employee well-being. We are dedicated to fostering a workplace, that is supportive, inclusive, and empowering, focusing on nurturing the physical, mental, and emotional health of our employees. Discrimination or harassment based on any characteristic such a gender, caste religion, race, or ethnicity is strictly prohibited in our organisation. We invest in our employee's growth and development through various training programmes and skill building opportunities. Ensuring a safe and healthy work environment is paramount, and we adhere to stringent safety protocols. Our commitment to open and transparent communication encourages feedback and addresses employee concerns, ultimately cultivating a positive and engaged workforce.

SDG Linkages-

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% Of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	461	461	100 %	461	100%	-	-	0	0%	0	0%
Female	48	48	100%	48	100%	48	100%	-	-	0	0%
Total	509	509	100%	509	100%	48	100%	0	0%	0	0%
Other than Permanent employees											
Male	25	25	100%	25	100%	-	-	0	0%	0	0%
Female	2	2	100%	2	100%	2	100%	-	-	0	0%
Total	27	27	100%	27	100%	2	100%	0	0%	0	0%

b. Details of measures for the well-being of workers:

Category	Total (A)	% Of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	28	28	100%	28	100%	-	-	0	0%	0	0%
Female	0	-	-	-	-	-	-	-	-	-	-
Total	28	28	100%	28	100%	-	-	0	0%	0	0%
Other than Permanent workers											
Male	667	667	100%	667	100%	-	-	0	0%	0	0%
Female	67	67	100%	67	100%	67	100%	-	-	0	0%
Total	734	734	100%	734	100%	67	100%	0	0%	0	0%

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 23-24	FY 22-23
Cost incurred on well-being measures as a % of total revenue of the company	0.10	0.16

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 23-24			FY 22-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI*	100%	100%	Y	100%	100%	Y
Others –please specify	NA	NA	NA	NA	NA	NA

* Note: As per applicability under the Employees' State Insurance Act, 1948.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Currently some of the premises /offices are not accessible to differently abled employees and workers but the organisation is fully committed to fostering an inclusive environment where all employees feel valued and supported. Hence, recognising the importance to addressing this issue promptly, the company is dedicated to taking proactive steps to enhance accessibility soon. By prioritising these efforts, we aim to create a more inclusive and accommodating environments for all individuals within our workplace.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.

Yes. The company upholds a steadfast Equal opportunity Policy, which serves as the cornerstone of our organisational ethos. We are committed to providing a work environment where all employees are treated with dignity, respect and fairness, regardless of their background, identity or abilities. This policy underscores our commitment to fostering a diverse and inclusive workplace, where every individual has the opportunity to thrive and contribute to our collective success. We firmly believe that diversity strengthens our organisation, and we are dedicated to upholding these principles in all aspects of our operations.

Please find our weblink below:

https://thirumalaichemicals.com/wp-content/uploads/2023/05/EQUAL-EMPLOYMENT-OPPORTUNITY-POLICY.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	NA	100%	NA	NA
Total	NA	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	Grievance Redressal Policy in place. Registration of grievance is through Phone number or e-mail ID available in the company's website.
Other than permanent workers	
Permanent Employees	
Other than permanent employees	

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 23-24			FY 22-23		
	Total employees / workers in respective category (A)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees/ workers in the respective category, who are part of the association(s) or Union (D)	% (D/C)
Total Permanent Employees						
Male	461	0	0%	447	0	0%
Female	48	0	0%	41	0	0%
Total	509	0	0%	488	0	0%
Total Permanent Workers						
Male	28	0	0%	31	0	0%
Female	0	0	0%	0	0	0%
Total	28	0	0%	31	0	0%

8. Details of training given to employees and workers:

Category	FY 23-24					FY 22-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F / D)
Permanent Employees										
Male	461	313	68%	391	85%	447	233	52%	264	59%
Female	48	31	65%	44	92%	41	18	44%	18	44%
Total	509	344	68%	435	85%	488	251	52%	282	58%
Permanent Workers										
Male	28	19	68%	21	75%	31	12	39%	21	68%
Female	0	0	0	0	0	0	0	-	0	-
Total	28	19	68%	21	75%	31	12	39%	21	68%

9. Details of performance and career development reviews of employees and workers:

Category	FY 23-24			FY 22-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	461	322	70%	447	275	62%
Female	48	30	63%	41	28	68%
Total	509	352	69%	488	303	62%
Workers						
Male	28	28	100%	31	31	100%
Female	0	0	0	0	0	0
Total	28	28	100%	31	31	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, what is the coverage of such a system?

Yes, TCL places the highest importance on the health, safety, and happiness of its employees. The organisation has implemented comprehensive Occupational Health and Safety Management System with 100 % coverage across all areas of operation. We prioritise the health and safety of our employees above all else, recognising it as a fundamental aspect of our commitment to their well-being. In order to provide a safe and incident-free workplace, we have put into place stringent rules and protocols and all employees, contract labours, vendors visiting the facility are covered under the Safety systems of the organisation. 4 of our sites are certified under ISO 45001 which specifies requirements for Occupational Health and Safety management systems.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

1. **Hazard Identification and Risk Assessment (HIRA)**

   For our organisation, HIRA is a critical process to identify potential workplace hazards and assess associated risks. This procedure describes the methodology of calculating Hazard identification, Risk Assessment and Determining Controls study with connection to the various plants of Thirumalai Chemicals Ltd. HIRA Register is maintained to list out the sources or situations of various hazards and their associated risks. The identification of Hazard is done at the Worker, Supervisor and Engineer level in each department and reported to the Section Head. The Section Head and Head of Department analyze the identified hazards, review the severity and risk of the hazard, and take actions to implement suitable control measures to minimise or eliminate the risk.

2. **Job Safety Analysis**

   Job Safety Analysis (JSA) is a systematic procedure that breaks each job/task into key training sequences, identifies safety elements of each job/task step and teaches the employee on how to avoid potential safety hazards.

3. **Work Permit System**

   Work Permit system refers to a system procedure used to ensure that work is done safely and efficiently especially in Hazardous industries usually in connection with maintenance work. A Work Permit System also known as Permit to Work is an element of Process Safety and is usually given as a clearance from the Process Department to Maintenance to carry out a particular work.

4. **Internal and external audits are carried out to identify work-related hazards and assess risks on a routine and non-routine basis by the entity.**

   Both these audits carried out to identify work related hazards ensure that minute details related to any process is not missed and is seen with an eagle's eye. The observations of the audit are highlighted to the top management to initiate suitable actions to eliminate the hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.

Yes, Safety portal is available for reporting any work-related hazards identified by the workers. Every employee in the organisation is given a separate login id and password to access the Safety Portal. The Safety Portal covers all the aspects in connection with Work related hazards. The employee can enter the USA (Unsafe Act) and USC (Unsafe Conditions) in his work area. Once entered the area of concern is highlighted to the respective Section Heads and HOD's who will initiate actions for elimination of the USA and USC. Once resolved, the actions initiated is also recorded in the Safety Portal to close the observations. In addition, the Safety Portal also enables the employees to enter Safety Contacts (Case Studies), learnings from incidents, accidents inside and outside the industry.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services?

Yes, non-occupational medical and Healthcare services is made available to workers and employees. Periodic eye screenings are conducted for employees to address age-related disorders. For other non-occupational ailments, employees are referred to "Thirumalai Mission Hospital" which operates under the charity wing of Thirumalai Group. An annual medical health check-up, covering major aspects of lifestyle diseases like diabetes, hypertension etc is conducted for both employees and workers, followed by counselling

11. Details of safety related incidents, in the following format:

Safety incident/number	Category	FY 23-24	FY 22-23
Lost Time Injury Frequency Rate (LTIFR) (per one-million-person hour worked)	Employees*	Nil	Nil
	Workers	0.55	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	1	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	Nil	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	Nil	Nil

*Employee data includes the FTE including workmen and contract employees.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Ensuring a healthy and safe workplace is a multifaceted approach that involves continuous education, active participation, and thorough evaluations. One of the key initiatives includes raising Environmental, Health and Safety (EHA) awareness among all employees through comprehensive training programs and regular safety toolbox talks. Innovative methods such as safety park models are employed for practical training, enhancing the understanding of safe work practices. Additionally, the company celebrates Environment Day and Safety Week to foster a culture of safety and environmental responsibility. To further incentivise adherence to best practices, rewards and recognition programs are in place highlighting the contributions of employees who demonstrate exemplary safety behaviours.

In maintaining a robust safety environment, the company also conducts cross-functional safety audits and specific electrical safety audits to ensure compliance and identify potential threats. Process Safety Management (PSM) Implementation and Job Safety Analysis (JSA) are conducted for all activities, ensuring that every task is scrutinised for safety risks. Furthermore, Hazard Identification and Risk Assessment (HIRA) is performed for all operations, complemented by Hazard and Operability (HAZOP) studies to pinpoint and mitigate risks. Engaging employees in activities like tree plantation programs also underscores the commitment to environmental sustainability, reinforcing the holistic approach to workplace safety and health.

13. Number of complaints on the following made by employees and workers

	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100 %

*These assessments are done the entity.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

There are no critical observations generated from Health Safety, working conditions assessments by the entity, authorities or third parties impacting operations .

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)

Employee-Yes

Workers- Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

The Company has safeguards and checks and balances in place to determine if the statutory dues have been deducted and deposited with respect of value chain partners to the extent applicable.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 23-24	FY 22-23	FY 23-24	FY 22-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	92.5%
Working Conditions	91 %

*Note: The above assessment is done internally and has been only extended to our Tier 1 suppliers.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

None

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

We understand that Stakeholder engagement and involvement are crucial elements for the success of our business. It is essential for us to respect the interests of all the stakeholders and be responsive to their needs, By actively engaging with stakeholders such as customers, employees, investors, suppliers, and the community, we can gain valuable insights, build trust, and foster positive relationships. We proactively involve our stakeholders by actively seeking their feedback, addressing their concerns, and meeting their expectations. We consider their inputs invaluable in shaping our decision-making process and value their feedback as a crucial component of our operations. This engagement allows us to align our strategies and decisions with the expectations and concerns of our stakeholders, leading to greater long-term success and sustainability.

SDG Linkages-

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

Any individual, group, or institution that contributes to the corporation's value chain or is significantly impacted by the entity's decision is recognised as a core stakeholder. The key stakeholders for the company are any such person or group that enhances the business and has a stronger impact on it. Presently, Thirumalai Chemicals has systematically identified its internal and external stakeholders and actively engages with investors, employees, customers, suppliers, governmental and regulatory authorities, trade unions, and the local community. The company adheres to a structured system of timely feedback and response, utilising both formal and informal channels of communication to ensure that stakeholders information remains current and updated.

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	• Intranet Portal • Functional and cross-functional committees • Leader's talk • Regular Employee Communication Forums	On a regular basis	• Employee benefits • Equal opportunities • Recognition • Learning and development • Safety and well-being • Performance review and career development • Business update
Customers	No	• Customer Service Support • Customer Satisfaction Survey	On a regular Basis	• Customer feedback • Resolution of their queries

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Whether identified as vulnerable & marginalised group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community meetings, Notice board, Website), Other	Frequency of engagement (Annually/ half-yearly/ quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers and Vendors	No	• Supplier and Vendor meets • Face-to-face and electronic correspondence • Supplier Audits	Annually	• Resolving queries • Assessing performance • Recognition and engagement activities • Undertaking discussion on Sustainability Parameters
Investors / Shareholders	No	• Email • Newspaper advertisement, • Website • Annual General Meetings • Disclosures to Stock exchanges.	Need based	To update them about important developments in the Company and address their grievances
Community	No	• Community surveys and consultations • CSR initiatives • Volunteering activities • Community events	Monthly	• Community development • Community grievance redressal
Regulatory And government bodies	No	• Annual reports • Making representations whenever needed • Formal dialogues	On a need basis	• Policy Advocacy with concerned authorities • Deliberations and inputs on regulations and policies that have bearing on our operations and businesses. • Amendment in existing regulations

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Our approach to stakeholder consultation is guided by our Stakeholder Engagement Policy, which outlines clear directives and guidelines for our consultation process. We prioritise open and transparent communication channels to engage with our stakeholders effectively. Additionally, any critical topics or issues are promptly communicated to ensure transparency and foster constructive dialogue. This proactive approach enables us to address concerns, gather valuable feedback, and collaboratively work towards sustainable solutions that benefit all stakeholders involved.

Weblink: https://thirumalaichemicals.com/wp-content/uploads/2023/05/STAKEHOLDER-ENGAGEMENT-POLICY.pdf

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes, stakeholder consultation is used for identification of environmental and social topics. No critical issues concerning environmental, and social topics were raised in the current reporting period.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.

We actively engage with the vulnerable/ marginalised stakeholder groups through our CSR initiatives, actively seeking their inputs, suggestions, and concerns throughout the process. This inclusive approach ensures that their voices are heard and integrated into our decision-making processes, by fostering meaningful dialogue and collaboration, we aim to address the specific needs and challenges faced by these groups, driving positive impact and sustainable outcomes within our communities. No concerns were recorded in the reporting period.

Principle 5: Businesses should respect and promote human rights

TCL is committed to respecting and promoting human rights. We strive to create a workplace that safeguards and advances the rights and dignity of all individuals, both within and outside our organisation. We uphold fundamental principles such as non-discrimination, fair labor practices, and safe working conditions across all aspects of our operations. Through our policies, practices and partnerships, we endeavour to create a workplace and business environment that fosters dignity, equality, and respect for human rights.

SDG Linkages-

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 23-24			FY 22-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	509	509	100%	488	290	59 %
Other than permanent	27	25	93%	24	18	75 %
Total employees	536	534	100%	512	308	60 %
Workers						
Permanent	28	28	100%	31	31	100 %
Other than permanent	734	734	100%	Aspects of Human rights forms part of our business contract and all our contract work adhere to firm's policies and guidelines regarding Human rights.		
Total workers	762	762	100%	31	31	100 %

2. Details of minimum wages paid to employees and workers

Category	FY 23-24					FY 22-23				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No.(F)	% (F / D)
Employees										
Permanent										
Male	461	51	11%	410	89%	447	68	14%	379	85%
Female	48	5	9%	43	90%	41	1	2 %	40	98%
Other than Permanent										
Male	25	0	0	25	100%	21	0	0	21	100%
Female	2	0	0	2	100%	3	0	0	3	100%
Workers										
Permanent										
Male	28	0	0	28	100%	31	0	0	31	100%
Female	0	0	0	0	0	0	0	0	0	0
Other than permanent										
Male	667	667	100%	0	0	446	446	100%	0	0
Female	67	67	100%	0	0	49	49	100%	0	0

3.Details of remuneration/salary/wages

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1*	3,33,00,000	1	1,41,00,000
Key managerial personnel	3	1,61,00,000	-	-
Employees other than BoD and KMP	461	5,00,016	45	5,97,716
Workers	28	5,31,294	0	0

*The remaining Board members receive only sitting fees for attending meetings of the board/ committee.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 23-24	FY 22-23
Gross wages paid to females as % of total wages	9.79%	9.19%

4. Do you have a focal point (individual/ committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the responsibility for overseeing human rights impacts or issues fall under the purview of the head of Human Resources. Any grievances raised in this context are addressed by the head of HR. This ensures that the company's policies and actions align with human rights standards and that employees' concerns are appropriately handled.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

There are various channels available for employees and workers to communicate grievances within the organisation :

1.Email and Phone: Employees can directly contact the HR department or specific individuals responsible for handling grievances via email or phone calls.

2.Suggestion boxes: These provide a confidential and anonymous way for employees to raise concerns or suggestions, including grievances ,without revealing their identity.

3. Hierarchical System: there is a designated system/process of hierarchy within the company to communicate grievances right from the designated Human Rights Officer, Factory Manager, Site head and CEO & Managing Director,

6. Number of complaints on the following made by employees and workers:

	FY 23-24			FY 22-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed During the year	Pending resolution at the end of year	Remarks
Sexual harassment	Nil	Nil	Nil	Nil	Nil	Nil
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced labour/Involuntary labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights-related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 23-24	FY 22-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as a % of female employees / workers	Nil	Nil
Complaints on POSH upheld	Nil	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

TCL is dedicated to upholding a safe and productive work environment that is free from discrimination or harassment of any kind. To ensure prompt and impartial resolution of any related complaints, we have established a trained internal complaints committee.

Also, TCL has a well-defined comprehensive POSH policy to address discrimination and harassment at workplace.

Weblink: https://thirumalaichemicals.com/wp-content/uploads/2023/05/POSH-POLICY.pdf

Further to this, there is also a Stakeholder Grievance Redressal policy for resolution of all grievances raised by the stakeholders,

Weblink:https://thirumalaichemicals.com/wp-content/uploads/2023/05/STAKEHOLDER-GRIEVANCE-REDRESSAL-POLICY.pdf

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Company has a robust mechanism to address human rights requirements which are evidenced by the Company's Code of Conduct, Employment and Hiring policies, Supplier Code of Conduct in place. TCL has a Business and Human Rights policy in place to outlining procedures and actions in response to human rights violations.

Weblink provided

https://thirumalaichemicals.com/wp-content/uploads/2023/05/BUSINESS-AND-HUMAN-RIGHTS-POLICY.pdf

10. Assessments of the year

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Child labour	100% through statutory compliance
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No risk/concern were identified and there is no necessity for corrective action.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Since there were no Human Rights grievances/complaints, no modifications of the processes was undertaken.

2. Details of the scope and coverage of any Human rights due diligence conducted

No due diligence has been conducted

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The premises are currently not accessible to disabled visitors. However, we are committed to working on improvements to make it accessible in the future .

4. Details on assessment of value chain partners:

	% of your plants and offices that were assessed (by the entity or statutory authorities or third parties)
Sexual Harassment Discrimination at workplace Child Labour Forced Labour/Involuntary Labour Wages Others – please specify	Nil

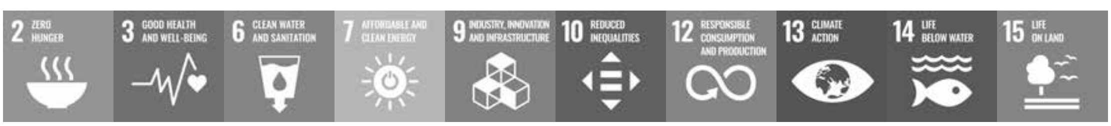
5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

None.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

We are committed to environmental responsibility recognising the importance of protecting and restoring the natural world. We prioritise sustainable practices in our operations, minimise our ecological footprints, and actively seek opportunities to contribute positively to environmental conservations efforts. Our dedication to respecting and safeguarding the environment extends to promoting awareness, implementing green initiatives, and continuously improving our sustainability practises for the benefit of current and future generations. Our commitment extends beyond compliance to environmental regulations; we strive to be leaders in sustainable business practices by investing in eco-friendly technologies, collaborating with stakeholders on environmental initiatives, and continually improving our environmental performance. By integrating environmental stewardship into our core values and decision-making processes, we are dedicated to making a positive impact on the environment and fostering a greener, more sustainable future.

SDG Linkages-



Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity

	Unit@	FY 23-24	FY 22-23
From renewable sources			
Total electricity consumption (A)	GJ	17223	18037
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C) (Waste Heat Recovery)	GJ	167932	150508
Total energy consumption (A+B+C)	GJ	185156	168545
From non-renewable sources			
Total electricity consumption (D)	GJ	15334	13327

Parameter	Unit@	FY 23-24	FY 22-23
Total fuel consumption (E)	GJ	292710	674298
Energy consumption through other sources (F)	GJ	0	0
Total energy consumed from non renewable sources (D+E+F)	GJ	308044	687625
Total energy consumed (A+B+C+D+E+F)	GJ	493200	856170#
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees lakhs)	GJ / million INR	24.36	46.35
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ / million INR adjusted for PPP	557.26	1060.59
Energy intensity in terms of physical output	GJ / MT of production	3.23	5.60

* PPP conversion factor, GDP (₹ per international $) by World Bank is considered for calculation.

@ GJ – Giga Joules

For FY2022-23, the energy values are revisited and restated.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been conducted in the current reporting year.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the performance, achieve, and trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken if any.

Not applicable. There are no sites/facilities that have been identified as Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 23-24	FY 22-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	Nil	Nil
(ii) Groundwater	Nil	Nil
(iii) Third-party water (Municipal Water Sources)	749810	567710
(iv) Seawater / desalinated water	Nil	Nil
(v) Others	Nil	Nil
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**749810**	**567710**
Total volume of water consumption (in kilolitres)	**741832**	**556663**
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) kL / million INR	36.63	30.14
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total water consumption / Revenue from operations adjusted for PPP) kL / million INR adjusted for PPP	838.18	689.57
Water intensity in terms of physical output kL / MT of production	4.85	3.64

* PPP conversion factor, GDP (₹ per international $) by World Bank is considered for calculation

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been conducted in the current reporting year

4. Provide the following details related to water discharged

Parameter	FY 23-24	FY 22-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
No treatment	-	-
With treatment – please specify level of treatment	7978*	11047*
(v) Others	-	-
No treatment	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	**7978**	**11047**

*Ranipet manufacturing facility is Zero Liquid Discharge unit. The above-mentioned discharge pertains to Dahej Plant.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been conducted in the current reporting year

5. Has the entity implemented a mechanism for zero liquid discharge? If yes, provide details of its coverage and implementation.

Out of the two manufacturing facilities, Ranipet manufacturing unit has been 100% Zero Liquid Discharge since 2006. ZLD was audited and certified by IIT Madras in 2021 for adequacy.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Unit@	FY 23-24	FY 22-23
NOx	µg/m3	56	50
SOx	µg/m3	145	80
Particulate matter (PM)	µg/m3	32	45
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	µg/m3	12	12
Hazardous air pollutants (HAP)	-	NA	NA
Others (Carbon Monoxide)	µg/m3	14	15

Note: Indicate if any independent assessment/ evaluation/assurance have been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been conducted in the current reporting year

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

Parameter	Unit@	FY 23-24	FY 22-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	101475	123850
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	3050	3989
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO2 equivalent / million INR	5.16	6.92
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO2 equivalent / million INR adjusted for PPP	118.10	158.36
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO2 equivalent / MT of production	0.68	0.84

* PPP conversion factor, GDP (₹ per international $) by World Bank is considered for calculation

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No assessment by external agency has been conducted in the current reporting year

8. Does the entity have any project related to reducing greenhouse gas emission? If yes, then provide details .

The company has identified and initiated several projects aimed at reducing greenhouse gas(GHG) emissions. These projects are part of our ongoing commitment to sustainability and environmental responsibility.

- We are planning to switch Fuel from FO to PNG for thermic fluid heaters resulting in 10% emission reduction.
- Utilise excess steam generated in plant in purification section to reduce FO consumption which reduces the burning of FO/ PNG, hence reducing emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 23-24	FY 22-23
Total waste generated (in metric tonnes)		
Plastic waste (A)	0	0.05
E-waste (B)	2.04	0.4
Bio-medical waste (C)	0.001	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	5662.0	5216.0
Other Non-hazardous waste generated (H). Please specify, if any.	231.0	51.1
(Break-up by composition i.e. by materials relevant to the sector)		
Total (A + B + C + D + E + F + G + H)	**5895.0**	**5267.5**
Waste intensity per rupee of turnover (Total waste generated/ Revenue from Operations) MT/ million INR	0.29	0.29
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP*) (Total waste generated / Revenue from operations adjusted for PPP) MT/ million INR adjusted for PPP	6.66	6.53
Waste intensity in terms of physical output MT/ MT of production	0.039	0.034
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		

Parameter	FY 23-24	FY 22-23
Category of waste		
(i) Recycled	12.4	7.85
(ii) Re-used	NA	NA
(iii) Other recovery operations	NA	NA
Total	**12.4**	**7.85**
For each category of waste generated, total waste disposed of by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	32.5	94#
(iii) Other disposal operations	4847.3	5165.6#
Total	**4880.0 @**	**5260.0 @**

* PPP conversion factor, GDP (₹ per international $) by World Bank is considered for calculation

Values in some categories have changed for FY23, because of regrouping of waste categories as per SEBI guidelines.

@ The difference in value between the waste generated and disposed is the ATFD Salt waste stored inside the facility as per the regulatory norms.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No assessment by external agency has been conducted in the current reporting year.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce the usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

1. The Ranipet Unit is ZLD from 2006 onwards. All the waste waters generated in the unit is treated and recycled back into the system.
2. The Hazardous Waste generated in the manufacturing units are stored and disposed as per the Hazardous Waste Management, Handling and Transboundary rules 2016.
3. The Scrubber Solution which is a PA Plant effluent is collected and used as a raw material for the manufacture of Fumaric Acid (Wealth from Wastes). The emissions from the Scrubber and Thermic Fluid Heater systems are connected online and monitored on a 24 X 7 basis. These emissions are also monitored by TNPCB and CPCB. E-Waste generated in the unit is disposed to TNPCB authorised E-Waste recyclers on a regular basis

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc.) where environmental approvals/clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Location of operations/offices	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
No Operations in these areas. All operations in SIPCOT and GIDC complexes earmarked for industry with valid EIA and EC's			

12. Details of Environmental Impact Assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (yes/ no)	Relevant Web link
Not applicable and all manufacturing facilities are located at Industrial estate areas.					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (prevention and control of pollution) Act, Air (prevention and control of pollution) Act, Environment Protection Act, and rules there under (Y/N). If not, provide details of all such non-compliances:

Yes, we are fully compliant with the applicable environmental law/ regulations and guidelines in India.

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area: Not applicable

(ii) Nature of operations: Not applicable

(iii) Water withdrawal, consumption and discharge in the following format:

	FY 23-24	FY 22-23
Water withdrawal by source **(in kilolitres)**	Not applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment		
With treatment – please specify level of treatment		
(ii) Into Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater		
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties		
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged **(in kilolitres)**		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit@	FY 23-24	FY 22-23
Total Scope 3 emissions ((Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	We are in the process of identifying, assessing, and cataloging our Scope 3 emissions.	No assessment was done in FY 22-23.
Total Scope 3 emissions per rupee of turnover (in lakhs)			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency?

(Y/N) If yes, name of the external agency.

No independent assessment/ evaluation/assurance has been carried out by an external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No ecologically sensitive areas around the unit

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Production of Fumaric Acid from the Scrubber solution of PA Plant	Adopted the Isomerisation process to produce Fumaric Acid from Maleic Acid (Scrubber Solution) http://www.thirumalaichemicals.com/environment.html	74.1 Cr. / Year Savings
2	Zero Liquid Discharge Process	Implemented Zero Liquid Discharge Process http://www.thirumalaichemicals.com/environment.html	0.45 Cr. / Year Savings
3	PP and HDPE bags disposal to authorised recyclers	The used and damaged bags generated during the process is sent to authorised recyclers instead of Hazardous Waste	0.02 Cr./ Year Savings

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, the organisation has a disaster recovery plan, which is a comprehensive framework designed to ensure swift and effective responses to unforeseen events that could disrupt operations. This plan outlines strategic measures to mitigate risks, restore critical functions, and minimise downtime in the event of natural disasters, technological failures, or other emergencies. The responsibility for the Business Continuity and Disaster Management plan lies with the Safety Department Head, referencing ISO 14001:2015, and ISO 45001 Clause 8.2- Emergency Preparedness and Response.

The procedure involves identifying potential emergencies by analyzing all activities and products for their environmental impact. It also anticipates emergencies like major fires, flammable liquid releases, explosions, natural disasters, Structural Collapse, Uncontrollable leakage of hazardous chemicals, Deluge of untreated effluent or High Pressure Steam Etc. Each one of them or a combination of them can be an Emergency Situation

The Business Continuity and Disaster Management Plan applies to all the emergency situations which can occur in any of the locations like the Factory premises in SIPCOT, Ranipet, Receiving terminal at Walaja Road Railway Station, Ammoor or Storage Installation at Royapuram, Chennai near Chennai Port. The Emergency Preparedness and Response plan are prepared by the Safety Head, Terminal Heads, and Productions Heads, approved by Management representatives ,and distributed to relevant personnel. Regular testing, including unannounced drills, is conducted for each scenario, with observations documented for continual improvement. Plans are regularly reviewed based on insights from mock drills and real emergencies by the Safety Head.

Web Link: https://thirumalaichemicals.com/wp-content/uploads/2023/05/BUSINESS-CONTINUITY-POLICY.pdf

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Not yet assessed

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

There are vendor assessment checklist and supplier assessment checklist available covering various environmental management parameters. These checklists enable us to track the environmental impacts of our value chain partners. While the entity has not yet conducted an analysis of this data, we plan to do so in the future.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

TCL is affiliated with numerous reputable trade and industry chambers, enabling us to actively participate in diverse business communities, acquire valuable insights and contribute to industry growth and development. These partnerships are instrumental in fostering meaningful collaborations, staying informed about industry trends, and collectively striving to make a positive impact on businesses.

SDG Linkages-

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

TCL is affiliated to 5 trade and industry chambers and associations.

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such a body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	National
2	Indian Chemical Council	National
3	Chemical Industries Association	National
4	Indo American Chamber of Commerce	India, USA
5	Chemicals & Petrochemicals Manufacturers Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No cases were filed by any stakeholder against TCL regarding unfair trade practices, irresponsible advertising, and anticompetitive behaviour during the financial year.		

Leadership Indicators

1. Details of public policy positions advocated by the entity

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in the public domain? (Yes/No)	Frequency of review by board (Annually/ half yearly/ quarterly / others – please specify)	Web-link, if available
1	Administrative participation by company personnel in Chem Skill Development Centre (CSDC)- Established for training Chemical Engineering graduates.	Through Industry associations covering ~300 graduates every year including industrial training	Yes	No board review	-

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

At the core of our values, we endeavour to make a positive impact on the society and believe in creating opportunities that are accessible to everyone, regardless of background or circumstances. This commitment is reflected in our CSR(Corporate Social Responsibility) activities Through our initiatives and partnerships, we aim to empower marginalised communities, promote diversity and inclusion, and contribute to building a more equitable and prosperous society for all. Our CSR policy covers wider areas of principal support like Education, Health, Women Empowerment and Community development services. Our dedicated CSR committee recommends the spending on approved CSR activities and monitors them to achieve impactful result.

SDG Linkages-

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No)	Relevant web link
Not Applicable					

2. Provide information on the project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S No.	Name of project for which R&R is ongoing	State	District	No. of project affected families (PAFs)	% Of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

There is a Manual system in place for community to record grievances at main entrance gate of each of facilities.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 24	FY 23
Directly sourced from MSMEs/ small producers	66%	64 %
Directly from within India	89.5%	94.5%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	Current FY	Previous FY
Rural	0	0
Semi-urban	13	12
Urban	72	77
Metropolitan	15	12

(Place to be categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

Our selection of suppliers is purely based on their reputation in the Market, recommendation from any of their business associates and our assessment of their technical ability.

(b) From which marginalised /vulnerable groups do you procure? NA

(c) What percentage of total procurement (by value) does it constitute? NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared	Basis of calculating benefit share
Nil				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
None		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Thirumalai Charity Trust- Early detection, Monitoring and Control of Non-Communicable diseases	39160	90 %
2	Freedom Trust, Chennai (For providing beneficiaries with artificial limbs at HD Kote, Karnataka)	93	100%
3	Bhuvana Foundation, Chennai (For donation under CSR for its School "Vidya Vanam" at Anaikatty, Coimbatore.)	112	100%
4	South Central India Network for Development Alternatives (SCINDeA), Vellore (For a Project on RO based Water Purifier with 1 Year Comprehensive AMC Plan for Students of 1 Rural School & Renovation of a Toilet Block in 1 Rural School)	430	100%

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

Our company operates with a customer-centric mindset, placing a high value on engaging with our customers and providing them with meaningful value in a responsible manner. We believe that by actively listening to our customers, understanding their needs, and delivering products and services that meet and exceed their expectations, we can build lasting relationships and drive sustainable growth. Our commitment to responsible engagements ensures that we prioritise transparency, fairness, and ethical practices in all our interactions with customers, fostering trust and loyalty.

SDG Linkages-

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Upon receiving a customer complaint, it is promptly directed to the respective plant for investigation. The root cause of the problem is identified, and corrective actions are implemented. Subsequently, the details of the corrective actions taken are communicated to the customer.

2. Turnover of products and/or services as a percentage of turnover from all products/services that carry information about:

	As a % to total turnover
Environmental and social parameters relevant to the product	100 %
Safe and responsible usage	100 %
Recycling and/or safe disposal	None

3. Number of consumer complaints in respect of the following:

	Current FY			Previous FY		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	Nil	Nil	Nil	Nil	Nil	Nil
Advertising	Nil	Nil	Nil	Nil	Nil	Nil
Cyber-security	Nil	Nil	Nil	Nil	Nil	Nil
Delivery of essential services	Nil	Nil	Nil	Nil	Nil	Nil
Restrictive trade practices	Nil	Nil	Nil	Nil	Nil	Nil
Unfair trade practices	Nil	Nil	Nil	Nil	Nil	Nil
Other	15	0	None	19	19	Quality issues

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for Recall
Voluntary Recalls	0	0
Forced Recalls	0	0

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? If available, provide a web link to the policy.

Yes- Thirumalai Chemicals has a comprehensive Cyber Security policy to safeguard sensitive data, systems and networks from cyber threat. It outlines comprehensive guidelines and procedures for ensuring the confidentiality, integrity, and availability of information assets. By prioritising cybersecurity, we aim to protect our organisation and stakeholders from potential cyber-attacks, and data breaches, maintaining trust, and upholding the integrity of our operations.

Weblink : https://thirumalaichemicals.com/wp-content/uploads/2023/05/CYBER-SECURITY-POLICY.pdf

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on the safety of products/services.

There have been no instances of issues related to advertising, delivery of essential services, cyber security and data privacy of customers, hence no corrective actions were taken.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches	Nil
b. Percentage of data breaches involving personally identifiable information of customers	TCL through its robust IT infrastructure ensures complete record of any data breach incidence. Since there were no data breaches during the reporting period
c. Impact, if any, of the data breaches	None

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

TCL's services and information can be accessed through the website www.thirumalaichemicals.com.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The customers are provided the required process and product handling annexures for safe usage.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

In case of unavailability of products customers are kept duly informed.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

The information such as product Name, Batch No. CAS No., Date of production, Date of Expiry, supplier details, bag net weight & gross weight, labelling instructions, hazard statements, & precautionary statements are displayed on the product. TCL hasn't carried out any customer satisfaction survey relating to the major products / services of the entity.

Corporate Governance Report

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

THE COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS

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

a) Board Composition:

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

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

b) Matrix setting out skills of Board of Directors:

The list of core skills/expertise/competencies identified by the Board of Directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board are summarised 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		Core Skill/ expertise identified by the Board as required for the Company.																			
	Years of Experience	Technical skills – Chemical Industry	Business operations and Mgmt.	Quality & Performance Mgmt.	Reach & Development	Project Mgmt.	Reach & Development	Strategic Planning	Board & Governance	Global business	Sales and marketing	Finance, Accounting, Audit	Corporate Laws and Compliances	Mergers & acquisitions	Safety Mgmt	Stakeholder Engagement	Continuous learning	Government & Gov Relations	Ethics	Human Resources Mgmt & Labour Relations
	Skill/ expertise/ competencies possessed by the Directors of the Company.																			
[1]MR. R. PARTHASARATHY	45+	√	√	√	√	√	√	√	√	√					√		√	√	√	
MR. R. SAMPATH	50+	√	√	√	√	√	√	√	√	√					√		√	√	√	
MR. R. RAVISHANKAR	45+		√				√	√	√	√	√	√	√	√		√	√		√	
MR. RAJ KATARIA	30+		√					√	√	√		√	√	√		√	√		√	√
MR. DHRUV MOONDHRA	20+		√			√	√	√	√	√	√						√		√	
MR. ARUN RAMANATHAN	45+		√			√	√	√	√	√	√	√	√			√	√	√	√	√
[2]MRS. RAMYA BHARATHRAM	25+		√			√	√	√	√	√	√	√	√	√			√		√	√
MR. P. MOHANA CHANDRAN NAIR	40+	√	√	√	√	√	√	√	√	√	√				√		√		√	
MR. RAJEEV PANDIA	45+	√	√	√	√	√	√	√	√	√	√				√		√	√	√	
MRS. BHAMA KRISHNAMURTHY	40+		√			√	√	√	√	√		√	√	√		√	√	√	√	
MR. ARUN ALAGAPPAN	25+		√					√	√	√	√	√	√	√		√	√	√	√	√

[1] Chairman & Managing Director

[2] Managing Director

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

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

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

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

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

e) Board Meetings:

The Board meets regularly at quarterly intervals and holds additional meetings as and when appropriate and needed. Four meetings of the Board of Directors were held during FY 2023–24 on **May 17, 2023, July 22, 2023, November 3, 2023, and February 6, 2024**. All operational and statutorily required information was placed before and significant events reported to the Board.

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

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

The Meetings of the Board and Committee were conducted in compliance with the Secretarial Standard issued by the Institute of Company Secretaries of India.

f) Directors Attendance Record and Directorships held:

The details of attendance of each Director at the four Board meetings held during FY 23-24, at the last AGM and other particulars of Directorships are given

Name of the Director	Attendance at		No. of Directorships in Other Companies	Name of the other Companies in which Directorship is held	Category	Board Sub-Committees (Audit Committee and Stakeholders Relationship Committee)	
	BODM	Last AGM				Membership	Chairmanship
Mr. R. Parthasarathy[1]	4	Yes	2	Listed:		-	-
				-			
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Non-Executive		
Mr. Raj Kataria	3	Yes	3	Listed:		3	-
				1. KEMP and company limited	Independent		
				Others:			
				1. Mumtaz Hotels Limited	Independent		
				2. Arpwood Capital Private Limited	Executive		
Mr. R. Ravi Shankar	4	Yes	1	Listed:		1	1
				-	-		
				Others:			
				1. Acsys Investments Private Limited	Non –Executive		
Mr. Dhruv Moondhra	4	Yes	7	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		
				4. A.T.E. Enterprises Private Limited.	Executive		
				5. A.T.E. Private Limited	Executive		
				6. TCL Intermediates Private Limited	Non –Executive		

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. Sampath	4	Yes	3	Listed:		2	-
				1. Ultramarine & Pigments Limited	Non-Executive		
				Others:			
				1. Ultramarine Specialty Chemicals Limited	Non-Executive		
				2. Ultramarine Fine Chemicals Limited	Non-Executive		
Mrs. Ramya Bharathram[2]	3	Yes	2	Listed:		-	-
				-	-		
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Non-Executive		
Mr. P. Mohana Chandran Nair	4	Yes	1	Listed:		-	-
				-	-		
				Others:			
				TCL Intermediates Private Limited	Executive		
Mr. Arun Ramanathan	4	No	1	Listed:		2	1
				1. Equitas Small Finance Bank Limited	Independent		
				Others:			
				-	-		
Mr. Rajeev Pandia	4	Yes	5	Listed:		5	2
				1. GRP Limited	Independent		
				2. The Supreme Industries Limited	Independent		
				3. Ultramarine & Pigments Limited	Independent		
				4. Excel Industries Limited	Independent		
				5. Supreme Petrochem Limited	Independent		
				Others:			
				-	-		
Mrs. Bhama Krishnamurthy	3	Yes	7	Listed:	Independent	6	0
				1.Network18 Media & Investments Limited	Independent		
				2.Cholamandalam Investment and Finance Company Limited	Independent		
				3. CSB Bank Limited	Independent		
				4. Five Star Business Finance Limited	Independent		
				5. Muthoot Microfin Limited	Independent		
				Others:			
				1. E-Eighteen.com Limited	Non – Executive		
				2. Reliance Corporate IT Park Limited	Non – Executive		

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. Arun Alagappan	4	Yes	6	Listed:		2	-
				1.Coromandel International Limited	Executive		
				2. Lakshmi Machine Works Limited	Independent		
				Others:			
				1. Southern India Chamber of Commerce & Industry	Non – Executive		
				2. Madras Race Club	Non – Executive		
				3. Yanmar Coromandel Agrisolutions Private Limited	Non – Executive		
				4. Dare Ventures Limited	Non – Executive		

[1] Chairman & Managing Director
[2] Managing Director

g) Remuneration of Directors:

The remuneration paid to the Managing 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 Directors during the year ended March 31, 2024 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites & others (excluding actuarial valuation) ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	306,00,000	Nil	25,98,000	96,222	3,32,94,222
Mrs. Ramya Bharathram	Managing Director	1,32,00,000	NIL	9,42,000	NIL	1,41,42,000

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

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

Sitting fees and commission paid to the Non-Executive Directors

Name of the Director	Sitting fees paid (₹)	Commission paid for 2022-23 (₹)	Commission payable for FY 23-24 (₹)
Mr. Raj Kataria	5,85,000.00	17,77,871.00	5,15,158.60
Mr. R.Ravishankar	9,75,000.00	29,03,869.00	7,78,218.30
Mr. Dhruv Moondhra	6,15,000.00	19,02,982.00	5,15,158.60
Mr. Arun Ramanathan	7,65,000.00	19,02,982.00	5,67,770.50
Mr. R.Sampath	9,15,000.00	26,53,647.00	7,25,606.30
Mr. Rajeev Pandia	10,05,000.00	22,78,315.00	7,78,218.30
Mrs. Bhama Krishnamurthy	5,85,000.00	19,02,982.00	4,62,546.60
Mr. Arun Alagappan	3,75,000.00	8,58,352.00	3,57,322.80

h) Details of the Shares held by Non-Executive Directors as on March 31, 2024

Name of the Director	No. of Shares held
Mr. R.Sampath	36,000
Mr. Raj Kataria	500
Mr. Rajeev Pandia	2,400

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 Eight Committees: The Audit Committee, the Stakeholder Relationship Committee, the Business Review Committee, the Nomination & Remuneration Committee, the Corporate Social Responsibility Committee, the Risk Management Committee, the Investment, Finance and Banking Committee and the Strategy Review 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. Raj Kataria	Independent Director	4
3.	Mr. Arun Ramanathan	Independent Director	4
4.	Mrs. Bhama Krishnamurthy.	Independent Director	3
5.	*Mr. Rajeev Pandia	Independent Director	3
6.	Mr. R. Sampath	Director	3

*Inducted as a member on 22.07.2023

Four meetings of the Audit Committee were held during FY 23-24 on **May 16, 2023, July 21, 2023, November 3, 2023, and February 6, 2024.**

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

- Compliance with IND AS Programme
- Implementation of Forex Policy in the Company
- Making recommendation on the re-appointment of the external auditor as and when due

B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constitutes of the following members:

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	-

One Meeting of the Stakeholders Relationship Committee was held during FY 23-24 on **May 8, 2023.**

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 May 15, 2012.

Total 10 complaints were received during FY 23-24. All the said grievances were addressed to the satisfaction of the investors. There is no pending complaint on the website of SEBI or with the Stock Exchanges.

During FY-23-24, the work carried out by Stakeholders Relationship Committee includes:

- Prompt resolution of all queries/complaints from Shareholders and Investors.
- The process of share transfer was delegated to an R&T and is carried out in compliance with the Listing Regulation which will be confirmed and ratified by the Board at each subsequent meeting.
- It may be noted that the shareholding in dematerialised mode as on March 31, 2024 was 99.07 %.

C) BUSINESS REVIEW COMMITTEE:

The Business Review Committee constitutes of the following members:

Members:

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

Four meetings of the Business Review Committee were conducted during FY 23-24 on **April 1, 2023, July 14, 2023, October 26, 2023 and January 23, 2024.**

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 FY23-24, 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.

D) NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee constitutes of the following members:

Members:

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

During FY 23-24 period, the Nomination & Remuneration Committee held a meeting on **May 10, 2023**, which was adjourned and subsequently reconvened on May 14, 2023.

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-23-24, 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 Managing Director and retiring Director.
- Reviewed the remuneration policy & structure for the Directors and the Senior Management.
- Made recommendations to the Board regarding the Directors' fee and other allowances for FY 23-24
- 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:

Members:

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

Two meetings of the Corporate Social Responsibility Committee were conducted during FY 23-24 on **May 8, 2023** and December 15, 2023.

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

During FY-24, based on the recommendation of the CSR Committee, your Company¬ made a donation of ₹ 362 lakhs to CSR activities.

F) RISK MANAGEMENT COMMITTEE:

The Risk Management Committee comprises of the following members:

Members:

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

Four meetings of the Risk Management Committee were conducted during FY 23-24 on **April 22, 2023, July 13, 2023, October 25, 2023 and January 16, 2024.**

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

G) INVESTMENT, FINANCE AND BANKING COMMITTEE:

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

Members:

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

No meetings of the Investment, Finance and Banking Committee was conducted during FY 23-24.

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

H) STRATEGY REVIEW COMMITTEE:

The Strategy Review Committee of the Board comprises of the following members

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mrs. Ramya Bharathram	Managing Director & Chairperson of the Committee	1
2.	Mr. Rajeev Pandia	Independent Director	1
3.	Mr. R. Parthasarathy	Chairman & Managing director	1

One meeting of the Strategy Review Committee was conducted during FY 23-24 on **November 16, 2023.**

The Strategy Review Committee is constituted to conduct studies and discussions for identifying New Business & proposals. The Committee meets occasionally when required.

Independent Directors meeting:

During the year under review the Independent Directors met once on May 10, 2023, inter alia to discuss and review the performance of Non-Independent Directors, Board as a whole and Chairman of the Company.

All the Independent Directors were present at the meeting except Mr. Raj Kataria & Mr. Dhruv Moondhra.

Performance evaluation of Independent Director:

A detailed note is provided in the Directors report.

Senior management:

The Senior management of the company is given below:

S.No	Name of the Director	Category
1.	Mr. C.G. Sethuram	Group Chief Executive Officer - Strategic initiatives & new businesses
2.	Mr. Sanjay Sinha	Chief Executive Officer
3.	Mr. T. Rajagopalan	Company Secretary
4.	Mr. S. Venkatraghavan	President – Food Ingredients
5.	Mr. R. Srinivasaraghavan	President – Factory Operations – Manufacturing
6.	Ms. J. Radha	Executive Vice President, Finance
7.	Mr. B. Krishnamurthy	Executive Vice President, Accounts & Systems

There was no change in the Senior managerial during FY 23-24.

Familiarisation programmes for Directors

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

Policy on Material Subsidiary

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

Policy on Related Party Transactions

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

Dividend Distribution Policy

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

POLICY FOR SELECTION AND APPOINTMENT OF DIRECTORS AND THEIR REMUNERATION

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

Criteria of selection of Non-Executive Directors

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

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

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

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

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

   ii) Personal, Professional or business standing;

   iii) Diversity of the Board.

Remuneration

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

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

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

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

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

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

Remuneration for the Managing Director/Whole-time Directors

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

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

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

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

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

Remuneration Policy for the Senior Management Employees

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

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

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

No complaint had been registered during FY 23-24. No personnel have been denied access to the Committee/ Mechanism.

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

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

Statutory Auditor's remuneration:

Disclosure of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part, as required by the provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is ₹ 60 lakhs.

Details of material subsidiaries:

The details of material subsidiaries as required under SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 is given below:

Name of material subsidiaries	Optimistic Organic Sdn. Bhd	TCL Global BV	TCL Inc	TCL Specialties LLC	TCL Intermediaries Private Limited	Cheminvest PTE LTD
Date of incorporation	24/09/2009	08/02/2019	10/10/2018	30/05/2019	15/12/2021	26.05.2009
Place of incorporation	Malaysia	Netherlands	USA	USA	Chennai, India	Singapore
Name of the statutory auditors	Ernst & Young PLT	NA	Ventura Pranas	Ventura Pranas	Walker Chandiok & Co LLP	MGI N Rajan Associates
Date of appointment of the statutory auditors	28/09/2023	NA	12/03/2024	12/03/2024	16/09/2022	26.05.2009

GENERAL BODY MEETINGS

The Fifty First Annual General Meeting of the Company for FY 23-24 has been scheduled to be held on Wednesday, July 24, 2024 at **Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai at 2.30 pm.**

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

Financial Year	Date	Time	Location
22-23	22/07/2023	2.30 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai

No Special resolution was passed.

Financial Year	Date	Time	Location
21-22	27/07/2022	2.30 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga-(C.Rly) Mumbai

Special resolution was passed:

1. Reappointment of Mr. R. Parthasarathy (DIN: 00092172) as Chairman and Managing Director
2. Reappointment of Mr. Arun Ramanathan (DIN 00308848) as an Independent Director
3. Appointment of Mr. Arun Alagappan (DIN: 00291361) as an Independent Director

Financial Year	Date	Time	Location
20-21	24/07/2021	2.30 p.m.	Through Video Conferencing

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

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

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

DISCLOSURES:

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

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

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

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

CODE OF CONDUCT:

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

All the Board members and the Senior Management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2024. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this Report.

RISK MANAGEMENT:

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

CEO /CFO CERTIFICATION:

Appropriate certification as required under Reg. 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Mr. R. Parthasarathy, Managing Director and Mrs. Ramya Bharathram, Chief Financial Officer have certified to the Board regarding the Financial Statements for the year ended March 31, 2024.

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:

I. UNCLAIMED SUSPENSE ACCOUNT

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	No. of shares transferred to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares
319	193479	11	11	0	308	185577

Note: The voting rights on such unclaimed shares shall remain frozen till the rightful owner claims the shares

II. SUSPENSE ESCROW DEMAT ACCOUNT

Aggregate no. of Shareholders at the beginning of the year	No. of Shares	No. of Shareholders approached for transfer of shares from suspense account	No. of shareholders to whom shares were transferred from suspense account during the year	No. of shares transferred to IEPF	Aggregate no. of Shareholders at the end of the year	No. of Shares
2	7220	0	0	0	2	7220

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 51st AGM	:	July 24, 2024, 2.30 pm at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road Matunga C-Rly., Mumbai – 400 019
2) Dividend Payment	:	The final dividend, if approved, shall be paid/credited on or before Friday, August 23, 2024
3) Date of Book Closure	:	July 18, 2024 to July 24, 2024 (both days inclusive)
4) Listing on Stock Exchanges	:	BSE Ltd. (BSE) and National Stock Exchange Ltd.(NSE)
5) Listing fees	:	Paid as per the Listing Regulations.
6) ISIN No	:	INE 338A01024.
7) BSE Stock code NSE Stock code	:	500412 TIRUMALCHM
8) Corporate Identity Number (CIN)	:	L24100MH1972PLC016149
9) Registered office	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022, India Tel: +91-22- 24018841/7861/7853/7869/7834 E-mail- info@thirumalaichemicals.com
10) 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
11) Compliance Officer	:	Mr. T. Rajagopalan, Company Secretary Thirumalai Chemicals Limited Thirumalai House, Road No.29, Sion (East), Mumbai- 400 022. India Tel: +91-22-24018841/61/53. Fax: +91-22-24011799. E-mail- investorinfo@thirumalaichemicals.com

12) Share Transfer system	:	The Company's shares are traded in the Stock Exchange which are compulsorily in Demat mode. Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialised form only, for processing any service requests from shareholders. Shareholders must dematerialise shares within 120 days of receiving a confirmation letter, or the shares will be credited to a Suspense Escrow Demat account.
13) Financial Calendar	:	Annual Result - May 15, 2024 E-Mailing of Annual Reports - By June 30, 2024 Results for the Quarter ending: June 30, 2024 - By August 14, 2024 September 30, 2024 - By November 14, 2024 December 31, 2024 - By February 14, 2025 March 31, 2025 - By May 30, 2025
14) Dematerialisations of shares	:	As on 31/03/2024, 99.07% of the Company's Share Capital representing 10,14,35,167 shares which were held in the dematerialised form.
15) Plant Location	:	i. 25-A, SIPCOT, Ranipet, Ranipet District, Tamil Nadu, India Tel. : +91-4172-244441. Fax: +91-4172-244308. E-Mail: info@thirumalaichemicals.com
		ii. Plot No. D-2/CH/171/B, GIDC Estate, Dahej Phase-II, Tal.Vagra, Bharuch, Gujarat 392130, India Cell : +91-98423-99500 / +91-99526-08935 E-mail: info@thirumalaichemicals.com

16) Categories of Shareholders as on 31.03.2024:

Category	No. of shares	% of shareholding
Promoters, Directors & their Relatives	1,57,28,789	15.36
Group companies	2,72,23,650	26.59
Financial Institutions / Banks/ Mutual Funds/ Foreign Portfolio Investors	28,57,066	2.79
Insurance companies	4,000	0.00
NRIs	21,09,291	2.06
Companies / Bodies corporates	48,14,096	4.70
Central Government/ State Government(s)	0	0.00
General Public	4,67,30,278	45.64
Clearing members	5,920	0.01
LLP	4,43,669	0.43
Trusts	9,380	0.01
HUFs	24,61,981	2.40
TOTAL	**10,23,88,120**	**100.00**

17) Distribution of Shareholding as on 31.03.2024:

No. of shares /Folios	No. of shareholders	% of shareholders	Shareholding	% of shareholding
1 to 500	59,786	82.44	67,10,458	6.55
501 to 1000	5,557	7.66	46,03,187	4.50
1001 to 2000	3,424	4.72	51,94,618	5.07
2001 to 3000	1,230	1.70	31,69,319	3.10
3001 to 4000	604	0.83	21,70,316	2.12
4001 to 5000	529	0.73	25,12,760	2.45
5001 to 10000	759	1.05	56,92,727	5.56
Above 10000	630	0.87	7,23,34,735	70.65
Total	**72,519**	**100.00**	**10,23,88,120**	**100.00**

18) Stock market price data for FY 23-2024:

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	58,991.52	closing	73,651.35
Indices :	NIFTY 50	opening	17,359.75	closing	22,326.90

Month	BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
April, 2023	206.55	172.35	5,16,796	206.40	172.45	62,98,383
May, 2023	213.05	175.80	6,87,000	213.10	175.50	79,79,313
June, 2023	206.80	179.40	5,69,172	206.30	179.20	78,36,930
July, 2023	215.00	184.75	9,57,154	214.95	184.80	1,34,16,230
August, 2023	238.65	198.80	16,48,803	238.75	199.00	2,17,91,475
September, 2023	244.20	207.00	9,78,372	244.60	207.15	1,15,19,282
October, 2023	222.00	186.50	3,96,990	222.00	188.65	48,83,461
November, 2023	204.65	188.95	3,87,715	204.40	189.00	61,45,663
December, 2023	228.45	196.00	11,86,910	228.55	195.70	1,28,07,977
January, 2024	257.00	220.10	18,47,262	256.85	220.00	1,95,97,491
February, 2024	268.75	210.60	15,39,443	268.65	210.45	2,20,12,803
March, 2024	261.40	205.20	8,12,072	260.50	204.15	99,04,338

For and on behalf of the Board of Directors

R. Parthasarathy
Managing Director
(DIN :00092172)
Place: Ranipet
Date: May 15, 2024

R. Ravi Shankar
Director
(DIN:01224361)
Place: Chennai
Date: May 15, 2024

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, 2024.

For **Thirumalai Chemicals Limited**
R.Parthasarathy
Managing Director
(DIN: 00092172)
Ranipet, May 15, 2024

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 13 May 2024.

2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited ('the Company') for the year ended on 31 March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion as to whether the Company has complied with the conditions of corporate governance as stated in paragraph 2 above. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the relevant records of the Company in accordance with the applicable Generally Accepted Auditing Standards in India, the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('ICAI'), and Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2024.

   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

Vijay Vikram Singh
Partner
Membership No. 059139
UDIN: 24059139BKEYIV4171

Place: Bangalore
Date: June 11, 2024

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2024

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

To,

The Members

Thirumalai Chemicals Limited

[CIN; L24100MH1972PLC016149]

Thirumalai House,
Road No. 29, Near Sion Hill Fort,
Sion (East), Mumbai - 400022

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

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

We hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2024 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, 2024 according to the provisions of;

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

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

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

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

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

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

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

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

   (a) Explosive Act, 1974

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

   (c) The Chemical Weapons Convention Act, 2000

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

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

   (f) Legal Metrology Act, 2009

   (g) Water (Prevention and Control of Pollution) Act, 1974.

   (h) Air (Prevention and Control of Pollution) Act, 1981

   (i) The Gas cylinders rules, 2016.

   (j) Central Electricity Authority Regulation, 2010.

   (k) Tamil Nadu Legal Metrology (Enforcement) Rules, 2011.

   (l) Environment (Protection) Act, 1986

   (m) Indian wireless telegraphy act, 1933.

   (n) Indian boiler regulation, 1950.

   (o) The petroleum rules, 2002.

   (p) Public Liability Act, 1991

   (q) Tamil Nādu Fire Service Act 1985.

   (r) Gujarat Factories Rules, 1963

   (s) Atomic Energy Radiation Protection rules, 2004.

   (t) Tamil Nādu Factories rules, 1950.

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

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

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

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

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

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

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

(a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

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

(c) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

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

(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. There was no change in the composition of the Board of Directors during the period under review.

- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

- There was slight delay in submission one disclosure and three XBRL of disclosures to Stock Exchanges as required under SEBI (LODR) Regulations, 2015 during the audit period. However, no fine was imposed by any of the Stock Exchange, for these delays, except below;

- The National Stock Exchange of India Limited has imposed a fine of ₹ 10,000 for delay in disclosures of related party transactions for the half year ended on March 31, 2023, as required under Regulation 23(9) of SEBI (LODR) Regulations, 2015.

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

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

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

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021
UDIN: F006271F000369392

Place: Mumbai
Dated: May 15, 2024

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

Annexure – "A"

To,
The Members

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

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

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

For **R M MIMANI & ASSOCIATES LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021
UDIN: F006271F000369392

Place: Mumbai
Dated: May 15, 2024

Form No. MR.3

Secretarial Audit Report of Material Subsidiary of the Company for the financial year ended on March 31, 2024

[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]

The Members
TCL Intermediates Private Limited
(CIN: U24290TN2021PTC148609)
No. 556, Vanagaram Road,
Ambattur, NA, Chennai,
Thiruvallur, Tamil Nadu - 600053

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TCL Intermediates Private Limited** hereinafter called ("the Company") for the financial year ended March 31, 2024 ['Audit Period']. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records as maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, explanation and clarification given and representation made during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period 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, minutes' book, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2024 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. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there-under to the extent applicable.

IV. 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;

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

V. Other law applicable specifically to the Company as confirmed and identified by the Management, as detailed below;

   a. Explosive Act, 1974

   b. Hazardous Wastes (Management and Handling) Rules 2016

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of 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 audit period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. as mentioned above except that during the period from April 01, 2023 to March 21, 2024 the Company has not appointed CFO, as required under section 203 of the Companies Act, 2013. The Company has appointed CFO on March 22, 2024. During the audit period, provisions of the following regulations were not applicable to the Company;

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

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

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

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

(v) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

(vi) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(vii) The Depositories Act, 1996 and the Regulations and bye-laws framed there-under;

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. During the period under review, 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 generally sent at least seven days in advance and there was 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 in our opinion system and process exists in commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the Audit Period, the Company has not undertaken any specific event/action that can have a major bearing on the company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards.

For **R M MIMANI & ASSOCIATES LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021
UDIN: F006271F000345797

Place: Mumbai
Dated: May 10, 2024

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
TCL Intermediates Private Limited
(CIN: U24290TN2021PTC148609)
No. 556, Vanagaram Road,
Ambattur, NA, Chennai,
Thiruvallur, Tamil Nadu – 600053

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

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

For **R M MIMANI & ASSOCIATES LLP**
[Company Secretaries]
[Firm Registration No. L2015MH008300]

Ranjana Mimani
(Partner)
FCS No: 6271
CP No: 4234
PR No.: 1065/2021
UDIN: F006271F000345797

Place: Mumbai
Dated: May 10, 2024

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 Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Revenue recognition

Key audit matter	How our audit addressed the key audit matter
Refer Note 2.5 and Note 22 to the accompanying standalone financial statements for the material accounting policy information on revenue recognition and relevant details of revenue recognised during the year. Revenue for the Company consists primarily of sale of manufactured goods to the customers and revenue from construction contract with TCL Specialties LLC, the wholly owned subsidiary. The Company recognises revenue in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers ('Ind AS 115'), i.e. revenue from sale of manufactured goods is recognised at point in time when it satisfies its performance obligation by transferring the control of goods to its customers and there is no unfulfilled obligation and revenue from construction contracts is recognised over time since the performance obligations under the construction contract are being transferred over time and accordingly revenue is recognised based on measurement of progress towards satisfaction of performance obligations. The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue and thus, the timing of revenue recognition is critical as there is a risk of revenue being recognised before the control is transferred to the customers. Owing to the above and volume of transactions, in the sale of manufacturing goods is determined to be an area involving significant risk in sale of manufactured goods, and hence, requires significant auditor attention. Further, the application of Ind AS 115 involves significant judgements / estimates such as determining timing of revenue recognition and transaction price as per the terms of contracts with the customers. Considering the significance of management judgements and estimates and the materiality of the amount involved, significant attention required by the auditor as mentioned above, and thus, revenue recognition has been identified as a key audit matter for the current year audit.	• Obtained an understanding of the revenue business process and assessed the appropriateness of the Company's revenue recognition accounting policy in accordance with Ind AS 115; • Evaluated the design and tested the operating effectiveness of key controls around revenue recognition; • Performed substantive testing by selecting samples of revenue transactions recorded during the year including specific periods before and after the financial year end by verifying the underlying supporting documents, which included sales invoices, contracts and shipping documents to ensure that the correct amount of revenue is recorded in the correct period; • In respect of revenue from construction contract, evaluated the appropriateness of management's assessment that performance obligation was satisfied over time and consequent recognition of revenue using percentage of completion method; • On a sample basis, tested additions made to contract assets by examining underlying supporting documents; • Tested unusual non-standard journal entries based on certain criteria's which impacts revenue recognized during the year; • Tested the credits made to revenue account subsequent to the period end; • Evaluated the compliance with the transfer pricing regulations under the Income Tax Act, 1961 with respect to arm's length pricing based on the transfer pricing documentation prepared by the Company. This also involved obtaining views from the auditor's internal tax experts regarding assessment of the arm's length pricing; and • Assessed the appropriateness and adequacy of disclosures made by the management in the standalone financial statements in accordance with the requirements of the applicable accounting standards.

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

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

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

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

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

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

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

7. In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

9. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

    - Identify and assess the risks of material misstatement of the standalone 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 with reference to standalone financial statements in place and the operating effectiveness of such controls;

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

11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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

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

15. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

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

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    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 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in, paragraph 16(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure B wherein we have expressed an unmodified opinion; and

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

   i. the Company, as detailed in note 34 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

   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 2024.;

   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 2024;

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

      b. The management has represented that, to the best of its knowledge and belief, other than as disclosed in note 4 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

   v. The final dividend paid by the Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

      As stated in note 12(g) to the accompanying standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

   vi. As stated in note 39 to the standalone financial statements and based on our examination which included test checks, except for instances mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exceptions given below:

Particulars	Details of Exception noted
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software SAP B1 to log any direct data changes, used for maintenance of all relevant accounting records by the Company.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Rely on) used for maintenance of payroll records of the Company is operated by third party software service provider. In the absence of any information on the existence of audit trail feature in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment whether the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

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

Vijay Vikram Singh
Partner
Membership No: 059139
UDIN: 24059139BKEYHZ8776

Hyderabad
15 May 2024

Annexure A referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the standalone financial statements for the year ended 31 March 2024

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

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets.

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

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

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 3 to the standalone financial statements, are held in the name of the Company.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

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

(b) As disclosed in Note 15 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of ₹ 5 crores by banks based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit.

(iii) (a) The Company has not granted any loans or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has made investments in and provided guarantee to its subsidiaries {companies or any other parties} during the year as per details given below:

Particulars	Guarantees	Investments
Aggregate amount provided during the year:		
- TCL Specialties LLC	₹ 61,235 lakhs	Nil
- TCL Intermediates Private Limited	₹ 45,200 lakhs	₹ 4,800 lakhs
- Optimistic Organic Sdn Bhd	₹ 3,880 lakhs	Nil
- Ultramarine and Pigments Limited	Nil	₹ 555 Lakhs
Balance outstanding as at balance sheet date in respect of above cases:		
- TCL Specialties LLC	₹ 61,235 lakhs	Nil
- TCL Intermediates Private Limited	₹ 45,200 lakhs	₹ 19,800 lakhs
- Optimistic Organic Sdn Bhd	₹ 3,880 lakhs	Nil
- Ultramarine and Pigments Limited	Nil	₹ 13,915 lakhs

(b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

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

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

(e) The Company has granted loan which had fallen due during the year and was repaid/converted into equity on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans.

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

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

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

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

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

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

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax dues	601	388	AY 2014-15	CIT (A), Mumbai
				AY 2016-17	
				AY 2017-18	
				AY 2018-19	
Goods and Services Tax, 2017	Tax and Interest dues	842	77	AY 2017-18	The Commisoner of Central Tax (Appeals)

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

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

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

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

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the standalone financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

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

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

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

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

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

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

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

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

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

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

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

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

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

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

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

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

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

(xx) (a) According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to other than ongoing projects as at end of the current financial year. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, the Company has transferred the remaining unspent amounts towards Corporate Social Responsibility (CSR) under sub-section (5) of section 135 of the Act, in respect of ongoing project, within a period of 30 days from the end of financial year to a special account in compliance with the provision of sub-section (6) of section 135 of the Act,

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

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

Vijay Vikram Singh
Partner
Membership No: 059139
UDIN: 24059139BKEYHZ8776

Hyderabad
15 May 2024

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 2024

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

1. In conjunction with our audit of the standalone financial statements of Thirumalai Chemicals Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

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

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

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

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

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

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

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

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

provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Vikram Singh
Partner
Membership No: 059139
UDIN: 24059139BKEYHZ8776

Hyderabad
15 May 2024

Standalone Balance Sheet

as at 31 March 2024

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

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	38,683	39,582
Capital work-in-progress	3	475	1,234
Intangible assets	3	10	9
Right of use assets	3	2,120	1,508
Financial assets	21		
(i) Investments	4	62,266	53,766
(ii) Loans	5	-	1,644
(iii) Other financial assets	6	431	324
Income tax assets (net)	7	465	595
Other non-current assets	8	234	380
Total non-current assets		**1,04,684**	**99,042**
Current assets			
Inventories	9	21,666	29,249
Financial assets	21		
(i) Investments	4	3,397	-
(ii) Trade receivables	10	16,498	9,254
(iii) Cash and cash equivalents	11	15,975	4,487
(iv) Bank balances other than (iii) above	11	161	6,398
(v) Loans	5	-	20,554
(vi) Other financial assets	6	1,931	698
Income tax assets	7	145	485
Other current assets	8	8,805	16,195
Total current assets		**68,578**	**87,320**
Total assets		**1,73,262**	**1,86,362**
Equity and liabilities			
Equity			
Equity share capital	12	1,024	1,024
Other equity	14	97,371	95,178
Total equity		**98,395**	**96,202**
Liabilities			
Non-current liabilities			
Financial liabilities	21		
(i) Borrowings	15	2,460	4,990
(ii) Lease liabilities	16	606	-
(iii) Other financial liabilities	19	1,057	-
Deferred tax liabilities (net)	7	5,014	4,913
Provisions	17	1,371	1,097
Total non-current liabilities		10,508	11,000
Current liabilities			
Financial liabilities	21		
(i) Borrowings	15	15,574	28,047
(ii) Lease liabilities	16	243	189
(iii) Trade payables	18		
(A) Total outstanding dues of micro enterprises and small enterprises		213	781
(B) Total outstanding dues other than micro enterprises and small enterprises		46,213	44,733
(iv) Other financial liabilities	19	1,088	1,800
Provisions	17	236	344
Current tax liabilities	7	89	39
Other current liabilities	20	703	3,227
Total Current liabilities		**64,359**	**79,160**
Total equity and liabilities		**1,73,262**	**1,86,362**

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

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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
Date : 15 May 2024

R Parthasarathy
Managing Director
(DIN : 00092172)

Place : Ranipet
Date : 15 May 2024

R Ravishankar
Director
(DIN : 01224361)

Place : Chennai
Date : 15 May 2024

C G Sethuram
Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Statement of Standalone Profit and Loss

for the year ended 31 March 2024

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

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	22	1,98,681	1,84,727
Other income	23	3,802	4,426
Total income		**2,02,483**	**1,89,153**
Expenses			
Cost of materials consumed	24	1,45,127	1,27,699
Project material and contract costs		18,013	8,995
Purchase of stock-in-trade	24	1,613	262
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(1,488)	179
Employee benefits expense	26	5,581	5,628
Finance costs	27	4,357	3,362
Depreciation and amortisation expenses	3	3,418	3,003
Other expenses	28	21,021	24,394
Total expenses		**1,97,642**	**1,73,522**
Profit before tax		**4,841**	**15,631**
Tax expense	7		
- Current tax		1,127	3,473
- Deferred tax		84	205
Total tax expense		**1,211**	**3,678**
Profit for the year		**3,630**	**11,953**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
- Re-measurements of defined benefit liabilities	17	(37)	21
- Equity instruments through other comprehensive income		152	(20)
- Income tax relating to items that will not be reclassified to profit or loss	7	(17)	(1)
Other comprehensive income for the year, net of tax		**98**	**-**
Total comprehensive income for the year		**3,728**	**11,953**
Earnings per equity share on Profit for the year	29		
Basic and diluted (in ₹)		3.55	11.67

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

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Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Standalone Statement of Changes in Equity

for the year ended 31 March 2024

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

A. Equity Share Capital

As at 31 March 2024

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024

As at 31 March 2023

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024

B. Other Equity

Particulars	Surplus			Other reserves	Total other equity
	General reserve	Securities premium	Retained earnings	Accumulated other comprehensive income*	
Balances at 31 March 2022	**4,283**	**1,971**	**64,873**	**14,658**	**85,785**
Profit for the year	-	-	11,953	-	11,953
Dividend paid (relating to 2021-22)	-	-	(2,560)	-	(2,560)
Other comprehensive income	-	-	16	(16)	-
Balances at 31 March 2023	**4,283**	**1,971**	**74,282**	**14,642**	**95,178**
Profit for the year	-	-	3,630	-	3,630
Dividend paid (relating to 2022-23)	-	-	(1,536)	-	(1,536)
Other comprehensive income	-	-	(28)	127	99
Balances at 31 March 2024	**4,283**	**1,971**	**76,349**	**14,769**	**97,371**

*Refer note 14 (d)

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

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

Vijay Vikram Singh
Partner
Membership No: 059139

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T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Standalone Cash flow statement

for the year ended 31 March 2024

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

	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax	4,841	15,631
Adjustments for:		
Depreciation and amortisation expense	3,418	3,003
Interest expense	4,357	3,362
Interest income	(1,435)	(1,715)
Dividend income from investments	(1,548)	(1,213)
Provision for employee benefits	294	268
Provision for expected credit losses	-	2
Profit on sale of property, plant and equipment, net	(5)	(33)
Profit on transfer of lease hold rights	-	(640)
Excess provisions/ sundry balances written back (net)	(50)	(27)
Unrealised forex gain, net	(296)	(396)
Gain on fair valuation of derivatives	(4)	(1)
Financial guarantee commission	(295)	-
Discount receivable	(231)	(234)
Operating profit before working capital changes	**9,046**	**18,007**
Movements in working capital:		
Decrease/ (increase) in trade and other receivables	(7,232)	303
Decrease/ (increase) in inventories	7,583	(8,629)
Increase in other financial assets	(1,105)	(163)
Decrease/ (increase) in other assets	7,430	(9,217)
Increase in trade and other payables	975	7,242
Decrease in provisions & other liabilities	(2,689)	(2,210)
Decrease in other financial liabilities	(497)	(35)
Cash generated from operations	**13,511**	**5,298**
Direct tax paid (net)	(607)	(3,635)
Net cash generated from operating activities	**12,904**	**1,663**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	8	89
Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(1,581)	(4,336)
Interest received	1,435	1,715
Purchase of investments	(5,352)	(15,132)
Proceeds from sale/ (purchase) of mutual funds	(3,397)	5,148
Dividend received	1,548	1,213
Loan repaid by/ (granted to) subsidiary	20,778	(20,393)
Movement in balances with bank other than those mentioned in cash & cash equivalents	6,237	1,723
Net cash generated from/(used in) investing activities	**19,676**	**(29,973)**

Standalone Cash flow statement

for the year ended 31 March 2024

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

	Year ended 31 March 2024	Year ended 31 March 2023
C. Cash flow from financing activities		
Repayment of borrowings (Also, refer note 15)	(40,990)	(6,142)
Proceeds from borrowings (net)	25,518	28,897
Payment of lease liabilities (Also refer note 35)	(273)	(215)
Interest paid relating to borrowings	(2,830)	(1,702)
Other borrowing cost	(1,298)	(1,660)
Dividend paid	(1,536)	(2,560)
Net cash generated from / (used in) financing activities	(21,409)	16,618
D. Net cash inflows/ (outflows) during the year	11,171	(11,692)
E. Cash and cash equivalents at the beginning of the year	4,487	15,898
F. Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	317	281
G. Cash and cash equivalents at the end of the year	15,975	4,487
Cash and cash equivalents comprise of:		
Cash on hand	3	3
Balances with banks - in current accounts	6,417	2,965
Deposit accounts (with original maturity less than 3 months)	9,555	1,519
Cash and cash equivalents as per note 11	**15,975**	**4,487**

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

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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
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Managing Director
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Place : Ranipet
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(DIN : 01224361)

Place : Chennai
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Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Summary of material accounting policies and other explanatory information

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

1 General Information

Thirumalai Chemicals Limited ('the Company') is a public limited company domiciled in India and incorporated under the provisions of the Companies Act. The Company's principal activities are manufacturing and selling chemicals. The shares of the Company are listed on stock exchanges in India. The Company has its registered office at Thirumalai House, Plot No. 101-102, Road No. 29, Sion(East), Mumbai - 400 022, India and factories at (1) 25-A Sipcot Industrial Complex, Ranipet - 632 403, Tamil Nadu, India; (2) 16&17, Engineering SEZ, Sipcot Industrial Complex, Phase III, Ponnai Road, Ranipet - 632 405, Tamil Nadu, India (3), Plot No.D-2/CH/171B, GIDC Estate, Dahej, Phase-II, Tal.Vagra, Bharuch, Gujarat-392 130, India.

These financial statements were authorized for issue by the Company's Board of Directors on 15 May 2024.

2 Material accounting policy information

2.1 Basis of preparation of financial statements

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. For the business of manufacturing and trading of chemicals, 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. Operating cycle for the other business activities of the Company covers the duration of the specific project or contract or service and extends up to the realisation of receivables within the agreed credit period normally applicable to such lines of business.

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

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

2.2 Functional and presentation currency

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

2.3 Critical accounting estimates, assumptions and judgements

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

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

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

(i) Deferred income tax assets and liabilities

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

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

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

(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 unfavourable outcome and the ability to make a reasonable estimate of the amount of potential loss. Litigation provisions are reviewed at each accounting period and revisions made for the changes in facts and circumstances. Contingent liabilities are disclosed in the notes forming part of the financial statements. Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

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

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

(vi) Contract assets

The measurement of material and contract costs involves identification of costs specific to this project and estimation of percentage of completion based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion.

2.4 Foreign currency transaction

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

2.5 Revenue from contracts with customers

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

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

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

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation. The progress is measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation except where this would not be representative of the stage of completion. The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

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

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

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

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

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

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

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

(vi) Revenue from construction/project related activity

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

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in statement of profit and loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are

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amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation. Amounts received before the related work is performed are disclosed in the Balance Sheet as contract liability.

Contract assets : A contract asset is initially recognised for cost incurred with respect to engineering and construction services because these costs (1) relate directly to the contract, (2) enhance the resources of the reporting entity to perform under the contract and relate to satisfying a future performance obligation, and (3) are expected to be recovered. Upon completion of the service and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables. Contract assets are subject to impairment assessment.

2.6 Recognition of Dividend Income, Interest income or expense

Dividend income is recognised when the unconditional right to receive the income is established. Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.7 Property, plant and equipment and intangible assets

(i) Plant and equipment

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

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

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

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

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

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past history of replacement of such components in the assets.

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

(ii) Land

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

(iii) Intangible assets

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

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

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

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

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

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

(v) Depreciation and amortisation

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

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

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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:

Category of fixed assets	As Per Schedule II	Management estimate
Specific laboratoryequipments	10 years	5 years
Office equipments (mobile phones)	5 years	2 years
Catalyst	15 years	36 months

2.8 Research and development expenses

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

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

2.9 Leases

(a) Company as a lessee

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

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-of-Use (ROU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(b) Company as a lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease

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contracts are classified as finance leases. All other leases are classified as operating leases.

2.10 Financial instruments

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

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

Initially, a financial instrument is recognised at its fair value except for trade receivable. Trade receivables that do not contain a significant financing component are measured at transaction price Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Classification and subsequent measurement of financial assets

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

a. Amortised cost

b. Fair value through other comprehensive income (FVOCI) or

c. Fair value through profit and loss (FVTPL)

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

(a) Financial asset at amortised cost

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

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

(b) Financial asset at fair value through other comprehensive income (FVOCI)

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

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

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

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shall not reduce the carrying amount of the financial asset in the balance sheet.

(c) Financial asset at fair value through profit and loss (FVTPL)

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

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

(d) Derivative financial instruments

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

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

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

Classification and subsequent measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial

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recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss

Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks on behalf of the Subsidiaries to secure loans, overdrafts and other banking facilities. Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of:

- The amount of the loss allowance; and
- The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115.

2.11 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

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

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

2.12 Post-employment benefits and short-term employee benefits

(a) Defined contribution plan

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

(i) Provident fund

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

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(ii) Other funds

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

(iii) Superannuation fund

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

(b) Defined benefit plan

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

The defined benefit plans are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Company estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - compensated absences

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

2.13 Earnings per equity share

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

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

2.14 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending

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

the nature and circumstances of each uncertain tax position.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

(ii) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Company offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.15 Contingent liabilities and provisions

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

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

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

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

2.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

Summary of material accounting policies and other explanatory information

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

3 Property, plant and equipment, Intangible assets, Capital work-in- progress and Right of use assets

Particulars	Property, plant and equipment									Capital work-in-progress	Right of use assets	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 2022	**7,074**	**1,854**	**38,751**	**571**	**160**	**133**	**181**	**142**	**48,866**	**558**	**3,333**	**110**
Additions	-	13	2,356	-	1	34	30	52	2,486	801	38	7
Transfer on capitalisation	-	904	416	-	-	-	-	-	1,320	-	-	-
Disposals	-	-	(984)	-	(1)	(19)	(41)	(1)	(1,046)	(125)	(1,376)	-
Balance as at 31 March 2023	**7,074**	**2,771**	**40,539**	**571**	**160**	**148**	**170**	**193**	**51,626**	**1,234**	**1,995**	**117**
Additions	-	-	145	-	2	28	12	24	211	1,294	902	5
Transfer on capitalisation	-	115	1,938	-	-	-	-	-	2,053	(2,053)	-	-
Disposals	-	-	(3,257)	-	(3)	(13)	-	-	(3,273)	-	(38)	-
Balance as at 31 March 2024	**7,074**	**2,886**	**39,365**	**571**	**159**	**163**	**182**	**217**	**50,617**	**475**	**2,859**	**122**
Accumulated depreciation / amortisation												
Balance up to 01 April 2022	**-**	**343**	**9,424**	**210**	**69**	**62**	**107**	**66**	**10,281**	**-**	**292**	**104**
Depreciation/ amortisation for the year	-	218	2,399	35	13	21	24	41	2,751	-	248	4
Reversal on disposal of assets	-	-	(931)	-	-	(19)	(38)	-	(988)	-	(53)	-
Balance up to 31 March 2023	**-**	**561**	**10,892**	**245**	**82**	**64**	**93**	**107**	**12,044**	**-**	**487**	**108**
Depreciation/ amortisation for the year	-	257	2,769	35	12	21	23	44	3,161	-	253	4
Reversal on disposal of assets	-	-	(3,257)	-	(1)	(12)	(1)	-	(3,271)	-	(1)	-
Balance up to 31 March 2024	**-**	**818**	**10,404**	**280**	**93**	**73**	**115**	**151**	**11,934**	**-**	**739**	**112**
Net block												
Balance as at 31 March 2023	**7,074**	**2,210**	**29,647**	**326**	**78**	**84**	**77**	**86**	**39,582**	**1,234**	**1,508**	**9**
Balance as at 31 March 2024	**7,074**	**2,068**	**28,961**	**291**	**66**	**90**	**67**	**66**	**38,683**	**475**	**2,120**	**10**

Notes:

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

(ii) For contractual commitment with respect to property, plant and equipment, refer note 34(b).

(iii) The lease liabilities arising out of addition to Right of use asset has been fully paid at the inception of the respective leases, other than those mentioned in note 16.

(iv) Refer note 35 (v) for class of underlying right of use assets

Summary of material accounting policies and other explanatory information

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

Disclosure with respect to capital work-in-progress

i) As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	336	23	116	-	475
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**336**	**23**	**116**	**-**	**475**

ii) As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	1,114	120	-	-	1,234
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**1,114**	**120**	**-**	**-**	**1,234**

4 Investments

	As at 31 March 2024	As at 31 March 2023
I. Non-current investments		
a) Investments at cost		
Investments in equity instruments of subsidiaries - unquoted		
Cheminvest Pte Limited, Singapore	5,428	3,786
(Representing 100% equity share capital of subsidiary)(refer note (ii) below)		
8,000,000 (31 March 2023: 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		
TCL Global B.V. Netherlands		
(Representing 100% equity share capital of subsidiary)	18,663	18,663
250,000 equity shares of Euro 0.10 each fully paid up		
TCL Intermediates Private Limited	19,800	15,000
(Representing 100% equity share capital of subsidiary)(refer note (iii) below)		
19,80,00,000 (31 March 2023: 15,00,00,000) equity shares of ₹ 10 each fully paid up		
A	**46,974**	**40,532**

(i) 84.20% Equity share capital of Optimistic Organic Sdn Bhd, Malaysia (Step down subsidiary) is held by Cheminvest Pte Limited (wholly owned subsidiary), resulting in 100% beneficial ownership by the Company.

(ii) During the year ended 31 March 2024, the Company has converted loan given to Cheminvest Pte Limited into equity shares amounting to USD 20,00,000 (₹ 1,643 lakhs), a wholly owned subsidiary in Singapore.

(iii) During the year ended 31 March 2024, the Company has invested ₹ 4,800 lakhs (31 March 2023 ₹ 12,350 lakhs) in TCL Intermediates Private Limited a wholly owned subsidiary located in Dahej, Gujarat, India.

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

		As at 31 March 2024	As at 31 March 2023
b) Other investments			
On account of fair valuation of financial guarantee given to subsidiaries (Refer note 34 a (ii))			
TCL Specialties LLC (Step down subsidiary)		888	-
TCL Intermediates Private Limited		464	-
	B	**1,352**	**-**

		As at 31 March 2024	As at 31 March 2023
c) Investments designated at FVOCI			
Investments in equity instruments			
Quoted			
5,000 (31 March 2023: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up		11	4
1,410 (31 March 2023: 1,410) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up		12	10
500 (31 March 2023: 500) equity shares of Tata Power Limited at ₹ 1 each fully paid up		2	1
41,98,837 (31 March 2023: 40,55,000) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up		13,915	13,219
	C	**13,940**	**13,234**
Total non-current investments	**A + B+C**	**62,266**	**53,766**
Aggregate amount of:			
-Quoted investments and market value thereof		13,940	13,234
-Unquoted investments		48,326	40,532
Extent of investment in subsidiaries			
Cheminvest Pte Limited, Singapore		100%	100%
Optimistic Organic Sdn Bhd, Malaysia (also refer note 4(I)(a)(i))		15.80%	15.80%
TCL Global B.V., Netherlands		100%	100%
TCL Intermediates Private Limited		100%	100%
II. Current investments			
a) Investments in mutual funds designated at FVTPL			
Quoted			
SBI Liquid Fund- Direct Plan -(Current year 73,334 units; Previous year Nil)		1,261	-
ICICI Prudential Ultra Short Term Fund-(Current year 3,80,158 units; Previous year:Nil)		1,359	-
HDFC Ultrashort Term Fund-(Current year 16,380 units; Previous year Nil)		777	-
Total current investments		**3,397**	**-**
Aggregate amount of:			
- Quoted investments and market value thereof;		3,397	-

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

III. Disclosure under rule II (e) of the companies (Audit and Auditors) Rules, 2014 (as amended)

Name of the Company	Classification
Thirumalai Chemicals Limited	Funding Party
TCL Global B.V.	Intermediary 1
TCL Inc.	Intermediary 2
TCL Specialties LLC	Ultimate Beneficiary

a) Details of Investment from Funding Party to Intermediary 1

Date	EUR	₹ in lakhs	Investments towards
13-Aug-19	25,000	20	Share Capital

Date	USD	₹ in lakhs	Investments towards
23-Mar-20	50,000	38	Further investment in Equity in Ultimate beneficiary through Intermediary 1 and Intermediary 2
15-Jul-20	2,00,000	151	
11-Dec-20	5,00,000	369	
2-Jun-21	50,00,000	3,660	
6-Sep-21	32,50,000	2,377	
24-Sep-21	32,50,000	2,397	
27-Oct-21	30,00,000	2,250	
29-Dec-21	20,00,000	1,502	
3-Mar-22	20,00,000	1,506	
7-Apr-22	10,00,000	760	
6-May-22	44,99,985	3,441	
6-May-22	2,50,015	192	
	2,50,00,000	**18,643**	

b) Details of Loan from Funding Party to Intermediary 1

Date	USD	₹ in lakhs	Amount towards
25-Nov-22	2,50,00,000	20,393	Loan for further lending to Intermediary 2

c) Details of Loan repaid to Funding Party by Intermediary 1

Date	USD	₹ in lakhs	Amount towards
14-Sep-23	2,50,00,000	20,778	Loan repaid

d) Details of Investment from Intermediary 1 to Intermediary 2

Date	USD	Investments towards Share Capital
24-Feb-20	1,000	Further investment in Equity of Ultimate beneficiary through Intermediary 2.
30-Mar-20	1,000	
31-Mar-20	49,000	
17-Jul-20	1,00,000	
20-Jul-20	1,00,000	
17-Dec-20	1,00,000	
18-Dec-20	4,00,000	

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

d) Details of Investment from Intermediary 1 to Intermediary 2 (Contd.)

Date	USD	Investments towards Share Capital
4-Jun-21	20,00,000	Further investment in Equity of Ultimate beneficiary through Intermediary 2.
7-Jun-21	20,00,000	
8-Jun-21	10,00,000	
9-Sep-21	20,00,000	
10-Sep-21	12,50,000	
28-Sep-21	20,00,000	
29-Sep-21	12,50,000	
28-Oct-21	10,00,000	
29-Oct-21	20,00,000	
3-Jan-22	20,00,000	
9-Mar-22	10,00,000	
10-Mar-22	10,00,000	
11-Apr-22	10,00,000	
16-May-22	30,00,000	
17-May-22	17,50,000	
	2,50,01,000	

e) Details of Loan from Intermediary 1 to Intermediary 2-

Date	USD	Amount towards
30-Nov-22	2,50,00,000	Loan for further lending to ultimate beneficiary

f) Details of Loan repaid by Intermediary 2 to Intermediary 1

Date	USD	Amount towards
14-Sep-23	2,50,00,000	Loan repaid

g) Details of Investment from Intermediary 2 to Ultimate Beneficiary

i) Towards Share Capital

Date	USD	Remarks
1-Apr-20	50,000	Amount received as Capital Contribution from funding party through intermediaries
30-Jul-20	1,98,434	
22-Dec-20	50,000	
28-Dec-20	4,45,000	
9-Jun-21	50,00,000	
15-Sep-21	32,50,000	
30-Sep-21	32,50,000	
29-Oct-21	30,00,000	
5-Jan-22	20,00,000	
15-Mar-22	19,86,566	
11-Apr-22	10,00,000	
18-May-22	47,50,000	
	2,49,80,000	

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

ii) Loan received

Date	USD	Amount towards
30-Nov-22	2,50,00,000	The funding party, through intermediaries, provided a loan for carrying out construction activities by the ultimate beneficiary.

ii) Loan repaid

Date	USD	Amount towards
12-Sep-23	2,50,00,000	Loan repaid

Notes:

1) The management certifies that relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act, 2013 have been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002.

2) During the year the company had provided Corporate Guarantee to a amount of ₹ 61,235 lakhs (USD 73.45 millions) to TCL Specialties LLC. Also refer note no.34 a (ii)

3) Other than those disclosed above i) no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. ii) No funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5 Loans (measured at amortised cost)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Unsecured, considered good				
Loans and advances to subsidiary companies (Refer note 33 (c))				
Loan to Cheminvest Ptd Ltd, Singapore*	-	-	1,644	-
Loan to TCL Global BV, The Netherlands#	-	-	-	20,554
	-	**-**	**1,644**	**20,554**

* During the year ended 31 March 2024, the Company has converted loan given to Cheminvest Pte Ltd into equity shares amounting to USD 20,00,000 (₹ 1,644 lakhs) in Cheminvest Pte Limited, a wholly owned subsidiary in Singapore.

#Represents amount provided to TCL Global BV for onward lending to TCL Specialties LLC which is repaid in November 2023.

Refer note 4 for rule II (e) disclosure

Summary of material accounting policies and other explanatory information

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

6 Other financial assets

(Unsecured, considered good unless and otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Security deposits				
- Unsecured, considered good	431	-	324	-
- Deposits which have significant increase in credit risk	18	-	18	-
Less: Allowances for expected credit loss	(18)	-	(18)	-
Staff advances	-	42	-	32
Receivable from subsidiary and step down subsidiary (Refer note 33 (c))	-	-	-	387
Receivable from supplier	-	231	-	211
Derivative asset	-	4	-	1
Claims receivable	-	-	-	23
Unbilled revenue (Refer note 33 (c))	-	1,495	-	-
Others	-	159	-	44
	431	**1,931**	**324**	**698**

Notes:

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

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value and adequate allowances for losses have been provided.

(c) A description of the Company's financial instrument risks, including risk management objectives and policies are given in note 21.

7 Income tax

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
I. Income tax assets (net)				
Taxes paid in advance (net)	465	145	595	485
	465	**145**	**595**	**485**

	As at 31 March 2024	As at 31 March 2023
II. Current tax liabilities (net)		
Income tax liabilities (net)	89	39
	89	**39**

	Year ended 31 March 2024	Year ended 31 March 2023
III. Amounts recognised in profit or loss		
Current tax		
Current period	1,127	3,473
Total current tax expense	**1,127**	**3,473**
Deferred tax attributable to		
Origination and reversal of temporary differences	84	205
Total deferred tax expense/ (benefit)	**84**	**205**
Income tax expense	**1,211**	**3,678**

Summary of material accounting policies and other explanatory information

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

7 Income tax (Contd.)

IV. Amounts recognised in other comprehensive income

	Year ended 31 March 2024			Year ended 31 March 2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
- Re-measurements of defined benefit liabilities	(37)	9	(28)	21	(5)	16
- Equity instruments through other comprehensive income	152	(26)	126	(20)	4	(16)
	115	**(17)**	**98**	**1**	**(1)**	**-**

V. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.17% (2022-23: 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2024		Year ended 31 March 2023	
Profit before tax		4,841		15,631
Tax using the Company's domestic tax rate	25.17%	1,218	25.17%	3,934
Effect of:				
Income exempt from tax	-0.37%	(18)	-2.87%	(449)
Expenses disallowed for tax purpose	1.90%	92	0.76%	119
Others	-1.67%	(81)	0.48%	74
Effective tax rate	**25.00%**	**1,211**	**23.53%**	**3,678**

VI. 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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provisions - employee benefits	(404)	(363)	-	-	(404)	(363)
Provisions - others	(287)	(259)	-	-	(287)	(259)
Property, plant and equipment	-	-	3,181	3,025	3,181	3,025
Fair valuation of equity instruments	-	-	2,524	2,510	2,524	2,510
Deferred tax (assets)/ liabilities	**(691)**	**(622)**	**5,705**	**5,535**	**5,014**	**4,913**

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 material accounting policies and other explanatory information

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

8 Other assets (Considered good)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
a) Capital advances	69	-	175	-
b) Advances other than capital advances				
i) Supplier advances	-	1,591	-	4,298
c) Security deposits	-	80	-	-
d) Others				
i) Balance with Government authorities	-	1,575	-	2,269
ii) Contract asset (Also refer note 22)	-	5,167	-	9,241
iii) Prepaid expenses	165	321	157	328
iv) Others	-	71	48	59
	234	**8,805**	**380**	**16,195**

a) All of the Company's other current and non-current assets have been reviewed for indicators of impairment, and no allowances for losses is required to be provided.

9 Inventories

	As at 31 March 2024	As at 31 March 2023
(valued at lower of cost and net realisable value)		
Raw materials	15,169	23,694
Work-in-progress	1,705	1,661
Finished goods	3,220	1,798
Stock-in-trade	60	38
Stores and spares	1,218	1,662
Fuel	176	253
Packing materials	118	143
	21,666	**29,249**
Note		
(i) Goods-in-transit included above are as below :		
a. Raw materials	201	73
b. Finished goods	1,860	1,153
c. Fuel	-	39

10 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured		
(a) Considered good	16,498	9,254
(b) Trade Receivables – credit impaired	1,012	1,012
	17,510	**10,266**
Allowance for expected credit loss:		
(a) Trade Receivables – credit impaired	(1,012)	(1,012)
	(1,012)	**(1,012)**
Net trade receivables	**16,498**	**9,254**

Summary of material accounting policies and other explanatory information

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

10 Trade receivables (Contd.)

	As at 31 March 2024	As at 31 March 2023
Notes:		
(i) Of the above, trade receivables from related parties are as below:		
Trade receivable from related parties (Also, refer note 33 (c))	1,771	1,436
Expected credit loss	-	-
Net trade receivables from related parties	**1,771**	**1,436**

(ii) Movement in allowance for expected credit loss

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	**1,012**	**1,012**
Amounts written off	-	-
Allowance during the year	-	-
Reversal during the year	-	-
Balance at the end of the year	**1,012**	**1,012**

(iii) Trade receivables are non-interest bearing and are generally on terms of 30 to 60 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

(iv) The Company's exposure to credit and currency risks, and loss allowances related to trade receivables are disclosed in note 21.

Trade receivables ageing as on 31 March 2024

Particulars	Outstanding for the following period from the due date						
	Not due	Less than 6 month	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	12,374	3,980	25	3	116		**16,498**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-		1,012	**1,012**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**12,374**	**3,980**	**25**	**3**	**116**	**1,012**	**17,510**

Trade receivables ageing as on 31 March 2023

Particulars	Outstanding for the following period from the due date						
	Not due	Less than 6 month	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	7,804	1,243	68	139	-	-	**9,254**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	1,010	2	**1,012**
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-	**-**
Total	**7,804**	**1,243**	**68**	**139**	**1,010**	**2**	**10,266**

Summary of material accounting policies and other explanatory information

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

11 Cash and bank balances

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balance with banks in current accounts	6,417	2,965
Cash on hand	3	3
Deposit accounts (with original maturity less than 3 months)	9,555	1,519
Cash and cash equivalents as per statement of cash flows	**15,975**	**4,487**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend (Also, refer note (i) below)	135	135
Deposit accounts (with original maturity greater than 3 months upto 12 months)	-	6,238
Balances with bank held as margin money	26	25
	161	**6,398**
Total	**16,136**	**10,885**

(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.

12 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹ 1 each	15,00,00,000	1,500	15,00,00,000	1,500
Unclassified shares of ₹ 10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**16,00,00,000**	**2,500**
Issued				
Equity shares of ₹ 1 each	10,24,28,120	1,024	10,24,28,120	1,024
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹ 1 each	10,23,88,120	1,024	10,23,88,120	1,024
Add: Amount paid up on forfeited shares (Also, refer note e)	40,000	-	40,000	-
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**

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

b) **Terms/ rights attached to equity shares**

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

Summary of material accounting policies and other explanatory information

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

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Equity shares of ₹ 1 each				
Ultramarine and Pigments Limited	2,04,51,770	19.97%	2,04,51,770	19.97%
Jasmine Limited	67,71,880	6.61%	67,71,880	6.61%
	2,72,23,650	**26.58%**	**2,72,23,650**	**26.58%**

d) Disclosure of shareholding of promoters

Promoter name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ultramarine & Pigments Limited	2,04,51,770	19.97%	0.00%	2,04,51,770	19.97%	0.00%
Jasmine Limited	67,71,880	6.61%	0.00%	67,71,880	6.61%	0.00%
Sujata Sampath Family Trust	29,50,155	2.88%	0.19%	29,44,655	2.87%	0.00%
Sampath Family Trust	29,50,155	2.88%	0.19%	29,44,655	2.87%	0.00%
Parthasarathy Rangaswamy	80,681	0.08%	16.12%	69,481	0.07%	-97.14%
Bhooma Parthasarathy	39,200	0.04%	100.00%	-	0.00%	-100.00%
Indira Sundarrajan	18,74,210	1.83%	0.00%	18,74,210	1.83%	0.27%
Tara Parthasarathy	7,39,005	0.72%	0.91%	7,32,330	0.71%	2.88%
Meera Parthasarathy	6,90,850	0.67%	-0.27%	6,92,730	0.68%	0.00%
Vidhya S	4,78,130	0.47%	0.00%	4,78,130	0.47%	0.00%
Varadharajan S	4,35,205	0.42%	0.00%	4,35,205	0.42%	-2.25%
Ramya Bharathram	3,38,920	0.33%	1.53%	3,33,820	0.33%	11.60%
Narayan S	1,61,000	0.16%	-42.40%	2,79,526	0.27%	0.00%
Deepa Ajay	40,000	0.04%	-72.66%	1,46,290	0.14%	0.00%
Sundararajan V S	58,730	0.06%	0.00%	58,730	0.06%	0.00%
Uttara B	40,000	0.04%	0.00%	40,000	0.04%	0.00%
Sampath R	36,000	0.04%	0.00%	36,000	0.04%	80.00%
Bharathram V	20,000	0.02%	0.00%	20,000	0.02%	33.33%
Sujata Sampath	10,000	0.01%	0.00%	10,000	0.01%	0.00%
Vidya Family Trust	9,750	0.01%	0.00%	9,750	0.01%	0.00%
Ramya Family Trust	8,800	0.01%	0.00%	8,800	0.01%	0.00%
R Parthasarathy Family Trust	23,98,330	2.34%	0.00%	23,98,330	2.34%	100.00%
Bhooma Parthasarathy Famiy Trust	23,33,950	2.28%	0.00%	23,33,950	2.28%	100.00%
Rangaswamy Parthasarathy HUF	5,500	0.01%	100.00%	-	0.00%	0.00%
Gayathri Pravin	27,318	0.03%	100.00%	-	0.00%	0.00%
	4,29,49,539	**41.93%**		**4,30,70,242**	**42.05%**	

e) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2023: 40,000 equity shares of ₹ 1 each) on which amount originally paid up was ₹ 22,500.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2024

Summary of material accounting policies and other explanatory information

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

12 Equity share capital (Contd.)

g) Details of dividend declared:

	Year ended 31 March 2024	Year ended 31 March 2023
Date of meeting of board of directors	17-May-23	26-May-22
Dividend per share	₹ 1.50	₹ 2.50
Cash outflow in lakhs	1,536	2,560

The board of directors, in its meeting on 15 May 2024, has recommended a final dividend of ₹ 1 per equity share for the financial year ended 31 March 2024. 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 ₹ 1,024 lakhs.

13 Capital management policies and procedures

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

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

The Company's net debt to equity ratio as at 31 March 2024 is as follows:

	As at 31 March 2024	As at 31 March 2023
Total borrowings	18,034	33,037
Less: Cash and cash equivalents	(15,975)	(4,487)
Net Debt	**2,059**	**28,550**
Total equity	**98,395**	**96,202**
Net Debt to equity ratio*	**2.09%**	**29.68%**

*The variance is majorly on account of bridge loan obtained during the previous year, that was repaid during the current year (Also, refer note 15).

14 Other equity

	As at 31 March 2024	As at 31 March 2023
I. Surplus		
(a) Securities premium	1,971	1,971
(b) General reserve	4,283	4,283
(c) Retained earnings	76,348	74,282
Total Surplus	**82,602**	**80,536**
II. Other reserves		
(d) Accumulated other comprehensive income	14,769	14,642
	14,769	**14,642**
III. Total other equity (I+II)	**97,371**	**95,178**

Summary of material accounting policies and other explanatory information

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

14 Other equity (Contd.)

	As at 31 March 2024	As at 31 March 2023
(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 pay-out etc.		
(c) Retained earnings		
Balance at the beginning of the year	74,282	64,873
Add : Transfer from statement of profit and loss	3,630	11,953
Less : Transfer from Other comprehensive income	(28)	16
Less : Final dividend	(1,536)	(2,560)
Balance at the end of the year	**76,348**	**74,282**
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	14,642	14,658
Add / (less) : Movement during the year	127	(16)
Balance at the end of the year	**14,769**	**14,642**
The Company has made an irrevocable 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.		

15 Borrowings

	As at 31 March 2024	As at 31 March 2023
Secured - measured at amortised cost		
Non-current borrowings		
Term loan from banks (refer note (i) and (ii) below)	5,027	7,565
Total	**5,027**	**7,565**
Less: Current maturities of long-term loan from banks	2,567	2,575
Non-current borrowings	**2,460**	**4,990**
Current borrowings		
Letter of credit bills discounted	1,620	4,918
Bridge loan from EXIM Bank	-	20,554
Working Capital Demand Loan (WCDL) from bank	4,034	-
Preshipment Loan	1,928	-
Buyers Credit from bank	5,425	-
Current maturities of long-term loan from banks	2,567	2,575
Current borrowings (as per balance sheet)	**15,574**	**28,047**
Total Borrowings	**18,034**	**33,037**

Summary of material accounting policies and other explanatory information

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

15 Borrowings (Contd.)

Notes:

i) As at 31 March 2024

Particulars	Terms of repayment	Security	Currency	Average rate of interest	Non - Current	Current
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹ 50.25 lakhs, starting from 31 October 2021 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8%-9%	295	204
Term loan from banks	Repayable in 24 equal quarterly instalments of ₹ 250.62 lakhs, starting from 31 October 2020 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8%-9%	1,493	1,006
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹ 338 lakhs starting from 30 November 2020 and ending on 31 Aug 2025.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8%-9%	672	1,357
Letter of credit bills discounted	Ranges from 60 days to one year	First charge by way of hypothecation of current assets of the Company.	INR	6%-9%	-	1,620
Working Capital Demand Loan	Based on drawing power	First charge by way of hypothecation of current assets of the Company.	INR	9.75%	-	4,034
Preshipment Loan	Ranges from 30 days to 180 days	First charge by way of hypothecation of current assets of the Company.	USD	6.47%	-	1,928
Buyers Credit	Ranges from 60 days to 150 days	First charge by way of hypothecation of current assets of the Company.	USD	5.79%	-	5,425
					2,460	**15,574**

ii) As at 31 March 2023

Particulars	Terms of repayment	Security	Currency	Average rate of interest	Non - Current	Current
Term loan from banks	Repayable in 24 equal quarterly instalments of ₹ 251 lakhs, starting from 31 October 2020 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8% to 9%	2,776	1,009
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹ 50 lakhs, starting from 31 October 2021 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8% to 9%	205	205

Summary of material accounting policies and other explanatory information

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

15 Borrowings (Contd.)

Particulars	Terms of repayment	Security	Currency	Average rate of interest	Non - Current	Current
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹ 338 lakhs starting from 30 November 2020 and ending on 31 July 2025.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Company.	INR	8% to 9%	2,009	1,361
Letter of credit bills discounted	Ranges from 60 days to one year	First charge by way of hypothecation of current assets of the Company.	INR	4%-8%	-	4,918
Bridge loan from EXIM Bank	Repayable within one year from the date of sanction(i.e October 2023) or 14 days from date of sanction of new loan to TCL Specialties LLC by EXIM bank whichever is earlier.	Secured by way of first charge on movable property, plant and equipment of the Company.	USD	7% - 8%	-	20,554
					4,990	**28,047**

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

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	33,037	10,096
A) Changes from financing cash flows		
(i) Proceeds from borrowings	25,518	28,897
(iii) Repayment of borrowings	(40,990)	(6,142)
(v) Interest expense paid	(2,830)	(1,702)
Total changes from financing cash flows	**(18,302)**	**21,053**
B) Other changes		
(i) Interest expense accrued	3,028	1,727
(ii) Effect of changes in foreign exchange rates	271	161
Total other changes	**3,299**	**1,888**
Balance at the end of the year	**18,034**	**33,037**

16 Lease Liabilities

	As at 31 March 2024	As at 31 March 2023
Current	243	189
Non current	606	-
	849	**189**

Summary of material accounting policies and other explanatory information

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

17 Provisions

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
(i) Gratuity	998	169	844	204
(ii) Compensated absences	373	67	253	140
	1,371	**236**	**1,097**	**344**

Provision for employee benefits

i) Gratuity

Gratuity is payable to all the employees at the rate of 15 days salary for each year of service. In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

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

	As at 31 March 2024	As at 31 March 2023
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	1,048	969
Interest cost	77	66
Current service cost	89	89
Liability transferred out	(4)	(19)
Benefits paid	(80)	(36)
Actuarial (gain)/ loss	37	(21)
Projected benefit obligation at the end of the year	**1,167**	**1,048**
Thereof		
Unfunded	1,167	1,048
Components of net gratuity costs are:		
Current service cost	89	89
Interest cost	77	65
Net gratuity costs recognised in the income statement (Also, refer note 26)	**166**	**154**
Actuarial (gain)/ loss recognised in other comprehensive income	**37**	**(21)**
Principal actuarial assumptions used:		
a) Discount rate	7.19%	7.39%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 years	7 years
d) Attrition rate	10.00%	10.00%
e) Mortality table	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2012-14) urban

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 material accounting policies and other explanatory information

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

17 Provisions (Contd.)

Employee benefits - Maturity profile (undiscounted)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024	169	161	389	1,260	1,979
31 March 2023	204	149	302	425	1,080

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 2024						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(6)	7	(31)	33	32	(31)

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2023						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(5)	6	(28)	30	29	(27)

In presenting the above sensitivity analysis the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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.

The principal actuarial assumptions used to determine the liability are same as disclosed for gratuity above.

18 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (Also, refer note (b) below)	213	781
Total outstanding dues other than micro enterprises and small enterprises *	46,213	44,733
	46,426	**45,514**

* Of the above, ₹ 20 lakhs pertains to payable to related parties (31 March 2023 ₹ 328 lakhs) (Also, refer note 33 (c)).

Summary of material accounting policies and other explanatory information

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

18 Trade payables (Contd.)

a) Trade payables ageing as on 31 March 2024

Particulars	Out standing for the following period from the due date					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	106	105	2	-	-	213
(ii) Others	29,216	16,851	125	8	13	46,213
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-	-
Total	**29,321**	**16,956**	**127**	**8**	**13**	**46,426**

Trade payables ageing as on 31 March 2023

Particulars	Out standing for the following period from the due date					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	567	209	5		-	781
(ii) Others	3,862	40,862	6	3		44,733
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-	-
Total	**4,429**	**41,071**	**11**	**3**	**-**	**45,514**

To the best of the knowledge of the Management, there are no unbilled dues payable to any supplier or service provider except to the extent of estimated provisions included in the above.

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

	As at 31 March 2024	As at 31 March 2023
i) Principal amount remaining unpaid included in Trade payables	213	781
Principal amount remaining unpaid included in Capital creditors	7	19
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.	-	1
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.	-	1

Summary of material accounting policies and other explanatory information

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

18 Trade payables (Contd.)

c) Supply chain financing

The Company participates in a supply chain financing arrangement (SCF) which is disclosed under trade payables under which its suppliers may elect to receive early payment of their invoice from a bank by factoring their receivable from the Company. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Company and receives settlement from the Company at a later date.

The Company has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Company's perspective, the arrangement does not extend payment terms beyond the normal terms agreed and therefore discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables. All payables under the SCF aggregating to ₹ 26,037 lakhs as at 31 March 2024 and ₹ 23,990 lakhs as at 31 March 2023 are classified as current.

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Company and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions.

19 Other financial liabilities

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Capital creditors	-	211	-	425
Employee related payables	-	695	-	639
Directors remuneration payable (Refer note 33 (c))	-	47	-	587
Unpaid dividend	-	135	-	135
Other payables	-	-	-	14
Financial guarantee contracts (Refer note 34 a (ii))	1,057	-	-	-
	1,057	**1,088**	**-**	**1,800**

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) The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 21.

20 Other current liabilities

	As at 31 March 2024	As at 31 March 2023
Deposits from service providers	77	83
Statutory dues	284	315
Revenue received in advance	337	197
Contract Liability (Also refer note 33(c))*	-	2,620
Other payables	5	12
	703	**3,227**

*Contract liability represents amount received from TCL Specialities LLC. for construction & installation of modular plants in USA. Since the amount is received before the related work is performed the same is disclosed as contract liability.

Summary of material accounting policies and other explanatory information

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

21 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
- Equity instruments*	-	-	13,940	-	-	13,234
- Mutual funds	-	3,397	-	-	-	-
Loans	-	-	-	22,198	-	-
Trade receivables	16,498	-	-	9,254	-	-
Cash and bank balances	16,136	-	-	10,885	-	-
Foreign currency forward contracts	-	4	-	-	1	-
Other financial assets	2,358	-	-	1,021	-	-
Total financial assets	**34,992**	**3,401**	**13,940**	**43,358**	**1**	**13,234**

	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial liabilities						
Borrowings	18,034	-	-	33,037	-	-
Lease liabilities	849	-	-	189	-	-
Trade payables	46,426	-	-	45,514	-	-
Other financial liabilities	2,145	-	-	1,800	-	-
Total financial liabilities	**67,454**	**-**	**-**	**80,540**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Company has made an irrevocable 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 hierarchy

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

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

- **Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- **Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table shows the levels within the hierarchy of financial assets measured at fair value

Summary of material accounting policies and other explanatory information

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

II. Fair value hierarchy (Contd.)

		As at 31 March 2024		
		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	**13,940**	13,940	-	-
FVTPL financial investments				
Mutual funds	**3,397**	3,397	-	-
Derivative financial assets				
Forward contracts	**4**	4	-	-

		As at 31 March 2023		
		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	**13,234**	13,234	-	-
FVTPL financial investments				
Mutual funds	**-**	-	-	-
Derivative financial assets				
Forward contracts	**1**	1	-	-

Notes:

(i) Level 1: level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds 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. The mutual funds are valued using the closing NAV provided by the fund management company at the end of each reporting year.

(ii) Level 2: If Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, the instrument is classified as level 2

(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.

(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 material accounting policies and other explanatory information

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

21 Disclosures on financial instruments (Contd.)

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, contract assets, loans, other financial assets	Ageing analysis Credit ratings	Diversification of bank deposits, and credit limits
Liquidity risk	Trade and other payables, other financial liabilities	Cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	Not applicable
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

A. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables, taking preemptive action on over due receivables.

Trade receivables, contract assets and loans

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure with any single counterparty or any group of counterparties having similar characteristics other than those disclosed in note 10 and 5. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

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

Loans represent loans and advances extended to subsidiary Companies.

Cash and bank balances and investments

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings and the company is in the process of constantly evaluating the risks associated with the investment .

Other financial assets

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, receivable form insurance company & suppliers in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

B. Liquidity risk

Liquidity risk is that the Company will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain suficient liquidity and ensure that funds are available for use as and when required. The treasury team's risk management policy includes an appropriate liquidity risk management framework for the management of the short-term, medium-term and long term funding and cash management requirements, including that which is required for meeting the projects of the company. The Company manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows,

Summary of material accounting policies and other explanatory information

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

21 Disclosures on financial instruments (Contd.)

and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade receivables are all contractually due within 60 - 90 days based on the credit period.

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

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2024				
Borrowings	14,500	4,458	1,258	-
Lease Liabilities	152	168	665	-
Trade and other payables	46,426	-	-	-
Other financial liabilities	1,088	-	1,057	-
Total	**62,166**	**4,626**	**2,980**	**-**

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2023				
Borrowings	25,944	3,427	5,500	-
Lease Liabilities	131	65	-	-
Trade and other payables	45,514	-	-	-
Other financial liabilities	1,800	-	-	-
Total	**73,389**	**3,492**	**5,500**	**-**

C. Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's main exposure to interest risk arises from long term borrowings with floating rate.

Interest rate sensitivity analysis

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

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2024				
Term loan from bank	6	(6)	5	(5)

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
Term loan from bank	8	(8)	6	(6)

Summary of material accounting policies and other explanatory information

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

21 Disclosures on financial instruments (Contd.)

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).

Derivative financial instruments

The Company holds foreign currency options / forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

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

	As at 31 March 2024	As at 31 March 2023
Financial assets		
Loans	-	22,198
Trade receivables	3,839	3,083
Cash and bank balances	1,729	551
Other financial assets	4	1
Financial liabilities		
Trade and other payables	1,115	1,004
Borrowings	7,350	20,554
Net assets/ (liabilities)	**(2,893)**	**4,275**

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

	31 March 2024		31 March 2023	
	USD in Millions	INR in Lakhs	USD in Millions	INR in Lakhs
Forward contract in USD (Buy)	-	-	1.64	1,348
Forward contract in EUR (Buy)	-	-	0.10	90
Forward contract in USD - (Sell)	3.30	2,764	3.00	2,467

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

USD Contracts	As at 31 March 2024		As at 31 March 2023	
	Buy	Sell	Buy	Sell
Not later than one month	-	0.70	1.64	3.00
Later than one month and not later than three months	-	1.40	-	-
Later than three months and not later than one year	-	1.20	-	-
Total	**-**	**3.30**	**1.64**	**3.00**

Summary of material accounting policies and other explanatory information

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

21 Disclosures on financial instruments (Contd.)

EUR Contracts	As at 31 March 2024		As at 31 March 2023	
	Buy	Sell	Buy	Sell
Not later than one month	-	-	0.04	-
Later than one month and not later than three months	-	-	0.00	-
Later than three months and not later than one year	-	-	0.06	-
Total	**-**	**-**	**0.10**	**-**

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD at 31 March would have affected the measurement of financial instruments denominated in such foreign currencies and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and also assumes a +/- 1% change of the INR /USD exchange rate at 31 March 2024 (31 March 2023: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

Particulars	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2024				
USD	15	(15)	11	(11)

Particulars	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
USD	32	(32)	24	(24)

Price risk

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

Sensitivity analysis (+/ - 1%)

Particulars	OCI before tax		OCI, net of tax	
	Increase	Decrease	Increase	Decrease
As at 31 March 2024				
Quoted equity securities	139	(139)	123	(123)

Particulars	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
Quoted equity securities	132	(132)	117	(117)

*No impact on profit before tax as these quoted instruments are carried at FVOCI.

Summary of material accounting policies and other explanatory information

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

22 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
*Sale of products**		
Manufactured goods	1,76,810	1,73,704
Traded goods	1,630	313
	1,78,440	**1,74,017**
Revenue from Construction and project related activity **	18,923	9,478
Gross sales	**1,97,363**	**1,83,495**
* Satistified at a point in time		
** Satistified over a period of time		
Other operating revenues		
Sales of power from wind operated generators	136	122
Income from high sea sales (Also, refer note 33 (b))	187	43
Income from letting out of storage facility	368	356
Duty drawback benefit	122	140
Export incentive	183	115
Sale of scrap (net of taxes recovered)	322	456
	1,318	**1,232**
	1,98,681	**1,84,727**

Disclosure pursuant to Ind AS 115 "Revenue from Contracts with Customers"

The following table provides information about contract assets and contract liabilities from contracts with customers.

i. Movement in contract balances during the year.

Particulars	2023-24			2022-23		
	Contract Assets	Unbilled revenue/ (Contract Liabilities)	Net contract balances	Contract Assets	Unbilled revenue/ (Contract Liabilities)	Net contract balances
Opening balance as on 1 April	9,241	(2,620)	11,861	1,465	(4,715)	6,180
Closing balance as on 31 March	5,167	1,495	3,672	9,241	(2,620)	11,861
Net increase/(decrease)	**(4,074)**	**4,115**	**(8,189)**	**7,776**	**2,095**	**5,681**

a) Contract asset represents costs incurred to fulfil a contract which will be amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date adjusted for cost incurred which do not contribute to Company's progress in satisfying the performance obligation as on date, to the total estimated cost attributable to the performance obligation.

b) Contract liability represents net of amount received from TCL Specialities LLC. for construction & installation of modular plants in USA and amount of revenue recognised. Unbilled revenue represents amount to be billed to TCL Specialties LLC based on completion of performance obligation.

c) Revenue recognised from opening balance of contract liabilities amounts to ₹ 2,620 lakhs (Previous year: ₹ 4,715 lakhs).

d) Cost to obtain the contract: Nil (Previous year: Nil)

e) The Group's exposure to credit losses for trade receivables and contract assets is disclosed in note 21.

f) The Contract asset is expected to be recognised as revenue within a year.

g) The transaction price relating to future performance obligation will be cost incurred plus applicable transfer pricing margin.

Summary of material accounting policies and other explanatory information

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

23 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income (Gross) (Also, refer note 33 (b))*	1,435	1,715
Dividend income from subsidiaries (Also, refer note 33 (b))	829	877
Dividend income from other investments#	719	336
Profit on sale of property, plant and equipment, net	5	33
Profit on sale of lease hold rights	-	640
Rental income	56	49
Excess provisions/ sundry balances written back (net)	50	27
Gain on foreign currency transaction/ translation (net)	69	464
Expenses and services recharged (Also, refer note 33 (b))	226	234
Amortization of financial guarantee (Also, refer note 33 (b))	295	-
Insurance claims	32	50
Miscellaneous receipts	86	1
	3,802	**4,426**

* Financial assets carried at amortised cost

Includes ₹203 lakhs (previous year ₹198 lakhs) with respect to equity instruments designated at FVOCI

24 a) Cost of materials consumed and purchase of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	23,694	15,442
Add : Purchases during the year	1,36,602	1,35,951
	1,60,296	**1,51,393**
Less: Inventory at the end of the year	15,169	23,694
	1,45,127	**1,27,699**
Purchase of stock-in-trade		
Purchase of machinery spares and other chemicals	1,613	262
	1,613	**262**
b) Project material and contract costs	18,013	8,995

25 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Finished goods	1,798	2,305
Work-in-progress	1,661	1,327
Stock-in-trade	38	44
	3,497	**3,676**
Closing stock		
Finished goods	3,220	1,798
Work-in-progress	1,705	1,661
Stock-in-trade	60	38
	4,985	**3,497**
Changes in inventories	**(1,488)**	**179**

Summary of material accounting policies and other explanatory information

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

26 Employee benefits expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	4,867	4,914
Gratuity expense (Also, refer note 17)	166	154
Contribution to provident and other funds	280	252
Staff welfare expenses	268	308
	5,581	**5,628**

27 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense	3,917	2,945
Other borrowing costs	440	417
	4,357	**3,362**

28 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	1,523	1,880
Power and fuel	4,639	7,582
Repairs to:		
- Machinery	2,284	2,295
- Buildings	516	581
- Others	49	76
Packing expenses and materials consumed	1,600	1,474
Freight and forwarding	6,578	6,849
Commission and brokerage	9	10
Rent*	285	284
Rates and taxes	360	247
Insurance	430	441
Travelling and conveyance	325	367
Communication expenses	65	62
Research and development expenses (Also, refer note 32)	247	253
Expenses on wind operated generators	54	58
Legal and professional charges (Also, refer note 30)	615	564
Commission to non-executive directors (Also, refer note 33 (b))	47	162
Provision for expected credit losses (Also, Refer note 6 and 10)	-	2
Corporate social responsibility expenditure (Also, refer note 31 and 33 (b))	362	296
Donations	2	19
Loss on fair valuation of derivatives	-	3
Miscellaneous expenses	1,031	889
	21,021	**24,394**

*The Company has lease contracts for office premises and these lease contracts are cancellable/ renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 which amounts to ₹ 98 lakhs during the current year ended 31 March 2024 (₹ 95 lakhs in previous year).

Summary of material accounting policies and other explanatory information

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

29 Earnings per equity share (EPS)

	Year ended 31 March 2024	Year ended 31 March 2023
Basic and diluted earnings per share (₹)		
On profit for the year	3.55	11.67
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	3,630	11,953
(b Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
Weighted average number of equity shares outstanding during the year	10,23,88,120	10,23,88,120

30 Payments to auditor

	Year ended 31 March 2024	Year ended 31 March 2023
Statutory audit and limited reviews	57	57
Tax audit	3	3
Others	4	-
Total	**64**	**60**

31 Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Gross amount required to be spent by the company during the year	362	296
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	312	254
(c) Shortfall/ (Excess) spent at the end of the year	50	42
(d) Details of related party transactions		
Thirumalai Charity Trust	301	235
Akshya Vidhya Trust	-	2
(e) Whether any provision made based on contractual obligation to undertake CSR activity	Yes	Yes

The Company has created a provision of ₹ 50 lakhs (previous year ₹ 42 lakhs) with respect unspent amount relating to the ongoing project. Such sum has been transferred to Unspent CSR account on 23 April 2024 (previous year 27 April 2023).

Nature of Activities

Program for early Detection, Monitoring and Control of Non-Communicable Diseases (NCD) in the Community; Promoting health care including preventive health care for children.

Summary of material accounting policies and other explanatory information

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

32 Research and Development expenses*

The amount spent towards Research and Development expenses during the year are as under:

	Year ended 31 March 2024	Year ended 31 March 2023
Capital expenditure	-	-
Revenue expenditure (Also, refer note 28)	247	253
Total	**247**	**253**

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

33 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary Companies	Cheminvest Pte. Limited (CPL) Optimistic Organic Sdn Bhd (OOSB) Lapiz Europe Limited TCL Global B.V. TCL Inc. TCL Specialties LLC. TCL Intermediates Private Limited
Key Management Personnel	**Company Executives** Mr. R.Parthasarathy (Chairman and Managing Director) Mrs. Ramya Bharathram (Managing Director and Chief Financial Officer) Mr. C.G Sethuraman (Group Chief Executive Officer) Mr. Sanjay Sinha (Chief Executive Officer) Mr. T Rajagopalan (Company Secretary) **Other Directors** Mr. R. Sampath (Non - Executive Director) Mr. P Mohanachandra Nair (Non - Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Arun Alagappan (Independent Director) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the company during the current year/ previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT) ICE Steel 1 Private Limited Akshaya Vidya Trust

Summary of material accounting policies and other explanatory information

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

33 Related parties (Contd.)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2024	Year ended 31 March 2023
Remuneration to Key Managerial Personnel*	Mr. R.Parthasarathy	332	528
	Mrs. Ramya Bharathram	141	316
	Mr. P Mohanachandra Nair	-	24
	Key Managerial Personnel other than directors	524	642
Director sitting fees	Independent and non-executive directors	58	87
Commission	Non - executive directors	47	162
Purchase of goods	Optimistic Organic Sdn Bhd	1,077	3,317
	TCL Intermediates Private Limited	10	-
	Ultramarine and Pigments Limited	1	1
Sale of goods	Optimistic Organic Sdn Bhd	262	243
	TCL Global BV	3,195	6,743
	TCL Intermediates Private Limited	5,085	765
	TCL Specialties LLC	569	744
Revenue from construction project	TCL Specialties LLC	18,923	9,478
Rendering of services	Optimistic Organic Sdn Bhd	177	175
	Ultramarine and Pigments Limited	50	52
	TCL Global BV	-	52
	TCL Intermediates Private Limited	94	6
Reimbursement of expenses paid	TCL Intermediates Private Limited	30	-
Reimbursement of expenses received	TCL Intermediates Private Limited	56	-
Receipt of services	Ultramarine and Pigments Limited	25	21
	Thirumalai Charity Trust	14	4
	ICE Steel 1 Private Limited	766	403
	TCL Global B.V.	101	2
Transfer of lease hold rights	TCL Intermediates Private Limited	-	1,963
Fair value of guarantee commission	Optimistic Organic Sdn Bhd	161	59
	TCL Specialties LLC	890	-
	TCL Intermediates Private Limited	464	-
Guarantee commission	TCL Specialties LLC	161	-
	TCL Intermediates Private Limited	134	-
Corporate social responsibility expenditure	Thirumalai Charity Trust	301	235
	Akshaya Vidya Trust	-	2
Interest income on loan given	Cheminvest Pte. Limited	55	160
	TCL Global BV	843	569
Conversion of loan to equity	Cheminvest Pte. Limited	1,643	-
Loans received from Subsidiaries	TCL Global BV	20,778	-
Loans given to Subsidiaries	TCL Global BV	-	20,393

*Remuneration pertain to short term employee benefits. As the present value of obligation towards gratuity is determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

Summary of material accounting policies and other explanatory information

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

33 Related parties (Contd.)

c) Balances with related parties

Particulars	Related Party	As at 31 March 2024	As at 31 March 2023
Trade receivables	Optimistic Organic Sdn Bhd	92	-
	TCL Specialties LLC.	569	-
	TCL Global B.V.	1,047	705
	TCL Intermediates Private Limited	146	731
Other receivables	TCL Intermediates Private Limited	-	387
	TCL Specialties LLC.	1,495	-
Contract Liability	TCL Specialties LLC.	-	2,620
Trade payables	Optimistic Organic Sdn Bhd	19	328
Deposits payable	Ultramarine and Pigments Limited	14	14
Loans	Cheminvest Pte. Limited	-	1,644
	TCL Global BV,	-	20,554
Directors remuneration payable (including commission to non-executive directors)	Key Managerial Personnel	47	587

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34 Contingent liabilities, Guarantees and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
a) Contingent liabilities		
i) Claims against the Company, not acknowledged as debts		
Indirect tax matters under dispute (Refer note (i) below)	-	150
Income tax demand including interest contested in Appeal (Refer note (ii) below)	601	652
ii) Guarantees		
Corporate guarantee issued by the Company on behalf of its subsidiaries		
a) Optimistic Organic Sdn Bhd	3,880	5,960
b) TCL Intermediates Private Limited*	45,200	-
c) TCL Specilaties LLC*	61,235	-
Bank Guarantee issued by the company to various parties.	1,922	1,532
* Granted during the year to various banks for loans availed by subsidiaries.		
b) Commitments		
i) Estimated amount of contracts to be executed on capital account and not provided for	315	893
- Against which advances paid	69	175

ii) The Company has various lease contracts that are non cancellable and the future lease payments for these non-cancellable lease contracts are ₹ 849 lakhs. Also refer note 16.

Summary of material accounting policies and other explanatory information

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

34 Contingent liabilities, Guarantees and commitments (Contd.)

Notes

(i) The Company had settled all its pending sales tax litigations under The Samadhan Scheme, a Scheme introduced by Government of Tamil Nadu for settlement of arrears of tax, penalty or interest pertaining to various taxes administered by Commercial Taxes.

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 601 Lakhs (Previous Year ₹ 652 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 ₹ 388 Lakhs (Previous year ₹ 369 Lakhs).

35 Leases

i) The Company has entered into lease arrangements for building that are renewable on a periodic basis with approval of both lessor and lessee.

ii) The Company does not have any lease commitments towards variable rent as per the contract.

iii) The following are amounts recognised in profit or loss:-

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation expense of right-of-use assets	253	248
Interest expense on lease liabilities	31	31
	284	**279**

iv) Total cash outflow pertaining to leases

	Year ended 31 March 2024	Year ended 31 March 2023
Total cash outflow pertaining to leases during the year ended	**(273)**	**(215)**

v) Class of underlying asset for Right of use

	As at 31 March 2024	As at 31 March 2023
Lease hold land	1,957	1,396
Tank	902	599
	2,859	**1,995**

Summary of material accounting policies and other explanatory information

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

36 Ratios

S. no	Particulars	Numerator	Denominator	31-Mar-24	31-Mar-23	% Variance	Remarks
1	Current ratio	Current assets	Current liabilities	1.07	1.10	-3.40%	Not applicable
2	Debt service coverage ratio	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest	Debt Service = Interest + Lease payments + Principal repayments	0.60	0.55	8.93%	Not applicable
3	Debt equity ratio	Outstanding borrowings	Shareholders' equity	18.33%	34.34%	-46.63%	Movement in ratio is due to repayment of Bridge loan obtained during the previous year.
4	Return on equity ratio	Net profit after taxes	Average shareholders' equity	3.73%	13.06%	-71.44%	The movement observed is a result of decreased margins and higher finance costs due to increased borrowing in the current year.
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	5.71	6.01	-5.06%	Not applicable
6	Trade receivables turnover ratio	Net credit sales	Average accounts receivable	15.43	19.76	-21.91%	Not applicable
7	Trade payables turnover ratio	Net Credit Purchases	Average Payables	3.01	3.72	-19.18%	Not applicable
8	Net capital turnover ratio	Net sales	Working capital	47.10	22.64	108.04%	Due to growth in Revenue due to construction contract along with increase in production and improved operating efficiencies in the business, cash balance, receivables and inventory balance is increased which has resulted in the reduction of negative working capital and an improvement in the ratio.
9	Net profit ratio	Net profit	Net sales	1.83%	6.47%	-71.76%	Movement in ratio is due to dip in margin.
10	Return on capital employed	Earning before interest and taxes	Capital Employed = Tangible net worth + Total debt + Deferred tax liability	8.48%	17.48%	-51.46%	Movement in ratio is due to dip in margin.
11	Return on investment	Net profit after taxes	Net block of PPE	9.38%	30.20%	-68.93%	Movement in ratio is due to dip in margin.

Note

a) Explanations have been provided for any change in the ratio by more than 25% as compared to 31 March 2023.

37 Segment reporting

Per Para 4 of Ind AS 108 Operating Segments, when entity's financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS well as the parent's standalone financial statements, segment information is required only in the consolidated financial statements. Hence segment information is disclosed as a part of consolidated financial statements for the year ended 31 March 2024.

Summary of material accounting policies and other explanatory information

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

38 Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2024 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

39 Compliance with audit trail requirements

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company, in respect of financial year commencing on 1 April 2023 has used an accounting software SAP B1 for maintaining books of account which has a feature of recording audit trail (edit log) The Company had not enabled the feature of recording audit trail (edit log) at the database level for the said accounting software to log any direct data changes as the same consume storage space on the disk and can impact database performance significantly. The access to database IDs with Data Manipulation Language (DML) authority, which can make direct data changes (create, change, delete) at database level are limited to specific individuals and no changes has been made at database level during the current year.

Further, the Company, has used accounting software (Rely on) which is operated by a third-party software service provider for maintaining payroll records. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization) does not include details on testing of controls relating to audit trail feature. Further, we understand from the service provider that the software does not have the feature of recording audit trail and hence we have migrated to new software from 01 April 2024.

40 Other additional regulatory information required as per paragraphs 6 and 7 pertaining to 'General Instructions for Preparation of Balance Sheet and Statement of Profit and Loss' respectively given under Division II of schedule III to the Companies Act 2013 are either "Nil" or not applicable to the Company.

41 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of approval of these financial statements (15 May 2024) 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
Date : 15 May 2024

R Parthasarathy
Managing Director
(DIN : 00092172)

Place : Ranipet
Date : 15 May 2024

R Ravishankar
Director
(DIN : 01224361)

Place : Chennai
Date : 15 May 2024

C G Sethuram
Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Independent Auditor's Report

To the Members of Thirumalai Chemicals Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Revenue recognition

Key audit matter	How our audit addressed the key audit matter
Refer Note 2.8 and Note 21 to the accompanying consolidated financial statements for the material accounting policy information on revenue recognition and relevant details of revenue recognised during the year. Revenue of the Group consists primarily of sale of manufactured products to the customers. The Group recognises the revenue in accordance with the principles of Ind AS 115, Revenue from Contracts with Customers (Ind AS 115), at point in time when the Group satisfies its performance obligation by transferring the control of goods to its customers and there is no unfulfilled obligation. The revenue is measured based on the transaction price specified in the contract, net of discounts and goods and services tax.	Our audit procedures in relation to revenue recognition included but not limited to, the following: • Obtained an understanding of the revenue business process and assessed the appropriateness of the Group's revenue recognition accounting policy in accordance with Ind AS 115; • Evaluated the design and tested the operating effectiveness of key controls around revenue recognition;

Key audit matter	How our audit addressed the key audit matter
The Company also focuses on revenue as a key performance measure, which could create an incentive for overstating revenue and thus, the timing of revenue recognition is critical as there is a risk of revenue being recognised before the control is transferred to the customers. Owing to the above and volume of transactions, revenue is determined to be an area involving significant risk and hence, requires significant auditor attention. Further, the application of Ind AS 115 involves certain judgements / estimates such as determining timing of revenue recognition and transaction price as per the terms of contracts with the customers. Considering the volume of transactions, materiality of the amount involved as mentioned above, revenue recognition has been identified as a key audit matter for the current year audit.	• Performed substantive testing by selecting samples of revenue transactions recorded during the year including specific periods before and after the financial year end by verifying the underlying supporting documents, which included sales invoices, contracts and shipping documents to ensure that the correct amount of revenue is recorded in the correct period; • Tested unusual non-standard journal entries based on certain criteria's which impacts revenue recognized during the year; • Tested the credits made to revenue account subsequent to the period and; • Assessed the appropriateness and adequacy of disclosures made by the management in the consolidated financial statements in accordance with the requirements of the applicable accounting standards.

Capital work-in-progress and property, plant and equipment:

Key audit matter	How the matter was addressed in the audit
Refer note 2.8 and 3 to the accompanying consolidated financial statements The Group is in the process of constructing new plants / augmenting existing assets ('projects') for expanding/ improving its business operations. During the year, the Group has incurred a total sum of ₹84,791 lakhs towards additions made to capital work–in-progress. During the year, the Group has also capitalised ₹6,071 lakhs based on completion of various projects as per recognition criteria given under Ind AS 16, Property, plant and equipment ('Ind AS 16'). There are various areas where management judgement impacts the carrying value of property, plant and equipment (PPE) and capital work-in-progress. These include the decision to capitalise or expense costs, the unit of measure to be used for capitalization, determining what constitutes an item of property, plant and equipment and the timeliness of capitalization based on when the assets are ready to put to use. The estimates and assumptions used to determine the carrying amounts, including whether and when to capitalise or expense certain direct & indirect costs, and the determination of depreciation charges are material to the Group's financial position and performance. Inappropriate timing of capitalization of the project and/ or identification of significant parts of PPE could result in material misstatement of capital work-in-progress / PPE with a consequent impact on depreciation charge and results for the year. Given the significance of capital expenditure during the year, the nature and volume of transactions, complexity and judgement involved in determination of eligible costs for capitalization, the aforesaid matter has been identified as a key audit matter for the current year.	Our audit procedures on capital work in progress and property, plant and equipment included but not limited to, the following: • Obtained an understanding of the business process and assessed the appropriateness of the accounting policy adopted by the Group in accordance with Ind AS 16; • Performed walk-through of the capitalisation process and evaluated the design and tested the operating effectiveness of the controls in the process; • Tested the additions made to capital work-in-progress and PPE on a sample basis by checking underlying supporting documents to ensure such items are recorded accurately in the correct period, in accordance with the requirements of Ind AS 16; • On a test check basis, we have physically verified existence of capital work-in-progress and PPE; • Assessed that the borrowing cost capitalised during the year is in accordance with the accounting policy of the Company and Ind AS 23, Borrowing cost; • Obtained the project completion/handover certificate provided by the management for projects completed during the year, to determine whether the asset is in the location and condition necessary for it to be capable of operating in the manner intended by the management; • Assessed the appropriateness of timing of capitalization, identification of significant parts of PPE that are depreciated separately and useful lives considered for calculation of depreciation charge; and • Evaluated the appropriateness and adequacy of the disclosures made in the consolidated financial statements in accordance with the applicable accounting standards.

In addition to the above key audit matters, we have determined the following matter reproduced below as a key audit matter to be communicated in our report, based on communication received from the component auditor, Ernst & Young PLT, Chartered Accountants , of Optimistic Organic Sdn Bhd, a wholly owned subsidiary of the Holding Company:

Impairment of property, plant and equipment, Capital work in progress and Right of use assets

Key audit matter	How the matter was addressed in the audit
Refer Note 2.8 and 3 to the accompanying consolidated financial statements. As at 31 March 2024, the carrying amount of cash generating unit (property, plant and equipment including capital work-in-progress and right-of-use assets) as included in aforesaid note aggregate to ₹18,302 lakhs respectively. Considering the losses recorded during past two years by the Company, the management has identified that indicators exist that requires the management to test the carrying value of related Cash generating unit for possible impairment. Management's assessment of the recoverable amount of cash generating unit requires estimation and judgement around identification of cash generating units (CGUs) and assumptions used in the determination of value-in use (VIU). The principal driver of recoverable value is the estimated growth in the operations of the CGU and ability to generate cash profits in the future. The key assumptions supporting management's assessment of the recoverable amount of CGU are the estimated future financial performance, capital expenditure and the discount rates applied. Changes to assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of the CGU. Considering the significance of the amounts involved, and auditor attention required to test the appropriateness of accounting estimate that involves high estimation uncertainty and significant management judgement, this matter has been determined to be a key audit matter for the current year audit.	Our audit work included, but was not restricted to, performing the following procedures: • Challenged the assessment in identifying the property, plant and equipment (including CWIP) and right-of-use assets that have impairment indicators by evaluating whether internal and external indicators have been considered. • Evaluated the key assumptions applied in the value-in-use calculation, including the revenue growth rate, utilisation rate of the plant and machinery and other key cost elements, by comparing to the current utilisation rate, historical performance of those plant and machinery; • Assessed the professional competence, objectivity and capabilities of the specialist used by the management for performing required VIU calculations to estimate the recoverable value of property, plant and equipment and right-of-use assets relating to such CGU; • Tested the arithmetical accuracy of the calculations performed by the management expert. • Based on our discussion with valuation specialists, we have discussed on the appropriateness of the value-in-use method used by the management and the discount rates used. • Assessed the sensitivity of the outcome of impairment assessment to changes in key assumptions such as discount rates. • Considered the adequacy of the disclosures of the assumptions applied, which are particularly sensitive, uncertain or require significant judgement, in the impairment assessment of the property, plant and equipment and right of- use assets.

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

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

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

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

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

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

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

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

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

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

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

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We 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 with reference to financial statements in place and the operating effectiveness of such controls.;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- 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; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

15. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹36,047 lakhs as at 31 March 2024, total revenues of ₹28,803 lakhs and net cash outflows amounting to ₹12,457 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Further, these subsidiaries, are located outside India and financial statements of one such subsidiary has been prepared in accordance with accounting principles generally accepted in their respective country and which has been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Holding Company's management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Also, the financial statements of other two subsidiaries have prepared in accordance with accounting principles applicable to the Holding Company, and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiaries located outside India, is based on the report of other auditors and where relevant 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 one subsidiary, whose financial statements reflects total assets of ₹30 lakhs as at 31 March 2024, total revenues of ₹Nil and net cash outflows amounting to ₹3 lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, this financial statement is 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 statement 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, its subsidiary incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

19. As required by section 143(3) of the Act, based on our audit, 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, except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

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

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, its subsidiary and taken on record by the Board of Directors of the Holding Company, its subsidiary, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in, paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

    h) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 34(a) to the consolidated financial statements;

ii. The Holding Company, its subsidiaries covered under the act, does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the act during the year ended 31 March 2024;

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

b. The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the note 4 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

v. The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 11(g) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2024 which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

vi. As stated in Note 38 to the consolidated financial statements and based on our examination which included test checks, except for the instances mentioned below, the Holding Company, and its subsidiary which are companies incorporated in India and audited under the Act, in respect of financial year commencing on 1 April 2023, have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and the same have been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below.

Particulars	Details of Exception noted
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software SAP B1 to log any direct data changes, used for maintenance of all relevant accounting records by the Holding Company and its subsidiary incorporated in India.
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The Payroll accounting software (Rely on) by Matrix Cosec) used for maintenance of payroll records of the Holding Company and its subsidiary incorporated in India is operated by third party software service provider. In the absence of any information on the existence of audit trail feature in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment whether the audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 24059139BKEYIA7754

Hyderabad
15 May 2024

Annexure I

1. Optimistic Organic Sdn. Bhd, Malaysia | 2. Cheminvest Pte Ltd., Singapore | 3. Lapiz Europe Limited., Europe

4. TCL Global B.V. The Netherlands | 5. TCL Inc. United States of America | 6. TCL Specialties LLC., United States of America

7. TCL Intermediates Private Limited., India

Annexure A to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited on the consolidated financial statements for the year ended 31 March 2024

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

1. In conjunction with our audit of the consolidated financial statements of Thirumalai Chemicals Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company, which are companies covered under the Act, as at that date.

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

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

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

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

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

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

   (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Opinion

8. In our opinion, the Holding Company and its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based internal financial control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 24059139BKEYIA7754

Hyderabad
15 May 2024

Consolidated Balance Sheet

as at 31 March 2024

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

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	3	59,204	56,262
Capital work-in-progress	3	1,19,961	40,639
Intangible assets	3	17	19
Right of use assets	3	11,946	10,831
Financial assets	20		
(i) Investments	4	13,941	13,234
(ii) Other financial assets	5	557	402
Income tax assets (net)	6	475	595
Other non-current assets	7	12,542	8,788
Total non-current assets		**2,18,643**	**1,30,770**
Current assets			
Inventories	8	25,083	31,917
Financial assets	20		
(i) Investments	4	3,407	-
(ii) Trade receivables	9	18,315	10,193
(iii) Cash and cash equivalents	10	40,560	34,957
(iv) Bank balances other than (iii) above	10	19,379	19,496
(v) Other financial assets	5	579	426
Income tax assets	6	1,169	1,332
Other current assets	7	4,892	6,933
Total current assets		**1,13,384**	**1,05,254**
Total assets		**3,32,027**	**2,36,024**
Equity and Liabilities			
Equity			
Equity share capital	11	1,024	1,024
Other equity	13	1,13,597	1,18,168
Total equity		**1,14,621**	**1,19,192**
Liabilities			
Non-current liabilities			
Financial liabilities	20		
(i) Borrowings	14	81,253	14,755
(ii) Lease liabilities	15	8,123	6,666
(iii) Other financial liabilities	18	12,573	-
Other non- current liabilities	19	4,002	-
Deferred tax liabilities	6	7,097	7,725
Provisions	16	1,473	1,135
Total non-current liabilities		**1,14,521**	**30,281**
Current liabilities			
Financial liabilities	20		
(i) Borrowings	14	35,078	29,358
(ii) Lease liabilities	15	719	621
(iii) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises		349	793
(B) Total outstanding dues other than micro enterprises and small enterprises		51,283	48,913
(iv) Other financial liabilities	18	14,368	5,657
Provisions	16	244	374
Current tax liabilities (net)	6	89	64
Other current liabilities	19	755	771
		1,02,885	**86,551**
Total Current liabilities		**2,17,406**	**1,16,832**
Total equity and liabilities		**3,32,027**	**2,36,024**

Notes 1 to 40 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
Date : 15 May 2024

R Parthasarathy
Managing Director
(DIN : 00092172)

Place : Ranipet
Date : 15 May 2024

R Ravishankar
Director
(DIN : 01224361)

Place : Chennai
Date : 15 May 2024

C G Sethuram
Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

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

	Note	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	21	2,08,313	2,13,224
Other income	22	1,934	3,015
Total income		**2,10,247**	**2,16,239**
Expenses			
Cost of materials consumed	23	1,66,999	1,51,594
Purchase of stock-in-trade	23	1,613	262
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(2,210)	1,261
Employee benefits expense	25	7,982	7,872
Finance costs	26	4,171	3,125
Depreciation and amortisation expenses	3	6,320	5,568
Other expenses	27	28,827	33,616
Total expenses		**2,13,702**	**2,03,298**
Profit before tax		**(3,455)**	**12,941**
Tax expense	6		
- Current tax		1,105	3,790
- Deferred tax		(681)	168
Total tax expense		**424**	**3,958**
Profit / (Loss) for the year		**(3,879)**	**8,983**
Other comprehensive income:			
(A) Items that will be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		746	4,249
		746	**4,249**
(B) Items that will not be reclassified to profit or loss			
- Re-measurements of defined benefit liabilities	16	(37)	40
- Equity instruments through other comprehensive income		152	(20)
- Income tax relating to items that will not be reclassified to profit and loss	6	(17)	(1)
		98	**19**
Other comprehensive income for the year, net of tax (A + B)		**844**	**4,268**
Total comprehensive income / (Loss) for the year		**(3,035)**	**13,251**
Earnings per equity share on Profit for the year	28		
Basic and diluted (in ₹)		(3.79)	8.77

Notes 1 to 40 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

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Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

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Place : Ranipet
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Director
(DIN : 01224361)

Place : Chennai
Date : 15 May 2024

C G Sethuram
Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

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

A. Equity Share Capital

As at 31 March 2024

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1,024

As at 31 March 2023

Balance at the beginning of the year	Changes in equity share capital during the current year	Balance at the end of the year
1,024	-	1024

B. Other Equity

As at 31 March 2024

Particulars	Reserves and Surplus				Other sources	Total other equity
	General reserve	Capital reserve on acquisition	Security Premium	Retained earnings	Accumulated other comprehensive income*	
Balances at 31 March 2022	**4,283**	**3,282**	**1,971**	**80,471**	**17,470**	**1,07,477**
Profit for the year	-	-	-	8,983	-	**8,983**
Dividend paid (relating to 2021-22)	-	-	-	(2,560)	-	**(2,560)**
Other comprehensive income	-	-	-	35	4,233	**4,268**
Balances at 31 March 2023	4,283	3,282	1,971	86,929	21,703	**1,18,168**
Profit for the year	-	-	-	(3,879)	-	**(3,879)**
Dividend paid (relating to 2022-23)	-	-	-	(1,536)	-	**(1,536)**
Other comprehensive income	-	-	-	(28)	872	**844**
Balances at 31 March 2024	**4,283**	**3,282**	**1,971**	**81,486**	**22,575**	**1,13,597**

*Refer note 13 (e)

Notes 1 to 40 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
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Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Consolidated Cash flow statement

for the year ended 31 March 2024

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

	Year ended 31 March 2024	Year ended 31 March 2023
A. Cash flow from operating activites		
Profit / (Loss) before tax	(3,455)	12,941
Adjustments for:		
Depreciation and amortisation expense	6,320	5,568
Interest expense	4,171	3,125
Interest income	(1,057)	(1,638)
Dividend income from investments	(730)	(337)
Provision for employee benefits	337	268
Provision for expected credit losses	-	2
Profit on sale of property, plant and equipment, net	(5)	(11)
Excess provisions/ sundry balances written back (net)	(50)	(27)
Unrealised forex loss/ (gain), net	324	(1,107)
Gain on fair valuation of derivatives	-	(1)
Discount receivable	(231)	(234)
Operating profit before working capital changes	**5,624**	**18,549**
Movements in working capital:		
(Increase) / decrease in trade and other receivables	(7,315)	5,216
(Increase) / decrease in inventories	6,870	(7,442)
Decrease in other financial assets	8,294	142
Increase in other assets	(4,443)	(5,686)
Decrease in trade and other payables	4,494	2,646
(Increase) / Decrease in provisions & other liabilities	12,333	(22)
Increase in other financial liabilities	(1,368)	(1,182)
Cash generated from operations	**24,489**	**12,221**
Direct tax paid (net)	(784)	(6,808)
Net cash inflow from operations	**23,705**	**5,413**
B. Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	8	89
Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(81,074)	(36,275)
Interest received	884	1,626
Purchase of investments	(544)	(334)
Proceeds from sale / (purchase) of mutual funds (net)	(3,407)	5,148
Dividend received	730	337
Movement in balances with bank other than those mentioned in cash & cash equivalents	313	(6,487)
Net cash used in investing activities	**(83,090)**	**(35,896)**

Consolidated Cash flow statement

for the year ended 31 March 2024

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

	Year ended 31 March 2024	Year ended 31 March 2023
C. Cash flow from finance activities		
Proceeds from borrowings (Refer note 14)	1,20,016	33,747
Repayment of borrowings	(49,591)	(6,548)
Payment of lease liabilities (Refer note 35)	(685)	(439)
Government grant received	3,974	-
Interest paid relating to borrowings	(6,501)	(1,960)
Other borrowing cost	(1,409)	(1,660)
Dividend paid	(1,536)	(2,560)
Net cash generated from financing activities	**64,268**	**20,580**
D. Net cash inflows / (outflows) during the year	4,883	(9,903)
E. Cash and cash equivalents at the beginning of the year	34,957	42,488
F. Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	720	2,372
G. Cash and cash equivalents at the end of the year	**40,560**	**34,957**
Cash and cash equivalents comprise of:		
Cash on hand	4	3
Balances with banks - in current accounts	14,313	24,843
Deposit accounts (with original maturity less than 3 months)	26,243	10,111
Cash and cash equivalents as per financials	**40,560**	**34,957**

Notes 1 to 40 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
Date : 15 May 2024

R Parthasarathy
Managing Director
(DIN : 00092172)

Place : Ranipet
Date : 15 May 2024

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Director
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Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Summary of material accounting policies and other explanatory information

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

1 General Information

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

The Holding Company has its registered office at Thirumalai House, Plot No. 101-102, Road No. 29, Sion(East), Mumbai - 400 022, India and factories at (1) 25-A Sipcot Industrial Complex, Ranipet - 632 403, Tamil Nadu, India; (2) 16&17, Engineering SEZ, Sipcot Industrial Complex, Phase III, Ponnai Road, Ranipet - 632 405, Tamil Nadu, India (3), Plot No.D-2/CH/171B, GIDC Estate, Dahej, Phase-II, Tal.Vagra, Bharuch, Gujarat- 392 130, India.

These consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 15 May 2024.

2 Material accounting policy information

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

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

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

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

Material 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 2024. 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 2024	31 March 2023
Lapiz Europe Ltd. (Lapiz)	United Kingdom	100	100
Cheminvest Pte Ltd. (Cheminvest)	Singapore	100	100
Optimistic Organic Sdn Bhd. (OOSB)	Malaysia	100	100
TCL Global B.V.	Netherlands	100	100
TCL Inc.	USA	100	100
TCL Specialties LLC.	USA	100	100
TCL Intermediates Private Limited	India	100	

Subsidiaries

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

Summary of material accounting policies and other explanatory information

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

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 Functional and presentation currency

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

All the amounts below the rounding off norms adopted by the Company are disclosed as "0".

2.4 Critical accounting estimates, assumptions and judgements

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

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

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

(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

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

(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

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

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

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

(vi) Leases (including determination of incremental borrowing rate)

Certain leases have extension options and termination options; extension options are only included in the lease term and lease liability if the lease is reasonably certain to be extended. Potential future cash outflows related to renewal options which are not reasonably certain to be extended have not been included in lease liabilities. Where practicable, the Group seek to include extension options in new lease agreements to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension and termination options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

Extension and termination options are included in many of the leases. In determining the lease term, the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. See also Note 2.12, Summary of Significant Accounting Policies, for further information regarding leases policy.

(vii) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded entities or other available fair value indicators.

2.5 Foreign currency transaction and translation

a) Foreign Transactions

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

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b) Foreign operations

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Holding Company's foreign operations that have a functional currency other than Indian rupees are translated into Indian rupees using exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and held in foreign currency translation reserve (FCTR), a component of equity, except to the extent that the translation difference is allocated to non controlling interest. When a foreign operation is disposed of, the relevant amount recognized in FCTR is transferred to the consolidated statement of income as part of the profit or loss on disposal. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the exchange rate prevailing at the reporting date.

2.6 Revenue from contracts with customers

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

1 Identifying the contract with customer

2 Identifying the performance obligations

3 Determining the transaction price

4 Allocating the transaction price to the performance obligations

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

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

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

(i) Sale of chemicals

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

(ii) Income from wind operated generators

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

(iii) Income from operating lease

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

(iv) Sale of scrap

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

(v) Export benefits

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

2.7 Recognition of Dividend Income, Interest income or expense

Dividend income is recognised when the unconditional right to receive the income is established. Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or

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receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.8 Property, plant and equipment and Intangible Assets

(i) Plant and equipment

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

Major shutdown and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset Assets in the course of construction are capitalised in the assets under construction account (Capital work in progress). At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset and any obligatory decommissioning costs are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed. Revenue generated from production during the trial period is capitalised.

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

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

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

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

(ii) Land

Land (other than investment property) held for use in production or administration is stated

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at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

(iii) Intangible assets

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

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

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

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

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

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

(v) Depreciation and amortization

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

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

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

Category of fixed assets	As Per Schedule II	Management estimate
Specific laboratory equipments	10 years	5 years
Office equipments (mobile phones)	5 years	2 years
Catalyst	15 years	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

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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.

2.10 Leases

(a) The Group as a lessee

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

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognizes a Right-of-Use (RoU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received. Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any.

The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful life of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The Group applies Ind AS 36 to determine whether an RoU asset is impaired and accounts for any identified impairment loss as described in the impairment of non-financial assets below.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-of-use assets. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

(b) The Group as a lessor

Leases under which the Group is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

2.11 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 Group becomes a party to the contractual provisions of the instrument.

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Initially, a financial instrument is recognised at its fair value except for trade receivable. Trade receivables that do not contain a significant financing component are measured at transaction price. 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 of financial assets are classified and measured based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost

b. Fair value through other comprehensive income (FVOCI) or

c. Fair value through profit and loss (FVTPL)

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

a. Financial assets at amortised cost

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

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

b. Financial assets at fair value through other comprehensive income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading.

These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

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

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

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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.

- Classification and subsequent measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of

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recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified party fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks on behalf of the Subsidiaries to secure loans, overdrafts and other banking facilities. Financial guarantee contracts are initially measured at fair value and subsequently measured at the higher of: • The amount of the loss allowance; and • The premium received on initial recognition less income recognized in accordance with the principles of Ind AS 115..

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.

2.13 Post-employment benefits and short-term employee benefits

I. Indian entities

(a) 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.

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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. 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.

(b) Defined benefit Plan

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

The defined benefit funds maintained by the Group are as below

(i) Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to Government securities that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

(ii) Leave salary - compensated absences

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

II. Overseas entities

(a) 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.

(b) 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.

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2.14 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.

2.15 Earnings per equity share

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

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

2.16 Income tax

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to a business combination, or items directly recognized in equity or in other comprehensive income.

(i) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amounts are those that are enacted or substantively enacted as at the reporting date and applicable for the period. While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending the nature and circumstances of each uncertain tax position.

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and liability simultaneously.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

(ii) Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred income tax assets are recognized to the extent it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences except in respect of taxable temporary differences that is expected to reverse within the tax holiday period.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Summary of material accounting policies and other explanatory information

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

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The Group offsets deferred income tax assets and liabilities, where it has a legally enforceable right to offset current tax assets against current tax liabilities, and they relate to taxes levied by the same taxation authority on either the same taxable entity, or on different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

2.17 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.

2.18 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.

2.19 Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants relating to the purchase of assets are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected useful lives of the related assets and presented with other income. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities. A forgivable loan from government is treated as a government grant when there is reasonable assurance that the entity will meet the terms for forgiveness of the loan.

Summary of material accounting policies and other explanatory information

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

3 a) Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of use assets.

Particulars	Property, plant and equipment									Capital work-in-progress	Right of use assets	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 31 March 2022	**7,074**	**3,048**	**67,386**	**571**	**183**	**222**	**264**	**144**	**78,892**	**6,364**	**4,289**	**110**
Additions	-	13	2,364	-	18	50	56	84	2,585	35,617	7,097	20
Transfer on capitalisation	-	904	864	-	-	-	-	3	1,771	(1,771)	-	-
Disposals	-	-	(2,625)	-	-	(19)	(41)	(1)	(2,686)	-	-	-
Exchange fluctuations	-	111	2,951	-	2	8	9	-	3,081	429	285	-
Balance as at 31 March 2023	**7,074**	**4,076**	**70,940**	**571**	**203**	**261**	**288**	**230**	**83,643**	**40,639**	**11,671**	**130**
Additions	-	-	2,162	-	32	28	27	39	2,288	84,791	1,704	8
Transfer on capitalisation	-	978	5,093	-	-	-	-	-	6,071	(6,071)	-	-
Disposals	-	-	(3,257)	-	(3)	(13)	-	-	(3,273)	-	(38)	-
Exchange fluctuations	-	20	536	-	-	2	2	-	560	602	114	-
Balance as at 31 March 2024	**7,074**	**5,074**	**75,474**	**571**	**232**	**278**	**317**	**269**	**89,289**	**1,19,961**	**13,451**	**138**
Accumulated depreciation/ amortisation												
Balance up to 31 March 2022	-	773	21,796	210	87	131	154	66	23,217	-	382	104
Depreciation/amortisation for the year	-	259	4,706	35	15	30	35	48	5,128	-	433	7
Reversal on disposal of assets	-	-	(2,548)	-	-	(19)	(39)	(1)	(2,607)	-	-	-
Exchange fluctuations	-	47	1,583	-	1	6	6	-	1,643	-	25	-
Balance up to 31 March 2023	**-**	**1,079**	**25,537**	**245**	**103**	**148**	**156**	**113**	**27,381**	**-**	**840**	**111**

Summary of material accounting policies and other explanatory information

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

3 a) Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of use assets. (Contd.)

Particulars	Property, plant and equipment									Capital work-in-progress	Right of use assets	Intangible assets
	Freehold land	Buildings and roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total			Computer software
Depreciation / amortisation for the year	-	308	5,165	35	19	28	36	59	5,650	-	660	10
Reversal on disposal of assets	-	-	(3,257)	-	(1)	(12)	-	-	(3,270)	-	-	-
Exchange fluctuations	-	9	312	-	-	1	1	1	324	-	5	-
Balance up to 31 March 2024	**-**	**1,396**	**27,757**	**280**	**121**	**165**	**193**	**173**	**30,085**	**-**	**1,505**	**121**
Net block												
Balance as at 31 March 2023	**7,074**	**2,997**	**45,403**	**326**	**100**	**113**	**132**	**117**	**56,262**	**40,639**	**10,831**	**19**
Balance as at 31 March 2024	**7,074**	**3,678**	**47,717**	**291**	**111**	**113**	**124**	**96**	**59,204**	**1,19,961**	**11,946**	**17**

Notes:

(i) Of the above, both movable & immovable property, plant and equipment has been pledged as collateral for term loan from bank (Also, refer note 14).

(ii) For contractual commitment with respect to property, plant and equipment refer Note 34 (c).

(iii) The lease liabilities arising out of addition to Right of use asset has been fully paid at the inception of the respective leases, for assets other than those mentioned in note 35.

(iv) Additions to capital work-in-progress during the year includes borrowing cost of ₹5,631 lakhs (Previous Year ₹600 lakhs), which is capitalized as per Ind As 23 (Also Refer note 26).

(v) Refer note 35 (b) for class of underlying assets for right of use.

(vi) With respect to property, plant and equipment (including capital work-in-progress and right-of-use assets) amounting to ₹18,302 lakhs (included above) in respect of one subsidiary company, management, during the year has done a detailed evaluation on the recoverability of these property, plant and equipment (including capital work-in-progress and right-of-use assets). The Subsidiary Company reported losses for the financial year ended 31 March 2024 and 31 March 2023, which indicated that the carrying amounts of the related property, plant and equipment (including capital work-in-progress and right-of-use assets) , may be impaired. Consequently, the Company has performed an impairment assessment on the property, plant and equipment (including capital work-in-progress and right-of-use assets) by estimating the recoverable amounts. Estimating the value-in-use ("VIU") requires the Subsidiary Company to make an estimate of the expected future cash flows, which include the revenue, from the continuing use of the asset, and discounted at an appropriate rate to reflect the current market assessments of the time value of money and the risks specific to the asset for which the cash flow estimates have not been adjusted. The pre-tax discount rate applied to the cash flow projections is 12.61%. The recoverable amount of the PPE and ROU is determined from VIU calculation based on cash flow forecasts for the remaining estimated useful life of the plant.

Summary of material accounting policies and other explanatory information

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

3 a) Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of use assets. (Contd.)

b) Capital work in progress - ageing

i) As at 31 March 2024

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	90,674	28,532	691	64	1,19,961
(ii) Projects temporarily suspended	-	-	-	-	-
Total	**90,674**	**28,532**	**691**	**64**	**1,19,961**

ii) As at 31 March 2023

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in Progress	35,010	5,629	-	-	40,639
(ii) Projects temporarily suspended	-		-	-	-
Total	**35,010**	**5,629**	**-**	**-**	**40,639**

4 Investments

	As at 31 March 2024	As at 31 March 2023
I. Non-current investments		
Investments designated at FVOCI		
Investments in equity instruments		
Quoted		
5,000 (31 March 2023: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹10 each fully paid up	11	4
1,410 (31 March 2023: 1,410) equity shares of Piramal Enterprises Limited at ₹2 each fully paid up	12	10
500 (31 March 2023: 500) equity shares of Tata Power Limited at ₹1 each fully paid up	2	1
41,98,837 (31 March 2023: 40,55,000) equity shares of Ultramarine and Pigments Limited at ₹2 each fully paid up	13,916	13,219
Total non-current investments	**13,941**	**13,234**
Aggregate amount of:		
- Quoted investments and market value thereof	13,941	13,234
II. Current investments		
Investments in mutual funds designated at FVTPL		
Quoted		
SBI Liquid Fund- Direct Plan -(Current year 73,334 units; Previous year: Nil)	1,261	-
ICICI Prudential Ultra Short Term Fund-(Current year 3,80,158 units; Previous year: Nil)	1,369	-
HDFC Ultrashort Term Fund-(Current year 16,380 units; Previous year: Nil)	777	-
Total current investments	**3,407**	**-**
Aggregate amount of:		
- Quoted investments and market value thereof	3,407	-

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

III. Disclosure under rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 (as amended)

Name of the Company	Classification
Thirumalai Chemicals Limited	Funding Party
TCL Global B.V.	Intermediary 1
TCL Inc.	Intermediary 2
TCL Specialties LLC.	Ultimate Beneficiary

a) Details of Investment from Funding Party to Intermediary 1

Date	EUR	₹in lakhs	Investments towards
13-Aug-19	25,000	20	Share Capital

Date	USD	₹in lakhs	Investments towards
23-Mar-20	50,000	38	
15-Jul-20	2,00,000	151	
11-Dec-20	5,00,000	369	
2-Jun-21	50,00,000	3,660	
6-Sep-21	32,50,000	2,377	
24-Sep-21	32,50,000	2,397	Further investment in Equity in Ultimate beneficiary through Intermediary 1 and Intermediary 2
27-Oct-21	30,00,000	2,250	
29-Dec-21	20,00,000	1,502	
3-Mar-22	20,00,000	1,506	
7-Apr-22	10,00,000	760	
6-May-22	44,99,985	3,442	
6-May-22	2,50,015	192	
	2,50,00,000	**18,644**	

b) Details of Loan from Funding Party to Intermediary 1

Date	USD	₹in lakhs	Amount towards
25-Nov-22	2,50,00,000	20,393	Loan for further lending to Intermediary 2

c) Details of Loan repaid to Funding Party by Intermediary 1

Date	USD	₹in lakhs	Amount towards
14-Sep-23	2,50,00,000	20,778	Loan repaid

d) Details of Investment from Intermediary 1 to Intermediary 2

Date	USD	Investments towards Share Capital
24-Feb-20	1,000	
30-Mar-20	1,000	
31-Mar-20	49,000	
17-Jul-20	1,00,000	
20-Jul-20	1,00,000	
17-Dec-20	1,00,000	Further investment in Equity of Ultimate beneficiary through Intermediary 2.
18-Dec-20	4,00,000	
4-Jun-21	20,00,000	
7-Jun-21	20,00,000	
8-Jun-21	10,00,000	
9-Sep-21	20,00,000	
10-Sep-21	12,50,000	

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

d) Details of Investment from Intermediary 1 to Intermediary 2

Date	USD	Investments towards Share Capital
28-Sep-21	20,00,000	
29-Sep-21	12,50,000	
28-Oct-21	10,00,000	
29-Oct-21	20,00,000	
3-Jan-22	20,00,000	Further investment in Equity of Ultimate beneficiary through Intermediary 2.
9-Mar-22	10,00,000	
10-Mar-22	10,00,000	
11-Apr-22	10,00,000	
16-May-22	30,00,000	
17-May-22	17,50,000	
	2,50,01,000	

e) Details of Loan from Intermediary 1 to Intermediary 2

Date	USD	Amount towards
30-Nov-22	2,50,00,000	Loan for further lending to ultimate beneficiary

f) Details of Loan from Intermediary 2 to Intermediary 1

Date	USD	Amount towards
14-Sep-23	2,50,00,000	Loan repaid

g) Details of Investment from Intermediary 2 to Ultimate Beneficiary

i) Towards Share Capital

Date	USD	Remarks
1-Apr-20	50,000	
30-Jul-20	1,98,434	
22-Dec-20	50,000	
28-Dec-20	4,45,000	
9-Jun-21	50,00,000	
15-Sep-21	32,50,000	Amount received as Capital Contribution from funding party through intermediaries
30-Sep-21	32,50,000	
29-Oct-21	30,00,000	
5-Jan-22	20,00,000	
15-Mar-22	19,86,566	
11-Apr-22	10,00,000	
18-May-22	47,50,000	
	2,49,80,000	

ii) Loan received by ultimate beneficiary

Date	USD	Amount towards
30-Nov-22	2,50,00,000	The funding party, through intermediaries, provided a loan for carrying out construction activities by the ultimate beneficiary.

iii) Loan repaid by ultimate beneficiary

Date	USD	Amount towards
14-Sep-23	2,50,00,000	Loan repaid

Summary of material accounting policies and other explanatory information

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

4 Investments (Contd.)

Notes:

1) The management certifies that relevant provisions of the Foreign Exchange Management Act, 1999 and Companies Act, 2013 have been complied with for such transactions and the transactions are not violative of the Prevention of Money-Laundering Act, 2002.

2) During the year the holding company had provided Corporate Guarantee to a amount of ₹61,235 lakhs (USD 73.45 millions) to TCL Specialities LLC and ₹45,200 lakhs to TCL Intermediates Private Limited.

3) Other than those disclosed above

   i) no funds have been advanced or loaned or invested by the Holding Company and its Subsidiary Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

   ii) No funds have been received by the Holding Company and its Subsidiary Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

5 Other financial assets

(Unsecured, considered good unless and otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Security deposits				
- Unsecured, considered good	557	-	402	-
- Unsecured, considered doubtful	18	-	18	-
Less: Allowances for expected credit loss	(18)	-	(18)	-
Staff advances	-	64	-	54
Receivable from supplier	-	233	-	211
Derivative asset	-	4	-	1
Claims receivable	-	-	-	23
Others	-	278	-	137
	557	**579**	**402**	**426**

Notes:

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

(b) The carrying amount of cumulative other financial assets are considered as a reasonable approximation of fair value and adequate allowances for losses have been provided.

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

6 Income tax

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
I. Income tax assets (net)				
Taxes paid in advance (net)	475	1,169	595	1,332
	475	**1,169**	**595**	**1,332**

Summary of material accounting policies and other explanatory information

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

6 Income tax (Contd.)

	As at 31 March 2024	As at 31 March 2023
II. Current tax liabilities (net)		
Income tax liabilities (net)	89	64
	89	**64**

	Year ended 31 March 2024	Year ended 31 March 2023
III. Amounts recognised in profit or loss		
Current tax		
Current period	1,105	3,790
Total current tax expense	**1,105**	**3,790**
Deferred tax attributable to		
Origination and reversal of temporary differences	(681)	168
Total deferred tax expense	**(681)**	**168**
Income tax expense	**424**	**3,958**

IV. Amounts recognised in other comprehensive income

	Year ended 31 March 2024			Year ended 31 March 2023		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
- Exchange differences on translation of foreign operations	746	-	746	4,249	-	4,249
- Re-measurements of defined benefit plans	(37)	9	(28)	40	(10)	30
- Equity instruments through other comprehensive income, net	152	(26)	126	(20)	9	(11)
	861	**(17)**	**844**	**4,269**	**(1)**	**4,268**

V. Reconciliation of effective tax rate

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Holding Company at 25.17% (2022-23: 25.17%) and the reported tax expense in the consolidated statement of profit and loss are as follows:

	Year ended 31 March 2024		Year ended 31 March 2023	
Profit before tax		(3,455)		12,941
Tax using the Holding Company's domestic tax rate	25.17%	(870)	25.17%	3,257
Effect of:				
Income exempt from tax or allowed as deduction	0.52%	(18)	-2.23%	(288)
Expenses disallowed for tax purpose	-8.08%	279	1.42%	184
Difference between Indian and Foreign taxes	1.39%	(48)	-0.66%	(86)
Unrecognised deferred tax asset on subsidiary losses	-31.95%	1,104	5.32%	688
Excess/under provision for previous year	0.64%	(22)	0.77%	99
Others	0.03%	(1)	0.80%	104
Actual tax expense	**-12.28%**	**424**	**30.59%**	**3,958**

Summary of material accounting policies and other explanatory information

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

VI. 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 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Provisions - employee benefits	(404)	(363)	-	-	(404)	(363)
Provisions - others	(287)	(259)	-	-	(287)	(259)
Tax on intra-group eliminations	(142)	(172)	-	-	(142)	(172)
Fair valuation of equity instruments	-	-	2,524	2,510	2,524	2,510
Property, plant and equipment	-	-	6,185	5,792	6,185	5,792
Tax on carried forward capital loss	(815)	(24)	-	-	(815)	(24)
Translation differences	(6)	(3)	42	244	36	241
Deferred tax (assets)/ liabilities	**(1,654)**	**(821)**	**8,387**	**8,546**	**7,468**	**7,725**

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.

7 Other assets

(unsecured, considered good unless and otherwise stated)

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
a) Capital advances	3,551	-	6,924	-
b) Advance other than capital advance				
i) Supplier advance	-	1,591	-	2,189
c) Security deposits	-	80	-	-
d) Others				
i) Balance with Government authorities	8,826	1,622	-	2,313
ii) Prepaid expenses	165	1,453	232	2,369
iii) Others	-	146	1,632	62
	12,542	**4,892**	**8,788**	**6,933**

All of the Group's other current and non-current assets have been reviewed for indicators of impairment and no allowances for losses is required to be provided.

Summary of material accounting policies and other explanatory information

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

8 Inventories

(valued at lower of cost and net realisable value)

	As at 31 March 2024	As at 31 March 2023
Raw materials	15,482	23,919
Work-in-progress	2,139	1,986
Finished goods	4,878	2,843
Stock-in-trade	60	38
Stores and spares	2,150	2,597
Fuel	176	253
Packing materials	198	281
	25,083	**31,917**
Note		
(i) Goods-in-transit included above are as below :		
a. Raw materials	237	73
b. Finished goods	1,860	1,153
c. Fuel	-	39
d. Stock-in-trade	-	234

9 Trade receivables

	As at 31 March 2024	As at 31 March 2023
Current		
Unsecured		
(a) Considered good	18,315	10,193
(b) Trade Receivables – credit impaired	1,012	1,012
	19,327	**11,205**
Allowance for expected credit loss:		
(a) Trade Receivables – credit impaired	(1,012)	(1,012)
	(1,012)	**(1,012)**
Net trade receivables	**18,315**	**10,193**

Notes:

(i) Movement in allowance for expected credit loss

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	1,012	1,012
Reversal during the year	-	-
Balance at the end of the year	**1,012**	**1,012**

(ii) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. The carrying amount of the current trade receivable is considered a reasonable approximation of fair value as it is expected to be collected within twelve months.

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

(iv) There are no disputed trade receivables during the current year and previous year.

Summary of material accounting policies and other explanatory information

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

9 Trade receivables (Contd.)

Trade receivables ageing as on 31 March 2024

Particulars	Outstanding for the following period from the due date						
	Not due	Less than 6 month	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	13,036	4,147	-	3	120	1,009	**18,315**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	1,012	**1,012**
Total	**13,036**	**4,147**	**-**	**3**	**120**	**2,021**	**19,327**

Trade receivables ageing as on 31 March 2023

Particulars	Outstanding for the following period from the due date						
	Not due	Less than 6 month	6 months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) Undisputed Trade Receivables considered good	8,770	1,216	68	139	-	-	**10,193**
(ii) Undisputed Trade Receivables which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	1,010	2	**1,012**
Total	**8,770**	**1,216**	**68**	**139**	**1,010**	**2**	**11,205**

10 Cash and bank balances

	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Balance with banks in current accounts	14,313	24,843
Cash on hand	4	3
Deposit accounts (with original maturity less than 3 months)	26,243	10,111
Cash and cash equivalents as per statement of cash flows	**40,560**	**34,957**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend (Refer note (i) below)	135	135
Deposit accounts (with original maturity greater than 3 months upto 12 months)	625	10,760
Balances with bank held as margin money	6,046	8,601
Cash collateral against Huntington Loan (Refer note 18 (iii))	12,573	-
	19,379	**19,496**
	59,939	**54,453**

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

Summary of material accounting policies and other explanatory information

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

11 Equity share capital

	As at 31 March 2024		As at 31 March 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹1 each	15,00,00,000	1,500	15,00,00,000	1,500
Unclassified shares of ₹10 each	1,00,00,000	1,000	1,00,00,000	1,000
	16,00,00,000	**2,500**	**16,00,00,000**	**2,500**
Equity shares of ₹1 each	10,24,28,120	1,024	10,24,28,120	1,024
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**
Subscribed and fully paid-up				
Equity shares of ₹1 each	10,23,88,120	1,024	10,23,88,120	1,024
Add: Amount paid up on forfeited shares	40,000	-	40,000	-
	10,24,28,120	**1,024**	**10,24,28,120**	**1,024**

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

b) Terms/ rights attached to equity shares

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

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

	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Equity shares of ₹1 each				
Ultramarine and Pigments Limited	2,04,51,770	19.97%	2,04,51,770	19.97%
Jasmine Limited	67,71,880	6.61%	67,71,880	6.61%
	2,72,23,650	**26.58%**	**2,72,23,650**	**26.58%**

d) Share holding of promoters

Promoter name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Ultramarine & Pigments Limited	2,04,51,770	19.97%	0.00%	2,04,51,770	19.97%	0.00%
Jasmine Limited	67,71,880	6.61%	0.00%	67,71,880	6.61%	0.00%
Sujata Sampath Family Trust	29,50,155	2.88%	0.19%	29,44,655	2.87%	0.00%
Sampath Family Trust	29,50,155	2.88%	0.19%	29,44,655	2.87%	0.00%
Parthasarathy Rangaswamy	80,681	0.08%	16.12%	69,481	0.07%	-97.14%
Bhooma Parthasarathy	39,200	0.04%	100.00%	-	0.00%	-100.00%
Indira Sundarrajan	18,74,210	1.83%	0.00%	18,74,210	1.83%	0.27%
Tara Parthasarathy	7,39,005	0.72%	0.91%	7,32,330	0.71%	2.88%
Meera Parthasarathy	6,90,850	0.67%	-0.27%	6,92,730	0.68%	0.00%
Vidhya S	4,78,130	0.47%	0.00%	4,78,130	0.47%	0.00%

Summary of material accounting policies and other explanatory information

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

11 Equity share capital (Contd.)

Promoter name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of total shares	% Change during the year	No. of shares	% of total shares	% Change during the year
Varadharajan S	4,35,205	0.42%	0.00%	4,35,205	0.42%	-2.25%
Ramya Bharathram	3,38,920	0.33%	1.53%	3,33,820	0.33%	11.60%
Narayan S	1,61,000	0.16%	-42.40%	2,79,526	0.27%	0.00%
Deepa Ajay	40,000	0.04%	-72.66%	1,46,290	0.14%	0.00%
Sundararajan V S	58,730	0.06%	0.00%	58,730	0.06%	0.00%
Uttara B	40,000	0.04%	0.00%	40,000	0.04%	0.00%
Sampath R	36,000	0.04%	0.00%	36,000	0.04%	80.00%
Bharathram V	20,000	0.02%	0.00%	20,000	0.02%	33.33%
Sujata Sampath	10,000	0.01%	0.00%	10,000	0.01%	0.00%
Vidya Family Trust	9,750	0.01%	0.00%	9,750	0.01%	0.00%
Ramya Family Trust	8,800	0.01%	0.00%	8,800	0.01%	0.00%
R Parthasarathy Family Trust	23,98,330	2.34%	0.00%	23,98,330	2.34%	100.00%
Bhooma Parthasarathy Family Trust	23,33,950	2.28%	0.00%	23,33,950	2.28%	100.00%
Rangaswamy Parthasarathy HUF	5,500	0.01%	100.00%	-	0.00%	0.00%
Gayathri Pravin	27,318	0.03%	100.00%	-	0.00%	0.00%
	4,29,49,539	**41.93%**		**4,30,70,242**	**42.05%**	

e) The Holding Company had forfeited 40,000 equity shares of ₹1 each (31 March 2023: 40,000 equity shares of ₹1 each) on which amount originally paid up was ₹22,500.

f) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2024.

g) Details of dividend paid:

	Year ended 31 March 2024	Year ended 31 March 2023
Date of meeting of board of directors	17-May-23	26-May-22
Dividend per share	₹1.50	₹2.50
Cash outflow in lakhs	1,536	2,560

The board of directors, in its meeting on 15 May 2024, has recommended a final dividend of ₹1 per equity share for the financial year ended 31 March 2024. 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 ₹1,024 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.

Summary of material accounting policies and other explanatory information

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

12 Capital management policies and procedures (Contd.)

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

The Group's net debt to equity ratio as at 31 March 2024 is as follows:

	As at 31 March 2024	As at 31 March 2023
Total borrowings	1,16,331	44,113
Less: Cash and cash equivalents	(40,560)	(34,957)
Net Debt	**75,771**	**9,156**
Total equity	**1,14,621**	**1,19,192**
Net Debt to equity ratio*	**66%**	**8%**

*The variance is majorly on account of additional loans obtained during the current year (Also, refer note 14)

13 Other equity

	As at 31 March 2024	As at 31 March 2023
I. Reserves and Surplus		
(a) Securities premium	1,971	1,971
(b) Capital reserve on acquisition	3,282	3,282
(c) General reserve	4,283	4,283
(d) Retained earnings	81,486	86,929
Total Surplus	**91,022**	**96,465**
II. Other reserves		
(e) Accumulated other comprehensive income	22,575	21,703
	22,575	**21,703**
III. Total other equity (I+II)	**1,13,597**	**1,18,168**
(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**
Capital reserve on acquisition represents the gains of capital nature which mainly include the excess of value of net assets acquired over consideration paid by the Group for business amalgamation transactions in earlier years.		
(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 material accounting policies and other explanatory information

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

13 Other equity (Contd.)

	As at 31 March 2024	As at 31 March 2023
(d) Retained earnings		
Balance at the beginning of the year	86,929	80,471
Add : Transfer from statement of profit and loss	(3,879)	8,983
Less : Final dividend	(1,536)	(2,560)
Less : Other comprehensive income	(28)	35
Balance at the end of the year	**81,486**	**86,929**
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	21,703	17,470
Add: Movement during the year	872	4,233
Balance at the end of the year	**22,575**	**21,703**

Accumulated other comprehensive income includes:

i) The Group has made an irrevocable 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) Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

14 Borrowings (measured at amortised cost)

	As at 31 March 2024	As at 31 March 2023
Non-current borrowings		
Secured		
Term loan from banks	64,823	7,465
Letter of credit bills discounting	10,739	701
Total	**75,562**	**8,166**
Unsecured		
Term loans from others	5,691	6,589
	5,691	**6,589**
Non-current borrowings	**81,253**	**14,755**
Current borrowings		
Letter of credit bills discounting	7,447	25,928
Working Capital Demand Loan (WCDL) from bank	4,034	-
Preshipment Loan	1,928	
Buyers Credit from bank	5,425	-
Current maturities of long-term loan from banks*	3,773	2,575
Interim loan from Huntington bank (Also, refer note 18 (iii))	12,471	-
Premium financing liability (Unsecured)	-	855
Current borrowings	**35,078**	**29,358**
Total Borrowings	**1,16,331**	**44,113**

* includes unsecured portion of ₹ 1,078 Lakhs

Summary of material accounting policies and other explanatory information

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

14 Borrowings (measured at amortised cost) (Contd.)

Notes:

i) As at 31 March 2024

Particulars	Terms of repayment	Security	Currency	Company	Average rate of interest	Non Current	Current
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹50.25 lakhs, starting from 31 October 2021 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	295	204
Term loan from banks	Repayable in 24 equal quarterly instalments of ₹250.62 lakhs, starting from 31 October 2020 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	1,493	1,006
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹338 lakhs starting from 30 November 2020 and ending on 31 Aug 2025.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	672	1,357
Term loan from banks	Repayable in quarterly instalments starting from June 2025 until March 2031	Secured by way of first charge on property, plant and equipment including work in progress of the Subsidiary Company.	INR	TCL Intermediates Private Limited	9%-10%	11,046	-
Term loan from banks	Repayable in quarterly instalments starting from October 2025 until July 2031	Secured by way of first charge on property, plant and equipment including work in progress of the Subsidiary Company.	INR	TCL Intermediates Private Limited	9%-10%	11,973	87
Term loan from banks	Repayable in quarterly instalments starting from August 2025 until May 2031	Secured by way of first charge on property, plant and equipment including work in progress of the Subsidiary Company.	INR	TCL Intermediates Private Limited	9%-10%	5,321	41
Term loan from others	Repayable in 8 half yearly instalments, with the first instalment falling due on August 2024.	Unsecured	USD	Optimistic Organic Sdn Bhd	2%	5,691	1,078
Term loan from banks	Repayable in 20 instalments starting from 31st March 2024 after a moratorium of 24 months starting from 1 January 2025.	1. First pari-passu charge on the moveable fixed assets of the company except, leasehold land and already existing structures thereon and lien marked assets in favour of the state of West Virginia. 2. Negative lien on shares held by Thirumalai Chemicals Limited, India in TCL Specialties LLC through its holding companies, TCL Global B.V, Netherlands; TCL Inc, United States. 3. Unconditional and irrevocable corporate guarantee of M/s. Thirumalai Chemicals Limited, India till the currency of the loan.	USD	TCL Specialties LLC	8%-9%	34,022	-

Summary of material accounting policies and other explanatory information

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

14 Borrowings (measured at amortised cost) (Contd.)

Particulars	Terms of repayment	Security	Currency	Company	Average rate of interest	Non Current	Current
Interim loan from Huntington Bank	Repayable in 1 instalment on December 2024.	Loan is secured by a cash collateral provided by West Virginia Economic Development Authority (WVEDA)	USD	TCL Specialties LLC	6%-7%	-	12,471
Letter of credit bills discounted	Ranges from 60 days to one year	First charge by way of hypothecation of current assets of the Holding Company.	INR	Thirumalai Chemicals Limited	6%-9%	-	1,620
Letter of credit bills discounted	Ranges from one month to three years	Secured by way of first charge on capital goods purchased using such letter of credit of the Subsidiary Company.	INR	TCL Intermediates Private Limited	7%-8.9%	10,739	4,092
Letter of credit bills discounted	300 days from date of shipment	1. First pari-passu charge on the moveable fixed assets of the company except, leasehold land and already existing structures thereon and lien marked assets in favour of the state of West Virginia. 2. Negative lien on shares held by Thirumalai Chemicals Limited, India in TCL Specialties LLC through its holding companies, TCL Global B.V, Netherlands; TCL Inc, United States. 3. Unconditional and irrevocable corporate guarantee of M/s. Thirumalai Chemicals Limited, India till the currency of the loan.	USD	TCL Specialties LLC	7%-8%	-	1,735
Working Capital Demand Loan	Based on drawing power	First charge by way of hypothecation of current assets of the Holding Company.	INR	Thirumalai Chemicals Limited	9.75%	-	4,034
Preshipment Loan	Ranges from 30 days to 180 days	First charge by way of hypothecation of current assets of the Holding Company.	USD	Thirumalai Chemicals Limited	6.47%	-	1,928
Buyers Credit	Ranges from 60 days to 150 days	First charge by way of hypothecation of current assets of the Holding Company.	USD	Thirumalai Chemicals Limited	5.79%	-	5,425
						81,253	**35,078**

Summary of material accounting policies and other explanatory information

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

14 Borrowings (measured at amortised cost) (Contd.)

ii) As at 31 March 2023

Particulars	Terms of repayment	Security	Currency	Company	Average rate of interest	Non Current	Current
Term loan from banks	Repayable in 24 equal quarterly instalments of ₹251 lakhs, starting from 31 October 2020 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	2,776	724
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹50 lakhs, starting from 31 October 2021 and ending on 31 July 2026.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	205	490
Term loan from banks	Repayable in 20 equal quarterly instalments of ₹338 lakhs starting from 30 November 2020 and ending on 31 July 2025.	Secured by way of first charge on both movable and immovable property, plant and equipment of the Holding Company.	INR	Thirumalai Chemicals Limited	8%-9%	2,009	1,361
Term loan from banks	Repayable in 24 quarterly instalments starting from June 2025 and ending on 30 June 2027.	Secured by way of first charge on property, plant and equipment including work in progress of the Subsidiary Company.	INR	TCL Intermediates Private Limited	8%-9%	2,475	-
Term loan from others	Repayable in 8 half yearly instalments, with the first instalment falling due on August 2024.	Unsecured	USD	Optimistic Organic Sdn Bhd	2%	6,589	-
Letter of credit bills discounted	Ranges from 60 days to one year	First charge by way of hypothecation of current assets of the Holding Company amounting to ₹87,320 lakhs	INR	Thirumalai Chemicals Limited	4%-8%	-	4,918
Letter of credit bills discounted	Ranges from 30 days to three years	First charge on capital goods purchased by the Subsidiary Company using such Letter of credits.	INR	TCL Intermediates Private Limited	7% - 9%	701	287
Letter of credit bills discounted	Repayable within one year	Secured by way of first charge on property, plant and equipment including work in progress of the Subsidiary Company.	USD	Optimistic Organic Sdn Bhd	5%- 7%	-	169

Summary of material accounting policies and other explanatory information

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

14 Borrowings (measured at amortised cost) (Contd.)

Particulars	Terms of repayment	Security	Currency	Company	Average rate of interest	Non Current	Current
Bridge loan from EXIM Bank*	Repayable within one year from the date of sanction(i.e. October 2023) or 14 days from date of sanction of new loan to TCL Specialties LLC by EXIM bank whichever is earlier.	Secured by way of first charge on movable property, plant and equipment of the Holding Company.	USD	Thirumalai Chemicals Limited	7% - 8%	-	20,554
Premium financing liability	Repayable in two installments falling due on 15 June 2023 and 15 September 2023 respectively.	Unsecured	USD	TCL Specialties LLC	6.25%	-	855
						14,755	**29,358**

*Obtained for the purpose of onward lending to TCL Specialties LLC.

a) Reconciliation of movement of liabilities to cash flows arising from financing activities:

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	44,113	16,096
A) Changes from financing cash flows		
(i) Proceeds from borrowings	1,20,460	33,772
(ii) Transaction costs related to borrowings	(444)	(25)
(iii) Repayment of borrowings	(49,591)	(6,548)
(iv) Interest paid	(6,501)	(1,960)
Total changes from financing cash flows	**63,924**	**25,239**
B) Other changes		
(i) Interest accrued	8,068	1,902
(ii) Effect of changes in foreign exchange rates	226	876
Total other changes	**8,294**	**2,778**
Balance at the end of the year	**1,16,331**	**44,113**

15 Lease Liabilities

	Year ended 31 March 2024	Year ended 31 March 2023
Current	719	621
Non Current	8,123	6,666
Total	**8,842**	**7,287**

Summary of material accounting policies and other explanatory information

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

16 Provisions

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
(i) Gratuity	1,063	172	871	225
(ii) Compensated absences	410	72	264	149
	1,473	**244**	**1,135**	**374**

Provision for employee benefits

i) Gratuity

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

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

	As at 31 March 2024	As at 31 March 2023
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	1,096	969
Interest cost	81	66
Current service cost	101	136
Benefits paid	(80)	(35)
Actuarial (gain)/ loss	37	(40)
Projected benefit obligation at the end of the year	**1,235**	**1,096**
Thereof		
Unfunded	**1,235**	**1,096**
Components of net gratuity costs are:		
Current service cost	101	136
Interest cost	81	66
Net gratuity costs recognised in the statement of Profit and Loss (Also, refer note 25)	**182**	**202**
Actuarial (gain)/ loss recognised in other comprehensive income	37	(40)
Principal actuarial assumptions used:		
a) Discount rate	7.20%	7.39%
b) Long-term rate of compensation increase	10.00%	10.00%
c) Average future service	7 - 8 years	7 - 8 years
d) Attrition rate	10.00%	10.00%
e) Mortality table	Indian assured lives mortality (2012-14) urban	Indian assured lives mortality (2012-14) urban

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 material accounting policies and other explanatory information

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

16 Provisions (Contd.)

Employee benefits - Maturity profile

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024	169	165	407	1,317	2,058
31 March 2023	204	170	312	436	1,122

The weighted average duration of the deffined benefit plan obligation at the end of the reporting period is eight year (31 March 2023: 7 years)

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 2024						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(7)	8	(36)	38	37	(36)

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2023						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(6)	7	(29)	31	30	(28)

In presenting the above sensitivity analysis the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the Defined Benefit Obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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.

The principal actuarial assumptions used to determine the liability are same as disclosed for gratuity above.

17 Trade payables

	As at 31 March 2024	As at 31 March 2023
Total outstanding dues of micro enterprises and small enterprises (Also, refer note below)	349	793
Total outstanding dues other than micro enterprises and small enterprises	51,283	48,913
	51,632	**49,706**

Summary of material accounting policies and other explanatory information

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

17 Trade payables (Contd.)

a) Trade payables ageing as on 31 March 2024

Particulars	Out standing for the following period from the due date					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	230	117	2	-	-	349
(ii) Others	29,961	21,155	146	8	13	51,283
(iii) Disputed MSME	-	-	-	-	-	-
(iv) Disputed Others	-	-	-	-	-	-
Total	**30,191**	**21,272**	**148**	**8**	**13**	**51,632**

Trade payables ageing as on 31 March 2023

Particulars	Out standing for the following period from the due date					
	Not due	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
(i) MSME	579	209	5	-	-	793
(ii) Others	5,606	43,298	6	3	-	48,913
(iii) Disputed MSME	-	-	-	-	-	
(iv) Disputed Others	-	-	-	-	-	
Total	**6,185**	**43,507**	**11**	**3**	**-**	**49,706**

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

		As at 31 March 2024	As at 31 March 2023
i)	a) Principal amount remaining unpaid included in Trade payables	349	793
	b) Principal amount remaining unpaid included in Capital creditors	1,526	168
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.	-	0.78
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.	-	0.78

c) Supply chain financing

The Holding Company participates in a supply chain financing arrangement (SCF) which is disclosed under trade payables under which its suppliers may elect to receive early payment of their invoice from a bank of their choice. Under the arrangement, a bank agrees to pay amounts to a participating supplier in respect of invoices owed by the Holding Company and receives settlement from the Holding Company at a later date.

The Holding Company has not derecognised the original liabilities to which the arrangement applies because neither a legal release was obtained nor the original liability was substantially modified on entering into the arrangement. From the Holding Company's perspective, the arrangement does not extend payment terms beyond the normal terms agreed and therefore

Summary of material accounting policies and other explanatory information

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

17 Trade payables (Contd.)

discloses the amounts factored by suppliers within trade payables because the nature and function of the financial liability remain the same as those of other trade payables. All payables under the SCF aggregating to ₹26,037 lakhs as at 31 March 2024 and ₹23,990 lakhs as at 31 March 2023 are classified as current.

The payments to the bank are included within operating cash flows because they continue to be part of the normal operating cycle of the Holding Company and their principal nature remains operating – i.e. payments for the purchase of goods and services. The payments to a supplier by the bank are considered non-cash transactions.

18 Other financial liabilities

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Employee related payables	-	820	-	684
Capital creditors	-	13,071	-	4,100
Directors remuneration payable (Refer note 32(c))	-	47	-	587
Unpaid dividend	-	135	-	135
Cash collateral received from WVEDA (Refer note (iii) below)	12,573	-	-	-
Other payables	-	295	-	151
Total Financial Liabilities	**12,573**	**14,368**	**-**	**5,657**

Notes:

(i) Unpaid dividend included above represent amounts to be credited to the Investors Education and Protection Fund by the Holding Company 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) The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 20.

(iii) Represents amount received by the step down subsidiary TCL Specialties LLC (TCLS LLC) from West Virginia Economic Development Authority (WVEDA) which is used as a cash collateral and marked as lien against an equivalent interim loan granted by the Huntington Bank. Until the interim loan is repaid, TCLS LLC has no access to or control over the cash collateral amount. The amount received from WVEDA will be converted into a permanent loan accordingly classified as non current from the date of commercial production by TCLS LLC and the interim loan from Huntington Bank will be settled on that date. An interest of 2% per annum is paid to WVEDA against the collateral granted. Also, refer note 10.

19 Other liabilities

	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Deposits from service providers	-	77	-	83
Statutory dues	-	330	-	401
Advance from customers	-	337	-	274
Other payables	-	11	-	13
Deferred government grant *	4,002	-	-	-
	4,002	**755**	**-**	**771**

* During the current year, TCL Specialties LLC, a step down subsidiary of the Holding Company has received a forgivable loan of ₹4,002 lakhs from the Regional Economic Development authority in the State of West Virgina for the purpose of purchase of certain assets. The Management is reasonably certain that the conditions attached to such loan will be satisfied and accordingly the forgivable loan is treated as Government Grant in accordance with IND AS 20.

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
- Equity instruments*	-	-	13,941	-	-	13,234
- Mutual funds	-	3,407	-	-	-	-
Trade receivables	18,315	-	-	10,193	-	-
Cash and bank balances	59,939	-	-	54,453	-	-
Other financial assets	1,132	4	-	827	1	-
Total financial assets	**79,386**	**3,411**	**13,941**	**65,473**	**1**	**13,234**

	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial liabilities						
Borrowings	1,16,331	-	-	44,113	-	-
Lease liabilities	8,842	-	-	7,287	-	-
Trade payables	51,632	-	-	49,706	-	-
Other financial liabilities	26,941	-	-	5,657	-	-
Total financial liabilities	**2,03,746**	**-**	**-**	**1,06,763**	**-**	**-**

*Represents the equity securities which are not held for trading, and for which the Group has made an irrevocable 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 hierarchy

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

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

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments (Contd.)

II. Fair value hierarchy (Contd.)

The following table presents fair value of hierarchy of assets measured at fair value as on 31 March 2024:

	Total	As at 31 March 2024 Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**13,941**	13,941	-	-
FVTPL financial investments				
Mutual funds	**3,407**	3,407	-	-
Derivative financial assets				
Forward contracts	**4**	4	-	-

	Total	As at 31 March 2023 Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value:				
FVOCI financial investments				
Quoted equity instruments	**13,234**	13,234	-	-
FVTPL financial investments				
Mutual funds	**-**	-	-	-
Derivative financial assets				
Forward contracts	**1**	1	-	-

Notes:

(i) Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV provided by the fund management company at the end of each reporting year.

(ii) Level 2: If Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, the instrument is classified as level 2

(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.

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

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

III. Financial risk management

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

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments (Contd.)

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 committed credit lines and borrowing facilities
Market risk - interest rate	Long term Borrowings	Sensitivity analysis	NA
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (₹)	Sensitivity analysis	Forward foreign exchange contracts Foreign currency options
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

A. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Group periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of account receivables.

Trade receivables

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 other than those disclosed in note 9. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

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

Cash and bank balances and investments

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

Other financial assets

Other financial assets mainly comprises of security deposits which are given to customers or other governmental agencies, receivable from insurance company & suppliers in relation to contracts executed and are assessed by the Group for credit risk on a continuous basis.

B. Liquidity risk

Liquidity risk is that the Group will not be able to meet its obligations as they become due. The objective of liquidity risk management is to maintain 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 short-term, medium-term and long term funding and cash management requirements. The Group manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no/negligible mark to market risks.

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments (Contd.)

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 60 to 90 days based on the credit period.

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

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2024				
Borrowings	23,415	21,064	81,339	22,925
Lease liabilities	334	409	2,748	38,553
Trade and other payables	51,632	-	-	-
Other financial liabilities	26,941	-	-	-
Total	**1,02,322**	**21,473**	**84,087**	**61,478**

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2023				
Borrowings	27,055	1,810	15,815	1,065
Lease Liabilities	332	200	1,094	38,940
Trade and other payables	49,706	-	-	-
Other financial liabilities	5,657	-	-	-
Total	**82,750**	**2,010**	**16,909**	**40,005**

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 2024.

Interest rate sensitivity analysis

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

Does not include interest cost incurred forwards qualifying assets in accordance with Ind AS since it does not have an impact in entity's profit or equity

	Profit before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2024				
Term loan from bank	9	(9)	7	(7)

	Profit before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
Term loan from bank	8	(8)	6	(6)

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments (Contd.)

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 (₹), US Dollars (USD) and Euro (EUR). 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 ₹ are as follows:

	As at 31 March 2024	As at 31 March 2023
	USD	USD
Financial assets		
Loans	-	22,198
Trade receivables	3,839	3,083
Cash and bank balances	1,729	551
Other financial assets	4	1
Financial liabilities		
Trade and other payables	1,092	1,004
Other financial liabilities	7,350	20,554
Net assets/ (liabilities)	**(2,870)**	**4,275**

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

	31 March 2024		31 March 2023	
	USD in Millions	₹ in Lakhs	USD in Millions	₹ in Lakhs
Forward contract in USD - Buy option	-	-	1.64	1,348
Forward contract in EUR (Buy)	-	-	0.10	90
Forward contract in USD - Sell option	3.30	2,764	3.00	2,467

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

USD Contracts	As at 31 March 2024		As at 31 March 2023	
	Buy	Sell	Buy	Sell
Not later than one month	-	0.70	1.64	3.00
Later than one month and not later than three months	-	1.40	-	-
Later than three months and not later than one year	-	1.20	-	-
Total	**-**	**3.30**	**1.64**	**3.00**

Summary of material accounting policies and other explanatory information

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

20 Disclosures on financial instruments (Contd.)

EUR Contracts	As at 31 March 2024		As at 31 March 2023	
	Buy	Sell	Buy	Sell
Not later than one month (USD)	-	-	0.04	-
Later than one month and not later than three months	-	-	-	-
Later than three months and not later than one year	-	-	0.06	-
Total	**-**	**-**	**0.10**	**-**

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 2024 (31 March 2023: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and EUR by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then this would have had the following impact profit before tax and equity net of tax:

Particulars	Profit before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2024				
USD	16	(16)	12	(12)

Particulars	Profit before tax		Equity net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
USD	32.00	(32.00)	24	(24)

Price risk

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

Sensitivity analysis (+/ - 1%)

Particulars	OCI before tax		OCI, net of tax	
	Increase	Decrease	Increase	Decrease
As at 31 March 2024				
Quoted equity securities	139	(139)	123	(123)

Particulars	OCI before tax		OCI, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2023				
Quoted equity securities	132	(132)	117	(117)

Summary of material accounting policies and other explanatory information

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

21 Revenue from operations

	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products		
Manufactured goods	2,05,591	2,11,733
Traded goods	1,560	300
Gross sales	**2,07,151**	**2,12,033**
Other operating revenues		
Sales of power from wind operated generators	136	122
Income from letting out of storage facility	368	356
Duty drawback benefit	122	140
Export incentive	183	115
Sale of scrap (net of taxes recovered)	353	458
	1,162	**1,191**
	2,08,313	**2,13,224**

22 Other income

	Year ended 31 March 2024	Year ended 31 March 2023
Interest income (Gross)*	1,057	1,652
Dividend income from investments #	730	337
Profit on sale of assets (net of loss on sales/ scraping of asset)	5	33
Rental income	43	49
Excess provisions/ Sundry balances written back (net)	50	27
Gain on foreign currency transaction/ translation (net)	-	787
Insurance claims	32	94
Miscellaneous receipts	17	36
	1,934	**3,015**

* Financial assets carried at amortized cost.

Includes ₹203 Lakhs (previous year ₹198 Lakhs) with respect to equity instruments designated at FVOCI

23 Cost of materials consumed and purchase of stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory at the beginning of the year	23,919	15,434
Add : Purchases during the year	1,58,562	1,60,079
	1,82,481	**1,75,513**
Less: Inventory at the end of the year	15,482	23,919
	1,66,999	**1,51,594**
Purchase of stock-in-trade		
Purchase of machinery spares and other chemicals	1,613	262
	1,613	**262**

Summary of material accounting policies and other explanatory information

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

24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

	Year ended 31 March 2024	Year ended 31 March 2023
Opening stock		
Finished goods	2,843	3,428
Work-in-progress	1,986	1,851
Stock-in-trade	38	849
	4,867	**6,128**
Closing stock		
Finished goods	4,878	2,843
Work-in-progress	2,139	1,986
Stock-in-trade	60	38
	7,077	**4,867**
Changes in inventories	**(2,210)**	**1,261**

25 Employee benefits expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus	7,007	6,924
Gratuity expense (Also, refer note 16)	182	202
Contribution to provident and other funds	436	404
Staff welfare expenses	357	342
	7,982	**7,872**

26 Finance costs

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense*	3,589	2,620
Other borrowing costs	582	505
	4,171	**3,125**

*Net of Interest Capitalised of ₹5,631 lakhs (Previous Year ₹600 lakhs).

27 Other expenses

	Year ended 31 March 2024	Year ended 31 March 2023
Stores and spares consumed	2,097	2,773
Power and fuel	6,829	9,375
Repairs to:		
Machinery	3,205	3,400
Buildings	516	581
Others	116	163
Packing expenses and materials consumed	2,075	1,929
Freight and forwarding	8,263	9,896
Commission and brokerage	57	52
Rent *	370	368
Rates and taxes	302	290

Summary of material accounting policies and other explanatory information

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

27 Other expenses (Contd.)

	Year ended 31 March 2024	Year ended 31 March 2023
Insurance	702	684
Travelling and conveyance	408	723
Communication expenses	89	89
Research and development expenses	247	253
Expenses on wind operated generators	54	58
Legal and professional charges (Also, refer note 29)	928	1,173
Commission to non-executive directors	50	178
Provision for expected credit loss (Also, refer note 5 & 9)	-	2
Corporate social responsibility expenditure (Also, refer notes 30 & 32)	362	295
Donations	2	119
Loss on fair valuation of derivatives	-	3
Loss on foreign currency transaction/ translation (net)	548	-
Miscellaneous expenses	1,607	1,212
	28,827	**33,616**

*The Group has lease contracts for office premises and these lease contracts are cancellable/ renewable for further period on mutually agreeable terms during the tenure of lease contracts. These lease contracts are classified as short term lease contracts under Ind AS 116 which amounts to ₹98 lakhs during the current year ended 31 March 2024 (₹83 lakhs in previous year).

28 Earnings per equity share (EPS)

	Year ended 31 March 2024	Year ended 31 March 2023
Basic and diluted earnings per share (₹)		
On Profit / (Loss) for the year	(3.79)	8.77
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 / (Loss) for the year	(3,879)	8,983
(b) Weighted average number of equity shares used in the calculation of basic and diluted earnings per share:		
Weighted average number of equity shares outstanding during the year	10,23,88,120	10,23,88,120

29 Payments to auditor

	Year ended 31 March 2024	Year ended 31 March 2023
As auditor		
Statutory audit and limited reviews	64	64
Tax audit	3	3
Others	4	2
Total	**71**	**69**

Summary of material accounting policies and other explanatory information

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

30 Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31 March 2024	Year ended 31 March 2023
(a) Gross amount required to be spent by the Holding Company during the year	362	295
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) Purposes other than (i) above	312	253
(c) Shortfall at the end of the year	50	42
(d) Details of related party transactions		
Thirumalai Charity Trust	301	235
Akshya Vidhya Trust	-	2
(e) Whether any provision made based on contractual obligation to undertake CSR activity	Yes	Yes

The Company has created a provision of ₹50 lakhs (previous year ₹42 lakhs) with respect to unspent amount relating to the ongoing project. Such sum has been transferred to Unspent CSR account on 23 April 2024 (previous year 27 April 2023).

Nature of Activities

Program for early Detection, Monitoring and Control of Non-Communicable Diseases (NCD) in the Community; Promoting health care including preventive health care for children.

31 The Holding Company has spent towards Research and Development expenses during the year which are as under

	Year ended 31 March 2024	Year ended 31 March 2023
Capital expenditure*	-	-
Revenue expenditure (Also, refer note 27)	247	253
	247	**253**

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

32 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Key Management Personnel	**Company Executives**
	Mr. R.Parthasarathy (Managing Director)
	Mrs. Ramya Bharathram (Managing Director and Chief Financial Officer)
	Mr. C.G Sethuraman (Group Chief Executive Officer)
	Mr. Sanjay Sinha (Chief Executive Officer)
	Mr. T Rajagopalan (Company Secretary)
	Mr. P Mohanachandra Nair (Executive Director)
	Mrs. Radha Jayaraman (Executive Director)

Summary of material accounting policies and other explanatory information

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

32 Related parties (Contd.)

Nature of relationship	Name of related party
	Other Directors Mr. R. Sampath (Non - Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Arun Alagappan (Independent Director) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the company during the current year/previous year over which the Key Managerial Personnel and their relatives are able to exercise significant influence	Ultramarine and Pigments Limited (UPL) Thirumalai Charity Trust (TCT) ICE Steel 1 Private Limited Akshaya Vidya Trust

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2024	Year ended 31 March 2023
Remuneration to Key Managerial Personnel*	Mr. R.Parthasarathy	332	528
	Mrs. Ramya Bharathram	141	316
	Mr. P Mohanachandra Nair	61	78
	Key Managerial Personnel other than directors	524	642
Director sitting fees	Independent and non-executive directors	58	87
Commission	Non - executive directors	47	162
Purchase of goods	Ultramarine and Pigments Limited	1	1
Rendering of services	Ultramarine and Pigments Limited	50	52
Receipt of services	Ultramarine and Pigments Limited	25	21
	Thirumalai Charity Trust	14	4
	ICE Steel 1 Pvt Ltd	766	403
Corporate social responsibility expenditure	Thirumalai Charity Trust	301	235
	Akshaya Vidya Trust	-	2

*Remuneration pertain to short term employee benefits. As the present value of obligation towards gratuity is determined for all the employees in aggregate, the post-employment benefits and other long-term benefits relating to key management personnel cannot be ascertained individually.

Summary of material accounting policies and other explanatory information

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

32 Related parties (Contd.)

c) Balances with related parties

Particulars	Related Party	As at 31 March 2024	As at 31 March 2023
Capital advances	ICE Steel 1 Pvt Ltd	-	34
Deposits payable	Ultramarine and Pigments Limited	14	14
Capital creditors	ICE Steel 1 Pvt Ltd	-	96
Directors remuneration payable (including commission to non-executive directors)	Key Managerial Personnel	47	587

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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 2024	86%	98,393	-94%	3,630	12%	98	-123%	3,728
31 March 2023	81%	96,205	133%	11,953	58%	-	54%	11,953
Subsidiaries (Foreign)								
Cheminvest Pte. Ltd								
31 March 2024	14%	15,487	-114%	4,408	0%	-	-145%	4,408
31 March 2023	8%	9,250	47%	4,256	0%	-	0%	4,256
Lapiz Europe Ltd								
31 March 2024	0%	29	0%	(3)	0%	-	0%	(3)
31 March 2023	0%	31	0%	(3)	0%	-	0%	(3)
Optimistic Organic Sdn Bhd								
31 March 2024	17%	19,287	84%	(3,275)	0%	-	108%	(3,275)
31 March 2023	23%	27,534	-4%	(318)	0%	-	44%	(318)
TCL Global B V								
31 March 2024	18%	20,125	1%	(52)	0%	-	2%	(52)
31 March 2023	17%	20,041	1%	127	0%	-	1%	127
TCL Inc								
31 March 2024	25%	29,159	0%	(6)	0%	-	0%	(6)
31 March 2023	17%	20,539	0%	(5)	0%	-	0%	(5)
TCL Specialties LLC								
31 March 2024	25%	28,549	11%	(439)	0%	-	14%	(439)
31 March 2023	16%	19,488	-9%	(809)	0%	-	0%	(809)

Summary of material accounting policies and other explanatory information

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

33 Additional information required by Schedule III (Contd.)

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
Subsidiaries (India)								
TCL Intermediates Private Limited								
31 March 2024	16%	18,804	27%	(1,048)	0%	-	35%	(1,048)
31 March 2023	12%	14,588	-3%	(314)	0%	19	0%	(295)
Eliminations								
31 March 2024	-101%	1,15,212	185%	(7,094)	88%	746	209%	(6,348)
31 March 2023	-74%	(88,484)	-65%	(5,904)	42%	4,249	1%	(1,655)
Total								
31 March 2024	**100%**	**1,14,621**	**100%**	**(3,879)**	**100%**	**844**	**100%**	**(3,035)**
31 March 2023	**100%**	**1,19,192**	**100%**	**8,983**	**100%**	**4,268**	**100%**	**13,251**

34 Contingent liabilities, guarantees and commitments

Particulars	As at 31 March 2024	As at 31 March 2023
a) Contingent liabilities		
Claims against the Group, not acknowledged as debts		
Indirect tax matters under dispute (Refer note (i) below)	-	150
Income tax demand including interest contested in Appeal (Refer note (ii) below)	601	652
b) Guarantees		
Bank Guarantee issued by the group to various parties.	7,484	6,350
c) Commitments		
i) Estimated amount of contracts to be executed on capital account and not provided for	50,562	53,792
- Against which advances paid	3,551	6,924
Other commitments are cancellable at the option of the Group and hence not disclosed.		
ii) The Group has various lease contracts that are non cancellable and the future lease payments for these non-cancellable lease contracts are ₹719 lakhs (Previous year ₹621 lakhs) within one year. Also refer note 35.		

Notes

(i) The Holding Company had settled all its pending sales tax litigations under The Samadhan Scheme, a Scheme introduced by Government of Tamil Nadu for settlement of arrears of tax, penalty or interest pertaining to various taxes administered by Commercial Taxes.

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹601 Lakhs (Previous Year ₹652 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 ₹388 Lakhs (Previous year ₹369 Lakhs).

Summary of material accounting policies and other explanatory information

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

35 Leases

i) The Group has entered into lease arrangements for tanks that are renewable on a periodic basis with approval of both lessor and lessee.

ii) The Group does not have any lease commitments towards variable rent as per the contract.

iii) Lease liabilities are presented in the statement of financial position as follows:

	As at March 2024	As at March 2023
Current	719	621
Non-current	8,123	6,666
	8,842	**7,287**

iv) The following are amounts recognised in profit or loss:-

	As at March 2024	As at March 2023
Depreciation expense of right-of-use assets	660	433
Interest expense on lease liabilities	437	210
	1,097	**643**

v) Total cash outflow pertaining to leases

	As at March 2024	As at March 2023
Total cash outflow pertaining to leases during the period/year ended	(685)	(439)
	(685)	**(439)**

vi) Class of underlying asset for Right of use (Gross block)

	As at March 2024	As at March 2023
Lease hold land	11,458	10,749
Tank	1,993	923
	13,451	**11,672**

36 Segment reporting

a) Identification of Segments & Customer information

In accordance with Ind AS 108, Operating Segments, the Group has identified manufacture and sale of organic chemicals as the only reportable segment. Other activities of the Group has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Group. Accordingly, the Group has a single reportable segment. Within the single reportable segment of sale of organic chemicals, no single customer contributes to 10% of the Group's revenue from operations during the current year. During the previous year, a single customer contributed to 11% of the Group's revenue from operations, amounting to ₹ 22,967 Lakhs.

b) Geographical information

The amount of its revenue from external customers and non-current assets other than financial instruments, and deferred tax assets, broken down by location of the assets, is shown below:

Particulars	31 March 2024	31 March 2023
Revenue from Operations		
- India	2,02,518	1,61,433
- Rest of the World	5,795	51,791
Non-current assets		
- India	43,205	59,017
- Rest of the World	1,61,091	58,117

Summary of material accounting policies and other explanatory information

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

37 Transfer pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Group is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the financial year ended 31 March 2024 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Group's results.

38 Compliance with audit trail requirements

The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group have used multiple accounting software for maintaining books of account which have a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software, except for instances mentioned below –

a) The audit trail feature was not enabled at the database level for accounting software SAP to log any direct data changes, used for maintenance of all accounting records by the Holding Company, its subsidiary. Audit trail (edit log) is enabled at the application level.

b) The Holding Company and its subsidiary have used accounting software (Rely on) which is operated by a third-party software service provider for maintaining payroll records. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with SAE 3402, Assurance Reports on Controls at a Service Organization) does not include details on testing of controls relating to audit trail feature. Further, we understand from the service provider that the said software does not have the feature of recording audit trail and hence we have migrated to new software from 01 April 2024.

39 Other additional regulatory information required as per paragraphs 6 and 7 pertaining to 'General Instructions for Preparation of Balance Sheet and Statement of Profit and Loss' respectively given under Division II of schedule III to the Companies Act 2013 are either "Nil" or not applicable to the Group.

40 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of approval of these financial statements (15 May 2024) 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

Vijay Vikram Singh
Partner
Membership No: 059139

Place : Hyderabad
Date : 15 May 2024

For and on behalf of the Board of Directors of
Thirumalai Chemicals Limited
CIN: L24100MH1972PLC016149

Ramya Bharathram
Chief Financial Officer
(DIN : 06367352)

Place : Chennai
Date : 15 May 2024

R Parthasarathy
Managing Director
(DIN : 00092172)

Place : Ranipet
Date : 15 May 2024

R Ravishankar
Director
(DIN : 01224361)

Place : Chennai
Date : 15 May 2024

C G Sethuram
Group Chief Executive Officer

Place : Chennai
Date : 15 May 2024

Sanjay Sinha
Chief Executive Officer

Place : Chennai
Date : 15 May 2024

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 15 May 2024

Financial highlights

₹ Lakhs

Sl. No	Particulars	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
1	Share Capital	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024	1,024
2	Reserves & Surplus	10,629	12,770	13,214	14,074	17,362	35,670	50,424	57,172	54,517	71,440	85,785	95,178	97,371
3	Net worth	11,653	13,794	14,238	15,098	18,386	36,694	51,448	58,196	55,541	72,464	86,809	96,202	98,395
4	Fixed Assets(net)	10,317	9,283	8,016	7,474	7,678	15,494	18,561	32,998	37,660	40,033	39,149	40,825	39,168
5	Sales / Other Income	91,130	1,15,572	1,05,065	94,168	79,211	95,236	1,04,718	1,00,847	88,744	86,597	1,45,282	1,89,153	2,02,483
6	Gross Profit / (loss)	7,199	10,912	6,107	5,965	9,155	14,030	23,900	16,896	9,637	19,836	25,475	21,996	12,616
7	Interest /Finance Charges	5,237	5,202	4,542	3,311	2,097	1,455	1,093	1,071	1,554	1,887	1,818	3,362	4,357
8	Depreciation	1,381	1,287	1,221	701	657	1,402	1,039	1,517	2,118	2,521	3,198	3,003	3,418
9	Current Tax	346	1,884	260	548	2,381	3,811	7,375	4,449	745	4,062	4,929	3,473	1,127
10	Deferred Tax	244	236	273	15	253	(49)	(4)	250	1,133	(396)	299	205	84
11	Net Profit / (Loss)	478	2,775	357	1,420	4,273	7,413	14,399	9,609	4,087	11,762	15,231	11,953	3,630
12	Dividend (incl.tax)	-	894	-	493	1,232	2,311	2,469	2,469	-	2,253	2,560	1,536	1,024
13	Dividend (%)	-	75	-	40	100	188	200	200	-	220	250	150	100
14	Earnings Per Share having a face value of ₹1/- (*Revised)	0.47*	2.71*	0.35*	1.39*	4.17*	7.24*	14.06*	9.38*	3.99*	11.49	14.88	11.67	3.55

Thirumalai Chemicals Ltd.

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Fifty First Annual General Meeting on July 24, 2024

FORM NO. MGT - 11

PROXY FORM

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

CIN : L24100MH1972PLC016149	Registered office : Thirumalai House, Road No.29, Near Sion Hill Fort, Sion(E), Mumbai - 400
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:	2. Name:
Address :	Address :
E-mail ID:	E-mail ID:
Signature : ________________________ , or failing him	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 51st Annual General meeting of the Company, to be held on the Wednesday, July 24, 2024 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, 2024.
2. To declare dividend for the Financial Year ended March 31, 2024.
3. To appoint a Director in place of Mr. P. Mohana Chandran Nair (DIN 07326079), who retires by rotation.
4. To re-appoint Mrs. Ramya Bharathram (DIN- 06367352), as Managing Director for a period of three (3) years.
5 To re-appoint Mr. Rajeev M Pandia (DIN 00021730) as an Independent Director for a period of three (3) years.
6. To appoint Mr. M. Somasundaram (DIN: 05185268) as an Independent Director for a period of five (5) years.
7. To ratify the remuneration of Cost Auditor for Financial Year 2024-25.

Revenue Stamp of ₹1/-

Signed this ________________________ day of ________________ 2024

Signature of shareholder

Signature of Proxy holder (s)

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

Thirumalai Chemicals Ltd.

CIN: L24100MH1972PLC016149

Registered Office: Thirumalai House, Road No. 29, Plot No. 101/102, Near Sion Hill Fort, Sion - E, Mumbai - 400 022.

Phone: 022-24017841, 43686200. **Email**: thirumalai@thirumalaichemicals.com; **Website:** http://www.thirumalaichemicals.com

51st Annual General Meeting on Wednesday, 24th July, 2024

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 51st Annual General meeting of the Company held on Wednesday, July 24, 2024 at 2.30 p.m. at The Mysore Association Auditorium, Mysore Association, 393, Bhaudaji Road, Matunga - (C.Rly), Mumbai - 400 019.

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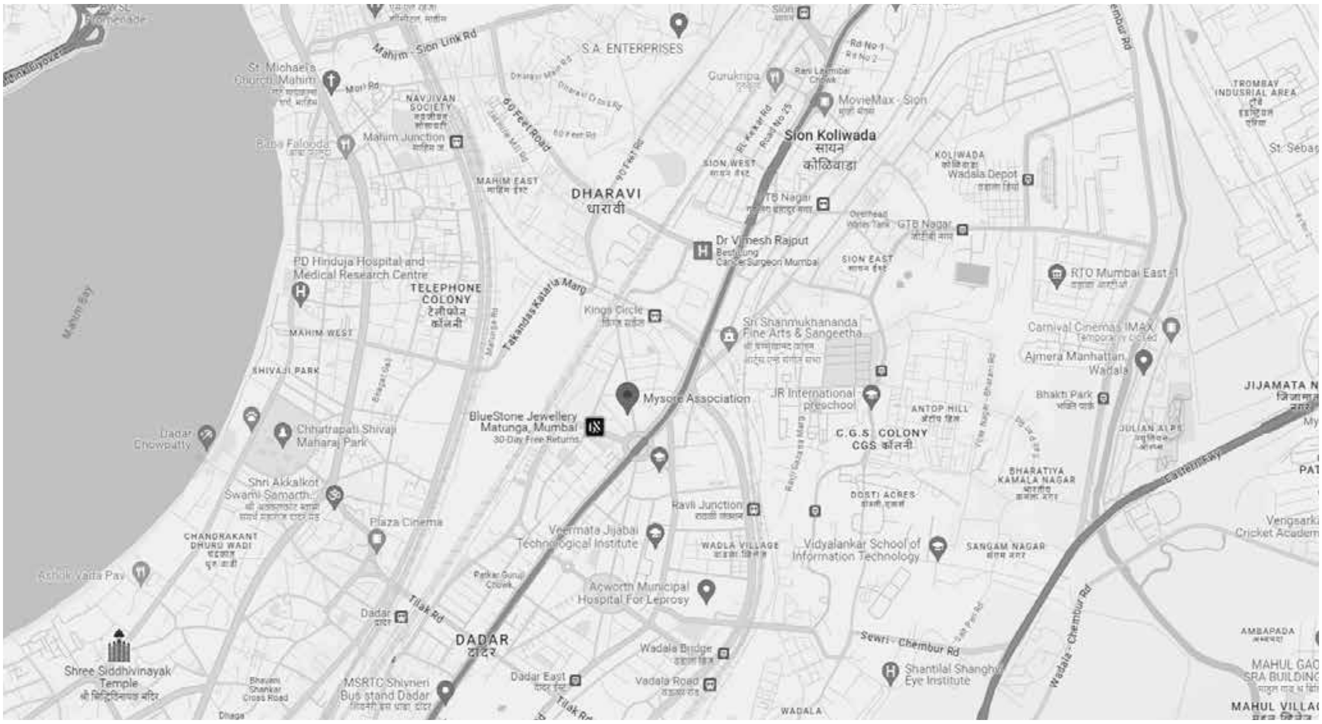
Member's/Proxy's name in Block Letters   Member's/Proxy's Signature

Please hand it over at the Attendance Verification Counter at the entrance of the meeting hall.

Route Map to the Venue of Fifty First AGM



Notes

Notes

Thirumalai Chemicals Limited

Thirumalai House, Road No. 29,
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Mumbai - 400 022, India.
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E-mail: Info@thirumalaichemicals.com
Website: www.thirumalaichemicals.com
CIN: L24100MH1972PLC016149

Concept, Content & Design NEXT STEPS (engage@nextsteps.net.in)