

The Board of Directors,
Thirumalai Chemicals Limited
Mumbai

We have reviewed the accompanying statement of unaudited financial results of Thirumalai Chemicals Limited for the period ended 30th June, 2010 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/ committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We draw attention to the following in the accompanying statement of unaudited financial results:

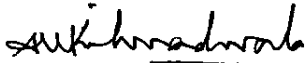
- a) *As mentioned in Note III of the Notes of the unaudited financial results, the company has an exposure of Rs. 387,413,586 in TCL Industries (Malaysia) Sdn Bhd. ('TCLM') on account of advances and supplier's credit. The Company expects that the same would be recovered in future since the operations of TCLM are continuing and hence no provisioning is considered necessary at this stage. Pending outcome of the restructuring of TCLM, we are unable to comment on the same. Our audit report for the last year was also modified accordingly.*

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b) As mentioned in Note IV of the Notes of the unaudited financial results, the company has during the current quarter continued to recognise Deferred Tax Asset of Rs. 22,944,399 being the unadjusted amount of the unabsorbed business losses at the quarter end. Had the Company followed provisions of AS-22 'Accounting for Taxes on Income', by not recognizing deferred tax asset of Rs. 22,944,399 on account of unabsorbed losses, profit for the quarter ended on 30th June, 2010 would have been lower and balance of deferred tax liability higher by Rs. 22,944,399 with corresponding effect on reserves. Our audit report for the last year was also modified accordingly.

Based on our review conducted as above, *subject to a) and b) above*, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Contractor, Nayak & Kishnadwala
Chartered Accountants
Firm Registration No. 101961W



H.V. Kishnadwala
Partner
Membership No.37391
Mumbai, August 9, 2010