

NOTICE

NOTICE is hereby given that the **FORTY THIRD 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 Friday, July 29, 2016 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 2016 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. S. Santhanam, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors for a term of five years from the financial year 2016-2017 and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. R. Parthasarathy (DIN: 00092172), whose term of office as Director expires on July 31, 2016, be appointed as a Director of the company with effect from August 01, 2016"

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

"RESOLVED THAT pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mr. P.Mohanachandra Nair (DIN: 07326079), President (Mfg.), be and is hereby appointed as a Whole Time Director of the Company under section 196 of the Companies Act, 2013 with effect from 28.10.2015 for a period of five years upon terms and conditions as detailed below and is liable to retire by rotation. He will be designated as Executive Director (Mfg.).

Remuneration:

- Total starting remuneration up to Rs.40 lakhs per annum including all perquisites and benefits as per Company's Rules and Practices.
- Additionally, Provident Fund, Superannuation, Gratuity and other applicable benefits as per provisions of Companies Act, 2013.
- Incentives and Annual Increments as per the Practice and Policy of the Company as determined by the Managing Director.
- Total remuneration including all perquisites / benefits / allowances / incentives including PF/SA/Gratuity shall not exceed Rs.70 Lakhs per annum.

Termination Clause:

Either party may terminate the service/employment by giving a three months' Notice or salary in lieu of Mr. Nair will cease to be a Director of the Company co-terminus with his ceasing to be in the services / employment of the company.

The Managing Director shall determine and define the Roles and Responsibilities of Mr. P.M.C. Nair, and Mr. Nair will report in all his executive functions and duties to the Managing Director."

6. **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 section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mr. R. Parthasarathy (DIN: 00092172), Director, be and is hereby appointed as "Chairman & Managing Director" of the Company under section 196 of the Companies Act, 2013 with effect from August 01, 2016 for a period of three years.

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

- i) Basic Salary per month Rs.9 Lakhs (with annual increment of Rs.1 Lakh in April of each year)
- ii) Commission up to 3% of net profits of the company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

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

- a) Perquisites like HRA/unfurnished/ furnished Accommodation, gas, electricity, water and furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, medical insurance for self and family, telephone, etc. such perquisites being restricted to 50% of the Basic Salary for the relevant year and with an annual increase equivalent to one Month basic Salary for subsequent years.
- b) Company's contribution to Provident Fund and Superannuation Fund, each as applicable as per Rules/ Norms, or payments made in lieu of such contributions; AND encashment of leave as per rules of the Company. These shall not be included in the computation of limits/ restrictions for remuneration or perquisites as aforesaid, and Mr. R. Parthasarathy shall be entitled to the same.

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

RESOLVED THAT pursuant to Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), the consent of the Members of the Company be and is hereby accorded to pay minimum remuneration to Mr. R. Parthasarathy, Managing Director for the financial year, in which there is no profits or profits are inadequate, during the period commencing from August 01, 2016 till the expiry of his term i.e. July 31, 2019.

RESOLVED FURTHER THAT Mr. R. Parthasarathy shall not retire by rotation in terms of article 163(B) of the Articles of Association of the company, while he continues as Managing Director; and he shall be liable to retire by rotation as a Director only after he vacates the office of Managing Director.

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

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 approval as may be required from the Central Government the appointment of Mr. G. Sundaresan, Cost Accountant (M 11733), as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2016-17 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses, be and is hereby ratified.”

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, July 23, 2016 to Friday, July 29, 2016 (both days inclusive) for the purpose of Annual General Meeting.
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. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the financial year 2008-2009 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits repayment warrants/interest warrants which remain unclaimed /unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
6. Details under Reg. 36(3) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
7. Electronic copy of the Notice of the 43rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(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 43rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

8. Members may also note that the Notice of the 43rd Annual General Meeting and the Annual Report for 2015-16 will also be available on the Company's website www.thirumalaichemicals.com for their download.
9. Members desiring any clarification on Accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.
10. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE338A01016.
11. Members / Proxies are requested to bring attendance-Slip along with their copy of Annual Report to the Meeting.
12. Voting through electronic means
 1. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is providing facility to the Members to exercise their right to vote at the 43rd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL). A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again in the meeting.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on July 25, 2016 at 2.00 p.m. (IST) and ends on July 28, 2016 at 5.00 p.m. (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 22, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 28, 2016.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

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

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

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

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

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

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

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

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

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

- II. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company.
 - III. Mr. Manoj Mimani, Practicing Company Secretary (Membership No. 17083) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
 - IV. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
 - V. The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.thirumalaichemicals.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges, where the shares are listed.
13. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
- II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

a) Re-appointment of retiring Director: (item no. 2)

Mr. S. Santhanam, Printing Technologist, is a non-Executive Director and is also a Director of another public Company, Ultramarine & Pigments Ltd, which is one of the promoters of the Company.

Mr. S. Santhanam holds 49,452 equity shares of the company.

Except Mr. S. Santhanam, none of the Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at Item no. 2.

b) Appointment of Statutory Auditors: (item no. 3)

M/s. CNK & Associates LLP, Chartered Accountants, present Statutory Auditors of your Company completed more than two terms of five consecutive years, and therefore your company is required to appoint new auditors in order to comply with provisions of Sec.139(2) of the Companies Act, 2013, within three years from the date of commencement of the new Act.

Accordingly M/s. Walker Chandok & Co LLP, Chartered Accountants have been recommended by the Board of Directors for your consideration to be appointed as Statutory Auditors of the company for a term of five years from the ensuing AGM as under sec. 139 of the companies Act, 2013.

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

ITEM No.4

Mr. R. Parthasarathy is the Managing Director of the company and his term of office as Director expires on July 31, 2016. The Company has received notice from a member, together with a deposit of Rs.1 lakh, signifying his intention to propose the appointment of Mr. R. Parthasarathy as Director of the Company in accordance with Section 160 of the Companies Act, 2013. Mr. R. Parthasarathy, 65 years, is qualified as B. Tech. (IIT), M.S., (USA) and has over 40 years of experience in the Chemical and Petrochemical Industries. Under his stewardship in the last few years, the Company has been able to diversify its business, improve in performance and health, create a strong management team and emerge stronger.

Mr. R. Parthasarathy is a Director on the Board of M/s Jasmine Limited, a NBFC company registered with RBI, and a related company. He holds 272,350 shares of the Company.

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

Except Mr. R. Parthasarathy and Mr. R. Sampath, who is his relative, none of the other Directors and the Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.4.

ITEM No. 5

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

Mr. Mohanachandra Nair had till then been working in your Company for 3 years as President (Mfg).

Mr. Nair is a Chemical Engineer with about 35 years of experience in 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 us. He has extensive experience in Operations incl, Manufacturing, Engineering, Project Management, Technology, Commercial, etc.

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

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

The Directors recommend the resolution set out at item.no.5 of the accompanying notice for your approval.

The Ordinary resolution as set out against item no. 5 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on October 28, 2015.

Except Mr. P. Mohanachandra Nair, none of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise in the resolution set out at item no.5.

ITEM NO. 6

Mr. R. Parthasarathy was appointed as Vice-Chairman and Managing Director of the Company respectively for a period of three Years effective from August 1, 2013 as per the terms and conditions approved by the Shareholders at the 40th Annual General Meeting held on July 05, 2013.

Since the aforesaid appointment for the revised period of three years ended on 31st July, 2016, the Nomination and Remuneration Committee of the Board of Directors further recommends the appointment and remuneration of Mr. R. Parthasarathy as Managing Director of the Company for a period of three years from August 1, 2016 to 31st July, 2019 and to pay him the remuneration as proposed in the resolution.

The Board is of the opinion that the appointment of Mr. R. Parthasarathy as Chairman & Managing Director for a period of three years effective from August 1, 2016 would be in the interest of the Company.

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

Mr. R. Parthasarathy is a Director on the Board of M/s Jasmine Limited, a NBFC company registered with RBI, and a related company. He holds 272,350 shares of the Company.

The Board recommends the Special Resolutions at item No. 6 of the Notice for your approval.

The special resolution as set out against item no. 6 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 14, 2016.

Except Mr. R. Parthasarathy and Mr. R. Sampath, who is his relative, 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.6

ITEM No. 7

To ratify remuneration of Cost Auditor:

The Board at its meeting held on May 14, 2016, as recommended by the Audit Committee, appointed Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2016-17 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses.

As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders. Hence this resolution is placed for the consideration of the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 7.

The Directors recommend the resolution set out at item.no. 7 of the accompanying notice for your approval.

Statement to be given under Part II, Section II (B) (IV) of the Schedule V of the Companies Act, 2013 (for item no. 6)
I. General Information

- (1) Nature of Industry: The Company manufactures Chemicals and Fine Chemicals.
- (2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
- (4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Directors' Report.
- (5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2015-2016 is Rs.102.38 Crore and the Company does not have any foreign collaboration.
- (6) Foreign investments or collaborations, if any: US\$ 6 Mn

II. Information about the appointee(s)
(1) Background details

Mr. R. Parthasarathy has over 40 years of experience spanning different areas including Projects, Manufacturing, R&D, Technical know-how, foreign collaborations, licensing etc. He is an engineer from I.I.T. Mumbai and from the USA. During his career, he has contributed immensely to the growth and entry into new businesses by Thirumalai Chemicals Limited. He is considered an authority on matters concerning our businesses, and has extensive management experience in India and overseas, as well as in Government and Regulatory affairs relating to the chemical Industry. He is a past President of the Indian Chemical Council. He is also actively involved in various charitable activities, educational institutions, rural development programs, etc.

2) Past Remuneration (for the last three years)

Rs.in lakhs

Year	Amount Rs.	Year	Amount Rs.	Year	Amount Rs.
2015-16	288.97	2014-15	97.71	2013-14	158.95

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

(3) Recognition or Awards: Nil
(4) Job profile and suitability

Mr. R.Parthasarathy has considerable knowledge and experience in the Chemical Industry which is compatible with the Organizational requirements and the Company would definitely benefit from his leadership and valuable guidance.

(5) Remuneration proposed:

The proposed remuneration of the appointee(s) as mentioned in the Explanatory Statement is within the limits specified in Schedule V of the Companies Act, 2013.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:

The proposed remuneration of the Managing Director is commensurate with the position he occupies, size of your Company and is as per the industry standards.

(7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any.

Mr.R.Parthasarathy is a relative of Mr. R. Sampath , Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mr. R.Parthasarathy as Chairman & Managing Director.

III. Other information
(1) Reasons of loss or inadequate profit:

There is no inadequacy of profit for the financial year 2015-16.

(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.

By Order of the Board
For Thirumalai Chemicals Ltd.

T.RAJAGOPALAN
Company Secretary

Registered Office:

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

May 14, 2016