THIRUMALAI
CHEMICALS LTD.

48th ANNUAL REPORT 2020-21

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

Audit Committee
Mr. R. Ravi Shankar, Chairman
Mr. Raj Kataria
Mr. Arun Ramanathan
Mr. R. Sampath
Mrs. Bhama Krishnamurthy

Stakeholders Relationship Committee
Mr. Arun Ramanathan, Chairman
Mr. Raj Kataria
Mr. R. Sampath

Nomination & Remuneration Committee
Mr. Raj Kataria, Chairman
Mr. N. Subramanian
Mr. R. Sampath
Mr. Rajeev M Pandia

Corporate Social Responsibility Committee
Mr. Arun Ramanathan, Chairman
Mr. N. Subramanian
Mr. R. Sampath
Mrs. Bhama Krishnamurthy

Business Review Committee
Mr. N. Subramanian, Chairman
Mr. R. Ravi Shankar
Mr. Dhruv Moondhra
Mr. R. Sampath
Mr. Rajeev M. Pandia

Business Risk Management Committee
Mr. Rajeev M. Pandia, Chairman
Mr. Dhruv Moondhra
Mrs. Ramya Bharathram
Mr. Sanjay Sinha
Mr. N.S. Mohan
Ms. J. Radha
Mr. B. Krishnamurthy
Mr. G. Prabhakaran

Investment, Finance And Banking Committee
Mr. R. Ravi Shankar, Chanirman
Mrs. Ramya Bharathram
Mr. Raj Kataria
Mr. Arun Ramanathan
Mrs. Bhama Krishnamurthy

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
- Bank of India
- Axis Bank Ltd
- IDFC First Bank
- Standard Chartered Bank
- HSBC Bank

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

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

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 : thirumalai@thirumalaichemicals.com
Website: http://www.thirumalaichemicals.com
CIN : L24100MH1972PLC016149

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

48th Annual General Meeting

Date & Time:
Wednesday, July 21, 2021 at 2.30 p.m.

Venue:
The AGM is to be held through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA).

Book Closure:
Thursday, July 15, 2021 to
Wednesday, July 21, 2021
(both days inclusive)

Factory

Ranipet:
25-A, SIPCOT, Ranipet,
Ranipet District - 632 403
Tamil Nadu, India.
Tel. : +91-4172-244327
Fax : +91-4172-244308
E-mail: mail@thirumalaichemicals.com

Dahej:
Plot No.D-2/CH/171/B,
GIDC Estate, Dahej
Phase-II, Tal. Vagra, Bharuch,
Gujarat – 392 130, India.
Cell : +91-98423-99500 / +91-99526-08935
E-mail : mail@thirumalaichemicals.com

Contents	Page No.

NOTICE

NOTICE is hereby given that the **FORTY EIGHTH ANNUAL GENERAL MEETING OF THIRUMALAI CHEMICALS LIMITED** will be held on Wednesday, 21st July, 2021 at 2.30 p.m. through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA) *vide* their circular No. 02/2021 dated January 13, 2021 read with circular No. 20/2020 dated May 05, 2020, 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, 2021, 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 year ended 31st March 2021, 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, 2021 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 Rs.2.20 per equity share on the paid-up equity share capital of the Company as recommended by the Board be and is hereby declared for the Financial Year ended March 31, 2021."

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 herself for re-appointment, be and is hereby re-appointed as a Director of the Company."

4. To re-appoint Statutory Auditors for a term of five years from the financial year 2021-2022 and fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED THAT, pursuant to the provisions of Section 139 and other applicable provisions if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment, substitution or re-enactment thereof for the time being in force), M/s. Walker Chandiok & Co LLP, Chartered Accountants (ICAI Firm Registration No. 001076N / N500013) be and are hereby re-appointed as the Statutory Auditors of the Company, to hold office for a term of five consecutive years from the conclusion of this Annual General Meeting, until the conclusion of the 53rd Annual General Meeting of the Company at such fee as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

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. Mohana Chandran Nair (DIN: 07326079), be and is hereby appointed as a Whole-time Director of the Company under section 196 of the Companies Act, 2013 with effect from 28.10.2020 for a period of three 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.80 Lakhs per annum.

   Termination Clause:
   - Either party may terminate the service/employment by giving a three months' Notice or salary in lieu of. Mr. P. Mohana Chandran 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. Mohana Chandran Nair, and Mr. P. Mohana Chandran 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 Special Resolution:**

   "RESOLVED THAT 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 (including any statutory modification or re-enactment thereof), the approval of the Members of the Company be and is hereby accorded for the appointment of Mrs. Ramya Bharathram (DIN:06367352), Whole-time Director, as the Managing Director of the Company for a period of three (3) years commencing from 26th May, 2021 to 25th May, 2024 upon terms and remuneration & benefits as detailed below and is liable to retire by rotation.

   Remuneration:

   1. Basic Salary: (Effective from 26-05-2021): ₹500,000 - 50,000 – 700,000 – 100,000 - ₹900,000 with the power to the Board to fix the Basic within these limits. The Board may increase the Basic Salary suitably, within this band 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, up to and not to exceed 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 on completion.

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 re-enactment (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; or if required subject to obtaining of Central Government approval as required under sec. 197 or other applicable provisions of the Companies Act, 2013 or any re-enactments thereof.

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 the approval as may be required from the Central Government, the appointment of M/s GSVK & Co., Cost Accountants, having Registration No. 002371 at 8/4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600 041 as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2021-22 for a remuneration of ₹ 30,000/-, in addition to reimbursement of out of pocket expenses, be and is hereby ratified."

I. NOTES:

1. The 48th Annual General Meeting of Thirumalai Chemicals Limited will be held on Wednesday, 21st July, 2021 at 2.30 p.m. through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') as permitted by the Ministry of Corporate Affairs (MCA) *vide* their circular No. 02/2021 dated January 13, 2021 read with circular No. 20/2020 dated May 05, 2020. The deemed venue of the meeting will be Ranipet, Tamil Nadu.
2. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 15th July, 2021 to Wednesday, 21st July, 2021 (both days inclusive) for the purpose of Annual General Meeting and for determining members eligible for dividend, if declared by the shareholders.
3. 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.
4. As the Annual General Meeting of the Company will be held only through Video Conferencing/ OAVM the facility of appointment of proxies by members will not be available for the Meeting.
5. Corporate members whose Authorized Representatives (AR) are intending to participate in the Meeting through Video Conferencing are requested to send a certified copy of the Board Resolution authorising their representative to participate in the Meeting to the Scrutinizer by email through its registered email address rmimani@csrma.in/mmimani@csrma.in with a copy marked to evoting@cdslindia.com.

6. 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 2013-2014 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.
7. 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.
8. Pursuant to the MCA circular dated 13th January, 2021 and 05th May, 2020 and in view of the prevailing situation and the difficulties involved in dispatching physical copies of the Annual Report, the same shall be sent only by email to the members, and to all other persons so entitled. Electronic copy of the Annual Report for 2020-21 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s).
9. 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.
10. 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).
11. 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%.
12. 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.
13. The aforementioned documents (duly completed and signed) are required to be uploaded on RTA's website at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before July 12, 2021 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.
14. 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.
15. Members may also note that the Notice of the 48th Annual General Meeting and the Annual Report for 2020-21 will also be made available on the Company's website at http://www.thirumalaichemicals.com and Stock Exchange website for their download. The Notice of the 48th AGM is also available on the website of CDSL.
16. 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.
17. The facility of e-voting system shall also be made available at the AGM. A Member can opt for only one mode of voting i.e. either through remote e-voting or by E-voting system at the meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail and voting done in the meeting shall be treated as invalid.

18. Instructions for e-voting and joining the AGM are as follows:

A. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and 13 January, 2021, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on July 17, 2021 at 3.00 pm (IST) and ends on July 20, 2021 at 5.00 p.m. (IST). During this period, the shareholders of the Company, holding shares either in Physical Form or in Dematerialized Form, as on the cut-off date of July 14, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on July 20, 2021. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC/OAVM but shall not be entitled to cast their votes again. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

(ii) 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 abovesaid SEBI Circular**,** Login method for e-Voting and joining virtual meetings **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**	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 i.e. CDSL/NSDL/KARVY/LINKINTIME, 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 https://web.cdslindia.com/myeasi/Registration/EasiRegistration.

	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 www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 e-voting 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**	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**	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 022- 23058738 and 22-23058542-43.
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 toll free no.: 1800 1020 990 and 1800 22 44 30

(iii) Login method for e-Voting and joining virtual meetings 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,
   - Members 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 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 the Income Tax Department (Applicable for both Demat shareholders as well as Physical shareholders) • Members, who have not updated their PAN with the Company/Depository Participant, are requested to use the sequence number in the PAN field which will be indicated in your mail.
Dividend Bank Details **OR** Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. • If both the details are not recorded with the Depository or Company, please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (iv).

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

(v) 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.

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

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

(viii)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.
(ix) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
(x) 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.
(xi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
(xii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
(xiii)If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
(xiv)Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
(xv) Note for Non – Individual Shareholders and Custodians

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

(xvi)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.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

(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 Registrar and Share Transfer Agent "Link Intime India Private Limited" on their email ID at rnt.helpdesk@linkintime.co.in.
(ii) For Demat shareholders - Please update your email id & mobile no. with your respective Depository
(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.

B. Procedure to participate in the AGM through Video Conferencing/OAVM:

(i) The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

(ii) The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.

(iii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholder's Relationship Committee, Auditors and Scrutinizer who are allowed to participate in the AGM without restriction on account of first come first served basis.

(iv) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

(v) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

(vi) Please note that Participants connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspots may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

(vii) The Members, who need assistance before or during the AGM, can contact CDSL on (helpdesk.evoting@cdslindia.com or call 1800225533.)

(viii) Institutional Shareholders are encouraged to participate at the AGM through VC/OAVM and vote there at.

(ix) The Members participating in the meeting through Video Conferencing/OAVM shall be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013.

(x) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.

(xi) The Shareholders, who would like to express their views/ask questions during the meeting, may register themselves as a speaker by sending their request in advance at least three days prior to meeting mentioning their Name, Demat account number/Folio number, email ID, Mobile number by email at rajagopalan.t@thirumalaichemicals.com. The shareholders, who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their Name, Demat account number/Folio number, email ID, Mobile number by email at (Company email id: rajagopalan.t@thirumalaichemicals.com). These queries will be replied to by the Company suitably by email.

(xii) Those shareholders who have registered themselves as a speaker, will only be allowed to express their views/ask questions during the meeting.

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

D. The Board of Directors has appointed Mr. Manoj Mimani of M/s. R.M. Mimani & Associates LLP, Company Secretaries (Membership No. ACS 17083) and failing him, Mrs. Ranjana Mimani, Practicing Company Secretary (Membership No. FCS 6271) as the Scrutinizer to scrutinize the e-voting at the AGM and remote e-voting process in a fair and transparent manner.

E. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

F. 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.

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) was appointed as a Whole-time Director of the Company under section 196 of the Companies Act, 2013 for a period of three years with effect from 28-10-2020 by the Board of Directors of the Company and is liable to retire by rotation. 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 in Item No. 5 of the Explanatory Statement. 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.

b. Re-Appointment of Statutory Auditors: (Item no. 4)

The Members of the Company at the 43rd Annual General Meeting held on 29th July, 2016 approved the appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of the said AGM. M/s. Walker Chandiok & Co LLP, Chartered Accountants would be completing 5 years as the Statutory Auditors of the Company at this AGM. In accordance with Section 139 of the Act, M/s. Walker Chandiok & Co LLP are eligible for re-appointment for a further term of five year.

M/s. Walker Chandiok & Co LLP have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

The Board on the recommendation of the Audit Committee recommended for the approval of the Members, the re-appointment of M/s. Walker Chandiok & Co LLP, Chartered Accountants, as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 53rd AGM.

The Terms and Conditions of Re-appointment are as under:

- Term of Appointment: 5 year from the conclusion of this AGM till the conclusion of AGM for FY 2025-2026.
- Proposed Fees: Remuneration as determined by the Shareholders at the AGM along with applicable taxes.
- Credentials: Walker Chandiok & Co LLP (WCC LLP) was established in the year 1935 and is registered with the Institute of Chartered Accountants of India as well as the PCAOB (US Public Company Accountancy Oversight Board). WCC LLP an independent Indian partnership firm that provides audit, tax and advisory services. With 1,500+ people and presence in 13 locations across the country, we help dynamic clients unlock their potential for growth. WCC LLP licenses audit software as well as audit methodology from Grant Thornton. For multinational companies and other organisations with international operations or interests, WCC LLP has access to Grant Thornton member firms in other countries that adopt the same rigorous standards, and utilise the same tools and methodologies.

The Board of Directors recommends the resolution in Item No. 4 of this Notice for your approval. None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 4 of this Notice.

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

ITEM 5

Mr. P. Mohana Chandran Nair, aged 68, was re-appointed as a Whole-time Director of the Company under section 196 of the companies Act, 2013 for a period of three years with effect from 28-10-2020 by the Board of Directors of the Company and is liable to retire by rotation. 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.
Relationship with Director	NIL
Directorship in other Companies	NIL
Shareholding in the Company	NIL

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. 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. 5.

ITEM 6

Based on the recommendations of the Nomination & Remuneration Committee, the Board of Directors at their meeting held on 26th May, 2021 appointed Mrs. Ramya Bharathram, (Whole-time Director and CFO), aged 49, as Managing Director and CFO of the Company for a period of 3 years commencing from 26th May, 2021 to 25th May, 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 specialized 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 13 years, where she has supported the Managing Director in the company's Business Reorganization, 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 Executive 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. M/s. Jasmine Limited ii. M/s. N. R. Swamy Investments Private Limited
Shareholding in the Company	294620 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. 6. The other relatives of Mrs. Ramya Bharathram may be deemed to be interested in the resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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 - The Company commenced operations in the year 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 – The financial performance of the Company is 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 6
(2) Past remuneration – Same as approved by the shareholders at their Meeting held on 7th August, 2020.
(3) Recognition or awards – Please refer explanatory statement Item No 6
(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 Organizational 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 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 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 6

III. Other information:

(1) Reasons of loss or inadequate profits - There is no inadequacy of profit for the financial year 2020-21.
(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 7

The Board at its meeting held on 26th May, 2021, as recommended by the Audit Committee, appointed M/s.GSVK & Co., Cost Accountants, having Registration No. 002371 at 8/4 VJ Flats, 30A Valmiki Street, Thiruvanmiyur, Chennai -600 041 as Cost Auditors to audit the Cost Accounts of the Company and to issue Compliance Certificate for the Financial Year 2021-22 for a remuneration of ₹30,000/-, in addition to reimbursement of out of pocket expenses. As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders. Hence this Resolution is placed for the consideration of the shareholders. None of the Directors and Key Managerial Personnel of the Company and their relatives 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 Ltd.

T.RAJAGOPALAN
Company Secretary

Registered Office: Thirumalai House,
Road No.29, Sion-East,
Mumbai - 400 022.
26th May, 2021

Board of Directors

Mr. R. PARTHASARATHY *is the Chairman & Managing Director of Thirumalai Chemicals Limited. He has served as Vice-President and President of the Indian Chemical Council from 2007-2011. He has managed Manufacturing, Technology Development, Marketing, and Business start-ups in India, Europe and the US. He is deeply involved in Education & Healthcare projects serving rural communities in South India.*

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

Mr. P. Mohana Chandran Nair *is an Executive Director and has worked at TCL for 9 years as President (Mfg). Mr. P. Mohana Chandran Nair is a Chemical Engineer with over 35 years of experience in various roles at Rashtriya Chemicals and Fertilizers Ltd (RCF). He was the Head of Operations and Profit Centre Head, before he joined TCL.*

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

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

***Mr. N. SUBRAMANIAN** has over 45 years of experience in the chemical industry in India and overseas. Mr. Subramanian has been member of the senior management in leading companies in India and East Asia, including Chemplast Sanmar, Atochem-Arkema, and others. He is the Chairman of the Business Review Committee of TCL, and is your company's nominee to the Board of our Subsidiary in Malaysia, Optimistic Organic Sdn Bhd.*

***Mr. RAJ KATARIA** is an experienced Investment Banker with over 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 co-founder and Whole-time Director of Arpwood Capital Private Limited, where he has been involved in several high profile M&A transactions during the last 9 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 Committee.*

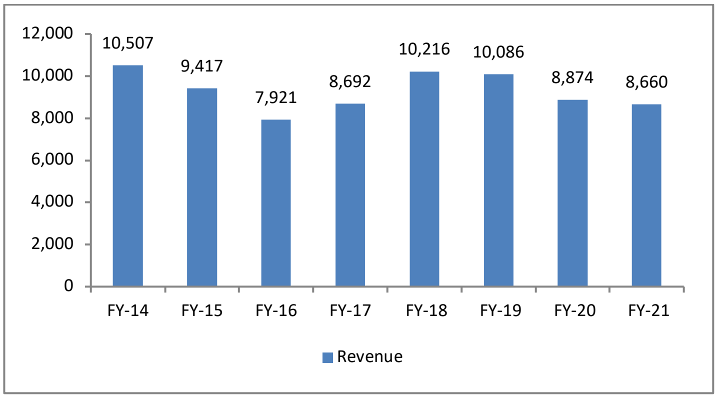
***Mr. DHRUV MOONDHRA** is an entrepreneur and CEO of Ice Steel 1 Pvt Ltd. He is an Independent Director on the Board of TTK Prestige Limited. He has in depth experience in Distribution, Trading and Manufacturing. He has also led business start-ups in the United Kingdom and India. He is an active member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

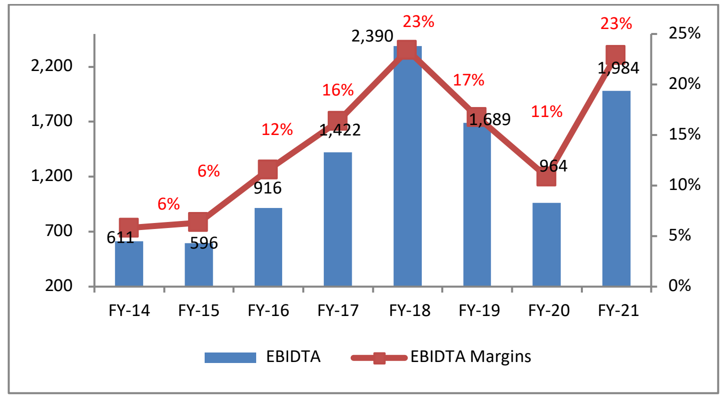
Mr. ARUN RAMANATHAN *(IAS Officer retired) has held assignments in diverse areas in promotion and management of small, medium and heavy industry. His most recent positions were Secretary (Department of Chemicals, Petrochemicals & Pharmaceuticals), Secretary (Financial Services) and Union Finance Secretary (in 2009) in the Government of India. He is currently an Independent Director on several Boards and also member of the Advisory council to several organizations. He brings deep Governmental, Regulatory and Governance expertise to your company. He is a member of the Audit Committee of the Company.*

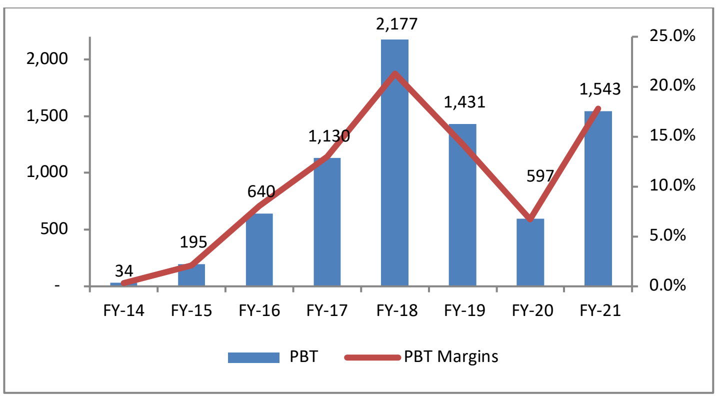
Mr. RAJEEV M PANDIA *is a Chemical Engineer from IIT, Bombay and holds a Master's degree from Stanford University, USA. During 2000-2002, he was the President of Indian Chemical Council. He headed Herdillia Chemicals Limited (later Schenectady Herdillia Limited and SI Group – India Limited) from 1992 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*

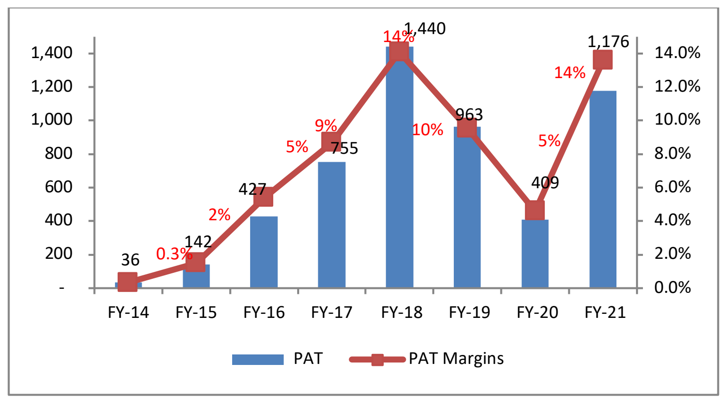
Mrs. BHAMA KRISHNAMURTHY *has done her Masters in Science (M.Sc.) from Mumbai University. She was Country Head and Chief General Manager, SIDBI. She had a career spanning over 35 years in IDBI (now IDBI Bank) and SIDBI, an Apex Development Bank for micro, small and medium enterprises in India covering all areas of development in banking operations both from policy perspectives and relating to implementation aspects. Her key accomplishments over the years have been her association with framing various policy documents for SIDBI and piloting such policy papers in the Board for adoption. She has closely dealt with Multilateral and Bilateral Agencies in close coordination with the Government of India. Her areas of specialisation include, inter-alia, handling of Human Resource Development Division covering recruitment, training and promotion aspects; association with drafting of CSR Policy guidelines for the Bank; resource raising and management, integrated treasury operations, credit dispensation and management and risk management.*

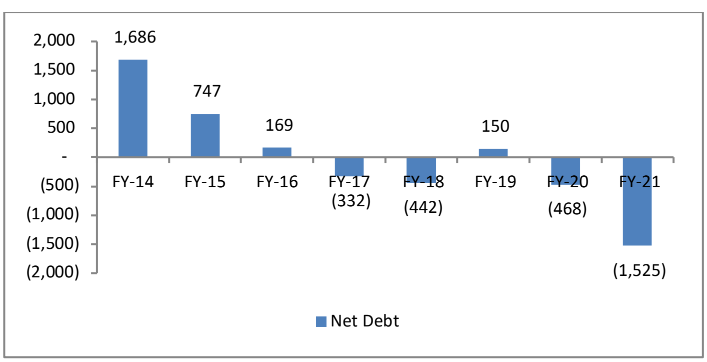
PERFORMANCE INDICATORS – STANDALONE

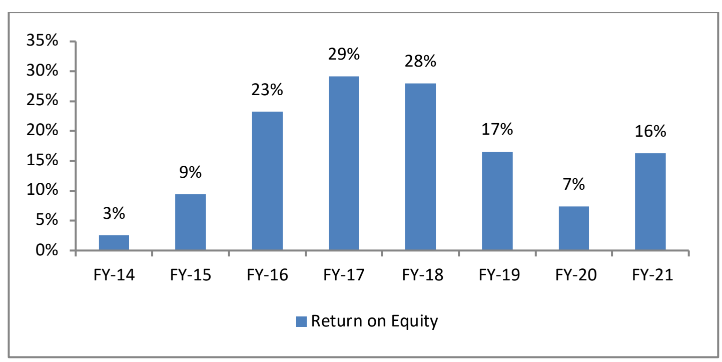


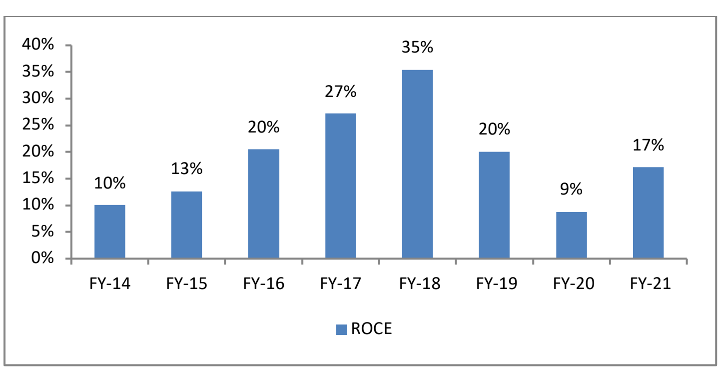




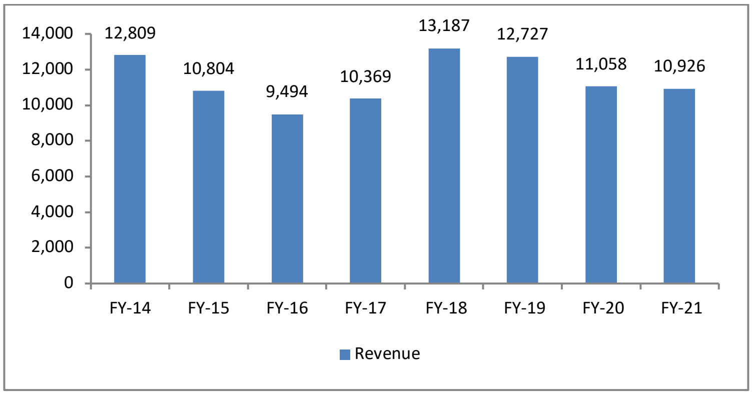


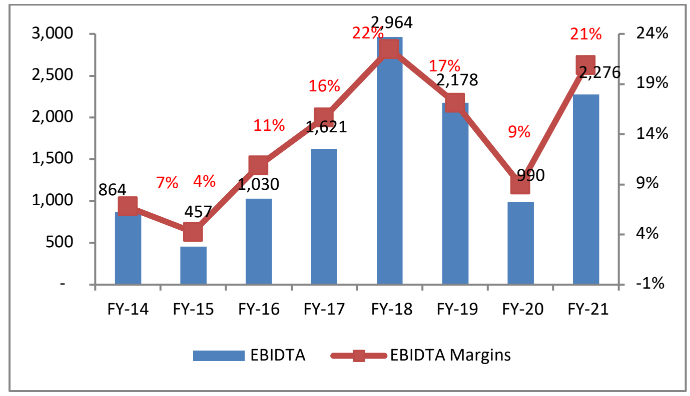


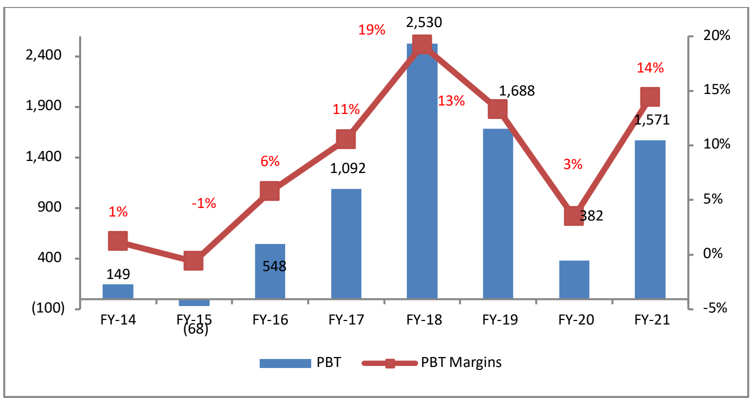


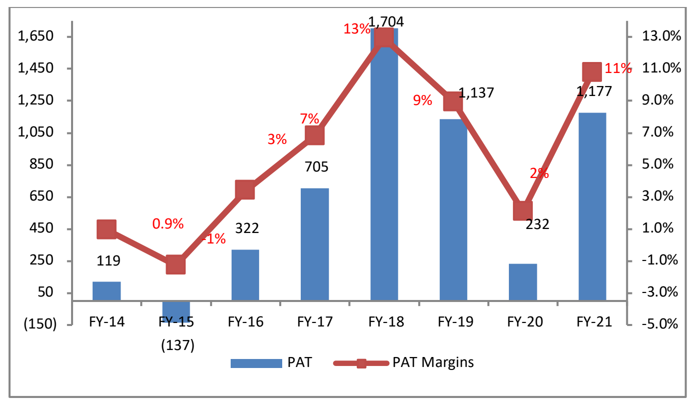


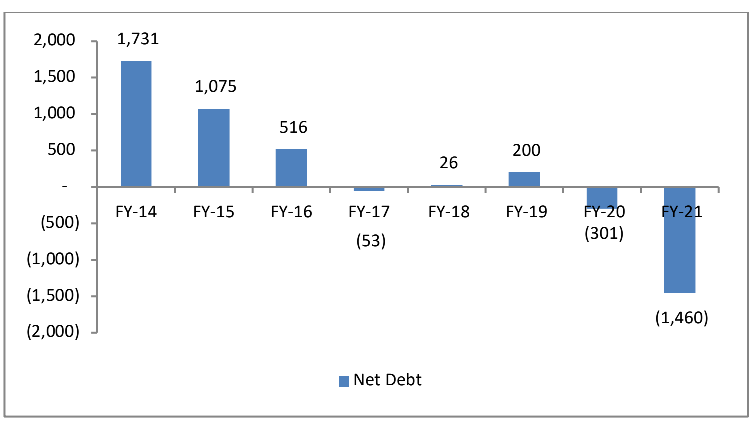
PERFORMANCE INDICATORS – CONSOLIDATED

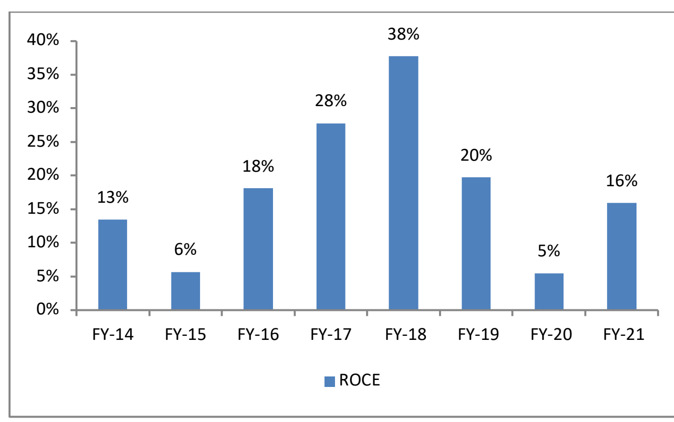


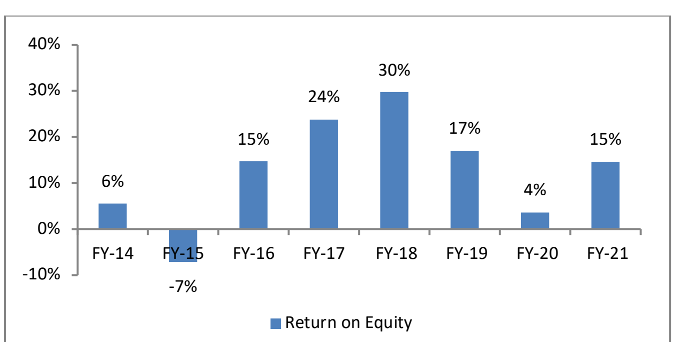












Revamp Project: A new Fired Heater - Utility Section

PA Plant - Ranipet, during revamp

New Food Ingredients - Fine Chemicals Unit

PA Plant Revamp : Oxidation Section - Ranipet

A section of the Fine Chemicals Plant

Overview of our subsidiary in Malaysia - The Maleic anhydride Plant

Maleic - Distillation Unit after Expansion : Malaysia

Butane Processing and Butamer Plant: Malaysia

New Maleic derivatives Plant: Malaysia

DIRECTORS' REPORT

With Management Discussion & Analysis

To,

The Members

Thirumalai Chemicals Limited

Your Directors are pleased to present to you the Forty Eighth Annual Report & Audited Statement of Accounts of the Company for the year ended March 31, 2021. The Management Discussion and Analysis has also been incorporated into this report.

STANDALONE FINANCIAL RESULTS – Summary

(₹ In Million)

Particulars	**Year Ended 31 Mar 2021**	**Year Ended 31 Mar 2020**
Revenue from Operations	8,572	8,654
Other Income	88	220
Total Revenue	**8,660**	**8,874**
Gross Profit/(Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	1,983	964
Interest and Finance Charges	(189)	(155)
Profit/(Loss) before Depreciation and Tax	**1,794**	**809**
Depreciation	(252)	(212)
Profit/(Loss) before Tax (PBT)	**1,542**	**597**
Provision for Tax	(406)	(75)
Profit/(Loss) after Tax	**1,136**	**522**
Provision for Deferred Tax	40	(113)
Profit/(Loss) after Tax (PAT)	**1,176**	**409**

- The Net Revenue including Export Earning (FOB) during the year was **₹ 663 Million** (Previous Year: ₹ 846 Million).

CONSOLIDATED FINANCIAL RESULTS

(₹ In Million)

Particulars	**Year Ended 31 Mar 2021**	**Year Ended 31 Mar 2020**
Revenue from Operations	10,857	10,848
Other Income	69	210
Total Revenue	**10,926**	**11,058**
Gross Profit/(Loss) before Interest, Finance Charges and Depreciation (EBITDA)	2,300	991
Interest and Finance Charges	(209)	(168)
Profit/(Loss) before Depreciation and Tax	**2,091**	**823**
Depreciation	(495)	(441)
Profit/(Loss) before Tax (PBT)	**1,596**	**382**
Provision for Tax	(407)	(76)
Profit/(Loss) after Tax	**1,189**	**306**
Add : Provision for Deferred Tax	(12)	(74)
Profit/(Loss) after Tax (PAT)	**1,177**	**232**

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 ₹2.20 per share for the Financial Year 20-21 (previous year ₹ NIL/-per share was paid). This would result in an out flow of ₹225 Mn, if approved by the shareholders at the Annual General Meeting.

Impact of Covid

2020-21 was a year of sharp ups and downs for your Company. While our society and economy as a whole suffered, the impact was pronounced among the poor, the self-employed, the retailer and the contract & migrant worker. This has had a terrible impact on the health and well-being of the citizens at large. We have seen a second wave of this infection that was even more severe than the last one, with the healthcare system being severely strained. However, with vaccines becoming available and many private and Government investments in oxygen plants, there is hope that we will be able to fight any more waves of the infection much more effectively. We also saw that the business community was more resilient this time around and was able to bounce back in a shorter period of time.

Business Performance

The performance of your Company during the Financial Year 2020-21 has consistently improved since the end of the 1st Quarter. The 1st quarter (April through June 2020) was hit sharply due to the National Lockdown; the inability of almost all our customers to operate, the chaos in logistics, and the collapse of trading, meant that our operations were deeply constrained and, like many of our peers, suffered a loss. However, our robust Balance Sheet and very low Net Debt and good Cash Flows saw us through. Every succeeding Quarter up to Q4 FY20-21 has shown good improvement. This is despite the second wave of the pandemic causing intense disruptions across Western India, later moving throughout the country, cities and rural areas.

The Management team and all the employees of your Company united together to overcome this challenge, and we took a number of steps to minimize the impact of the pandemic and the economic disruption to our businesses, to our people and communities through some of the following key initiatives:

a) The proactive and hands-on approach by our Senior Management in working closely with the Functional Heads to anticipate problems and develop and implement solutions, and monitor progress was key to the recovery. We found this essential in a situation where everything in the environment had to be viewed as a potential threat which, if unforeseen and unattended, could develop into a major crisis or bottleneck.
b) Task Forces were mobilized with the top Management support and control to handle Personnel Safety, Work From Home infrastructure and support, safe travel facilitation for all our essential staff, logistics, hourly cash flow control, active support to vendors, training in safe behaviours and methods and active work in the communities around us for ensuring the means & materials and the infrastructure.
c) Daily interaction with the Government Agencies at Local, District, State and the Central levels for permits, information, community support and for a variety of other requirements.

By the time we reopened the Unit after the first lockdown in early May 2020, all these initiatives were successfully implemented and we were able to ramp-up production, despatches and sales by keeping our people, contractors, vendors and service providers and communities safe. This paid off well in our efforts in Q2 FY20-21 to maximise production and sale and cash flow, and to bring our businesses back on track.

As Shareholders will note from the summary of the appended Quarterly performance, this momentum was largely driven by the enthusiasm of the staff at all levels and experience, and a culture of “high energy performance” within the organization.

Quarter	Revenue in cr.	EBITDA in cr.	PBT in cr.
Q1 FY20-21	106.66	0.69	(10.47)
Q2 FY20-21	223.75	44.46	33.85
Q3 FY20-21	244.92	60.45	49.55
Q4 FY20-21	281.85	92.76	81.35

The performance of your Company during the Q4 FY20-21 significantly improved despite the severe crisis of the second wave of pandemic, and your Directors are indeed proud to report this to our Shareholders.

At the Board level, there were regular productive interactions between the Directors, Committees and the Senior and Middle Management teams. This support and interaction helped your Company tide over the uncertainties. The quick and sustained efforts and proactive steps taken by the top and middle level Management and the unrelenting hard work put in by all segments of the employees, in spite of severe handicaps, were instrumental in achieving these results.

This crisis has been a great tragedy for so many in our country, communities and stakeholders. Some of our employees and their families have been affected by illness. Most unfortunately some of them have suffered bereavement and loss of loved ones. We offer our condolences to all our employees, their families, our customers and suppliers, shareholders and other stakeholders who have suffered and continue to suffer during this pandemic.

Besides managing the Company, its businesses and organization effectively among ever changing challenges during the year, your Company and its employees have contributed personally and collectively as an organization towards alleviating the impact of the pandemic. We have detailed out some of these among Community Activities in this report.

Overall Business and the Individual Units/Products

Your Company suffered a loss in the first Quarter FY20-21. But there was a sharp rebound in the next three Quarters that is clearly reflected in our performance.

Volumes were reasonable, while profitability at PBT and PAT levels have been good, and net Operating Cash Flows have been excellent in spite of difficulties in some sectors.

<u>Phthalic Anhydride (PAN)</u>

Our main commodity business, Phthalic Anhydride (PAN) showed a significant recovery during the latter part of the financial year, despite the slowdown in the market segments spanning Construction, Infrastructure and Automotive sectors arising out of the pandemic restrictions during the year. The slowdown pulled down the demand in the Resins, Colourants, Coatings segments. However, the efforts taken by the company during the last 5 years in focussing on healthy and growing customers, building customer relations and providing excellent service in the market place enabled the company to present an improved business performance.

On the manufacturing front, the modernisation and revamp of the PAN facilities at Ranipet in Tamil Nadu commissioned during the previous year 2019-2020, performed very well in terms of Productivity, Quality, Reliability, Safety and modern Technology. This resulted in better utilisation of energy and optimisation of all input costs.

The business teams’ constant focus on managing the trade working capital cycle paid off resulting in the cash flows needed for further investments and growth of the company.

The project at Dahej, which was due to be commissioned during the year, got significantly delayed because of the shortage of project manpower due to the Covid lockdowns and delays in arrival schedules of the final project related material. Subsequently when the finishing and safety and commissioning checks were under progress, the second wave of Covid forced many project and plant personnel to return to their homes due to increasing vulnerability for exposure. This forced the company to postpone the commissioning of the project further despite all readiness in the plant. However, with the slowing down and removal of the restrictions, the commissioning works have since started and the company hopes to report positive news in the future.

Fine Chemicals and Food Ingredients

The Fine Chemicals and Food Ingredients business had a mixed performance. In some products we had difficulties because of the need to revamp some of the utilities and services. In others, the difficulties in accessing the Industrial Alcohol in South India limited production and sale. However, the other products did very well in terms of margin and volumes. These infrastructure requirements with respect to utilities and services have been addressed, and the results will be seen from the new FY 2021-22.

In the case of Industrial Alcohol, we have received permissions after many decades from the Tamil Nadu Government to import Alcohol. This move has helped us plan much better and the business unit has now started functioning more positively.

Overall, it was a difficult year for business operations on all fronts, but from the performance point of view, our results have been excellent.

Human Resources and Strengthening the Organization

During the last 3 years, we were reporting to you about the ageing of many of our senior Management team and even some people in the middle Management. The structured review followed by an induction programme was initiated at different levels (top management, middle management and at the operating functional levels) in the organization.

During the year under review, all these have come to fruition. Our CEO Mr.C.G.Sethuram took over a senior role as Group CEO with specific assignments on organizational growth, businesses, new projects and strategic initiatives.

We inducted a new CEO Mr. Sanjay Sinha, a person with excellent experience in Production, Manufacturing and two-decades as a Business Head in Petrochemicals and Chemicals in a large organization. He joined our Company about 4 months back and has settled down well.

Mrs. Ramya Bharathram has been given additional responsibilities and the Board has recommended her elevation to the position of Managing Director. She has had a successful tenure over the last 13 years in the Company in business reorganisation, management and growth of Fine Chemicals businesses, new Projects, Revamping Projects and its Finance and Strategic role. She will take over a significant set of responsibilities including from our CMD Mr. R. Parthasarathy in the current year.

The HR Group has been strengthened with a highly qualified Head to support these requirements and initiatives. A new Project Manager at a senior level has taken charge to manage new Projects. Others amongst the middle Managers and the younger Management team have been developed and are taking over senior responsibilities in Marketing, Manufacturing and Commercial & Business roles. These, and other inductions and managerial development, which are in progress, have greatly bolstered the organisation for the future as your company takes on more exciting challenges going forward. We also plan this to be a continuing effort as the organization grows, our needs change and other transitions happen.

Projects

As we mentioned, the first greenfield Project at Dahej in Gujarat was delayed significantly and suffered severe challenges during the year due to the pandemic. It is now on course to start operations in the near future. The Company has also started planning and working on a large, phased expansion in the same location at Dahej, Gujarat, totalling about 210,000 Tons of PAN, Fine Chemicals and Derivatives. These are meant for the growing Indian Market and Exports. As per the Company Policy, this Project will go through a number of stages of internal approvals and Engineering and Detailing. We will keep the Shareholders informed of major developments.

Our Stepdown Subsidiary in the USA

We have formed a Stepdown Subsidiary in the USA to set up opportunities for our Food Ingredients and Maleic Anhydride businesses based on the availability of large quantities of local Gas Feedstock. After over 2 years of intense studies and work, we decided to proceed with this Project through our Subsidiaries "TCL Inc" / "TCL Specialties LLC".

The new Subsidiary having investigated this Project thoroughly and with support and advice from us, has decided to go ahead with the Project to build a 40,000 Tons Per Annum Maleic Anhydride and Food Ingredients Plant based on Butane Gas Feedstock. These products have a large demand in the region and with various changes happening, strategic opportunities have opened up. The project is located very advantageously in the large Shale Gas basin and close to the North American Market and logistics hubs. The Company also plans to market these in Europe and Latin America, which, all taken together, are the largest Regional Markets in the world for these products. The ASEAN and the Middle East Markets for these products will continue to be addressed by the Indian manufacturing facility. We will provide the subsidiary with Technology, Engineering and Project Services.

Our Subsidiary in the Netherlands

About 18 months ago, we formed the Subsidiary "TCL Global BV" in The Netherlands strengthening our marketing presence in Europe. This had a slow start due to COVID, but was steadily ramped up and has started servicing customers. It works as Marketing Agent, Distributor and Logistics Service Provider for our Products as also for our Subsidiary in Malaysia. It is expected that this will support our exports to Europe by providing Marketing and Sales support to the existing and potential customers, and quickly respond to evolving situations and opportunities.

As our volumes from India, Malaysia and the USA grow, the European market will be an important part of our growth to capitalize on the diversification strategies and allow us to establish a large stable business and growth vehicle.

Post Brexit, our "Only Representative" (OR) for REACH registrations had to be moved into the UK and so, this subsidiary serves the additional purpose of functioning as an OR in Europe.

Our Subsidiary in Malaysia

The Malaysian Subsidiary "Optimistic Organic Sdh. Bhd" went through a crisis in the beginning of FY 20-21; prices and margins were extremely poor. They lost nearly two Quarters of Production and Business due to the breakdown of a major power generator equipment (Turbine). These two factors created a large loss. However, they were able to support this financially with their cash reserves built up from the previous years. In the last two Quarters of the year, they had showed strong improvement. The manufacturing was stabilized and marketing was taken up aggressively. As a result, they were able to break-even during the year. They have also been able to build up significant cash reserves in spite of the production problem. The corrective steps of the last few years in Plant reliability and active reorganization of Management, Manufacturing and Marketing with positive changes and geographical focus has strengthened the Company significantly in this period.

STANDALONE FINANCIAL RESULTS OF THE SUBSIDIARY (OOSB)

USD in Million

Particulars	Year Ended 31 Mar 2021	Year Ended 31 Mar 2020
Revenue from Operations	32.37	33.65
Other Income	0.01	0.13
Total Revenue	**32.38**	**33.78**
Gross Profit / (Loss) before Interest, Finance Charges and Depreciation **(EBITDA)**	4.04	0.63
Interest and Finance Charges	(0.17)	(0.09)
Profit/(Loss) before Depreciation and Tax	**3.87**	**0.52**
Depreciation	(3.35)	(3.29)
Profit/(Loss) before Tax (PBT)	**0.52**	**(2.75)**
Provision for Tax	--	(0.02)
Profit/(Loss) after Tax	0.52	(2.77)
Provision for Deferred Tax	0.37	0.58
Profit/(Loss) after Tax (PAT)	**0.89**	**(2.19)**

Our Division

The Division "TCL Technology and Engineering" of your Company established at the Special Economic Zone at Ranipet, Tamil Nadu, in March 2020, could not continue with its operations in full swing due to Covid. It has now planned to commence its operations from August 2021.

Finance

Our Finances continue to be strong. More than 40% of the investment in the Ranipet plant and the Dahej project was funded from internal sources. In spite of the difficulties caused by Covid, your Company was able to improve its cash reserves so that there is significant nett cash reserves (after all borrowing). This has been a part of our planned strategies initiated over eight years ago to steadily reduce working capital, speed up the business cycles and to improve operating cash flow. From 75 days in 2012 after the global crisis, we have reduced our working capital cycle to about 30 days of Sales by the end of FY 20-21. Our net debt is negative. This will be very useful as we start on another round of growth. The operating business and finance teams have played an important role in keeping a tight control on Working Capital and Finances.

The Prospects for the FY 2021-22

Q1 FY22 has started out well, though the businesses faced difficulties since a large number of customers in Western India have been affected, including our Logistics and many of our Contractors and Staff. Mobility is still restricted.

There has been a sustained pressure for the last many months from rising imports of our commodity product, PAN, which is now at an all-time high, especially from the Far East. The Government has started taking action in our products as also in products of other industries and has declared clear evidence of non-compliant dumping behaviour, which is a step in the right direction. The implementation of the final findings has been delayed, as many critical Government Departments in Delhi are suffering from the extensive Covid impact in terms of staff and attendance. We are following up actively so that the necessary instructions are given.

Demand is good and we expect a significant bounce back after the present wave. While we are not ruling out further pandemic waves, our own ability to manage these has improved significantly. The devastation caused by the ongoing wave has made people cautious and careful which is important to minimize future disruptions. We have also taken various steps to protect our employees and their families, and support them and the local communities, at this time. So, while the future is hazy, we remain confident about our business and our strength to maximise on these opportunities, and surmount difficulties.

We also expect that the contributions from our Dahej Project and the improvement in our infrastructure at Tamil Nadu will bear fruit in the coming year and start yielding returns.

People

Besides the regular development and training, we initiated and put in place a large number of programmes to address the impact of Covid.

1) 50% to 60% of our staff have been working from home almost since mid-March 2020.
2) Only essential manufacturing staff attend to the work at the Factory physically and they are fully protected:

- by providing Company-organized Buses for all of them for their transport to and from their homes.
- With regular medicine supplies at home.
- Teleconsultation facilities with medical staff for affected employees
- Conducting a number of Educational sessions about Covid by experts.
- Strong and sustained Covid protocols and regular audits at every location , and correction of any gaps.
- Restriction on all visitors and in-person meetings
- Support in case of medical care and hospitalization, etc

Since late January 2021, our HR and Personnel teams have started an active vaccination campaign for all employees and their families and to the community. Here we work closely with the Tamil Nadu Government which has been very supportive.

Your Company would like to thank all its employees for their active support to the business and the community during this difficult time. Many of them have worked through the pandemic period adopting all safety protocols instituted by the Company to ensure that the impact on the businesses due to Covid is minimal.

Public Initiatives

Since March last year, we have engaged with the local Administration and the Government agencies in public sanitization, training for safe behaviour, setting up Covid beds and supplying Personal Protective Equipment’s (PPEs) for the front line workers and the public.

Since Q3 FY21, we have started setting up large Oxygen Plants for Hospitals through donations. These are fully automatic and designed & constructed with the latest technologies. The first Plant is functioning at the CMC Hospital, Vellore. Our Company has taken the initiative to install 2 more Plants, again at the CMC Hospital, and 3 Plants at Hospitals in Chennai in providing Medical Grade Oxygen for a large number of Covid Wards and ICU Wards at extremely low cost. These will now directly help Hospitals and patients and save lives. As these Plants have a long life of more than 3 decades, they become a permanent asset for the Hospitals and reduce the cost of Oxygen dramatically.

Our Associates

Your company recognizes the active involvement of our Customers, Bankers, Suppliers, Distributors, consultants, and Government agencies during this pandemic year and their role in helping us deliver positive results. The continued association of these stakeholders will play a large part in the growth of the Company and all its initiatives.

BOARD AND MANAGEMENT

The Board of your Company consists of

- The Chairman & Managing Director - Mr. R. Parthasarathy
- Two Executive Directors: -
  - ➢ Mr. P. Mohana Chandran Nair
  - ➢ Mrs. Ramya Bharathram
- Seven Independent Non-Executive Directors:
  - ➢ Mr. R. Ravi Shankar
  - ➢ Mr. N. Subramanian
  - ➢ Mr. Raj Kataria
  - ➢ Mr. Dhruv Moondhra
  - ➢ Mr. Arun Ramanathan
  - ➢ Mr. Rajeev M Pandia
  - ➢ Mrs. Bhama Krishnamurthy
- A Non-Executive Director:
  - ➢ Mr. R. Sampath – Chairman - Ultramarine and Pigments Ltd.

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
- ➢ Ms. J. Radha - Executive Vice President, Finance
- ➢ Mr. B. Krishnamurthy - Vice President-Accounts & Finance
- ➢ Mr. S.Ilango - Executive Vice President- HR and TQM

At the Board Meeting held on August 14, 2020 your Board has re-appointed Mr. P. Mohana Chandran Nair, as a Whole-time Director of the Company under section 196 of the companies Act, 2013 for a period of three years with effect from 28-10-2020.

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

Their interaction with the Management team is frequent and intense, at the Board and Committees, through reviews, suggestions, criticisms & advice to the Management team over the last 8 years.

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

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

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

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

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

SOCIAL RESPONSIBILITY

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

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

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 primary healthcare in 315 villages, covering over 160,000 people. The Hospital provides both out-patient and in-patient services through departments of General Medicine, Emergency services, Intensive Medical Care, General Surgery, Paediatrics, Obstetrics, Gynaecology, Orthopaedics, ENT, Dentistry, Physiotherapy, De-addiction & Rehabilitation.

With TCLs support, the Thirumalai Mission Hospital has set up a separate centre for Non-Communicable Diseases such as Diabetes, Thyroid disorders, Endocrinology, Obesity, Osteoporosis, etc. The dialysis service started at TMH last year is expanding to serve more people.

This addresses a critical need of the community.

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

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.

Contribution to the Exchequer:

The amounts paid to the Central and State Exchequer by way of GST, Customs duties (incl. paid to supplier), Income Tax and other taxes, is about ₹ **2,074** Million on Gross Sales of about ₹ **8,413** Million (Previous Year ₹ **2,015** Million on Gross Sales of about ₹ **8,427** Million).

Contribution to the Exchequer is about **25%** of your Company's Sales.

Exports:

Calculated on FOB basis, Exports amounted to ₹**663** Million (previous year ₹ **846** Million)

Particulars of loans, guarantees or investments

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

Related Party Transactions

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the Financial Year were in the ordinary course of business and on an Arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of Reg. 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the Financial Year which were in conflict with the interests of the Company. Suitable disclosure as required by the 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 Organization. The Company has a robust risk management framework to identify, monitor and minimize risks. The Company has re-constituted the Business Risk Management Committee on 11.02.2021 and the details of the Committee are as given below:

Sr. No	Name of member	Category
1.	Mr. Rajeev M. Pandia	Independent Director
2.	Mr. Dhruv Moondhra	Independent Director
3.	Mrs. Ramya Bharathram	Whole-time Director
4.	Mr. Sanjay Sinha	Chief Executive Officer
5.	Mr. N.S. Mohan	President(Mfg)
6.	Ms. J. Radha	Executive Vice President -Finance
7.	Mr. B. Krishnamurthy	Vice President Accounts & Finance
8.	Mr. G. Prabhakaran	Site Head-Dahej

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:

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

#Inducted on 12.11.2020

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 2.41% of the average profit after taxes in the previous three Financial Years towards Health and Sanitation Programmes

Statement pursuant to Listing Agreement:

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

Business Responsibility 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 capitalization (calculated as on 31st March of every Financial Year), shall include a Business Responsibility Report (BR Report).

Your Company is in the top 1000 listed entities as on 31st March, 2021. The Company, has presented its BR Report for the Financial Year 2020-21, 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,

- Improving the performance of Board in line with the corporate goals and objectives.
- Assessing the balance of skills, knowledge and experience on the Board.
- Identifying the areas of concern and issues to be focused on for improvement.
- Identifying and creating awareness about the role of Directors individually and collectively as Board.
- Fostering Team work among the members of the Board.
- Effective Coordination between the Board and Management.
- Overall growth of the organization

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up by the Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

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

Statutory Auditors

M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. AAC-2085) were appointed as the Statutory Auditors of the Company for a period of five years at the Annual General Meeting (AGM) of the Company held on July 29, 2016, to hold office from the conclusion of the Forty Third AGM till the conclusion of the Forty Eighth AGM to be held in the year 2021.

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.

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 the Financial Year 2020-21. The Cost Audit Report was filed with the MCA, Government of India, by the Company on August 17, 2020, well before September 30, 2020, the due date of filing for the Financial Year 2019-20.

Secretarial Audit

The Board appointed M/s. R.M. Mimani & Associates LLP, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2020-21. The Secretarial Audit Report for the Financial Year ended March 31, 2021 is attached to this Report. The Secretarial Audit Report does not contain any qualifications, or reservations or adverse remarks.

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, 2021 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 B to the Directors' report.*

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

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

Name of Director Ratio

1. Mr. R. Parthasarathy (Managing Director) **122**: **1**
2. Mrs. Ramya Bharathram (Whole-time Director and CFO*) **61: 1**
3. Mr. P. Mohana Chandran Nair (Whole-time Director) **15: 1**
   For this purpose, sitting fees paid to the Directors have not been considered as remuneration.

b) The percentage increase in remuneration of Managing Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year:
Mr. R. Parthasarathy – (Managing Director): **137 %**

Mr. T. Rajagopalan – (Company Secretary): **4 %**

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

c) The percentage increase in the median remuneration of employees in the Financial Year: **4 %**

d) The number of permanent employees on the rolls of the Company: **478**

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

The Company's PAT has increased from **₹ 409** Million to **₹ 1176 Million**, an increase of **187 %** against which the average increase in remuneration is **11%;**

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

Name	Designation	Remuneration ₹ In Mn*	% Increase in Remuneration	PAT ₹ in Mn*	% increase in PAT
Mr. R. Parthasarathy	Managing Director	48.06	137	1176	187%
Mrs. Ramya Bharathram	Whole Time Director and CFO	24.07	122		
Mr. T.Rajagopalan	Company Secretary	3.20	4		

* It consists of Salary/Allowances & Benefits.

The remuneration of the Managing Director Mr. R. Parthasarathy includes the commission of **₹ 25.78Mn**, which works out to approximately **2.19%** to the net profit for the Financial Year ended March 31, 2021.

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 capitalization 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 Capitalization (₹ in Cr)
31.03.2020	102,388,120	35.40	3.99	8.87	362.45
31.03.2021	102,388,120	85.55	11.49	7.45	875.93
Increase /(Decrease)	NA	50.15	7.5	(1.42)	513.48
% of Increase/(Decrease)	NA	141.67	187.97	(16.00)	141.67
Issue Price of the share at the last Public Offer (IPO)		1			
Increase in market price as on 31.03.2021 as compared to Issue Price of IPO		84.55			
Increase in %		8455			

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 **3.6%** 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)*, Mrs. Ramya Bharathram (Whole-time Director*)* and Mr. P. Mohana Chandran Nair, *(*Whole-time 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 C.

Cautionary Statement

Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation, plant breakdowns, industrial relations, etc.

Acknowledgements

The Directors would like to place on record our sincere appreciation for the continued support given by the Banks, Internal Auditors, Government Authorities, Customers, Vendors, Shareholders and Depositors during the period under review.

The Directors also appreciate and value the contributions made by the employees of our Company at all levels.

For and on behalf of the Board of Directors

R. Parthasarathy
Managing Director
(DIN:00092172)
Place: Ranipet
Date: 26th May, 2021

R. Ravi Shankar
Director
(DIN:01224361)
Place: Chennai
Date: 26th May, 2021

ANNEXURE TO DIRECTORS' REPORT

SALIENT FEATURES OF FINANCIAL STATEMENTS OF SUBSIDIARIES FOR THE YEAR ENDED 31ST MARCH, 2021

(₹ In Million)

Company	Currency	Conversion rate	Capital	Reserve	Total Liability	Investment	Turnover	PBT	PAT	Proposed Dividend
Cheminvest Pte. Ltd	USD	73.5	441.00	5.04	147.98	580.69	0.02	(10.58)	(10.58)	-
OOSB	USD	73.5	934.40	725.47	1,448.16	-	2,378.94	38.74	66.06	-
Lapiz Europe Ltd	GBP	100.95	0.01	3.56	0.63	-	0.06	(0.27)	(0.27)	-
TCL Global BV	Euro	86.10	56.70	2.58	35.81	54.20	90.78	3.18	2.66	-
TCL INC	USD	73.5	55.20	(0.30)	0.01	54.64	-	(0.30)	(0.30)	-
TCL Specialties LLC	USD	73.5	54.64	-	13.56	-	-	-	-	-

Annexure-A

Reporting of Corporate Social Responsibility (CSR)

1. Period for which CSR is being reported: **From 01/04/2020 to 31/03/2021.**
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	1	1
2.	Mr. N. Subramanian	Independent Director	1	1
3.	Mr. R. Sampath	Director (Promoter)	1	1
4.	#Mrs. Bhama Krishnamurthy	Independent Director	-	-

#Inducted on 12.11.2020

4. Composition of CSR Committee- http://www.thirumalaichemicals.com/cop.html

   CSR Policy - http://www.thirumalaichemicals.com/Policies.html

   CSR projects - http://www.thirumalaichemicals.com/csr.html
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 ₹)	Amount required to be set- off for the financial year, if any (in ₹)
-	-	NIL	-
	TOTAL		

7. Average net profit of the company as per section 135(5): ₹14,180 Lakhs
8. (a) Two percent of average net profit of the company as per section 135(5): ₹284 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): ₹284 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.
284	NIL	-	-	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 Implementation Direct (Yes/No).	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.							NIL	NIL				
	TOTAL						NIL	NIL				

(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 implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1	Prevention, Management and Control of Non Communicable Diseases	Promoting healthcare including preventive health care	YES	Tamil Nadu	Ranipet	2,37,60,000	NO	Thirumalai Charity Trust Ranipet District	CSR00000287
2	Purchase of Tools Required for Automotive Technology and Carpentry Skill Course	Promoting education including special education among children	YES	Tamil Nadu	Coimbatore	2,00,000	NO	Bhuvana Foundation, Anaikatty, Coimbatore	NA
3	Renovation of School Building	Promoting education including special education among children	YES	Tamil Nadu	Coimbatore	5,00,000	NO	Bhuvana Foundation, Anaikatty, Coimbatore	NA
4	Renovation of toilet block at panchayat union school/provision of RO & sanitation education for children	Promoting education including special education among children	YES	Tamil Nadu	Vellore	2,00,000	NO	South Central India Network for Development Alternatives (SCINDeA), Vellore	NA
5	Expenses towards center for excellence	Promoting education including special education among children	YES	Tamil Nadu	Chennai	8,00,000	NO	The National Boys' and Girls' Education Society, Chennai	NA
6	Newly constructed Trauma Care Unit	Promoting healthcare including preventive health care	YES	Tamil Nadu	Vellore	10,00,000	NO	CMC Hospital, Vellore	NA
7	Relaying of Floor and Pathways of their School with impart education for handicap.	Promoting education including special education among children	YES	Tamil Nadu	Katpadi	10,00,000	NO	WORTH Trust, Katpadi	NA

8	Medical Accessories	Promoting healthcare including preventive health care	YES	Tamil Nadu	Chennai	5,00,000	NO	Hindu Mission Hospital, Chennai	NA
9	Manufacture & Distribution of Artificial Limbs to the Disabled Person	Promoting healthcare including preventive health care	YES	Tamil Nadu	Chennai	4,40,000	NO	Freedom Trust, Chennai	NA

(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) – ₹ 284 Lakhs
(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	284
(ii)	Total amount spent for the Financial Year	284
(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 spentin 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	Amount (in ₹).	Date of transfer.	
1.	2017-2018	NA	2,00,00,000	NA	NA	NA	NA
2.	2018-2019	NA	2,08,00,000	NA	NA	NA	NA
3.	2019-2020	NA	2,90,00,000	NA	NA	NA	NA
	TOTAL		**6,98,00,000**				

(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 (inRs).**	**Cumulative amount spent at the end of reporting Financial Year. (in ₹)**	**Status of the project - Completed /Ongoing.**
					NIL			

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)**
13/01/2021	1,80,000	Thirumalai Mission Hospital [A unit of Thirumalai Charity Trust] Vanapadi Road & Post, Ranipet, Tamilnadu, India.	Mobile App Software Software- for appointments booking and home services
15/03/2021	1,14,750		Lenovo Computer Use at Centres of TCT (SIPCOT, Keeraisathu, TMH)
15/03/2021	1,55,971		Philips TC20 ECG Machine Hospital- Emergency Ward
24/03/2021	7,000		Steel: Office Table Sipcot Centre
26/03/2021	7,434		Weighting Machine Sipcot Centre
29/03/2021	36,960		Dental X-Ray Sipcot Centre
31/03/2021	2,80,000		ECG Machine Hospital Campus and Health Centre
31/03/2021	20,00,000		X-Ray Machine Hospital X-Ray Department
TOTAL	**27,82,115**		

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/-	Sd/-
Arun Ramanathan	R. Sampath
Director	Director
(DIN: 00308848)	(DIN:00092144)

Annexure B

Statement of particulars under section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2021 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 Million	Previous Employment / Designation
1.	Mr. C. G. Sethuram	Group Chief Executive Officer	B.Tech., (Chemical Engineering), PGDM (IIMA)	65Yrs	12th August 2013	40 years	Contractual	General Management	23.31	ED (emerging business), Archean Group
2.	Mr. Sanjay Sinha	Chief Executive Officer	B.Tech (Chemical Engineering)	59Yrs	18th January 2021	36 Years	Contractual	General Management	3.21	Sector Head-Aromatics, Reliance Industries Limited
3.	Mr. S. Venkatraghavan	Executive Vice President	M.Sc, M.Tech, MBA	54Yrs	14th July 2014	29 years	Contractual	General management	7.59	Executive Vice President – Sales & Marketing Cabot Sanmar Ltd.
4.	Mr.Vijay Seth	Vice President (Projects)	MBA, IIT, Mumbai	68Yrs	28th February 2018	40+years	Contractual	General Management	7.98	Sr.Vice President Reliance Industries Ltd
5.	Ms. J. Radha	Executive Vice President, Finance	B.Com, CA	54Yrs	28th November 2019	28 years	Contractual	General Management	5.68	Rane (Madras) Ltd., Chennai – Vice President – Finance and Chief Financial Officer
6.	Mr. S Ilango	Executive Vice President-HR and TQM	Mechanical Engineer, PDGIE	55yrs	21st August 2020	32Yrs	Contractual	General Management	3.64	Vice President(HR & TQM) – Sundaram Clayton Ltd
7.	Mr. N.S. Mohan	President – Manufacturing	BE (Chemical)	65 Yrs	18th January 2021	40 years	Contractual	General Management	1.08	Chief Operating Officer-Tuticorin Alkali Chemicals and Fertilizers Ltd

$ No shares are held by them and are not relatives of any Director or Manager or KMP except Mr. Vijay Seth who holds 1000 Equity Shares of the Company

Annexure C

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

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 2020 – 2021	Year Ending 2019 – 2020
1	**Electricity**			
	a) Purchased Units	KWHR	1,673,550	3,125,550
	Total Amount Paid	₹	18,934,029	28,814,762
	Rate per Unit	₹	11.31	9.22
	b) Own Generation	KWHR	1,000,788	1,936,889
	Unit / Ltr of HSD	KWHR/LTR	2.81	2.90
	Cost per Unit	₹	23.34	17.84
2	Coal: Not consumed in the process	KWHR	Nil	Nil
3	**Furnace Oil**			
	Total Quantity	KL	4,514	9,412
	Total Amount	₹	133,841,499	292,414,595
	Average Rate	₹	29,651	31,069
4	**Other Internal Generations**	KWHR	30,296,210	30,296,210
5	Consumption Per Tonne of Production			
	Electricity	KWHR	13.59	26.85
	Furnace Oil	Ltr	36.64	80.84
	Others (Diesel)	Ltr	2.89	5.73

II. Technology Absorption, Adaptation and Innovation.
Research and Development

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

4) Research and Development Expenditure

	Particulars	2020-21	2019-20
a)	Capital	**₹NIL**	₹NIL
b)	Recurring	**₹29.02 Million**	₹32.50 Million
c)	Total	**₹29.02 Million**	₹32.50 Million
	Total R&D expenditure as a % of sales	**0.34%**	0.38%

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

	2020-21	2019-20
Export earnings	**₹663 Million**	₹846 Million
Outgo	**₹252 Million**	₹380 Million

For and on behalf of the Board of Directors

R. Parthasarathy
Managing Director
(DIN :00092172)
Place: Ranipet
Date: 26th May, 2021

R. Ravi Shankar
Director
(DIN:01224361)
Place: Chennai
Date: 26th May, 2021

ANNEXURE D
BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY			
1.	Corporate Identity Number (CIN) of the Company	:	L24100MH1972PLC016149
2.	Name of the Company	:	Thirumalai Chemicals Limited
3.	Registered Address	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022
4.	Website	:	www.thirumalaichemicals.com
5.	E-mail id	:	thirumalai@thirumalaichemicals.com
6.	Financial Year reported	:	2020-2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	20119
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	1. Phthalic Anhydride (PA) 2. Food ingredients and fine products 3. Fine and personal care ingredients. (Please refer to Company's website for complete list of its products)
9.	Total number of locations where business activity is undertaken by the Company:	:	
	a. Number of International Locations –	:	TCL has overseas subsidiaries in Malaysia, Singapore, the USA, the Netherlands & the UK.
	b. Number of National Locations	:	TCL has its: i. Registered office in Mumbai ii. Factories at Ranipet, Ranipet District, Tamilnadu and Dahej, Gujarat iii. Tank Farms at Walaja, Ranipet District, and Royapuram, Chennai, Tamil Nadu. iv. Marketing offices at Chennai & Delhi
10.	Markets served by the Company – Local/State/National/International:	:	Over the past four decades, TCL has expanded to 15 products that are exported to over 34 countries.

SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1.	Paid up Capital (INR):	**₹ 102,388,120**
2.	Total Turnover (INR):	**₹ 85,718 lakhs**
3.	Total profit after taxes (INR):	**₹ 11,762 lakhs**
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	**2.41%**
5.	List of activities in which expenditure in 4 above has been incurred:-	**a. Healthcare** **b. Education**

SECTION C: OTHER DETAILS		
1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 6 subsidiaries abroad as on 31.03.2021 and there is no Indian Subsidiary.
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable since there is no Indian Subsidiary.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The suppliers and vendors are provided awareness on environmental and social issues. The Company also communicates its business responsibility policies and approaches to the concerned stakeholders from time to time. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

   a. Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	Mrs. Ramya Bharathram
DIN No.	06367352
Designation	Whole-time Director
e-mail id	mail@thirumalaichemicals.com

   b. Details of the BR head

Name	Mr. C. G. Sethuram
DIN No.	N.A.
Designation	Group Chief Executive Officer
Telephone	+91-4172-244441/6/8
e-mail id	sethuram.cg@thirumalaichemicals.com

   c. Principle-wise (as per NVGs) BR Policy/policies:

   i. Details of compliance (Reply in Y/N): Yes

No.	Questions	Business Ethics	Product Responsibility	Well-being of employee	Stakeholders Engagement	Human Rights	Environment	Policy Advocacy	CSR	Customer relations
		P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		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, and a Responsible Care Company.								
4	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Mandatory policies viz., The Code of Conduct and Ethics, Policy on Vigil Mechanism, CSR Policy, Code of Conduct for Prevention of Insider Trading etc. have been adopted by the board and other operational internal policies are approved by the management.								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The implementation and adherence to the code of conduct for employees is administered by the HR/Personnel Department. The CSR policy is administered by CSR Committee in line with the requirements of the Companies Act, 2013. The CEO and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.								
6	Indicate the link for the policy to be viewed online?	Mandatory policies are available on the Company's website at the following link http://www.thirumalaichemicals.com/Policies.html								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The internal policies have been communicated to all stakeholders and the same are available on the Company's intranet.								
8	Does the company have in-house structure to implement the policy/ policies?	The Company has established in-house structures to implement these policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Stakeholders can report any grievance against the company at the companies email ID and the same will be addressed by the Management of the Company.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the Company's Code of Conduct and other policies are reviewed through internal audit function. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process and continuous assessments.								

ii. If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – **N.A**

d. Governance related to BR

i. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The CEO and Senior Management review the BR performances of the Company through their monthly review meetings and report the same to the Board every Quarter.

ii. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Sustainability Report and BR report is available as part of the Annual Report.
Link to View the report: www.thirumalaichemicals.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   Yes. It extends to the entire group, JVs, Subsidiaries and NGOs. The Company acts with integrity in accordance with its core principles of Trust, Value and Service. TCL has adopted a separate Code of Conduct and Ethics which specifically pertains to the Company's Directors and the senior management personnel one level below the Board, including all the functional heads. The Code of Conduct and Ethics is devised to enable the Directors and the senior management personnel to strive to perform their duties with highest standards of integrity, accountability, confidentiality and independence. A declaration of the Directors and the senior management personnel towards annual affirmation to the Code of Conduct and Ethics is communicated to all stakeholders by the Chairman and Managing Director, through the Annual Report.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**
   During the period under review, the Company has not received any complaints regarding, violation of the Code of Conduct.

Principle 2: Product Life Cycle Sustainability

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**
   a. Phthalic Anhydride (PA)
   b. Food ingredients
   c. Fine and personal care ingredients

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

   (a) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
   Our manufacturing process is one of the most efficient in the industry. Our Specific Energy (power and heat) consumption in the last three decades has reduced by 78%. This is largely as a result of two initiatives: benchmarking and improving the efficiencies of all power and heat consuming equipment in manufacture; and recovering waste heat from every possible source, converting it into steam and power and recycling these.

   TCL has a three-pronged energy savings approach. We recover energy from waste heat, we use energy efficiently, and we encourage innovation by employees. 95% of our total power requirements are met from waste heat and steam. We have modified the exothermic process in our plants to extract energy and heat to use in our operations, thus making our energy footprint near zero. We have also discovered ways to create value from the byproducts produced. We have also implemented over 1,000 small energy saving measures, such as replacing old equipment, installing efficient technology, and ensuring maintenance of the plant is regularly monitored.

   (b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
   TCL has a dedicated Research & Development Team that is focused on creating innovative products for its customers that meet global standards and are environmentally sustainable, reflecting its commitment to environmental sustainability.

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to embed the principles of sustainability, as far as practicable, into the various stages of product life-cycle, including procurement of raw material / service, manufacturing of product or delivery of service, transportation of raw materials and finished goods, and disposal by consumers. Responsible Care Guidelines and Sedex Members Ethical Trade Audit (SMETA) Best Practice Guidance have been adopted by the company to ensure for sustainable sourcing.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, local sourcing is an important facet of sustainable procurement and we take efforts to encourage and enable our suppliers to meet quality norms and standards. Many inputs like raw materials, packing materials and consumables are sourced from local vendors.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. We remain a Zero Liquid Discharge (ZLD) company, in spite of operating a large complex with many plants and products. Water consumption is constantly reduced, and all waste waters are recycled after recovering valuable chemicals which are then converted to fine−chemical products It is further being modernized to handle with contemporary Technology to provide better efficiencies in recycling of waste streams.

Principle 3: Employee Wellbeing

<table>
<tr><td>1.</td><td>Total number of employees.</td><td>478</td></tr>
<tr><td>2.</td><td>Total number of employees hired on temporary/contractual/casual basis.</td><td>225</td></tr>
<tr><td>3.</td><td>Number of permanent women employees.</td><td>30</td></tr>
<tr><td>4.</td><td>Number of permanent employees with disabilities</td><td>NIL</td></tr>
<tr><td>5.</td><td>Employee association that is recognized by management?</td><td>5 Men works committee</td></tr>
<tr><td>6.</td><td>Percentage of permanent employees who are members of this recognised employee association?</td><td>7.09%</td></tr>
<tr><td>7.</td><td>Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.</td><td>
<table>
<tr><th>No.</th><th>Category</th><th>No of complaints filed during the financial year</th><th>No of complaints pending as on end of the financial year</th></tr>
<tr><td>1</td><td>Child labour/forced labour/involuntary labour</td><td>NIL</td><td>NIL</td></tr>
<tr><td>2</td><td>Sexual harassment</td><td>NIL</td><td>NIL</td></tr>
<tr><td>3</td><td>Discriminatory employment</td><td>NIL</td><td>NIL</td></tr>
</table>
</td></tr>
</table>

8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? a. Permanent Employees b. Permanent Women Employees c. Casual/Temporary/Contractual Employees d. Employees with Disabilities	 **100%** **100%** **100% (Safety Training)** **N/A**

Principle 4: Stakeholder Engagement

1. **Has the company mapped its internal and external stakeholders? Yes/No**
   Yes. The Company has mapped its internal and external stakeholders in a structured way and carries out engagements with investors, employees, customers, suppliers, government, regulatory authorities, trade union and local community. The Company follows a system of timely feedback and response through formal and informal channels of communication to ensure that the stakeholder information remains current and updated.

2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   Yes, The Company works alongside the Thirumalai Charity Trust (since 1973), The Akshaya Vidhya Trust (Since 1994) and the Thirumalai Mission Hospital (Since 2010) in their health, education, and community development programs. These programs help in identifying marginalized and disadvantaged groups through need assessment in all the villages where they operate by engaging with the local communities. Such marginalized and disadvantaged communities includes villagers and economically deprived children and women who are in great need of care and protection.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.**
   As mentioned above the Company continues to work alongside various charitable organizations to fulfill its corporate social responsibility. These Organizations provide affordable and quality healthcare and education in the communities we operate in. The Corporate Social Report describes these initiatives in further detail.

   In addition to the above, the training and development programmes of the Company for young persons from rural communities and towns, started 30 years ago, have been well recognized. A majority of the employees of the company at all levels, including in R&D and Management, joined the Company as young trainees. This programme is now being further extended to training local youth to become good craftsmen and technicians in an effort to generate more employment in these communities. We plan to extend these to our new site in Gujarat.

Principle 5: Human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   The Company policies support, respect and protect the human rights of its direct as well as indirect Stakeholders. Human rights cover a host of aspects including non-discrimination, gender equality, freedom of association, collective bargaining, avoidance of child and forced labour among others. The Company is compliant with national regulations pertaining to human rights.

   TCL has put in place a Code of Conduct which is applicable to all the employees to adhere and uphold the standards contained therein.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   During the year under review, TCL has not received any complaint from any stakeholders.

Principle 6: Environmental

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**
TCL is a FSSC 22000 (equivalent to GFSI), HACCP, Halal & Kosher Certified, ISO 9001, ISO 14001 & ISO 50001 compliant, and a Responsible Care Company. TCL is promoting the certification of all its key stakeholders- suppliers, dealers and contractors.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
As per our EQHS Policy, we commit ourselves to operate our Plants and facilities with the utmost care to minimize our impact on the Environment and on the Health and Safety of our employees, the community and our customers.

   We have committed to combat climate change by improving energy efficiency and use of renewable energy. The strategies, the activities carried out and the results achieved are explained on the company's website at http://www.thirumalaichemicals.com/environment.html

3. **Does the company identify and assess potential environmental risks?Y/N**
Yes. TCL is certified under ISO 14001: 2015 standards and has laid down procedure for Risk identification, assessment and mitigation.

   TCL has an excellent safety culture and a robust reporting system built on involvement at all levels. We encourage self-audits and ask employees to report failures immediately. A safety park was built onsite in 2012 to demonstrate many of our onsite safety features. The risk management measures of the company are also reviewed by the Risk Management Committee of the Board.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
Our emissions are fully treated and clean. They are continuously monitored and reported to the state regulator and the public in real time. Our dramatic reductions in energy and input-use have resulted in exceptional air emission performance.

   We have reduced our carbon dioxide emissions by reducing our need for energy in our production process and transportation. For example, by using steam to raise the temperatures in the production process, we have reduced the need for furnace oil, a petroleum product.

   TCL was one of the earliest RCC signatories in India, and one of the few to be audited and certified. In 2008 the Indian Chemical Council recognized us as 'Best Responsible Care Committed Company' in India.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web pages etc.**
Yes. http://www.thirumalaichemicals.com/environment.html

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
Yes, the emissions are within the permissible limits given by the relevant SPCB

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
Nil

Principle 7: Policy Advocacy

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**
a. Indian Chemical Council (ICC).
b. Confederation of Indian Industry (CII)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others):**
Yes, the Company has advocated through the above associations:

Indian Chemical Council – Economic Reforms, Water and Sustainable Business Principles
CII – Governance & Administration, Economic Reforms, Energy Security, Water, Sustainable Business Principles

Principle 8: Inclusive Growth

1. **Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8?**
TCL works alongside the Thirumalai Charity Trust (since 1973), the Akshaya Vidhya Trust (since 1994), and the Thirumalai Mission Hospital (since 2010), Charitable organizations which provide affordable and quality healthcare and education in the communities we operate in. The CSR Committee recommended continuing support for the Thirumalai Charity Trust's Health and Rural development projects and for the Akshaya Vidya Trust's Educational programmes in lines with the 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.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**
The Founders of TCL actively supported Health and Educational Institutions in Bombay and Madras (now called Mumbai and Chennai) from the early Sixties; they were active in building, managing and growing the SIWS (South India Welfare Society) Schools and Colleges, which in its early days focused mainly on weaker sections of the community. They set up the Thirumalai Charity Trust (TCT) in 1970, to channel and manage these philanthropic activities in an organised and professional manner. From 1976 when it started business, TCL has been supporting these activities and ensuring effective delivery through the professional social service organisation of the TCT, with a special emphasis on activities in North Arcot District, now called the Ranipet District.

By 1994 when the need for good Schools became critical to serve the professional and the rural communities here, including our employees, the TCT with our assistance, set up the Akshaya Vidya Trust (AVT) as a daughter trust to focus on education: the AVT now has 3 excellent schools serving over 2500 children, and over 65% of the children are from rural communities.

3. **Have you done any impact assessment of your initiative?**
Yes. We believe that every activity should result in some impact. We have measurable parameters for all our activities in all the focus areas viz., Education, Health, Women Empowerment, Community development services. The CSR committee of the Company recommends spending on the approved CSR activities and monitors the spending and performance of such activities.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
The Corporate Social Report describes these initiatives supported by the company in detail.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
Yes. TCL enables communities to take ownership of the development effort. For this their participation is essential. They participate both physically and financially. TCL involves the community in all its efforts and make people reaching the desirable levels of economic development, health, education and environment. By making them reach the desirable development status, the community is confident and is ready to take the responsibility of continuing with their effort.

Principle 9: Customer value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   Nil.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**
   Yes.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   No.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   Yes.

For and on behalf of the Board of Directors

Place: Ranipet,
Date: 26th May, 2021

R. Parthasarathy
Managing Director
(DIN :00092172)

Corporate Governance Report 2020-2021

[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 internalize them and work within this framework.

This has given us a good reputation as an employer, business partner and a member of the community. The Board of the company and the Management team remain committed to this culture of integrity and transparency in the conduct of our business.

BOARD OF DIRECTORS

Your Company's Board of Directors ("Board") decides the policies and strategy of the Company and has the overall superintendence and control over the management of the Company. The Board and its committees review implementation of these, and 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, two Executive Directors and Eight Non-Executive Directors.

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

b) Matrix setting out skills 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 summarized below. The lack of a mark does not mean the director does not possess that qualification or skill; rather a mark indicates a specific area of focus or expertise on which the Board relies most heavily.

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

[1] Chairman & 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. Six meetings of the Board of Directors were held during FY 2020–21 on **28th April, 2020, 17th June, 2020, 04th August, 2020, 14th August, 2020, 12th November, 2020 and 11th February, 2021.** 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.

f) Directors Attendance Record and Directorships held:

The details of attendance of each Director at the six Board meetings held during the financial year 2020-2021, at the last AGM and other particulars of Directorships are given below:-

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]	6	Yes	2	**Listed:**		-	-
				-	-		
				Others:			
				1. Jasmine Limited	Non-Executive		
				2. N. R. Swamy Investments Private Limited	Executive		
Mr. N. Subramanian	6	Yes	1	**Listed:**		-	-
				-	-		
				Others:			
				1. Endeka Ceramics India Private Limited	Non –Executive		
Mr. Raj Kataria	6	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	6	Yes	1	**Listed:**		1	1
				-	-		
				Others:			
				1. Acsys Investments Private Limited	Non –Executive		
Mr.Dhruv Moondhra	6	Yes	4	**Listed:**		-	-
				1. TTK Prestige Limited	Independent		
				Others:			
				1. Ice Steel 1 Private Limited	Executive		
				2. Steel Mart India Private Limited	Executive		
				3. Steel Endeavours Private Limited	Executive		
Mr. R. Sampath	6	Yes	2	**Listed:**		2	-
				1. Ultramarine & Pigments Limited	Non-Executive		
				Others:			
				1. Ultramarine Specialty Chemicals Limited	Non-Executive		

Mrs.Ramya Bharathram	6	Yes	2	**Listed:** - **Others:** 1. Jasmine Limited 2. N. R. Swamy Investments Private Limited	 - Non-Executive Non-Executive	-	-
Mr. P. Mohana Chandran Nair	5	Yes	NIL	NIL	NIL	-	-
Mr.Arun Ramanathan	6	Yes	2	**Listed:** 1. Equitas Holdings Limited **Others:** 1. Equitas Small Finance Bank Limited	 Independent Independent	3	2
Mr. Rajeev Pandia	6	Yes	6	**Listed:** 1. GRP Limited 2. The Supreme Industries Limited 3. Ultramarine & Pigments Limited 4. Excel Industries Limited 5. Supreme Petrochem Limited **Others:** 1. Deepak Phenolics Limited	 Independent Independent Independent Independent Independent Non – Executive	6	2
Mrs. Bhama Krishnamurthy	6	Yes	7	**Listed:** 1.Reliance Industrial Infrastructure Limited 2.Network18 Media & Investments Limited 3.Cholamandalam Investment and Finance Company Limited 4. CSB Bank Limited **Others:** 1. Five Star Business Finance Limited 2. Muthoot Microfin Limited 3. e-Eighteen.com Limited	 Independent Independent Independent Independent Non – Executive Non – Executive Non – Executive	7	-

[1] Chairman & Managing Director

g) Remuneration of Directors:

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

Details of remuneration paid to the Managing Director and the Whole-time Directors during the year ended March 31, 2021 are:

Name	Position	Salary ₹	Commission ₹	Contribution to P.F. and other Fund ₹	Perquisites & others (excluding actuarial valuation) ₹	TOTAL
Mr. R. Parthasarathy	Managing Director	2,04,75,000	2,57,81,000	17,25,000	84,295	4,80,65,295
Mrs. Ramya Bharathram	Whole-time Director	1,05,29,866	1,28,90,000	6,56,560	--	2,40,76,426
Mr. P. Mohana Chandran Nair	Whole-time Director	54,33,056	NIL	3,02,700	--	57,35,756

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 paid to the Non-Executive Directors are as under:

Sitting fees paid to the Non-Executive Directors (Financial Year 2020-21)

Name of the Director	Sitting fees paid (₹)
Mr. N. Subramanian	9,20,000
Mr. Raj Kataria	7,40,000
Mr. R.Ravishankar	9,60,000
Mr. Dhruv Moondhra	7,40,000
Mr. Arun Ramanathan	7,60,000
Mr. R.Sampath	9,40,000
Mr. Rajeev Pandia	7,40,000
Mrs. Bhama Krishnamurthy	5,00,000

h) Details of the Shares held by Non-Executive Directors as on March 31, 2021

Name of the Director	No. of Shares held*
Mr. R.Sampath	29,54,655
Mr. Raj Kataria	500
Mr. N. Subramanian	600
Mr. Dhruv Moondhra	1,000
Mr. Rajeev Pandia	2,400

* Incl. Trust holdings

BOARD COMMITTEES

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

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

Two Third of the Members of each Committee are Independent Directors.

A) AUDIT COMMITTEE:

The Composition of the Audit Committee of the Company meets with the requirements of Section 187 of the Companies Act, 2013 and as required under Reg. 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. R. Ravi Shankar	Independent Director & Chairman	4
2.	*Mr. N. Subramanian	Independent Director	3
3.	Mr. Raj Kataria	Independent Director	3
4.	Mr. Arun Ramanathan	Independent Director	4
5.	Mr. R. Sampath	Director	4
6.	#Mrs. Bhama Krishnamurthy.	Independent Director	1

*Ceased to be a member on 12.11.2020

#Inducted as a member on 12.11.2020

Four meetings of the Audit Committee were held during the year 2020-21 on **17th June, 2020, 13th August, 2020, 11th November, 2020 and 10th February, 2021.**

The Objectives of the Audit Committee are as follows:

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

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

- Reviewing the :
  - Internal Audit plan of the Company, for 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.
  - Performance, Constitution and Terms of Reference of the Audit Committee.
  - Company's programs on Bank Charges / Commitment charges and helped to review the system to streamline and speed up collection of relevant Forms.
  - Plans for Improvement of ERP system.
- Compliance with IND AS Programme
- Implementation of Forex Policy in the Company
- Making recommendation on the re-appointment of the external auditor as and when due

B) STAKEHOLDERS RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee constitutes of the following members:

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

One Meeting of the Stakeholders Relationship Committee was held during the year 2020-21 on **15th June, 2020.**

The Stakeholders Relationship Committee deals with the following matters:

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

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

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

During FY-20-21, 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 that the shareholding in dematerialized mode as on 31st March, 2021 was 98.40 %.

C) BUSINESS REVIEW COMMITTEE:

The Business Review Committee constitutes of the following members:

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

Four meetings of the Business Review Committee were conducted during 2020-21 on **28th July, 2020, 03rd November, 2020, 3rd February, 2021 and 26th March, 2021.**

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 FY20-21, the Business Review Committee specifically:

- Reviewed and recommended the upgradation of Plants and the Capex involved.
- Reviewed the execution plans of the ongoing projects.
- Reviewed logistics cost initiatives by the Company
- Fixed various Operational and Financial Targets for the Company for the Financial Year 2021-22.

D) NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee constitutes of the following members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Raj Kataria	Independent Director & Chairman	3
2.	Mr. N. Subramanian	Independent Director	3
3.	Mr. R. Sampath	Director	3
4.	*Mr. Rajeev M Pandia	Independent Director	-

*Inducted on 12.11.2020

Three meetings of the Nomination & Remuneration Committee were conducted during 2020-21, on **15th June, 2020, 13th August, 2020 and 10th October, 2020**.

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-20-21, 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 Whole-time Directors 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 2021-22
- Determining the remuneration of Senior Management.
- Made recommendation in relation to the remuneration for the Chief Executive Officer & Executive Directors.

Criteria for evaluation of performance of Independent Directors and the Board of Directors.

Specific Criteria for evaluation of performance of Independent Directors

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

E) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility Committee comprises of the following members:

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. Arun Ramanathan	Independent Director & Chairman	1
2.	Mr. N. Subramanian	Independent Director	1
3.	Mr. R. Sampath	Director	1
4.	#Mrs. Bhama Krishnamurthy	Independent Director	-

#Inducted on 12.11.2020

One meeting of the Corporate Social Responsibility Committee was conducted during 2020-21 on **15th June, 2020.**

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-21, based on the recommendation of the CSR Committee, your Company made a donation of ₹289 lakhs to CSR activities.

F) INVESTMENT, FINANCE AND BANKING COMMITTEE:

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

S.No	Name of the Director	Category	No. of Meetings Attended
1.	Mr. R. Ravi Shankar	Independent Director & Chairman	3
2.	*Mr. R. Parthasarathy	Managing Director & Chairman	2
3.	$Mrs. Ramya Bharathram	Whole-time Director	1
4.	Mr. Raj Kataria	Independent Director	3
5.	Mr. Arun Ramanathan	Independent Director	3
6.	#Mrs. Bhama Krishnamurthy	Independent Director	1

*Ceased to be a member on 12.11.2020
$Inducted on 12.11.2020
#Inducted on 11.02.2021

Three meetings of the Investment, Finance and Banking Committee were conducted during 2020-21 on **25th June, 2020**, **17th August, 2020, 03rd February, 2021.**

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.

Familiarization programmes for Directors

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

Policy on Material Subsidiary

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

Policy on Related Party Transactions

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

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

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

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

a. the relationship of remuneration and performance benchmarks is clear;
b. balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;
c. responsibility required to be shouldered by the Managing Director/Whole-time Directors, the industry benchmarks and the current trends;

Remuneration Policy for the Senior Management Employees

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

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

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

VIGIL MECHANISM / WHISTLE BLOWER MECHANISM

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

No complaint had been registered during 2020-21. 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 ₹37 Lakhs.

GENERAL BODY MEETINGS

The Forty Eighth Annual General Meeting of the Company for the Financial Year 2020-2021 has been scheduled to be held on **Wednesday, 21st July, 2021 at 2.30 p.m.** through Video Conferencing ('VC') or other Audio-Visual Means ('OAVM') to avoid physical presence of the members at a common venue and to maintain social distancing.

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

Financial Year	Date	Time	Location
2019 -2020	07/08/2020	2.30 p.m.	Through Video Conferencing

Special resolution was passed for Re-appointment of Mrs. Ramya Bharathram (DIN 06367352), as a Whole-time Director of the Company from 03.11.2020 for a period of three years.

Financial Year	Date	Time	Location
2018 -2019	25/07/2019	2.30 p.m.	Mysore Association Auditorium, Bhaudaji Road, Matunga –(C.Rly) Mumbai.

Special resolution was passed for:
1. Re-appointment of Mr. R. Parthasarathy as Chairman & Managing Director for a period of three years from August 01, 2019.
2. Continuation of Directorship of Mr. R. Sampath, Non-Executive Director who will attain the age of Seventy-five (75).
3. Re-appointment of Mr. N. Subramanian as an Independent Director for a period of 2 consecutive years.
4. Re-appointment of Mr. R. Ravi Shankar as an Independent Director for a period of 5 consecutive years.
5. Re-appointment of Mr. Raj Kataria as an Independent Director for a period of 5 consecutive years
6. Re-appointment of Mr. Dhruv Moondhra as an Independent Director for a period of 5 consecutive years.

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

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

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, 2021. 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 31st March, 2021.

MEANS OF COMMUNICATION:

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

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

AFFIRMATION:

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

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

A. The Board

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

B. Shareholder Rights

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

C. Modified opinion(s) in audit report

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

D. Separate posts of Chairperson and Chief executive officer

Same person occupied the position of Chairperson and Managing Director during the financial year.

E. Reporting of internal auditor

The Internal Auditors directly reported to the Audit Committee.

GENERAL SHAREHOLDERS INFORMATION:

1) Date, time and venue of 48th AGM	:	21st July 2021, 2.30 pm through Video Conferencing
2) Date of Book Closure	:	15/07/2021 To 21/07/2021 (both days inclusive)
3) Listing on Stock Exchanges	:	BSE Ltd. (BSE) and National Stock Exchange Ltd. (NSE).
4) Listing fees	:	Paid as per the listing agreement.
5) ISIN No	:	INE 338A01024.
6) BSE Stock code	:	500412
NSE Stock code	:	TIRUMALCHM
7) Registered office	:	Thirumalai House, Road No.29, Sion-East, Mumbai-400 022, India Tel: +91-22- 24018841/7861/7853/7869/7834 E-mail- rajagopalan.t@thirumalaichemicals.com
8) 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
9) 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- rajagopalan.t@thirumalaichemicals.com
10) Share Transfer system	:	The Company's shares are traded in the Stock Exchanges which are compulsorily in Demat mode. Shares sent for physical transfer with valid Documents were registered within the prescribed period allowed SEBI.
11) Financial Calendar	:	Annual Result - 26th May, 2021 E-Mailing of Annual Reports - By 26th June, 2021 Results for the Quarter ending: June 30, 2021 - By 14th August, 2021 September 30, 2021 - By 15th Nov, 2021 December 31, 2021 - By 14th Feb, 2022 March 31, 2022 - By 31st May, 2022
12) Dematerializations of shares	:	As on 31/03/2021, 98.40% of the Company's Share Capital representing 10,07,52,920 shares which were held in the dematerialized form.

13) Plant Location : i. 25-A, SIPCOT, Ranipet,
Ranipet District, Tamil Nadu, India
Tel. : +91-4172-244441. Fax: +91-4172-244308.
E-Mail: mail@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: mail@thirumalaichemicals.com

14) Categories of Shareholders as on 31.03.2021:

Category	**No. of shares**	**% of shareholding**
Promoters, Directors & their Relatives	1,56,94,861	15.33
Group companies	2,72,05,820	26.57
Financial Institutions / Banks/ Mutual Funds/ Foreign Portfolio Investors	3,78,648	0.37
Insurance companies	4,000	0.01
NRIs	27,22,598	2.66
Companies / Bodies corporates	49,50,210	4.83
General Public	4,83,83,169	47.25
Clearing members	7,07,224	0.69
Trusts	16,880	0.02
HUFs	23,24,710	2.27
TOTAL	**10,23,88,120**	**100**

15) Distribution of Shareholding as on 31.03.2021:

No. of shares	**No. of shareholders /Folios**	**% of shareholders**	**Shareholding**	**% of shareholding**
Up to 500	40,345	73.29	63,48,135	6.20
501 to 1000	6,460	11.74	53,86,439	5.26
1001 to 2000	3,755	6.82	58,47,481	5.71
2001 to 3000	1,512	2.75	38,85,364	3.79
3001 to 4000	699	1.27	25,32,398	2.47
4001 to 5000	652	1.18	30,99,044	3.03
5001 to 10000	895	1.63	67,09,561	6.55
Above 10000	730	1.33	6,85,79,698	66.98
Total	**55,048**	**100.00**	**10,23,88,120**	**100.00**

16) Stock market price data for the year 2020-2021:

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 29,505.33 closing 49,509.15

Indices : NIFTY 50 opening 8584.10 closing 14690.70

	BSE			NSE		
Month7	**High (₹)**	**Low (₹)**	**No. of Shares**	**High (₹)**	**Low (₹)**	**No. of Shares**
April, 2020	49.25	36.50	9,22,039	49.25	36.50	64,79,103
May, 2020	44.60	38.75	3,52,125	44.95	38.20	24,09,742
June, 2020	53.90	42.25	12,89,104	53.90	42.10	1,27,98,178
July, 2020	66.75	48.50	15,87,671	66.75	48.40	1,29,55,876
August, 2020	79.10	52.50	31,99,909	79.15	52.55	2,42,36,074
September, 2020	79.85	62.35	19,68,912	79.75	62.40	2,09,92,633
October, 2020	81.25	70.25	14,45,777	81.35	68.75	1,30,66,643
November, 2020	102.20	69.95	23,04,393	102.50	69.95	2,51,50,301
December, 2020	118.70	86.25	28,93,577	116.45	87.00	2,31,00,018
January, 2021	103.25	86.65	17,57,392	103.40	86.55	1,43,97,980
February, 2021	108.00	89.00	20,55,907	107.90	89.05	1,72,98,402
March, 2021	111.90	85.00	22,67,029	111.40	81.20	1,74,78,859

For and on behalf of the Board of Directors

R. Parthasarathy
Managing Director
(DIN :00092172)
Place: Ranipet
Date: 26th May, 2021

R. Ravi Shankar
Director
(DIN:01224361)
Place: Chennai
Date: 26th May, 2021

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, 2021.

For Thirumalai Chemicals Limited

R.Parthasarathy
Managing Director
(DIN: 00092172)

Ranipet, 26th May, 2021

SUSTAINABILITY REPORT

As we have stated in the Directors' Report, we continue to be compliant with all aspects of safety, environmental performance and operations. Nearly 80% of the energy we use for our manufacturing complex comes from recovery and recycle of waste heat. With the new investments, the quantity of energy recovery has improved, driving down the purchase of fuel, and significantly reducing emissions.

Our consumption of raw material has also reduced as our yields improve, which has helped us improve our emission targets for the year. Our effluent treatment systems have been revamped fully and will be capable to handle all upsets, and the treatment capacity has been enhanced significantly to handle both current and future growth, with enough margins. Thus, our Zero Liquid Discharge performance, achieved 2 decades ago, will continue.

As shareholders know, from our Petrochem plant effluents we recover and synthesize about 5,000 tons of Food Ingredients – by processes which were developed in house and are proprietary to your Company. These are sold domestically and exported for food and technical applications.

During the year in review, our excellent Training and Development programs have strengthened, developing many young operators, executives & managers at different levels in the organization; over 90% of our organisation is composed of persons who joined the Company as trainees.

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 28 April 2021.
2. We have examined the compliance of conditions of corporate governance by Thirumalai Chemicals Limited('the Company') for the year ended on 31 March 2021, 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 ofIndia (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31 March 2021.

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

Restriction on use

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

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABW3265

Place: Chennai
Date: 26 May 2021

Form No. MR.3

Secretarial Audit Report for the financial year ended on March 31, 2021

[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 and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2021 generally 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, 2021 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
    f. Legal Metrology Act, 2009
    g. Legal Metrology (Packaged Commodities) Rules, 2011.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India related to the meetings of Board of Directors and General Meetings;
(ii) The SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 and listing agreement entered into by the Company with Stock Exchanges in India.

We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company and test verification on random basis carried out for compliances under other applicable Acts, Laws and Regulations to the Company.

The compliance by the Company of the applicable direct tax laws, indirect tax laws and other financial laws has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals and being relied on the reports given by such designated professionals.

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

During the financial year under review, provisions of the following regulations were not applicable to the Company;

a) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

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

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

d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

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

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.
- Decisions at the meetings of Board of Directors of the Company and Committee thereof were carried out with requisite majority.

We further report that based on the information provided and representation made by the Company and also on the review of compliance reports of the respective department duly signed by the department head and Compliance Certificate(s) of the Managing Director/Company Secretary/CFO taken on record by the Board of Directors of the Company, in our opinion adequate system and process exists in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

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

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

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No. : 4234
UDIN: F006271C000374837

Place: Mumbai
Dated: 26 May, 2021

Note: This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

Annexure – "A"

To,
The Members
Thirumalai Chemicals Limited [CIN; L24100MH1972PLC016149]
Thirumalai House,
Road No. 29, Near Sion Hill
Fort, Sion (East), Mumbai-
400022

Our Secretarial Audit Report of even date is to be read along with this letter;

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;
4. Where ever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc.;
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

RANJANA MIMANI
(PARTNER)
FCS No: 6271
CP No. : 4234
UDIN: F006271C000374837

Place: Mumbai
Dated: 26 May, 2021

Independent Auditor's Report

Independent Auditor's Report

To the Members of Thirumalai Chemicals limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Thirumalai Chemicals Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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 Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

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

   Capital work in progress (CWIP)/Property, Plant & Equipment (PPE) (Refer note 2.8 & note 3 to the accompanying standalone financial statements)

Key audit matter	How the matter was addressed in the audit
The company is in the process of constructing new plants / augmenting existing assets ('projects') for expanding / improving its business operations. During the year, the Company has incurred a total sum of ₹ 4,588 lakhs towards additions made to CWIP. Further, out of the total additions to CWIP, ₹ 3,727 lakhs pertains to additions containing numerous transactions towards Dahej Project. During the year, the Company has also capitalised ₹ 872 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 a number of areas where management judgement impacts the carrying value of PPE & CWIP. These include the decision to capitalise or expense costs, the unit of measure to be used for capitalisation, determining what constitutes an item of PPE and the timeliness of capitalisation based on whether the assets are in the location and condition necessary for it to be capable of operating in the manner intended by the management. 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 Company's financial position and performance. Inappropriate timing of capitalisation of the project and/or identification of significant parts of PPE could result in material misstatement of CWIP/ 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 capitalisation the aforesaid matter was determined to be a key audit matter for the current year.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the business process, and assessed the appropriateness of the accounting policy adopted by the company in accordance with Ind AS 16. • Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Tested the additions made to PPE and CWIP on a sample basis by checking underlying supporting documents to ensure such items are recorded accurately in the correct account and period, in accordance with the requirements of Ind AS 16. • On a test check basis, we have physically verified existence of CWIP/PPE during our site visits. • 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. • For projects completed during the year, reviewed the project completion/handover certificate provided by the management 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. • For such projects, assessed the appropriateness of timing of capitalisation, identification of significant parts of property, plant and equipment that are depreciated separately and useful lives considered for calculation of depreciation charge. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards. Based on audit procedures performed, we determined the identification and timing of capitalisation of PPE and CWIP to be appropriate in the context of the Standalone financial statements taken as a whole.

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

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the 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 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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

    a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    b) 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 financial statements in place and the operating effectiveness of such controls;

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

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

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

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

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

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, 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.

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

17. Further to our comments in Annexure A, as required by section 143(3) of the Act, 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;

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 2021 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 26 May 2021 as per Annexure B expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 33 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;

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 2021;

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 2021; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABU2495

Place: Chennai

Date: 26 May 2021

Annexure A to the Independent Auditor's Report of even date to the members of Thirumalai Chemicals Limited, on the standalone financial statements for the year ended 31 March 2021

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

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

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are 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 program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

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

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

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

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

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

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

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

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

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

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to 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 become payable.

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

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid including Interest (₹)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax dues	8,448,007	Nil	FY 2000-01 to 2005-06	High Court, Chennai
Tamil Nadu General Sales Tax Act, 1959	Tax dues	1,673,318	418,329	FY 2006-07	Appellate Deputy Commissioner (CT), Vellore
Tamil Nadu Value Added Tax, 2006	Tax dues	3,565,859	486,453	FY 2006-07 to 2008-09; 2013-14 to 2014-15	Appellate Deputy Commissioner (CT), Vellore
Central Sales Tax Act, 1956	Tax dues	1,384,482	346,120	FY 2006-07	Appellate Deputy Commissioner (CT), Vellore
Income Tax Act, 1961	Tax dues	86,212,845	49,457,564	Assessment years 2012-13 to 2014-15; 2016-17 to 2017-18	CIT(A), Mumbai

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

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

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

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

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

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

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

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

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

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABU2495

Place: Chennai
Date: 26 May 2021

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 2021

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 2021, we have audited the internal financial controls with reference to 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 IFCoFR 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 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 Company's internal financial controls with reference to financial statements.

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 Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on 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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABU2495

Place : Chennai
Date: 26 May 2021

BALANCE SHEET

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

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	29,238	30,581
Capital work-in-progress	3	10,795	7,079
Intangible assets	3	12	32
Right of use assets	3	2,484	2,256
Financial assets	20		
(i) Investments	4	19,042	11,868
(ii) Loans	5	1,470	1,508
(iii) Other financial assets	6	204	323
Income tax assets (net)	7(I)	1,017	962
Other non-current assets	8	233	561
		64,495	**55,170**
Current assets			
Inventories	9	10,947	13,267
Financial assets	20		
(i) Investments	4	2,005	-
(ii) Trade receivables	10	4,995	6,421
(iii) Cash and cash equivalents	11	17,607	17,421
(iv) Bank balances other than (iii) above	11	8,155	1,080
(v) Other financial assets	6	279	1,607
Other Current assets	8	3,437	3,856
		47,425	**43,652**
Total assets		**1,11,920**	**98,822**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	12	1,024	1,024
Other equity	14	71,440	54,517
Total equity		**72,464**	**55,541**
Non-current liabilities			
Financial liabilities	20		
(i) Borrowings	15	10,063	12,628
Deferred tax liabilities (net)	7(V)	4,481	4,460
Provisions	16	1,037	828
		15,581	**17,916**
Current liabilities			
Financial Liabilities	20		
(i) Trade payables	17		
(A) Total outstanding dues of micro enterprises and small enterprises		34	18
(B) Total outstanding dues other than micro enterprises and small enterprises		17,420	21,796
(ii) Other financial liabilities	18	4,814	2,826
Provisions	16	154	202
Current tax liabilities	7(II)	362	-
Other current liabilities	19	1,091	523
		23,875	**25,365**
Total equity and liabilities		**1,11,920**	**98,822**

Notes 1 to 37 form an integral part of these standalone financial statements

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2021

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

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2021

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2021

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2021

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2021

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

STATEMENT OF PROFIT AND LOSS

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	21	85,718	86,542
Other income	22	879	2,202
Total income		**86,597**	**88,744**
EXPENSES			
Cost of materials consumed	23	50,061	62,167
Purchase of stock-in-trade	23	643	1,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	1,077	46
Employee benefit expenses	25	3,672	3,339
Finance costs	26	1,887	1,554
Depreciation and amortisation expenses	3	2,521	2,118
Other expenses	27	11,308	12,336
Total expenses		**71,169**	**82,779**
Profit before tax		**15,428**	**5,965**
Tax expense	7(III)		
-Current tax		4,062	745
-Deferred tax		(396)	1,133
Total tax expense		**3,666**	**1,878**
Profit for the year		**11,762**	**4,087**
Other comprehensive income:			
<u>Items that will not be reclassified to profit or loss</u>			
-Re-measurements of defined benefit liabilities	16	(41)	(35)
-Equity instruments through other comprehensive income		5,619	(4,250)
-Income tax relating to items that will not be reclassified to profit or loss	7(IV)	(417)	12
Other comprehensive income for the year, net of tax		**5,161**	**(4,273)**
Total comprehensive income for the year		**16,923**	**(186)**
Earnings per equity share on profit for the year	28		
Basic and diluted (in ₹)		11.49	3.99
Notes 1 to 37 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

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

Sumesh E S
Partner
Membership No: 206931

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2021

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2021

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2021

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2021

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

Place : Chennai
Date : 26 May 2021

STATEMENTS OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2021

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

A. Equity Share Capital

	Amount
Balance as at 31 March 2019	**1,024**
Issue of shares	-
Balance as at 31 March 2020	**1,024**
Issue of shares	-
Balance as at 31 March 2021	**1,024**

B. Other Equity

Particulars	Other equity				
	Reserves and Surplus			Other reserves	Total other equity
	General reserve	Securities Premium	Retained earnings	Accumulated other comprehensive income	
Balances at 31 March 2019	**4,283**	**1,971**	**38,524**	**12,394**	**57,172**
Profit for the year	-	-	4,087	-	4,087
Dividend declared (relating to 2018-19)	-	-	(2,048)	-	(2,048)
Dividend distribution tax (relating to 2018-19)	-	-	(421)	-	(421)
Other comprehensive income	-	-	-	(4,273)	(4,273)
Balances at 31 March 2020	**4,283**	**1,971**	**40,142**	**8,121**	**54,517**
Profit for the year	-	-	11,762	-	11,762
Other comprehensive income	-	-		5,161	5,161
Balances at 31 March 2021	**4,283**	**1,971**	**51,904**	**13,282**	**71,440**

Notes 1 to 37 form an integral part of these standalone financial statements

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash Flow From Operating activities**		
	Profit before tax	**15,428**	**5,965**
	Adjustments for:		
	Depreciation and amortisation expense	2,521	2,118
	Interest expense	1,887	1,554
	Interest income	(550)	(735)
	Dividend income from investments	(5)	(404)
	Provision for employee benefits	211	168
	Expected credit losses	910	91
	Profit on sale of property, plant and equipment, net	(9)	(129)
	Excess provisions/ sundry balances written back (net)	(5)	(190)
	Unrealised forex loss / (gain), net	75	(119)
	Loss/(Gain) on fair valuation of derivatives	-	7
	Claims receivable	(12)	(283)
	Discount receivable	(169)	-
	Operating profit before working capital changes	**20,282**	**8,043**
	Changes in assets and liabilities:		
	Decrease/ (increase) in trade and other receivables	539	1,512
	Decrease/ (increase) in inventories	2,320	4,214
	Decrease/ (increase) in other financial assets	1,613	(1,167)
	Decrease/ (increase) in other assets	484	1,260
	(Decrease)/ increase in trade and other payables	(4,365)	(511)
	(Decrease)/ increase in provisions & other liabilities	477	(468)
	(Decrease)/ increase in other financial liabilities	568	(220)
	Cash Generated From Operations	**21,918**	**12,663**
	Direct tax paid (net)	(3,860)	(737)
	Net cash generated by operating activities	**18,058**	**11,926**
B.	**Cash Flow From Investing activities**		
	Proceeds from sale of property, plant and equipment	20	131
	Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(4,160)	(8,670)
	Interest received	550	735
	Sale/ (purchase) of Investments (net)	(3,557)	5,776
	Dividend received	5	404
	Movement in balances with bank other than those mentioned in cash & cash equivalents	(7,101)	(770)
	Net cash used in investing activities	**(14,243)**	**(2,394)**
C.	**Cash flow from finance activities**		
	Proceeds from borrowings (Also refer note 15)	-	13,876
	Repayment of Borrowings (Also refer note 15)	(1,339)	(4,988)
	Payment of lease liabilities	(252)	(215)
	Interest paid relating to long term borrowings	(1,298)	(1,105)
	Other Interest paid	(731)	(451)
	Dividend refunded	26	-
	Dividend paid (including dividend tax)	-	(2,421)
	Net cash (used in)/ generated by financing activities	**(3,594)**	**4,696**
D.	**Net cash flows during the year**	**221**	**14,228**
E.	Cash and cash equivalents at the beginning of the year	17,421	3,193
F.	Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	(35)	-
G.	**Cash and cash equivalents at the end of the year**	**17,607**	**17,421**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	4
	Balances with banks - in current accounts	12,480	3,117
	Deposit accounts (with original maturity less than 3 months)	5,124	14,300
	Cash and cash equivalents as per note 11	**17,607**	**17,421**

Notes 1 to 37 form an integral part of these standalone financial statements

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Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

Summary of significant 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.

These financial statements were authorized for issue by the Company's Board of Directors on 26 May 2021.

2 Summary of significant accounting policies

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. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle up to twelve months for the purpose of current – non-current classification of assets and liabilities.

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

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

2.2 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.

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Company has opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate.

(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.

Summary of significant accounting policies and other explanatory information

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

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) Estimation of uncertainty relating to COVID-19 pandemic

The Company has considered internal and external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact of COVID-19 on the financial statements. Based on projections of the Company's performance, management does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. The Company expects to fully recover the carrying amount of trade receivables, and other assets. The Company has additionally, on a prudent basis, assessed existence of any indication of impairment of carrying values of property, plant and equipment at the year-end in accordance with the requirements of Ind AS 36 – Impairment of Assets. Based on such assessment, management is confident that no indications of impairment of carrying values of property, plant and equipment exist as on the date of approval of these financial statements. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

2.4 New accounting standards adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new accounting standards. There is no such notification which would have been applicable from 01 April,2020. Accordingly no new accounting standards are adopted by the company during the current year.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April,2021.

2.6 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.

2.7 Revenue from contracts with customers

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

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from contracts with customers for products sold and service provided is recognised when control of promised products or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the

Summary of significant accounting policies and other explanatory information

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

Company expects to be entitled in a contract with a customer and excludes Goods and services taxes and is net of rebates and discounts. No element of financing is deemed present as the sales are made with a credit term of 60-90 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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

(i) Sale of chemicals

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

(ii) Income from wind operated generators

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

(iii) Income from operating lease

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

(iv) Sale of scrap

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

(v) Dividend and interest income

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

(vi) Export benefits

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.

2.8 Property, plant and equipment

(i) Plant and equipment

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

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 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.

Summary of significant accounting policies and other explanatory information

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

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.

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

Specific laboratory equipments	5 years
Office equipments (mobile phones)	2 years
Catalyst	2 years and 4 months

2.9 Research and development expenses

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

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

2.10 Leases

(a) Company as a lessee

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

Summary of significant accounting policies and other explanatory information

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

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 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 Company becomes a party to the contractual provisions of the instrument.

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

Classification and subsequent measurement of financial assets

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

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.

Summary of significant accounting policies and other explanatory information

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

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 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.

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.

Summary of significant accounting policies and other explanatory information

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

(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

(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.

(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.

2.14 Borrowing cost

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

2.15 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

Summary of significant accounting policies and other explanatory information

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

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 Company 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 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.

2.17 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.

Summary of significant accounting policies and other explanatory information

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

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.

2.18 Segment reporting

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the company has a single reportable segment. 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 2021.

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

3 Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of Use assets

Particulars	Property, Plant and Equipment											Intangible assets
	Freehold land	Buildings and Roads	Plant and equipment	Wind operated generators	Furniture and fixtures	Vehicles	Office equipment	Computer equipments	Total	Right of Use assets	Capital Work-in-progress	Computer software
Gross block												
Balance as at 31 March 2019	**7,074**	**963**	**10,956**	**571**	**123**	**111**	**114**	**116**	**20,028**	**-**	**15,933**	**94**
Re-classification of prepaid lease rentals	-	-	-	-	-	-	-	-	-	2,063	-	-
Additions	-	30	15,515	-	-	-	17	19	15,581	215	6,084	7
Transfer on capitalisation	-	-	-	-	-	-	-	-	-	-	(14,938)	-
Disposals	-	(5)	-	-	-	-	(2)	-	(7)	-	-	-
Balance as at 31 March 2020	**7,074**	**988**	**26,471**	**571**	**123**	**111**	**129**	**135**	**35,602**	**2,278**	**7,079**	**101**
Additions	-	-	1,064	-	12	30	14	24	1,144	252	4,588	3
Transfer on capitalisation	-	-	-	-	-	-	-	-	-	-	(872)	-
Disposals	-	-	(82)	-	-	(10)	-	-	(92)	-	-	-
Balance as at 31 March 2021	**7,074**	**988**	**27,453**	**571**	**135**	**131**	**143**	**159**	**36,654**	**2,530**	**10,795**	**104**
Accumulated depreciation /amortization												
Balance as at 1st April 2019	-	**119**	**2,594**	**105**	**33**	**19**	**43**	**50**	**2,963**	**-**	-	**36**
Depreciation / amortisaion for the year	-	45	1,904	35	13	17	22	27	2,063	22	-	33
Reversal on disposal of assets	-	(4)	-	-	-	-	(1)	-	(5)	-	-	-
Balance as at 31 March 2020	-	**160**	**4,498**	**140**	**46**	**36**	**64**	**77**	**5,021**	**22**	-	**69**
Depreciation/ amortisation for the year	-	39	2,318	35	11	17	20	34	2,474	24	-	23
Reversal on disposal of assets	-	-	(69)	-	-	(10)	-	-	(79)	-	-	-
Balance as at 31 March 2021	-	**199**	**6,747**	**175**	**57**	**43**	**84**	**111**	**7,416**	**46**	-	**92**
Net block												
Balance as at 31 March 2020	7,074	828	21,973	431	77	75	65	58	30,581	2,256	7,079	32
Balance as at 31 March 2021	**7,074**	**789**	**20,706**	**396**	**78**	**88**	**59**	**48**	**29,238**	**2,484**	**10,795**	**12**

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 (Refer note 15).

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

(iv) Capital work-in-progress includes borrowing cost of ₹ 194 lakhs (Previous Year ₹ 331 lakhs), which is capitalised as per Ind As 23 (Also Refer note 26).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
4. Investments			
I. Non-current investments			
a) **Investments at cost**			
Investments in equity instruments of subsidiaries - unquoted			
Cheminvest Pte Limited, Singapore		3,786	3,786
(Representing 100% equity share capital of subsidiary)			
6,000,000 equity shares of US$ 1 each fully paid up			
Optimistic Organic Sdn Bhd, Malaysia			
(Representing 15.80% equity share capital of step down subsidiary)			
(refer note (i) below)		3,083	3,083
2,302,814 equity shares of US$ 2.09 each fully paid up			
TCL-Global BV, The Netherlands			
(Representing 100% equity share capital of subsidiary)(refer note (ii) below)		578	58
250,000 equity shares of Euro 0.10 each fully paid up			
	A	**7,447**	**6,927**

(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 Holding Company.

(ii) During the year ended 31 March 2021, the Company has invested EURO 587,130 (INR 520 Lakhs) (PY:31 March 2020 EURO 71,445 (INR 58 Lakhs) in TCL Global B.V., a wholly owned subsidiary located in Amsterdam, Netherlands.

		As at 31 March 2021	As at 31 March 2020
b) **Investments designated at FVOCI**			
Investments in equity instruments			
Quoted			
5,000 (31 March 2020: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up		3	2
1,410 (31 March 2020: 1,409) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up		25	13
500 (31 March 2020: 500) equity shares of Tata Power Limited at ₹ 1 each fully paid up		1	-
3,956,730 (31 March 2020: 3,482,557) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up		11,566	4,926
	B	**11,595**	**4,941**
Total non-current investments.	**A + B**	**19,042**	**11,868**
Aggregate amount of:			
-Quoted investments and market value thereof;		11,595	4,941
-Unquoted investments		7,447	6,927
Extent of investment in subsidiaries			
Cheminvest Pte Limited, Singapore		100%	100%
Optimistic Organic Sdn Bhd, Malaysia		15.80%	15.80%
TCL Global BV, The Netherlands		100%	100%
II. Current investments			
a) **Investments in mutual funds designated at FVTPL**			
Quoted			
SBI Liquid Fund- Direct Plan -(Current year 192,836 Units; Previous year Nil)		2,005	-
Total current investments		**2,005**	**-**
Aggregate amount of:			
-Quoted investments		2,005	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
5	**Loans**		
	Non - Current		
	Unsecured, considered good		
	Loans and advances to subsidiary companies (Refer note 32 (c))	1,470	1,508
	Loans	**1,470**	1,508

6	**Other financial assets**	As at 31 March 2021		As at 31 March 2020	
	(Unsecured, considered good unless and otherwise stated)	Non-current	Current	Non-current	Current
	Security deposits				
	- Unsecured, considered good	204	-	323	-
	- Deposits which have significant increase in credit risk	16	-	1	-
	Less: Allowances for expected credit loss	(16)	-	(1)	-
	Staff advances	-	23	-	24
	Receivable from subsidiary and step down subsidiary (Refer note 32 (c))	-	3	-	2
	Foreign currency options contracts	-	-	-	5
	Receivable from supplier	-	169	-	1,224
	Claims receivable	-	12	-	283
	Others	-	72	-	69
		204	**279**	**323**	**1,607**

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 allowance for loss is provided.

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

		As at 31 March 2021	As at 31 March 2020
7	**Income tax**		
I.	**Income tax assets (net)**		
	Taxes paid in advance	1,017	962
		1,017	**962**
II.	**Current tax liabilities (net)**		
	Income tax liabilities (net)	362	-
		362	-

		Year ended 31 March 2021	Year ended 31 March 2020
III.	**Amounts recognised in profit or loss**		
	Current tax		
	Current period	4,062	745
	Total current tax expense	**4,062**	**745**
	Deferred tax attributable to		
	Origination and reversal of temporary differences	(149)	1,711
	Unused tax credits	578	(578)
	Decrease in tax rate due to adoption of new tax regime	(825)	-
	Total deferred tax expense / (benefit)	**(396)**	**1,133**
	Income tax expense	**3,666**	**1,878**

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Company has opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	Tax	Net of tax	Before tax	Tax	Net of tax
IV. Amounts recognised in other comprehensive income						
- Re-measurements of defined benefit liabilities	(41)	10	(31)	(35)	12	(23)
- Equity instruments through other comprehensive income	5,619	(427)	5,192	(4,250)	-	(4,250)
	5,578	**(417)**	**5,161**	**(4,285)**	**12**	**(4,273)**

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% (2019-20: 34.94%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before tax		15,428		5,965
Tax using the Company's domestic tax rate	25.17%	3,883	34.94%	2,084
Effect of:				
Weighted deduction for research and development expenses	0.00%	-	-0.96%	(57)
Income exempt from tax	-0.06%	(9)	-3.70%	(221)
Expenses disallowed for tax purpose	0.71%	110	1.17%	70
Unused tax credit written off	3.03%	467	-	-
Re-measurement of Deferred tax due to decrease in tax rates	-5.35%	(825)	-	-
Excess provision for previous year	0.37%	57	-	-
Others	-0.12%	(17)	0.02%	2
Effective tax rate	**23.75%**	**3,666**	**31.47%**	**1,878**

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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unused Tax Credit	-	(578)	-	-	-	(578)
Provisions - employee benefits	(300)	(360)	-	-	(300)	(360)
Provisions - others	(264)	(49)	-	-	(264)	(49)
Property, plant and equipment	-	-	4,015	4,814	4,015	4,814
Restatement of financial assets	-	-	1,030	635	1,030	635
Other items	-	-	-	(2)	-	(2)
Deferred tax (assets)/ liabilities	**(564)**	**(987)**	**5,045**	**5,447**	**4,481**	**4,460**

In assessing the recoverability of deferred income tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced. All deferred tax assets have been recognized in the balance sheet.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

8 Other assets	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Balance with Government authorities	-	1,363	-	2,447
Supplier advances				
-Considered good	-	480	-	419
-Considered doubtful	-	9	-	9
Less : Allowances for bad and doubtful advances	-	(9)	-	(9)
Project Cost	-	1,465	-	905
Capital advances	76	-	339	-
Prepaid expenses	105	105	174	45
Others	52	24	48	40
	233	**3,437**	**561**	**3,856**

All of the Company's other current and non-current assets have been reviewed for indicators of impairment, and adequate allowances for losses has been provided.

	As at 31 March 2021	As at 31 March 2020
9 Inventories		
(valued at lower of cost and net realisable value)		
Raw materials	8,211	9,460
Work in progress	593	477
Finished goods	1,486	2,566
Stock-in-trade	65	178
Stores and spares	384	432
Fuel	103	84
Packing materials	105	70
	10,947	**13,267**
Note		
(i) Goods in transit included above are as below :		
a. Raw material	-	-
b. Finished goods	1,132	921
10 Trade receivables		
Current		
Unsecured		
1. Considered good	4,995	6,421
2. Receivables which have significant increase in credit risk	1,025	130
	6,020	**6,551**
Allowance for expected credit loss:		
(a) Receivables which have significant increase in credit risk	(1,025)	(130)
	(1,025)	**(130)**
Net trade receivables	**4,995**	**6,421**
Notes:		
(i) Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties (Also, refer note 32)	81	91
Expected credit loss	-	-
Net trade receivables from related parties	**81**	**91**

	Year ended 31 March 2021	Year ended 31 March 2020
(ii) Movement in allowance for expected creditloss		
Balance at the beginning of the year	**130**	**216**
Amounts written off	-	-
Allowance during the year	1,009	91
Reversal during the year	(114)	(177)
Balance at the end of the year	**1,025**	**130**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

(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 20.

(v) The Company has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Company believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.

(vi) One of the customers failed to pay the dues within the agreed terms due to the adverse impact of COVID on the business of the said customer. The Company is taking appropriate action to recover the amount. However, based on the Group's accounting policy ₹ 1,009 Lakhs has been created as a expected credit loss in the books of accounts of the company for the year ended 31 March 2021.

		Year ended 31 March 2021	Year ended 31 March 2020
11	**Cash and bank balances**		
	Cash and cash equivalents		
	Balance with banks in current accounts	12,480	3,117
	Cash on hand	3	4
	Deposit accounts (with original maturity less than 3 months)	5,124	14,300
	Cash and cash equivalents as per statement of cash flows	**17,607**	**17,421**
	Bank balances other than mentioned in cash and cash equivalents		
	Unpaid dividend (Also, refer note (i) below)	111	85
	Deposit accounts (with original maturity greater than 3 months upto 12 months)	7,718	683
	Balances with bank held as margin money	326	312
		8,155	**1,080**
		25,762	**18,501**

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

(ii) Unpaid interest on matured deposits included Cash and cash equivalents is ₹ 10 lakhs (31 March 2020: ₹ 10 lakhs).

		As at 31 March 2021		As at 31 March 2020	
		Number	₹ in lakhs	Number	₹ in lakhs
12	**Equity Share capital**				
	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 d)	40,000	-	40,000	-
		10,24,28,120	**1,024**	**10,24,28,120**	**1,024**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

b) **Terms / rights attached to equity shares**

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

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

	As at 31 March 2021		As at 31 March 2020	
	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	67,54,050	6.59%	67,54,050	6.59%
	2,72,05,820	**26.56%**	**2,72,05,820**	**26.56%**

d) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2020: 40,000 equity shares of ₹ 1 each) on which amount originally paid up was ₹ 22,500.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2021.

	Year ended March 2021	Year ended 31 31 March 2020
f) Details of dividend declared:		
Date of meeting of board of directors	-	06 May 2019
Dividend per share	-	₹2
Cash outflow (including dividend distribution tax) *in lakhs*	-	2,469

The board of directors, in its meeting on 26 May 2021, has recommended a final dividend of ₹ 2.20 per equity share for the financial year ended 31 March, 2021. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash-out flow of approximately ₹ 2,253 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 2021 is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Total borrowings	12,518	13,876
Less: Cash and cash equivalents	(17,607)	(17,421)
Net Debt/(Cash position)	**(5,089)**	**(3,545)**
Total equity	**72,464**	**55,541**
Net Debt to equity ratio	**-7%**	**-6%**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
14 Other Equity		
I. Surplus		
(a) Securities premium	1,971	1,971
(b) General reserve	4,283	4,283
(c) Retained earnings	51,904	40,142
Total Surplus	**58,158**	**46,396**
II. Other reserves		
(d) Accumulated other comprehensive income	13,282	8,121
	13,282	**8,121**
III. Total other equity (I+II)	**71,440**	**54,517**
(a) Securities premium		
Balance at the beginning of the year	1,971	1,971
Add : Additions made during the year	-	-
Balance at the end of the year	**1,971**	**1,971**
Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
(b) General reserve		
Balance at the beginning of the year	4,283	4,283
Add : Additions made during the year	-	-
Balance at the end of the year	**4,283**	**4,283**
General reserve represents an appropriation of profits by the Company, which can be utilised for purposes such as dividend payout etc.		
(c) Retained earnings		
Balance at the beginning of the year	40,142	38,524
Add : Transfer from statement of profit and loss	11,762	4,087
Less : Final dividend	-	(2,048)
Tax on equity dividend declared	-	(421)
Balance at the end of the year	**51,904**	**40,142**
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	8,121	12,394
Add / (less) : Movement during the year	5,161	(4,273)
Balance at the end of the year	**13,282**	**8,121**

	As at 31 March 2021	As at 31 March 2020
15 Borrowings		
Secured – measured at amortised cost		
Term loan from bank (refer note (i) below)	12,518	13,876
Total non-current borrowings	**12,518**	**13,876**
Less: Current maturities of long-term loan from bank (included in note 18)	2,455	1,248
Non-current borrowings (as per balance sheet)	**10,063**	**12,628**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Notes:

(i) (a) The term loan of ₹ 6,015 lakhs drawn from IDFC First bank is repayable in 24 equal quarterly instalments of ₹ 251 lakhs, starting from 31 October 2020. The outstanding as on 31 March 2021 is ₹ 5,514 lakhs (PY is ₹ 6,015 lakhs). The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.
(b) The term loan of ₹ 1,005 lakhs drawn from IDFC First bank is repayable in 20 equal quarterly instalments of ₹ 50 lakhs, starting from 31 October 2021. The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.
(c) The term loan of ₹ 6,930 lakhs drawn from Axis bank, is repayable in 20 equal quarterly instalments of ₹ 338 lakhs starting from 30 November 2020. The outstanding as on 31 March 2021 is ₹.6,092 lakhs(PY is ₹ 6,930 lakhs). The term loan bears interest of 0.35 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.
(d) Current portion due for repayment within one year is ₹ 2,455 lakhs (PY ₹ 1,248 lakhs). This has been disclosed in note 18 within the heading current maturity of long-term loan from bank under other financial liabilities (current).

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

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

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	13,876	4,988
A) Changes from financing cash flows		
(i) Proceeds from borrowings	-	13,950
(ii) Transaction costs related to borrowings	-	(74)
(ii) Repayment of borrowings	(1,339)	(4,988)
Total changes from financing cash flows	**(1,339)**	**8,888**
B) Other Changes		
(i) Interest expense paid	(1,298)	(1,105)
(ii) Interest expense accrued	1,279	1,105
Total other changes	**(19)**	**-**
Balance at the end of the year	**12,518**	**13,876**

	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
16 Provisions				
Provisions for employee benefits				
(i) Gratuity	762	107	649	110
(ii) Compensated absences	275	47	179	92
	1,037	**154**	**828**	**202**

Provision for employee benefits

i) Gratuity

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	As at 31 March 2021	As at 31 March 2020
Change in present value of projected benefit obligation		
Present value of benefit obligation at the beginning of the year	759	665
Interest cost	50	49
Current service cost	67	60
Benefits paid	(48)	(50)
Actuarial (gain) / loss	41	35
Projected benefit obligation at the end of the year	**869**	**759**
Thereof		
Unfunded	**869**	**759**
Components of net gratuity costs are:		
Current service cost	67	60
Interest cost	50	49
Net gratuity costs recognised in the income statement (Also, refer note 25)	**117**	**109**
Actuarial (gain) / loss recognised in other comprehensive income	41	35
Principal actuarial assumptions used:		
a) Discount rate	6.49%	6.59%
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 (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2021	107	70	299	307	784
31 March 2020	110	71	241	263	685

Sensitivity Analysis

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Attrition rate		Discount rate		Future salary	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2021						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(7)	7	(28)	30	29	(28)
31 March 2020						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(6)	6	(24)	26	25	(24)

ii) Compensated absences

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

Principal actuarial assumptions used :	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Discount rate	6.49%	6.59%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.00%	10.00%

	As at 31 March 2021	**As at 31 March 2020**
17 Trade payables		
Total outstanding dues of micro enterprises and small enterprises (Also, refer note (a) below)	34	18
Total outstanding dues other than micro enterprises and small enterprises *	17,420	21,796
	17,454	**21,814**

* Of the above, ₹ 12 lakhs pertains to payable to related parties (31 March 2020 ₹ 219 lakhs) (Also, refer note 32 (c)).

a) According to information available with the management, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium enterprises Development act, 2006 ('MSMeD act'), the company has amounts due to Micro, Small and Medium enterprises under the said act as follows :

i) Principal amount remaining unpaid included in Trade payables	34	18
ii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) The amount of interest due accrued and remaining unpaid at the end of each accounting year.	0.67	0.07
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.	0.67	0.07

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

18	Other financial liabilities	As at 31 March 2021	As at 31 March 2020
	Current maturities of long-term loan from bank (Also, refer note 15)	2,455	1,248
	Capital creditors	1,245	998
	Employee related payables	433	342
	Directors remuneration payable (Refer note 32 (c))	559	73
	Unpaid dividend	111	85
	Other payables	11	80
		4,814	**2,826**

Notes:

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

(ii)Unpaid interest on matured deposits included in other payables is ₹ 10 lakhs (31 March 2020: ₹ 10 lakhs).

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

19	Other current liabilities	As at 31 March 2021	As at 31 March 2020
	Deposits from service providers (Also, refer note 32 (c))	42	35
	Statutory dues	499	198
	Advances from customers	528	284
	Other payables	22	6
		1,091	**523**

20 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI
Financial assets						
Investments						
-Equity instruments*	-	-	11,595	-	-	4,941
-Mutual funds	-	2,005	-	-	-	-
Loans	1,470	-	-	1,508	-	-
Trade receivables	4,995	-	-	6,421	-	-
Cash and bank balances	25,762	-	-	18,501	-	-
Foreign currency options contracts	-	-	-	-	5	-
Other financial assets	483	-	-	1,925	-	-
Total financial assets	**32,710**	**2,005**	**11,595**	**28,355**	**5**	**4,941**
Financial Liabilities						
Borrowings	12,518	-	-	13,876	-	-
Trade payables	17,454	-	-	21,814		
Other financial liabilities	2,359	-	-	1,578	-	-
Total financial liabilities	**32,331**	**-**	**-**	**37,268**	**-**	**-**

*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.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 at 31 March 2021:

		As at 31 March 2021 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	**11,595**	11,595	-	-
FVTPL financial investments				
Mutual funds	**2,005**	2,005	-	-
Derivative financial assets				
Options	**-**	-	-	-

		As at 31 March 2020 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	**4,941**	4,941	-	-
FVTPL financial investments				
Mutual funds	**-**	-	-	-
Derivative financial assets				
Options	**5**	-	-	5

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.

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

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

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

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

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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.

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	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 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.

Trade receivables and loans

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure with any single counterparty or any group of counterparties having similar characteristics other than those disclosed in note 10. Trade receivables consist of a large number of customers in various geographical areas. Based on historical information about customer default rates management considers the credit quality of trade receivables that are not past due or impaired to be good.

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

Loans represent loans and advances extended to subsidiary Companies.

Cash and bank balances and investments

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

Other financial assets

Other financial assets mainly comprises of 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 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 Company manages the liquidity risk by maintaining adequate cash reserves, committed credit facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Company invests its surplus funds in bank fixed deposit and liquid schemes of mutual funds, which carry no / negligible mark to market risks.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 60 - 90 days based on the credit period.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	Within 6 months	6 to 12 months	1 to 5 years	later than 5 years
As at 31 March 2021				
Borrowings	1,716	1,760	11,397	614
Trade and other payables	17,454	-	-	-
Other financial liabilities	2,359		-	-
Total	**21,529**	**1,760**	**11,397**	**614**
As at 31 March 2020				
Borrowings	723	1,833	13,216	2,647
Trade and other payables	21,814	-	-	-
Other financial liabilities	1,578	-	-	-
Total	**24,115**	**1,833**	**13,216**	**2,647**

c. Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Company's main exposure to interest risk arises from long term borrowing with floating rate. The Company does not have any derivatives to hedge its interest rate risk exposure as at 31 March 2021.

Interest rate sensitivity analysis

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

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2021				
Term loan from bank	11	(11)	11	(11)
As at 31 March 2020				
Term loan from bank	8	(8)	8	(8)

Foreign exchange risk

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

Derivative financial instruments

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	31 March 2021		31 March 2020	
	USD	EUR	USD	EUR
Financial assets				
Loans	1,470	-	1,508	-
Trade receivables	328	-	421	-
Cash and bank balances	717	-	174	-
Other financial assets	3	-	2	-
Financial liabilities				
Trade and other payables	241	-	649	48
Other financial liabilities	-	-	-	-
Net assets / (liabilities)	**2,277**	**-**	**1,456**	**(48)**

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

	31 March 2021		31 March 2020	
	USD in Millions	INR in lakhs	USD in Millions	INR in lakhs
Options contract	-	-	1.6	1,206

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

	As at 31 March 2021	As at 31 March 2020
Not later than one month	-	0.5
Later than one month and not later than three months	-	1.1
Later than three months and not later than one year	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD and EUR at 31 March 2021 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 2021 (31 March 2020: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2021 (31 March 2020: 1%) and EUR by 1% during the year ended 31 March 2021 (31 March 2020: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	Weakening	Strengthening	Weakening
As at 31 March 2021				
USD	23	(23)	23	(23)
EUR	-	-	-	-
As at 31 March 2020				
USD	15	(15)	15	(15)
EUR	(0.48)	0.48	(0.48)	0.48

Price risk

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Sensitivity analysis

	Profit before tax		Equity before tax	
	Increase	Decrease	Increase	Decrease
As at 31 March 2021				
Quoted equity securities	116	(116)	116	(116)
As at 31 March 2020				
Quoted equity securities	49	(49)	49	(49)

		Year ended 31 March 2021	Year ended 31 March 2020
21	**Revenue from operations**		
	Sale of products		
	Manufactured goods	84,134	84,270
	Traded goods	869	1,255
	Gross sales	**85,003**	**85,525**
	Other operating revenues		
	Sales of power from wind operated generators	126	133
	Income from letting out of storage facility	314	347
	Engineering and technical service income (Also refer note 32(b))	-	14
	Duty drawback benefit	60	93
	Export incentive	83	237
	Sale of scrap (net of taxes recovered)	132	193
		715	**1,017**
		85,718	**86,542**
22	**Other income**		
	Interest Income (Gross) (Also, Refer note 32(b))	550	735
	Dividend Income from investments	5	404
	Profit on sale of assets (net of loss on sales / scraping of asset)	9	129
	Rental income	38	40
	Excess provisions / Sundry balances written back (net)	5	190
	Gain on foreign currency transaction / translation (net)	-	157
	Gain on fair valuation of derivatives	4	-
	Expenses and Services recharged (Also, Refer note 32(b))	182	210
	Insurance claims	86	332
	Miscellaneous receipts	-	5
		879	**2,202**
23	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	9,460	13,690
	Add : Purchases during the year	48,812	57,937
		58,272	71,627
	Less: Inventory at the end of the year	8,211	9,460
		50,061	**62,167**
	Purchase of stock-in-trade		
	Purchase of machinery spares and other chemicals	643	1,219
		643	**1,219**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
24 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Opening stock		
Finished goods	2,566	2,464
Work-in-progress	477	731
Stock-in-trade	178	72
	3,221	**3,267**
Closing stock		
Finished goods	1,486	2,566
Work-in-progress	593	477
Stock-in-trade	65	178
	2,144	**3,221**
Changes in inventories	**1,077**	**46**
25 Employee benefit expenses		
Salaries, Wages and Bonus	3,225	2,906
Gratuity expense (Also, Refer note 16)	117	109
Contribution to provident and other funds	195	170
Staff welfare expenses	135	154
	3,672	**3,339**
26 Finance costs		
Interest expense*	1,656	1,349
Other borrowing costs	231	205
	1,887	**1,554**

*Net of Interest Capitalised of ₹ 194 lakhs (Previous Year ₹ 331 lakhs).

	Year ended 31 March 2021	Year ended 31 March 2020
27 Other expenses		
Stores and spares consumed	353	471
Power and fuel	1,821	3,646
Repairs to:		
Machinery	502	467
Buildings	119	193
Others	25	23
Packing expenses and materials consumed	864	881
Freight and forwarding	4,134	3,803
Commission and brokerage	47	60
Rent*	176	149
Rates and taxes	248	263
Insurance	235	185
Travelling and conveyance	32	173
Communication expenses	37	47
Research and development expenses (Also, Refer note 31)	290	325
Expenses on wind operated generators	52	48
Legal and professional charges (Also, Refer note 29)	291	242
Commission to Non-Executive Directors (Also, Refer note 32 (b))	172	47
Provision for expected credit losses (Also, Refer note 10)	910	91
Corporate social responsibility expenditure (Also, Refer note 30 and 32 (b))	284	290
Donation	37	22
Loss on foreign currency transaction / translation (net)	110	-
Loss on fair valuation of derivatives	-	63
Loss of damaged stock	3	330
Miscellaneous expenses	566	517
	11,308	**12,336**

*The Company has lease contracts for office premises and storage tanks, 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 ₹ 131 lakhs during the current year ended 31 March 2021.(₹ 66 lakhs in Previous year).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
28	**Earnings per equity share (EPS)**		
	Basic and diluted earnings per share (₹)		
	On profit for the year	11.49	3.99
	On total comprehensive income	16.53	(0.18)
	Notes:		
	The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:		
	(a) Earning used in the calculation of basic and diluted earnings per share:		
	Profit for the year	11,762	4,087
	Total comprehensive income	16,923	(186)
	(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**		
	As auditor		
	Statutory audit	20	17
	Limited review	11	11
	Tax audit	3	3
	Others	3	7
	Total	**37**	**38**
30	**Expenditure on corporate Social Responsibility (CSR)**		
	(a) Gross amount required to be spent by the Company during the year	284	324
	(b) Amount spent during the year on		
	(i) Construction / acquisition of any asset	-	-
	(ii) Purposes other than (i) above	284	290
	(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust Worth Trust	Thirumalai Charity Trust Worth Trust
	(d) Whether any provision made based on contractual obligation to undertake CSR activity	No	No
	All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.		
31	**Research and Development expenses***		
	The amount spent towards Research and Development expenses during the year are as under		
	Capital expenditure	-	-
	Revenue expenditure (Also, refer note 27)	290	325
		290	**325**

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

32 Related parties

a) Names of related parties and nature of relationship:

Nature of relationship	Name of related party
Subsidiary companies	Cheminvest Pte Limited (CPL) Optimistic Organic Sdn Bhd (OOSB) Lapiz Europe Limited TCL Global B.V. TCL INC. TCL Specialties LLC.
Key Management Personnel	Mr. R.Parthasarathy (Managing Director) Mrs. Ramya Bharathram (Executive Director and Chief Financial Officer) Mr. C.G Sethuram (Group Chief Executive Officer) Mr. Sanjay Sinha (Chief Executive Officer) appointed with effect from 18 Jan 2021 Mr. P Mohana Chandran Nair (Executive Director) Mr. T Rajagopalan (Company Secretary) **Other Directors** Mr. R. Sampath (Non – Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Neelakantan Subramanian (Independent Director) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the company during the current 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) N R Swamy Investments Worth Trust

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy	481	203
	Mrs. Ramya Bharathram	241	108
	Mr. P Mohana Chandran Nair	57	57
	Key Managerial Personnel other than directors	297	274
Director sitting fees	Independent Directors & Non – Executive Directors	63	47
Commission	Non – Executive Directors	172	47
Purchase of Goods	Optimistic Organic Sdn Bhd	1,115	1,447
	Ultramarine and Pigments Limited	4	-
Sale of Goods	Optimistic Organic Sdn Bhd	138	447
	TCL Global BV	704	-
Rendering of Services	Optimistic Organic Sdn Bhd	125	169
	Ultramarine and Pigments Limited	40	45
Receipt of Services	Ultramarine and Pigments Limited	16	13
	Thirumalai Charity Trust	3	6
	TCL Global BV	49	-
Sale of fixed assets	Optimistic Organic Sdn Bhd	18	-
Guarantee Commission	Optimistic Organic Sdn Bhd	57	55
Corporate social responsibility expenditure	Thirumalai Charity Trust	238	237
	Worth Trust	10	20
Interest Income on Loan Given	Cheminvest Pte Limited	94	115
Sale of staff Quarters	N R Swamy Investments	-	131

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

c) Balances with related parties

Particulars	Related Party	As at 31 March 2021	As at 31 March 2020
Trade receivables	Optimistic Organic Sdn Bhd	12	91
	TCL Global B.V.	69	-
Other receivables	Optimistic Organic Sdn Bhd	3	2
Trade payables	Optimistic Organic Sdn Bhd	12	219
Deposits payable	Ultramarine and Pigments Limited	14	14
Loans	Cheminvest Pte. Limited	1,470	1,508
Directors remuneration payable (including commission to Non-Executive Directors)	Key Managerial Personnel	559	73

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

Particulars	Related Party	As at 31 March 2021	As at 31 March 2020
Loans	Cheminvest Pte. Limited	1,513	1544

	As at 31 March 2021	As at 31 March 2020
33 Contingent liabilities, commitments and guarantees		
a) Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	150	150
Income tax demand including interest contested in Appeal (Refer note (ii)below)	862	862
b) Commitments		
Estimated amount of contracts to be executed on capital account and not provided for	708	1,798
- Against which advances paid	76	339
Other commitments are cancellable at the option of the Company and hence not disclosed.		
c) Guarantees		
Corporate guarantee issued by the Company on behalf of its subsidiary	5,648	5,586
Bank Guarantee issued by the company to various parties.	109	-

(i) The Sales-tax authorities have issued notices to the Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 84 Lakhs (Previous year ₹ 84 Lakhs). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from Sales-tax Authorities to the extent of ₹ 66 Lakhs (Previous Year ₹ 66 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 ₹ 13 Lakhs (Previous year ₹ 13 lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 862 Lakhs (Previous Year ₹ 862 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 ₹ 495 Lakhs (Previous year ₹ 495 Lakhs).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

34 Segment reporting

In accordance with Ind AS 108, Operating Segments, the Company has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the company has a single reportable segment. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 14% (Previous Year 13%) of the Company's revenue from operations, amounting to ₹ 11,945 Lakhs (Previous Year ₹ 10,919 Lakhs).

35 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 2021 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.

36 Estimation of uncertainty relating to COVID-19 pandemic

The Company has considered internal and external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact of COVID-19 on the financial statements. Based on projections of the Company's performance, management does not anticipate any challenge in the Company's ability to continue as a going concern or meeting its financial obligations. The Company expects to fully recover the carrying amount of trade receivables, and other assets. The Company has additionally, on a prudent basis, assessed existence of any indication of impairment of carrying values of property, plant and equipment and investments at the year-end in accordance with the requirements of Ind AS 36 – Impairment of Assets. Based on such assessment, management is confident that no indications of impairment of carrying values of property, plant and equipment and investments exist as on the date of approval of these financial statements. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

37 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2021) and the date of approval of these financial statements (26 May 2021) except for proposed dividend as disclosed in note 12.

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2021

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

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2021

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2021

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2021

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2021

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

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 A, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group as at 31 March 2021, and their consolidated profit/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 Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

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

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

Capital work in progress (CWIP) /Property, Plant & Equipment (PPE) (Refer note 2.9 & note 3 to the accompanying financial statements)

Key audit matter	How the matter was addressed in the audit
The Holding company is in the process of constructing new plants / augmenting existing assets ('projects') for expanding/improving its business operations. During the year, the Holding Company has incurred a total sum of ₹ 4,588 lakhs towards additions made to CWIP. Further, out of the total additions to CWIP, ₹ 3,727 lakhs pertains to additions containing numerous transactions towards Dahej Project. During the year, the Holding Company has also capitalised ₹ 872 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 a number of areas where management judgement impacts the carrying value of PPE & CWIP. These include the decision to capitalise or expense costs, the unit of measure to be used for capitalisation, determining what constitutes an item of PPE and the timeliness of capitalisation based on whether the assets are in the location and condition necessary for it to be capable of operating in the manner intended by the management. 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 company's financial position and performance. Inappropriate timing of capitalisation of the project and/or identification of significant parts of PPE could result in material misstatement of CWIP/ 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 capitalisation the aforesaid matter was determined to be a key audit matter for the current year.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the business process, and assessed the appropriateness of the accounting policy adopted by the company in accordance with Ind AS 16. • Performed walk-through of the capitalisation process and tested the design and operating effectiveness of the controls in the process. • Tested the additions made to PPE and CWIP on a sample basis by checking underlying supporting documents to ensure such items are recorded accurately in the correct account and period, in accordance with the requirements of Ind AS 16. • On a test check basis, we have physically verified existence of CWIP/PPE during our site visits. • 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. • For projects completed during the year, reviewed the project completion/handover certificate provided by the management 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. • For such projects, assessed the appropriateness of timing of capitalisation, identification of significant parts of property, plant and equipment that are depreciated separately and useful lives considered for calculation of depreciation charge. • Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards. Based on audit procedures performed, we determined the identification and timing of capitalisation of PPE and CWIP to be appropriate in the context of the financial statements taken as a whole.

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 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 is responsible for the matters stated in section 134(5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors 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 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 Financial Statements

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

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

    a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

    b) 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;

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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; and

e) 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.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the 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 Matters

15. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflects total assets of ₹ 37,023 lakhs and net assets of ₹ 21,061 lakhs as at 31 March 2021, total revenues of ₹ 24,016 lakhs and net cash inflows amounting to ₹ 1,681 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 whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

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

16. We did not audit the financial statements of 4 subsidiaries, whose financial statements reflects total assets of ₹ 2,221 lakhs and net assets of ₹ 1,725 lakhs as at 31 March 2021, total revenues of ₹ 802 lakhs and net cash inflows amounting to ₹ 645 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the aforesaid 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 such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

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

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

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
    c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
    e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies, covered under the Act, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
    f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries:

        i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 33 to the consolidated financial statements;
        ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
        iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2021; and
        iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABV5128

Place: Chennai

Date: 26 May 2021

Annexure A:

1. Optimistic Organic Sdn. Bhd.
2. Cheminvest Pte Ltd
3. Lapiz Europe Limited
4. TCL Global B.V.
5. TCL Inc.
6. TCL Specialities LLC.

Annexure 'B' to the Independent Auditor's Report

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 2021 we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a company 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, are responsible for establishing and maintaining internal financial controls based on the IFCoFR 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, 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, 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, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on IFCoFR 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

Sumesh E S
Partner
Membership No.: 206931
UDIN: 21206931AAAABV5128

Place: Chennai
Date: 26 May 2021

CONSOLIDATED BALANCE SHEET

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

	Note	As at 31 March 2021	As at 31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	47,897	51,791
Capital work-in-progress	3	12,570	8,209
Intangible assets	3	12	32
Right of use assets	3	3,349	3,169
Financial assets	19		
(i) Investments	4	11,595	4,942
(ii) Other financial assets	5	204	323
Income tax assets (net)	6(I)	1,137	1,064
Other non-current assets	7	258	561
		77,022	**70,091**
Current assets			
Inventories	8	13,150	14,654
Financial assets	19		
(i) Investments	4	2,005	-
(ii) Trade receivables	9	8,720	9,028
(iii) Cash and cash equivalents	10	22,658	20,233
(iv) Bank balances other than (iii) above	10	8,208	1,172
(v) Other financial assets	5	333	1,652
Other current assets	7	2,226	3,172
		57,300	**49,911**
Total assets		**1,34,322**	**1,20,002**
EQUITY AND LIABILITIES			
Shareholders' funds			
Equity Share capital	11	1,024	1,024
Other equity	13	79,265	62,790
Total equity		**80,289**	**63,814**
Non-current liabilities			
Financial liabilities	19		
(i) Borrowings	14	15,815	18,395
Deferred tax liabilities	6(v)	7,095	6,866
Provisions	15	1,037	828
		23,947	**26,089**
Current liabilities			
Financial Liabilities	19		
(i) Trade payables	16		
(A) Total outstanding dues of micro enterprises and small enterprises		34	18
(B) Total outstanding dues other than micro enterprises and small enterprises		22,920	26,219
(ii) Other financial liabilities	17	5,046	2,934
Provisions	15	154	203
Current tax liabilities	6(II)	367	-
Other liabilities	18	1,565	725
		30,086	**30,099**
Total equity and liabilities		**1,34,322**	**1,20,002**

Notes 1 to 37 form an integral part of these Consolidated financial statements

In terms of our report attached

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2021

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

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2021

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2021

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2021

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2021

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Note	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	20	1,08,574	1,08,479
Other income	21	687	2,096
Total income		**1,09,261**	**1,10,575**
EXPENSES			
Cost of materials consumed	22	63,991	76,090
Purchase of stock-in-trade	22	643	1,219
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	302	416
Employee benefit expenses	24	5,338	5,045
Finance costs	25	2,091	1,681
Depreciation and amortisation expenses	3	4,952	4,407
Other expenses	26	16,231	17,901
Total expenses		**93,548**	**1,06,759**
Profit before tax		**15,713**	**3,816**
Tax expense	6(iii)		
-Current tax		4,067	757
-Deferred tax		(123)	742
Total tax expense		**3,944**	**1,499**
Profit for the year		**11,769**	**2,317**
Other comprehensive income:			
(A) Items that will be reclassified to profit or loss			
-Exchange differences on translation of foreign operations		(455)	1,454
		(455)	**1,454**
(B) Items that will not be reclassified to profit or loss			
-Re-measurements of defined benefit liabilities	15	(41)	(35)
-Equity instruments through other comprehensive income, net		5,619	(4,250)
-Income tax relating to items that will not be reclassified to profit or loss	6(IV)	(417)	12
		5,161	**(4,273)**
Other comprehensive income for the year, net of tax (A + B)		**4,706**	**(2,819)**
Total comprehensive income for the year		**16,475**	**(502)**
Earnings per equity share on profit for the year	27		
Basic and diluted (in ₹) (Face Value ₹ 1/- each)		11.49	2.26
Notes 1 to 37 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

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

Sumesh E S
Partner
Membership No: 206931

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Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

Place : Chennai
Date : 26 May 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

A. Equity Share Capital

	Amount
Balance as at 31 March 2019	**1,024**
Issue of shares	-
Balance as at 31 March 2020	**1,024**
Issue of shares	-
Balance as at 31 March 2021	**1,024**

B. Other Equity

Particulars	Other equity					
	Reserves and Surplus				Other reserves	Total other equity
	General reserve	Capital reserve on acquisition	Securities Premium	Retained earnings	Accumulated other comprehensive income	
Balances at 31 March 2019	**4,283**	**3,282**	**1,971**	**42,993**	**13,232**	**65,761**
Profit for the year	-	-	-	2,317	-	2,317
Dividend declared (relating to 2018-19)	-	-	-	(2,048)	-	(2,048)
Dividend distribution tax (relating to 2018-19)	-	-	-	(421)	-	(421)
Other comprehensive income	-	-	-	-	(2,819)	(2,819)
Balances at 31 March 2020	**4,283**	**3,282**	**1,971**	**42,841**	**10,413**	**62,790**
Profit for the year	-	-	-	11,769	-	11,769
Other comprehensive income	-	-	-	-	4,706	4,706
Balances at 31 March 2021	**4,283**	**3,282**	**1,971**	**54,610**	**15,119**	**79,265**

Notes 1 to 37 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

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

Sumesh E S
Partner
Membership No: 206931

Ramya Bharathram
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T Rajagopalan
Company Secretary
(FCS: 3508)

Place : Chennai
Date : 26 May 2021

Place : Chennai
Date : 26 May 2021

Place : Chennai
Date : 26 May 2021

Place : Mumbai
Date : 26 May 2021

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

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

		Year ended 31 March 2021	Year ended 31 March 2020
A.	**Cash Flow From Operating Activates**		
	Profit before tax	**15,713**	**3,816**
	Adjustments for:		
	Depreciation and amortisation expense	4,952	4,407
	Interest expense	2,091	1,681
	Interest income	(459)	(712)
	Dividend income from investments	(5)	(404)
	Provision for employee benefits	211	168
	Expected credit losses	910	91
	Profit on sale of property, plant and equipment, net	(7)	(129)
	Excess provisions/ sundry balances written back (net)	(5)	(190)
	Unrealised forex loss/ (gain), net	37	5
	Loss/ (gain) on fair valuation of derivatives	-	7
	Claims receivable	(12)	(283)
	Discount receivable	(169)	-
	Operating profit before working capital changes	**23,257**	**8,457**
	Changes in assets and liabilities:		
	Decrease/(Increase) in trade and other receivables	(661)	2,682
	Decrease/(Increase) in inventories	1,461	4,582
	Decrease/(Increase) in Other financial assets	1,597	(1,156)
	Decrease/(Increase) in Other assets	1,884	2,535
	(Decrease)/Increase in trade and other payables	(3,156)	(1,289)
	(Decrease)/Increase in Provision & other current liabilities	1,013	(756)
	(Decrease)/Increase in Other financial liabilities	563	(221)
	Cash Generated From Operations	**25,958**	**14,834**
	Direct tax paid (net)	(3,881)	(867)
	Net cash generated by operating activities	**22,077**	**13,967**
B.	**Cash Flow From Investing Activities**		
	Sale of property, plant and equipment	1	131
	Capital expenditure on property, plant & equipment, capital work in progress and intangible assets including capital advances	(6,099)	(10,280)
	Interest received	459	712
	Sale/ (purchase) of investments (net)	(3,035)	5,832
	Dividend received	5	404
	Movement in balances with bank other than those mentioned in cash & cash equivalents	(7,064)	(580)
	Net cash used in investing activities	**(15,733)**	**(3,781)**
C.	**Cash Flow From Finance Activities**		
	Proceeds from borrowings (Also, refer note 14)	-	13,876
	Repayment of borrowings (Also, refer note 14)	(1,339)	(4,988)
	Payment of lease liabilities	(252)	(215)
	Interest paid relating to long term borrowings	(1,309)	(1,015)
	Other interest paid	(923)	(668)
	Dividend refunded	26	-
	Dividend paid (including dividend tax)	-	(2,421)
	Net cash (used in)/ generated by financing activities	**(3,797)**	**4,569**
D.	**Net cash flows during the year**	2,547	14,755
E.	Cash and cash equivalents at the beginning	20,233	5,261
F.	Effect of exchange rate fluctuations on foreign currency cash and cash equivalents	(122)	217
G.	**Cash and cash equivalents at the end**	**22,658**	**20,233**
	Cash and cash equivalents comprise of:		
	Cash on hand	3	4
	Balances with banks - in current accounts	13,275	3,241
	Deposit accounts (with original maturity less than 3 months)	9,380	16,988
	Cash and cash equivalents as per note 10	**22,658**	**20,233**

Notes 1 to 37 form an integral part of these consolidated financial statements

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

Sumesh E S
Partner
Membership No: 206931

Place : Chennai
Date : 26 May 2021

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

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
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Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

Summary of significant 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.

These consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on 26 May 2021.

2 Summary of significant accounting policies

2.1 Basis of preparation of consolidated financial statements

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

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.

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 2021. 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 2021	31 March 2020
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	-

Subsidiaries

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

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

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

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

Summary of significant accounting policies and other explanatory information

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

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.

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.

Change tax rate of holding company

The Taxation Laws (Amendment) Act, 2019 has amended the Income-tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to the Holding Company to pay Income Tax at concessional rate of 22% plus applicable surcharge and cess, subject to certain specified conditions, as compared to the earlier rate of 30% plus applicable surcharge and cess for the assessment year 2020-21 onwards. The Holding Company has opted for the concessional tax rate for the year ended 31 March 2021 and accordingly re-measured deferred tax and current tax liability at such concessional rate.

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

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

(iii) Employee benefit obligations

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

(iv) Provisions and contingencies

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

(v) Estimation of uncertainty relating to COVID-19 pandemic

The Group has considered internal and external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact of COVID-19 on the financial statements. Based on projections of the Group's performance, management does not anticipate any challenge in the Group's ability to continue as a going concern or meeting its financial obligations. The Group expects to fully recover the carrying amount of trade receivables, and other assets. The Group has additionally, on a prudent basis, assessed existence of any indication of impairment of carrying values of property, plant and equipment at the year-end in accordance with the requirements of Ind AS 36 – Impairment of Assets. Based on such assessment, management is confident that no indications of impairment of carrying values of property, plant and equipment exist as on the date of approval of these financial statements. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the group will continue to closely monitor any material changes to future economic conditions.

Summary of significant accounting policies and other explanatory information

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

(vi) 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.

2.5 New accounting standards adopted by the Holding Company

Ministry of Corporate Affairs ("MCA") notifies new accounting standards. There is no such notification which would have been applicable from 01 April,2020. Accordingly no new accounting standards are adopted by the Holding company during the current year.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2021.

2.7 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.

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.

2.8 Revenue from contracts with customers

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

1. Identifying the contract with customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

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

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

(i) Sale of chemicals

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

(ii) Income from wind operated generators

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

(iii) Income from operating lease

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

Summary of significant accounting policies and other explanatory information

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

(iv) Sale of scrap

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

(v) Dividend and interest income

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

(vi) Export benefits

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.

2.9 Property, plant and equipment

(i) Plant and equipment

Plant and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the management. Plant and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

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 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 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.

Summary of significant accounting policies and other explanatory information

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

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:

Specific laboratory equipments	5 years
Office equipments (mobile phones)	2 years
Catalyst	2 years and 4 months

2.10 Research and development expenses

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

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

2.11 Leases

(a) 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-l-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.

Summary of significant accounting policies and other explanatory information

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

2.12 Financial instruments

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

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

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

Classification and subsequent measurement of financial assets

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

a. Amortised cost
b. Fair value through other comprehensive income (FVOCI) or
c. Fair value through profit and loss (FVTPL)

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

a. Financial assets at amortised cost

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

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

b. Financial assets at fair value through other comprehensive income (FVOCI)

Includes assets that are held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading.

These selections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

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

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

c. Financial assets at fair value through profit and loss (FVTPL)

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

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

Summary of significant accounting policies and other explanatory information

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

d. Derivative financial instruments

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

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

This category are primarily derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments.

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

2.13 Inventories

(i) Raw materials

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

(ii) Work in progress and finished goods

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

(iii) Stores and Spares

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

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

2.14 Post-employment benefits and short-term employee benefits

Defined contribution plan

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

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

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

(i) Provident fund

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

(ii) Other funds

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

(iii) Superannuation fund

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

Defined benefit Plan

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

The defined benefit funds maintained by the Group are as below:

Summary of significant accounting policies and other explanatory information

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

(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.

Overseas entities

Defined contribution

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

Defined benefit liability

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

2.15 Borrowing cost

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

2.16 Earnings per equity share

Basic earnings per equity share is calculated by dividing the total 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.

2.17 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.

(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.

Summary of significant accounting policies and other explanatory information

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

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 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 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.

2.18 Contingent liabilities and provisions

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

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

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

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

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

2.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

2.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

1 Property, plant and equipment, Intangible assets, Capital work-in-progress and Right of Use assets.

Particulars	Property, Plant and Equipment									Right of Use assets	Capital Work-in-progress	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 2019	**7,074**	**2,042**	**36,270**	**571**	**143**	**185**	**174**	**117**	**46,576**	**-**	**15,933**	**94**
Re-classification of prepaid lease rentals	-	-	-	-	-	-	-	-	-	2,925	-	-
Additions	-	30	15,994	-	1	-	26	19	16,070	215	7,214	7
Transfer on capitalisation	-	-	-	-	-	-	-	-	-	-	(14,938)	-
Disposals	-	(5)	(872)	-	-	-	(2)	-	(879)	-	-	-
Exchange fluctuations	-	107	2,843	-	2	7	-	-	2,959	94	-	-
Balance as at 31 March 2020	**7,074**	**2,174**	**54,235**	**571**	**146**	**192**	**198**	**136**	**64,726**	**3,234**	**8,209**	**101**
Re-classification of prepaid lease rentals												
Additions	-	-	1,439	-	12	30	18	25	1,524	252	5,487	3
Transfer on capitalisation	-	-	-	-	-	-	-	-	-	-	(1,126)	-
Disposals	-	-	(82)	-	-	(10)	-	-	(92)	-	-	-
Exchange fluctuations	-	(32)	(862)	-	(1)	(2)	(2)	-	(899)	(29)	-	-
Balance as at 31 March 2021	**7,074**	**2,142**	**54,730**	**571**	**157**	**210**	**214**	**161**	**65,259**	**3,457**	**12,570**	**104**
Accumulated depreciation /amortization												
Balance as at 1st April 2019	**-**	**208**	**7,861**	**105**	**44**	**43**	**56**	**50**	**8,367**	**-**	**-**	**36**
Depreciation / amortisaion for the year	-	149	4,038	35	15	32	32	27	4,328	46	-	33
Reversal on disposal of assets	-	-	(872)	-	-	-	(1)	-	(873)	-	-	-
Exchange fluctuations	-	25	1,081	-	1	3	3	-	1,113	19	-	-
Balance as at 31 March 2020	**-**	**382**	**12,108**	**140**	**60**	**78**	**90**	**77**	**12,935**	**65**	**-**	**69**
Depreciation/ amortisation for the year	-	148	4,586	35	13	33	31	34	4,880	49	-	23
Reversal on disposal of assets	-	-	(69)	-	-	(10)	-	-	(79)	-	-	-
Exchange fluctuations	-	(9)	(363)	-	-	(1)	(1)	-	(374)	(6)	-	-
Balance as at 31 March 2021	**-**	**521**	**16,262**	**175**	**73**	**100**	**120**	**111**	**17,362**	**108**	**-**	**92**
Net block												
Balance as at 31 March 2020	7,074	1,792	42,127	431	86	114	108	59	51,791	3,169	8,209	32
Balance as at 31 March 2021	**7,074**	**1,621**	**38,468**	**396**	**84**	**110**	**94**	**50**	**47,897**	**3,349**	**12,570**	**12**

Notes:

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

(ii) For contractual commitment with respect to property, plant and equipment refer Note 33 (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.

(iv) Leasehold land and buildings pertaining to step down subsidiary OOSB are pledged for bank facilities.

(v) Capital work-in-progress includes borrowing cost of ₹ 194 lakhs (Previous Year ₹ 331 lakhs), which is capitalised as per Ind As 23 (Also Refer note 25).

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
4	**Investments**		
I.	**Non-current investments**		
	Investments designated at FVOCI		
	Investments in equity instruments		
	Quoted		
	5,000 (31 March 2020: 5,000) equity shares of Neyveli Lignite Corporation Limited at ₹ 10 each fully paid up	3	2
	1,410 (31 March 2020: 1,410) equity shares of Piramal Enterprises Limited at ₹ 2 each fully paid up	25	13
	500 (31 March 2020: 500) equity shares of Tata Power Limited at ₹ 1 each fully paid up	1	-
	3,956,730 (31 March 2020: 3,482,557) equity shares of Ultramarine and Pigments Limited at ₹ 2 each fully paid up	11,566	4,927
	Total non-current investments	**11,595**	**4,942**
	Aggregate amount of:		
	-Quoted investments and market value thereof;	11,595	4,942
II.	**Current investments**		
	Investments in mutual funds designated at FVTPL		
	Quoted		
	SBI Liquid Fund- Direct Plan -(Current year 192,836 Units; Previous year Nil)	2,005	-
	Total current investments	**2,005**	**-**
	Aggregate amount of:		
	-Quoted investments and market value thereof;	2,005	-

5	**Other financial assets**	**As at 31 March 2021**		**As at 31 March 2020**	
	(Unsecured, considered good unless and otherwise stated)	**Non-current**	**Current**	**Non-current**	**Current**
	Security deposits				
	- Unsecured, considered good	204	-	323	-
	- Unsecured, considered doubtful	16	-	1	-
	Less: Allowances for expected credit loss	(16)	-	(1)	-
	Staff advances	-	44	-	36
	Foreign currency options contracts	-	-	-	5
	Receivable from supplier	-	169	-	1,224
	Claims receivable	-	12	-	283
	Others	-	108	-	104
		204	**333**	**323**	**1,652**

(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 19.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
6.	**Income tax**		
I.	**Income tax assets (net)**		
	Taxes paid in advance (net)	1,137	1,064
		1,137	**1,064**
II.	**Current tax liabilities (net)**		
	Income tax liabilities (net)	**367**	-

		Year ended 31 March 2021	Year ended 31 March 2020
III.	**Amounts recognised in profit or loss**		
	Current tax*		
	Current period	4,067	757
	Total current tax expense	**4,067**	**757**
	Deferred tax attributable to*		
	Origination and reversal of temporary differences	124	1,320
	Unused tax credits	578	(578)
	Decrease in tax rate	(825)	-
	Total deferred tax expense	**(123)**	**742**
	Income tax expense	**3,944**	**1499**

*Also refer note 2.4 (i) for new tax rate adopted by holding company.

IV. Amounts recognised in other comprehensive income	Year ended 31 March 2021			Year ended 31 March 2020		
	Before tax	**Before tax**	**Before tax**	**Before tax**	**Tax**	**Net of tax**
- Exchange differences on translation of foreign operations	(455)	-	(455)	1,454	-	1,454
- Re-measurements of defined benefit plans	(41)	10	(31)	(35)	12	(23)
- Equity instruments through other comprehensive income, net	5,619	(427)	5,192	(4,250)	-	(4,250)
	5,123	**(417)**	**4,706**	**(2,831)**	**12**	**(2,819)**

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% (2019-20: 34.94%) and the reported tax expense in the consolidated statement of profit and loss are as follows:

	Year ended 31 March 2021		Year ended 31 March 2020	
Profit before tax		15,713		3,816
Tax using the Company's domestic tax rate	25.17%	3,955	34.94%	1,333
Effect of:				
Weighted deduction for research and development expenses	0.00%	-	-1.49%	(57)
Income exempt from tax	-0.06%	(9)	-5.79%	(221)
Expenses disallowed for tax purpose	1.27%	199	3.72%	142
Difference between Indian and Foreign taxes	0.31%	49	6.73%	257
Unused tax credit written off	2.97%	467	0.00%	-
Re-measurement of Deferred tax due to decrease in tax rates	-5.25%	(825)	0.00%	-
Excess provision for previous year	0.79%	124	0.00%	-
Others	-0.10%	(16)	1.18%	45
Actual tax expense	**25.10%**	**3,944**	**39.29%**	**1,499**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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 2021	31 March 2020	31 March 2021	31 March 2020	31 March 2021	31 March 2020
Unused tax credits	-	(578)	-	-	-	(578)
Provisions - employee benefits	(300)	(360)	-	-	(300)	(360)
Provisions - others	(264)	(49)	-	-	(264)	(49)
Tax on unrealised profits	(139)	(162)	-	-	(139)	(162)
Restatement of financial assets	-	-	1,030	635	1,030	635
Property, plant and equipment	-	-	7,061	7,846	7,061	7,846
Tax on carried forward capital loss	(227)	(685)	-	-	(227)	(685)
Translation differences	14	(53)	(80)	275	(66)	222
Other items	-	(3)	-	-	-	(3)
Deferred tax (assets)/ liabilities	**(916)**	**(1,890)**	**8,011**	**8,756**	**7,095**	**6,866**

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.

7 Other assets	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Balance with Government authorities	-	1,412	-	2,495
Supplier advances				
-Considered good	-	579	-	487
-Considered doubtful	-	9	-	9
Less : Allowances for bad and doubtful advances	-	(9)	-	(9)
Capital advances	76	-	339	-
Prepaid expenses	130	210	174	150
Others	52	25	48	40
	258	**2,226**	**561**	**3,172**

All of the Group's other current and non-current assets have been reviewed for indicators of impairment, and adequate allowances for losses have been provided.

	As at 31 March 2021	As at 31 March 2020
8 Inventories		
(valued at lower of cost and net realisable value)		
Raw materials	8,488	9,749
Work in progress	989	600
Finished goods	2,087	2,665
Stock-in-trade	65	178
Stores and spares	1,229	1,229
Fuel	103	84
Packing materials	189	149
	13,150	**14,654**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
	Note		
	(i) Goods in transit included above are as below :		
	a. Raw material	-	-
	b. Finished goods	1,132	921
9	**Trade receivables**		
	Current		
	Unsecured		
	(a) Considered good	8,720	9,028
	(b) Receivables which have significant increase in credit risk (also refer note (v) below)	1,025	130
		9,745	**9,158**
	Allowance for expected credit loss:		
	(a) Receivables which have significant increase in credit risk (also refer note (v) below)	(1,025)	(130)
		(1,025)	**(130)**
	Net trade receivables	**8,720**	**9,028**

Notes:	Year ended 31 March 2021	Year ended 31 March 2020
(i) Movement in allowances for expected credit loss		
Balance at the beginning of the year	130	216
Amounts written off	-	-
Allowance during the year	1,009	91
Reversal during the year	(114)	(177)
Balance at the end of the year	**1,025**	**130**

(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 19.

(iv) The Group has also considered credit information of its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic relating to COVID -19. The Group believes that the carrying amount of allowance for expected credit loss with respect to trade receivables, is adequate.

(v) One of the customers failed to pay the dues within the agreed terms due to the adverse impact of COVID-19 on the business of the said customer. The Holding Company is taking appropriate action to recover the amount. However, based on the Group's accounting policy ₹ 1,009 Lakhs has been created as a expected credit loss in the books of accounts of the Holding company for the year ended 31 March 2021.

		Year ended 31 March 2021	Year ended 31 March 2020
10	**Cash and bank balances**		
	Cash and cash equivalents		
	Balance with banks in current accounts	13,275	3,241
	Cash on hand	3	4
	Deposit accounts (with original maturity less than 3 months)	9,380	16,988
	Cash and Cash equivalents as per statement of cash flows	**22,658**	**20,233**
	Bank balances other than mentioned in cash and cash equivalents		
	Unpaid dividend	111	85
	Deposit accounts (with original maturity greater than 3 months upto 12 months)	7,718	683
	Balances with bank held as margin money	379	404
		8,208	**1,172**
		30,866	**21,405**

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

(ii) Unpaid interest on matured deposits included in cash and cash equivalents is ₹ 10lakhs (31 March 2020: ₹ 10 Lakhs)

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021		As at 31 March 2020	
		Number	₹ in lakhs	Number	₹ in lakhs
11	**Share capital**				
	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	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 equity shares having a par value of ₹ 1. The Holding Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which is approved by the Board of Directors. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be proportional to the number of equity shares held by the shareholders.

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

	As at 31 March 2021		As at 31 March 2020	
Equity shares of ₹ 1 each	Number	%holding	Number	%holding
Ultramarine and Pigments Limited	2,04,51,770	19.97%	2,04,51,770	19.97%
Jasmine Limited	67,54,050	6.59%	67,54,050	6.59%
	2,72,05,820	**26.56%**	**2,72,05,820**	**26.56%**

d) The Company had forfeited 40,000 equity shares of ₹ 1 each (31 March 2020: 40,000 equity shares of ₹ 1 each) on which amount originally paid up was ₹ 22,500.

e) There were no shares issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and there were no buy back of shares during the last 5 years immediately preceding 31 March 2021.

		Year ended 31 March 2021	Year ended 31 March 2020
f)	Details of dividend paid:		
	Date of meeting of board of directors	-	06 May 2019
	Dividend per share	-	₹ 2
	Cash outflow (including dividend distribution tax) *in lakhs*	-	2,469

The board of directors, in its meeting on 26 May 2021, has recommended a final dividend of ₹ 2.20 per equity share for the financial year ended 31 March, 2021. The recommendation is subject to the approval of shareholders at the annual general meeting and if approved would result in a cash-out flow of approximately ₹ 2,253 lakhs.

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

12 Capital management policies and procedures

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

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

	Year ended 31 March 2021	Year ended 31 March 2020
The Group's net debt to equity ratio as at 31 March 2021 is as follows:		
Total borrowings	18,270	19,709
Less: Cash and cash equivalents	(22,658)	(20,233)
Net Debt	**(4,388)**	**(524)**
Total equity	**80,289**	**63,814**
Net Debt to equity ratio	**-5%**	**-1%**

		As at 31 March 2021	As at 31 March 2020
13	**Other equity**		
I.	**Surplus**		
	(a) Securities premium	1,971	1,971
	(b) Capital reserve on acquisition	3,282	3,282
	(c) General reserve	4,283	4,283
	(d) Retained earnings	54,610	42,841
	Total Surplus	**64,146**	**52,377**
II.	**Other reserves**		
	(e) Accumulated other comprehensive income	15,119	10,413
		15,119	**10,413**
III.	**Total other equity (I+II)**	**79,265**	**62,790**
	(a) Securities premium		
	Balance at the beginning of the year	1,971	1,971
	Add : Additions made during the year	-	-
	Balance at the end of the year	**1,971**	**1,971**
	Securities premium represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Act.		
	(b) Capital reserve on acquisition		
	Balance at the beginning of the year	3,282	3,282
	Add : Additions made during the year	-	-
	Balance at the end of the year	**3,282**	**3,282**
	(c) General reserve		
	Balance at the beginning of the year	4,283	4,283
	Add : Additions made during the year	-	-
	Balance at the end of the year	**4,283**	**4,283**
	General reserve represents an appropriation of profits by the Group, which can be utilised for purposes such as dividend payout etc.		

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	As at 31 March 2021	As at 31 March 2020
(d) Retained earnings		
Balance at the beginning of the year	42,841	42,993
Add : Transfer from statement of profit and loss	11,769	2,317
Less : Final dividend	-	(2,048)
Less : Tax on equity dividend	-	(421)
Balance at the end of the year	**54,610**	**42,841**
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	10,413	13,232
Add : Movement during the year	4,706	(2,819)
Balance at the end of the year	**15,119**	**10,413**
14 Borrowings		
Secured - measured at amortised cost		
Term loan from bank (refer note (i) & (ii) below)	12,518	13,876
	12,518	**13,876**
Unsecured		
Term loans from others (refer note (iii) below)	5,752	5,833
	5,752	**5,833**
Total non-current borrowings	**18,270**	**19,709**
Less: Current maturities of long-term loan from bank (included in note 17)	2,455	1,248
Less: Current maturities of long-term loan from others (included in note 17)	-	66
Non-current borrowings (as per balance sheet)	**15,815**	**18,395**

Notes:

(i) (a) The term loan of ₹ 6,015 lakhs drawn from IDFC First bank is repayable in 24 equal quarterly instalments of ₹ 251 lakhs, starting from 31 October 2020. The outstanding as on 31 March 2021 is ₹ 5,514 lakhs (PY is ₹ 6,015 lakhs). The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.

(b) The term loan of ₹ 1,005 lakhs drawn from IDFC First bank is repayable in 20 equal quarterly instalments of ₹ 50 lakhs, starting from 31 October 2021. The term loan bears interest of 0.65 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.

(c) The term loan of ₹ 6,930 lakhs drawn from Axis bank, is repayable in 20 equal quarterly instalments of ₹ 338 lakhs starting from 30 November 2020. The outstanding as on 31 March 2021 is ₹.6,092 lakhs(PY is ₹ 6,930 lakhs). The term loan bears interest of 0.35 spread + 12 month marginal cost of fund based lending rate, payable monthly under the terms of the loan.

(d) Current portion due for repayment within one year is ₹ 2,455 lakhs (PY ₹ 1,248 lakhs). This has been disclosed in note 18 within the heading current maturity of long-term loan from bank under other financial liabilities (current).

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

(iii) Term loan from others is repayable over 8 half yearly instalments, with the first instalment falling due on August 2024 and bears a fixed interest rate of 2%

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Balance at the beginning of the year	19,709	10,313
A) Changes from financing cash flows		
(i) Proceeds from borrowings	-	13,950
(ii) Transaction costs related to borrowings	-	(74)
(iii) Repayment of borrowings	(1,339)	(4,988)
Total changes from financing cash flows	**(1,339)**	**8,888**
B) Other changes		
(i)Interest paid	(1,309)	(1,015)
(ii) Interest accrued	1,356	1,015
(iii) Effect of changes in foreign exchange rates	(147)	508
Total other changes	**(100)**	**508**
Balance at the end of the year	**18,270**	**19,709**

15 Provisions	As at 31 March 2021		As at 31 March 2020	
	Non-current	Current	Non-current	Current
Provisions for employee benefits				
(i) Gratuity	762	107	649	110
(ii) Compensated absences	275	47	179	92
Provision for taxes	-	-	-	1
	1,037	**154**	**828**	**203**

Provision for employee benefits

i) Gratuity

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

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

Change in present value of projected benefit obligation	As at 31 March 2021	As at 31 March 2020
Present value of benefit obligation at the beginning of the year	759	665
Interest cost	50	49
Current service cost	67	60
Benefits paid	(48)	(50)
Actuarial (gain) / loss	41	35
Projected benefit obligation at the end of the year	**869**	**759**
Thereof		
Unfunded	**869**	**759**

Components of net gratuity costs are:	Year ended 31 March 2021	Year ended 31 March 2020
Current service cost	67	60
Interest cost	50	49
Net gratuity costs recognised in the income statement (Also, refer note 24)	**117**	**109**
Actuarial (gain) / loss recognised in other comprehensive income	41	35

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

Principal actuarial assumptions used:	Year ended 31 March 2021	Year ended 31 March 2020
a)Discount rate	6.49%	6.59%
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 (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The estimates of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary. The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

Employee benefits - Maturity profile

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2021	107	70	299	307	784
31 March 2020	110	71	241	337	759

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	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2021						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(7)	7	(28)	30	29	(28)
31 March 2020						
Sensitivity Level	0.50%	-0.50%	0.50%	-0.50%	0.50%	0.50%
Impact on defined benefit obligation	(6)	6	(24)	26	25	(24)

ii) Compensated absences

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

Principal actuarial assumptions used :	Year ended 31 March 2021	Year ended 31 March 2020
Discount rate	6.49%	6.59%
Long-term rate of compensation increase	10.00%	10.00%
Average remaining life	7 years	7 years
Attrition rate	10.00%	10.00%

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		As at 31 March 2021	As at 31 March 2020
16	**Trade payables**		
	Total outstanding due to micro, small and medium enterprise (Also, refer note below)	34	18
	Total outstanding dues other than micro enterprises & small enterprises	22,920	26,219
		22,954	**26,237**

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 :

i)	Principal amount remaining unpaid	34	18
ii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year.	-	-
iii)	The amount of interest due and payable for the period of delay in making payment (Which have been paid but beyond the appointed day during the year) without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv)	The amount of interest due accrued and remaining unpaid at the end of each accounting year.	0.67	0.07
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.	0.67	0.07

17	**Other financial liabilities**		
	Current maturities of long-term loan from bank (Also, refer note 14)	2,455	1,248
	Current maturities of long-term loan from others (Also, refer note 14)	-	66
	Employee related payables	600	373
	Capital creditors	1,245	998
	Directors remuneration payable (Refer note 31(c))	559	73
	Unpaid dividend	111	85
	Other payables	76	91
	Total financial liabilities	**5,046**	**2,934**

Notes:

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

(ii) Unpaid interest on matured deposits included in Cash and cash equivalents is ₹ 10 lakhs (31 March 2020: ₹ 10 lakhs).

(iii) The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 19.

18	**Other current liabilities**		
	Deposits from service providers	42	35
	Statutory dues	509	205
	Advances from customers	974	300
	Other payables	40	185
		1,565	**725**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

19 Disclosures on financial instruments

I. Financial instruments by category

	As at 31 March 2021			As at 31 March 2020		
	Amortised cost	**FVTPL**	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**
Financial assets						
Investments						
-Equity instruments*	-	-	11,595	-	-	4,942
-Mutual funds	-	2,005	-	-	-	-
Trade receivables	8,720	-	-	9,028	-	-
Cash and bank balances	30,866	-	-	21,405	-	-
Foreign currency options contracts	-	-	-	-	5	-
Other financial assets	537	-	-	1,970	-	-
Total financial assets	**40,123**	**2,005**	**11,595**	**32,403**	**5**	**4,942**
Financial Liabilities						
Borrowings	18,270	-	-	19,709	-	-
Trade payables	22,954	-	-	26,237	-	-
Other financial liabilities	2,591	-	-	1,620	-	-
Total financial liabilities	**43,815**	**-**	**-**	**47,566**	**-**	**-**

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

II. Fair value 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 and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2021:

		As at 31 March 2021 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	**11,595**	11,595	-	-
FVTPL financial investments				
Mutual funds	**2,005**	2,005	-	-
Derivative financial assets				
Options	**-**	-	-	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

	Total	As at 31 March 2020 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	**4,942**	4,942	-	-
FVTPL financial investments				
Mutual funds	**-**	-	-	-
Derivative financial assets				
Options	**5**	-	-	5

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.

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

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

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

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

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

III. Financial risk management

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

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

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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

A. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The carrying amounts of financial assets represent the maximum credit exposure. The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

Trade receivables and loans

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

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

Cash and bank balances and investments

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

Other financial assets

Other financial assets mainly comprises of 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 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.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within 60 - 90 days based on the credit period.

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

	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
As at 31 March 2021				
Borrowings	1,716	1,760	17,722	614
Trade and other payables	22,954	-	-	-
Other financial liabilities	2,591	-	-	-
Total	**27,261**	**1,760**	**17,722**	**614**
As at 31 March 2020				
Borrowings	789	1,833	14,641	7,690
Trade and other payables	26,237	-	-	-
Other financial liabilities	1,620	-	-	-
Total	**28,646**	**1,833**	**14,641**	**7,690**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

C. Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market rates. The Group's main exposure to interest risk arises from long term borrowing with floating rate. The Group does not have any derivatives to hedge its interest rate risk exposure as at 31 March 2021.

Interest rate sensitivity analysis

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

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2021				
Term loan from bank	11	(11)	11	(11)
As at 31 March 2020				
Term loan from bank	8	(8)	8	(8)

Foreign exchange risk

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

Derivative financial instruments

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

The Group's exposure to foreign currency risk at the end of the reporting period expressed in Indian Rupee (₹) are as follows:

	31 March 2021		31 March 2020	
	USD	**EUR**	**USD**	**EUR**
Financial assets				
Trade receivables	247	-	412	-
Cash and bank balances	717	-	174	-
Other financial assets	-	-	-	-
Financial liabilities				
Trade and other payables	229	-	649	48
Other financial liabilities	-	-	-	-
Net assets / (liabilities)	**735**	**-**	**(63)**	**(48)**

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

	31 March 2021		31 March 2020	
	USD in Millions	**₹ in Lakhs**	**USD in Millions**	**₹ in Lakhs**
Options contract	-	-	1.6	1,206

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

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

	As at 31 March 2021	As at 31 March 2020
Not later than one month	-	0.5
Later than one month and not later than three months	-	1.1
Later than three months and not later than one year	-	-

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee (₹) against USD and EUR at 31 March 2021 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 2021 (31 March 2020: 1%). If the INR had strengthened against the USD by 1% during the year ended 31 March 2021 (31 March 2020: 1%) and EUR by 1% during the year ended 31 March 2021 (31 March 2020: 1%) respectively then this would have had the following impact profit before tax and equity before tax:

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2021				
USD	7.34	(7.34)	7.34	(7.34)
EUR	-	-	-	-
As at 31 March 2020				
USD	(0.45)	0.45	(0.45)	0.45
EUR	(0.48)	0.48	(0.48)	0.48

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

Sensitivity analysis

	Profit before tax		Equity before tax	
	Strengthening	**Weakening**	**Strengthening**	**Weakening**
As at 31 March 2021				
Quoted equity securities	116	(116)	116	(116)
As at 31 March 2020				
Quoted equity securities	49	(49)	49	(49)

		Year ended 31 March 2021	Year ended 31 March 2020
20	**Revenue from operations**		
	Sale of products		
	Manufactured goods	1,06,948	1,06,513
	Traded goods	909	963
	Gross sales	**1,07,857**	**1,07,476**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
	Other operating revenues		
	Sales of power from wind operated generators	126	133
	Income from letting out of storage facility	314	347
	Duty drawback benefit	60	93
	Export incentive	83	237
	Sale of scrap (net of taxes recovered)	134	193
		717	**1,003**
		1,08,574	**1,08,479**
21	**Other income**		
	Interest Income (Gross)	459	712
	Dividend Income from investments	5	404
	Profit on sale of assets (net of loss on sales / scraping of asset)	7	129
	Rent received	38	40
	Excess provisions / Sundry balances written back (net)	5	190
	Gain on foreign currency transaction / translation (net)	15	157
	Gain or loss on fair valuation of derivatives	4	-
	Insurance claims	86	332
	Miscellaneous receipts	68	132
		687	**2,096**
22	**Cost of materials consumed and purchase of stock-in-trade**		
	Inventory at the beginning of the year	9,749	13,894
	Add : Purchases during the year	62,730	71,945
		72,479	85,839
	Less: Inventory at the end of the year	8,488	9,749
		63,991	**76,090**
	Purchase of stock-in-trade		
	Purchase of machinery spares and other chemicals	643	1,219
		643	**1,219**
23	**Changes in inventories of finished goods, work-in-progress and stock-in-trade**		
	Opening stock		
	Finished goods	2,665	2,526
	Work-in-progress	600	1,261
	Stock-in-trade	178	72
		3,443	**3,859**
	Closing stock		
	Finished goods	2,087	2,665
	Work-in-progress	989	600
	Stock-in-trade	65	178
		3,141	**3,443**
	Changes in inventories	**302**	**416**
24	**Employee benefits expenses**		
	Salaries, Wages & bonus	4,761	4,477
	Gratuity expense (Also, refer note 15)	117	109
	Contribution to provident fund and other funds	310	282
	Staff welfare expenses	150	177
		5,338	**5,045**

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
25	**Finance costs**		
	Interest expense*	1,780	1,413
	Other borrowing costs	311	268
		2,091	**1,681**

*Net of Interest Capitalised of ₹ 194 lakhs (Previous Year ₹ 331 lakhs).

		Year ended 31 March 2021	Year ended 31 March 2020
26	**Other expenses**		
	Stores and spares consumed	754	1,018
	Power and fuel	2,998	4,911
	Repairs to:		
	Machinery	1,251	1,434
	Buildings	120	196
	Others	108	116
	Packing expenses and materials consumed	1,230	1,332
	Freight and forwarding	5,602	4,990
	Commission and brokerage	61	98
	Rent*	201	173
	Rates and taxes	366	333
	Insurance	426	358
	Travelling and conveyance	119	201
	Communication expenses	60	74
	Research and development expenses (Also, Refer note 30)	290	325
	Expenses on wind operated generators	52	48
	Legal and professional charges (Also, Refer note 28)	464	354
	Commission to Non-Executive Directors (Also, Refer note 31)	175	50
	Provision for expected credit loss (Also, refer note 5 & 9)	910	91
	Corporate social responsibility expenditure (Also, Refer note 29 & 31)	284	290
	Donation	37	22
	Loss on fair valuation of derivatives	-	63
	Loss on foreign currency transaction / translation (net)	33	320
	Loss of damaged stock	3	330
	Miscellaneous expenses	687	774
		16,231	**17,901**

*The Group has lease contracts for office premises and storage tanks, 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 ₹ 131 lakhs during the current year ended 31 March 2021.(₹ 66 lakhs in Previous year)

		Year ended 31 March 2021	Year ended 31 March 2020
27	**Earnings per equity share (EPS)**		
	Basic and diluted earnings per share (₹)		
	On profit for the year	11.49	2.26
	On total comprehensive income	16.09	(0.49)

Notes:

The earnings and weighted average numbers of equity shares used in the calculation of basic and diluted earnings per share are as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
(a) Earning used in the calculation of basic and diluted earnings per share:		
Profit for the year	11,769	2,317
Total comprehensive income	16,475	(502)
(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

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

		Year ended 31 March 2021	Year ended 31 March 2020
28	**Payments to auditor**		
	As auditor		
	Statutory audit	20	17
	Limited review	11	11
	Tax audit	3	3
	Others	3	7
	Total	**37**	**38**
29	**Expenditure on Corporate Social Responsibility (CSR)**		
	(a) Gross amount required to be spent by the Holding Company during the year	284	324
	(b) Amount spent during the year on		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	284	290
	(c) Name of the related party with regard to CSR contribution	Thirumalai Charity Trust Worth Trust	Thirumalai Charity Trust Worth Trust
	(d) Whether any provision made based on contractual obligation to undertake CSR activity	No	No
	All the expenditure on CSR have been paid during the year and no provision for expenses are created for the expenditure.		
30	**The Holding Company has spent towards Research and Development expenses during the year which are as under***		
	Capital expenditure	-	-
	Revenue expenditure (Also refer note 26)	290	325
		290	**325**

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

31 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 (Executive Director and Chief Financial Officer) Mr. C.G Sethuraman (Group Chief Executive Officer) Mr. Sanjay Sinha (Chief Executive Officer) appointed with effect from 18 Jan 2021. Mr. P Mohana Chandran Nair (Executive Director) Mr. T Rajagopalan (Company Secretary) **Other Directors** Mr. R. Sampath (Non - Executive Director) Mr. Arun Ramanathan (Independent Director) Mr. Neelakantan Subramanian (Independent Director) Mr. Raj Kataria (Independent Director) Mr. R. Ravi Shankar (Independent Director) Mr. Dhruv Moondhra (Independent Director) Mr. Rajeev M Pandia (Independent Director) Mrs. Bhama Krishnamurthy (Independent Director)
Enterprise having transaction with the Group 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) N R Swamy Investments Worth Trust

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

b) Transactions with related parties

Transaction	Related Party	Year ended 31 March 2021	Year ended 31 March 2020
Remuneration to Key Managerial Personnel	Mr. R.Parthasarathy	481	203
	Mrs. Ramya Bharathram	241	108
	Mr. P Mohana Chandran Nair	57	57
	Key Managerial Personnel other than Directors	297	269
Director sitting fees	Independent Directors & Non - Executive Directors	63	47
Commission	Non - Executive Directors	172	47
Purchase of goods	Ultramarine and Pigments Limited	4	-
Rendering of Services	Ultramarine and Pigments Limited	40	45
Receipt of Services	Ultramarine and Pigments Limited	16	13
	Thirumalai Charity Trust	3	6
Corporate social responsibility expenditure	Thirumalai Charity Trust	238	237
	Worth Trust	10	20
Sale of staff quarters	N R Swamy Investments	-	131

c) Balances with related parties

Particulars	Related Party		
Deposits payable	Ultramarine and Pigments Limited	14	14
Directors remuneration payable (including commission to non-executive directors)	Key Managerial Personnel	559	73

32 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 2021	90%	72,464	100%	11,762	110%	5,161	103%	16,923
31 March 2020	87%	55,541	176%	4,087	152%	(4,273)	37%	(186)
Subsidiaries								
Cheminvest Pte. Ltd								
31 March 2021	6%	4,461	-1%	(107)	0%	-	-1%	(107)
31 March 2020	7%	4,683	-5%	(125)	0%	-	25%	(125)
Lapiz Europe Ltd								
31 March 2021	0%	36	0%	(3)	0%	-	0%	(3)
31 March 2020	0%	35	0%	5	0%	-	-1%	5
Optimistic Organic Sdn Bhd								
31 March 2021	20%	16,600	1%	141	0%	-	1%	141
31 March 2020	26%	16,881	-67%	(1,554)	0%	-	310%	(1,554)
TCL Global B V								
31 March 2021	1%	593	0%	27	0%	-	0%	27
31 March 2020	0%	59	0%	(1)	0%	-	0%	(1)
TCL Inc								
31 March 2021	1%	549	0%	(3)	0%	-	0%	(3)
31 March 2020	0%	38	0%	-	0%	-	0%	-

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

TCL Specialties LLC								
31 March 2021	1%	547	0%	-	0%	-	0%	-
31 March 2020	0%	-	0%	-	0%	-	0%	-
Eliminations								
31 March 2021	-19%	(14,961)	0%	(48)	-10%	(455)	-3%	(503)
31 March 2020	-21%	(13,423)	-4%	(95)	-52%	1,454	-271%	1,359
Total								
31 March 2021	**100%**	**80,289**	**100%**	**11,769**	**100%**	**4,706**	**100%**	**16,475**
31 March 2020	**100%**	**63,814**	**100%**	**2,317**	**100%**	**(2,819)**	**100%**	**(502)**

33 Contingent liabilities, commitments and guarantees	**As at 31 March 2021**	**As at 31 March 2020**
(A)Contingent liabilities		
Indirect tax matters under dispute (Refer note (i) below)	150	150
Income tax demand including interest contested in Appeal (Refer note (ii)below)	862	862
(B)Commitments		
Estimated amount of contracts to be executed on capital account and not provided for	790	1,946
- Against which advances paid	76	339
Other commitments are cancellable at the option of the Company and hence not disclosed.		
(c) Guarantees		
Bank Guarantee issued by the company to various parties.	2,935	244

(i) Sales-tax authorities have issued notices to the Holding Company whereby the authorities have disputed the method of availment of deferral sales tax on monthly pro-rata basis for the period April 2000 to April 2006 amounting to ₹ 84 Lakhs (Previous year ₹ 84 Lakhs). The Company has filed a writ petition against these notices in the High Court. The Company does not expect any liability to crystallize on this account. Further, no provision has been made in respect of disputed demands from Sales-tax Authorities to the extent of ₹ 66 Lakhs (Previous Year ₹ 66 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 ₹ 13 Lakhs (Previous year ₹ 13 lakhs).

(ii) No provision has been made in respect of disputed demands from Income-tax Authorities to the extent of ₹ 862 Lakhs (Previous Year ₹ 862 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 ₹ 495 Lakhs (Previous year ₹ 495 Lakhs).

34 Segment reporting

a) Identification of Segments & Customer information

b) In accordance with Ind AS 108, Operating Segments, the Group has identified manufacture and sale of organic chemicals as the only reportable segment. Power Generation (previously reported segment), Engineering services (new segment established during the previous year), has been assessed to be very insignificant resulting in its operations and results are not being actively reviewed by decision makers of Company. Accordingly, the company has a single reportable segment. Within the single reportable segment of sale of organic chemicals, a single customer contributes to 14% (Previous Year 13%) of the Company's revenue from operations, amounting to ₹ 11,945 Lakhs (Previous Year ₹ 10,919 Lakhs).

c) Geographical information

The company is domiciled in India. 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	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Revenue from Operations		
- India	1,01,617	76,987
-Rest of the World	6,957	31,492
Non-current assets		
- India	43,778	41,471
-Rest of the World	21,445	23,355

Summary of significant accounting policies and other explanatory information

(₹ in Lakhs)

35 Estimation of uncertainty relating to COVID-19 pandemic

The Group has considered internal and external sources of information including credit reports, economic forecasts and industry reports up to the date of approval of the financial statements in determining the impact of COVID-19 on the financial statements. Based on projections of the group's performance, management does not anticipate any challenge in the it's ability to continue as a going concern or meeting its financial obligations. The Group expects to fully recover the carrying amount of trade receivables, and other assets. The Group has additionally, on a prudent basis, assessed existence of any indication of impairment of carrying values of property, plant and equipment and investments at the year-end in accordance with the requirements of Ind AS 36 – Impairment of Assets. Based on such assessment, management is confident that no indications of impairment of carrying values of property, plant and equipment and investments exists as on the date of appproval of these financial statements. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes to future economic conditions.

36 .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 2021 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.

37 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2021) and the date of approval of these financial statements (26 May 2021) 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

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

Sumesh E S
Partner
Membership No: 206931

Ramya Bharathram
Executive Director and Chief Financial Officer
(DIN : 06367352)
Place : Chennai
Date : 26 May 2021

R Parthasarathy
Managing Director
(DIN : 00092172)
Place : Ranipet
Date : 26 May 2021

R Ravishankar
Independent Director
(DIN : 01224361)
Place : Chennai
Date : 26 May 2021

C G Sethuram
Group Chief Executive Officer
Place : Chennai
Date : 26 May 2021

Sanjay Sinha
Chief Executive Officer
Place : Chennai
Date : 26 May 2021

T Rajagopalan
Company Secretary
(FCS: 3508)
Place : Mumbai
Date : 26 May 2021

Place : Chennai
Date : 26 May 2021

FINANCIAL HIGHLIGHTS (STANDALONE)

₹in Million

Particulars	20-21	19-20	18-19	17-18	16-17	15-16	14-15	13-14	12-13	11-12
Share Capital	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4	102.4
Reserves & Surplus	7,144.0	5,451.7	5,717.2	5,042.4	3,567.0	1,736.2	1,407.4	1,321.4	1,277.0	1,062.9
Net worth	7,246.4	5,554.1	5,819.6	5,144.8	3,669.4	1,838.6	1,509.8	1,423.8	1,379.4	1,165.3
Fixed Assets(net)	4,003.3	3,766.0	3,299.8	1,856.1	1,549.4	767.8	747.4	801.6	928.3	1,031.7
Sales / Other Income	8,659.7	8,874.4	10,084.7	10,471.8	9,523.6	7,921.1	9,416.8	10,506.5	11,557.2	9,113.0
Gross Profit / (loss)	1,983.6	963.7	1,689.6	2,390.0	1,403.0	915.5	596.5	610.7	1,091.2	719.9
Interest / Finance Charges	188.7	155.4	107.1	109.3	145.5	209.7	331.1	454.2	520.2	523.7
Depreciation	252.1	211.8	151.7	103.9	140.2	65.7	70.1	122.1	128.7	138.1
Current Tax	406.2	74.5	444.9	737.5	381.1	238.1	54.8	26.0	188.4	34.6
Deferred Tax	(39.6)	113.3	25.0	(0.40)	(4.9)	25.3	1.5	27.3	23.6	24.4
Net Profit / (Loss)	1,176.2	408.7	960.9	1,439.9	741.3	427.3	142.0	35.7	277.5	47.8
Dividend (incl.tax)	225.3	-	246.9	246.9	231.1	123.2	49.3	-	89.4	-
Dividend (%)	220%	-	200.0	200.0	187.5	100.0	40.0	-	75.0	-
Earnings Per Share having a face value of Re.1/- (*Revised)	11.49	3.99*	9.38*	14.06*	7.24*	4.17*	1.39*	0.35*	2.71*	0.47*

Enabling Change Since 1970: A Journey with our Community

Thirumalai Charity Trust completed 50 years of service this year. We are happy to share our journey with you in this brief report.

“Social responsibility of business is not optional, but obligatory” – Our founders created TCT with this intention and a vision to support the communities they worked in. We are privileged to have been a part of this great organization, which has helped us to make a difference through many programmes.

In the early years, TCT supported health and education projects sponsored by reputed institutions in Mumbai and Chennai. TCT began its service in Tamil Nadu in 1983, with a medical centre at Thiruvalam, Vellore (then the North Arcot District). Based on this experience, in 1989, the trust started a community based health and development project with women volunteers from the local area and community based management of all programmes. The project expanded to suit the context and needs of the community, and its programmes made significant contributions to improve rural conditions.

The close involvement with the rural people through this project helped us understand their different needs. With this understanding and growing roots in the area, TCT’s project portfolio grew to include alcoholism deaddiction, study and recreation centres for school students, self-help groups and microfinance, veterinary care, primary health care, education, etc.

Year	Programme
1992	Annual community based de-addiction camps
1993	Evening study and recreation centres
1994	Women Self Help Groups
1994	Vedavalli Vidyalaya under the aegis of *The Akshaya Vidya Trust*
1995	Veterinary care
1996	Programmes for differently-abled persons
1998	Community Health and Development Programme
2005	The Drinking Water Project for the Tsunami affected Nagai
2010	Thirumalai Mission Hospital (TMH) at Ranipet

First village dispensary (1983)

As the programs grew, the geographical reach of our programs also expanded. Starting with one medical centre in one village, TCT now serves over 1,60,000 people in the Ranipet and Vellore districts. As some programmes grew, some shrank, as the community developed and changed. With its deep roots in the community, TCT has been able to ensure that the services it provides are both necessary and not redundant, changing with the times.

The heart of the current TCT service model is the Thirumalai Mission Hospital. Started in 2010 in a 2 storey building of 5000 sq.ft., the TMH has now grown to four floors and 30,000 sq.ft.. With NABH accreditation, the hospital offers outpatient and inpatient services in Emergency, General Medicine, General, Surgery, Obstetrics and Gynaecology, Paediatrics, Orthopaedics, E.N.T. and Dentistry. Physiotherapy and dialysis services are also provided. The hospital's laboratory and diagnostic services offer reliable results and are benchmarked for quality assurance. Our expertise is well known in the area for prevention, care and control of non-communicable diseases: diabetes, hypertension, osteoporosis, as well as screening for oral, cervical and breast cancer. Its research centre conducts research in community health.

TMH Home care services are now offered in nearby towns and villages. Telemedicine service is also offered to our hospital patients; our rural patients enrolled in our care programmes are also given care in the community through telemedicine.

The N.R. Swamy Rehab and Wellness Centre was started in 2014 and functions on the third floor of the hospital. It provides de-addiction and rehabilitation programmes for alcoholics, counselling to help with digital addiction among adolescents, and counselling against domestic violence.

Our primary healthcare services are implemented in 315 villages in 50 Panchayats of Vellore and Ranipet districts through village level volunteers and trained field staff. Patients are referred to the hospital for secondary care through field workers and through special camps.

During the pandemic period, TMH has operated as a safe hospital and continued to care for all its patients and the community. In response to the pandemic, a project was initiated to care for the rural elderly and vulnerable sections for advocating safety and care measures. Through this project, the community has been able to ensure reduced infection amongst the elderly and vulnerable, reduced morbidity and mortality.

Village health volunteer with a medical kit (1989)

Getting deep insight into the COVID 19 pandemic situation, we have contributed to the knowledge in this new area, ranging from safety measures to prevent the infection, care of infected persons at home, protocols for secondary care hospitals for patient and hospital safety, and advocating for priority groups for vaccination.

As we look back on our 5 decades, we are confident that we will be able to continue our service to the community by matching their needs with our philosophy of responsible and ethical care. In the years ahead, we will continue to involve all our stakeholders, intensify our efforts to improve the quality of health and development of our community, and develop sustainable institutions to benefit more people, more effectively and in more ways. We count on your continued support and patronage in this march to reach our 100th year of service.

www.thirumalaicharitytrust.org

Women Self Help Groups (1994)

Veterinary Care (1995)

Vedavalli Vidyalaya (1994)

Programme for Differently Abled Persons (1996)

Thirumalai Mission Hospital (2010)

Greetings from Vedavalli Vidyalaya!

The COVID-19 pandemic has thrown many challenges at us. However, our teaching staff and the administration teams, with their "Never Say Die" attitude, have ensured that the challenges were converted to opportunities and the educational needs of the students were duly taken care of.

Our teachers went through adequate training in the workshops to get familiar with "online" teaching and developed suitable techniques to make their teaching effective. We are happy to share the activities and events that happened in our school during the year. Given the situation, each and every session could only be conducted virtually. This meant a lot of preparation for the teachers, students and parents.

Online classes

From April 2020, our teachers started conducting a variety of online sessions from Kindergarten to Class XII at varying intervals. The assignments and activities were sent to the students, and the classes continued with interesting online games, quizzes and other activities.

Special Activities & Events

An array of activities for Primary, Middle, and Senior class students were conducted.

Special events such as Independence Day, Republic Day, and Teachers' Day were also conducted online.

We would like to thank and applaud the parents, who supported us by ensuring online access to their children and by paying the school fees.

The students always look forward to the Special Weeks. We also had the opportunity to involve the parents, as many were able to participate from the comfort of their home.

Teacher Workshops

Our teachers were continuously attending various webinars and capacity building workshops conducted by reputed organisations.

NIOS

Our school got the affiliation as a Study Centre for NIOS- National Institute of Open Schooling. Three students joined the course for class X. Students who have completed 14 years can enrol in the NIOS and complete their Secondary and Senior Secondary level at their own pace.

Davis Learning Strategies (DLS)

DLS is an effective and efficient way to provide students with the necessary reading skills and to develop a promising reader into an accomplished reader. This program will also be extended to a few students of grades VII and VIII.

To ensure continuous and easy conduct of classes, our teachers were provided with necessary gadgets. Both the teaching faculty and the admin staff of Vedavalli Vidyalaya Schools have done an extraordinary job to ensure that the students were given the needed inputs and the required classes.

Our thoughts were fully occupied on how to reach out to the children in the virtual mode of teaching. Like all of us , we are eager to get restarted with a 'new normal' in the next academic year.

Art work by the students of Vedavalli Vidyalaya