THIRUMALAI CHEMICALS LTD.

42nd Annual Report 2014–2015

APPLICATIONS OF MALIC ACID



Pharma

Jams

Pet Food



Beverages

Personal Care Products



Seasoning

Vegetables



Pickles

MALIC ACID IN YOUR KITCHEN



Masala

Dokhla

Idli



Paneer

Want to know more? Write to us at:
malicacidgroup@thirumalaichemicals.com

Board of Directors

Dr. S. Rama Iyer (Chairman)
Mr. R. Parthasarathy (Managing Director)
Mr. P. Shankar
Mr. A. Janakiraman
Mr. N. Subramanian
Mr. Raj Kataria
Mr. R. Ravi Shankar
Mr. Dhruv Moondhra
Mr. R. Sampath
Mr. S. Santhanam
Mrs. Ramya Bharathram (Whole-time Director)

Chief Executive Officer
Mr. C.G. Sethuram

Chief Financial Officer
Mr. N. Nambi Rajan

Company Secretary
Mr. T. Rajagopalan

Bankers
- Bank of India
- State Bank of India
- Andhra Bank
- Axis Bank Ltd
- Oriental Bank of Commerce
- Indian Overseas Bank
- Bank of Baroda
- Export-Import Bank of India

Auditors
M/s. CNK & Associates LLP
Chartered Accountants, Mumbai.

Internal Auditors
M/s M.S.KRISHNASWAMY & CO.
Chartered Accountants, Chennai

M/s ANEJA ASSOCIATES
Chartered Accountants, Mumbai

Cost Auditor
Mr. G. Sundaresan, Chennai.

Registered Office
Thirumalai House, Road No. 29, Near Sion Hill Fort, Sion(E),
Mumbai - 400 022
Tel. : 022-24017841, 43686225,
Fax : 022-24011699
E-mail : thirumalai@thirumalaichemicals.com
Website : http://www.thirumalaichemicals.com
CIN : L24100MH1972PLC016149

Registrar & Share Transfer Agents
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L.B.S. Marg, Bhandup (W), Mumbai - 400 078
Tel. : 022-2594 6970
Fax : 022-2594 6969
E-mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Factory
25-A, SIPCOT Industrial Complex,
Ranipet, Vellore District, Tamilnadu
Tel. : 04172-244327
Fax : 04172-244308
E-mail : mail@thirumalaichemicals.com

42nd Annual General Meeting

Date & Time

Monday, August 03, 2015 at 2.30 p.m.

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

Book closure

Tuesday, July 28, 2015 to Monday,

August 03, 2015 (both days inclusive)

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NOTICE

NOTICE is hereby given that the **FORTY SECOND ANNUAL GENERAL MEETING OF THIRUMALAI CHEMICALS LIMITED** will be held at THE MYSORE ASSOCIATION AUDITORIUM, Mysore Association, 393, Bhaudaji Road, Matunga C-Rly.,Mumbai – 400 019 on Monday, August 03, 2015 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report and the Audited Profit and Loss Account for the year ended March 31, 2015 and the Balance Sheet as at that date and the Auditors' Report thereon.
2. To declare dividend for the financial year ended March 31, 2015.
3. To appoint a Director in place of Mr.R.Sampath, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint Auditors for the financial year 2015-2016 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution.

   "Resolved that pursuant to the provisions of Section 152 and 160 of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Ramya Bharathram (holding DIN 06367352) be and is hereby appointed as a Director of the Company, whose office is liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special resolution.

   "RESOLVED THAT pursuant to the section 196 of the Companies Act, 2013 and other applicable provisions of the Act and Articles of Association of the Company, Mrs. Ramya Bharathram (DIN 06367352), Director, be and is hereby appointed as a Whole-time Director of the Company under section 196 of the Companies Act, 2013 with effect from 03.11.2014 for a period of three years and is liable to retire by rotation, upon remuneration and benefits as detailed below and be designated as **"Executive Director".**

   Remuneration:

   For the period 3-11-2014 to 31-3-2015:

   1) Basic Salary starting at Rs.23.75 Lakhs per annum for the period 3-11-2014 to 31-3-2015.
   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 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, other medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 50 percent of the Annual Basic salary, as above.
   4) Performance Incentives, not exceeding 40 percent of the Annual Basic salary, of the relevant year for which eligible.

   For the period 1-4-2015 to 2-11-2017:

   1) Basic Salary starting at Rs.3 Lakhs per month for the financial year 1-4-2015 to 31-3-2016 with an annual increment up to 20% of Basic Salary, as may be decided by the Board 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, but subject to the Annual Basic salary of the relevant year for which she is eligible and paid, as defined in item 1 above. 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 the 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."

   FURTHER RESOLVED THAT the appointment of Mrs. Ramya Bharathram shall be subject to the approval of the Shareholders of the company by way of special resolution

   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 a Special Resolution:

"RESOLVED THAT in partial modification of the resolution of the members passed in the Annual General Meeting held on 5-7-2013, and in terms of the provisions of section 196 and other applicable provisions of Companies Act, 2013 (including any amendment/modification thereof), the remuneration of Mr. R. Parthasarathy (DIN: 00092172), Vice-Chairman and Managing Director of the company be revised as follows with effect from 1-4-2015 till 31-7-2016:

i) Basic Salary Rs.9 Lakhs per month (with an annual increment of Rs.1 Lakh in April of each year).

ii) Allowances and Benefits: including HRA, LTA, CCA, other medical benefits and allowances, Travel or Car allowances, and other Allowances and Benefits, up to and not to exceed 50% percent of the Annual Basic salary, as above

iii) Commission up to 3 % of net profits of the Company as computed under Section 198 of the Companies Act, 2013.

iv) In addition to the above remuneration, Mr. R. Parthasarathy shall be entitled to Company's contribution to Provident Fund and Superannuation Fund, applicable as per rules/norms, or payments made in lieu of such contributions; Gratuity payment at the end of tenure and encashment of leave as per rules of the Company. These shall not be included in the computation of limits/restrictions for remuneration or perquisites as prescribed aforesaid under section II of part II of the schedule V of the Companies Act, 2013 and Mr. R. Parthasarathy shall be entitled to the same.

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

RESOLVED FURTHER THAT in any financial year during the currency of the tenure of Mr R. Parthasarathy 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 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.

FURTHER RESOLVED THAT the above modification in the terms of appointment of Mr. R. Parthasarathy shall be subject to the approval of the Shareholders of the company by way of special resolution.

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."

8. To ratify the remuneration of Cost Auditor for the year 2015-16 by passing the following resolution, with or without modification(s), as an Ordinary Resolution:

"RESOLVED THAT subject to approval as may be required from the Central Government the appointment of Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2015-16 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses, be and is hereby ratified."

NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, July 28, 2015 to Monday, August 03, 2015 (both days inclusive) for the purpose of Annual General Meeting and for determining members eligible for dividend, if declared by the shareholders.
2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.
4. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
5. Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividend, if any, up to the financial year 2006-2007 to the Investor Education and Protection Fund (The IEPF) established by the Central Government. Likewise, Debentures/Fixed Deposits repayment warrants/interest warrants which remain unclaimed /unpaid for a period of 7 years from the dates they first became due for payment have been transferred to the Investor Education and Protection Fund. All persons are requested to note that no claims shall lie against the Company or the said fund in respect of any amounts which were unclaimed and unpaid for a period of 7 years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
6. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointments/ re-appointments.
7. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report for 2014-15 are being sent in the permitted mode.

8. Electronic copy of the Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy.

   Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Notice of the 42nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

9. Members may also note that the Notice of the 42nd Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website www.thirumalaichemicals.com for their download.

10. Members desiring any clarification on accounts are requested to write to the Company at an early date so as to enable the Company to keep the information ready.

11. The Equity shares of the Company are mandated for trading in the compulsory demat mode. The ISIN No. allotted for the Company's shares is INE338A01016.

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

13. Voting through electronic means

I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 42nd Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Central Depository Services (India) Limited (CDSL):

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on July 30, 2015 at 10.00 a.m. (IST) and ends on August 02, 2015 at 5.00 p.m. (IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 27, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after 5.00 p.m. (IST) on August 02, 2015.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders.

(iv) Now Enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

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

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

(xi) Click on the EVSN for the Company Name <THIRUMALAI CHEMICALS LIMITED> to vote.

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

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

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

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

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

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

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

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

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

III. Mr. Manoj Mimani, Practicing Company Secretary (Membership No. 17083) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

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

V. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.thirumalaichemicals.com and on the website of CDSL and communicated to the Stock Exchanges, where the shares are listed.

14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

II. DETAILS OF DIRECTOR SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES: (Item No. 3)

Mr.R.Sampath is a B.Sc and also a BS in Chemical Engineering, USA. He is the Chairman & Managing Director of Ultramarines & Pigments Ltd which is one of the promoters of the Company. He has 40 years of experience in the US and India, in business operation and management. He is holding 4,81,737 equity shares of the company.

III. EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

ITEM No.5

Mrs. Ramya Bharathram was appointed as an Additional Director of the company with effect from 3-11-2014 by the Board of Directors of the company under section 161 of the companies Act, 2013. Accordingly she holds office as Director till the conclusion the ensuing Annual General Meeting.

Notice has been received from a member together with deposit of Rs.1 lakh proposing her name for election of Director as per the provisions of section 160 of the Companies Act, 2013.

Detailed Note on Mrs. Ramya Bharathram's suitability and experience is given under Item No. 6.

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

Mrs. Ramya Bharathram and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 5 of the Notice. The other relatives of Mrs. Ramya Bharathram may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 6

Mrs. Ramya Bharathram, whole-time Director of our company, is presently heading the Speciality Chemicals Businesses and handling corporate matters for the Company. She is 43 years. She has been working in this role, for the last four years and is having 16 years of experience in Marketing, Business Management, new Business Development, Customs & Excise and Trade defence and Accounts.

She worked with M/s Lakshmi Kumaran & Sridharan, a leading Law firm, at Delhi, where she specialized in Direct Taxation, and in Trade, Antidumping & Safeguard matters and cases (1996 – 2000).

She has worked in M/s Deloitte and Touché Delhi, for 2 years (2000 – 2002).

In 2006, she attended programmes at IMD, Switzerland and at the Kellogg School of Management, Chicago, after working in sponsored projects.

From 2006 till 2008, she worked part-time in market research and evaluation of New Business projects, in Retailing, Serviced Apartments, and in Speciality Chemicals. She joined Thirumalai Chemicals Ltd. in April 2008. She started working in new projects, and thereafter was tasked to head the Chemidye and Food Ingredients divisions. She played a key role in making them profitable and has grown them substantially in Revenues and Profits.

Since August / September 2014, she has moved to Corporate Strategy, Policy development and review functions, new projects, and continues to oversee the Food Ingredients Businesses.

Mrs. Ramya Bharathram is a relative of Mr. R. Sampath, (promoter) Director. She is holding 23,696 equity shares of the company. She is a Director on the Board of M/s Jasmine Limited, a NBFC company registered with RBI, and a related company.

The Directors recommend the resolution set out at item.no.6 of the accompanying notice for your approval.

Mrs. Ramya Bharathram and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 6 of the Notice. 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.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM NO. 7

The shareholders of the Company at their Annual General Meeting held on July 05, 2013 had appointed Mr. R. Parthasarathy as Vice-Chairman and Managing Director of the Company for a period of 3 years w.e.f. August 01, 2013 to July 31, 2016.

In accordance with Schedule XIII of the Companies Act, 1956, the shareholders of the Company at their 40th Annual General Meeting held on July 05, 2013 had approved the payment of remuneration including minimum remuneration payable in case of inadequacy of profits or no profits, for a period 3 years from August 01, 2013.

The new Companies Act, 2013 under schedule V set revised limits for remuneration, which can be paid to the managerial personnel of the Company in case of inadequacy of profits or no profits and now, it is proposed to seek a fresh approval from you for payment of minimum remuneration as permissible under Section II of Part II of Schedule V of the Companies Act, 2013, to Mr. R. Parthasarathy, Vice-Chairman and Managing Director, from April 1, 2015 till the expiry of his term i.e. July 31, 2016.

The special resolution as set out against item no. 7 was approved by the Nomination & Remuneration Committee and the Board at their respective meetings held on May 06, 2015.

The basic salary is derived from the previous approval made at the AGM held on July 05, 2013.

Mr.R.Parthasarathy is holding 2,72,350 equity shares of the company.

The Board recommends the resolution for your approval.

Mr. R. Parthasarathy and Mr. R. Sampath, Director and being a relative, are interested in the resolution set out at Item No. 7 of the Notice. The other relatives of Mr. R. Parthasarathy may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution.

ITEM No. 8

To ratify remuneration of Cost Auditor:

The Board at its meeting held on May 06, 2015, as recommended by the Audit Committee, appointed Mr. G. Sundaresan, Cost Accountant, as Cost Auditor to issue Compliance Certificate and to audit the Cost Accounts of the Company for the Financial Year 2015-16 for a remuneration of Rs.25,000/- in addition to reimbursement of out of pocket expenses.

As per Rule 14(a) (ii) of Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditor has to be ratified by the Shareholders. Hence this resolution is put 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. 8.

The Board of Directors recommends the resolution for your approval.

Statement to be given under Part II, Section II(B) (IV) of the Schedule V of the Companies Act, 2013

ITEM NO. 6

I. General Information

(1) Nature of Industry: The Company is into manufacture of Phthalic Anhydride, Maleic Anhydride, Food Acids and Esters.

(2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.

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

(4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Director's Report.

(5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2014-2015 is Rs.105.49 lakhs and the Company do not have any foreign collaboration.

(6) Foreign investments or collaborations, if any: US$ 6.50Mn

II. Information about the appointee(s)

(1) Background details

Mrs. Ramya Bharathram, is presently heading the Speciality Chemicals Businesses and handling Corporate matters for the Company. She is 43 years. She is a commerce graduate and completed intermediate in Chartered Accountancy. She has exposure in legal and finance.

She is having 16 years of experience in Marketing, Business Management, new Business Development, Customs & Excise and Trade defence and Accounts. She has been working with the company for the last four years and has contributed in the turnaround of business during the time of slack in business cycle.

2) Past Remuneration (for the last three years)

Rs.in lakhs

Year	Amount	Year	Amount	Year	Amount
2014-15	Rs.54.90*	2013-14	Rs.24.29	2012-13	Rs.16.02

* Whole-time Director from November 03, 2014 and includes Rs.38.91 drawn as Whole-time Director.

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

(3) Recognition or Awards: Nil

(4) Job profile and suitability

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

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

The proposed remuneration of the Whole-time Director 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, if any.

Mrs. Ramya Bharathram is a relative of Mr. R. Sampath, Director of the Company, who may be deemed to be interested in the resolution relating to the appointment of Mrs. Ramya Bharathram as Whole-time Director.

III. Other information

(1) Reasons of loss or inadequate profit: There is no inadequacy of profit for the financial year 2014-15.

(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.

Statement to be given under Part II, Section II(B) (IV) of the Schedule V of the Companies Act, 2013

ITEM NO. 7

I. General Information

(1) Nature of Industry: The Company is into manufacture of Phthalic Anhydride, Maleic Anhydride, Food Acids and Esters.

(2) Date or expected date of commencement of commercial production: The Company commenced operations in the year 1974.

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

(4) Financial performance based on given indicators: The financial performance of the Company is mentioned in the Director's Report.

(5) Export performance and net foreign exchange collaborations: The FOB value of exports during the year 2014-2015 is Rs.105.49 lakhs and the Company do not have any foreign collaboration.

(6) Foreign investments or collaborations, if any: US$ 6.50Mn

II. Information about the appointee(s)

(1) Background details

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

2) Past Remuneration (for the last three years)

Rs.in lakhs

Year	Amount	Year	Amount	Year	Amount
2014-15	Rs.97.71	2013-14	Rs.158.95	2012-13	Rs.235.96

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

(3) Recognition or Awards: Nil

(4) Job profile and suitability

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

(5) Remuneration proposed:

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

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

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

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

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

III. Other information

(1) Reasons of loss or inadequate profit: There is no inadequacy of profit for the financial year 2014-15.

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

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

By Order of the Board
For Thirumalai Chemicals Ltd.

T.RAJAGOPALAN
Company Secretary

Registered Office:
Thirumalai House,
Road No.29,
Sion-East
Mumbai - 400 022.
CIN : L24100MH1972PLC016149

May 06, 2015

DIRECTORS' REPORT, MANAGEMENT DISCUSSIONS & ANALYSIS

To

The Members

Thirumalai Chemicals Ltd.

Your Directors present the 42nd (Forty Second) Annual Report and Audited Statement of the Company for the year ended March 31, 2015. The Management Discussion and Analysis has also been incorporated into this report.

(Rs. in crore)

Standalone Financial Results	Year ended 31.03.2015	Year ended 31.03.2014
Revenue from Operations	925.35	1033.44
Income from Windmill Operations	1.20	1.37
Other Income	**15.13**	**15.84**
Total Revenue	**941.68**	**1050.65**
Gross Profit / (Loss) before interest and Finance Charges and Depreciation	59.65	61.07
Less : Interest and Finance Charges	33.11	45.42
Profit / (Loss) before Depreciation and Tax	26.54	15.65
Depreciation	**7.00**	**12.21**
Profit / (Loss) before Tax	**19.54**	**3.44**
Provision for Tax	5.48	2.60
Profit / (Loss) after Tax	**14.05**	**0.84**
Add : Provision for Deferred Tax	0.15	2.73
Profit / (Loss) after Tax	**14.20**	**3.57**
Balance in Profit & Loss Account	59.78	56.21
Less : Depreciation Adjustment	2.28	0
Add : Profit for the year	14.20	3.57
Profit available for appropriation	71.71	59.78
APPROPRIATIONS		
Dividend	4.10	-
Tax on Dividend	0.83	-
General Reserve		-
Balance carried forward	66.78	59.78

On a Revenue from operations of **Rs.926.55 cr** (Previous Year: Rs.1,034.81 cr) including Export earning on FOB basis of **Rs.105.49 cr** (Previous Year: Rs.71.87 cr) and Income from Windmill of **Rs.1.20 cr** (Previous Year: Rs.1.37 cr), and Other Income of **Rs.15.13 cr** (Previous Year: Rs.15.84 cr), the Gross Profit of the Company amounted to **Rs.59.65 cr** (Previous Year: Rs.61.07 cr). After providing for Interest & Finance charges, and Depreciation, the Profit after Tax is **Rs.14.20 cr** (Previous Year: Rs.3.57 cr).

Dividend

The Directors are pleased to recommend a final dividend of Rs.**4/-** per share (**40%** on the face value of Rs. 10/-) ; excluding the Tax on Dividends, this will absorb **Rs. 4.93 cr** (previous year nil).

Subsidiaries

Tarderiv International Pte Ltd., Singapore is a wholly-owned subsidiary of your Company and it has two step-down subsidiaries viz. Cheminvest Pte Ltd., Singapore and Optimistic Organic Sdn. Bhd., Malaysia (OOSB)

The Performance, Plans and Prospects of your Company are given below.

Overview

The Chemical Industry had a difficult year in 2014-15, with a sharp drop in oil and petrochemicals prices, inventory losses, and a general slowdown in our markets. As a result of sustained efforts to improve efficiencies in energy, working capital and finance costs, your Company has come through these difficult times as a much leaner organization. This allowed us to capitalize on the improvement in markets in the 4th Quarter, and enabled us to post a profit for that quarter, and overall for the year.

This, along with improved working capital management resulted in good cash flows and helped your Company reduce its borrowings significantly.

The Government's "Make in India" focus, reduced interest rates and the decreasing inflation are expected to revive the Construction and Housing sectors, and the demand for consumer products. In addition to our ongoing efficiency drive, we expect that the direction taken by Government policies will help us improve our operations and grow.

Your Company's Businesses:

Phthalic Anhydride (PA)

As mentioned earlier, the sudden and steep fall in crude prices hurt margins badly. In the first three Quarters of the year, these low margins and our inventory losses affected the bottom line. Your management and operating teams have been working intensely on correcting the supply chain anomalies, and in technology and operational improvement programs.

With the PA markets stabilizing in Q4, we were able to improve margins and volumes. Your Company's efforts to correct Inverted Duties between our Raw materials and our Products have been partially successful. We continue to work with various Ministries in this, and to ensure that the dumping of Phthalic Anhydride from Eastern Europe and the Far East is reduced.

PA Derivatives and Food Ingredients:

Your Company's Derivatives and Food ingredients businesses performed excellently; we were able to develop a large number of new applications, new customers and markets, and improve margins in spite of slowdown in our European markets. They helped us add value to our products and mitigate the cyclicity in the PA business.

Finance & Cash Flow:

Your Company generated significant Cash Flow in 2014-15, and enabled us to reduce debts aggressively. Our total borrowings during the year have come down to Rs 67.96 cr from Rs 134.86 at the end of FY13-14. This is a result of an active credit and working capital policy, which started 3 years ago, when our debt was at Rs 214.71 Cr. Worthy of note is that this reduction was effected in a year where we faced difficult market conditions.

Environment:

This year, we took up new initiatives in

- Improving Energy and Water consumption,
- Better Environmental Management & Safety systems.