

# Annual Report 2009-10

**Tuticorin Alkali Chemicals and Fertilisers Limited, Chennai.**



**BOARD OF DIRECTORS**

Dr. A.C. MUTHIAH, Chairman  
 Thiru ASHWIN C MUTHIAH  
 Thiru S. CHANDRAMOHAN, Managing Director  
 Thiru M. JAYASANKAR  
 Thiru R. SOUNDARARAJAN  
 Tmt VATSALA KRISHNAKUMAR, IDBI Bank Nominee

**CHIEF FINANCIAL OFFICER**

Thiru O.N.JAYAKUMAR

**GENERAL MANAGER (MARKETING)**

Thiru R. RAJAMANICKAM

**GENERAL MANAGER (SITE)**

Thiru S. THANGATHIRUPATHY

**COMPANY SECRETARY**

Thiru S. RAGHAVAN

**AUDITORS**

CNGSN & ASSOCIATES  
 Chartered Accountants,  
 "Agastyar Manor"  
 20. Raja Street, T. Nagar,  
 Chennai - 600 017.

**BANKERS**

STATE BANK OF INDIA  
 TAMILNAD MERCANTILE BANK LTD  
 THE SOUTH INDIAN BANK LTD  
 THE CATHOLIC SYRIAN BANK LTD  
 INDIAN OVERSEAS BANK  
 CANARA BANK  
 SYNDICATE BANK  
 STATE BANK OF TRAVANCORE

**REGISTERED OFFICE &****SECRETARIAL DEPARTMENT**

"EAST COAST CENTRE"  
 534, Anna Salai, Teynampet  
 Chennai - 600 018.  
 Phone : 24345276 / 24349824  
 Fax : 24348044  
 E-mail : secretary@tacfert.com

**WORKS**

Harbour Construction Road,  
 Tuticorin - 628 005

**REGISTRAR &****SHARE TRANSFER AGENTS**

Cameo Corporate Services Limited  
 "Subramanian Buildings".  
 1, Club House Road, Off Anna Salai,  
 Chennai - 600 002.

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**NOTICE**

NOTICE is hereby given that the Thirty Seventh Annual General Meeting of TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED will be held on Monday, August 9, 2010 at 3.00 p.m. at "Abirami Chidambaram Community Hall", No.1/3A, River View Road, (Near Kotturpuram Bridge), Kotturpuram, Chennai 600 085, to transact the following business:

Registered Office:  
"East Coast Centre",  
534, Anna Salai, Teynampet,  
Chennai - 600 018.  
May 3, 2010.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the year ended March 31, 2010, Balance Sheet as at that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Thiru Ashwin C Muthiah, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and fix their remuneration. M/s. CNGSN & Associates, Chartered Accountants, Chennai, retire and are eligible for reappointment.

By Order of the Board  
For TUTICORIN ALKALI CHEMICALS  
AND FERTILISERS LIMITED  
S. RAGHAVAN  
Company Secretary

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXY FORM, DULY STAMPED AND EXECUTED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from July 30, 2010 to August 9, 2010 (both days inclusive).
4. Members are requested to quote their Folio Numbers in all their correspondence.
5. Members are requested to notify changes, if any, in their addresses to the Company or to the Registrar viz., Cameo Corporate Services Limited, Subramanian Buildings, No.1, Club House Road, Off Anna Salai, Chennai 600 002 specifying full address in Block Capital with Pin Code of the Post Office.
6. Pursuant to Section 205A (5) of the Companies Act, 1956, all dividends up to the financial year ended March 31, 1995, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, Tamil Nadu, Shastri Bhavan, 26, Haddows Road, Chennai 600 006.
7. Members are requested to bring their copies of the Annual Report to the Meeting.
8. Members are requested to bring their Attendance Slips and hand over at the entrance, duly signed by them. Members who hold shares in the DEMATERIALISED FORM are requested to indicate without fail their DP ID and Client ID Numbers in the Attendance Slips.

**Information required to be furnished under the Listing Agreement about the particulars of Directors proposed to be reappointed at the 37th AGM**

**Item No.2****Thiru ASHWIN C MUTHIAH, Director**

Thiru Ashwin C Muthiah, born on 1.1.1966, holds a bachelor degree in Commerce from Madras University and a Post Graduate degree in Business Administration from Philadelphia University. He is an entrepreneur with business interests in Logistics, Trading and Shipping. He is Consul General Ad Honorem of the Republic of Philippines at Chennai.

Thiru Ashwin C Muthiah holds Directorships in the following Companies:

**Chairman**

1. Manali Petrochemical Limited, Chennai
2. SICAL Distriparks Limited, Chennai

3. SICAL Infra Assets Limited, Chennai
4. SDB Certis CISCO India Limited, Chennai
5. SICAL Logistics Limited, Chennai

**Vice Chairman**

6. PSA SICAL Terminals Limited, Tuticorin
7. Southern Petrochemical Industries Corporation Limited, Chennai

**Director**

8. Mitsuba Sical India Limited, Chennai
9. SPEL Semiconductor Limited, Chennai
10. Tamilnadu Petroproducts Limited, Chennai
11. Totalcomm Infra Services Private Limited, Chennai

**DIRECTORS' REPORT****To**

The Members

Your Directors hereby present the 37<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2010.

Company's Plants continued to be under shut down for the last three years, due to non-availability of Carbon-di-oxide(CO<sub>2</sub>) from SPIC, owing to shut down of SPIC's Ammonia Plant. Hence, there was no manufacturing operation during the year.

SPIC is expected to restart its Ammonia Plant in August 2010, which would enable the supply of Co<sub>2</sub> to the Company so that the manufacturing operations of the Company could commence thereafter. In order to facilitate the smooth restart of the Company's Plant, refurbishment of Company's Plant and Machinery has already started and the work is expected to be completed in August 2010.

The Board for Industrial and Financial Reconstruction (BIFR) has declared the Company as a Sick Industrial Undertaking effective from July 14, 2009 and appointed IDBI Bank Limited as the Operating Agency (OA) for finalising a suitable rehabilitation package for revival of the Company. The Company is in discussion with its lenders and is in the process of filing a fully tied up Draft Rehabilitation Scheme to BIFR by end of July 2010.

**Financial Results**

The following are the financial highlights:-

(Rupees in Crores)

DESCRIPTION	2009-10 (12 months)	2007-09 (18 months)
Sales Turnover (Net of Excise Duty and Trade Discount)	<u>7.27</u>	<u>14.43</u>
Gross Loss after meeting all expenses but before providing depreciation and interest	14.91	16.29
Add: Interest	6.35	8.76
Add: Provision for Tax – Fringe Benefit Tax	0.01	0.08
Cash Loss	21.27	25.13
Add: Depreciation for the year	4.81	7.37
Loss for the year	26.08	32.50
Net Loss brought forward from previous year after adjustment	66.53	34.03
Accumulated Loss	92.61	66.53

During the year ended March 31, 2010, your Company has incurred a net loss of Rs.26.08 crores due to continuous shut down of the Plant for the entire year due to non-availability of CO<sub>2</sub>.

**Wind Mill**

During the year, 6.23 lakh units were generated from 5 Nos. of 250 KW Wind Operated Electricity Generators at Gudimangalam, Coimbatore District, as against 5.91 lakh units generated in the last 18 months period.

**Captive Salt Works**

During the year salt production was 14,106 MT at the Company's salt works as against 13,680 MT produced during the previous 18 months period.

**Trading**

During the year the Company has commenced trading of Phospo Gypsum, used for manufacturing cement, and sold 40,845 Tonnes.

**Fixed Deposit**

There was no outstanding deposit as at March 31, 2010. However an amount of Rs.0.39 lakh remains unclaimed (representing four deposits).

**Directors' Responsibility Statement**

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Directors of the Company hereby declare that:

- in the preparation of the accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the loss of the Company for the year ended on that date;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- the Directors had prepared the annual accounts on a 'going concern' basis.

**Industrial Relations**

Industrial relations continued to remain cordial.

**Particulars of Employees**

A statement giving particulars of employees as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 forming part of this Report is annexed hereto.

**Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo**

As required under Section 217(1)(e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, information on conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this report.

**Directors**

There was no change in the Directors of the Company during the year. In terms of Section 256 of the Companies Act, 1956, Thiru Ashwin C Muthiah, Director, retires by rotation and being eligible, offers himself for re-election.

**Auditors**

M/s. CNGSN & Associates, Chartered Accountants, Chennai the retiring Auditors, are eligible for reappointment.

With regard to the observation of the Auditors, the Board of Directors are taking all possible steps for recommencement of manufacturing operations by August/September 2010.

Chennai  
May 3, 2010

**Cost Audit**

Since there was no manufacturing activity during the year ended March 31, 2010, it is proposed to obtain exemption, from the Ministry of Corporate Affairs, Government of India, from conducting the Cost Audit for Fertiliser - Ammonium Chloride and Chemical - Soda Ash.

**Listing of Equity Shares**

The Company's equity shares are listed in the Bombay Stock Exchange.

**Corporate Governance**

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate report on Corporate Governance and Management Discussion and Analysis together with a Certificate from the Company's Auditors confirming the compliance of the conditions of Corporate Governance is attached to the report.

**Acknowledgements**

The Directors express their thanks for the assistance, co-operation and support extended to the Company by the Government of India, the Government of Tamil Nadu, SPIC, IDBI Bank, ICICI Bank, Tamilnad Mercantile Bank, HDFC, State Bank of India and other Commercial Banks and all others who are associated with the Company. The Board wishes to place on record its sincere appreciation for the services rendered by the employees at all levels.

For and on behalf of the  
Board of Directors  
A.C. MUTHIAH  
Chairman

**ANNEXURE TO DIRECTORS' REPORT****A. Conservation of Energy**

Details required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the year ended March 31, 2010.

There was no scope for energy conservation measures since the plant was under complete shut down during the year. Steps were taken to reduce lighting load wherever possible.

**Form A**

Form for disclosure of particulars with respect to conservation of energy

**A. Power and Fuel Consumption**

		2009-10 (12 months)	2007-09 (18 months)
<b>1. Electricity</b>			
a) Purchase:			
Unit	Kwh	<b>8,85,400</b>	17,56,500
Total Amount	Rs. in lakhs	<b>129.00</b>	364.09
Rate/Unit *	Rs./Kwh	<b>14.57</b>	20.73
* includes fixed demand and Electricity Consumption Charges			
b) Own Generation:			
i) Through Diesel Generator:			
Unit	Kwh	<b>2,330</b>	3,320
Units/Ltr. of Diesel Oil	Kwh/Ltr.	<b>1.73</b>	2.39
Cost/Unit	Rs./Kwh	<b>19.19</b>	12.85
Diesel		<b>1.00</b>	1.00
Maintenance		<b>20.19</b>	13.85
ii) Through Steam Turbine/Generator Units:			
Units per litre of Fuel Oil/Gas		<b>Nil</b>	Nil
Cost/Unit			
iii) Wind Mill Power Generation:			
Unit	Kwh	<b>6,23,391</b>	5,91,333
Credit given by TNEB per Unit	Rs./Kwh	<b>3.57</b>	3.68
<b>2. Coal</b>			
Quantity			
Total Cost		<b>Nil</b>	Nil
Average Rate			
<b>3. Furnace Oil</b>			
Quantity			
Total Cost		<b>Nil</b>	Nil
Average Rate			
<b>4. Charcoal</b>			
Quantity			
Total Cost		<b>Nil</b>	Nil
Average Rate			
<b>5. Others/Internal Generation</b>			
Quantity		<b>Nil</b>	Nil
Total Cost			
Average Rate			

**B. Consumption per Unit of Production**

Products	2009-10 (12 months) Soda Ash/ Ammonium Chloride	2007-09 (18 months) Soda Ash/ Ammonium Chloride
Electricity	Nil	Nil
Charcoal		
Coal		
Others		

**Remarks and reasons for variations**

Since there was no production, specific consumptions are not applicable.

**Form B****B. Form for Disclosure of Particulars with respect to Technology Absorption****Research and Development**

Efforts continue to bring in new technologies for the captive generation of adequate quantity of CO<sub>2</sub> at low cost for self reliance.

**Technology Absorption, Adaptation and Innovation**

- Options for various economic sources of CO<sub>2</sub> are being explored.
- Benefits from the above efforts will be :  
The plant can be restarted, as it is now under shutdown for more than three years due to non-availability of CO<sub>2</sub>.  
Dependence on CO<sub>2</sub> from outside sources could be either substantially reduced or totally eliminated.
- Imported Technology :
  - Technology imported Nil
  - Year of import N.A.
  - Has technology been fully absorbed
  - If not fully absorbed, reasons and future course of action

**C. Foreign Exchange Earnings and Outgo**

Total Foreign Exchange used and earned:

	2009-10 (12 months)	2007-09 (18 months)
Earned	Nil	Nil
Used		

(Rupees in lakhs)

**Statement showing the particulars of an employee of the Company, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the report of the Board of Directors for the year ended March 31, 2010**

Name	Designation and nature of duties	Age	Qualification	Experience (years)	Last Employment	Date of commencement of employment	Gross Remuneration (Rs.)
Thiru S.Chandramohan	Managing Director	58	B.E. (Chem.), M.B.A.	36	Project Director, SPIC Fertilizers and Chemicals FZE, Dubai.	1.3.2003	24,67,437

- The nature of employment is contractual.
- The gross amount excludes contribution to Superannuation and Gratuity Funds.
- The above employee is not related to any Director of the Company.

Chennai  
May 3, 2010

For and on behalf of the Board of Directors  
**A.C. MUTHIAH**  
Chairman



## Report on Corporate Governance

### 1. Company's Philosophy on Code of Governance:

The Company believes in good Corporate Governance and has been practising it for the conduct of its business and for meeting the obligations towards its Shareholders. The Company has implemented the guidelines and the existing practices and policies, which are significantly in conformity with the requirements stipulated by SEBI under amended Clause 49 of the Listing Agreement.

The Report on Corporate Governance followed by the Company for the year ended March 31, 2010 is as follows:

### 2. Board of Directors

#### • Composition

As on March 31, 2010, the Board of Directors of the Company comprised of 6 Directors. The Board comprises of one Executive Director and five Non-Executive Directors, of which three are independent. The Non-Executive Directors bring independent judgment in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets

regularly for discharging its role and functions. All information as required under Annexure 1A to Clause 49 are being made available to the Board.

#### • No. of Board Meetings held during the year

During the year, viz. from Apr 1, 2009 to March 31, 2010, four Board Meetings were held on the following dates:

Date of the Board Meeting	Strength of the Board	No. of Directors present
30.04.2009	6	4
17.07.2009	6	5
26.10.2009	6	5
27.01.2010	6	6

No Director of the Company is a Chairman of more than five Board-Committees or a Member of more than ten Board-Committees as stipulated under the Corporate Governance Code.

#### • Particulars of the Board's composition, attendance at Board Meetings and the previous Annual General Meeting, number of other Directorships held and Board-Committee Memberships of the Company's Directors, as at March 31, 2010 are given below:

Sl. No.	Director  Tvl./Tmt.	Attendance Particulars		No. of Other Directorship	No. of other Board – Committee positions held	
		Board Meeting	Last AGM		As Chairman	As Member
1.	Dr. A.C. Muthiah Chairman Non- Executive Non-Independent	4	Yes	Chairman - 4 Vice Chairman - 1	----	----
2	Ashwin C Muthiah Non-Executive Non-Independent	1	No	Chairman - 5 Vice Chairman - 2 Director - 4	----	----
3.	S. Chandramohan Managing Director Executive Non- Independent	4	Yes	Director - 2	----	----
4.	M. Jayasankar Non-Executive Independent	4	Yes	Director - 4	1	----
5.	R. Soundararajan Non-Executive Independent	4	Yes	Director - 1	----	2
6.	Vatsala Krishnakumar IDBI Bank Nominee Non- Executive Independent	3	Yes	Director - 1	----	----

Note: Directorships in Companies registered under Section 25 of the Companies Act, 1956 and Foreign Companies were not included.

### 3. Audit Committee

#### ♦ Composition, Names of Chairman and Members

The Audit Committee of your Company was set up in the year 1986 well before the Corporate Governance Code became mandatory. During the period, the Audit Committee consisted of three Directors all being Non-Executive and Independent Directors.

The Chairman of the Committee is Thiru R. Soundararajan, Director and the other members of the Committee are Thiru M. Jayasankar, Director and Tmt. Vatsala Krishnakumar, Nominee Director of IDBI Bank.

#### ♦ Meetings and attendance during the year

Four Meetings of the Audit Committee were held during the year. The dates are Apr 30, 2009, Jul 16, 2009, Oct 26, 2009 and Jan 27, 2010. The attendance of each Member of the Committee is given below:

Names of Directors	No. of meetings attended
Thiru R. Soundararajan	4
Thiru M. Jayasankar	4
Tmt Vatsala Krishnakumar	3

#### ♦ Brief description of Terms of Reference

The Terms of Reference of the Audit Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The role of the Audit Committee is as prescribed under Clause 49(II)(C) of the Listing Agreement.

### 4. Remuneration to Directors

#### ♦ Remuneration Committee and Remuneration Policy

The Remuneration Committee of the Board was constituted on March 15, 2002 to formulate and recommend to the Board, from time to time the compensation structure for Directors of the Board. The Members of the Committee are Thiru R Soundararajan (Chairman of the Committee), Thiru M.Jayasankar, Director and Tmt Vatsala Krishnakumar, Nominee Director of IDBI Bank.

#### ♦ Remuneration to Directors

Thiru S. Chandramohan was appointed as the Managing Director of the Company for a period of three years with effect from March 1, 2003. He was reappointed for a period of three years with effect from March 1, 2006 and further reappointed for a period of three years with effect from March 1, 2009. The remuneration package comprises of salary, performance linked pay, allowances and perquisites. The Managing Director has been paid remuneration amounting to Rs.24.67 lakhs for the year ended March 31, 2010.

The Non-Executive Directors are being remunerated by way of Sitting Fees. The Sitting Fees paid to Non-Executive Directors for the year ended March 31, 2010 is as follows:

Sl.No.	Name of the Director	Sitting Fee Paid (Rs.)
1.	Dr. A.C. Muthiah	8000
2.	Thiru Ashwin C Muthiah	2000
3.	Thiru M. Jayasankar	18000
4.	Thiru R Soundararajan	16000
5.	Tmt Vatsala Krishnakumar	12000
	<b>Total</b>	<b>56000</b>

### 5. Shareholders'/Investors' Grievance Committee:

#### ♦ Details of the Members, Compliance Officer, No. of complaints received and pending transfers as on March 31, 2010

The Chairman of the Committee is Thiru M. Jayasankar, Director and the other member is Thiru S. Chandramohan, Managing Director. The Board of Directors of the Company has authorised the Managing Director and delegated him with powers to approve the share transfers and transmissions once in a fortnight. This enabled the Company to expeditiously process and approve share transfers and transmissions, within 10-15 days of receipt of the investors' requests.

During the period under review, there were no complaints received from Shareholders.

The Company had no pending documents for transfer as on March 31, 2010.

### 6. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board Members and Senior Management personnel of the Company who have affirmed compliance with the Code of Conduct. A declaration signed by the Managing Director and Chief Financial Officer to this effect is enclosed at the end of this Report.

### 7. Insider Trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices.

### 8. CEO & CFO Certification

Certificate from Thiru S Chandramohan, Managing Director & CEO and Thiru O.N. Jayakumar, CFO in terms of Clause 49(V) of the Listing Agreement with the Stock Exchange for the year under review was placed before the Board of Directors of the Company at its meeting held on May 3, 2010.

### 9. Secretarial Audit

A secretarial audit was carried out by a qualified Practising Company Secretary for reconciling the total admitted capital and the total issued capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialised shares held with NSDL and CDSL.

**10. General Meetings**

Details of location, date and time of Annual General Meetings held during the last three years:

Year	Location	Date and Time
34 <sup>th</sup> AGM 2005-2006	Raja Annamalai Hall, Esplanade, Chennai - 600 108.	Jan 29, 2007 4.00 p.m.
35 <sup>th</sup> AGM 2006-2007	Abirami Chidambaram Community Hall, Kotturpuram, Chennai - 600 085.	Feb 27, 2008 3.15 p.m.
36 <sup>th</sup> AGM 2007-2009	Abirami Chidambaram Community Hall, Kotturpuram, Chennai - 600 085.	Jul 17, 2009 2.45 p.m.

**11. Disclosures**

- During the year ended March 31, 2010, there were no materially significant related party transactions having conflict with the interests of the Company.
- There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

**12. Means of Communication:**

- The quarterly, half-yearly and yearly Financial Results of the Company are forwarded to the Bombay Stock Exchange immediately upon approval by the Board of Directors and are published in "Trinity Mirror" (English) and "Makkal Kural" (Tamil) News Papers. The Company currently does not have a website.
- In accordance with Listing Agreement requirements, data pertaining to shareholding pattern, quarterly financial results etc., are displayed in the Electronic Data Information Filing and Retrieval (EDIFAR) website of SEBI.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

**13. General Shareholder Information**

1.	Annual General Meeting Date and Time Venue	Aug 9, 2010 at 3.00 pm Abirami Chidambaram Community Hall, No.1/3A, River View Road, (Near Kotturpuram Bridge), Kotturpuram, Chennai – 600 085.
2.	Financial Calendar April 2010 – March 2011	First Quarter Results – First Week of August 2010 Half-Yearly Results – First Week of November 2010 Third Quarter Results – First Week of February 2011 Annual Results for the year ended March 31, 2011 – First Week of May 2011.
3.	Record Date Book Closure Date	Nil July 30, 2010 to August 9, 2010
4.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited. The Company has partly paid the Listing Fees to the Stock Exchange for the year 2009-10.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited "Subramanian Buildings" 1, Club House Road, Off. Anna Salai, Chennai – 600 002.
6.	Stock Code Demat ISIN No.	506808 - Bombay Stock Exchange Limited. INE400A01014
7.	Share Transfer System	The power to approve transfer and transmission of shares has been delegated by the Board to the Managing Director and Shareholders' / Investors' Grievance Committee. Share Transfer requests are processed within a period of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names. The share certificates are despatched by Registered Post.
8.	Dematerialisation of shares and liquidity	42.68% equivalent to 63,14,962 Equity Shares of the total Equity Capital is held in dematerialised form. The Company's Equity Shares are regularly traded in the Bombay Stock Exchange Limited in the compulsory demat form.

9.	<p>Details of public funding obtained in the last three years</p> <p>Outstanding GDRs / ADRs / Warrants of any convertible instruments.</p> <p>Depository Registry for providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited</p>	<p>No capital has been raised in the last three years from Public.</p> <p>Not Issued</p> <p>Cameo Corporate Services Limited "Subramanian Buildings", 1, Club House Road, Off Anna Salai, Chennai – 600 002. Telephone No.28460390 : Fax No. 28460129 Email: cameo@cameoindia.com</p>
10.	Plant Location	Harbour Construction Road, Tuticorin – 628 005
11.	Compliance Officer & Address for Communication	<p>Thiru S. Raghavan Company Secretary Tuticorin Alkali Chemicals and Fertilisers Limited 'East Coast Centre' 534, Anna Salai, Teynampet, Chennai – 600 018. Telephone No. 24345276 : Fax No. 24348044 Email: secretary@tacfert.com</p>

To the Members of Tuticorin Alkali Chemicals and Fertilisers Limited

**DECLARATION TO THE MEMBERS PURSUANT TO CLAUSE 49(I)(D)(II) OF THE LISTING AGREEMENT**

We, S. Chandramohan, Managing Director and O.N. Jayakumar, Chief Financial Officer, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct formulated by the Company for the year ended March 31, 2010.

Chennai  
May 3, 2010

O.N. JAYAKUMAR  
Chief Financial Officer

S. CHANDRAMOHAN  
Managing Director

**DISTRIBUTION OF HOLDINGS**

Share holding of nominal value of Rs.10/-	Shareholders		No. of Shares	
	Number	%	Number	%
Range - Shares				
Upto - 500	18633	92.22	23,24,083	15.71
501 - 1,000	962	4.76	8,17,078	5.52
1,001 - 2,000	366	1.81	5,19,582	3.51
2,001 - 3,000	89	0.44	2,22,733	1.51
3,001 - 4,000	41	0.20	1,49,445	1.01
4,001 - 5,000	46	0.23	2,21,254	1.50
5,001 - 10,000	33	0.16	2,48,367	1.68
10,001 and above	36	0.18	1,02,93,288	69.56
<b>TOTAL</b>	<b>20,206</b>	<b>100.00</b>	<b>1,47,95,830</b>	<b>100.00</b>

## SHAREHOLDING PATTERN AS ON MARCH 31, 2010

Sl.No.	Category	No. of Shares	Percentage
1.	Indian Promoters	66,80,113	45.15
2.	Mutual Funds	2,450	0.02
3.	Banks, Financial Institutions, Insurance Companies	4,04,043	2.73
4.	Foreign Institutional Investors	300	Negligible
5.	Private Corporate Bodies	13,29,690	8.99
6.	Indian Public	60,47,248	40.87
7.	NRIs/OCBs	3,31,986	2.24
	<b>TOTAL</b>	<b>1,47,95,830</b>	<b>100.00</b>

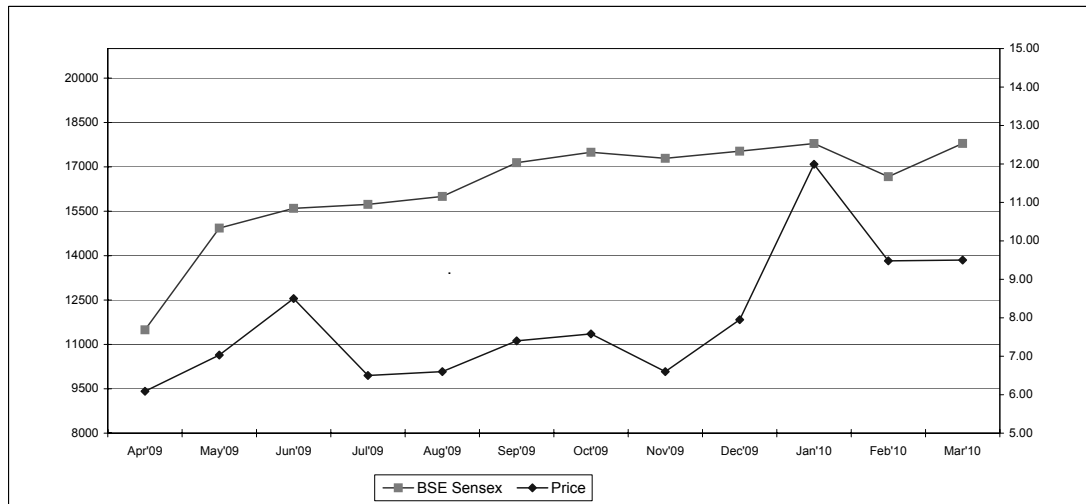
**Market / Share Price Data**  
Bombay Stock Exchange Limited, Mumbai

(In Rupees)

Month	High	Low
Apr '09	6.09	4.00
May '09	7.03	4.87
Jun '09	8.50	5.43
Jul '09	6.50	5.15
Aug '09	6.60	5.35
Sep '09	7.40	6.00
Oct '09	7.58	5.29
Nov '09	6.60	5.38
Dec '09	7.95	6.05
Jan '10	11.99	7.00
Feb '10	9.48	6.80
March '10	9.50	6.82

**Graph**

Performance of TAC's equity shares vis-à-vis the BSE Sensex is placed below:



The Company has complied with the requirements of mandatory provisions of the Corporate Governance as required under Clause 49 of the Listing Agreement. In addition, the constitution of a Remuneration Committee, though non-mandatory in nature, was also complied with by the Company.

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**CERTIFICATE TO THE MEMBERS OF TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Tuticorin Alkali Chemicals and Fertilisers Limited, for the year ended March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementations thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders' / Investors' Grievance Committee.

We further 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.

Chennai  
May 3, 2010

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N. GANGADARAN  
Partner  
Membership No. 11205  
ICAI Firm Regn. No. 0049155

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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Introduction

The Company's Soda Ash and Ammonium Chloride production facilities are based on the proven TOYO SODA DUAL Process. Excellent quality of products, low consumption of raw materials, utilities, low energy consumption and relatively low level of effluents are the hallmark of the process. The Plant is situated in the harbour town at Tuticorin, the second largest port in Tamil Nadu, to facilitate import of raw materials and export of finished products. The Company, being the only Soda Ash manufacturer to be located outside Gujarat, has leveraged its locational advantage to become a key and dominant player in southern market.

### Soda Ash

Soda Ash (Chemical Name Sodium Carbonate) is a basic Inorganic Chemical and key raw material for glass, detergents, silicates and certain other Chemicals. Soda Ash occurs naturally and is also produced synthetically using conventional Solvay process, Dual/Modified Solvay Process and Akzo Dry lime process. Synthetic Soda Ash is of Light (LSA) and Dense (DSA) varieties. LSA finds its application in Detergents while DSA is used in manufacturing Glass and Silicate.

### Ammonium Chloride (Fertiliser Grade)

The Company is the only producer of Ammonium Chloride (Fertiliser Grade) in the country. Ammonium Chloride (25% N), being low nitrogenous fertiliser, is not covered under the Retention Price Scheme of the Government of India.

### Ammonium Bicarbonate & Sodium Bicarbonate

The Company's Ammonium Bicarbonate and Sodium Bicarbonate products have a wide acceptance in the market.

### Financial Performance

The Company's Plant has been under complete shut down for the past three years owing to non-availability of Carbon-dioxide from SPIC. The Company has filed a reference under Sec.15 of the Sick Industrial Companies (Special Provisions) Act, 1985. before the Board for Industrial and Financial Reconstruction (BIFR). BIFR has declared the Company as Sick Industrial Undertaking with effect from July 14, 2009. BIFR has appointed IDBI Bank Limited as Operating Agency for filing Draft Rehabilitation Scheme (DRS) of the Company to BIFR. The Company is under discussion with lenders and a fully tied up DRS would be filed with BIFR by end of July 2010.

The financial performance of the company during the year ended March 31, 2010 as compared to 2007-09 (18 months) is summarised below:

(Rupees in Crores)

Details	2009-10 12 Months	2007-09 18 Months
TURNOVER (Net of Excise duty & Trade Discount)	<u>7.27</u>	<u>14.43</u>
a) Loss before Depreciation & Interest	14.91	16.29
b) Interest	6.35	8.76
c) Depreciation	4.81	7.37
d) Provision for Income Tax (Fringe Benefit Tax)	0.01	0.08
e) Loss for the year	26.08	32.50

The loss in the year was mainly due to continuous shutdown of the Plant during the entire year.

### Internal Control

The Company has strong and adequate internal control systems, commensurate with its size, in all financial and functional areas. A regular Internal Audit System is also in place.

The Internal Audit Report along with management comments thereon is reviewed by the Audit Committee of the Board comprising of Independent Directors including the IDBI Bank Nominee Director. The Audit Committee is monitoring implementation of the suggestions.

### Human Resource Development

Human resources and industrial relations are the main key focal areas for the Company. Employee participation at all levels is encouraged through suggestion schemes and other means.

The Company attaches significant importance to HRD policies and practices to achieve higher levels of individual and corporate performance. The relationship with the Union with internal leadership has remained excellent.

The Company has around two hundred and seventy employees with diverse academic backgrounds and work experience.

### Cautionary Statement

Statements in the Management Discussion and Analysis, describing the Company's objectives, estimates, projections, expectations, may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that would make a difference to the Company's operations include economic conditions affecting demand-supply and price conditions in the domestic and overseas markets in which the Company operates, raw material availability and its prices, changes in the Governmental regulations, labour negotiations, tax laws and other statutes and economic development within India.

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
TUTICORIN ALKALI CHEMICALS  
AND FERTILISERS LIMITED**

1. We have audited the attached Balance Sheet of Tuticorin Alkali Chemicals and Fertilisers Limited as at 31<sup>st</sup> March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. **Attention is drawn to the fact owing to plant shut down for over 36 months the net worth of the company continued to be negative.**
  - vi. Subject to 4(v) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2010,
    - (ii) in the case of Profit and Loss Account, of the LOSS for the year ended on that date, and
    - (iii) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N.GANGADARAN  
Partner

Chennai  
Date: May 3, 2010

Membership No.11205  
ICAI Firm Regn. No. 0049155

**ANNEXURE REFERRED TO IN PARAGRAPH 3 OF  
OUR REPORT OF EVEN DATE**

1. a. The company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. The company has a phased programme of physical verification of all the Fixed Assets, over a period of three years, which in our opinion is reasonable having regard to the size of the company and the nature of its business; accordingly, the physical verification part of the Fixed Assets was carried out by the management during the year and we are informed that no material discrepancies were noticed on such verification.
- c. During the year, the Company has not disposed off a major part of the plant and machinery
2. a. Physical verification of inventories other than those held by the third parties have been conducted by the management.
- b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. a. The Company has neither granted nor taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
- b. The clause relating to the rate of interest and other terms and conditions on which loans have been taken from / granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 is not applicable.
- c. The clause relating to the regularity in repayment of the principal amounts as stipulated and payment of interest is not applicable.
- d. The clause relating to reporting of overdue amount of loans taken from or granted to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 is not applicable.
4. In our opinion and according to the information and explanations given to us there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to sale of assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a. According to the information and explanations given to us, the Company has not entered into any transaction that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- b. The clause as to whether the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rupees Five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to prevailing market prices at the relevant time is not applicable.
6. In our opinion and according to the information and explanations given to us the Company has complied with the



provisions of Sections 58A and 58AA of the Companies Act, 1956 and any other relevant provisions of the Act.

7. In our opinion, the Company has an adequate internal audit department commensurate with the size and the nature of its business. However due to long and continued shut down of the plants, no observations have been placed before the audit committee during the year.
8. We have broadly reviewed the books of account, without detailed examination of the books and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Soda Ash and Ammonium Chloride and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a. Undisputed statutory dues including Provident Fund, Investors' Education and Protection Fund, Employees

State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess have generally been regularly deposited with the appropriate authorities. However, there have been delays in some cases. However the company has not remitted PF amounting to Rs. 79.80 lakhs, Deferred sales tax of Rs. 109.98 lakhs and service tax of Rs. 13.30 lakhs.

- b. According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess that were in arrears as at 31<sup>st</sup> March 2010 for a period of more than six months from the date they became payable.
- c. According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute excepting the following:

S.No.	Name of the Statute	Nature of dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
1.	TNGST Act, 1959	Purchase Tax, Penalty	92.87	1983-1984	Sales Tax Appellate Tribunal
2.	TNGST Act, 1959	Purchase Tax, Penalty	118.70	1984-1985	Hon'ble High Court of Chennai
3.	TNGST Act, 1959	Sales Tax	0.37	1996-1997	Appellate Assistant Commissioner
4.	CST Act, 1956	Non-submission of prescribed forms	14.31	1997-1998	Appellate Assistant Commissioner
5.	CST Act, 1956	Sales Tax	187.14	1997-1998	Appellate Assistant Commissioner
6.	TNGST Act, 1959	Sales Tax	2.51	2001-2002	Sales Tax Appellate Tribunal

10. At the end of the accounting year, the accumulated loss of the Company is not less than fifty percent of its net worth. The Company has made cash loss during the year covered by our audit and also in the immediately preceding financial year.
11. The company has defaulted in repayment of dues to Financial Institutions and Banks.

(Rupees in lakhs)

SI No	Name of Bank	Principal overdue	Interest overdue	Period of outstanding
1	IDBI	845.81	576.35	Oct. '07 – Mar. '10
2	ICICI	418.91	338.14	Oct. '07 – Mar. '10
3	TMB	285.01	194.31	Oct. '07 – Mar. '10
4	HDFC	211.53	81.40	Oct. '07 – Mar. '10
		<b>1761.26</b>	<b>1190.20</b>	

However these amounts are subject to confirmations from the respective institutions as they are presently under reconciliation and negotiations.

Interest on interest and liquidated damages for non-payment of interest amounting to Rs.162.21 lakhs is not included in the above figures.

12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund / society. Therefore the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not received any new term loan during the year under review.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N.GANGADARAN  
Partner  
Membership No.11205  
ICAI Firm Regn. No. 0049155

Chennai  
Date: May 3, 2010

**BALANCE SHEET AS AT 31ST MARCH 2010**

(Rupees in lakhs)

	Schedule	As at 31.03.2010		As at 31.03.2009	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	<b>3782.75</b>		3782.75	
Reserves and Surplus	2	<b>443.76</b>	<b>4226.51</b>	<u>443.76</u>	4226.51
<b>Loan Funds</b>					
Secured	3	<b>6793.43</b>		6164.83	
Unsecured	4	<b>1160.06</b>	<b>7953.49</b>	<u>1163.41</u>	7328.24
<b>Total</b>			<b>12180.00</b>		<u>11554.75</u>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	<b>15581.01</b>		15583.16	
Less : Depreciation		<b>11118.30</b>		<u>10639.33</u>	
Net Block		<b>4462.71</b>		4943.83	
Capital Work-in-progress		<b>49.53</b>	<b>4512.24</b>	<u>49.53</u>	4993.36
<b>Investments</b>	6		<b>0.21</b>		1.13
<b>Current Assets, Loans &amp; Advances</b>					
<b>Current Assets</b>					
Inventories	7	<b>671.77</b>		999.30	
Sundry Debtors	8	<b>524.35</b>		516.68	
Cash and Bank Balances	9	<b>45.05</b>		<u>44.40</u>	
				<u>1241.17</u>	1560.38
Loans and Advances	10	<b>608.36</b>		<u>616.01</u>	
				<u>1849.53</u>	2176.39
<b>Less : Current Liabilities &amp; Provisions</b>					
<b>Current Liabilities</b>					
Current Liabilities	11	<b>3443.05</b>		2268.75	
Provisions		-		-	
		<b>3443.05</b>		<u>2268.75</u>	
Net Current Assets / (Current Liabilities)			<b>(1593.52)</b>		(92.36)
Miscellaneous Expenditure (to the extent not written off or adjusted)			-		-
Profit and Loss account - Debit Balance	12		<b>9261.07</b>		6652.62
<b>Total</b>			<b>12180.00</b>		<u>11554.75</u>
Notes on Accounts	17				

Schedules 1 to 12 and Notes in Schedule 17 form part of this Balance Sheet

O.N. JAYAKUMAR Chief Financial Officer	A.C. MUTHIAH Chairman	ASHWIN C MUTHIAH M. JAYASANKAR R. SOUNDARARAJAN VATSALA KRISHNAKUMAR Directors	This is the Balance Sheet referred to in our report of even date For CNGSN & ASSOCIATES Chartered Accountants C.N. GANGADARAN Partner Membership No. 11205 ICAI Firm Regn. No. 0049155
S. RAGHAVAN Company Secretary	S. CHANDRAMOHAN Managing Director		
Chennai May 3, 2010			

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010**

(Rupees in lakhs)

	Schedule	Year Ended 31.03.2010	Period Ended 31.03.2009
<b>INCOME</b>			
Sales (Note 6(d) in Schedule 17)		<b>727.47</b>	1466.36
Less : Excise Duty		-	23.67
Less : Trade Discount		-	-
		<b>727.47</b>	1442.69
Other Income	13	<b>82.35</b>	341.43
<b>Total Income</b>		<b>809.82</b>	1784.12
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	14	<b>1610.31</b>	2548.67
Purchase of Traded Goods		<b>684.72</b>	855.63
Interest and Finance Charges	15	<b>635.43</b>	875.73
Depreciation		<b>481.42</b>	737.31
(Increase) / Decrease in stock of Finished Goods and Work-in-Process	16	<b>5.89</b>	9.08
<b>Total Expenditure</b>		<b>3417.77</b>	5026.42
PROFIT / (LOSS) BEFORE TAX		<b>(2607.95)</b>	(3242.30)
Provision for Tax - F B T		<b>0.50</b>	8.00
Profit / (Loss) After Tax		<b>(2608.45)</b>	(3250.30)
LOSS BROUGHT FORWARD		<b>(6953.06)</b>	(3702.76)
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<b>(9561.51)</b>	(6953.06)
Notes on Accounts	17		

Schedules 13 to 16 and Notes in Schedule 17 form part of this Profit and Loss Account

O.N. JAYAKUMAR  
Chief Financial Officer  
S. RAGHAVAN  
Company Secretary

A.C. MUTHIAH  
Chairman  
S. CHANDRAMOHAN  
Managing Director

ASHWIN C MUTHIAH  
M. JAYASANKAR  
R. SOUNDARARAJAN  
VATSALA KRISHNAKUMAR  
Directors

This is the Profit & Loss Account  
referred to in our report of even date  
For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N. GANGADARAN  
Partner  
Membership No. 11205  
ICAI Firm Regn. No. 0049155

Chennai  
May 3, 2010

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Rupees in lakhs)

<b>SHARE CAPITAL</b>		<b>Schedule : 1</b>	
		<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
<b>AUTHORISED</b>			
1,50,00,000	Equity Shares of Rs.10 each	<b>1,500.00</b>	1,500.00
24,00,000	Redeemable Cumulative Preference Shares of Rs.100 each	<b>2,400.00</b>	2,400.00
		<b>3,900.00</b>	<b>3,900.00</b>
<b>ISSUED</b>			
1,48,90,430	Equity Shares of Rs.10 each	<b>1,489.04</b>	1,489.04
1,00,000	12 % Redeemable Cumulative Preference Shares of Rs.100 each	<b>100.00</b>	100.00
3,00,000	8 % Redeemable Cumulative Preference Shares of Rs.100 each	<b>300.00</b>	300.00
20,00,000	5 % Redeemable Cumulative Preference Shares of Rs.100 each	<b>2,000.00</b>	2,000.00
		<b>3,889.04</b>	<b>3,889.04</b>
<b>SUBSCRIBED AND PAID UP</b>			
1,47,95,830	Equity Shares of Rs.10 each fully paid up	<b>1,479.58</b>	1,479.58
	Add : Forfeited Shares	<b>3.17</b>	3.17
3,00,000	8 % Redeemable Cumulative Preference Shares of Rs.100 each *	<b>300.00</b>	300.00
20,00,000	5% Redeemable Cumulative Preference Shares of Rs.100 each **	<b>2,000.00</b>	2,000.00
		<b>3,782.75</b>	<b>3,782.75</b>

\* Rolled over in Jan. 2009 for a further period of 3 years and approvals from the term loan lenders are awaited.

\*\* Issued by conversion of Unsecured Promoter's loan in 2004

<b>RESERVES AND SURPLUS</b>		<b>Schedule : 2</b>	
<b>General Reserve</b>			
As per last Balance Sheet	<b>300.44</b>	300.44	
Less : Profit & Loss Account as per contra	<b>300.44</b>	-	300.44
			-
<b>Capital Redemption Reserve</b>			
As per last Balance Sheet	<b>400.00</b>	400.00	
Add : Transfer from Profit & Loss Account	-	<b>400.00</b>	400.00
Share Premium		<b>43.76</b>	43.76
		<b>443.76</b>	<b>443.76</b>

(Rupees in lakhs)

<b>SECURED LOANS</b>	<b>Schedule : 3</b>			
	<b>As At</b>		<b>As At</b>	
	<b>31.03.2010</b>		<b>31.03.2009</b>	
<b>FROM BANKS :</b>				
Term Loans *	<b>4171.24</b>		4,171.24	
Funded Interest *	<b>424.49</b>		424.49	
Interest accrued and due on Term Loans *	<b>1249.37</b>		692.22	
Cash Credit from Banks **	<b>520.78</b>	<b>6,365.88</b>	479.23	5,767.18
<b>FROM FINANCIAL INSTITUTIONS :</b>				
From Housing Development Finance Corporation Limited ***		<b>346.16</b>		346.16
Interest accrued and due*		<b>81.39</b>		51.49
		<b>6,793.43</b>		6,164.83

\* The term loans from Banks are secured by an equitable mortgage by deposit of title deeds relating to the land at Tuticorin and a mortgage / charge on all movable / immovable assets of the company (except book debts).

\*\* Cash Credit from Banks are secured by hypothecation of raw materials, finished goods, work-in-process, stores and book debts and a second charge on the other assets of the company.

\*\*\* Term loan from Housing Development Finance Corporation Ltd., is secured by deposit of title deeds relating to the township lands and dwelling units thereon.

<b>UNSECURED LOANS</b>	<b>Schedule : 4</b>			
Fixed Deposits	-		11.20	
Amounts to be credited to Investor Education and Protection Fund	-		-	
Unclaimed Fixed Deposit from public*	<b>0.39</b>	<b>0.39</b>	0.49	11.69
Loans from Promoters - Funded Interest		<b>1,047.30</b>		1,047.30
From ICICI Bank Limited - Bioproducts Loan	<b>55.20</b>		55.20	
Funded Interest	<b>35.51</b>	<b>90.71</b>	35.51	90.71
Interest accrued and due		<b>21.66</b>		13.71
		<b>1,160.06</b>		1,163.41

\*This amount represents fixed deposits which have matured but remained unclaimed on 31<sup>st</sup> March 2010

## Schedule : 5

FIXED ASSETS	(Rupees in lakhs)									
	Description	Cost			Depreciation			Net Book Value		
		As at 01.04.2009	Additions / Adjustment	Deletions As at 31.03.2010	As at 01.04.2009	For the Year	Deduction As at 31.03.2010	As at 31.03.2010	As at 31.03.2009	
Land and Development *	38.93	-	-	38.93	-	-	38.93	38.93		
Factory and Other Buildings	1783.14	-	-	1783.14	722.97	47.02	1013.15	1060.17		
Roads,Culverts,Fencing and Compound Wall	78.38	-	-	78.38	30.80	1.68	45.90	47.58		
Plant & Machinery (including Windmill)	11953.56	-	-	11953.56	8538.08	356.58	3058.90	3415.48		
Handling Equipment	97.22	-	-	97.22	85.51	1.20	10.51	11.71		
Electrical Equipment, Fittings and other Installations	1209.52	-	-	1209.52	924.25	57.45	227.82	285.27		
Furniture,Fixtures,Office and other Equipments	392.41	0.69	1.10	392.00	316.81	13.76	62.13	75.60		
Vehicles	30.00	-	1.74	28.26	20.91	3.73	5.37	9.09		
Capital Work-in-progress (including capital stores and advances)	15583.16	0.69	2.84	15581.01	10639.33	481.42	4462.71	4943.83		
Previous year	15795.30	14.63	226.77	15583.16	10046.14	737.32	4512.24	4993.36		

\* includes 5.85 acres of land yet to be registered in favour of the Company.

(Rupees in lakhs)

<b>INVESTMENTS</b>			<b>Schedule : 6</b>	
	<b>As At</b>			<b>As At</b>
	<b>31.03.2010</b>			<b>31.03.2009</b>
<b>NON-TRADED UNQUOTED (AT COST)</b>				
National Savings Certificates ( Rs.0.92 lakhs matured and realised during the year ) (lodged with Government Departments as Security Deposit)				
	<b>0.21</b>			1.13
	<b>0.21</b>			1.13
<b>INVENTORIES</b>				
		<b>Schedule : 7</b>		
Stores and Spare parts at cost	<b>484.40</b>			493.13
Stock-in-Trade				
- Raw Materials	<b>132.21</b>		445.11	
- Work-in-Process	<b>48.87</b>		54.77	
- Finished Goods	<b>6.29</b>	<b>187.37</b>	6.29	506.17
		<b>671.77</b>		999.30
<b>SUNDRY DEBTORS</b>				
		<b>Schedule : 8</b>		
Unsecured				
Debts outstanding for a period exceeding six months :				
Considered Good	<b>516.12</b>		516.32	
Considered Doubtful (under legal proceedings)	<b>40.79</b>		40.79	
	<b>556.91</b>		557.11	
Less : Provision	<b>40.79</b>	<b>516.12</b>	40.79	516.32
Other Debts :				
Considered Good		<b>8.23</b>		0.36
		<b>524.35</b>		516.68
<b>CASH AND BANK BALANCES</b>				
		<b>Schedule : 9</b>		
Cash and Cheques on hand	<b>0.66</b>			2.00
Bank Balances :				
With Scheduled Banks				
On Current Accounts	<b>24.39</b>		22.40	
On Fixed Deposit	<b>20.00</b>	<b>44.39</b>	20.00	42.40
		<b>45.05</b>		44.40

(Rupees in lakhs)

<b>LOANS AND ADVANCES</b>	<b>Schedule : 10</b>	
	<b>As At 31.03.2010</b>	<b>As At 31.03.2009</b>
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for value to be received	<b>403.94</b>	419.73
Advance Tax and Tax Deducted at Source	<b>55.66</b>	44.80
MAT Credit Entitlement	<b>57.32</b>	57.32
Deposits	<b>91.07</b>	93.79
Balance with Central Excise Department	<b>0.37</b>	0.37
	<b>608.36</b>	616.01
<b>CURRENT LIABILITIES AND PROVISIONS</b>		
	<b>Schedule : 11</b>	
<b>CURRENT LIABILITIES</b>		
Sundry Creditors	<b>3,443.05</b>	2,258.45
Amounts to be credited to Investor Education and Protection Fund	-	-
Unpaid Dividends	-	-
Interest accrued but not due on loans	-	10.30
<b>PROVISIONS</b>		
Provision for Fringe Benefits Tax	-	-
Provision for Minimum Alternate Tax	-	-
	<b>3,443.05</b>	2,268.75

<b>PROFIT AND LOSS ACCOUNT - DEBIT BALANCE</b>			<b>Schedule : 12</b>	
Profit and Loss account balance	<b>9561.51</b>		6,953.06	
Less : General Reserve as per contra	<b>300.44</b>	<b>9,261.07</b>	<u>300.44</u>	6,652.62
		<b>9,261.07</b>		<u>6,652.62</u>

**SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT**

<b>OTHER INCOME</b>	<b>Schedule : 13</b>	
	<b>Year Ended 31.03.2010</b>	<b>Period Ended 31.03.2009</b>
Interest (Tax Deducted at Source Rs. 2.30 lakhs) (2007-09 Rs. 12.29 lakhs)	<b>13.10</b>	71.02
Rent (Tax Deducted at Source Rs. 2.98 lakhs) (2007-09 Rs. 11.23 lakhs)	<b>68.11</b>	97.07
Miscellaneous Income	<b>1.14</b>	173.34
	<b>82.35</b>	341.43



(Rupees in lakhs)

**MANUFACTURING AND OTHER EXPENSES****Schedule : 14**

	Year Ended 31.03.2010	Period Ended 31.03.2009
Raw Materials Consumed :		
Opening Stock	445.11	749.39
Add : Purchases	23.20	75.87
	<u>468.31</u>	<u>825.26</u>
Less : Transfer to purchase of traded goods	336.10	331.94
Less : Closing Stock	<u>132.21</u>	<u>445.11</u>
Consumption of Chemicals	-	-
Power , Fuel and Water Charges	242.49	486.67
Salaries, Wages and Bonus (including leave encashment on retirement )	509.31	1055.61
Contribution to Provident Fund and Superannuation Fund	151.74	131.55
Contribution to Gratuity Fund	33.37	146.19
Staff Welfare Expenses	150.45	238.40
Rent	342.51	20.09
Rates and Taxes	24.40	39.78
Insurance	20.35	45.11
Research and Development Expenses	-	1.56
Repairs and Maintenance :		
Plant and Machinery	8.04	15.26
Buildings	8.42	34.03
Others	<u>18.58</u>	<u>39.75</u>
Packing, Transportation and Handling (net of recoveries)	-	1.55
Publicity and Sales Promotion	0.45	1.93
Commission and Discount on Sales	-	5.76
Travel Expenses	8.70	60.54
Printing and Stationery	1.87	3.92
Postage, Telegram and Telephone	5.05	12.91
Directors' Sitting Fees	0.56	1.29
Auditors' Remuneration :		
Audit	4.96	7.54
Taxation	-	-
Tax Audit	-	-
Certification	-	0.56
Reimbursement of Expenses	<u>-</u>	<u>0.11</u>
Exchange Variation (Net)	-	-
Miscellaneous Expenses	79.06	89.85
Loss on Sale of Investments	-	60.50
	<u>1,610.31</u>	<u>2,548.67</u>

(Rupees in lakhs)

<b>INTEREST AND FINANCE CHARGES</b>	<b>Schedule : 15</b>	
	<b>Year Ended 31.03.2010</b>	<b>Period Ended 31.03.2009</b>
On Fixed Loans	<b>584.42</b>	772.65
On Others	<b>51.01</b>	103.08
	<b>635.43</b>	875.73

<b>(INCREASE)/DECREASE IN STOCK</b>	<b>Schedule : 16</b>	
Opening Stock		
Finished Goods	<b>6.29</b>	6.51
Work-in-Process	<b>54.76</b>	63.66
Closing Stock		
Finished Goods	<b>6.29</b>	6.29
Work-in-Process	<b>48.87</b>	54.77
Movement of Excise Duty on Finished Goods	-	(0.03)
	<b>5.89</b>	9.08

## **I SIGNIFICANT ACCOUNTING POLICIES: SCHEDULE 17**

### **1. Basis of Accounting**

The financial statements are prepared under historical cost convention and generally in accordance with the applicable accounting standards and are based on accrual basis of accounting.

### **2. Fixed Assets**

Fixed Assets are recorded at historical cost inclusive of direct and allocated expenditure upto the date of commencement of commercial production. Cenvat credit on eligible capital goods is deducted from the value of Fixed Assets. Borrowing costs are capitalised as part of qualifying Fixed Assets. Other borrowing costs are expensed.

### **3. Depreciation**

Plant and machinery have been classified as continuous process plant and depreciated at 5.28% under straight-line method upto 95 % of original cost. Based on technical opinion Windmill has been classified under general Plant and Machinery. Vehicles are depreciated at 20 % on original cost under straight-line method upto 95% of original cost. All other fixed assets have been depreciated at straight line rates prescribed in Schedule XIV to the Companies Act, 1956.

Fixed assets costing Rs.5,000/- or less have been fully depreciated.

Development expenses on free hold land are treated as part of cost and not depreciated.

### **4. Long term investments**

Long-term investments are stated at cost together with all incidental costs of acquisition and diminution in value is not recognised if such shortfall, in the opinion of the Management, is temporary in nature.

### **5. Inventories**

Raw materials, Stores and Spares, Process Chemicals and Utilities are valued at weighted average cost. Work-in-process is valued at cost.

Finished goods are valued at the lower of cost and net realisable value.

### **6. Impairment of Assets**

The company recognises impairment of all assets other than the assets, which are specifically excluded under Accounting Standard 28 on Impairment of assets after comparing the asset's recoverable value with its carrying amount in the books. In case the carrying amount exceeds recoverable value, impairment losses are provided for.

## 7. Revenue Recognition

Sales are accounted net of trade discounts but inclusive of Excise Duty wherever applicable. Direct sales are recognised at the point of despatch. Consignment and depot sales are recognised after confirmation of sale by the Consignee.

## 8. Retirement Benefits

Monthly contributions to recognised Provident Fund are considered on actual basis in the accounts.

Contribution towards Superannuation is under defined contribution scheme and charged to Profit and Loss Account.

Contribution towards gratuity on actuarial valuation funded with Trust / Life Insurance Corporation of India.

Provision for leave encashment is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.

## 9. Research & Development

Expenditure on any project/ pilot plant based on R & D study is capitalised while expenses on process/ product improvement are expensed.

## 10. Excise Duty

Cenvat credit on inputs purchased for production are taken into account on receipt of such materials at the factory and Cenvat credit on purchase of capital goods to the extent applicable are taken into account as and when the assets are installed. The Cenvat credits so taken are utilised for payment of excise duty on goods manufactured. The unutilised Cenvat credit is carried forward in the books.

Excise duty payable on manufactured goods held in the factories is included in the valuation of closing stock, wherever applicable.

Stores and spares are inclusive of Cenvat and credit is availed of and adjusted against revenue account.

## 11. Foreign Currency Transaction

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction.

All current assets and current liabilities in foreign currency as at the Balance Sheet date have been translated at the rates of exchange prevailing as on that date.

All exchange differences including year-end translations arising on revenue account are recognised in the Profit and Loss account.

All exchange differences including year-end translations arising on capital account are adjusted to the cost of fixed assets until the commissioning of assets and thereafter to revenue account.

## 12. Contingent Liabilities & Provisions

All known liabilities of material nature have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard 29. As regards Provisions, it is only those obligations arising from past events existing independently of an enterprise's future action that are recognised as Provisions.

## 13. Taxation

Deferred tax asset and liability is calculated by applying tax rate and tax laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing difference are recognized only to the extent there is a reasonable certainty of its realisation. At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realisation.

## II NOTES ON ACCOUNTS:

1. Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) - Rs. Nil (Previous year Rs.Nil)
2. Security Deposit lodged with Sales Tax Authorities Rs. 0.14 lakhs. (Previous year Rs.0.14 lakhs)
3. Sundry Creditors include Rs.Nil (Previous year Rs.Nil) due to Small Scale Industrial (SSI) undertaking to the extent identified by the Management.

**4. MANAGERIAL REMUNERATION**

(Rupees in lakhs)

Details	2009-10 (12 Months)	2007-09 (18 Months)
Salary and Allowances *	17.28	25.92
Contribution to Provident Fund	1.35	2.03
Perquisites**	6.05	12.55

\* No provision is made for special pay amounting to Rs.10 lakhs (Previous year - Rs.15 lakhs) due to acute liquidity crisis arising out of shutdown of the plants. The same will be decided as and when the situation improves.

\*\* Perquisites exclude contribution to Superannuation and Gratuity Fund.

(Rupees in lakhs)

5.	<b>Contingent Liabilities</b>	<b>31.03.10</b>	31.03.09
a.	No provision is made for Purchase Tax, Sales Tax and penalties thereon imposed by Sales Tax Authorities relating to earlier years, which are under appeal.	<b>345.82</b>	345.82
b.	Disputed claims for Rent and Interest under appeal.	<b>1089.46</b>	544.85
c.	Arrears of dividend on Preference Shares	<b>851.45</b>	727.45

(in tonnes)

6.	<b>Capacity, Production, Sales, Consumption and Stock:</b>	<b>2009-10 (12 Months)</b>	2007-09 (18 Months)
a.	<b>Installed Capacity</b> (per annum): (As certified by the management but not verified by the Auditors being a technical matter)		
	Soda Ash	<b>115000</b>	115000
	Ammonium Chloride (FG)	<b>105000</b>	105000
	Ammonium Chloride (PG / TG)	<b>10000</b>	10000
	Sodium Bicarbonate	<b>5000</b>	5000
	Ammonium Bicarbonate	<b>3300</b>	3300

Note: The factory has an installed capacity to convert Soda Ash (Light) into Soda Ash (Dense) at 130 Te per day.

b.	<b>Production</b>		
	Soda Ash (Light)	-	30.350
	Soda Ash (Dense)	-	24.000
	Ammonium Chloride (FG)	-	-
	Ammonium Chloride (PG)	-	-
	Ammonium Chloride (TG)	-	405.600
	Sodium Bicarbonate	-	1.800
	Ammonium Bicarbonate	-	-

(Rupees in lakhs)

		<b>2009-10 (12 Months)</b>	2007-09 (18 Months)
c.	<b>Purchase of Traded Goods:</b>		
	Finished Goods - Soda Ash (Light)	-	523.69
	- Phospho Gypsum	<b>348.62</b>	-
	Transferred from Stock Account - Salt	<b>76.49</b>	245.92
	- Ammonia	<b>259.61</b>	86.02

		2009-10 (12 Months)		2007-09 (18 Months)	
		Quantity (Tonnes)	Value (Rs.in lakhs)	Quantity (Tonnes)	Value (Rs.in lakhs)
<b>d.</b>	<b>Sales *</b>				
	Soda Ash (Light)	-	-	2881.80	546.82
	Soda Ash (Dense)	-	-	24.070	2.71
	Ammonium Chloride (FG)	-	-	-	-
	Ammonium Chloride (PG)	-	-	-	-
	Ammonium Chloride (TG)	-	-	405.600	69.80
	Sodium Bicarbonate	-	-	1.800	0.18
	Ammonium Bicarbonate	-	-	-	-
	Bio-products (Kilo litres)	-	-	0.038	0.22
	Phospo Gypsum	<b>40844.70</b>	<b>369.68</b>	-	-
	Others**	-	<b>357.79</b>	-	822.96
	* Includes samples, internal consumption and shortages.				
	** Includes sale of Raw Materials and Captive Salt				
<b>e.</b>	<b>Stock:</b>				
	Soda Ash (Light)	<b>0.016</b>	-	0.016	-
	Soda Ash (Dense)	<b>0.910</b>	<b>0.06</b>	0.910	0.06
	Ammonium Chloride (FG)	<b>0.180</b>	<b>0.01</b>	0.180	0.01
	Ammonium Chloride (PG)	<b>0.050</b>	<b>0.01</b>	0.050	0.01
	Ammonium Chloride (TG)	-	-	-	-
	Sodium Bicarbonate	<b>0.940</b>	<b>0.06</b>	0.940	0.06
	Ammonium Bicarbonate	-	-	-	-
	Bio-products (Kilo litres)	<b>1.758</b>	<b>6.15</b>	1.758	6.15
<b>f.</b>	<b>Raw Materials Consumed:</b>				
	Others	-	-	-	48.21

(Rupees in lakhs)

7.	Description	2009-10 (12 Months)	2007-09 (18 Months)
<b>a.</b>	<b>Value of Imports during the financial year calculated on CIF basis:</b>		
	Raw Materials and Chemicals	-	-
	Components and Spare Parts	-	-
<b>b.</b>	<b>Expenditure in Foreign Currency during the financial year:</b>		
	i) Travel	-	-
	ii) Subscription	-	-
<b>c.</b>	<b>Amount remitted in Foreign currency during the year on account of dividends</b>	-	-
<b>d.</b>	<b>Earnings in Foreign Exchange during the financial year:</b>		
	Exports of goods (F.O.B.)	-	-

<b>e. Value of Raw Materials, Spare parts and Components consumed during the year:</b>				
	2009-10 (12 Months)		2007-09 (18 Months)	
	Value (Rs. in lakhs)	% to total Consumption	Value (Rs. in lakhs)	% to total Consumption
Imported	-	-	7.01	8
Indigenous	<b>8.34</b>	<b>100</b>	78.33	92

f. Stores consumed included under repairs and maintenance: (Rupees in lakhs)		
	2009-10 (12 Months)	2007-09 (18 Months)
Plant and Machinery	8.07	36.58
Buildings	0.27	0.56

### 8. Related Party disclosure under Accounting Standard –18

I. The list of related party as identified by the Management are as under:

#### Associates:

Southern Petrochemical Industries Corporation Limited

#### Key Management Personnel of the Company:

Thiru S. Chandramohan, Managing Director

II. The following transactions were carried out with the related parties: (Rupees in lakhs)			
Sl. No.	Particulars	2009-10 (12 Months)	2007-09 (18 Months)
1.	Purchase of goods	328.65	-
2.	Sale of Goods	234.72	50.17
3.	Receiving of Services	20.58	57.28
4.	Rendering of Services	264.72	-
5.	Remuneration to Key Management Personnel	Refer Note No. 4	
6.	Proportion of outstanding		
	Receivable	44.58 %	44.58 %
	Payable	13.70 %	13.70 %
III. Amounts written off during the year in respect of amounts due from related parties		NIL	NIL

### 9. Retirement Benefits

- Retirement benefits in the form of Provident Fund / Superannuation Fund are defined contribution schemes and the contributions are charged to Profit and Loss Account in the year in which the contributions to the respective funds are due.
- Employees Gratuity Fund scheme managed by Life Insurance Corporation of India is a Defined Benefit Plan. The present value of obligation is provided for on the basis of actuarial valuation using the Projected Unit Credit method at the end of each financial year.
- Obligation for Leave encashment is recognized in the same manner as Gratuity.
- Actual gain / losses are charged to Profit and Loss Account.

### 10. Segmental Reporting for the year ended 31<sup>st</sup> March '10

The business segment consisting only of Tuticorin operations (Soda Ash / Ammonium Chloride – Dual Products). Hence, the Segmental Reporting has not been furnished.

11. Earnings per share (Rupees in lakhs)		
	2009-10 (12 Months)	2007-09 (18 Months)
Profit / (Loss) as per Profit and Loss account	(2608.45)	(3250.30)
Number of Equity shares paid up	14795830	14795830
Earnings per share - Basic & Diluted (in Rupees)	(18.47)	(23.22)
Face Value per share (in Rupees)	10.00	10.00

12. As regards recognition of deferred tax, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India the total deferred tax / liability as on 31<sup>st</sup> March, 2010 are as under:

Deferred Tax Asset	(Rs. in lakhs)	Deferred Tax Liability	(Rs. in lakhs)
Unabsorbed Depreciation / (Loss)	7717.41	Depreciable Fixed Assets	3531.28
Provision for Doubtful Debts	40.79		
	7758.20		

As a matter of prudence the company has recognised Deferred Tax Asset of Rs.3531.28 lakhs to the extent of Deferred Tax Liability.

13. The figures for the current financial period are for twelve months and hence not comparable with the eighteen months previous accounting period.

**14. CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2010**

(Rupees in lakhs)

	<b>Year Ended 31.03.2010 (12 Months)</b>	<b>Period ended 31.03.2009 (18 Months)</b>
<b>A. CASHFLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) Before Tax and Extraordinary Items	<b>(2607.95)</b>	(3242.30)
Adjustments for:		
(Profit) / Loss on Sale of Assets	<b>0.02</b>	(135.46)
Depreciation	<b>481.42</b>	737.31
Exchange difference	-	-
Interest	<b>635.43</b>	875.73
(Profit) / Loss on sale of Investments	-	60.50
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1491.12)</b>	(1704.22)
Adjustments for:		
Trade and Other Receivables	<b>(0.03)</b>	783.46
Inventories	<b>327.53</b>	345.69
Trade and Other Payables	<b>1184.60</b>	434.33
Exchange difference	-	-
<b>CASH GENERATED FROM OPERATIONS</b>	<b>21.04</b>	(140.74)
Direct Taxes Paid	<b>(0.50)</b>	(10.50)
<b>NET CASHFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>20.54</b>	(151.24)
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets		
Including Increase in Capital Work In Progress	<b>(0.69)</b>	(4.24)
Sale of Fixed Assets (Sale Value)	<b>0.37</b>	218.12
Purchase of Investments	-	-
Sale / Redemptions of Investments	<b>0.92</b>	60.83
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>0.60</b>	274.71
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term Borrowings	<b>625.24</b>	775.89
Interest Paid	<b>(645.73)</b>	(875.40)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(20.49)</b>	(99.52)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>0.65</b>	23.95
Opening Cash and Cash Equivalents	<b>44.40</b>	20.45
Closing Cash and Cash Equivalents	<b>45.05</b>	44.40

O.N. JAYAKUMAR  
Chief Financial Officer

A.C. MUTHIAH  
Chairman

ASHWIN C MUTHIAH  
M. JAYASANKAR  
R. SOUNDARARAJAN  
VATSALA KRISHNAKUMAR  
Directors

For CNGSN & ASSOCIATES  
Chartered Accountants  
C N GANGADARAN  
Partner  
Membership No. 11205  
ICAI Firm Regn. No. 0049155

S. RAGHAVAN  
Company Secretary

S. CHANDRAMOHAN  
Managing Director

Chennai  
May 3, 2010









## TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED

Registered Office : "East Coast Centre", 534 Anna Salai, Teynampet, Chennai - 600 018.

### ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF "ABIRAMI CHIDAMBARAM COMMUNITY HALL", No. 1/3A, RIVER VIEW ROAD, (NEAR KOTTURPURAM BRIDGE), KOTTURPURAM, CHENNAI - 600 085.

NAME & ADDRESS OF THE SHAREHOLDER

Folio No :

DP. ID\*

Client ID\*

\* Applicable to Investors holding shares in electronic form

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting at "Abirami Chidambaram Community Hall", Kotturpuram, Chennai - 600 085 on Monday, August 9, 2010 at 3.00 p.m.

SIGNATURE OF THE MEMBER OR PROXY

SHARES HELD

## TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED

Registered Office : "East Coast Centre", 534, Anna Salai, Teynampet, Chennai - 600 018.

### PROXY FORM

I / We .....  
.....of.....in the district of .....  
.....being a member(s) of the above named Company hereby appoint Thiru.....  
.....of.....in the district  
of .....or failing him Thiru.....  
.....of .....in the district of .....  
as my / our proxy to attend and vote for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the  
Company to be held at 3.00 p.m. on Monday, August 9, 2010 and at any adjournment thereof.  
Signed this .....day of .....2010

Affix  
15 paise  
Revenue  
Stamp

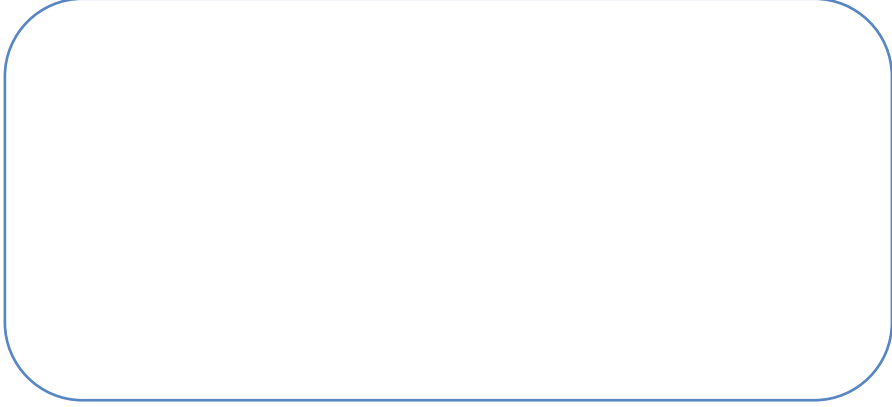
Folio No :

DP. ID\*

Client ID\*

NOTE : The proxy form duly completed must be deposited at the Registered Office of the Company at "East Coast Centre", 534, Anna Salai, Chennai - 600 018 not less than 48 hours before the time for holding the Meeting

## Book - Post



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