



Ref: TFL/SECTL/AR/2016

10<sup>th</sup> August, 2016

The Manager  
Bombay Stock Exchange Limited  
Department of Corporate Services  
P.J.Towers  
Dalal Street  
Mumbai 400 001

Dear Sir,

Scrip code **506808** - Approved Annual Report  
For the year ended 31<sup>st</sup> June, 2016

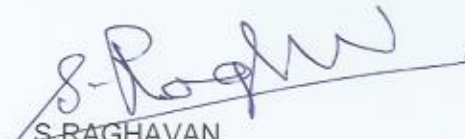
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In compliance of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the Annual Report of our Company for the year ended 31<sup>st</sup> March, 2016 as approved and adopted in the Annual General Meeting of the shareholders which was held on 4<sup>th</sup> August, 2016, as per the provisions of the Companies Act, 2013.

Kindly take on record the same.

Thanking you

Yours faithfully,  
For TUTICORIN ALKALI CHEMICALS  
AND FERTILIZERS LIMITED

  
S.RAGHAVAN  
COMPANY SECRETARY &  
COMPLIANCE OFFICER

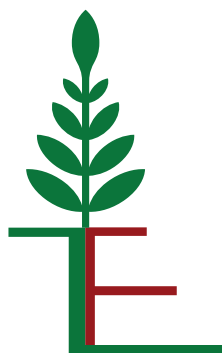
Encl:

**Tuticorin Alkali Chemicals and Fertilizers Limited**

88 Mount Road Guindy Chennai 600 032 India Tel +91 44 22352513 Fax +91 44 22352163  
CIN : L24119TN1971PLC006083

Email : info@tafert.com

Website : www.tafert.in



# **Tuticorin Alkali Chemicals and Fertilizers Limited**

**2015 – 16  
Annual Report**

**BOARD OF DIRECTORS**

Thiru B. NARENDRAN	DIN 01159394
Dr. RM. KRISHNAN	DIN 00062318
Thiru S. SHANKAR	DIN 06591908
Thiru S. ASOKAN	DIN 06591756
Tmt. RITA CHANDRASEKAR	DIN 03013549
Thiru G. RAMACHANDRAN, Managing Director	DIN 00051999

**GENERAL MANAGER (WORKS)**

Thiru S. THANGATHIRUPATHY

**CHIEF FINANCIAL OFFICER**

Thiru S. NANDAKUMAR

**COMPANY SECRETARY**

Thiru S. RAGHAVAN

**AUDITORS**

CNGSN & ASSOCIATES LLP  
Chartered Accountants,  
'Agastyar Manor'  
20, Raja Street, T. Nagar,  
Chennai - 600 017.

**BANKERS**

STATE BANK OF INDIA  
THE SOUTH INDIAN BANK LTD  
THE CATHOLIC SYRIAN BANK LTD  
INDIAN OVERSEAS BANK  
STATE BANK OF TRAVANCORE

**REGISTERED & PRINCIPAL OFFICE**

"SPIC House"  
88, Mount Road,  
Guindy, Chennai - 600 032.  
Phone: 2235 2513  
E-mail: info@tafcert.com  
CIN: L24119TN1971PLC006083

**FACTORY**

Harbour Construction Road,  
Thoothukudi - 628 005, Tamil Nadu.

**WEBSITE**

www.tafcert.in

**REGISTRAR & SHARE TRANSFER AGENTS**

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

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Form No. MGT 11 - Proxy Form	Attached



## NOTICE

NOTICE is hereby given that the 43<sup>rd</sup> Annual General Meeting of TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED will be held on Thursday, the 4th August, 2016 at 10.00 a.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2016, and the Report of the Board of Directors and Auditors' Report thereon by passing the following Ordinary Resolution.

RESOLVED THAT the Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March, 2016 and the Report of the Board of Directors and Auditors' Report thereon be and are hereby received and adopted.

2. To reappoint a Director in place of Thiru G. Ramachandran (DIN 00051999) who retires by rotation and, being eligible, offers himself for re-appointment by passing the following as an Ordinary Resolution:

RESOLVED THAT Thiru G. Ramachandran (DIN 00051999), who retires by rotation, be and is hereby reappointed as a Director of the Company.

3. To appoint Auditors and fix their remuneration. M/s.CNGSN & Associates, LLP Chartered Accountants, Chennai, retire and are eligible for reappointment by passing the following as Ordinary Resolution:

RESOLVED THAT M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai, (Registration No.004915S/S200036) be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the next AGM, at a remuneration of Rs.5,00,000/- for Statutory Audit, Tax Audit, Certificate for Cash Flow Statement, Corporate Governance and Limited Review as per SEBI (LODR), Regulations 2015 but exclusive of fees for other consultations, professional services, service tax and out-of-pocket expenses, as determined by the Board of Directors.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass, with or without modifications, the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to Sections 196 and 197 read in conjunction with the Schedule V, and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby accords its consent and approval for the reappointment

of Thiru G. Ramachandran (DIN 00051999) as Managing Director of the Company for a period of three years from 12th December, 2015 to 11th December, 2018 on the following terms and conditions and liable to retire by rotation.

- a. Salary Rs.15.60 lakhs per annum;
- b. Reimbursement towards maintenance of Company's car (including driver wages) and residential communication facilities not exceeding Rs.4.40 lakhs per annum;

Provided that the balance amount, if any, remaining unspent in the previous year may be spent in the subsequent year(s), subject, however to the overall limit of Rs.13.20 lakhs during the three year tenure of the appointment;

- c. Leave as per rules of the Company.

In the event of inadequacy or absence of profits during the tenure, Thiru G. Ramachandran, Managing Director, shall be entitled to the aforesaid remuneration approved by the Remuneration Committee as the minimum remuneration and the same shall be subject to the provisions of the applicable law or such other approvals as may be required under the relevant law.

5. To consider and if thought fit to pass with or without modification(s) the following resolutions as Special Resolutions:

RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorized by the Board) to exercise the powers conferred on the Board by this Resolution, to give loans to any person/body corporate and / or give any guarantee or provide security in connection with a loan to any person/body corporate and / or acquire by way of subscription, purchase or otherwise, the securities of any Body Corporate upto an aggregate amount not exceeding Rs.5 crores notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186 of the Companies Act, 2013.



RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of the Company be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities or for making such investments and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate.

- To consider and if thought fit, to pass, with or without modifications, the following Resolution as an Ordinary

Registered Office:

“SPIC House”,

88, Mount Road, Guindy,

Chennai - 600 032.

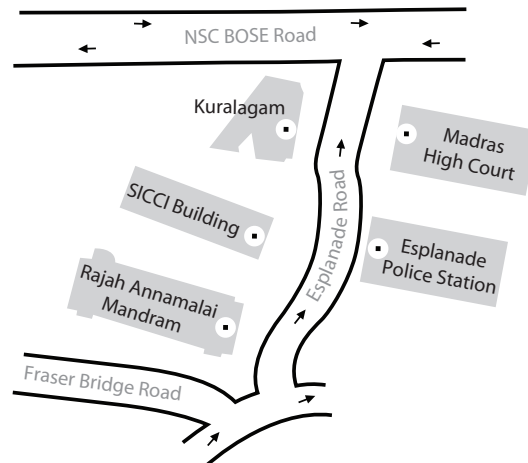
25<sup>th</sup> May, 2016

Resolution:

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.50,000/- plus applicable taxes and reimbursement of out of pocket expenses as approved by the Board of Directors to Thiru P R Tantri the Cost Auditor to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March, 2016 is ratified.

By Order of the Board  
For TUTICORIN ALKALI CHEMICALS  
AND FERTILIZERS LIMITED  
S. RAGHAVAN  
COMPANY SECRETARY

### ROUTE MAP FOR AGM VENUE



### NOTES

- 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.
- The proxy form, duly stamped and executed, should reach the Registered and Principal Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
- The Register of Members and the Share Transfer Books of the Company will remain closed from 29th July, 2016 to 4th August, 2016 (both days inclusive).
- Members are requested to quote their Folio Numbers in all their correspondence.
- Members are requested to immediately provide their email address and notify changes, if any, in their addresses to the Company or to the Registrar viz., Cameo Corporate Services Limited, Subramanian Buildings, 1, Club House Road, Off Anna Salai, Chennai 600 002 specifying full address in Block Capital with Pin Code of the Post Office.
- Members are requested to bring their copies of the Annual Report to the Meeting.
- 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.

**EXPLANATORY STATEMENT**

Pursuant to Section 102(1) of the Companies Act, 2013

**Item No.2 & 4.****Thiru G Ramachandran**

Thiru G Ramachandran, aged 64 years, is a Chemical Engineer with a Post Graduate degree in Business Administration and possesses over 43 years of industrial experience in Fertilizers and Petrochemical Industries. He worked in SPIC for 16 years before joining Manali Petrochemicals Limited (MPL) in August 1989. Thiru G Ramachandran has worked in different capacities at MPL before taking over as its Managing Director, which post he held for more than a decade during which time the Company successfully turned around.

Other Directorships held by Thiru G Ramachandran are:

1. Edac Automation Limited.
2. Edac Staffing Solutions Private Limited.
3. Totalcomm Infra Services Private Limited.

The two year term of office of Thiru G. Ramachandran, Managing Director, was over on 11<sup>th</sup> December, 2015. The Board, at its meeting held on 6<sup>th</sup> November, 2015, has reappointed him for a period of three years from 12<sup>th</sup> December, 2015.

The Nomination and Remuneration Committee has fixed the remuneration for Thiru G. Ramachandran at its meeting held on 6<sup>th</sup> November, 2015 which was taken by the Board.

As required under Part II, Section II of Schedule V to the Companies Act, 2013, the following information is furnished:

**I. GENERAL INFORMATION:**

1. Nature of Industry:  
The Company is primarily engaged in the manufacture and sale of Ammonium Chloride Fertilizer, Soda Ash, both Light & Dense, and Sodium Bicarbonate
2. Date or expected date of commencement of commercial production:  
The Commercial production of Ammonium Chloride and Soda Ash, the main products of the Company, commenced on 1st November, 1982.
3. Financial Performance:  
The following are the results of the Company during the last three financial years, at a glance:

(Rs. in crores)

Financial Parameters	2013-14	2014-15	2015-16
Total Income	27.29	139.15	157.59
Cash Loss	26.30	15.13	20.19
Net Profit /(Loss)	(30.28)	(17.12)	33.64
Amount of Dividend Paid (Equity)	Nil	Nil	Nil
Rate of Dividend declared in % (Equity)	Nil	Nil	Nil

4. Export Performance, Net Foreign Exchange Earnings and Collaborations:

a. Export Performance and Net Foreign Exchange Earned:

The Company has not exported its products since March 2012.

b. Foreign Investments or Collaborators, if any: NIL

**II. INFORMATION ABOUT THE APPOINTEE:****Background Details, Recognition/Awards**

Thiru G Ramachandran, 64 years of age, is a Chemical Engineer with a Post Graduate degree in Business Administration and possesses over 43 years of Industrial Experience in Fertilizers and Petrochemical Industries.

Thiru G Ramachandran has worked as Managing Director of MPL for more than a decade.

He has rich experience in development, execution and management of chemical and fertilizer projects.

Under the leadership of Thiru Ramachandran, MPL has become a profitable company and commenced declaring dividend.

**Past Remuneration:**

Remuneration drawn by Thiru Ramachandran during the last three years are as follows:

(Rs. in lakhs)

Year	Remuneration
2013-14	12.00
2014-15	3.60
2015-16	7.85

**Job Profile and Suitability:**

Thiru G Ramachandran, had taken various steps for improving the financial health of the Company through various organisational and financial restructuring like the proposal for one time settlement to improve productivity and process efficiency, exercising cost-control measures. He has also initiated steps to develop in-house source for the Carbon-dioxide gas to reduce the dependency of external source.

The leadership and contribution of Thiru G. Ramachandran are vital for the Company's improvement in its operational / financial performance.

**Remuneration Proposed:**

The remuneration proposed to be paid to Thiru G. Ramachandran, with effect from 12th December, 2015, as approved by the Nomination and Remuneration Committee of the Board of Directors at its Meeting held on 6th November, 2015 has been disclosed in the Notice of the Meeting.

**Comparative remuneration profile with respect to Industry, Size of the Company, Profile of the Position and Person:**

The prevalent levels of remuneration in manufacturing industries, in general and the chemical/fertilizer industry, in particular, are higher. Taking into account the turnover of the Company, the academic background, qualifications and rich experience of Thiru G. Ramachandran, his invaluable contribution to the Company, his vital role at the present juncture for the turnaround of the Company is very much needed and his present remuneration and comparable remuneration levels in the Industry, the proposed remuneration to Thiru G Ramachandran is reasonable.

**Pecuniary relationship, directly or indirectly, with the Company / Relationship with the Managerial Personnel:**

Thiru G Ramachandran has no pecuniary relationship, directly or indirectly, with the Company, or relationship with any of the managerial personnel of the Company.

**III. OTHER INFORMATION:****Reasons for Loss/Inadequacy of Profit:**

1. The Company is yet to fully recover from the after effects of 42 months' long non-operation due to shutdown of SPIC's Ammonia Plant which supplies the CO<sub>2</sub> gas.
2. Due to inadequate maintenance during the long shutdown and the consequent repairs that have crept in, the efficiencies have dropped and yet to reach the normal levels.
3. Restricted availability of CO<sub>2</sub> Gas, infrequent operations, lesser number of operating days and fluctuating Ammonia prices are other reasons for the sub-optimal operation.

**Steps taken to improve the performance of the Company**

The Company is taking the following steps to improve the performance of the Company:

Completed One Time Settlements of Term Loans;

A Project is being set up for producing CO<sub>2</sub> from Boiler Flue Gases to reduce dependency on external supply;

Cost cutting measures through minimising specific consumption of raw materials and utilities;

The aforesaid measures will yield good results to increase the performance and profitability of the Company.

**Expected increase in productivity and profits in measurable terms:**

The savings expected on account of the restructuring of the Term Loan and energy conservation proposals, improvements in operations and manufacture of new value added products and further control measures on overhead expenses are expected to substantially increase the productivity and profitability of the Company.

The Board recommends the aforesaid Special Resolution for approval of the Members.

**Inspection of Documents**

All related documents are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 am to 1.00 pm upto the date of this 43<sup>rd</sup> Annual General Meeting.

**Disclosure of Interest**

None of the Directors and Key Management Personnel of the Company or their relatives is concerned or interested in the resolution excepting Thiru Ramachandran.

**Item No. 5**

The Company would like to reduce the operating cost. Power is a major component in that and hence would like to invest in Projects

Registered Office:

"SPIC House",  
88, Mount Road, Guindy,  
Chennai - 600 032.  
25<sup>th</sup> May, 2016

for producing power, which can result in substantial savings on the energy expenditure of the Company. The Company will invest upto Rs. 5 crores to purchase Equity Shares of the Power Producing Company to qualify under 'group captive scheme' of Tamilnadu Electricity Regulatory Commission, and receive less expensive power in proportion to the investment, which will meet the substantial need of the Company.

As per Section 186 of the Companies Act, 2013 read with the Rules framed thereunder, the Company is required to obtain prior approval of the Members by way of a Special Resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body corporate exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

The approval of the Members is being sought by way of a Special Resolution under Section 186 of the Act read with the Rules made thereunder, to enable the Company to acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

**Disclosure of Interest**

None of the Directors and Key Management Personnel of the Company or their relatives are concerned or interested in the resolution.

**Item No.6**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor Thiru P R Tantri to conduct Audit of the Cost Records of the Company relating to Chemical (Soda Ash) and Fertilizer (Ammonium Chloride) for the Financial Year ended 31<sup>st</sup> March, 2016 on a remuneration of Rs.50,000/- plus applicable taxes and reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Thiru P R Tantri, Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No.6 of the Notice for ratification of the remuneration payable to the said Cost Auditor for the Financial Year ended 31st March, 2016.

**Disclosure of Interest**

None of the Directors and Key Management Personnel of the Company or their relatives are concerned or interested in the resolution.

**Inspection of Documents**

All related documents in respect of Item Nos. 5&6 are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 am to 1.00 pm upto the date of this 43<sup>rd</sup> Annual General Meeting.

By Order of the Board  
For TUTICORIN ALKALI CHEMICALS  
AND FERTILIZERS LIMITED  
S. RAGHAVAN  
COMPANY SECRETARY



**INSTRUCTIONS FOR E-VOTING**

In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed thereunder and Regulation 44 of SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. Resolution(s) passed by Members through e-voting is / are deemed to have been passed as if they have been passed at the AGM.

Thiru R. Kannan, Practicing Company Secretary (Membership No. FCS 6718), has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

The facility for voting, through ballot paper shall be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.

The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

**CUT-OFF DATE**

“Cut-off date” for determining the eligibility for voting either through electronic voting system or ballot at the 43<sup>rd</sup> Annual General Meeting Venue is fixed as 28<sup>th</sup> July, 2016.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 30/07/2016 at 1.00 pm and ends on 03/08/2016 at 5.00 pm. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date viz. 28/07/2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digit beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digit 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](http://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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
Dividend Bank Details or Date of Birth	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(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 also to be 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 relevant <Company Name> on which you choose 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login 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) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) 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](http://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](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto: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.
- (xx) 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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

## BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

### To

The Members

Your Directors present the 43<sup>rd</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS

The following are the financial highlights:- (Rupees in Crores)

DESCRIPTION	2015-16	2014-15
Sales Turnover (Net of Excise Duty and Trade Discount)	<b>156.54</b>	132.36
Gross Loss after meeting all expenses but before providing depreciation and interest	<b>15.06</b>	6.72
Add: Interest	<b>5.13</b>	8.41
Cash Loss	<b>20.19</b>	15.13
Add: Depreciation for the year	<b>2.12</b>	1.99
Extraordinary Items	<b>55.95</b>	---
Net Profit / (Loss) for the year	<b>33.64</b>	(17.12)
Accumulated Loss	<b>162.69</b>	196.33
EPS & Diluted EPS	<b>21.90</b>	(12.41)

During the Financial Year, the Plants performed for same number of days like last year. The capacity utilisation was low for most part of the year due to restricted availability of the raw material Carbon-di-

oxide gas (CO<sub>2</sub>) from SPIC. Moreover, your Company also was forced to shutdown production for approximately 22 days in different periods due to maintenance issues. Totally, production was lost for 119 days. The loss for the year, on the same basis as the previous year, without considering the adjustments due to the Settlement availed by the Company from the Financial Institutions is Rs. 22.31 crores. Hence, in view of the lower capacity utilisation, the working results are not substantially different in comparison to the previous year and the production and sales are only marginally better compared to last year. During the year 51,254 MTs of total Soda Ash and 45,630 MT of Ammonium Chloride were produced.

### PRODUCTION AND SALES

The details of production and sales of the finished products for the financial year are as under: (In Tonnes)

Product	Production		Sales	
	2015-16	2014-15	2015-16	2014-15
Soda Ash (Light)	<b>49,275</b>	48,285	<b>51,471</b>	43,782
Soda Ash (Dense)	<b>1,940</b>	----	<b>1,697</b>	----
Ammonium Chloride (Fertilizer)	<b>45,630</b>	40,415	<b>38,325</b>	34,734
Sodium Bicarbonate	<b>1,518</b>	----	<b>1,491</b>	----

Due to the unprecedented inclement weather that prevailed in the salt producing areas in Tamilnadu, the required salt for the production



had to be brought to Tuticorin from Kandla. The quality of the salt was uniform and good. However, the price was slightly higher than the usual landed cost from Tuticorin Area.

### **DIVIDEND**

Your Directors were not able to recommend any dividend in view of the accumulated losses.

### **MARKET SCENARIO**

In view of the down trend in the international market and since the Company's capacity utilisation was lower, your Company has to face severe competition from imported products and also with indigenous products from other manufacturers. These brought the prices down for the Financial Year. However, the market seems to be good and with higher capacity utilisation and continuous production, it should be possible for the Company to regain the market.

Price of Ammonium Chloride also has gone down due to lower priced imports from China. Your Company is continuously maintaining the sales by readjusting the selling price. The product should do well in the ensuing financial year.

### **FUTURE OUTLOOK**

In order to limit the transportation cost, your Company markets the Soda Ash primarily in the Southern States of India. Since the market continues to improve, it is felt that with better production management, the selling of the Soda Ash, both Light and Dense, should not pose a big issue.

### **OPPORTUNITIES AND THREATS**

The Company has an excellent opportunity to market its products in the Southern and Eastern States of India. However, it also has to encounter threat of competition from Europe, China and also Indian producers which market through southern ports both with indigenous and international products.

The principal threat has long been the single source of availability of CO<sub>2</sub> from the SPIC Fertilizer Plant. Hence your Company could operate only when SPIC's Ammonia Plant was operating. The Company also utilised only excess CO<sub>2</sub> gas that is available from SPIC after meeting their internal requirements. Your Company has now implemented a CO<sub>2</sub> Recovery Plant to recover CO<sub>2</sub> gas from the boiler exhaust gases. The Plant is under construction and is expected to be fully operational by July/August 2016. This will position the Company better to operate either with our own CO<sub>2</sub> gas or from that of SPIC or both. The Company can operate the Soda Ash Plant at maximum capacity utilisation that would be possible for the Plant and the CO<sub>2</sub> Plant has been sized accordingly. With this, one of the major threats on the production front has been addressed.

### **ENVIRONMENT AND SAFETY**

The periodic audits as required under ISO 9001 have been carried out.

### **WIND MILL**

During the year 2.28 lakh units were generated from 5 Nos. of 250 KW Wind Turbine Power Generators at Gudimangalam, Tirupur District, as against 1.34 lakh units generated in the previous year.

### **POWER PURCHASE**

Your Company is contemplating to draw power from private power producing companies under the 'Group Captive Scheme'. Your Company will make nominal investment to qualify under the 'Group Captive Scheme'. The cost of operation is likely to come down due to this.

### **CAPTIVE SALT WORKS**

During the financial year, only 7,458 MT of salt could be produced due to the inclement weather and heavy rains prevailed in Tuticorin, as against 9,700 MT produced last year. We expect to do well in the ensuing year due to the early production achieved and also due to change of the pumps and repair of the salt pans wherever necessary.

### **BIFR**

The Company filed the Draft Rehabilitation Scheme in August 2015. However, further hearings at BIFR did not take place. We have resubmitted an updated DRS with the provisional accounts for the year 2015-16, which is awaiting their consideration. The Company hopes to hear from them soon.

### **FIXED DEPOSIT**

There was no outstanding deposit as at 31<sup>st</sup> March, 2016. However an amount of Rs. 0.08 lakhs remains unclaimed (representing). This amount will be transferred to "Investor Education and Protection Fund" shortly. The Company has neither accepted nor renewed any deposits during the year under review.

### **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Since there was no unpaid/unclaimed Dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 do not apply.

### **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates on the date of this report.

### **STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY**

The Statement showing the details regarding the development and implementation of Risk Management Policy of the Company is furnished in Annexure 1 and attached to this report. The risk management includes identifying types of risks and its assessment, risk handling and monitoring and reporting.

Your Company is dependent primarily on SPIC for the supply of CO<sub>2</sub> and also for receiving the imported Ammonia through their storage system. Your Company is now implementing an independent CO<sub>2</sub> Recovery facility which is likely to be operational by July/August 2016.



This may reduce the risk considerably. The Board does not envisage any other major risks.

#### **DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES**

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable as on date in view of the accumulated losses the Company has incurred.

#### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

#### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Company does not fall under the related party with any company.

#### **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in Annexure 2and is attached to this report

#### **NUMBER OF BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had four Board meetings during the financial year under review. Full details are given in the Corporate Governance Report.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submits its responsibility Statement:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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 at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis; and
- e) the Directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES**

The Company does not have any Subsidiary, Joint venture or Associate Company.

#### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Thiru G. Ramachandran, Managing Director who got re-elected during last Annual General Meeting held on 31st July, 2015, again retires at the forthcoming Annual General Meeting and being eligible offers himself for re-election.

On completion of the tenure of Thiru G Ramachandran, Managing Director he has been reappointed for a term of 3 years commencing from 12<sup>th</sup> December, 2015. His reappointment and payment of remuneration is subject to the approval of the shareholders. Approval for this will be obtained in this Annual General Meeting.

There is no change among the Independent Directors and key managerial personnel during the year under review.

#### **DECLARATION OF INDEPENDENT DIRECTORS**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves for the continuance / appointment as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### **BOARD EVALUATION**

Pursuant to the provisions of Section 149 read with Schedule IV of the Companies Act 2013 and conditions of the SEBI (LODR) Regulations 2015, the Independent Directors in their separate meeting held on 4<sup>th</sup> February, 2016, had reviewed the performance of Non-Independent Director and the Board as a whole.

#### **STATUTORY AUDITORS**

M/s CNGSN & Associates LLP, Chartered Accountants, Chennai were appointed as Statutory Auditors for a period of one year in the Annual General Meeting held on 31st July, 2015. Their continuance of appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting. The Company has received a certificate from the above Auditors to the effect that if



they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### SECRETARIAL AUDITOR

Thiru R Kannan has been appointed by the Board of Directors to carry out the Secretarial Audit for the year ended 31<sup>st</sup> March, 2016. Secretarial Auditor's Report is annexed which forms part of this report.

### COST AUDIT

As per the Government of India's directive, the Company's Cost Reports in respect of Fertilizer – Ammonium Chloride and Chemical – Soda Ash for the year ended 31<sup>st</sup> March, 2016 are being audited by the Cost Auditor Thiru P R Tantri, who was appointed by the Board with the approval of the Government of India.

### EXPLANATIONS OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

There was no qualification, reservations or adverse remarks made by the Statutory Auditors, M/s. CNGSN & Associates LLP and Secretarial Auditor, Mr. R. Kannan, Practicing Company Secretary, in their reports.

### DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Audit Committee consists of Tvl. B. Narendran, S. Shankar and

S. Asokan all of whom are Independent Directors.

The Company has established a vigil mechanism and oversees through a committee, the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the chairman of the Audit Committee on reporting issues concerning the interests of co-employees and the Company. Policy is given in Annexure 3.

### SHARES

The Company has not bought back any of its shares during the year under review.

The Company has not issued any "Sweat Equity" Shares during the year under review.

No Bonus Shares were issued during the year under review.

The Company has not provided any Stock Option Scheme to the employees.

### ANNUAL RETURN

The extracts of Annual Return in Form MGT pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is furnished in Annexure 4 and is attached to this Report.

### PARTICULARS OF EMPLOYEES

The Company has no Employees whose salary exceeds Rupees Five lakhs per month.

### Disclosures under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Ratio of the Remuneration of each director to the median Remuneration of the employees of the company for the financial year 2015-16	Mr. G Ramachandran, Managing Director 1.93		
Percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary in the financial year 2015-16	Managing Director	158%	
	Chief Financial Officer	4%	
	Company Secretary	9%	
Percentage increase in the median Remuneration of employees in the financial year 2015-16	1.82%		
Number of Permanent Employees on the Rolls of the Company	219		
Explanation on the relationship between average increase in remuneration and company performance	During the year, increase in sales turnover is due to more number of days the Plant was operated. Decrease in average remuneration is due to salary arrears included in the previous year.		
Comparison of the Remuneration of the key Managerial Personnel against the performance of the company.	The remuneration to the KMP are considered reasonable taking into account various parameters including the performance of the Company, qualification, experience and contribution of the respective KMPs		
Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year / previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies and in case of un-listed companies, the variation in the net worth of the company as at the close of current / previous financial year	<b>Description</b>	<b>2015-16</b>	<b>2014-15</b>
	Market Cap (Rs. in lakhs)	728.94	775.67
	Price – Earnings Ratio	0.22	0.32
	Last Issue Price per share	Rs.10.00	



Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average Managerial Remuneration, other than managerial personnel remains more or less the same as that of previous year.
Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company.	The remuneration to the KMP are considered reasonable taking into account the various parameters including the performance of the Company and the qualification, experience, contribution of the respective KMP.
The key parameters for any variable component of remuneration availed by the Directors.	Sitting Fees.
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	The remuneration of an employee not being a Director but in receipt of remuneration in excess of the Director was 1.77 times of the remuneration of the highest paid director – viz- Managing Director

#### AFFIRMATION THAT THE REMUNERATION IS AS PER THE REMUNERATION POLICY OF THE COMPANY

Company is adopting remuneration guidelines for fixing the remuneration as per the policies laid down by the Nomination and Remuneration Committee.

#### PARTICULARS AS REQUIRED UNDER RULE 3 OF THE COMPANIES (ACCOUNTS) RULES, 2014

##### A. Conservation of Energy

- Steps taken or impact on conservation of energy:

Alternatives are being worked out to reduce energy requirement for the crystallisation section. It is likely to significantly reduce the energy consumption. The pure CO<sub>2</sub> from your Company's internal plant is likely to reduce the venting of waste gases and reduce the gas circulation rate bringing down the energy requirement. Use of Centrifugal Compressors in place of the Reciprocating Compressors, is being considered to effect energy savings.

- Steps taken for utilizing alternate sources of energy:

A Project, jointly with Group Companies, is being worked out for production and utilisation of solar energy.

- Capital investment in conservation of energy:

During the current financial year, no investment has been made. However, CO<sub>2</sub> Plant, when becomes operational in the ensuing financial year, will result in energy saving. The investment on the CO<sub>2</sub> Plant is Rs.20 crores.

##### B. Technology Absorption

- The Company has fully utilised the Imported Technology of

Hitachi Zosen, Japan which was imported in the year 1980.

- Expenditure on Research & Development

(i) Capital Nil

(ii) Recurring Nil

(iii) Total Nil

##### C. Foreign Exchange Earnings and outgo:

- Foreign Exchange Inflow: Nil

- Foreign Exchange Outflow: Rs.40.18 lakhs

#### ACKNOWLEDGEMENTS

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge gratefully the shareholders for their support and confidence reposed on your Company.

#### DISCLAIMER

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

Chennai

25<sup>th</sup> May, 2016

For and on behalf of the Board of Directors

B. NARENDRAN G. RAMACHANDRAN

Director Managing Director



## ANNEXURE 1

### RISK MANAGEMENT

As per the amended Listing Agreement, the Risk Management Committee has to be set up to constantly review the technical and commercial risks the Company has to face so that the interests of the shareholders are protected. This Committee has to be constituted with the majority of the members of the Board of Directors. The senior executives of the Company may be members of the said Committee but the Chairman of the Committee shall be a member of the Board of Directors. Accordingly, a Risk Management Committee has been formed. The Committee is headed by Mr. B. Narendran, and the other members are M/s. S. Asokan, Director, G. Ramachandran, Managing Director, S.Thangathirupathy, General Manger (Works) and S. Nandakumar, Chief Financial Officer.

The Committee meets once in a quarter to discuss the points forwarded by the Risk Management Team and other risks facing the Company and submit a report to the Board of Directors. The report will contain the methods to mitigate the risk.

The Risk Management Committee will study the risks/threats/ concerns both in short term and long term and take adequate steps periodically to protect the interest of the various stakeholders.

## ANNEXURE 2

### REMUNERATION POLICY

#### PURPOSE

The Remuneration Policy is applicable to all employees of the Company, including Executives, Non-Executives and Board of Directors of the Company. The Policy is primarily focused on the employees of the Company other than Directors and Senior Executives to provide a competitive attractive remuneration to retain, protect and develop competent personnel. The pay package shall be based on the roles and responsibilities and shall consist in addition to the substantial fixed salary portion, motivating pays like Performance Pay, Production Incentives, Leave Travel Assistance, Ex-gratia payments and non-salary benefits like Health Care, Transport, Canteen Facilities, Pension, Township and Retirement/Statutory benefits of Provident Fund and Gratuity.

#### PAY PACKAGE

The Pay Package shall comply with general industrial practices and shall reflect the cost of living and also should take into account ability of the Company to sustain and pay such packages.

The Package shall consist of predominantly fixed income and not more than 30% of the pay shall be based on variable components consisting of Performance and Motivating Pays.

#### EXECUTIVE PAY PACKAGE

The Executive Pay Packages shall also follow the above guidelines. However, since they are primarily responsible for taking the Company forward and improving its business ability, deviations as necessary

can be made to provide substantial motivating pays apart from the fixed salary. Perquisites of housing and transportation can also be different as per the need.

The Non-Executive Board of Directors would be paid Sitting Fees as decided by the Board from time to time depending on the ability of the Company, but to be within the statutory maximum.

### OTHER GENERAL ISSUES

Notice pay, PF, Gratuity, etc., will be as per the various statutory regulations/ Company's approved policy from time to time.

### PROCEDURES

The Remuneration Committee of the Board will meet from time to time, discuss, review and approve the pay packages suggested by the executives of the Company for implementation and for settlement with the employees through the Trade Union either through a 12(3) agreement or 18(1) agreement as per the need. The pay packages/ sitting fees of the Executives/Working Directors and the other members of the Board would be fixed by the Remuneration Committee and suggested to the Board for implementation.

## ANNEXURE 3

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per Section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Company implemented a Whistle Blower Policy, by which all unethical and improper practices or wrongful conduct that may occur in the conduct of business of the Company when comes to the knowledge of an employee, can be brought to the attention of the concerned, including Managing Director and Audit Committee of the Board. The Policy provides a frame work by which a Whistle Blower has access to the top Management so that the wrongful conduct is brought to their attention, investigated and the concerned person punished. The frame work will also provide adequate safe guards to the Whistle Blower who will act in good faith and prevent harassment and victimisation to him.

#### Policy

This Whistle Blower Policy is formulated to provide an opportunity to employees to raise concerns, in case they detect or observe unethical and improper practices or any other wrongful conduct in the Company to higher ups, Managing Director and/or to the Audit Committee of the Board of Directors. This Policy also provides necessary safeguards for protection to such whistle blower employees from reprisals or victimization and to prohibit managerial personnel from taking any adverse personnel action against them.

#### Reporting

An employee who observes or notices any unethical & improper practices or alleged wrongful conduct in the Company may report the same to the Head of Department or in case it involves Managerial Personnel to the Managing Director and in exceptional cases to Audit Committee through e-mail addressed to s.raghavan@tacfert.com.



**ANNEXURE - 4**  
**FORM NO. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

As on the financial year ended on 31/03/2016

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

(i)	CIN :	L24119TN1971PLC006083
(ii)	Registration Date :	03/12/1971
(iii)	Name of the Company:	Tuticorin Alkali Chemicals and Fertilizers Limited
(iv)	Category / Sub-Category of the Company:	Listed Public Limited Company
(v)	Address of the Registered Office and contact details:	"SPIC HOUSE", 88 Mount Road, Guindy, Chennai – 600 032 Phone: 2235 2513 E-mail: info@tafert.com
(vi)	Whether listed company :	Yes
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any:	Cameo Corporate Services Limited, "Subramanian Building", 1, Club House Road, Off Anna Salai, Chennai – 600 002. Phone: 28460390 E-mail: cameo@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

Manufacturing Soda Ash and Ammonium Chloride (Fertilizer)

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

S.No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Soda Ash	24117	68.74
2.	Ammonium Chloride - Fertilizer	24122	29.38

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :**

S.No	Name and address of the company	CIN	Holding/ Associate	% of shares held
1	NIL	NIL	NIL	NIL

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i) Category-wise Share Holding**

Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A) Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	---	---	---	---	---	---	---	---	---
"b) Central Govt.or State Govt."	---	---	---	---	---	---	---	---	---
c) Bodies Corporates	---	6680113	6680113	45.15	---	6680113	6680113	45.15	---
d) Bank/FI	---	---	---	---	---	---	---	---	---
e) Any other	---	---	---	---	---	---	---	---	---
<b>Sub-Total (A) (1)</b>	---	<b>6680113</b>	<b>6680113</b>	<b>45.15</b>	---	<b>6680113</b>	<b>6680113</b>	<b>45.15</b>	---



Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
(a) NRIs - Individuals	---	---	---	---	---	---	---	---	---
(b) Other - Individuals	---	---	---	---	---	---	---	---	---
(c) Bodies Corp.	---	---	---	---	---	---	---	---	---
(d) Banks / FI	---	---	---	---	---	---	---	---	---
(e) Any Other...	---	---	---	---	---	---	---	---	---
<b>Sub-Total (A) (2)</b>	---	---	---	---	---	---	---	---	---
Total Shareholding of Promoter <b>(A) = (A) (1) + (A) (2)</b>	---	<b>6680113</b>	<b>6680113</b>	<b>45.15</b>	---	<b>6680113</b>	<b>6680113</b>	<b>45.15</b>	---

<b>(B) Public Shareholding</b>									
<b>(1) Institutions</b>									
(a) Mutual Funds	---	2450	2450	0.02	---	2450	2450	0.02	---
(b) Banks/FI	1050	500	1550	0.01	600	500	1100	0.01	---
(c) Central Govt	---	---	---	---	---	---	---	---	---
(d) State Govt	314	0	314	---	314	---	314	---	---
(e) Venture Capital funds	---	---	---	---	---	---	---	---	---
(f) Insurance Companies	---	---	---	---	---	---	---	---	---
(g) FIs	---	300	300	---	---	300	300	---	---
(h) Foreign Venture Capital Funds	---	---	---	---	---	---	---	---	---
(i) Others (Specify)	---	---	---	---	---	---	---	---	---
<b>Sub-Total (B) (1)</b>	<b>1364</b>	<b>3250</b>	<b>4614</b>	<b>0.03</b>	<b>914</b>	<b>3,250</b>	<b>4,164</b>	<b>0.03</b>	---
<b>(2) Non- Institutions</b>									
<b>(a) Bodies Corp</b>									
i. Indian	2276587	16550	2293137	15.50	1952909	16300	1969209	13.31	(2.19)
ii. Overseas	---	---	---	---	---	---	---	---	---
<b>(b) individuals</b>									
i. Individual shareholders holding nominal share capital up to Rs. 1 lakh	2212028	1433941	3645969	24.64	2168750	1417997	3586747	24.24	(0.40)
ii. Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1808900	---	1808900	12.23	2211446	---	2211446	14.95	2.72
c) Qualified Foreign Investor	---	---	---	---	---	---	---	---	---





Category of Share holders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of Change during the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d) Others (Specify)									
Clearing Members	1751	---	1751	0.01	3361	---	3361	0.02	0.01
Hindu undivided	103416	---	103416	0.70	91949	---	91949	0.62	(0.08)
Non-Resident Indians	69030	188300	257330	1.74	60491	187750	248241	1.68	(0.06)
Trusts	600	---	600	---	600	---	600	---	---
<b>Sub-Total (B)(2)</b>	<b>6472312</b>	<b>1638791</b>	<b>8111103</b>	<b>54.82</b>	<b>6489506</b>	<b>1622047</b>	<b>8111553</b>	<b>54.82</b>	<b>---</b>
<b>Total Public Shareholding B = (B) (1) + (B) (2)</b>	<b>6473676</b>	<b>1642041</b>	<b>8115717</b>	<b>54.85</b>	<b>6490420</b>	<b>1625297</b>	<b>8115717</b>	<b>54.85</b>	<b>---</b>
<b>C. Shares held by custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	<b>6473676</b>	<b>8322154</b>	<b>14795830</b>	<b>100.00</b>	<b>6490420</b>	<b>8305410</b>	<b>14795830</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters:**

Sl. No.	Share holders Name			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares
1.	Southern Petrochemical Industries Corporation Limited	66,80,113	45.15	45.15

**(iii) Change in Promoters' Shareholding - NIL**
**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the end of the year 31-03-2016	
		No. of Shares	%	No. of Shares	%	No. of Shares	%
1.	<b>Vijay Kumar Agarwal</b>	1073658	7.25				
	Purchase - 18-12-2015	6000	0.04	1079658	7.29		
	Purchase - 11-03-2016	316487	2.14	1396145	9.43	1396145	9.43
2.	<b>Delhi Iron &amp; Steel Co. P Ltd</b>	785611	5.31	785111	5.30		
3.	<b>R M Financial Services P Ltd</b>	334122	2.26				
	Sale - 31-07-2015	2050	0.01	332072	2.25		
	Sale - 26-02-2016	9901	0.07	322171	0.07		
	Purchase - 04-03-2016	198	0.00	322369	2.18	322369	2.18
4.	<b>Asian Portfolio Management P Ltd</b>	322025	2.18				
	Purchase - 31-07-2015	50	0.00	322075	2.18	322075	2.18
5.	<b>Ashari Agencies</b>	316710	2.14				
	Purchase - 08-01-2016	500	0.00	317210	2.14	317210	2.14
6.	<b>Prakash Finance P Ltd</b>	316487	2.14				
	Sale - 11-03-2016	316487	2.14	0	0	0	0
7.	<b>Anand Mohan</b>	119000	0.80				
	Sale - 15-01-2016	19000	0.13	100000	0.67		
	Sale - 26-02-2016	100000	0.67	0	0	0	0



8.	<b>Hitesh Ramji Javeri</b>	115000	0.77				
	Purchase - 25-09-2015	25000	0.17	140000	0.94		
	Purchase - 30-10-2015	200	0.00	140200	0.94		
	Purchase - 06-11-2015	100	0.00	140300	0.94		
	Purchase - 20-11-2015	200	0.00	140500	0.94		
	Purchase - 04-12-2015	125	0.00	140625	0.95		
	Purchase - 11-12-2015	1175	0.01	141800	0.96		
	Purchase - 18-12-2015	2468	0.02	144268	0.98		
	Purchase - 08-01-2016	1200	0.01	145468	0.99		
	Purchase - 22-01-2016	3553	0.02	149021	1.01		
	Purchase - 05-02-2016	2051	0.01	151072	1.02		
	Purchase - 26-02-2016	55768	0.38	206840	1.40	206840	1.40
9.	<b>Harsha Hitesh Javeri</b>	100000	0.68				
	Purchase - 25-09-2015	35000	0.24	135000	0.92		
	Purchase - 18-12-2015	550	0.00	135550	0.92		
	Purchase - 26-02-2016	70000	0.47	205550	1.39	205550	1.39
10.	<b>Radhabai Ramji Javeri</b>	60000	0.40				
	Sale - 25-09-2015	60000	0.40	0	0	0	0
11.	<b>Manan Trading Company P Ltd</b>	45845	0.31				
	Purchase - 25-09-2015	1175	0.01	47020	0.32		
	Purchase - 18-03-2016	58258	0.39	105278	0.71	105278	0.71
12.	<b>Mukesh Chandra Maheswari</b>	30353	0.21	30353	0.21	30353	0.21

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year 1 <sup>st</sup> April, 2015		Cumulative Shareholding during the year 31 <sup>st</sup> March, 2016	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Thiru S Raghavan	50	---	50	---
2.	Thiru S Nandakumar	50	---	50	---

**V. INDEBTEDNESS:**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2015				
i) Principal Amount	75.29	10.47	---	85.76
ii) Interest due but not paid	14.44	---	---	14.44
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	89.73	10.47	---	100.20
Change in Indebtedness during the financial year				
Addition	---	---	---	---
Reduction	82.87	---	---	82.87
Net Change	(82.87)	---	---	(82.87)
Indebtedness at the end of the financial year 31.03.2016				
i) Principal Amount	6.86	10.47	---	17.33
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
<b>Total (i+ii+iii)</b>	<b>6.86</b>	<b>10.47</b>		<b>17.33</b>

Note: Matured unclaimed Deposits Rs.0.08 lakhs on 1.4.2015 and the closing balance is Rs.0.08 lakhs.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director:**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Thiru G. Ramachandran	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.74	4.74
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.11	3.11
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	---	---
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
Total (A)			
Ceiling as per the Act		5% of the Profit or Minimum Remuneration in terms of Schedule V of the Companies Act 2013.	

**B. Remuneration to other Directors:****I. Independent Directors:-**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Thiru B Narendran	Dr. RM Krishnan	Thiru S Shankar	Thiru S Asokan	Tmt Rita Chandrasekar	
1.	Fee for attending board / committee meetings	1.15	1.08	0.83	1.08	0.94	5.08
2.	Commission	NIL	NIL	NIL	NIL	NIL	NIL
3.	Others	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>1.15</b>	<b>1.08</b>	<b>0.83</b>	<b>1.08</b>	<b>0.94</b>	<b>5.08</b>

**II Other Non-Executive Directors:-**

## Particulars of Remuneration

(Rs.in lakhs)

Fee for attending board / committee meetings	Nil
Commission	Nil
Others, please specify	Nil
Total (2)	Nil
Total (B) = (1)+(2)	5.08
Ceiling as per the Act	1% of the Net Profits of the Company, Sitting Fees alone was paid

**C. Remuneration to Key Managerial Personnel other than MD.**

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Co.Secy	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8.45	12.45	20.90
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	NIL	NIL	NIL
2.	Stock Option	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL
4.	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5.	Others, please specify	NIL	NIL	NIL
	<b>Total (C)</b>	<b>8.45</b>	<b>12.45</b>	<b>20.90</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**REPORT ON CORPORATE GOVERNANCE****1. Company's Philosophy on Code of Governance:**

The Company believes in good Corporate Governance and has been Practicing 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR).

The Report on Corporate Governance followed by the Company for the year ended 31<sup>st</sup> March, 2016 is as follows:

**2. Board of Directors****❖ Composition**

As on 31<sup>st</sup> March, 2016, 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 all the five Non-Executive Directors 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 LODR are being made available to the Board.

**❖ Board Meetings held during the year**

During the year, viz. from 1<sup>st</sup> April, 2015 to 31<sup>st</sup> March, 2016, four Board Meetings were held on the following dates:

Date of the Board Meeting	Strength of the Board	No. of Directors present
20/05/2015	6	5
31/07/2015	6	6
06/11/2015	6	5
04/02/2016	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 31st March, 2016 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.	B. Narendran Non-Executive Independent	4	Yes	Director - 5	4	4
2.	Dr. RM. Krishnan Non-Executive Independent	4	Yes	Director - 2	---	---
3.	S. Shankar Non-Executive Independent	3	Yes	Director - 1	1	1
4.	S. Asokan Non-Executive Independent	4	Yes	Director - 1	---	2
5.	G. Ramachandran Managing Director Executive Non-Independent	4	Yes	Director - 3	---	---
6.	Rita Chandrasekar Non – Executive Independent	3	Yes	Director – 2	1	---

**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 year, the Audit Committee consisted of three Directors all being Non-Executive and Independent Directors.

As on 31<sup>st</sup> March, 2016, the Chairman of the Committee is Thiru B.Narendran, Director and the other members of the Committee are Thiru S. Shankar, Director and Thiru S. Asokan, Director.

**❖ Meetings and attendance during the year**

Four Meetings of the Audit Committee were held during the year. The dates are 20/05/2015, 31/07/2015, 06/11/2015 and 04/02/2016. The attendance of each Member of the Committee is given below:

Names of Directors	No. of meetings attended
Thiru B.Narendran	4
Thiru S. Shankar	3
Thiru S. Asokan	4

**❖ Brief description of Terms of Reference**

The Terms of Reference of the Audit Committee cover the matters specified for Audit Committees under Section 148 of the Companies Act, 2013, the rules made thereon and SEBI (LODR) Regulations, 2015.



#### 4. Remuneration to Directors

##### ❖ Nomination and Remuneration Committee and Remuneration Policy

The Remuneration Committee has been renamed as the 'Nomination and Remuneration Committee' of the Board was constituted on 15<sup>th</sup> March, 2002 to formulate and recommend to the Board, from time to time the compensation structure for Directors of the Board. The Members as on 31<sup>st</sup> March, 2016 are Tvl. B. Narendran, S. Shankar and Dr. RM. Krishnan. The Committee met three times during the year viz., 20<sup>th</sup> May 2015, 31<sup>st</sup> July, 2015 and 6<sup>th</sup> November 2015.

##### Remuneration to Directors

Thiru G. Ramachandran, was appointed as Vice President & Whole Time Director (WTD) of the Company for a period of two years with effect from 12<sup>th</sup> December, 2011. Thiru G Ramachandran has been re-designated as Managing Director with effect from 1/11/2013. He has been reappointed for a further period of two years with effect from 12/11/2013. He has been paid a remuneration of Rs.7.85 lakhs for the year ended 31<sup>st</sup> March, 2016.

Thiru Ramachandran has been reappointed as Managing Director for a further period of three years with effect from 12/12/2015. His remuneration has been fixed at Rs.20.00 lakhs per annum by the Nomination and Remuneration Committee.

The Non-Executive Directors are being remunerated by way of Sitting Fees. The Sitting Fees paid to Non-Executive Directors for the year ended 31<sup>st</sup> March, 2016 are as follows:

(in Rupees)

Sl.No.	Name of the Director	Sitting Fees
1.	Thiru B. Narendran	1,14,750
2.	Dr. RM. Krishnan	1,07,750
3.	Thiru S. Shankar	83,500
4.	Thiru S. Asokan	1,07,750
5	Tmt. Rita Chandrasekar	93,750
	<b>Total</b>	<b>5,07,500</b>

#### 5. Stakeholders Relationship Committee:

##### ❖ Details of the Members, number of complaints received and pending transfers as on 31<sup>st</sup> March, 2016

The members of the Committee are Thiru B. Narendran, Director, Thiru G. Ramachandran, Managing Director and Thiru S. Asokan.

The Board of Directors of the Company has authorised the Managing Director 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.

The Company had no pending documents for transfer as on 31<sup>st</sup> March, 2016.

#### 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. The Code of Conduct is also posted in the website of the Company viz., [www.tacfert.in](http://www.tacfert.in).

#### 7. Insider Trading

Pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, 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 G.Ramachandran, Managing Director & CEO and Thiru S. Nandakumar CFO in terms of LODR for the year under review was placed before the Board of Directors of the Company at its meeting held on 25<sup>th</sup> May, 2016.

#### 9. Secretarial Audit

A secretarial audit was carried out by a qualified Practicing Company Secretary for reconciling the total admitted 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.

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014, Secretarial Audit was conducted by Thiru R. Kannan, Practicing Company Secretary for the year ended 31<sup>st</sup> March, 2016. Secretarial Audit Report forms part of the Annual Report.

#### 10. General Meetings

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

Year	Location	Date and Time
40 <sup>th</sup> AGM 2012 -2013	Rajah Annamalai Hall Esplanade, Chennai – 600 108	25 Jul 2013 3.05 p.m.
41 <sup>st</sup> AGM 2013 - 2014	Rajah Annamalai Hall, Esplanade, Chennai – 600 108.	14 Aug 2014 3.05 p.m.
42 <sup>nd</sup> AGM 2014 - 2015	Rajah Annamalai Hall, Esplanade, Chennai – 600 108.	31 Jul 2015 10.00 a.m.

#### 11. Disclosures

- During the year ended 31<sup>st</sup> March, 2016, 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 Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
- No Resolution has been passed in Postal Ballot during the year 2015-16.

#### 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). The said results and other communication would be sent to the Registered email address of the Members.
- The Management Discussion and Analysis Report forms a part of this Annual Report.

**Details of compliance with mandatory requirements of SEBI (LODR) Regulations, 2015 and adoption of non-mandatory requirements of Regulation 27(1) of LODR.**

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirements of the LODR with other applicable provisions, if any.

The status of compliance with non-mandatory Regulation 27(1) of LODR are as under.

- Shareholders' Rights : As the half-yearly (including quarterly) financial performance are published in the newspapers and are also posted on the Company's website. The Company also used to report significant events to the Bombay Stock Exchange from time to time. Hence, the same are not being sent to the shareholders.
- Audit Qualifications : During the period under review, there is no audit qualifications in the Company's Financial Statements.
- Reporting of the Internal Auditor : The Company is having independent Internal Auditor (separate from the employees). The Internal Auditor's used to send their reports to the CFO and in turn the reports are circulated to the members of the Audit Committee for their perusal.
- Familiarisation programme for Independent Directors : The familiarisation programme for Independent Directors are available in the website of the Company - [www.tacfert.in](http://www.tacfert.in).

- The MD (CEO) and CFO of the Company have certified to the Board on the integrity of the Financial Statements, effectiveness of internal controls and significant changes in internal control / accounting policies during the year as required under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

**Code for Prevention of Insider Trading Practices**

In compliance with the SEBI regulation on prevention of insider Trading, the Company has placed a comprehensive code of conduct for its directors, designated employees of the Company and their immediate relatives. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. Subsequently, the Company has its code in line with the requirement of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**Functional website of the Company as per Regulation 46 of SEBI (LODR) Regulations, 2015**

Pursuant to the requirement of Regulation 46 of the LODR Regulations, the Company maintains a functional website and the website address is [www.tacfert.in](http://www.tacfert.in). Website of the Company provides the basic information about the Company e.g. details of its business, financial information, various policies, shareholding pattern & other details relevant to the shareholders and the Company is regularly updating the information provided on its website.

**General Shareholder Information**

1.	Annual General Meeting Date, Time and Venue	Thursday, 4/08/2016 10.00 a.m. Rajah Annamalai Hall, Esplanade, Chennai – 600 108.
2.	Financial Calendar April 2016 – March 2017	First Quarter Results - First Week of August, 2016 Half-Yearly Results - Second Week of November, 2016 Third Quarter Results - Second Week of February, 2017 Annual Results for the year ended 31 <sup>st</sup> March 2017 - Last Week of May, 2017
3.	Record Date Book Closure Date	Nil 29/07/ 2016 to 4/08/2016
4.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited. The Company has paid the Listing Fees to the Stock Exchange upto date.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Off. Anna Salai, Chennai – 600 002
6.	Stock Code Demat ISIN No.	506808 - Bombay Stock Exchange Limited. INE 400A01014
7.	Share Transfer System	The power to approve transfer and transmission of shares has been delegated by the Board to the Managing Director and Stakeholders Relationship 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	43.87% equivalent to 64,90,420 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.	Details of public funding obtained in the last three years Outstanding GDRs/ ADRs / Warrants of any convertible instruments. Depository Registry For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	No capital has been raised in the last three years from Public.  Not Issued  Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai – 600 002 Telephone No.28460390 : Fax No. 28460129 Email: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a>



10.	Plant Location	Harbour Construction Road, Tuticorin - 628 005
11.	Compliance Officer & Address for Communication	Thiru S. Raghavan Company Secretary Tuticorin Alkali Chemicals and Fertilizers Limited 'SPIC House', 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 22352513 Email: info@tacfert.com
12.	Website	www.tacfert.in

To the Members of Tuticorin Alkali Chemicals and Fertilizers Limited:

DECLARATION TO THE MEMBERS PURSUANT TO SCHEDULE II – CORPORATE GOVERNANCE – SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, G Ramachandran, Managing Director and S Nandakumar, 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 31<sup>st</sup> March, 2016.

For and on behalf of the Board of Directors

Chennai

S. NANDAKUMAR G RAMACHANDRAN

25<sup>th</sup> May, 2016

Chief Financial Officer Managing Director

#### DISTRIBUTION OF HOLDINGS

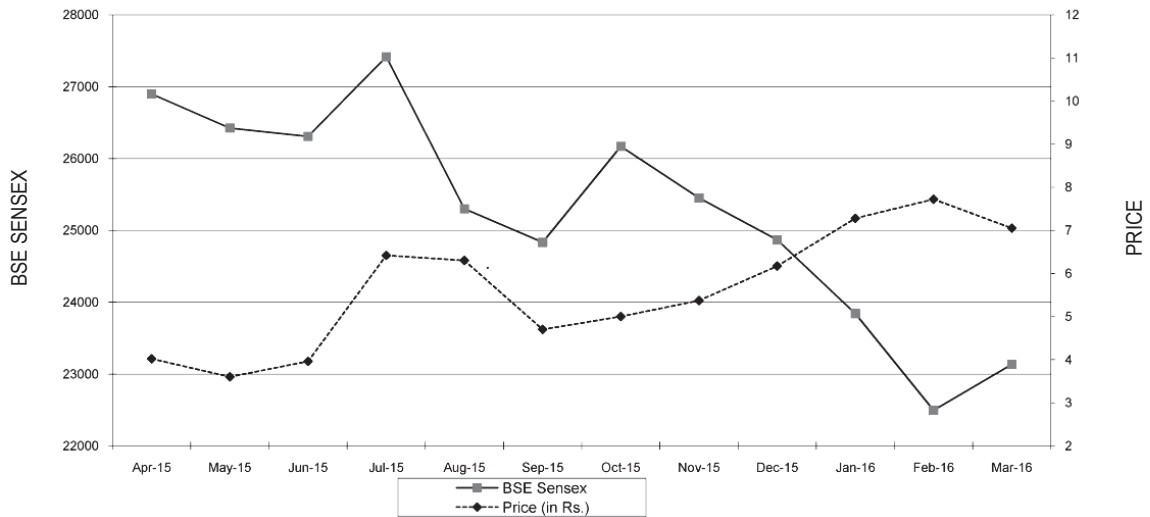
Share holding of nominal value of Rs.10/- Range – Shares	Share Holders		Number of Shares	
	Number	%	Number	%
Upto - 500	18,255	93.17	20,60,283	13.92
501 - 1,000	811	4.14	6,83,040	4.62
1,001 - 2,000	309	1.59	4,73,419	3.20
2,001 - 3,000	79	0.40	2,04,331	1.38
3,001 - 4,000	30	0.15	1,08,824	0.73
4,001 - 5,000	29	0.15	1,38,563	0.94
5,001 - 10,000	40	0.20	2,92,720	1.98
10,001 and above	40	0.20	1,08,34,650	73.23
<b>TOTAL</b>	<b>19,593</b>	<b>100.00</b>	<b>1,47,95,830</b>	<b>100.00</b>

#### MARKET / SHARE PRICE DATA BOMBAY STOCK EXCHANGE LIMITED, MUMBAI

Month	High (Rs.)	Low (Rs.)
April 2015	4.02	3.77
May 2015	3.60	3.08
June 2015	3.96	3.00
July 2015	6.42	3.10
August 2015	6.30	4.02
September 2015	4.70	3.75
October 2015	5.00	3.78
November 2015	5.37	4.42
December 2015	6.17	5.15
January 2016	7.28	5.50
February 2016	7.72	6.40
March 2016	7.05	5.10



Performance of the Company's Equity Shares vis-a-vis the BSE Sensex



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

We have examined the compliance of conditions of Corporate Governance by Tuticorin Alkali Chemicals and Fertilizers Limited, for the year ended 31<sup>st</sup> March, 2016 as stipulated in SEBI (LODR) Regulations, 2015.

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 with the conditions of the 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 above mentioned 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.

For CNGSN & ASSOCIATES LLP  
 Chartered Accountants  
 F.R.No.004915S/S200036  
 C.N. GANGADARAN  
 Partner  
 Membership No. 11205

Chennai  
 25<sup>th</sup> May, 2016





## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

**To,**

The Members,

Tuticorin Alkali Chemicals and Fertilizers Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Tuticorin Alkali Chemicals and Fertilizers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of M/s Tuticorin Alkali Chemicals and Fertilizers Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Tuticorin Alkali Chemicals and Fertilizers Limited ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(v) The other laws as may be applicable specifically to the company in our opinion

- (a) The Fertilizer (Control) Order 1985.
- (b) The Tamil Nadu Water (Prevention and Control of Pollution) Rules, 1983.
- (c) The Air (Prevention and Control of Pollution) Act, 1981.
- (d) The Hazardous Waste (Management and Handling) Rules, 1989.
- (e) The Boilers Act, 1923.

Based on a review of the compliance reports by functional heads of the company including The Factory located in Tuticorin, Tamilnadu, South India to top Management/Board of Directors of the Company, I report that the company has substantially complied with the provision of those Acts that are applicable to it such as the Factories Act 1948, Payment of Wages Act 1936, Industrial Disputes Act 1947, Minimum Wages Act 1948, Employees Provident Fund and Miscellaneous Provisions Act 1952, Employees State Insurance Act 1948, Public Liability Insurance Act 1991, Environment Protection Act 1986 and others. I also report that the Company is registered with BIFR as a Sick Company.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designated professionals.

I have also examined compliance with the applicable clauses of the following:

Secretarial standards on the meetings of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India.

The Listing Agreement entered into by the company with the Bombay Stock Exchange Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- (a) We understand that the Company was not in Production for few months during the year under review. However the Company has complied with the prescribed statutory requirements under the above Acts and Rules.



- (b) It is recommended that the Company should have a compliance management system and should be under the In-charge of a responsible person in the senior most management cadre.

I report that there were no actions / events in pursuance of

- (a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring Compliance thereof by the Company during the year under review and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of audit, and also on review of quarterly compliance reports

by respective department heads / company secretary, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with other applicable laws such as Labour Laws and Environmental Laws

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the company's affairs

Chennai  
25<sup>th</sup> May, 2016

R Kannan  
Practicing Company Secretary  
FCS No: 6718  
C P No: 3363

**INDEPENDENT AUDITOR'S REPORT**

**To the Members**

Tuticorin Alkali Chemicals and Fertilizers Limited  
Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Tuticorin Alkali Chemicals and Fertilizers Limited** ("the Company"), which comprise the Balance sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give

a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion:

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the

Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure 2.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Ref Note 16
    - ii. The Company does not have any material foreseeable losses from long-term contracts including derivative contracts. Hence no provision has been created for the same.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/S200036  
C N GANGADARAN  
Partner  
Memb.No.011205



## Annexure 1 to the Independent Auditors' Report

Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

## i. In respect of Fixed Assets :

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such physical verification.
- c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.

## ii. Inventories:

Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification.

## iii. The company has not granted any loans Secured or Unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

## iv. In our opinion and according to the information and explanations

given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security

## v. In our opinion and according to the information and explanations given to us the company has complied with the provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder.

## vi. The Company is maintaining cost records as specified by Central Government under section 148 (1) of the Companies Act, 2013. Accordingly clause vi of paragraph 3 of Companies (Auditors Report) Order 2016 is not applicable.

## vii. In Respect of Statutory Dues :

a) According to the records of the Company and information and explanations given to us, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. However there has been delays in some cases and in the case of Deferred sales tax of Rs.243.72 lakhs, the amount is yet to be remitted.

b) As at 31st March 2016 according to the records of the Company, the following are the particulars of the disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax and cess, which have not been deposited on account of dispute:

Sl.No.	Period to which amount Relates	Nature of the Statute	Not Paid ( Rs. In Lakhs )	Nature of Dues	Forum where Dispute is Pending
1.	1983-1984	TNGST Act , 1959	92.87	Purchase tax , Penalty	Sales Tax Appellate Tribunal
2.	1984-1985	TNGST Act , 1959	118.70	Purchase tax , Penalty	Hon'ble High Court of Chennai.
3.	1996-1997	TNGST Act , 1959	0.37	Sales Tax	Appellate Assistant Commissioner
4.	1997-1998	CST Act, 1956	14.31	Non submission of Prescribed Forms	Appellate Assistant Commissioner
5.	1997-1998	CST Act , 1956	187.14	Sales Tax	Appellate Assistant Commissioner
6.	2001-2002	TNGST Act , 1959	2.51	Sales Tax	Sales Tax Appellate Tribunal

viii. Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, Government or debenture holders.

ix. In our opinion, term loans have been applied for the purposes for which they were raised. During the year, the company has not raised money by way of initial public offer or further public offer.

x. In our opinion and according to the information and explanations



given to us, no fraud on or by the Company has been noticed or reported during the year.

xi. In our opinion, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

xii. In our opinion, the Company is not a Nidhi Company. Accordingly, clause xii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xiii. In our opinion, the company has no related party transactions. Accordingly clause xiii of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xiv. According to the information and explanations given to us,

the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, clause xiv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non - cash transactions with directors or persons connected with the Directors. Accordingly, clause xv of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause xvi of Para 3 of Companies (Auditors Report) Order 2016 is not applicable.

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
F.R.No.004915S/S200036  
C.N. GANGADARAN  
Partner  
Membership No. 11205

Place: Chennai

Date: 25<sup>th</sup> May, 2016

## **Annexure 2 to the Independent Auditors' Report**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED** ("the Company") as of 31<sup>st</sup> March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material



misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition,

use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Chennai

Date: 25<sup>th</sup> May, 2016

For CNGSN & ASSOCIATES LLP

Chartered Accountants

F.R.No.004915S/S200036

C.N. GANGADARAN

Partner

Membership No. 11205

BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2016

(Rupees in Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	1	3,782.75	3,782.75
(b) Reserves and Surplus	2	(15,835.93)	(19,199.74)
(c) Money received against share warrants		---	---
<b>(2) Share application money pending allotment</b>		---	---
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	3	1,047.30	1,047.30
(b) Deferred tax liabilities (DTL)	4	1,912.21	2,013.92
(c) Other Long term liabilities		---	---
(d) Long-term provisions	5	620.83	689.78
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	6	651.07	809.68
(b) Trade payables	7	9,551.89	4,898.49
(c) Other current liabilities	8	10,405.88	16,609.05
(d) Short-term provisions		---	---
<b>TOTAL</b>		<b>12,136.00</b>	<b>10,651.23</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	9		
(i) Tangible assets		2,706.54	2,579.58
(ii) Intangible assets		---	---
(iii) Capital work-in-progress		568.02	77.40
(iv) Intangible assets under development		---	---
(b) Non-current investments		---	---
(c) Deferred tax assets (Restricted to DTL)	4	1,912.21	2,013.92
(d) Long-term loans and advances	10	761.08	547.96
(e) Other non-current assets		---	---
<b>(2) Current assets</b>			
(a) Current investments	11	0.05	0.05
(b) Inventories	12	3,955.65	2,927.56
(c) Trade receivables	13	1,828.65	900.45
(d) Cash and cash equivalents	14	20.75	40.58
(e) Short-term loans and advances	15	383.05	1,563.73
(f) Other current assets		---	---
<b>TOTAL</b>		<b>12,136.00</b>	<b>10,651.23</b>
<b>III. CONTINGENT LIABILITIES AND COMMITMENTS</b>	16	<b>4,118.04</b>	<b>4,456.90</b>

The notes 1 to 29 form part of these financial statements.

S. RAGHAVAN

Company Secretary

S. NANDAKUMAR

Chief Financial Officer

G. RAMACHANDRAN

Managing Director

B. NARENDRAN

RM. KRISHNAN

S. SHANKAR

Directors

This is the Balance Sheet referred

to in our report of even date

For CNGSN &amp; ASSOCIATES LLP

Chartered Accountants

Firm Regn. No.: 004915S / S200036

C.N. GANGADARAN

Partner

Membership No. 11205

Chennai

25<sup>th</sup> May, 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

(Rupees in Lakhs)

Particulars	Note No	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
I. Revenue from operations	17	15,653.59	13,236.16
II. Other Income	18	105.64	679.36
<b>III. Total Revenue (I +II)</b>		<b>15,759.23</b>	13,915.52
IV. Expenses:	19		
Cost of materials consumed		8,621.12	8,715.84
Purchase of Stock-in-Trade	20	---	---
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(501.84)	(1,218.89)
Employee benefit expenses		1,070.34	1,259.05
Financial costs		512.85	841.37
Depreciation and amortization expenses		211.78	199.04
Other expenses		8,076.03	5,830.81
Total Expenses		17,990.28	15,627.22
<b>V. Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)</b>		<b>(2,231.05)</b>	(1,711.70)
VI. Exceptional Items		---	---
<b>VII. Profit / (Loss) before extraordinary items and tax (V - VI)</b>		<b>(2,231.05)</b>	(1,711.70)
VIII. Extraordinary Items	18	5,594.86	---
<b>IX. Profit / (Loss) before tax (VII - VIII)</b>		<b>3,363.81</b>	(1,711.70)
X. Tax expense:			
(1) Current tax		---	---
(2) Deferred tax (Net)		---	---
<b>XI. Profit / (Loss) for the period from continuing operations (IX - X)</b>		<b>3,363.81</b>	(1,711.70)
XII. Profit / (Loss) from discontinuing operations		---	---
XIII. Tax expense of discontinuing operations		---	---
<b>XIV. Profit / (Loss) from discontinuing operations (XII - XIII)</b>		<b>---</b>	---
<b>XV. Profit/(Loss) for the period (XI + XIV)</b>		<b>3,363.81</b>	(1,711.70)
<b>XVI. Earning per equity share:</b>			
(1) Basic	27	21.90	(12.41)
(2) Diluted		21.90	(12.41)

The notes 1 to 29 form part of these financial statements.

S. RAGHAVAN

Company Secretary

S. NANDAKUMAR

Chief Financial Officer

G.RAMACHANDRAN

Managing Director

B. NARENDRAN

RM. KRISHNAN

S. SHANKAR

Directors

This is the Statement of Profit & Loss  
referred to in our report of even date  
For CNGSN & ASSOCIATES LLP

Chartered Accountants

FIRM REGN NO.004915S / S200036

C.N. GANGADARAN

Partner

Membership No. 11205

Chennai

25<sup>th</sup> May, 2016



**1. Shareholders' Funds**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>Authorised Share Capital</b>				
a) Equity Shares of Rs.10 each	15,000,000	1,500.00	15,000,000	1,500.00
b) Redeemable Cumulative Preference Shares of Rs.100 each	2,400,000	2,400.00	2,400,000	2,400.00
		3,900.00		3,900.00
<b>Issued Share Capital</b>				
a) Equity Shares of Rs.10 each	14,890,430	1,489.04	14,890,430	1,489.04
b) 12% Redeemable Cumulative Preference Shares of Rs.100 each *	100,000	100.00	100,000	100.00
c) 8 % Redeemable Cumulative Preference Shares of Rs.100 each	300,000	300.00	300,000	300.00
d) 5 % Redeemable Cumulative Preference Shares of Rs.100 each	2,000,000	2,000.00	2,000,000	2,000.00
		3,889.04		3,889.04
<b>Subscribed and Paid up Capital</b>				
a) Equity Shares of Rs.10 each fully paid up Add : Forfeited Shares	14,795,830	1,479.58 3.17	14,795,830	1,479.58 3.17
b) 8 % Redeemable Cumulative Preference Shares of Rs.100 each **	300,000	300.00	300,000	300.00
c) 5% Redeemable Cumulative Preference Shares of Rs.100 each ***	2,000,000	2,000.00	2,000,000	2,000.00
		3,782.75		3,782.75

There is no change in the share capital of the Company during the current year.

\* The Preference Shares were held by The South Indian Bank Limited amounting to Rs.100 lakhs were converted into Equity shares of Rs.10/- each at a premium of Rs.7.67 per share in the year 2006.

\*\* Preference shares amounting to Rs.300 lakhs rolled over for a further period of three years upto January 2018.

\*\*\* Dividend is payable at the time of redemption or at the time of declaring equity dividend whichever is earlier.

Shares held by shareholders holding more than 5% of shares				
Name / Institution	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
	No. of Shares	Percentage	No. of Shares	Percentage
<b>Equity Shares of Rs.10 each</b>				
Southern Petrochemical Industries Corporation Limited	6680113	45.15	6680113	45.15
Vijay Kumar Agarwal	1394345	9.43	1073658	7.25
Delhi Iron & Steel Co (P) Ltd	785111	5.30	785611	5.31
<b>8% Redeemable Cumulative Preference Shares of Rs.100 each</b>				
Twinshield Consultants Private Limited	300000	100.00	300000	100.00
<b>5% Redeemable Cumulative Preference Shares of Rs.100 each</b>				
Southern Petrochemical Industries Corporation Limited	2000000	100.00	2000000	100.00

**2. Reserves and Surplus**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
<b>Capital Redemption Reserve</b>				
Opening Balance		400.00		400.00
Additions during the period		---		---
Closing Balance		400.00		400.00
<b>Securities Premium Reserve</b>				
Opening Balance		43.76		43.76
Additions during the period		---		---
Closing Balance		43.76		43.76
<b>General Reserve</b>				
Opening Balance		289.09		300.44
Adjustments for fixed assets having no residual value				(11.35)
Closing Balance		289.09		289.09
<b>Surplus</b>				
Opening Debit balance in the Statement of Profit and Loss	(19,932.59)		(18,220.89)	
Additions during the period	3,363.81	(16,568.78)	(1,711.70)	(19,932.59)
Closing Debit balance in the Statement of Profit and Loss		(16,568.78)		(19,932.59)
Total Reserves and Surplus		(15,835.93)		(19,199.74)

**3. Long Term Borrowings**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016		As at 31 <sup>st</sup> March 2015	
<b>Secured Loans</b>				
a) Term Loan from Banks*		---		---
b) Term Loan from Others **		---		---
c) Deposits		---		---
d) Loans and Advances received from related parties		---		---
e) Others		---		---
Total Secured Loans		---		---
<b>Unsecured Loans</b>				
a) Term Loan from Banks		---		---
b) Term Loan from Others		---		---
c) Deposits		---		---
d) Loans and Advances received from related parties (SPIC Ltd)		1,047.30		1,047.30
Total Unsecured Loans		1,047.30		1,047.30
Total Long term Borrowings		1,047.30		1,047.30

\* 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 moveable / immovable assets of the Company.

Term loan dues of Rs.35 lakhs which are fallen due and due within a period of next twelve months are shown in other current liabilities. (Refer Note No.8).

The Company has entered into Restructuring Agreement with Edelweiss Asset Reconstruction Company Limited post assignment of ICICI term loans.

**4. Deferred Tax Liability / Asset**

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 asset / liability as on 31<sup>st</sup> March 2016 are as under:

Deferred Tax Asset	(Rupees in Lakhs)	Deferred Tax Liability	(Rupees in Lakhs)
Unabsorbed Depreciation/(Loss)	10,225.92	Depreciable Fixed Assets	1,912.21
Provision for Doubtful Debts	50.37		
<b>Total</b>	<b>10,276.29</b>	<b>Total</b>	<b>1,912.21</b>

As a matter of prudence the Company has recognised Deferred Tax Asset of Rs.1,912.21 lakhs to the extent of Deferred Tax Liability.

**5. Long Term Provisions**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Provision for Employee Benefits*</b>	<b>620.83</b>	689.78
<b>Total Long Term Provisions</b>	<b>620.83</b>	689.78

\* Represents Leave and Retirals

**6. Short Term Borrowings**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Secured Loans</b>		
a) Loan repayable on demand from Banks*	<b>651.07</b>	809.68
b) Loan repayable on demand from Others	---	---
c) Deposits	---	---
d) Loans and Advances received from related parties	---	---
Total Secured Loans	<b>651.07</b>	809.68
<b>Unsecured Loans</b>		
a) Loan repayable on demand from Banks	---	---
b) Loan repayable on demand from Others	---	---
c) Deposits	---	---
d) Loans and Advances received from related parties	---	---
e) Others	---	---
Total Unsecured Loans	---	---
<b>Total Short Term Borrowings</b>	<b>651.07</b>	809.68

\* 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.

**7. Trade Payables**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Trade Payables</b>		
(a) Amount due on account of goods supplied	<b>8,103.39</b>	3,690.41
(b) Amount due on account of goods traded	<b>329.02</b>	329.02
(c) Amount due on account of services rendered	<b>1,119.48</b>	879.06
<b>Total Trade Payables</b>	<b>9,551.89</b>	4,898.49

**8. Other Current Liabilities**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
a) Current maturities of long term debt	<b>35.00</b>	6,719.52
b) Interest accrued and due on borrowings	---	1,444.24
c) Unpaid matured deposits and interest accrued thereon	<b>0.10</b>	0.10
d) Employee Provisions	<b>102.88</b>	184.12
e) Advance received for Start up expenses	<b>504.04</b>	625.04
f) Amount due to VOC Port Trust	<b>1,279.53</b>	544.81
g) Deferred Sales Tax	<b>243.72</b>	243.72
h) Statutory Dues	<b>131.88</b>	151.53
i) Other payables	<b>8,108.73</b>	6,695.97
<b>Total Other Current Liabilities</b>	<b>10,405.88</b>	16,609.05

Trade Payable includes Rs. Nil (Previous Year - Rs/Nil) due to Micro and Small Enterprises to the extent identified by the Management



(Rupees in Lakhs)

Particulars	Cost						Depreciation		Net Book Value	
	As at 1 Apr 2015	Additions/ Adjustments	Deletions	As at 31 Mar 2016	As at 1 Apr 2015	For the Year	Deduction	As at 31 Mar 2016	As at 31 Mar 2015	
<b>1. Tangible Assets</b>										
(a) Land and Development *	38.93	-	-	38.93	-	-	-	-	38.93	
(b) Factory and Other Buildings	1,705.67	-	-	1,705.67	949.59	46.03	-	995.62	756.08	
(c) Roads, Culverts, Fencing and Compound Wall	78.38	-	-	78.38	44.41	5.75	-	50.16	33.97	
(d) Plant & Machinery (including Windmill)	11,957.09	313.84	-	12,270.93	10,327.88	150.98	-	10,478.86	1,629.21	
(e) Handling Equipment	65.15	9.21	6.92	67.44	59.31	0.46	3.52	56.25	5.84	
(f) Electrical Equipment, Fittings & other Installations	1,201.03	5.44	-	1,206.47	1,118.97	2.60	-	1,121.57	82.06	
(g) Furniture, Fixtures and other Equipment	377.92	3.14	-	381.06	346.11	3.53	-	349.64	31.81	
(h) Vehicles	17.32	12.10	7.00	22.42	15.64	2.43	5.41	12.66	1.68	
Total Tangible Assets	15,441.49	343.73	13.92	15,771.30	12,861.91	211.78	8.93	13,064.76	2,579.58	
<b>2. Intangible Assets</b>										
Total Intangible Assets	---	---	---	---	---	---	---	---	---	
<b>3. Capital Work in Progress **</b>										
Capital work in progress excluding Capital Advances	77.40	490.62	-	568.02	-	-	-	-	77.40	
Total Capital Work in Progress	77.40	490.62	---	568.02	---	---	---	568.02	77.40	
Total Fixed Assets	15,518.89	834.35	13.92	16,339.32	12,861.91	211.78	8.93	13,064.76	2,656.98	
Previous Year	15,588.51	80.26	227.28	15,441.49	12,816.89	199.04	154.02	12,861.91	2,771.62	

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

\*\* Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) - Rs. Nil (Previous year Rs.Nil)

**10. Long term Loans and Advances**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Secured - Considered Good</b>		
a) Trade Advances	616.72	403.60
b) MAT Credit entitlement	57.32	57.32
c) Other loans and advances	87.04	87.04
Total Secured Loans	761.08	547.96
<b>Unsecured - Considered Good</b>		
Total Unsecured - Considered Good	---	---
<b>Doubtful</b>		
Less: Provision		
Total Doubtful	---	---
Total Long term Loans and Advances	761.08	547.96

**11. Current Investments**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
Investment in Government or Trust Securities		
National Savings Certificate		
- Non-traded Unquoted Investment (At Cost) (lodged with Government Department as Security Deposit)	0.05	0.05
Total Non-current Investments	0.05	0.05

**12. Inventories**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
1. Raw Materials	796.65	384.07
2. Work in Progress	191.02	284.26
3. Finished Goods	2,211.51	1,616.43
4. Stores & Spares	756.47	642.80
Total Inventories	3,955.65	2,927.56

**13. Trade Receivables**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Secured - Considered Good</b>		
Short term trade receivables	---	---
Total Secured Loans	---	---
<b>Unsecured - Considered Good</b>		
Outstanding for a period exceeding six months	0.97	16.47
Other trade receivables	1,827.68	883.98
Total Unsecured - Considered Good	1,828.65	900.45
<b>Doubtful</b>		
Short term trade receivables	50.37	50.37
Less: Provision	50.37	50.37
Total Doubtful	---	---
Total Trade Receivables	1,828.65	900.45

**14. Cash and Cash Equivalents**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>1. Balance with Banks</b>		
- On Current Accounts	4.33	4.08
- Margin Money	15.75	15.98
- On Fixed Deposit	---	20.00
<b>2. Cash on hand</b>	0.67	0.52
Total Cash and Cash Equivalents	20.75	40.58

**15. Short term Loans and Advances**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Secured - Considered Good</b>		
(a) Advance to suppliers	177.24	122.24
(b) Advance Tax and Tax Deducted at Source	53.72	58.90
(c) Statutory Advances	33.12	27.85
(d) Other short term loans and advances	118.97	1,354.74
Total Secured Loans	383.05	1,563.73
<b>Unsecured - Considered Good</b>		
Total Unsecured - Considered Good	---	---
<b>Doubtful</b>		
Less: Provision		
Total Doubtful	---	---
Total Short term Loans and Advances	383.05	1,563.73

**16. Contingent Liabilities and Commitments**

(Rupees in Lakhs)

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
<b>Claims against company not acknowledged as debt</b>		
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.	350.26	350.26
b) Disputed claims for rent and Interest on rent dues of VOC Port Trust, Tuticorin	1,980.23	2,552.09
c) Arrears of dividend on Preference Shares	1,595.45	1,471.45
d) Excise and Service Tax dues on appeal by the Department	192.10	83.10
Total Contingent Liabilities and Commitments	4,118.04	4,456.90

**17. Revenue from Operations**

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
<b>Sales Revenue</b>		
Light Soda Ash	11,714.27	10,180.61
Dense Soda Ash	389.95	---
Sodium Bi-Carbonate	313.06	---
Ammonium Chloride Fertilizer Grade	4,598.94	4,168.08
Other products	10.85	7.90
Gross Sales Revenue	17,027.07	14,356.59
Less: Excise Duty	1,373.48	1,120.43
Net Sales Revenue	15,653.59	13,236.16

**18. Other Income & Extra Ordinary Items**

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2016	Year ended 31 <sup>st</sup> March 2015
<b>Other Income</b>		
<b>a. Interest Income</b>	41.83	40.14
<b>b. Others</b>		
i) Rent	47.21	47.99
ii) Sale of scrap	12.50	1.47
iii) Profit on sale of fixed assets	3.02	158.72
iv) Others	1.08	431.04
Total	105.64	679.36
<b>Extra Ordinary Items</b>		
Amount derived by write back of redundant interest and accounting the settlement packages offered.	5,594.86	---



**19. Manufacturing and Other Expenses**

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2016		Year ended 31 <sup>st</sup> March 2015	
<b>Raw Material Cost</b>				
Salt	1,315.46		763.02	
Ammonia	6,579.47		7,356.98	
Carbon-di-oxide	414.96		408.24	
Lime	252.44		156.49	
Process Chemicals	52.43		26.03	
Lab chemicals	6.36		5.08	
Total		8,621.12		8,715.84
<b>Changes in Inventories of Finished Goods, Work-in-process and stock-in-trade</b>				
Opening Stock				
Finished Goods	1,616.43		373.74	
Work-in-Process	284.26	1,900.69	308.06	681.80
Closing Stock				
Finished Goods	2,211.51		1,616.43	
Work-in-Process	191.02	2,402.53	284.26	1,900.69
Movement of Excise Duty on Finished Goods		---		---
Total		(501.84)		(1,218.89)
<b>Employee Benefit Expense</b>				
Salaries and Wages	791.96		861.82	
Contribution to Provident Fund and Superannuation Fund	71.51		73.73	
Contribution to Gratuity Fund	65.16		116.96	
Staff Welfare Expenses	141.71		206.54	
Total		1,070.34		1,259.05
<b>Financial Cost</b>				
On Fixed Loans	11.91		744.18	
On others	500.94		97.19	
Total		512.85		841.37
<b>Depreciation</b>				
Depreciation on Fixed Assets		211.78		199.04



(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2016		Year ended 31 <sup>st</sup> March 2015	
<b>Other Expenses</b>				
<b>Power and Fuel</b>				
Coal	952.25		974.30	
Power	2,482.97		2,137.86	
Furnace Oil	54.15		30.88	
Charcoal	121.92		130.52	
Diesel	8.08		6.81	
Diesel - Generator set	---		---	
Firewood	0.16	3,619.53	---	3,280.37
<b>Water</b>		176.80		335.34
<b>Rent</b>		445.53		62.35
<b>Rates and Taxes</b>		181.36		104.93
<b>Insurance</b>		26.68		22.36
<b>Repairs and Maintenance</b>				
Plant and Machinery	993.37		838.71	
Buildings	158.17		114.24	
Others	129.78	1,281.32	111.51	1,064.46
Total				
<b>Packing, Transportation and Handling (Net of Recoveries)</b>		1,142.37		427.21
<b>Commission and Discount on sales</b>		765.16		320.44
<b>Payment to Auditors</b>				
Audit	5.73		5.62	
Audit - Others	3.20		0.07	
Reimbursement of Expenses	---	8.93	0.70	6.39
<b>Loss on sale of fixed assets</b>		---		---
<b>Exchange Variation Net</b>		209.38		---
<b>Miscellaneous Expenses</b>		218.97		206.96
<b>Other Expenses - Total</b>		8,076.03		5,830.81
<b>Total Manufacturing and Other Expenses</b>		17,990.28		15,627.22

**20. Purchase of Stock - in - Trade**

(Rupees in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2016		Year ended 31 <sup>st</sup> March 2015	
Purchase of Finished Goods		---		---
Transferred from Stock Account		---		---
Total Purchase of Stock - in - Trade		---		---

**NOTES ON ACCOUNTS:****21. Raw Material Consumption**

Raw Material	2015-16		2014-15	
	Quantity (Tonnes)	Value (Rupees in Lakhs)	Quantity (Tonnes)	Value (Rupees in Lakhs)
Salt *	90,360.000	1,312.82	80,050.000	763.02
Ammonia	19,355.209	6,579.47	19,537.030	7,356.98
Carbon-di-oxide	34,936.270	414.96	33,949.900	408.24
Quick Lime	3,373.918	252.44	2,012.682	156.49

\* including handling loss

(Rupees in Lakhs)

22.	Description	2015-16	2014-15
a.	<b>Value of Imports during the financial year calculated on CIF basis:</b>		
	Raw Materials and Chemicals	6,039.66	6,441.87
	Components and Spare Parts	27.78	---
	Capital Goods	---	---
b.	<b>Expenditure in Foreign Currency during the financial year:</b>		
	i) Travel	0.71	0.82
	ii) Subscription	0.05	0.05
c.	<b>Amount remitted in Foreign currency during the year on account of dividends</b>	---	---
d.	<b>Earnings in Foreign Exchange during the financial year: FOB</b>		
	Export of goods	---	---

**e. Value of Raw Materials, Spare parts and Components consumed during the year:**

	2015-16		2014-15	
	Value (Rupees in Lakhs)	% to total Consumption	Value (Rupees in Lakhs)	% to total Consumption
Imported	6,776.56	79	7,356.98	77
Indigenous	1,783.13	21	2,246.62	23

(Rupees in Lakhs)

<b>f. Stores consumed included under repairs and maintenance:</b>	2015-16	2014-15
Plant and Machinery	621.21	805.52
Buildings	37.17	113.35

**23. 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:**

G. Ramachandran, Managing Director

S. Nandakumar, Chief Financial Officer

S. Raghavan, Company Secretary

II. The following transactions were carried out with the related parties:

(Rupees in Lakhs)

Sl. No.	Particulars	2015-16	2014-15
1	Purchase of goods	490.17	473.86
2	Sale of Goods	0.98	1.57
3	Receiving of Services	6.94	6.88
4	Rendering of Services	---	---
5	Proportion of outstanding		
	- Receivable	---	0.02%
	- Payable	12.49%	9.10%
III. Amounts written off during the year in respect of amounts due from related parties:		NIL	NIL

**24. Production, Sales and Closing Stock:**

(in Tonnes)

a)	Production:	2015-16	2014-15
	Soda Ash (Light)	49,275.000	48,285.000
	Soda Ash (Dense)	1,940.000	---
	Ammonium Chloride (FG)	45,630.000	40,415.000
	Sodium Bicarbonate	1,517.500	---

b)	Sales *	2015-16	2014-15
	Soda Ash (Light)	51,470.975	43,781.950
	Soda Ash (Dense)	1,696.500	---
	Ammonium Chloride (FG)	38,324.500	34,734.00
	Sodium Bicarbonate	1,491.000	---

\* includes samples, internal consumption and shortages.

(in Tonnes)

c)	Closing Stock	2015-16	2014-15
	Soda Ash (Light)	<b>2,404.326</b>	4,600.301
	Soda Ash (Dense)	<b>243.520</b>	0.020
	Ammonium Chloride (FG)	<b>15863.180</b>	8,557.680
	Ammonium Chloride (PG)	<b>0.050</b>	0.050
	Sodium Bicarbonate	<b>39.640</b>	13.140

## 25. Retirement Benefits

- Retirement benefits in the form of Provident Fund / Superannuation Fund are defined contribution schemes and the contributions are charged to Statement of Profit and Loss 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.
- Actual gain / losses are charged to statement of Profit and Loss.

## 26. SEGMENTAL REPORTING FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH '16

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

(Rupees in Lakhs)

27. Earnings per share:	2015-16	2014-15
Profit / (Loss) as per Statement of Profit and Loss	<b>3,363.81</b>	(1,711.70)
Number of Equity Shares paid up	<b>14,795.830</b>	14,795,830
Earnings per share – Basic & Diluted (in Rupees)	<b>21.90</b>	(11.57)
Face Value per share (in Rupees)	<b>10.00</b>	10.00

## 28. Accounting Policies

Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements as Annexure I.

29. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH 2016

(Rupees in Lakhs)

	Year Ended 31 <sup>st</sup> March 2016	Year Ended 31 <sup>st</sup> March 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) Before Tax and Extraordinary Items	(2,231.04)	(1,711.70)
Adjustments for:		
(Profit) / Loss on Sale of Assets	(0.87)	158.13
Depreciation	211.78	199.04
Exchange difference	209.38	---
Interest	512.85	841.37
Adjustment in General Reserve for Fixed Assets	---	11.35
OPERATING PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	(1,297.91)	(840.77)
Adjustments for:		
Trade and Other Receivables	39.58	(24.41)
Inventories	(1,028.09)	(671.71)
Trade and Other Payables	6,510.03	3,095.18
Exchange difference	(209.38)	---
CASH GENERATED FROM OPERATIONS	4,014.23	1,558.29
Direct Taxes Paid	---	---
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	4,014.23	1,558.29
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets (including increase in Capital Work in Progress)	(834.34)	(78.45)
Sale of Fixed Assets (Sale Value)	5.86	220.02
NET CASH USED IN INVESTING ACTIVITIES (B)	(828.48)	141.57
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term Borrowings	(8,287.37)	(878.46)
Interest Paid	(512.85)	(841.37)
Cash flow extra ordinary items	5,594.86	
NET CASH USED IN FINANCING ACTIVITIES (C)	(3,205.35)	(1,719.83)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(19.60)	(19.97)
Opening Cash and Cash Equivalents	24.60	44.57
Closing Cash and Cash Equivalents	5.00	24.60

S. RAGHAVAN  
Company Secretary

S. NANDAKUMAR  
Chief Financial Officer

Chennai

25<sup>th</sup> May, 2016

G.RAMACHANDRAN  
Managing Director

B. NARENDRAN  
RM. KRISHNAN  
S. SHANKAR  
Directors

For CNGSN & ASSOCIATES LLP  
Chartered Accountants  
Firm Regn. No.: 004915S/S200036  
C.N. GANGADARAN

Partner

Membership No. 11205

**SIGNIFICANT ACCOUNTING POLICIES:****Annexure - I****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**

Depreciation on fixed assets is charged over the estimated useful life of the fixed assets at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. Assets purchased/sold during the year are depreciated on a pro-rata basis, based on the actual number of days the assets have been put to use. Assets individually costing upto Rs.5,000/- are depreciated fully over a period of one year from the date of purchase.

**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 statement of Profit and Loss.

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

**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 statement of Profit and Loss.

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.



## FORM NO. MGT 11

## PROXY FORM

NAME OF THE COMPANY: TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

CIN: L24119TN1971PLC006083

REGISTERED OFFICE: "SPIC HOUSE", 88, MOUNT ROAD, GUINDY, CHENNAI – 600 032.

E.Mail Id: s.raghavan@tafert.com. Telephone: 044 2235 2513

I/We being the member(s) holding \_\_\_\_\_ shares of the above named Company hereby appoint

1. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E.Mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E.Mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_

Address: \_\_\_\_\_

E.Mail ID: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 43<sup>rd</sup> Annual General Meeting of the Company, to be held on Thursday, the 4<sup>th</sup> August, 2016 at 10.00 a.m. at "Rajah Annamalai Hall" Esplanade, Chennai – 600 108 and at any adjournment thereof in respect of such Resolutions, in the manner as indicated below:

Resolution No.	Description	Type of Resolution	Optional	
			For	Against
	<b>Ordinary Business</b>			
1	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2016.	Ordinary		
2	Re-appointment of Thiru G. Ramachandran as Director, who retires by rotation.	Ordinary		
3	Appointment of M/s. CNGSN & Associates LLP, Chartered Accountants, Chennai as Statutory Auditors and fixing their remuneration.	Ordinary		
	<b>Special Business</b>			
4	Re appointment and payment of Remuneration to Thiru G. Ramachandran, Managing Director.	Special		
5	Approval for investment	Special		







Resolution No.	Description	Type of Resolution	Optional	
			For	Against
6	Approval of Remuneration to Cost Auditor	Ordinary		

Signed this \_\_\_\_\_ day of July / August, 2016

Signature of Shareholder: \_\_\_\_\_

Affix  
revenue  
stamp  
not less than  
Re.0.15

Signature of Proxy holder \_\_\_\_\_

**Note:**

1. This form of proxy, in order to be effective, should be duly completed and deposited at the Registered and Principal Office of the Company at SPIC House, 88, Mount Road, Guindy, Chennai – 600 032 not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Note, please refer to the Notice of the 43<sup>rd</sup> AGM.
3. It is optional to put ✓ in the appropriate column against the Resolution indicated in the Box. If you leave the “For” or “Against” column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.
5. Members may note that a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.





# TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

Registered and Principal Office: "SPIC House" 88 Mount Road, Guindy, Chennai - 600 032.

(CIN : L24119TN1971PLC006083)

## ATTENDANCE SLIP

PLEASE BRING THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF "RAJAH ANNAMALAI HALL", ESPLANADE, CHENNAI-600 108.

Folio No:	
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DP. ID*	
Client ID*	

\* Applicable to investors holding shares in electronic form

### NAME & ADDRESS OF THE SHAREHOLDER

.....

.....

.....

I hereby record my presence at the 43<sup>rd</sup> Annual General Meeting at "Rajah Annamalai Hall", Esplanade, Chennai - 600 108 on Thursday, the 4<sup>th</sup> August, 2016 at 10.00 a.m.

Signature of the Member or Proxy

Shares Held

### Note:

1. The Company is offering electronic voting facility to its members in respect of the ordinary / special business to be transacted at the ensuing AGM, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014.
2. Please read instructions given at Page No. 5 of this Report.



*If undelivered, please return to:*

**Tuticorin Alkali Chemicals and Fertilizers Limited**

“SPIC House”,

88, Mount Road,

Guindy,

Chennai - 600 032.

Tamilnadu, India