



TAC/BSE/AR/2019-20

25.08.2020

Corporate Relationship Department
BSE Limited
PJ Towers
Dalal Street,
Mumbai – 400 001

Dear Sir,

Sub : Annual Report for the Financial Year ended 31.03.2020.
Ref : Security Code : 506808

Pursuant to Regulation 34 of SEBI (LODR) Regulations, 2015, we are submitting herewith Annual Report of the Company for the Financial Year ended 31.03.2020.

The said Annual Report has also been uploaded on the Company's website at www.tacfert.in.

Kindly take on record of the above.

Thanking You,

Yours Truly,
**For Tuticorin Alkali Chemicals
And Fertilizers Limited.**

**Walter Vasanth P J
Company Secretary.**

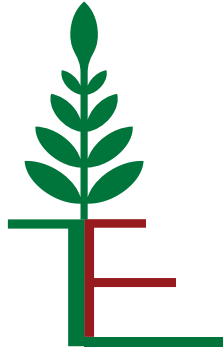
Encl : As above.

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@tacfert.com

Website : www.tacfert.in



Tuticorin Alkali Chemicals and Fertilizers Limited

**2019 - 20
Annual Report**

**Board of Director**

B. Narendran	DIN 01159394	Independent Director
S. Asokan	DIN 06591756	Independent Director
Rita Chandrasekar	DIN 03013549	Independent Director
G. Ramachandran	DIN 00051999	Managing Director
S. Venkataraman	DIN 08768324	Additional Director
K.R. Anandan	DIN 00314502	Additional Director

S. Nandakumar
Walter Vasanth P J

Chief Financial Officer
Company Secretary

Auditors

M/s. MSKA & Associates
Chartered Accountants,
BDO India LLP,
V Floor, Main Buildings
Guna Complex,
New No. 443/445 Old No. 304 & 305
Mount Road, Teynampet, Chennai - 600 018.

Bankers

State Bank of India
The South Indian Bank Limited
The Catholic Syrian Bank Limited
Indian Overseas Bank

Registered Office

"SPIC House"
88, Mount Road,
Guindy, Chennai - 600 032.
Phone : 044 - 2235 2513
E-mail : info@tacfert.com
CIN : L24119TN1971PLC006083

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NOTICE

NOTICE is hereby given that the 47th Annual General Meeting of TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED will be held on Monday, the 21st September, 2020 at 10.00 a.m. IST through two-way VideoConferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March, 2020 by passing the following as an Ordinary Resolution:

RESOLVED THAT pursuant to Section 129 and other applicable provisions, if any of the Companies Act, 2013, the Financial Statements of the Company for the year ended 31st March 2020 and the Reports of the Board of Directors and the Auditors thereon and the Report of the Secretarial Auditor be and are hereby received, considered and adopted.

2. To appoint a Director in place of Mr.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 pursuant section 152 and other applicable provisions, if any of the Companies Act, 2013, Mr.G.Ramachandran (DIN:00051999), Director who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modifications(s) the following resolution as a Special Resolution for reappointment and continuation of Directorship of as an Independent Director

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Tmt. Rita Chandrasekar (DIN: 03013549)**, Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for another term of five consecutive years with effect from 31st July, 2020 to 30th July,2025 and shall not be liable to retirement by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Key Managerial Personnel of the Company for the time being are hereby severally authorized to do all acts, deeds, matters or things and take such steps as may be necessary, expedient or desirable in this regard."

4. To consider and, if thought fit, to pass with or without modification the following as an Special Resolution

"RESOLVED THAT pursuant to the provisions of Section 161,196, 197,198 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members, be and is hereby accorded to appoint **Mr.S.Venkataraman (DIN : 08768324)** as a Whole Time Director of the Company and be designated as Chief Operating Officer with effect from 15th June, 2020 for a period of 5 (five) years liable to retire by rotation, upon the terms and conditions set out below

Statement under Para A, Section II, Para II of Schedule V of the Companies Act, 2013 is given below to the extent applicable.

Terms and Conditions of the Appointment.

1. Period of Appointment : Five years with effect from 15th June, 2020
2. Remuneration : In terms of Schedule V of the Companies Act, 2013 read together with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Whole Time Director shall be paid the following remuneration:
 - i. Basic Salary at the rate of Rs.1,63,900/- per month
 - ii. Other Allowances and perquisites aggregating to Rs.85,501/- per month
 - iii. Performance Pay aggregating to Rs.6,38,550/- per annum
 - iv. Contribution to Provident and other Funds, Super Annuation, Gratuity, leave eligibility and encashment shall be as per the applicable law / service rules of the Company and subject to the limits under (ii) of the above
 - v. Reimbursement of expenses towards maintenance of his car towards his driver, fuel and repairs will be reimbursed and is under (ii) of the above.
 - vi. In addition to the above, the Company shall provide telephone and other communication facilities to the Whole Time Director for use in relation to the discharge of the duties and responsibilities.
 - vii. The Company shall reimburse the actual entertainment and traveling expenses incurred by Mr.S.Venkataraman, Whole Time Director in connection with the Company's business and the same shall not be treated as perquisites or benefits to the Whole Time Director.
3. Commission : Nil
4. Remuneration in the event of loss etc.:

Not with standing anything contained herein, in the event of any loss, absence or inadequacy of profit in any financial year, during the terms of office of the Whole Time Director, the remuneration by way of salary, perquisites, commissions and other benefits shall not, without the permission of Central Government (if required) exceed the limits prescribed under the Act including Schedule V thereof and rules made hereunder or any amendment, modification, variation or re-enactment thereof.

"RESOLVED FURTHER THAT in the event of any statutory amendment, modifications or relaxation by the Central Government to Schedule V of the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration (including the minimum remuneration, approved by the Nomination and Remuneration Committee) i.e. the remuneration within such prescribed limit or ceiling



and the terms and conditions of the said appointment as agreed to between the Company and Mr. S.Venkataraman be suitably amended to give effect to such amendment, modification or relaxation, subject to such approvals as may be required by law"

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to take such steps as may be expedient or desirable to give effect to the aforesaid Resolutions".

5. To consider and, if thought fit, to pass with or without modification the following as an Ordinary Resolution

"**RESOLVED THAT Mr.K.R.Anandan (DIN:00314502)**, who was appointed as Additional Director of the Company pursuant to Section 161 and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company be and is hereby appointed as Director of the Company liable to retire by rotation."

Registered Office:

"SPIC House",
88, Mount Road, Guindy,
Chennai - 600 032.
15th June, 2020

6. To consider and, if thought fit, to pass with or without modification the following as an Ordinary Resolution

RESOLVED THAT Pursuant to section 148 (3) of the Companies Act, 2013 and rule 6(2) of the Companies (Cost records and Audit Rules) 2014, **Mrs. Bhagyalakshmi Rameshkumar, Cost Accountants (Registration No.32302)** be and are hereby appointed as the Cost Auditor of the Company to conduct audit of cost records made and maintained by the Company pertaining to Chemicals and Fertilizers of the Company for financial year ending 31st March, 2021 at a remuneration of Rs.90,000/- (Rupees Ninety Thousand only) plus Service Tax & re-imbursment of out-of-pocket expenses be and is hereby approved and ratified.

By Order of the Board
For TUTICORIN ALKALI CHEMICALS
AND FERTILIZERS LIMITED
WALTER VASANTH P J
COMPANY SECRETARY

NOTES

- a. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to Special Business to be transacted at the Annual General Meeting (the "AGM" or "Meeting"), is annexed hereto.
- b. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OVAM, without the physical presence of the members at the common venue, in compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OVAM. The deemed venue of the meeting will be the place from where the Chairman of the Board conducts the meeting.
- c. Since this AGM is being held pursuant to MCA Circulars through VC / OVAM, physical attendance of members has been dispensed with. Accordingly, as permitted under the MCA circulars, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- d. Corporate members intending to attend the AGM through their authorized representative in the VC / OVAM are requested to send a certified copy of the Board Resolution to the Scrutinizer by mail through its registered email address.
- e. The register of members and share transfer books of the Company will remain closed from 15th September, 2020 to 21st September, 2020 (both days inclusive).
- f. Members are requested to apply for consolidation of folios, in case their holdings are maintained in multiple folios.
- g. The Securities & Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
- h. In compliance with the aforesaid MCA Circulars and Listing Regulations, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.tacfert.com, websites of the Stock Exchange i.e. BSE Ltd. www.bseindia.com and on the website of CDSL. Members attending through VC / OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circular, etc. from the Company in electronic mode. Members who require communication in physical form in addition to e-communication or have any other queries may write to us at info@tacfert.com. In compliance with Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Company has provided the facility to the members to exercise their vote electronically. Instructions for e-voting are annexed to the Notice.
- i. This Notice is emailed to Members, whose names appear in the Register of members as on Friday, 21st August, 2020. The "cut-off date" for determining the eligibility for voting either through electronic voting is fixed as Monday, 14th September, 2020. The e-voting period will commence at 9.00 a.m. on Friday, 18th September, 2020 and will end at 5.00 p.m. on Sunday, 20th September, 2020.
- j. M/s.R.Kannan and Associates, Practicing Company Secretaries, represented by Mr.R.Kannan (having Membership No. FCS-6718) is appointed as the Scrutinizer to scrutinize the e-voting process at the AGM in a fair and transparent manner.
- k. At the AGM, at the end of the discussion, the Chairman shall, with the assistance of the Scrutinizer, who have cast their votes electronically using the remote e-voting facility
- l. The Scrutinizer shall, after the conclusion of voting at the general meeting, count the votes cast at the meeting in the presence of at least two witnesses not in the employment of the Company.



The Scrutinizer shall submit a consolidated Scrutinizer's report of the total votes cast in Favor or Against, not later than forty-eight hours after the conclusion of AGM to the Chairman of the Company. The Chairman or any other person authorized by him, shall declare the results of voting forthwith.

- m. The result along with the Scrutinizer's report will be placed on the Company's website and on the website of CDSL after the result is declared by the Chairman/ any other person authorized by him, and the same shall be communicated to the stock exchanges where the shares of the Company are listed.

CDSL e-Voting System – For Remote e-voting and e-voting during AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.tacfert.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with

MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- (i) The voting period begins on 18th September 2020 at 9 a.m. and ends on 20th September 2020 at 5 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 14th September 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:
- (ix) For Shareholders holding shares in Demat Form and Physical Form PAN Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
 - Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details or Date of Birth (DOB)
Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.
 - 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 (v).
- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiv) 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.



- (xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xvi) 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.
- (xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xix) 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.
- (xx) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company /RTA email id.
3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (info@tacfert.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning

their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

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

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM IS AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xxi) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; info@tacfert.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

Item No: 3

The Members of the Company at the 42nd Annual General Meeting held on 31st July, 2015 had appointed **Tmt. Rita Chandrasekar** (DIN: 03013549) as Independent Director of the Company for a term of five (5) consecutive years commencing from 31st July, 2015 expiring on 30th July, 2020.

As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company but shall be eligible for re-appointment, for another term of up to five years, on passing of a special resolution by shareholders. The Company has received intimation in Form DIR-8 from Tmt. Rita Chandrasekar (DIN: 03013549) that, she is not disqualified from being re-appointed as an Independent Director, in terms of Section 164 of the Act, declaration that he meets with the criteria of independence as prescribed under Section 149 (6) of the Companies Act, 2013 & Regulation 16(1)(b) of SEBI Listing Regulations and his consent to continue as an Independent Director.

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended re-appointment of Tmt. Rita Chandrasekar (DIN: 03013549) as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

Accordingly, it is proposed to re-appoint Tmt. Rita Chandrasekar (DIN: 03013549) as Independent Directors of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company from 31st July, 2020.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the re-appointment of Tmt. Rita Chandrasekar (DIN: 03013549) has been received by the Company, along with consent pursuant to Section 152 of the Act.

In the opinion of the Board, Tmt. Rita Chandrasekar (DIN: 03013549) fulfilled the conditions for appointment as Independent Director as specified in the Act and SEBI Regulations and independent of the management. Details of Director Profiles and justification for continuation of the directorship of pursuant to the provisions of (i) the Regulation 36 of SEBI LODR and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India whose re-appointment as Independent Directors is proposed at Item Nos.3 are as follows:

Tmt. Rita Chandrasekar is 63 years of age and is a partner in the leading Advocate firm M/s. Aiyar and Dolia, since 1984. The firm was established by her father late B.R.Dolia, in the year 1957. She/her firm has been retained by several Public Sector Banks and Corporates. They are also advisers to many multinational companies, Resident & NRI Clients regarding investment of funds, establishment of industries, purchase of immovable properties etc.,

She is the Standing Counsel for the Chennai Metro Rail Limited

Other Directorships held

S. No.	Directorship Held	❖ Committee Membership/ ❖ Chairmanship
1.	India Radiators Limited	❖ Audit Committee – Chairman ❖ Stakeholder Relationship Committee - Member ❖ Nomination & Remuneration Committee – Member
2.	Sicagen India Limited	❖ Stakeholder Relationship Committee - Chairman
3.	Southern Petrochemical Industries Corporation Limited	NIL
4.	Precision Metaform Technologies Private Limited	NIL

Copy of draft letters of appointment of Tmt. Rita Chandrasekar setting out the terms and conditions of appointment are available for inspection by the members at the registered office of the Company.

Director is not holding any shares in the Company.

Pecuniary relationship, directly or indirectly, with the Company / relationship with managerial personnel:

Tmt.Rita Chandrasekar has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the managerial personnel of the Company.

Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in anyway concerned or interested, financially or otherwise in this resolution other than Tmt. Rita Chandrasekar as Director.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

Item No: 4

Mr.S.Venkataraman (DIN: 08768324) was appointed as Whole time director for the period of 5 years from 15th June, 2020 to 14th June, 2025. The Nomination and Remuneration Committee has recommended the induction of Mr.S.Venkataraman (DIN: 08768324) in to the board and appointed Mr.S.Venkataraman as Whole Time Director for a period of 5 years from 15th June, 2020 to 14th June, 2025 who will be designated as Chief Operating Officer.

Terms and Conditions of the Appointment.

1. Period of Appointment : Five years with effect from 15th June, 2020



2. Remuneration : In terms of Schedule V of the Companies Act, 2013 read together with Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013, the Whole Time Director shall be paid the following remuneration:
- Basic Salary at the rate of Rs.1,63,900/- per month
 - Other Allowances and perquisites aggregating to Rs.85,501/- per month
 - Performance Pay aggregating to Rs.6,38,550/- per annum
 - Contribution to Provident and other Funds, Superp Annuation, Gratuity, leave eligibility and encashment shall be as per the applicable law / service rules of the Company and subject to the limits under (ii) of the above
 - Reimbursement of expenses towards maintenance of his car towards his driver, fuel and repairs will be reimbursed and is under (ii) of the above.
 - In addition to the above, the Company shall provide telephone and other communication facilities to the Whole Time Director for use in relation to the discharge of the duties and responsibilities.
- Vii. The Company shall reimburse the actual entertainment and traveling expenses incurred by Mr.S.Venkataraman, Whole Time Director in connection with the Company's business and the same shall not be treated as perquisites or benefits to the Whole Time Director.
3. Commission : Nil
4. Remuneration in the event of loss etc.:
- Not with standing anything contained herein, in the event of any loss, or inadequacy of profit in any financial year, during the terms of office of the Whole Time Director, the remuneration by way of salary, perquisites, commissions and other benefits shall not, without the permission of Central Government (if required) exceed the limits prescribed under the Act including Schedule V thereof and rules made hereunder or any amendment, modification, variation or re-enactment thereof.

Detail of the appointee is provided below.

Information required under Section II, Part II of Schedule V of the Companies Act, 2013 and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

General Information:			
(1)	Nature of industry	The Company is primarily engaged in the manufacture and sale of Ammonium Chloride Fertilizer and other grades, 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)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable	
(4)	Financial performance based on given indicators	Rupees in Crores	
		F.Year	Revenue from Operation
		2016-17	145.47
		2017-18	137.56
		2018-19	175.78
			Profit/(loss) after Tax
			(35.24)
			(44.75)
			(37.91)
(5)	Export performance and net foreign Exchange collaborations.	Export sales during the year 2019-20 was 13,754 MT of Ammonium Chloride valued at Rs.11.48 crores.	
(6)	Foreign investments or collaborators, if any.	Nil	



II. Information about the appointee:		
	Name of the Directors	Mr.S.Venkataraman
(1)	Background details.	Mr.S.Venkataraman aged 57 years is an Engineering graduate from REC, Tiruchirappalli with Specialisation in Electrical and Electronics. He Also has PG qualifications in Management sciences and Material management from Annamalai university and has rich experience of operation and maintenance for 35 years.
(2)	Past remuneration.	Rs.42.57 Lakhs per annum FY 18-19.
(3)	Recognition or awards.	None
(4)	Job profile and his suitability.	The Whole Time Director is responsible for the operations of the Company and he has vast experience in the field of Operation and Maintenance.
(5)	Remuneration proposed.	As per terms.
(6)	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 Mr.S.Venkataraman, 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 Mr.S. Venkataraman is reasonable
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personal, if any	Nil
III. Other information:		
(1).	Reasons of loss or inadequate profits	After the implementation of CO2 plant when continuous CO2 was available, the Company faced acute water shortage. Due to sub optimum production level the equipments also operated at sub optimum level.
(2).	Steps taken or proposed to be taken for improvement	The defective equipment are replaced and it is expected that during FY 20-21 the plant will present an improved performance
(3).	Expected increase in productivity and profits in measurable terms.	The capacity utilisation will improve from the current 45% to around 65% in the ensuing financial year. The turnover will improve to Rs.225 crores and the Company will register cash profits.
IV. Disclosures – Provided under head Corporate Governance in Board of Directors' report		
	Names of listed entities in which the person also holds the directorship and the membership of Committees of the board;	Directorships in the following companies: Nil Committee memberships: Nil
	Shareholding	Nil

Disclosure of Interest:

None of the Directors, Key Managerial Personnel or their relatives are in anyway concerned or interested, financially or otherwise in this resolution.

The Directors recommend the aforesaid resolution for the approval of the members by way of a Special Resolution.

**Item No: 5**

Mr.K.R.Anandan (DIN: 00314502), was appointed by the Board of Directors of the Company at its meeting held on 15th June, 2020 after the recommendation of the Nomination and Remuneration Committee as Additional Non-Executive Director of the Company in terms of Section 161 of the Companies Act, 2013. He will vacate office at this Annual General Meeting.

The Board at its meeting held on 15th June, 2020, recommended for the approval of the Members, the appointment of Mr.K.R.Anandan (DIN: 00314502) as Non-Executive Director of the Company as set out in the Resolution. Further notice under Section 160 of the Act has been received from Members proposing his appointment as a Director of the Company. Requisite consent, pursuant to Section 152 of the Act, has been filed by him to act as Director.

Disclosure of Interest

None of the Directors, Key Managerial Personnel or their relatives are in anyway concerned or interested, financially or otherwise in this resolution.

The Directors recommend the aforesaid resolution for the approval of the members.

Item No: 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor **Mrs.Bhagyalakshmi Rameshkumar** (Membership Number: 32302) to conduct Audit of the Cost Records of the Company relating to Chemical (Soda Ash) and Fertilizer (Ammonium Chloride) for the Financial Year ended 31st March, 2020 on a remuneration of Rs.90,000/- 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 Mrs.Bhagyalakshmi Rameshkumar, 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, 2021.

Disclosure of Interest

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

Details of the Directors seeking appointment / re-appointment at the 47th Annual General Meeting**[Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]****Mr.G.Ramachandran**

Mr.G.Ramachandran (DIN:00051999) aged 69 years is a Chemical Engineer with a PostGraduate degree in Business Administration and possesses over 48 years of industrial experience in Fertilizers and Petrochemical Industries.

He worked with SPIC for 16 years before joining Manali Petrochemical Limited (MPL) in August 1989.

He worked in different capacities at MPL before taking over as its Managing Director, which post he held more than a decade during which time the Company successfully turn around.

During the year 2019-20, he has attended all the Board Meetings.

Mrs. Rita Chandrasekar

Mrs. Rita Chandrasekar (DIN: 03013549) aged 63 years is a Partner in the leading Advocate firm M/s. Aiyar and Dolia, since 1984. The firm was established by her father late B.R.Dolia, in the year 1957. Her firm has been retained by several Public Sector Banks and Corporates.

They are also Advisers to many multinational Companies, Resident & NRI Clients regarding investment of funds, establishment of industries, purchase of immovable properties etc., she is the Standing Counsel for Chennai Metro Rail Limited.

She is also a Director of Precision Metalform Technologies Private Limited; Southern Petrochemical Industries Corporation Limited; India Radiators Limited; and Sicagen India Limited. She does not hold any shares in the Company.

During the year 2019-20, she has attended three Board Meetings

Mr.S.Venkataraman

Mr.S.Venkataraman (DIN: 08768324) aged 57 years is an Engineering graduate from REC, Tiruchirappalli with Specialisation in Electrical and Electronics. He also has PG qualifications in Management sciences and Material management from Annamalai University and has rich experience of operation and maintenance for 35 years.

He joined Spic as an Engineering management trainee in the year 1985 after his graduation and grown over the years to become VP heading the entire material department of Greenstar and SPIC.

Prior to that he has headed the electrical department at Tuticorin and also for 5 years at Jordan with the spic Joint venture Indo-JordanChemicals.

He also has rich project and commissioning experience through execution of 18 MW captive power plant of spic and also the ONGC Gas terminal at Hazira. He does not hold any shares in the Company.

During the year 2019-20, he has attended all the Board Meetings.

Mr.K.R.Anandhan

Mr.K.R.Anandan (DIN: 00314502) aged 57 years is a commerce Post Graduate with Professional qualification from ACA, AICWA and ACS.

He also has PG Diplomas in Administration, Personnel Management and Material Management.

He has over 35 years of experience in various disciplines for commercial operations, planning, financial management, taxation and other statutory compliances.

He is with SPIC Group since August, 2012 as CFO, initially with M/s Tuticorin Alkali Chemicals and Fertilizers Limited, later with M/s Tamilnadu Petroproducts Limited and with M/s Southern Petrochemicals Industries Corporation Limited since 2016. He does not hold any shares in the Company.

During the year 2019-20, he has not attended any Board Meeting.



BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors are pleased to present the 47th Annual Report and the Audited Financial Statements of the Company for the year ended 31st March, 2020.

FINANCIAL RESULTS

(Rs. In Crores)

DESCRIPTION	2019-20	2018-19
Sales Turnover (Net of GST)	156.64	174.80
Gross Loss after meeting all expenses but before providing depreciation and interest	18.48	32.10
Add: Interest	1.78	2.34
Cash Loss	20.26	34.44
Add: Depreciation for the year	3.37	3.47
Extraordinary items	--	--
Net Profit / (Loss) for the year	(23.63)	(37.91)
Accumulated Loss	326.42	302.79
EPS & Diluted EPS	(1.94)	(4.15)

During the financial year, the operation of the process plants posed lot of difficulties due to ageing equipments of pumps, compressors etc. and maintenance activities, which need to be stepped by replacing several of those, to stabilize the production. Though the production was stabilized at around 75%, frequent interruptions brought down the average to around 50% more-or-less similar to what was achieved in the last few years. The performance in the next financial year would be lot better as most of the problems are getting resolved and continuous higher level of production can be expected.

The production and sales during the year ended 31st March, 2020 compared to the previous year are as given below;

(Qty. in MTs)

Product	Production		Sales (Includes internal Consumption)	
	2019-20	2018-19	2019-20	2018-19
Soda Ash (Light)	51,140	55,881	* 50,116	* 55,735
Soda Ash (Dense)	--	--	--	--
Ammonium Chloride	42,780	52,215	47,598	55,303
Sodium Bicarbonate	--	--	--	--

*Includes captive consumption

DIVIDEND

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

MARKET SCENARIO

The selling price of Soda Ash started dropping since June '19 and most of our long-term customers renegotiated to lower the prices for the second half of the year. Even though our production is low, in view of our long-term commitment to customers, we have to agree for lowering the selling price during the second half of the year.

The Ammonia prices in CIF terms came down. However due to appreciation of US dollar, the landed cost remained high throughout the year. The Ammonium Chloride price in CIF terms fell sharply undoing

the benefits of the dollar appreciation. Moreover the 18% GST on Ammonium Chloride is continuously forcing the Company to maintain lower price, to make Ammonium Chloride fertilizer match the subsidized other nitrogenous fertilizers.

FUTURE OUTLOOK

In spite of large scale import of Soda Ash and also coastal movement of indigenous production through Tuticorin Port, we are able to maintain our market share and sell to our customers as usual. The long-term commitments helping the Company to hold on to the market share. The higher production level would definitely help in increasing the sales to these customers. The selling prices of the product are in line with the landed cost of the imported and indigenous soda ash. Very good opportunity is available for the Company to boost up the production and to expand the facility with in-house availability of CO₂ and Ammonia import facility at Tuticorin Port and situated in the heart of the salt production area. The Company can look to increase the production and expand its operation on these strengths. Since Ammonium Chloride is not a subsidized product of the Government of India, efforts are on to implement conversion of the Ammonium Chloride fertilizer to complex fertilizer, which will bring in additional revenue.

OPPORTUNITIES AND THREATS

The market is expanding and since other manufacturers are in western India, the Company conveniently caters to the needs of the customers not only in Tamilnadu, but also in the states of Andhra Pradesh and Karnataka. As already reported last year, Greenstar second ammonia tanker will ensure continuous availability of ammonia. Hence the threat of non-availability of raw material has been reduced considerably.

ENVIRONMENT AND SAFETY

Update to ISO 9001:2015 the latest standard is under progress.

WIND MILL

During the year 2019-20, 3,66,663 units were generated from Wind Turbine Power Generators at Gudimangalam, Tirupur District, as against 5,91,608 units generated in the previous year. The aging windmills are being refurbished for better results.

POWER PURCHASE

Your company has not purchased any power from the Group Captive Scheme in the financial year.

CAPTIVE SALT WORKS

14,040 MTs of salt was produced and all the unused pans were also brought under production and the systems were modified to produce quality salt. With the availability of enriched water from the RO plant, more quantity of quality salt would be produced during the year.

NCLT / SEBI

BSE gave its approval for listing and trading for the of shares issued as per the earlier SEBI order. Some of the freshly issued shares are to be disposed of, to achieve minimum public shareholding of 25%. Accordingly the promoter shareholders already identified in the order will be selling their specified quantities following the various rules and regulation within 1 year of the listing approval. Additional time will be sought from SEBI, if the sale could not be achieved within the prescribed time, to offset the lost time due to lockdown.

FIXED DEPOSIT

There was no outstanding deposit as at 31st March, 2020. 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 which is 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 CO₂ and for receiving the imported Ammonia through their storage system. Your Company has now implemented an independent CO₂ Recovery facility, which is operational from November 2016. This has reduced 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 transactions entered into during the financial year with related party as defined under the Act were in the ordinary course of business and at arm's length basis. There were no materially significant transactions during the financial year 2019-20, which were in conflict with the interests of the Company. Policy on materiality of related party transactions is placed on the Company's website viz., www.tacfert.in

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 2 and 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.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No case of sexual harassment was reported during the year.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company's Board comprises of the following directors: Mr.B.Narendran, Mr. S.Asokan, Mrs. Rita Chandrasekar and Mr.G.Ramachandran.

As already reported in the last year, Dr. Rm. Krishnan retired at the end of the last year Annual General Meeting held on 02.08.2019.

Mr.S.Nandakumar continue to be Chief Finance Officer of the Company.

Mr. RS Abhinandhanan was our Company Secretary till 10.10.2019 and he tendered his resignation and Mr. Walter Vasanth P J took over as Company Secretary in his place.

Mrs. Rita Chandrasekar will be retiring at this AGM and being eligible for re-nomination for yet another term of 5 years.

COMMITTEES OF THE BOARD

There are four committees of the Board namely, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee. The details of composition of committees are furnished in the Corporate Governance report which is annexed to this report.

**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.

The Independent Directors have also affirmed that they have completed requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Boards' performance and performance of the non-independent Director were considered/evaluated by the independent directors at their meeting without the participation of the non-independent director and key managerial personnel.

They also assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that are necessary for the Board to effectively and reasonably perform its duties.

Pursuant to the provisions of the Companies act, 2013 and Regulation 17 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its various committees.

STATUTORY AUDITORS

M/s.MSKA & Associates, Chartered Accountants, Chennai, (Registration No.105047W) have been appointed as Statutory Auditors of the Company in 44th Annual General meeting for a term of five years from the Financial year 2017-'18 to hold office till the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

SECRETARIAL AUDITOR

Mr. R Kannan has been appointed by the Board of Directors to carry out the Secretarial Audit for the year ended 31st March, 2020. Secretarial Auditor's Report is annexed which forms part of this report.

COST AUDITOR

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 31st March, 2020 are being audited by the Cost Auditor Mr. P R Tantri, (M.No. 2403) who was appointed by the Board. The Company is required to maintain Cost Records as specified by the Central Government under Section 148 (1) of the Act and that accordingly such accounts and records are made and maintained. The Cost Audit Report for the year ended 31st March, 2019 was filed within the time stipulated under the Act.

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. MSKA & Associates and Secretarial Auditor, Mr. R. Kannan, Practicing Company Secretary, in their reports.

The Statutory Auditors' Report for the financial year ended, 31st March 2020 is annexed.

INTERNAL FINANCIAL CONTROL:

The Board has adopted the Policies and Procedures 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 Disclosures.

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

The Audit Committee consists of Mr.B.Narendran, Mr.S.Asokan and Mrs. Rita Chandrasekar all of whom are Independent Directors. Dr. Rm. Krishnan retired in August, 2019 and Mrs.Rita Chandrasekar was inducted in the committee.

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 allotted 10,70,40,000 equity shares of Rs.10 each on 17.09.2018 by converting un secured loans and Preference shares in to equity in continuation to the EGM dated 10.04.2018 and order of SEBI dated 06.09.2018. The Company obtained the "In -principle" approval and listing and trading approval from BSE. The promoters holding are made demat. The Company has acquired exemption from SEBI to meet the minimum public shareholding within one year period from the day of Trading Approval i.e., 25th September, 2019.

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-9 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.

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Schedule Vand Regulation 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from a Chartered Accountant confirming compliance with the conditions of corporate governance as stipulated is annexed to this Report.

FAMILIARIZATION PROGRAMME

The Independent Directors attend a Familiarization programme on being inducted to the Board. The details are provided in the Corporate Governance report and on the website of the Company viz., www.tacfert.in.

DISCLOSURE ON COMPLIANCE WITH SECRETARIAL STANDARDS

Your Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India, have been complied with.

PARTICULARS OF EMPLOYEES

The Company has no Employees whose salary exceeds the limits as prescribed under Rule (5)(2) of Companies (Appointment and Remuneration of Key Managerial Personnel) Rules, 2014.



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

The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year – 2019-20	Mr.G.Ramachandran, Managing Director	6%
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2019-20.	Mr.G.Ramachandran, Managing Director	Nil
	Mr. S.Nandakumar, Chief Financial Officer	16.55%
	Mr. R.S. Abhinandhanan, Company Secretary Resigned w.e.f 10.10.2019	Nil
The percentage increase in the median remuneration of employees in the financial Year – 2019-20.	(6.62)	
The number of permanent employees on the rolls of Company as on 31.03.2020	216	
Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof	Average percentage increase already made in the salaries of employees other than the key managerial personnel in the FY 2019-20. Average percentage increase already made in the salaries of the key managerial personnel in the FY 2019-200	7.97% 41.44%

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**

1. Steps taken or impact on conservation of energy

The cold and hot installation are erected wherever necessary to reduce the energy loss. Better compressors are being considered for instrument air and refrigeration.

2. Steps taken for utilizing alternative sources of energy

- A Project, jointly with Group Companies, is under implementation for production and utilization of solar energy.
- Induction turbine alternator to recover 650 KW of power from letdown steam is under implementation.
- RO plant rejection water is used to enhance salt recovery.

3. Capital investment in conservation energy

Projects are under implementation.

B. Technology Absorption

- The Company has fully utilized the imported Technology of Hitachi Zosen, Japan which was imported in the year 1980.
- Expenditure on Research & Development
 - Capital Nil
 - Recurring Nil
 - Total Nil

C. Foreign Exchange Earnings and outgo:

- Foreign Exchange inflow: Rs. 36.05 Crores
- Foreign Exchange outflow: Rs. 1.84 Crores

GENERAL

No disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year:

- No significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future
- There was no issue of Equity shares with differential voting rights

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

For and on behalf of the Board of Directors

**ANNEXURE 1****RISK MANAGEMENT**

Company have formed Risk Management Committee as already reported, headed by Mr.B.Narendran, Independent Director.The other members are Mr.S.Asokan, Independent Director, Mr.G.Ramachandran, Managing Director, and Mr.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 victimization 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 info@tafct.com



ANNEXURE - 4

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31/03/2020

[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:	Company limited by shares / Non-government 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	69.31
2.	Ammonium Chloride - Fertilizer	24122	28.93

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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


IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category code	Category of Shareholder	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	SHAREHOLDING OF PROMOTER AND									
1.	INDIAN									
a.	CENTRAL GOVERNMENT/									
	STATE GOVERNMENT(S)	-	-	-	-	-	-	-	-	-
b.	BODIES CORPORATE	6680113	107040000	113720113	93.34	113720113	-	113720113	93.34	-
c.	FINANCIAL INSTITUTIONS/ BANKS	-	-	-	-	-	-	-	-	-
d.	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB - TOTAL (A)(1)	6680113	107040000	113720113	93.34	113720113	-	113720113	93.34	-
2.	FOREIGN									
a.	INDIVIDUALS (NON- RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	-	-	-	-	-	-	-	-	-
b.	BODIES CORPORATE	-	-	-	-	-	-	-	-	-
c.	INSTITUTIONS	-	-	-	-	-	-	-	-	-
d.	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-	-
e.	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB - TOTAL (A)(2)	-	-	-	-	-	-	-	-	-
	TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	6680113	107040000	113720113	93.34	113720113	-	113720113	93.34	-
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS	-	-	-	-	-	-	-	-	-
a.	MUTUAL FUNDS/UTI	-	2450	2450	0.0165	-	2450	2450	0.0020	-0.0145
b.	FINANCIAL INSTITUTIONS/ BANKS	600	500	1100	0.0074	600	500	1100	0.0009	-0.0065
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	314	-	314	0.0021	314	-	314	0.0002	-0.0018
d.	INSURANCE COMPANIES	-	-	-	-	-	-	-	-	-
e.	FOREIGN INSTITUTIONAL INVESTORS	-	300	300	0.0020	-	300	300	0.0002	-0.0017
f.	FOREIGN VENTURE CAPITAL INVESTORS	-	-	-	-	-	-	-	-	-



g.	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-	-
h.	ANY OTHER	-	-	-	-	-	-	-	-	-
	SUB - TOTAL (B)(1)	914	3250	4164	0.0281	914	3250	4164	0.0034	-0.0247
2.	NON-INSTITUTIONS	-	-	-	-	-	-	-	-	-
a.	BODIES CORPORATE	1367887	16200	1384087	9.3545	1241967	16200	1258167	1.0326	-8.3219
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	2695603	1308899	4004502	3.2868	2683637	1291024	3974661	3.2623	-0.0245
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	2270907	-	2270907	1.8639	2414900	-	2414900	1.9820	-0.1181
c.	QUALIFIED FOREIGN INVESTOR	-	-	-	-	-	-	-	-	-
d.	ANY OTHER									
	CLEARING MEMBERS	4047	-	4047	0.0273	500	-	500	0.0004	-0.0269
	HINDU UNDIVIDED FAMILIES	192547	-	192547	1.3013	206908	-	206908	0.1698	-1.1315
	NON RESIDENT INDIANS	77563	177300	254863	1.7225	80117	175700	255817	0.2099	-1.5125
	TRUSTS	600	-	600	0.0040	600	-	600	0.0004	-0.0035
	SUB - TOTAL (B)(2)	6609154	1502399	8111553	6.6577	6628629	1482924	8111553	6.6577	-
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	6610068	1505649	8115717	6.6611	6629543	1486174	8115717	6.6611	-
	TOTAL (A)+(B)	13290181	1505649	121835830	100.00	120349656	1486174	121835830	100.00	-
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
	Public	-	-	-	-	-	-	-	-	-
	TOTAL CUSTODIAN (C)	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	13290181	1505649	121835830	100.00	120349656	1486174	121835830	100.00	-

* The promoters holding are made demat. The Company has acquired exemption from SEBI to meet the minimum public shareholding within one year period from the day of Trading Approval.e., 25th September, 2019.



ii) Shareholding of Promoters:

Sl No.	Shareholder's Name	No. of shares held at the beginning of the year			No. of shares held at the end of the year		
		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares
1	Southern Petrochemical Industries	53530113	43.94	-	53530113	43.94	-
2	AMI Holdings Private Limited	56790000	46.61	-	56790000	46.61	-
3	South India Travels Private Limited	400000	0.33	-	400000	0.33	-
4	Twin Shield Consultants Private Limited	3000000	2.46	-	3000000	2.46	-

iii) Change in Promoters' Shareholding –

Sl. No.	Shareholder's Name	No. of shares held at the beginning of the year				Increase / (decrease) in shareholding	No. of shares held at the end of the year			Cumulative shareholding during the year	
		No of shares	% of total	shares of the company	% of shares pledged / encumbered to total shares		No of shares	% of total shares of the company	% of shares pledged / encumbered to total shares	No of shares	% of total shares of the company
1	Southern Petrochemical Industries	53530113	43.94	-	-		53530113	43.94	-	53530113	43.94
2	AMI Holdings Private Limited	56790000	46.61	-	-		56790000	46.61	-	56790000	46.61
3	South India Travels Private Limited	400000	0.33	-	-		400000	0.33	-	400000	0.33
4	Twin Shield Consultants Private Limited	3000000	2.46	-	-		3000000	2.46	-	3000000	2.46

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters):

Sl. No.	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	DELHI IRON & STEEL CO (P) LTD				
	At the beginning of the year 30-Mar-2019	731191	0.6001	731191	0.6001
	Sale 18-Oct-2019	-7500	0.0061	723691	0.5939
	Sale 25-Oct-2019	-2000	0.0016	721691	0.5923
	Sale 10-Jan-2020	-1517	0.0012	720174	0.5911
	Sale 17-Jan-2020	-183	0.0001	719991	0.5909
	Sale 24-Jan-2020	-5000	0.0041	714991	0.5868
	At the end of the Year 31-Mar-2020	714991	0.5868	714991	0.5868
2	HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : RADHABAI RAMJI JAVERI				
	At the beginning of the year 30-Mar-2019	587949	0.4825	587949	0.4825
	At the end of the Year 31-Mar-2020	587949	0.4825	587949	0.4825



3	HITESH RAMJI JAVERI JT1 : RADHABAI RAMJI JAVERI JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 30-Mar-2019	432500	0.3550	432500	0.3550
	Purchase 25-Oct-2019	2000	0.0016	434500	0.3566
	At the end of the Year 31-Mar-2020	434500	0.3566	434500	0.3566
4	ASIAN PORTFOLIO MANAGEMENT PVT. LTD.				
	At the beginning of the year 30-Mar-2019	235000	0.1929	235000	0.1929
	Sale 24-Jan-2020	-5000	0.0041	230000	0.1887
	Sale 31-Jan-2020	-10000	0.0082	220000	0.1805
	At the end of the Year 31-Mar-2020	220000	0.1805	220000	0.1805
5	MAHAMAYA COMMOTRADE PRIVATE LIMITED				
	At the beginning of the year 30-Mar-2019	96000	0.0788	96000	0.0788
	At the end of the Year 31-Mar-2020	96000	0.0787	96000	0.0787
6	AJAY KUMAR AGARWAL				
	At the beginning of the year 30-Mar-2019	87937	0.0722	87937	0.0722
	Purchase 16-Aug-2019	9450	0.0077	97387	0.0799
	At the end of the Year 31-Mar-2020	97387	0.0799	97387	0.0799
7	KINJAL DINESHCHANDRA SHAH				
	At the beginning of the year 30-Mar-2019	57106	0.0469	57106	0.0469
	Sale 05-Apr-2019	-100	0.0000	57006	0.0467
	Sale 12-Apr-2019	-300	0.0002	56706	0.0465
	Purchase 26-Apr-2019	500	0.0004	57206	0.0469
	Sale 01-Nov-2019	-7000	0.0057	50206	0.0412
	Sale 08-Nov-2019	-500	0.0004	49706	0.0407
	Sale 17-Jan-2020	-1000	0.0008	48706	0.0399
	Sale 24-Jan-2020	-2327	0.0019	46379	0.0380
	At the end of the Year 31-Mar-2020	46379	0.0380	46379	0.0380
	HAVING SAME PAN				
7	KINJAL DINESHCHANDRA SHAH				
	At the beginning of the year 30-Mar-2019	10000	0.0082	10000	0.0082
	Sale 10-Jan-2020	-500	0.0004	9500	0.0077
	Sale 17-Jan-2020	-570	0.0004	8930	0.0073
	Sale 24-Jan-2020	-4810	0.0039	4120	0.0033
	Sale 31-Jan-2020	-2000	0.0016	2120	0.0017
	At the end of the Year 31-Mar-2020	2120	0.0017	2120	0.0017
8	SPFL SECURITIES LTD.				
	At the beginning of the year 30-Mar-2019	50233	0.0412	50233	0.0412
	Sale 30-Sep-2019	-50233	0.0412	0	0.0000
	At the end of the Year 31-Mar-2020	0	0.0000	0	0.0000
9	MITALI HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 30-Mar-2019	50227	0.0412	50227	0.0412



	Purchase 31-Jan-2020	453	0.0003	50680	0.0415
	At the end of the Year 31-Mar-2020	50680	0.0415	50680	0.0415
10	M.PRASAD & CO LIMITED				
	At the beginning of the year 30-Mar-2019	50000	0.0410	50000	0.0410
	At the end of the Year 31-Mar-2020	50000	0.0410	50000	0.0410
	NEW TOP 10 AS ON (31-Mar-2020)				
11	VIJAY KUMAR AGARWAL				
	At the beginning of the year 30-Mar-2019	48213	0.0396	48213	0.0396
	Purchase 05-Apr-2019	505	0.0004	48718	0.0399
	Purchase 12-Apr-2019	3476	0.0028	52194	0.0428
	Purchase 03-May-2019	20	0.0000	52214	0.0428
	Purchase 24-May-2019	3025	0.0024	55239	0.0453
	Purchase 31-May-2019	100	0.0000	55339	0.0454
	Sale 19-Jul-2019	-500	0.0004	54839	0.0450
	Purchase 02-Aug-2019	201	0.0001	55040	0.0451
	Purchase 09-Aug-2019	298	0.0002	55338	0.0454
	Purchase 23-Aug-2019	1	0.0000	55339	0.0454
	Purchase 13-Sep-2019	2078	0.0017	57417	0.0471
	Purchase 20-Dec-2019	429	0.0003	57846	0.0474
	At the end of the Year 31-Mar-2020	57846	0.0474	57846	0.0474
12	AMI HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 30-Mar-2019	50000	0.0410	50000	0.0410
	Purchase 31-Jan-2020	680	0.0005	50680	0.0415
	At the end of the Year 31-Mar-2020	50680	0.0415	50680	0.0415
13	YOGESH GUPTA				
	At the beginning of the year 30-Mar-2019	0	0.0000	0	0.0000
	Purchase 30-Sep-2019	50233	0.0412	50233	0.0412
	At the end of the Year 31-Mar-2020	50233	0.0412	50233	0.0412

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Share holder	No of shares	Shareholding at the beginning of the year		Shareholding at the end of the year		Cumulative Shareholding during the year
			% of total shares of the company	No of shares	% of total shares of the company	No of shares	
1.	Mr.B.Narendran	-	-	-	-	-	-
2.	Mr.S.Asokan	-	-	-	-	-	-
3.	Mrs.Rita Chandrasekar	-	-	-	-	-	-
4.	Mr.G.Ramachandran	-	-	-	-	-	-
5.	Mr. S Nandakumar	50	-	50	-	50	-
6.	Mr. Walter Vasanth P J	-	-	-	-	-	-

**V. INDEBTEDNESS:**

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

(Rupees in crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year 01.04.2019	8.00	22.88	---	30.88
i) Principal Amount	8.00	22.88	---	30.88
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	8.00	22.88	---	30.88
Change in Indebtedness during the financial year				
Addition	---	---	---	---
Reduction	0.09	---	---	0.09
Net Change	0.09	---	---	0.09
Indebtedness at the end of the financial year 31.03.2020				
i) Principal Amount	7.91	22.88	---	30.79
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	7.91	22.88	---	30.79

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

(Rupees 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	62.00	62.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.87	2.87
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission - as % of profit - others, specify...	--	--
5.	Others, please specify	--	--
Total (A)		64.87	64.87
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: -**

(Rupees. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Thiru B Narendran	Dr. Rm. Krishnan	Thiru. S Asokan	Tmt. Rita Chandrasekar	
1.	Fee for attending board / committee meetings	1.25	0.62	0.94	0.94	3.75
2.	Commission	Nil	Nil	Nil	Nil	Nil
3.	Others	Nil	Nil	Nil	Nil	Nil
	Total (1)	1.25	0.62	0.94	0.94	3.75

II. Other Non-Executive Directors:-**Particulars of Remuneration**

(Rupees in lakhs)

Fee for attending board / committee meetings	Nil
Commission	Nil
Others, please specify	Nil
Total (2)	Nil
Total (B) = (1)+(2)	3.75
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.

(Rupees in lakhs)

Sl. No.	Particulars of Remuneration	Company Secretary		CFO	Total
		RS Abhinandhanan (till 10.10.2019)	Walter Vasanth P J (from 24.10.2019 to 31.03.2020)	S.Nandakumar	
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.12	2.98	17.96	24.06
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (C)	3.12	2.98	17.96	24.06



VII.PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Disclosures under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

SL.NO.	EMP CODE	EMPNAME	DESIGNATION	REMUNERATION	QUALIFICATION	EXPERIENCE	DATE OF JOINING	AGE	LAST EMPLOYMENT WITH DESIGNATION
1	C015	G Ramachandran	Managing Director	64,86,683	B.Tech, MBA	47	12-12-2011	68	Managing Director, Manali Petrochemicals Limited
2	669	G Mathivanan	GM – Works	18,12,315	B.E. (MECH.)	29	08-02-2016	51	ED, Firefix Engineering
3	1524	S Nandakumar	Chief Financial Officer	17,96,428	B.Com., ACMA	39	01-12-1983	59	Accountant, Royalty Wines
4	1445	AR Ashok Kumar	AGM- Operation	14,49,189	B.Tech (Chemical Engg)	26	13-12-2018	47	GM-Operation, Kothari Petrochemical limited
5	9040	V Jayamuthumagesh	AGM-Human Resources	11,66,126	MSW,LLB,DIP. In T&D	20	16-09-2015	42	SR. Manager - HR, GHCL
6	1502	SV Ganesh Babu	Manager - Maintenance	9,23,586	DME,B.Tech.	27	05-04-2018	46	Manager-Mech, Sri Balajilndl Valves
7	243	Sana Srinivasa Rao	Sr. Manager - Finance	9,11,517	B.Com., CA (INTER)	13	09-06-2018	45	Specialist - Finance, Bumdy Tech. & GBS P Ltd.
8	C024	AS Sekar	Sr. Technician - Operation	8,85,470	B.Sc. (Chem)	37	16-02-1983	57	-
9	C023	K Manickam	Sr. Technician - Operation	8,50,638	B.A	37	16-02-1983	57	-
10	357	M Thilagar	AGM-Operations	8,47,303	B.Sc. (Chem), AMIICE	37	16-08-1982	60	-



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 ("Listing Regulations, 2015").

The Report on Corporate Governance followed by the Company for the year ended 31st March, 2020 is as follows:

2. Board of Directors

- Composition

The Board of Directors of the Company comprises of an optimum combination of Executive and Non-Executive Directors, which is in conformity with the Listing Regulations, 2015. As on 31st March, 2020, the Board of Directors of the Company comprised of 5 Directors. The

Board comprises of one Executive Director and four Non-Executive Independent Directors. 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 Listing Regulations, 2015 is being made available to the Board Dr.Rm.Krishnan, Non-Executive Independent Director of the Company resigned w.e.f. 02.08.2019.

- Board Independence

Based on the confirmation/disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive, Independent Directors including the Chairman are independent in terms of Listing Regulations, 2015.

The composition of the Board, Directorships/Committee membership positions in other Companies as on financial year ended 31 March, 2020, numbers of meetings held and attended during the year are as follows:

Sl. No.	Director	Board Meetings during the year		Attendance at last AGM	No. of Other Directorships held in other listed entities including this listed entity	No. of other Board – Committee positions held	
		Held	Attended			As Chairman	As Member
1.	B. Narendran Non-Executive Independent	4	4	Yes	Director - 5	2	8
2.	Dr. Rm.Krishnan* Non-Executive Independent	4	2	Yes	Director - 1	-	-
3.	S. Asokan Non-Executive Independent	4	3	No	Director - 1	-	2
4.	Rita Chandrasekar Non – Executive Independent	4	3	Yes	Director - 4	1	2
5.	G. Ramachandran Managing Director Executive Non-Independent	4	4	Yes	Director - 1	---	---

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees across all public companies in which they are Directors.

❖ Dr. Rm. Krishnan , Non-Executive Independent Director of the Company resigned w.e.f 02.08.2019

❖ None of the directors falls under the category of promoter.



Name of the Other Listed entity where the Director of the Company are Directors and the category of Directorship.

Sl. No.	Director	Name of listed entity in which concerned Category of Directorship Director is a Director	Category of Directorship
1	Mr. B Narendran Non-Executive independent	❖ Sicagen India Limited ❖ Southern Petrochemical Industries Corporation Limited ❖ Mercantile Ventures Limited ❖ India Radiators Limited	Non-Executive Director in all companies. Independent
2	Dr. Rm. Krishnan Non-Executive Independent	Nil	Nil
3	S. Asokan Non-Executive Independent	Nil	Nil
4	Rita Chandrasekar Non-Executive independent Director	❖ Sicagen India Limited Southern ❖ Southern Petrochemical Industries Corporation Limited ❖ India Radiators Limited	Non – Executive Independent in both the companies
5	G. Ramachandran Managing Director Executive Non-Independent	Nil	Nil

Notes:

- Other Directorships exclude foreign companies, private limited companies, Section 8 companies and alternate directorships.
 - Only Membership in Audit Committees and Stake holder's Relationship Committee (other than in TFL) are reckoned for Other Board Committee Memberships. Figures in brackets denote the number of companies / committees of listed companies in which the Director is the Chairperson.
 - None of the Directors hold any shares in the Company nor have any inter se relationship.
 - The details of changes in the composition of the Board are furnished in the Directors' Report.
- Skills / Expertise / Competencies of the Board of Directors**
- The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:
- Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
 - Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
 - Business Strategy - Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
 - Financial and Management skills.
 - Technical / Professional skills and specialized knowledge in relation to Company's business.

Directors	Area of Expertise				
	Knowledge on Companies Business, Policies and Culture	Behavioral Skills	Business Strategy	Financial and Management Skills	Technical / Professional Skill Financial and Management Skills
Mr. B. Narendran	✓	✓	✓	✓	✓
Mr. S. Asokan	✓	✓			✓
Mrs Rita Chandrasekar	✓			✓	✓
Mr G Ramachandran	✓	✓	✓	✓	✓
Mr S Venkataraman	✓	✓	✓	✓	✓
Mr K R Anandhan	✓		✓	✓	

Based on the disclosures received from all the Independent directors, the Board is of the opinion that the Independent directors fulfill the conditions of Independence as specified in the Act and SEBI Listing Regulations and are independent of the Management.



3. Board Meetings

The Board meets at regular intervals to discuss and decide on Company/ business policy and strategy apart from other Board business. A tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which is noted and confirmed in the subsequent Board Meeting.

During the year viz., from 1st April, 2019 to 31st March, 2020, four Board Meetings were held. Dates of the Board Meeting and the attendance of the Directors in the meetings are given below:

Date of the Board Meeting	Strength of the Board	No. of Directors present
10.02.2020	4	4
11.11.2019	4	4
02.08.2019	5	4
17.05.2019	5	4

The maximum interval between any two meetings was within the maximum allowed gap of 120 days.

4. Independent Directors' Meeting

During the year, the Independent Directors of the Company met separately on 10.02.2020 without the presence of other Director or Management representatives, to review the performance of Non-Independent Director and the Board of the Company and to assess the quality, quantity and timeliness of flow of information between the Management and the Board.

5. Committees of the Board

The Board Committees are set up to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board Meetings for noting. The Board has currently established the following Committees:

a. 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 31st March, 2020, the Chairman of the Committee is Mr. B.Narendran, Director and the other members of the Committee are Mr. S. Asokan, Director and Mrs. Rita Chandrasekar w.e.f. 02.08.2019. Dr.Rm.Krishnan, resigned w.e.f 02.08.2019

Meetings and attendance

Four Meetings of the Audit Committee were held during the year. The dates are 17.05.2019, 02.08.2019, 11.11.2019 and 10.02.2020. The attendance of each Member of the Committee is given below

S.No.	Names of Directors	No. of meetings attended
1.	B. Narendran	4
2.	S. Asokan	3
3.	Rita Chandrasekar	2
4.	Dr. Rm.Krishnan	2

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.

b. Nomination and Remuneration Committee and Remuneration Policy.

Nomination and Remuneration Committee of the Board was constituted on 15th March, 2002 to formulate and recommend to the Board, from time to time, the compensation structure for Directors of the Board. As on 31st March 2020, the Chairman of the Committee is Mr. Narendran and Members are Mr. S. Asokan and Mrs. Rita Chandrasekar w.e.f. 02.08.2019. Dr.Rm.Krishnan, resigned w.e.f 02.08.2019

Remuneration to Directors

Mr.G.Ramachandran, was appointed as Vice President & Whole Time Director (WTD) of the Company for a period of two years with effect from 12th December, 2011. Mr. G Ramachandran has been re-designated as Managing Director with effect from 1.11.2013 and on 4th August, 2016, he has been reappointed for a further period of three years up to 11.12.2018. He reverted back to full time service of the Company w.e.f 01.10.2018, after completing his assignment on an advisory role with Greenstar Fertilizers Limited. In the proposed 46thAGM on 02nd August, 2019, he has been reappointed for a further period of three years up to 12.12.2021 with remuneration fixed by the Nomination and Remuneration Committee. He has been paid a remuneration of Rs.64.87 lakhs for the year ended 31st March, 2020.

The Non-Executive Directors are being remunerated by way of Sitting Fees.

The Sitting Fees paid to Non-Executive Directors for the year ended 31st March, 2020 are as follows:

S.No.	Name of the Director	Sitting Fees paid (Rs)
1.	B. Narendran	1.25
2.	Dr. Rm.Krishnan	0.62
3.	S. Asokan	0.94
4.	Rita Chandrasekar	0.94

Meetings and Attendance:

The meeting of Nomination and Remuneration Committee was held on 17-05-2019 and 11-11-2019 during the year. The attendance of the members of the committee is mentioned below:

S. No.	Name	No. of meetings attended
1	B. Narendran	2
2	S. Asokan	2
3	Rita Chandrasekar	1
4	Dr. Rm.Krishnan	1

Performance Evaluation Criteria for Independence of Directors:

The evaluation of all the directors, committees, Chairman of the Board, and the Board as a whole was conducted based on the criteria and framework adopted by the Board.

Further, the evaluation process was based on the affirmation received from the independent directors that they met the independence criteria as required under the Companies Act, 2013 and the Listing Regulations.

**C. Stakeholders Relationship Committee:**

The Chairman of the Committee is Mr. B. Narendran, Director and the members of the Committee are Mr. G. Ramachandran, Managing Director and Mr. S. Asokan, Director. The Board of Directors of the Company has authorised the Managing Director to approve the share transfers and transmissions once in a fortnight. Mr. RS Abhinandhanan, Company Secretary was the Compliance officer of the Company till 10.10.2019 and Mr. Walter Vasanth P J was appointed as Company secretary and Compliance officer w.e.f 24.10.2019.

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 31st March, 2020. The Company has not received any complaint during the year.

D. Risk Management Committee:

The Committee is constituted to frame, implement and monitor the risk management plan for the Company. The Chairman of the Committee is Mr. B Narendran and other members are Mr.G Ramachandran, Mr.S.Asokan and Mr.S.Nandakumar.

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.

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. 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 dematerialized 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

Mr. R.Kannan, Practicing Company Secretary for the year ended 31st March, 2020. Secretarial Audit Report forms part of the Annual Report.

9. General Meetings

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

Year	Location	Date and Time
44th AGM 2016 – 2017	Rajah Annamalai Hall, Esplanade, Chennai – 600 108	28th July, 2017 10.00 am
EGM	Rajah Annamalai Hall, Esplanade, Chennai – 600 108	10th April, 2018 10.35 am
45th AGM 2017- 2018	Rajah Annamalai Hall, Esplanade, Chennai – 600 108	03rd August, 2018 10.00 am
46th AGM 2018-19	Rajah Annamalai Hall, Esplanade, Chennai – 600 108	02nd August, 2019 10.00 am

Special Resolutions

Date of AGM	Subject	
44th AGM 2016 – 2017	• Alteration in Capital clause of Articles of Association of the company	
EGM	• Change in capital clause of MOA & AOA to increase the Authorized Share Capital of the Company to Rs.122,00,00,000.	
	• Issue of 8,40,40,000 equity shares of Rs.10 each on preferential basis to Promoter Group by conversion of unsecured loans and advances.	
	• Conversion of 23,00,000 preference shares of Rs.100 each in to equity 2,30,00,000 equity shares of Rs.10 to promoter group.	
45th AGM 2017- 2018	• Mortgage and / or deposit of title deeds to create on first charge basis in favor of consortium of Banks to secure working capital limit of Rs. 8.31 crore.	
46th AGM 2018-19	• Reappointment of Mr.B.Narendran, Independent Non-Executive Director of the Company to hold and continue his office for the second term of five consecutive years w.e.f 14.08.2019	
	• Reappointment of Mr.S.Asokan, Independent Non-Executive Director of the Company to hold and continue his office for the second term of five consecutive years w.e.f 14.08.2019	
	• Reappointment of Mr.G.Ramachandran as Managing Director of the Company for another term of three years w.e.f 12.12.2018	

Passing of Special Resolution by Postal Ballot

No Resolution has been passed in Postal Ballot during the year 2019-20.

10. Disclosures

During the year ended 31st March, 2020, there were no materially significant related party transactions having conflict with the interests of the Company.

- Paid Rs.7080 as penalty inclusive of GST towards 3 days delayed submission of Shareholding Pattern for the Quarter ended September, 2019.
- 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.

11. Means of Communication:

As stipulated under Regulation 33 read with Regulation 47, the Quarterly Results are intimated to the Stock Exchanges and an extract, in the prescribed format is published in one English Newspaper (Trinity Mirror) and one Tamil Newspaper (Makkal Kural). The results are also displayed in the website of the Company viz., www.tacfert.in. The information



stipulated under Regulation 46 of the Regulations are also available in the website of the Company. In addition, official press/news releases and several other details/information of interest to various stakeholders are submitted to the Stock Exchanges and also made available in the website.

12. Familiarization programme for Independent Directors:

The Company familiarizes its Independent Directors with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc., through various programmes. These include orientation programme upon induction of new Director, as well as other initiatives to update the Directors on an ongoing basis. Further, the Company also makes periodic presentations at the Board and Committee meetings on various aspects of the Company's operations including on Health and Safety, Sustainability, performance updates

of the Company, Industry scenario, business strategy, internal control and risks involved and mitigation plan. The details of the Familiarization Programme for Independent Directors is disclosed on the Company's website at www.tacfert.in

13. 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.

14. General Shareholder Information

i.	Annual General Meeting Date, Time and Venue	The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
ii.	Financial year April 2020 – March 2021	First Quarter Results - First Week of August, 2020; Half-Yearly Results - Third Week of November, 2020; Third Quarter Results - Second Week of February, 2021; Annual Results for the year ended 31st March 2021 - Third Week of May, 2021
iii.	Record Date Book Closure Date	Nil 15.09.2020 to 21.09.2020
iv.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited. The Company has paid the Listing Fees to the Stock Exchange up to date
v.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Chennai – 600 002
vi.	Stock Code Demat ISIN No.	506808 - Bombay Stock Exchange Limited. INE 400A01014
vii.	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 dispatched by Registered Post
viii.	Dematerialization of shares and liquidity	98.78% equivalent to 12,03,49,656 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.
ix.	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: cameo@cameoindia.com
x.	Plant Location	Harbor Construction Road, Tuticorin - 628 005
xi.	Compliance Officer & Address for Communication	Mr. Walter Vasanth P J, Company Secretary Tuticorin Alkali Chemicals and Fertilizers Limited 'SPIC House', 88, Mount Road, Guindy, Chennai – 600 032. Telephone No. 22352513 Email: info@tacfert.com
xii.	Website	www.tacfert.in



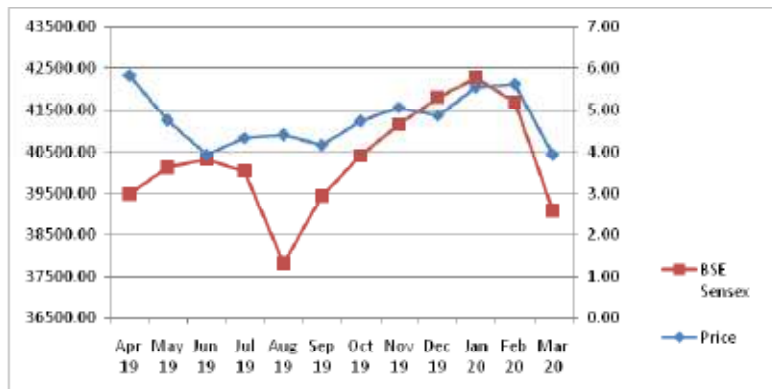
xiii. DISTRIBUTION OF HOLDINGS

Share or Debenture Holders	Share / Debenture holdings		Share Debenture holding		
	Shares	Number	% of total	Shares	% of total
1 - 100		13292	69.76	762212	0.62
101 - 500		4211	22.10	1179783	0.97
501 - 1000		834	4.38	702319	0.58
1001 - 2000		345	1.81	544685	0.45
2001 - 3000		119	0.62	308257	0.25
3001 - 4000		48	0.25	172298	0.14
4001 - 5000		57	0.30	270365	0.22
5001 - 10000		63	0.33	470325	0.39
10001 - And Above		86	0.45	11742586	96.38
		19055	100.00	121835830	100.00

xiv. MARKET / SHARE PRICE DATA BOMBAY STOCK EXCHANGE LIMITED, MUMBAI

Month	Company shares Listed at BSE		Sensex	
	High	Low	High	Low
Apr-19	5.83	4.44	39487.45	38460.25
May-19	4.76	3.32	40124.96	36956.1
Jun-19	3.93	3.01	40312.07	38870.96
Jul-19	4.33	3.33	40032.41	37128.26
Aug-19	4.41	3.54	37807.55	36102.35
Sep-19	4.15	3.00	39441.12	35987.8
Oct-19	4.74	2.58	40392.22	37415.83
Nov-19	5.08	4.69	41163.79	40014.23
Dec-19	4.88	4.21	41809.96	40135.37
Jan-20	5.56	4.62	42273.87	40476.55
Feb-20	5.62	3.92	41709.3	38219.97
Mar-20	4.11	3.20	39083.17	25638.9

xv. Performance of the Company's Equity shares vis-à-vis the BSE Sensex



**15. Other disclosure**

- a) There were no materially significant related party transactions that had potential conflict with the interests of the Company at large. Transactions in the ordinary course of business with the related parties are disclosed in the Notes to Financial Statements.
- b) As stipulated under the Act and the Regulations a Whistleblower Policy has been framed, the text of which has been uploaded in the website of the Company viz., www.tacfert.in. No personnel has been denied access to the Audit Committee.
- c) All the mandatory requirements of Corporate Governance under the Regulations have been complied with.
- d) The policy on dealing with related party transaction has been placed on the website of the Company www.tacfert.in.
- e) Certificate on Corporate Governance

All the Directors of the Company have submitted a declaration stating that they are not debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of Companies. A Certificate that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority has been obtained from M/s. R. Kannan, practicing Company secretary.

- f) The Board of Directors has accepted all the recommendations made by the committees.
- g) All the requirements of corporate governance report specified in Sub-para (2) to (10) of Para C of Schedule V to the Regulations have been complied with.

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

- i) 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. 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 shareholder and the Company is regularly updating the information provided on its website.
- j) The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and Regulation 46(2) (b) to (i) of the Regulations.
- k) Total fees for all services paid by the Company to the statutory auditor is given below.

Particulars	(Rupees in Lakhs)
Audit Fees	5.50
Tax Audit Fees	0.50
Other Services	-
Reimbursement of expenses	0.39
Total	6.39

- l) Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

- a. Number of complaints filed during the financial year - Nil
- b. Number of complaints disposed of during the financial year - Nil
- c. Number of complaints pending as on end of the financial year - Nil

16. 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 details of adoption of discretionary requirements as stipulated in Regulation 27(1) of SEBI (LODR) and Part E of Schedule II are as follows:

a. Shareholders' Rights:

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.

b. Audit Qualifications:

During the period under review, there is no audit qualification in the Company's Financial Statements. There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.

c. Reporting of the Internal Auditor:

The Company is having independent Internal Auditor (separate from the employees). The Internal Auditor's report is presented to the Audit Committee for review and further directions and also to the CFO for his perusal.

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 31st March, 2020.

For and on behalf of the Board of Directors

**INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE****To the Members**

We the Statutory Auditors of Tuticorin Alkali Chemicals and Fertilizers Limited (the 'Company') have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31, 2020 as stipulated in regulations 17 to 27 and clauses (b) to (j) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ('the Regulations') and as amended from time to time.

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and

procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring 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.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered

Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

Based on our examination of relevant records and information and according to the explanations given to us and the representation provided by the Management, we certify that the Company has

complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (j) of regulation 46(2) and para C, D, E of schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015, during the year ended March 31, 2020, as applicable.

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.

Place: Chennai
Date: June 15, 2020

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W
Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 20029409AAAFF2732



Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

M/s. Tuticorin Alkali Chemicals and Fertilizers Limited
88, Mount road, Guindy.
Chennai-600032

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 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 the company'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, 2020 (Audit Period) 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.

During the year, on account of COVID-19 i.e. Corona Virus, the company has reported that they have lockdown their office as per the instructions of Central Government / State Government. The company is expected to announce its financial implications in due course.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 –Not Applicable during the Audit period
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. -Not applicable during the Audit Period
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-Not applicable during the Audit Period.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations,
1998 - Not applicable during the Audit Period.

The other laws as may be applicable specifically to the company in my opinion:

- a) The Indian Contract Act, 1872.
- b) The Fertilizer (Control) Order, 1985
- c) The Tamil Nadu Water (Prevention and Control of Pollution) Rules, 1983
- d) The Air (Prevention and Control of Pollution) Act, 1981
- e) The Hazardous Waste (Management and Handling) Rules, 1989
- f) The Boilers Act, 1923
- g) Employee State Insurance Act, 1948
- h) Employees Provident Fund & Miscellaneous Provisions Act, 1952
- i) The Contract Labour (Regulation and Abolition) Act, 1970
- j) The Factories Act, 1948
- k) The Payment of Gratuity Act, 1972
- l) The Maternity Benefit Act, 1961
- m) The Minimum Wages Act, 1948
- n) The Payment of Wages Act, 1948
- o) The Payment of Bonus Act, 1965

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India(Notified with effect from 01st October, 2017).
- (ii) The Listing Agreements entered into by the Company with the Stock Exchanges, where the equity shares of the Company are listed and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



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

- (a) The Securities and Exchange Board of India (Issue and Listing and Debt Securities) Regulations, 2018;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (d) 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.

During the audit period, the company has obtained Listing and Trading approval from BSE Limited in respect of 10,70,40,000 equity shares of Rs.10/- each issued at par to the promoters pursuant to conversion of unsecured loans aggregating to Rs.84,04,00,000 and conversion of cumulative preference shares aggregating to Rs.23,00,00,000 into Equity Shares on a preferential basis ranking pari-passu with the existing Equity Shares. These approvals are in consequent to the 'In-principle approval' received from SEBI vide its order dated 06th September 2018. The shares are under lock in for 3 years from the last date of trading approval from all stock exchanges and are non-transferable till then as already intimated by the stock exchanges. The equity shares are held by the promoters in dematerialized form.

I further report that:

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

Place: Chennai
Date: 15.06.2020

'Annexure A'

To,

The Members

M/s Tuticorin Alkali Chemicals and Fertilizers Limited

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

Place: Chennai
Date: 15.06.2020

under the review of statutory audit and other designed professionals.

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 and Key Managerial Personnel 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.

Major decision is carried through while dissenting member's views are captured and recorded as part of the minutes.

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.

Based on a review of the reports by operation departments of the company 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.

I further report that the SEBI has granted temporary relaxations with respect to certain compliances to be submitted by the Companies due to the impact of COVID-19 Virus Pandemic in India for the last quarter of the audit period.

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

R Kannan

Practicing Company Secretary
FCS No: 6718 / C P No: 3363

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

R Kannan

Practicing Company Secretary
FCS No: 6718 / C P No: 3363
UDIN : F006718B000338060



INDEPENDENT AUDITORS' REPORT

To the Members of Tuticorin Alkali Chemicals and Fertilizers Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the financial statements of Tuticorin Alkali Chemicals and Fertilizers Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013('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 March 31, 2020, loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty related to Going Concern

We draw attention to Note 33 to the financial statements, which states that the company has incurred a net loss of Rs. 2,355.36 lakhs during the year ended March 31, 2020 and as of that date, the company's current liabilities exceeded its total assets by Rs.19,792.42 lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However as stated in the note, having regard to continued production of the company and financial support from its promoters and group companies, the financial statements of the company have been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities.

Our opinion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 35 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognized in the financial statements. Accordingly, no adjustments have been made to the financial statements.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in Emphasis of Matter paragraph, we have determined the matter described below to be the key audit matter to be communicated in our report.



Impairment assessment of Property, Plant and Equipment	
Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>Refer Note 33 to the financial statements with respect to the disclosures relating to Impairment assessment of Property Plant and Equipment's. As at March 31, 2020, PPE amounting to Rs. 5,928.88 Lakhs represents 44% of the Company's total assets.</p> <p>Management had carried out an impairment assessment in accordance with IND AS 36 to determine whether the recoverable value of PPEs are less than the respective carrying value using the fair value less costs of disposal method. The assessment involves adoption of critical assumptions and judgement in determining the recoverable amounts.</p> <p>The Management has assessed the fair value of freehold land basis recent valuation and selling price of comparable properties in similar locations adjusted for property size and costs of disposal; the fair value of plant and equipment, furniture and fixtures, office equipment were based on the written down value of these assets carried in the books of account as at March 31, 2020.</p> <p>We have determined the impairment assessment of PPE to be a key audit matter as the process involves significant judgements and critical assumptions in determining the recoverable amounts of PPE.</p>	<p>Our audit procedures with respect to this area included:</p> <ul style="list-style-type: none"> • Evaluated whether the impairment test was performed by management in accordance with IND AS 36; • Assessing the reasonableness of the recent valuation obtained, evaluating the independent professional valuer's competence, capabilities and objectivity; • Verified the mathematical accuracy of management's computation of the fair value less costs of disposal; • Considering the assumptions used in the Company's calculations and performing independent sensitivity analysis of a probable reduction in values considered; • Assessing the appropriateness of the disclosures in the notes to the financial statements, with reference to IND AS 36.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, Chairman's Statement, Director's Report etc, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes inequity 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. 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 implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Financial Statements.

Other Matters

Due to the restrictions and lock down laid by the government due to the COVID-19 pandemic it was impracticable for us to attend the physical inventory verification of inventory carried out by the management subsequent to the year end. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence of inventory (amounting to Rs.2,199.49 Lakhs) as on March 31, 2020.

Our opinion is not modified in respect of this matter.

**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 "Annexure B" 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 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 March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (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 – Refer Note 30 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN:20029409AAAAFE8668

Place: Chennai

Date: 15.06.2020

**ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF
TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED**

Auditors' Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN:20029409AAAAFE8668

Place: Chennai

Date: 15.06.2020

**ANNEXURE "B" TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF
TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED FOR THE YEAR ENDED MARCH 31, 2020**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) All the fixed assets were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following immovable properties.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.

(Rupees in Lakhs)

No. of cases	Leasehold/ Freehold	Gross Block as at March 31, 2020	Net Block as at March 31, 2020
1	Freehold land	1.07 lakhs	1.07 lakhs

Immovable properties of land and buildings whose title deeds are deposited with banks as security for the working capital loans, are held in the name of the company based on the Memorandum of Deposit of title deeds executed between the banks and the Company for which confirmations have been obtained from respective bankers.

- v. In our opinion and according to the information and explanations given to us, there are no amounts outstanding which are in the nature of deposits as on March 31, 2020 and the Company has not accepted any deposits during the year, falling within the purview of the provisions of Section 73 to 76 of the Companies Act, 2013.



- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant as specified by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and any other statutory dues applicable to the company except in case of Deferred Sales tax liability and Professional tax which were outstanding as at March 31, 2020 for a period more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Tamil Nadu Municipal Laws Act	Professional Tax	7.12	2006 to 2017	Various Dates	Not Paid
Tamil Nadu General Sales Tax Act, 1959	Deferred Sales Tax	243.72	2003 to 2006	Various Dates	Not Paid

- (b) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and service tax, customs duty, cess and any other statutory dues on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Tamil Nadu General Sales Tax Act, 1959	Purchase Tax, Penalty	67.93	1983-84	Sales Tax Appellate Tribunal
Tamil Nadu General Sales Tax Act, 1959	Purchase Tax, Penalty	92.26	1984-85	Honorable High Court of Madras
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	0.37	1996-97	Appellate Assistant Commissioner
The Central Sales Tax Act, 1956	Sales Tax – Non-Submission of prescribed Form (F Form)	11.47	1997-98	Appellate Assistant Commissioner
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	175.72	1997-92	Appellate Assistant Commissioner
Tamil Nadu General Sales Tax Act, 1959	Sales Tax	2.51	2001-02	Sales Tax Appellate Tribunal
Finance Act, 1994	Service Tax	83.10	2006-07	The Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Wrong Availment of Cenvat Credit	109.00	2007-08	Madurai Bench of Madras High Court
Employees Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund – Damages and Interest	52.93	2013-16	Industrial Tribunal cum Labour Court

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from banks. The company does not have any loans or borrowings from financial institution and has not raised any debentures.



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company,
- transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

Geetha Jeyakumar

Partner

Membership No. 029409

UDIN:20029409AAAAFE8668

Place: Chennai

Date: 15.06.2020

ANNEXURE "C" TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in 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 with reference to financial statements of Tuticorin Alkali Chemicals and Fertilizers Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the 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 with reference to financial statements 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 (ICAI) (the "Guidance Note"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements,



assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With Reference to Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements 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 authorizations 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 With Reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Place: Chennai
Date: 15.06.2020

For **MSKA & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Geetha Jeyakumar
Partner

Membership No. 029409
UDIN:20029409AAAAFE8668



FINANCIAL RESULTS

2019-20



BALANCE SHEET AS AT 31 MARCH 2020

(Rupees in Lakhs)

Particulars		Note No.	As at 31 March 2020	As at 31 March 2019
A	ASSETS			
	1 Non-Current Assets			
	a) Property, Plant and Equipment	3	5,928.81	6,248.98
	b) Capital work-in-progress	3	1.44	-
	c) Other non-current assets	4	891.14	771.83
	d) Deferred Tax Asset (Net)	5	-	-
	e) Income tax Asset (Net)	6	52.04	56.31
	TOTAL NON-CURRENT ASSETS		6,873.43	7,077.12
	2 Current assets			
	a) Inventories	7	2,199.49	2,555.98
	b) Financial assets			
	i) Other Investments	8	0.05	0.05
	ii) Trade Receivables	9	3,714.26	2,241.16
	iii) Cash and Cash equivalents	10A	131.33	4.57
	iv) Bank balances other than (iii) above	10 B	15.84	15.84
	v) Other financial assets	11	19.93	18.39
	c) Other Current assets	12	319.68	242.73
	TOTAL CURRENT ASSETS		6,400.58	5,078.72
	TOTAL ASSETS		13,274.01	12,155.84
B	EQUITY AND LIABILITIES			
	1 Equity			
	a) Equity share capital	13	12,186.76	12,186.76
	b) Other Equity	14	(31,979.18)	(29,623.82)
	Total Equity		(19,792.42)	(17,437.06)
	b) Current liabilities			
	i) Financial liabilities			
	a Borrowings	15	791.08	799.81
	b Trade payables			
	- total outstanding dues to micro enterprises and small enterprises	16	-	-
	- total outstanding dues creditors other than micro enterprises and small enterprises	16	23,737.15	23,921.23
	c Other financial liabilities	17	4,100.45	3,662.70
	ii) Other liabilities	18	4,366.02	1,135.18
	iii) Provisions	19	71.73	73.98
	Total Current liabilities		33,066.43	29,592.90
	Total liabilities		33,066.43	29,592.90
	TOTAL EQUITY AND LIABILITIES		13,274.01	12,155.84
	Significant accounting policies	2.2		

The accompanying notes are Integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. : 105047W

Geetha Jeyakumar
Partner
Membership No. : 029409

Place: Chennai
Date : 15 June, 2020

For and on behalf of the Board of Directors

G. Ramachandran
Managing Director
DIN : 00051999

S. Nandakumar
Chief Financial Officer

B. Narendran
Director
DIN : 01159394

Walter Vasanth P J
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2020

(Rupees in Lakhs)

S. No.	Particulars	Note No.	Year ended 31 March, 2020	Year ended 31 March 2019
I	Revenue from operations	20	15,664.05	17,480.43
II	Other income	21	299.70	97.25
III	Total revenue (I+II)		15,963.75	17,577.68
IV	Expenses			
	Cost of raw material and components consumed	22A	6,333.26	7,957.34
	Changes in inventories of finished goods and work-in-progress.	22B	223.27	327.00
	Purchase of Traded Goods	22C	-	474.32
	Employee benefits expense	23	1,264.91	1,255.48
	Finance costs	24	178.12	234.38
	Depreciation expense	3	337.13	347.03
	Other expenses	25	9,989.66	10,773.10
	Total expenses		18,326.35	21,368.65
V	Loss before tax (III-IV)		(2,362.60)	(3,790.97)
VI	Tax expense			
	a) Current tax		-	-
VII	Loss for the year (V-VI)		(2,362.60)	(3,790.97)
	Other Comprehensive Income			
	Items that will not be reclassified to profit or loss			
	Remeasurements gains/(losses) on Defined benefit plans		7.24	23.22
VIII	Total Other Comprehensive Income for the year		7.24	23.22
IX	Total Comprehensive Loss for the year(VII-VIII)		(2,355.36)	(3,767.75)
X	Earnings per equity share			
	Basic and Diluted (in Rs.)	26	(1.94)	(4.15)
	Weighted average number of shares used in computing earnings per equity share		121,835,830	90,696,921
	Significant accounting policies	2.2		

The accompanying notes are Integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. : 105047W

Geetha Jeyakumar
Partner
Membership No. : 029409

Place: Chennai
Date : 15 June, 2020

For and on behalf of the Board of Directors

G. Ramachandran
Managing Director
DIN : 00051999

S. Nandakumar
Chief Financial Officer

B. Narendran
Director
DIN : 01159394

Walter Vasanth P J
Company Secretary



CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in Lakhs)

S. No.	Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
A	Cash flow from operating activities		
	Loss before tax	(2,362.60)	(3,790.97)
	Adjustments for:		
	Depreciation expenses	337.13	347.05
	Finance cost	178.12	234.38
	Provision for inventory	14.41	
	Operating loss before working capital changes	(1,832.94)	(3,209.56)
	Adjustments for changes in working capital		
	Increase/(Decrease) in Trade payables	(184.08)	1,708.20
	(Increase)/Decrease in Inventories	342.09	368.02
	(Increase)/Decrease in Trade Receivables	(1,473.10)	(86.04)
	(Increase)/Decrease in Other Non Current Assets	(119.31)	(67.64)
	Increase/(Decrease) in Other Current Liabilities	3,230.84	212.78
	Increase/(Decrease) in Bank balances other than cash and cash equivalents	-	(0.85)
	Increase/(Decrease) in Other Current Financial Liabilities	437.75	1,966.24
	Increase/(Decrease) in Current Provisions	4.99	26.21
	(Increase)/Decrease in Other Financial Assets	(1.54)	1.94
	(Increase)/Decrease in Other Current Assets	(76.95)	(43.32)
	Cash generated from operations	327.75	875.98
	Income tax received	4.27	0.48
	Net cash flows from operating activities (A)	332.02	876.46
B	Cash flow from Investing activities		
	Purchase of property, plant and equipment including capital advance	(16.97)	(68.86)
	Adjustment for Capital Work in Progress	(1.44)	
	Net cash flow used in investing activities (B)	(18.41)	(68.86)
C	Cash flow from Financing activities		
	Repayment of non current borrowings (net)	-	(3,625.38)
	Repayment of current borrowings (net)	(8.73)	(7,659.74)
	Interest paid	(178.12)	(234.38)
	Adjustment for fresh allotment of shares	-	10,704.00
	Net cash flow used in financing activities (C)	(186.85)	(815.50)
	Net Increase / (Decrease) in cash and cash equivalents (A+B+C)	126.76	(7.90)
	Cash and cash equivalents at the beginning of the year	4.57	12.47
	Cash and cash equivalents at the end of the year	131.33	4.57
		126.76	(7.90)
	Cash and cash equivalents comprise (Refer note 10A)		
	Balances with banks		
	Cash on hand	0.31	0.31
	With the Banks	131.02	4.26
	Total cash and bank balances at end of the year	131.33	4.57

The accompanying notes are Integral part of these financial statements

As per our report of even date attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. : 105047W

Geetha Jeyakumar
Partner
Membership No. : 029409

Place: Chennai
Date : 15 June, 2020

For and on behalf of the Board of Directors

G. Ramachandran
Managing Director
DIN : 00051999

S. Nandakumar
Chief Financial Officer

B. Narendran
Director
DIN : 01159394

Walter Vasanth P J
Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(Rupees in Lakhs)

(A) Equity share capital	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid				
Outstanding Shares at the beginning of the year	121,835,830	12,186.76	14,795,830	1,482.76
Add: Shares issued during the year	-	-	107,040,000	10,704
Outstanding shares at the end of the year	121,835,830	12,186.76	121,835,830	12,186.76

(B) Other equity

(Rupees in Lakhs)

Particulars	Note No	Reserve and surplus				Items of OCI	Total
		Capital redemption Reserve	Securities premium reserve	General Reserve	Retained earnings		
(A) Balance as at 1 April 2017		400.00	43.76	289.09	(22,012.62)	(61.77)	(21,341.54)
Loss for the year		-	-	-	(4,474.67)	-	(4,474.67)
Other comprehensive Loss		-	-	-	-	(39.86)	(39.86)
Balance as at 31 March 2018		400.00	43.76	289.09	(26,487.29)	(101.63)	(25,856.07)
Loss for the year		-	-	-	(3,790.97)	-	(3,790.97)
Other comprehensive Income		-	-	-	-	23.22	23.22
Balance as at 31 March 2019	14	400.00	43.76	289.09	(30,278.26)	(78.41)	(29,623.82)
Loss for the year		-	-	-	(2,362.60)	-	(2,362.60)
Other comprehensive Income		-	-	-	-	7.24	7.24
Balance as at 31 March 2020	14	400.00	43.76	289.09	(32,640.86)	(71.17)	(31,979.18)

In terms of our report attached

For **MSKA & Associates**
Chartered Accountants
Firm Registration No. : 105047W

Geetha Jeyakumar
Partner
Membership No. : 029409

Place : Chennai
Date : 15 June, 2020

For and on behalf of the Board of Directors

G. Ramachandran
Managing Director
DIN : 00051999

S. Nandakumar
Chief Financial Officer

B. Narendran
Director
DIN : 01159394

Walter Vasanth P J
Company Secretary



Notes to the Financial statements for the year ended 31 March 2020

1. Corporate Information

Tuticorin Alkali Chemicals And Fertilizers Limited ('the Company'/'TAC'), having its registered office at Chennai is a Public Limited Company, incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange Limited. The Company is manufacturing and selling Soda Ash and Ammonium Chloride Fertilizer and has its manufacturing facility at Tuticorin.

2.1 Basis of Preparation of Financial Statements**A. Statement of compliance**

The financial statements which comprise the Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, and the Statement of Changes in Equity ("financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act"), Companies (Indian Accounting Standards) Rules, 2015, along with relevant amendment rules issued thereafter and other relevant provisions of the Act, as applicable

B. Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the following material items:

Items	Basis
Certain financial assets and liabilities.	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date

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

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

a. Functional and Presentation Currency

These financial statements have been prepared in Indian Rupee (INR) which is the functional currency of the company. All amounts

have been rounded-off to the nearest lakhs, unless otherwise indicated.

b. Statement of cash flows

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. Cash and cash equivalents for the purpose of the statement of cash flows comprise cash and cash on deposit with banks and financial institutions. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalent.

c. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's board of directors.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- ❖ Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- ❖ Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- ❖ Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following note:

Note 28: financial instruments.



d. Use of estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer below for detailed discussion on estimates and judgments.

Assumptions and estimation uncertainties:

i. Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

ii. Defined benefit plans (gratuity benefits)

The cost of the defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 29.

2.2 Significant Accounting Policies

i. Revenue Recognition

The Company earns revenue primarily from sale of Soda Ash and Ammonium Chloride (Dual Product). The Company recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Revenue from sale of products is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration expected to be received in exchange for those products.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Company has assessed its revenue arrangements based on substance of the transaction and business model against specific criteria to determine if it is acting as principal or agent.

Recognition of interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- ❖ the gross carrying amount of the financial asset; or
- ❖ the amortised cost of the financial liability.

ii. Property, plant and equipment

a. Tangible Assets

➤ Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.



Capital work-in progress comprises of the cost of fixed assets that are not yet ready for their intended use as on the balance sheet date. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

➤ **Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

➤ **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.

Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

b. Intangible Assets

Intangibles are initially measured at cost. Such intangible assets are subsequently measured at cost less and accumulated amortisation any accumulated impairment losses.

➤ **Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the Statement of profit and loss as incurred.

➤ **Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in the Statement of profit and loss. The Company amortizes computer software over a period of 5 years.

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iii. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a. Financial Assets

➤ **Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

➤ **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

➤ **Impairment of financial assets**

In accordance with IndAS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

➤ **Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

b. Financial liabilities

➤ **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

➤ **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

• **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities



designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

• **Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

• **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

c. **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

iv. **Inventories**

Inventories are stated at the lower of cost and net realizable values. Cost is determined as follows:

Inventory	Valuation Method
Raw Materials	Weighted Average Cost
Work in Process	Weighted Average Cost
Finished Goods (including by-products)	Lower of Weighted Average Cost or Net realisable value
Stores and spares	Weighted Average Cost

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost comprises all costs of purchase including duties and taxes (other than those subsequently recoverable by the Company), freight inwards and other expenditure directly attributable to

acquisition. Finished goods include appropriate proportion of overheads and, where applicable, excise duty.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

v. **Provisions, contingent liabilities and contingent assets**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

Contingent liabilities and contingent assets are not recognized in the financial statements. Contingent liabilities are disclosed in the financial statements unless the possibility of any outflow in settlement is remote. Contingent assets are disclosed in the financial statements where an inflow of economic benefits is probable.

vi. **Employee benefits**

a. **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be settled wholly within 12 months after the end of the year, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

b. **Post employment benefits**

(a) **Defined contribution plans**

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for certain employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.



The company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Defined benefit plans:

• **Gratuity**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. Obligation under the gratuity scheme is covered under a Scheme of Life Insurance Corporation of India (LIC) and contributions in respect of such scheme are recognized in the profit or loss

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

• **Compensated Absences**

Accumulated compensated absences, which are expected to be availed or en-cashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or en-cashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under defined benefit plans can be en-cashed only on discontinuation of service by employee.

vii. **Leases**

Till 31 March 2019, Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. However, where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary costs, such increases are recognised in the year in which such benefits accrue. Contingent rentals, if any, arising under operating leases are recognised as an expense in the period in which they are incurred.

From 1 April 2019, the Company has applied Ind AS 116, "Leases" using the modified retrospective approach, under which the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

The Company assesses at contract inception whether a contract is, or contains, a lease i.e., if the contract conveys the right to control the use of an identified asset for a period in exchange of consideration

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. The nature of expenses related to those leases has changed from lease rent in previous periods to (i) amortization for the right-to-use asset, and (ii) interest accrued on lease liability

a) Right-of-use assets:

Right-of-use assets are measured at cost comprising the following: i) the amount of the initial measurement of lease liability ii) any initial direct costs iii) restoration costs. Right-of-use assets are depreciated over the lease term on a straight-line basis.

b) Lease Liabilities:

Lease liabilities are measured at present value of following components: i) fixed payments less any lease incentives receivable ii) amounts expected to be payable by the Company under residual value guarantee.

Incremental borrowing rate used for discounting has been determined by taking the interest rates obtained from financial institutions for borrowing the similar value of right of use assets for similar tenure. The rates will be reassessed on a yearly basis at the beginning of each accounting period to reflect changes in financial conditions.



- c) Short-term leases: The Company applies the short-term lease recognition exemption to its short-term lease contracts (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on a short-term leases are recognised as expense on a straight-line basis over the lease term

viii. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

ix. Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

x. Income Tax

Income tax comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

a. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

b. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial

reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

xi. Earnings per share (EPS)

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date.

xii. Operating segment

Operating segments are reported in the manner consistent with the internal reporting to the chief operating decision maker (CODM). An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's board of directors to make decisions about resources to be allocated to the segments and assess their performance.

xiii. Standards (including amendments) issued but not yet effective:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020



Notes to the Financial statements for the year ended 31 March 2020

3. Property, Plant and Equipment and Capital Work-in-Progress

(Rupees in Lakhs)

Carrying amounts of :	As at 31 March 2020	As at 31 March 2019
Land and Development *	38.93	38.93
Factory and Other Buildings	599.54	650.49
Roads	5.49	11.15
Plant and Machinery (including Windmill)	5,162.72	5,420.74
Handling Equipment	13.62	14.12
Electrical Equipments	86.15	89.27
Furniture and Fixtures	20.94	21.44
Vehicles	1.42	2.84
	5,928.81	6,248.98

* Includes 5.5 acres of land yet to be registered in favour of the Company.

(Rupees in Lakhs)

Particulars	Land and Development	Factory and Other Buildings	Roads	Plant and Machinery (including Windmill)	Handling Equipment	Electrical Equipments	Furniture and Fixtures	Vehicles	Total
Cost or Deemed Cost									
Balance at 31 March 2018	38.93	797.18	28.22	5,477.66	12.64	97.79	33.32	9.76	6,495.50
Additions	-	-	-	399.80	3.27	0.99	-	-	404.06
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	38.93	797.18	28.22	5,877.46	15.91	98.78	33.32	9.76	6,899.56
Additions	-	-	-	15.22	-	0.55	1.19	-	16.96
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	38.93	797.18	28.22	5,892.68	15.91	99.33	34.51	9.76	6,916.52
Particulars	Land and Development	Factory and Other Buildings	Roads	Plant and Machinery (including Windmill)	Handling Equipment	Electrical Equipments	Furniture and Fixtures	Vehicles	Total
Accumulated depreciation and impairment									
Balance at 31 March 2018	-	95.74	11.41	176.35	1.28	6.02	7.25	5.50	303.55
Additions	-	50.95	5.66	280.37	0.51	3.49	4.63	1.42	347.03
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 March 2019	-	146.69	17.07	456.72	1.79	9.51	11.88	6.92	650.58
Additions	-	50.95	5.66	273.24	0.51	3.67	1.70	1.42	337.13
Disposals	-	-	-	-	-	-	-	-	-
Balance at 31 March 2020	-	197.64	22.73	729.96	2.29	13.18	13.57	8.34	987.71
Carrying amount									
As at 31 March 2019	38.93	650.49	11.15	5,420.74	14.12	89.27	21.44	2.84	6,248.98
As at 31 March 2020	38.93	599.54	5.49	5,162.72	13.62	86.15	20.94	1.42	5,928.81



Capital Work in Progress

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Capital work in progress excluding Capital Advances	1.44	-
Total Capital Work in Progress	1.44	-

4. Other Non Current Assets

(Rupees in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Unsecured - Considered Good		
a) Deposits	825.50	706.20
b) Balances with statutory authorities	65.64	65.63
c) Other advances Considered good	-	-
- Considered doubtful	21.41	21.41
Allowance for doubtful debts	(21.41)	(21.41)
Total Other Non-Current Assets	891.14	771.83

5. Deferred Tax Asset (Net):

Significant components of deferred tax assets/liabilities recognized in the balance sheet are as follows:

(Rupees in Lakhs)

2019 - 20	Opening Balance	Recognized in Profit and Loss	Closing Balance
Deferred tax liabilities			
Property, Plant and equipments	719.09	54.10	773.19
Deferred tax assets:			
Unabsorbed Depreciation / Business Loss	695.36	54.10	749.46
Provision for Doubtful Debts	23.73	0.00	23.73
Net Deferred tax Assets / (Liabilities)	0.00	0.00	0.00
2018 - 19	Opening Balance	Recognized in Profit and Loss	Closing Balance
Deferred tax liabilities			
Property, Plant and equipments	846.38	(127.29)	719.09
Deferred tax assets:			
Unabsorbed Depreciation / Business Loss	822.65	(127.29)	695.36
Provision for Doubtful Debts	23.73	0.00	23.73
Net Deferred tax Assets / (Liabilities)	0.00	0.00	0.00

Tax losses of Rs 22,645 lakhs (31 March 2019: Rs 20,620 lakhs) are available for offsetting for a maximum period of eight years against future taxable profits of the Company. The Company has recognised deferred tax assets only to the extent of deferred tax liabilities in the absence of convincing evidence of future taxable profits. The majority of the deferred tax liabilities represent accelerated tax relief for the depreciation of property plant and equipments.

6. Income Tax Asset

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advance Income-Tax	12.61	12.61
Tax Deducted at Source	39.43	43.70
Total Income Tax Asset	52.04	56.31

**7. Inventories**

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Inventories (lower of cost and net realisable value)		
- Raw materials	301.69	400.52
-Work-in-progress	167.17	143.65
-Finished goods	1176.41	1423.21
-Stores and spares	568.63	588.60
Less : Provision for non-moving stock-raw materials	14.41	
TOTAL INVESTMENTS	2199.49	2555.98

8. Other Investments

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Investment in Government or Trust Securities		
National Savings Certificate		
- Non-traded Unquoted Investment	0.05	0.05
(lodged with Government Department as Security Deposit)		
TOTAL OTHER INVESTMENTS	0.05	0.05

9. Trade receivables (Unsecured) - at amortised cost

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Considered Unsecured / good	3714.26	2241.16
Considered Unsecured / Doubtful	50.37	50.37
	3764.63	2291.53
Allowance for doubtful debts	(50.37)	-50.37
TOTAL TRADE RECEIVABLES	3714.26	2241.16

The credit period on sales of goods ranges from 10 to 120 days. No interest is charged on trade receivables up to the due date

10A. Cash and Cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, cheques and drafts on hand. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the balance sheet as follows:

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Cash on hand	0.36	0.31
Balances with banks in current accounts	130.97	4.26
TOTAL CASH AND CASH EQUIVALENTS	131.33	4.57

10.B Bank balances other than above

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Margin money deposits	15.84	15.84
TOTAL BANK BALANCE	15.84	15.84

**11. Other Financial Assets**

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Other loans and receivables	19.93	18.39
Total Other Financial Assets	19.93	18.39

12. Other Current Assets

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Advances given to vendors	57.11	68.68
Advances given to Employees	0.25	0.25
Balances with Government Authorities -	190.79	112.88
Prepaid expenses	71.53	60.92
TOTAL OTHER CURRENT ASSETS	319.68	242.73

13. Equity Share Capital

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised Share capital :		
12,20,00,000 fully paid equity shares of Rs.10 each. (2019: 12,20,00,000)	12,200.00	12,200.00
Issued Share Capital		
12,19,30,430 Equity Shares of Rs.10 each (2019: 12,19,30,430)	12,193.04	12,193.40
	12,193.04	12,193.40
Subscribed and fully paid up		
12,18,35,830 Equity Shares of Rs.10 each (2019: 12,18,35,830)	12,183.58	12,183.58
Add : Forfeited Shares	3.18	3.18
	12,186.76	12,186.76

(i) Reconciliation of the number of shares

(Rupees in Lakhs)

Equity Shares	As at 31st March, 2020		As at 31 March 2019	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	121,835,830	12,183.58	14,795,830	1,479.58
Add: Preferential issue of equity shares (Refer Note No.13 (iv) below)	-	-	107,040,000	10,704.00
Balance as at the end of the year	121,835,830	12,183.58	121,835,830	12,183.58

(ii) Rights, Preferences and Restrictions attached to Shares

Equity Shares: The Company has one class of equity share having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation, the equity share holders are eligible to receive the assets of the company will be in proportion to their shareholding. The dividend when proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.



(iii) Shares held by shareholders holding more than 5% of shares

Name / Institution	As at 31st March, 2020		As at 31 March 2019	
	No. of Shares	Percentage	No. of Shares	Percentage
Equity Shares of Rs.10 each				
Southern Petrochemical Industries Corporation Limited	53,530,113	43.94%	53,530,113	43.94%
AMI Holdings	56,790,000	46.61%	56,790,000	46.61%

(iv) In the previous year, the Company appealed to National Company Law Tribunal to resolve the issues arising out of repeal of Sick Industrial Companies Act and post Board of Industrial and Financial Reconstruction issues. The NCLT directed SEBI to intervene in this regard. SEBI passed an Order dated 06th September, 2018, granting necessary exemptions for conversion of funds from promoters, preference shares and unsecured loans into equity on preferential basis. The Company decided to allot shares to satisfy the Regulation 74(1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, which requires the Company to allot within 15 days from the date of passing Special Resolution or any approval or permission by any regulatory authority. The shares were allotted on 17th September, 2018, which falls within 15 days from the date of SEBI order. The company also informed the outcome of Preferential Issue to the Capital Committee of the Board on 11.09.2018 and to the BSE on 17.09.2018. Equity shares allotted to promoters as detailed below:

Name of the Allottees	Number of Equity shares allotted
Southern Petrochemical Industries Corporation Limited	46,850,000
AMI Holdings Private Limited	56,790,000
Twinshield Consultants Private Limited	3,000,000
South India Travels Private Limited	400,000
Total Equity Shares	107,040,000

During the year, the Company had received the listing approval on August 23, 2019 and approval for trading was received on September 25, 2019 for 107,040,000 shares issued in the previous year. Out of the shares issued preferentially to promoter groups, 2,23,43,241 No. of shares have been allowed free to be traded to achieve minimum public shareholding of 25%.

14 Other Equity

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
General reserve	289.09	289.09
Securities premium reserve	43.76	43.76
Capital redemption reserve	400.00	400.00
Retained earnings	(32,640.86)	(30,278.26)
Other Comprehensive income	(71.17)	(78.41)
	(31,979.18)	(29,623.82)

(i) General Reserve

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	289.09	289.09
Balance at the end of year	289.09	289.09

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

(ii) Securities Premium Reserve

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	43.76	43.76
Balance at the end of year	43.76	43.76

Securities premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the securities premium reserve is governed by the Section 52 of The Companies Act, 2013.



(iii) Retained earnings

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	(30,278.26)	(26,487.29)
Loss for the year	(2,362.60)	(3,790.97)
Balance at the end of year	(32,640.86)	(30,278.26)

Retained earnings represents the Company's undistributed earnings / (losses) after taxes.

(iv) Capital Redemption Reserve

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	400.00	400.00
Balance at the end of year	400.00	400.00

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of the preference shares. The Company has redeemed these preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

(v) Other Comprehensive Income

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning of year	(78.41)	(101.63)
Movements during the year	7.24	23.22
Balance at the end of year	(71.17)	(78.41)

15. Current Borrowings

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
At amortised cost		
Secured Loans		
Loan repayable on demand from Banks (Refer Note (i) below)	791.08	799.81
Total Current Borrowings	791.08	799.81

(i) Cash credit from Banks are secured by hypothecation of raw materials, finished goods, work-in-process, stores and book debts and charge on the fixed assets of the company.

16. Trade Payables

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Payables		
(i) dues to micro and small enterprises (Note No.31)		
(ii) dues to other than micro and small enterprises:		
(a) Amount due on account of goods supplied	18,200.18	17,149.18
(b) Amount due on account of goods traded	329.02	329.02
(c) Amount due on account of services received	3,219.90	2,858.75
(d) Amount due to employees	182.82	188.58
(e) Amount due to Others	1,805.23	3,395.70
Total Trade Payables	23,737.15	23,921.23

"Terms and conditions of the above financial liabilities:

Trade payables are normally non-interest bearing. For maturity profile of trade payables and other financial liabilities refer Note 28.3.

For explanations on the Group's credit risk management processes, refer to Note 28.3.



17. Other Financial Liabilities

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
At Amortised cost		
Current		
a) Amount due to VOC Port Trust	1,471.24	1,045.24
b) Deferred Sales Tax	243.72	243.72
c) Other payables	97.68	85.93
d) Interest payable on Preference Shares	2,287.81	2,287.81
Total Other Financial Liabilities	4,100.45	3,662.70

18. Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Security deposit	311.04	311.04
b) Statutory dues payable	30.48	497.87
c) Gratuity payable	312.42	326.27
d) Advances received from customers	3,712.08	1,047.44
Total Other Current Liabilities	4,366.02	2,182.62

19. Provisions

(Rupees in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Employee benefits		
Provision for Compensated Absences	71.73	73.98
Total Provisions	71.73	73.98

20. Revenue from Operation

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
a) Sale of Products		
Light Soda Ash	10,856.86	11,529.97
Ammonium Chloride Fertiliser Grade	3,474.86	4,685.50
Ammonium Chloride Industrial Grade	1,057.30	292.10
Other products	244.31	933.41
b) Other Operating Revenues		
Sale of scrap	30.72	39.45
Net Sales Revenue	15,664.05	17,480.43



21. Other Income

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31/03/2019
a) Interest income	42.47	39.33
b) Others		
i) Rent	45.89	54.50
ii) Others	211.34	3.42
Total Other Income	299.70	97.25

22A Cost of Materials Consumed

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Raw Material Cost		
Salt	1,281.97	1,158.33
Ammonia	4,724.26	6,357.44
Carbon-di-oxide	-	68.64
Lime	259.09	309.87
Process Chemicals	56.26	52.07
Lab chemicals	11.68	10.99
Total Cost of Materials Consumed	6,333.26	7,957.34

22B Changes in Inventories of Finished Goods and Work-in-Process

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Opening Stock		
Finished Goods	1,423.20	1,739.74
Work-in-Process	143.65	154.12
	1,566.85	1,893.85
Closing Stock		
Finished Goods	1,176.41	1,423.20
Work-in-Process	167.17	143.65
	1,343.58	1,566.85
Decrease in stock	223.27	327.00

22 C Purchase of Traded Goods

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Ammonia	-	474.32
Total Purchase of Traded Goods	-	474.32

23 Employee Benefit Expense

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Salaries and Wages	936.62	918.52
Contribution to provident and other funds	80.67	73.73
Gratuity expense	49.12	61.37
Staff welfare expenses	198.50	201.86
Total Employee Benefit Expense	1,264.91	1,255.48



24. Finance Costs

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Interest costs :		
Interest on redeemable preference shares	-	69.22
Interest on Lease Rentals	48.39	47.78
Other interest expense	129.73	117.38
Total Finance Costs	178.12	234.38

25. Other Expenses

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
Power and Fuel	5,993.44	6,375.73
Water charges	361.78	386.00
Rent	345.12	336.06
Rates and taxes	60.59	101.32
Insurance	54.00	29.86
Repairs and Maintenance		
-- Building	114.26	119.38
-- Plant and machinery	1,098.63	1,110.45
-- Others	150.77	131.77
Packing, transportation and handling	754.45	919.16
Commission on sales	824.04	997.74
Travel, Telephone, Printing & Stationery	55.06	65.35
Directors Sitting Fees	3.75	5.00
Professional Charges	44.29	73.08
Auditors' remuneration (Refer Note 25(i) below)	6.39	5.12
Miscellaneous Expenses (Including Loss on Foreign currency)	123.09	117.08
Total Other Expenses	9,989.66	10,773.10

(i) Auditors' Remuneration

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2020	Year ended 31 March 2019
As Auditors - Statutory Audit	5.50	4.50
For Tax Matters	0.50	0.50
For other services	0.39	0.12
Total Auditors' Remuneration	6.39	5.12



(Rupees in lakhs)

26. Earnings per share	For the Year 31-March-2020	For the Year 31-March-2019
Basic Earnings per share (in Rs.)	(1.94)	(4.15)
Diluted Earnings per share (in Rs.)	(1.94)	(4.15)
The calculation of the Basic and Diluted Earnings per share is based on the following data:		
Loss for the year after tax (Rupees in Lakhs)	(2,362.60)	(3,790.97)
Weighted average number of shares outstanding during the year*		
Basic	121,835,830	90,696,921
Diluted	121,835,830	90,696,921

*The Company has no potentially dilutive equity shares as at the balance sheet date

27. Segment Reporting

The company is engaged in the manufacture of Soda Ash and Ammonium Chloride (Dual Products) which is the only business segment determined in accordance with the IndAS 108, "Operating segment". Hence there are no reportable business segments to be disclosed as required by the said standard.

28. Financial Instruments

28.1 Capital management

"The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings, trade and other payables as reduced by cash and cash equivalents.

The following table summarises the capital of the Company:

(Rupees in lakhs)

Particulars	As at 31-March-20	As at 31-March-19
Equity	12,186.76	12,186.76
Debt	791.08	799.81
Cash and cash equivalents	131.33	4.57
Net debt	659.75	795.24
Total capital (Equity+net debt)	12,846.51	12,982.00
Net Debt to capital ratio	5.14	6.13
Interest Coverage ratio	(12.26)	(15.17)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately

call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period. No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March 2020 and 31st March 2019.



28.2 Categories of Financial Instruments

(Rupees in lakhs)

Particulars	Notes	As at	
		31-Mar-20	31-Mar-19
A. Financial Assets			
Measured at amortised cost			
(a) Investments	8	0.05	0.05
(b) Trade Receivables	9	3,714.26	2,241.16
(c) Cash and Cash Equivalents	10A	131.33	4.57
(d) Other Bank balances	10B	15.84	15.84
(e) Other Financial Assets	11	19.93	18.39
B. Financial Liabilities			
Measured at amortised cost			
(a) Short term Borrowings	15	791.08	799.81
(b) Trade payables	16	23937.15	23921.23
(c) Other Financial Liabilities	17	4,100.45	3,662.70

28.3 Financial Risk and Management Objectives

The Company's activities expose it to a variety of financial risks, credit risks, liquidity risks and market risks.

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework.

The Risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adhere to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and company's activities. The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

1. Credit Risks

"Credit risk is the risk of financial loss to the company, if a customer or the counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The carrying amount of financial assets represents the maximum credit risk exposure.

Trade Receivables

The company's exposure to credit risks is influenced mainly by individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry. Credit risk has always

been managed by the company through its credit approvals, establishing credit limits and continuously monitoring the credit worthiness of its customer based on which the company agrees on the credit terms with the customers in the normal course of business.

Credit risks on cash and cash equivalents and other bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by International and Domestic Credit Rating Agencies. Credit risk from balances with banks, borrowings from related parties and financial institutions is managed by the Company's treasury department in accordance with the guidelines framed by the board of directors of the Company. Guidelines broadly covers the selection criterion and over all exposure which the Company can take with a particular financial institution or bank. The Company does not maintain the significant amount of cash and deposits other than those required for its day to day operations.

2. Liquidity Risks

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damaging to the company's reputation.

The table below provides the details regarding the contractual maturities of significant financial liabilities as follows;

(Rupees in lakhs)

Particulars	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31-Mar-20					
Long term borrowings				-	-
Short term borrowings	791.07	-		-	791.07
Trade payables	5352.20	18,384.95	-	-	23,737.15
Other financial liability	1039.23	3,061.22	-	-	4,100.45
Total	7182.50	21,446.17	-	-	28,628.67
31-Mar-19					
Long term borrowings	-	-			
Short term borrowings	799.81	-	-		799.81
Trade payables	3,913.29	20,007.94	-	-	23,921.23
Other financial liability	-	36,62.70	-	-	3,662.70
Total	4,713.10	23,670.64	-	-	28,383.74

**3. Market Risks**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns.

4. Foreign Currency Risks

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the company. The functional currency of the company is Indian Rupees (INR). The currencies in which these transactions are primarily denominated is US Dollars (USD).

a. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities based on gross exposure at the end of the reporting period is as under: (Rupees in lakhs)

Particulars	Liabilities at		Assets at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Trade Payables	223.35	140.98		
a) Amount due on account of goods supplied				
Trade Receivables				
Considered Good			1,558.56	1,266.93
Cash and Cash Equivalents				
Current Account - Dollar Account				7.89

b. Foreign currency sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

(Rupees in lakhs)

Currency impact relating to the foreign currencies of	As at 31/03/2020		As at 31/03/2019	
	Profit or loss	Equity	Profit or loss	Equity
Rs/USD - increase by 10%	133.52	133.52	112.60	112.60
Rs/USD - decrease by 10%	(133.52)	(133.52)	(112.60)	112.60

5. Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk.

Fair Value Measurements

The following table shows the carrying amounts and fair values of financial assets and financial liabilities including their levels in fair value hierarchy (Rupees in lakhs)

Particulars	As at 31 March, 2020	Note	Carrying Amount			Fair Value			
			Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3
Assets									
Financial Assets not measured at fair value *									
Investments	8	0.05	-	-	0.05	-	0.05	-	0.05
Trade Receivables	9	3,714.26	-	-	3,714.26	-	3,714.26	-	3,714.26
Cash and Cash Equivalents	10A	131.33	-	-	131.33	-	131.33	-	131.33
Other Bank balances	10B	15.84	-	-	15.84	-	15.84	-	15.84
Other financial assets	11	19.93	-	-	19.93	-	19.93	-	19.93
Total		3,881.41	-	-	3,881.41	-	3,881.41	-	3,881.41



Liabilities									
Financial Liabilities not measured at fair value *									
Current Borrowings	15	-	-	791.08	791.08	-	791.08	-	791.08
Trade payables	16	-	-	21737.15	21737.15	-	21737.15	-	21737.15
Other financial liabilities	17	-	-	4,100.45	4,100.45	-	4,100.45	-	4,100.45
Total		-	-	28,628.67	28,628.67	-	28,628.67	-	28,628.67
As at 31 March, 2019		Carrying Amount				Fair Value			
Particulars	Note	Financial Assets at amortised cost	Mandatorily at FVTPL	Other Financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial Assets not measured at fair value *									
Investments	8	0.05	-	-	0.05	-	0.05	-	0.05
Trade Receivables	9	2,241.16	-	-	2,241.16	-	2,241.16	-	2,241.16
Cash and Cash Equivalents	10A	4.57	-	-	4.57	-	4.57	-	4.57
Other Bank balances	10B	15.84	-	-	15.84	-	15.84	-	15.84
Other financial assets	11	18.39	-	-	18.39	-	18.39	-	18.39
Total		2,280.01	-	-	2,280.01	-	2,280.01	-	2,280.01
Liabilities									
Financial Liabilities not measured at fair value *									
Current Borrowings	16	-	-	799.81	799.81	-	799.81	-	799.81
Trade payables	17	-	-	23921.23	23921.23	-	23921.23	-	23921.23
Other financial liabilities	18	-	-	3,662.70	3,662.70	-	3,662.70	-	3,662.70
Total		-	-	28,383.74	28,383.74	-	28,383.74	-	28,383.74

29. Employee benefit plans

a) Defined contribution plans

The Company has recognised Rs.80.67 lakhs (March 31, 2019: Rs. 73.73 lakhs) as expense in Statement of Profit or Loss towards defined contribution plans. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Based on the Supreme Court Judgement dated March 2, 2019, the Company has reassessed the components to be included in the basic salary for the purposes of deduction of PF. Accordingly, there was no impact and hence the company has not provided for any additional liability as on March 31, 2019 in the books of accounts.

b) Defined benefit plans

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as March 31, 2020. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit

and Loss. The Company provides the gratuity benefit through annual contributions to insurer managed funds.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows;

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Interest risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.



The details of actuarial valuation in respect of Gratuity and Long Term Compensated Absences liability are given below:

(Rupees in Lakhs)

Particulars	Gratuity		Long Term Compensated Absences	
	As at		As at	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Present value of benefit obligation as at beginning of the year	331.12	320.21	73.98	70.99
Service cost	27.33	38.39		
Interest cost	22.14	23.16	4.85	4.87
Remeasurment(gain)/loss				
- Actuarial (gain)/loss arising from change in Financial Assumption	12.64	3.99	3.09	1.10
- Actuarial (gain)/loss arising from experience adjustments	(19.89)	(27.04)	6.38	12.35
Benefits paid	(55.72)	(27.59)	(16.57)	(15.33)
Projected benefit obligation at the end of the year	317.63	331.12	71.73	73.98
Changes in Fair value of Planned Assets				
Fair value of plan assets as at beginning of the year	4.85	0.37		
Interest Income	0.35	0.18		
Contributions	0.00	4.13	16.57	15.33
Benefits paid	(55.72)	(27.59)	(16.57)	(15.33)
Remeasurment gain/(loss)	55.72	27.59		0.00
Actuarial gain/(loss) on plan asset	0.00	0.17		
Fair value of plan asset at the end of the year	5.20	4.85	0.00	0.00
Amount recognised in the balance sheet				
Projected benefit obligation at the end of the year	317.63	331.12	71.73	73.98
Fair value of the plan assets at the end of the year	5.20	4.85	0.00	0.00
Funded Status of Plans- Liability Recognised in Balance Sheet	312.42	326.27	71.73	73.98
Components of defined benefit cost recognised in Profit and loss				
Current service cost	27.33	38.39	0.00	0.00
Net Interest Expense	22.14	22.98	4.85	4.87
Net cost in Profit and Loss	49.47	61.37	4.85	4.87
Components of defined benefit cost recognised in Other Comprehensive Income				
Remeasurement on the net defined benefit liability				
- Actuarial (gain)/loss arising from change in Financial Assumption	12.64	3.99		
- Actuarial (gain)/loss arising from experience adjustments	(19.89)	(27.21)		
Return on Plan Assets				
Net Cost in Other Comprehensive Income	(7.24)	(23.22)		

ASSUMPTIONS

The principal assumptions used for the purposes of the actuarial valuations of Gratuity are given below (Rupees in Lakhs)

Particulars	As at	
	31-Mar-20	31-Mar-19
Discount rate	6.46%	7.30%
Expected rate of salary increase	5%	5%
Expected rate of attrition	3%	3%
Mortality rate	100%	100%

The principal assumptions used for the purposes of the actuarial valuations of Long term Compensated absences are given below

Particulars	As at	
	31-Mar-20	31-Mar-19
Discount rate	6.53%	7.38%
Expected rate of salary increase	5%	5%
Expected rate of attrition	3%	3%



"The Company has generally invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is

declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset)"

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and attrition rate. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rupees in Lakhs)

Particulars	Gratuity		Long Term Compensated Absences	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Discount rate				
- Increase 0.5%	(2.46)	(2.73)	(1.86)	(1.75)
- Decrease 0.5%	13.31	12.83	1.98	1.86
Salary Escalation				
- Increase 0.5%	13.39	12.97	1.98	1.89
- Decrease 0.5%	(2.60)	(2.93)	(1.90)	(1.80)
Attrition Rate				
- Increase of 5%	5.39	5.14	0.05	0.07
- Decrease of 5%	5.02	4.56	(0.05)	(0.08)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company's best estimate of the contribution expected to be paid to the plan during the next year is Rs. 120 Lakhs (2019; Rs. 20 Lakhs)

30. Contingent Liabilities and Commitments

A. Contingent Liabilities

(Rupees in Lakhs)

Particulars	As at	
	3/31/2020	3/31/2019
a. Claims against the company for Purchase Tax, Sales Tax and Penalties not acknowledged as debt and not provided for.	415.90	415.90
b) Disputed claims for rent and Interest on Dues of VOC port trust, Tuticorin	2,785.21	2,559.65
d) Excise and Service tax dues on appeal by the department	192.10	192.10
e) Employees provident fund interest and damages for delayed payment	52.93	72.93
Total	3,446.14	3,240.58

B. Commitments

The Company does not have any contracts remaining to be executed.

31. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

There are no over due amounts payable to Micro, Small & Medium Enterprises [MSME] as on the Balancesheet date or anytime during the year and hence no interest has been paid/payable. This is based on the information on such parties having been identified on the basis of information available with the Company and relied upon by the auditors.

32. Related Party Disclosure

A. Name of the related parties and description of relationship with the Company

i) The list of related parties as identified by the management and relied upon by the auditors are as under

Entities exercising Significant Influence over the Company

Southern Petrochemicals Industries Corporation Limited

AMI Holdings Private Limited

Key managerial personnel

G.Ramachandran, Managing Director

**B Related party transactions :**

- (i) The Company has entered into the following transactions with related parties during the year ended 31 March.

(Rupees in Lakhs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Southern Petrochemical Industries Corporation Limited		
Purchase of goods	-	81.00
Sale of goods	107.24	392.34
Receiving of services	6.32	8.63
Attotment of shares (4,68,50,000 shares) also Refer Note No.13 (iv) above	-	4,685.00
AMI Holdings Pvt. Ltd.,		
Attotment of shares (5,67,90,000 shares) also Refer Note No.13 (iv) above	-	567.90

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Key Management Personnel Compensation		
Salaries, Wages and Bonus	62.00	38.80
Value of perquisites	2.87	2.63
Total Compensation	64.87	41.43

- (ii) Balance at the end of the year

(Rupees in Lakhs)

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Southern Petrochemical Industries Corporation Limited		
Receivables at the end of the year	684.94	264.40
Payables at the end of the year	1681.20	4671.09

33. Going Concern

The company has incurred a Net Loss of Rs 2,355.36 lakhs during the year ended March 31, 2020 and, as on that date, the Company's accumulated loss is Rs.32,712.03 lakhs which has fully eroded the Company's net worth. However, having regard to continued production

of the company, financial support from its promoters and group companies, further restructuring exercise carried out during the year etc, the financial statements have been prepared on the basis that the Company is a going concern and that no adjustments are required to the carrying value of assets and liabilities.

34. Impairment assessment on Property, Plant and Equipment (PPE)

Management had carried out an impairment assessment in accordance with IND AS 36 to determine whether the recoverable value of PPE are less than the respective carrying value using the fair value less costs of disposal method.

The Management has assessed the fair value of freehold land basis recent valuation and selling price of comparable properties in similar locations adjusted for property size and costs of disposal; the fair value of plant and equipment, furniture and fixtures, office equipment were based on the written down value of these assets carried in the books of account as at March 31, 2020.

Based on the assessment it is concluded that recoverable amount is higher than the carrying value of PPE and hence no impairment impact is to be effected in the financial statement of the Company.

35. Covid - 19 Impact

The COVID 19 pandemic has had an unprecedented impact on the nation, its citizens, the economy and business. To slowdown the spread of COVID-19, the government announced a nationwide lockdown from 25th March, 2020. However even before the nationwide lockdown, various state governments and local administrations had implemented different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown. Hence, the adverse impact of COVID-19 in form of fractured supply lines and demand decline has been felt from mid-March. Though the COVID 19 related uncertainties persist, since the company's products are used for manufacture of essential commodities, the production has resumed fully from April 22, 2020 and is adhering to strict safety measures and Government guidelines. The Company has used the principle of prudence in applying judgements, estimates and assumptions including sensitivity analysis and has concluded that there is no impact of COVID 19 on the recoverability of carrying values of assets. Accordingly, no adjustments have been made to the financial statements. The impact of COVID-19 on the Company's financial statements if any, may differ from that estimated as at the date of approval of these financial statements.

36. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on June 15, 2020.

37. The figures for the previous year have been reclassified / regrouped wherever necessary for better understanding and comparability.

For and on behalf of the Board of Directors

G. Ramachandran
Managing Director
DIN : 00051999

B. Narendran
Director
DIN : 01159394

S. Nandakumar
Chief Financial Officer

Walter Vasanth P J
Company Secretary

Place : Chennai

Date : 15 June, 2020