



TAC/BSE/AR/2018-19

05.07.2019

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

Dear Sir,

Sub : Annual Report for the Financial Year ended 31.03.2019.
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 31.03.2019.

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.**


**RS Abhinandhanan
Company Secretary.**

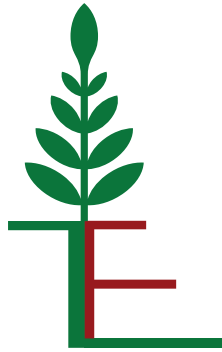
Encl : As above.

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

**2018 – 19
Annual Report**

**Board of Directors**

B. Narendran	DIN 01159394	Independent Director
Rm. Krishnan	DIN 00062318	Independent Director
S. Asokan	DIN 06591756	Independent Director
Rita Chandrasekar	DIN 03013549	Independent Director
G. Ramachandran	DIN 00051999	Managing Director

S. Nandakumar
R.S. Abhinandhanan
S. Venkataraman

Chief Financial Officer
Company Secretary
Chief Operating Officer

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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Form No. MGT 11 - Proxy Form	Attached



NOTICE

NOTICE is hereby given that the 46th Annual General Meeting of TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED (The Company) will be held on Friday, the 02nd August, 2019 at 10.00 a.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company and other Reports for the year ended 31st March, 2019 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 2019 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 at this meeting 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), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a director of the Company."

3. To authorise Board of Directors to fix remuneration of M/s. MSKA & Associates, Chartered Accountants, Chennai, (Firm Registration Number: 105047W) for the Financial Year 2019-20.

To consider and if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 including any modification(s) or amendment thereof, As recommended by the Audit Committee, the remuneration to M/s.MSKA & Associates, Chartered Accountants, Chennai, (Firm Registration Number: 105047W) as Statutory Auditors of the Company for the year 2019-20 is fixed as Rs.6,00,000 (Rupees six lakhs only) for audit and related services plus reimbursement of out of pocket expenses and applicable taxes."

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"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 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr.B.Narendran** (DIN:01159394), Independent Non-Executive Director of the

Company who has submitted a declaration that he 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 and continue office for another term of five consecutive years with effect from 14th August, 2019 to 13th August, 2024 and shall not be liable to retirement by rotation hereinafter in accordance with the provisions of the Companies Act, 2013 and during which term he will be continuing beyond the age of 75 years."

5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"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) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **Mr.S.Asokan** (DIN:06591756), Independent Non-Executive Director of the Company who has submitted a declaration that he 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 14th August, 2019 to 13th August, 2024 and shall not be liable to retirement by rotation hereinafter in accordance with the provisions of the Companies Act, 2013."

6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**

RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs.90,000/- plus applicable taxes and reimbursement of out of pocket expenses as approved by the Board of Directors to **Mr.P R Tantri** the Cost Auditor to conduct the audit of the Cost Records of the Company for the Financial Year ended 31st March, 2019 be and is hereby ratified.

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 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 re-appoint **Mr.G.Ramachandran** (DIN: 000051999) as a Managing Director of the Company, with effect from 12th December, 2018 for a



further period of 3 (three) years, liable to retire by rotation, upon the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including remuneration to be paid in the event of loss or inadequacy of profits) with liberty to the Board of Directors of the Company (hereinafter referred to as "the Board") which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution to alter and vary terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr.G.Ramachandran"

Registered Office:

"SPIC House",
88, Mount Road, Guindy,
Chennai - 600 032.
17th May, 2019

By Order of the Board

For TUTICORIN ALKALI CHEMICALS
AND FERTILIZERS LIMITED
RS ABHINANDHANAN
COMPANY SECRETARY

NOTES

1. An 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.
2. In terms of the provisions of Section 105 of the Companies Act, 2013, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as a proxy on behalf of not more than fifty (50) Members and holding in aggregate not more than ten percent (10%) of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS (48 hours) before the time for holding the Meeting. A Proxy Form is annexed to this Notice. Members may please note that a Proxy does not have the right to speak at the Meeting and can vote only on a poll. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.
3. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. Members are requested to send their queries, if any, on Annual Report, to the Company Secretary & Compliance Officer, not less than 7 days before the date of Meeting, so that the requisite information/explanations can be provided in time.
5. The Register of Members and Share Transfer Books will remain closed from 27 July, 2019 to 02 August 2019 (both days inclusive).
6. The shareholding of the Members will be reckoned as on the date of 26 July 2019 for the purpose of e-voting.
7. Members holding shares in electronic form are requested to intimate immediately, any change in their address or bank mandates to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company or its Registrar and Share Transfer Agent, Cameo Corporate Services Limited, Subramanian Buildings, 1, Club House Road, Off Anna Salai, Chennai 600 002.
8. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve annual reports and other communications through electronic mode to those Members who have registered their e-mail ID either with the Company or with the Depository Participant(s). Members who have not registered their e-mail ID so far are requested to register their e-mail ID so that they can receive the Annual Report and other communications from the Company electronically. Members holding shares in demat form are requested to register their e-mail ID with their Depository Participant(s) only. Members of the Company, who have registered their e-mail ID, are entitled to receive such communications in physical form upon request.
9. As an austerity measure, copies of the Annual Report will not be distributed at the Meeting. Members are requested to bring their copy of Annual Report to the Meeting.
10. No gifts or coupons would be given to shareholders for attending the Annual General Meeting.
11. All the documents referred to in the accompanying notice and the explanatory statement will be open for inspection at the Registered Office of the company during normal business hours (9.00 am to 5.00 pm) on all working days except on holidays upto and including the date of AGM.

**VOTING THROUGH ELECTRONIC MEANS**

In compliance with Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment, Rules 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided a facility to the Members to exercise their votes electronically through the electronic voting service provided by the Central Depository Services (India) Limited. Once a vote on the resolution is cast, the member shall not be allowed to change it subsequently

The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes once again.

The voting rights of the shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 26.07.2019 and accordingly, members as on the cut-off date as mentioned above only shall be entitled to avail the facility of remote e-voting or ballot paper.

A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut Off Date i.e 26.07.2019, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or through Poll at the EGM by following the instructions mentioned in this part.

The instructions for shareholders voting electronically are as under:

The voting period begins on 30.07.2019 at 09.00 AM and ends on 01.08.2019 at 05.00 PM During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date of 26.07.2019) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case of member receiving e-mail:

1. Log on to the e-voting website www.evotingindia.com during the voting period.
2. Click on "Shareholders".
3. Now, select "Tuticorin Alkali Chemicals and Fertilizers Limited" from the drop down menu and click on "SUBMIT".
4. Now Enter your User ID <ul style="list-style-type: none"> a. For CDSL: 16 digits beneficiary ID, b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID, c. Members holding shares in physical form should enter the Folio Number registered with the Company
5. Next enter the Image Verification as displayed and Click on Login.
6. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

PAN	For Members holding shares in Demat Form and Physical Form Enter your 10 digit alpha-numeric PAN issued by Income Tax Department. Members who have not updated their PAN with the Company/ Depository Participant are requested to enter their name in CAPITAL followed by the last 8 digits of the demat account / folio number in the PAN field. In case the folio number is less than 8 digits, enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with Folio No. 1 then enter RA00000001 in the PAN field.
Date of Birth	Enter the date of birth as recorded in your demat account or in the Company records for the said demat account of folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the date of birth or dividend bank details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field.

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

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

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

Click on the Electronic Voting Sequence Number (EVSN) along with "Tuticorin Alkali Chemicals and Fertilizers Limited" from the drop down menu and click on "SUBMIT" on which you choose to vote.

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. Enter the number of shares (which represents number of votes) under "YES/ NO" or alternatively you may partially enter any number in "YES" and partially in "NO", but the total number in "YES" and "NO" taken together should not exceed your total shareholding

Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Notice/Resolution details. 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.

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

You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page. 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.

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30th June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non - Individual Members (Institutional Shareholders) and Custodians:

Institutional shareholders (i.e. other than Individuals, HUFs, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

A scan copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy, please follow all steps as above to cast vote.

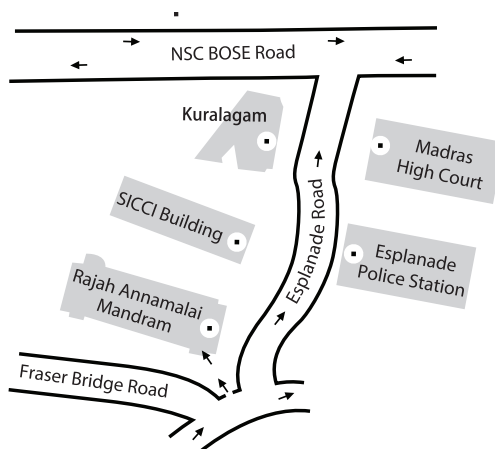
In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. On the alternative, you may also contact CDSL on Toll free Number 1800-200-5533.

The Company has appointed Mr.R.Kannan, practicing Company Secretary, Chennai (C.P.NO. 3363) to act as scrutinizer for conducting the electronic voting process in a fair and transparent manner.

The scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through e-voting in the presence of two witnesses not in the employment of the Company and make, not later than three working days from the conclusion of the meeting, a consolidated scrutinizer's report of the total votes cast in favour or against, if any to the Chairman or a person authorized by him in writing who shall counter-sign the same. Thereafter, the Chairman or the person authorized by him in writing shall declare the result of the voting forthwith.

The results declared along with the scrutinizer's report will be placed on the Company's web-site <http://www.tacfert.in/> and on the web-site of CDSL immediately after the result is declared by the Chairman/ Authorized person and the results will also be communicated to the Stock Exchange where the shares of the Company are listed.

ROUTE MAP FOR AGM VENUE





EXPLANATORY STATEMENT

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

Disclosure pursuant to Regulation 36(5) of SEBI (LODR)

The Audit Committee has proposed Remuneration of Rs. 6,00,000 (Previous Year Rs. 5,00,000) to M/s. MSKA & Associates for Financial Year 2019-20.

Item No: 4

The Members of the Company at the 41st Annual General Meeting held on 14th August, 2014 had appointed **Mr. B. Narendran** (DIN: 01159394) as Independent Director of the Company for a term of five (5) consecutive years commencing from 14th August, 2014 and expiring on 13th August, 2019.

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 Mr. B. Narendran that, he 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 Mr. B. Narendran 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 Mr. B. Narendran as Independent Director 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 14th August, 2019.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the re-appointment of Mr. B. Narendran has been received by the Company, along with consent pursuant to Section 152 of the Act.

As the Members are aware, pursuant to the Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), effective from April 1, 2019, no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five (75) years unless a special resolution is passed to that effect and the explanatory statement annexed to the notice proposing such appointment or continuation specifies the justification for such appointment or continuation, as the case may be.

Mr. B. Narendran is attaining the age of 75 years in 22 June, 2020. Pursuant to Regulation 17(1A) of the Listing Regulations, the Special Resolution for continuation of his directorship with effect from 22 June, 2020, will be required to be passed.

Based on the recommendations made by the Nomination Remuneration Committee, the Board of Directors at its meeting held on 17th May, 2019, has unanimously decided the continuation of directorships of Mr. B. Narendran after attaining the age of 75 years to till the date of expiry of his second term.

Details of Director Profile 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 No.4 are as follows:

Profiles and justification for continuation of the directorship of Mr. B. Narendran is stated below:

The Nomination and Remuneration Committee of the Board of Directors, on the basis of the report of performance evaluation of Independent Directors, has recommended the continuation of **Mr. B Narendran** as Independent Director after attaining the age of 75 years.

Mr. B Narendran, is a Chemical Engineer and a Master's Graduate from USA in Transportation, had worked as professional for more than 3 decades in MAC Group of companies as well as consultant to Shell Inc. Houston, Rite-Aid Pharmacy, Detroit and State Highways Administration, Baltimore, USA.

Mr. B. Narendran, is also the Honorary Consul, Office of the Honorary Consulate, Republic of Philippines in Chennai.

Details of other directorships and memberships/chairmanships of committees are given below

S. No	Directorship Held	Committee ❖ Membership / Chairmanship
1	Southern Petrochemical Industries Corporation Ltd	Audit Committee – Member ❖ Stakeholders Relationship Committee – Chairman ❖ Nomination and remuneration – Chairman ❖ Corporate Social responsibility Committee – Member
2	Sicagen India Ltd	Audit Committee – Member Nomination & Remuneration Committee – Member



3.	Greenstar Fertilizers Ltd	<ul style="list-style-type: none"> Audit Committee – Member Nomination & Remuneration Committee – Chairman Corporate Social responsibility Committee – Member
4	Mercantile Ventures Limited	<ul style="list-style-type: none"> Audit Committee – Member Stakeholders Relationship Committee – Member Nomination & Remuneration Committee – Chairman Corporate Social responsibility Committee – Member
5.	South India House Estates & Properties Ltd	<ul style="list-style-type: none"> Audit Committee – Chairman Nomination & Remuneration Committee – Member
6.	India Radiators Limited	<ul style="list-style-type: none"> Audit Committee – Member Nomination & Remuneration Committee – Chairman

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

Mr. B Narendran has no pecuniary relationship directly or indirectly, with the Company or relationship with any of the Managerial Personnel of the Company. Mr. B. Narendran does not hold any shares in 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 Mr. B Narendran, Director.

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

Item No: 5

The Members of the Company at the 41st Annual General Meeting held on 14th August, 2014 had appointed **Mr. S Asokan** (DIN: 06591756) as Independent Director of the Company for a term of five (5) consecutive years commencing from 14th August, 2014 and expiring on 13th August, 2019.

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 Mr. S Asokan that, he 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 Mr. S. Asokan 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 Mr. S. Asokan as Independent Director 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 14th August, 2019.

Requisite Notice from a member under Section 160 of the Companies Act, 2013 ('the Act') proposing the re-appointment of Mr. S. Asokan has been received by the Company, along with consent pursuant to Section 152 of the Act.

In the opinion of the Board, Mr. S. Asokan fulfilled the conditions for appointment as Independent Director as specified in the Act and SEBI Regulations and independent of the management. Details of Director Profile 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 Director is proposed at Item No.5 are as follows:

Mr. S. Asokan, aged 69 years, holds a Bachelor Degree in Mechanical Engineering with distinction from Annamalai University. After working briefly for Engineers India and BHEL, Mr. S. Asokan joined SPIC at its Fertiliser Complex at Tuticorin in 1973. Later from 2001 to 2011 worked for Technip India as Senior Vice President (Projects). Mr. S. Asokan has wide experience from basic design, detailed design engineering, project management, revamp, failure analysis and repair. After retirement, since 2012, Mr. S. Asokan renders consultancy to the Industry

Other Directorships held

Directorship Held	Committee Membership / Chairmanship
EDAC Engineering Limited	<ul style="list-style-type: none"> Audit Committee – Member Nomination & Remuneration Committee – Member

Mr. S. Asokan is not holding any shares in the Company.

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

Mr. S. Asokan have 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 Mr. S. Asokan as Director.

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

Item No: 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor **Mr. P R Tantri** to conduct Audit of the Cost Records of the Company relating to Chemical (Soda Ash) and Fertilizer (Ammonium Chloride) for the Financial Year ended 31st March, 2019 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 Mr P R Tantri, Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out in item No.6 of the Notice for ratification of the remuneration payable to the said Cost Auditor for the Financial Year ended 31st March, 2019.

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.

Item No. 2 & 7

Mr.G.Ramachandran (DIN: 000051999) was appointed as Managing Director for the period of 3 years from 12th December, 2015. Since his appointment ended on 11th December, 2018 the Nomination and Remuneration Committee has recommended his re-appointment for the further period of 3 years from 12th December, 2018.

Terms & Conditions of Reappointment

- Period of Appointment: Three Years with effect from 12.12.2018.
- 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 Managing Director shall be paid the following remuneration:
 - Salary: 62.00 lakhs
 - Reimbursement towards maintenance of Company's car (including driver wages) and residential communication

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, 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	Profit /(loss) after Tax
		2015-16	156.54	33.64
		2016-17	132.76	(35.24)
		2017-18	133.59	(44.75)
(5).	Export performance and net foreign Exchange collaborations.	Export sales during the year 2018-19 was 22,386 MT of Ammonium Chloride valued at Rs. 16.87 crores.		
(6).	Foreign investments or collaborators, if any.	Nil		
II. Information about the appointee:				
	Name of the Directors	Mr.G.Ramachandran		

facilities not exceeding . Rs.3.00 lakhs per annum.

- Provided that the balance amount, if any, remaining unspent in the previous year may be spent in the subsequent year(s), subject, however to the overall limit of Rs.9.00 lakhs during the above tenure of the appointment
- Mr.G.Ramachandran has reverted back to the rolls of TFL with effect from 01.10.2018 giving up the advisory role for setting up a fertilizer plant in USA. He will not receive any salary from M/s. Greenstar Fertilizers Limited after 30.09.2018. Hence the Remuneration Committee recommended that till 30.09.2018 salary was fixed only for the part time that he had spent, and hence will stand revised as per the above proposed (i) that will be applicable from 01.10.2018 for the period ending 11.12.2021.
 - Perquisites: In addition to above, the Managing Directors shall be entitled to the Personal accident insurance, group coverage for self as may be fixed by the Board from time to time.
 - Commission: Nil
 - Remuneration in the event of loss etc.:

Not with standing anything contained herein, in the event of any loss, absence or in adequacy of profit in any financial year, during the terms of office of the Managing 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.



(1).	Background details.	Mr.G.Ramachandran aged 67 years is a Chemical Engineer with a Post Graduate degree in Business Administration and possesses over 46 years of industrial experience in Fertilizers and Petrochemical Industries.
(2).	Past remuneration.	Rs. 41.64 Lakhs per annum Financial Year 2018-19
(3).	Recognition or awards.	None
(4).	Job profile and his suitability.	The Managing Director is responsible for the complete operations of the Company and he has vast experience in the field of Fertilizers and Petrochemical Industries.
(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 profile with respect to industry, chemical/fertilizer industry, in particular, are higher. Taking into account the turnover of the Company, the academic background, qualifications and rich experience of Mr. G. Ramachandran, his invaluable contribution to the Company, his vital role at the present juncture for the turnaround of the Company is very much needed and his present remuneration and comparable remuneration levels in the Industry, the proposed remuneration to Mr. G. Ramachandran 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	The Company still has the effects of 42 months of long shutdown between 2007 and 2010. The Ammonium Chloride plant is also highly corrosive and hence has to undergo constant maintenance and replacements. After implementation of our CO2 plant, SPIC stopped supply of CO2 gas completely. The CO2 plant also had lot of technical issues and it needed time to study and repair the issues one-by-one. The combination of the above two affected the quantum of production thereby the profits.
(2).	Steps taken or proposed to be taken for improvement	The Company installed the necessary additional equipments to ensure continuous operation of the CO2 plant. The Company is able to produce the required quantity of CO2 to ensure the production at higher capacity utilisation. All the maintenance issues of Soda Ash and Ammonium Chloride plants are being attended and the capacity utilisation has started improving since the last 2 quarters of the financial year 2018-19. It is expected to further increase in the ensuing year. It is expected that the normalcy will be restored before end of the financial year 2019-20.
(3).	Expected increase in productivity and profits in measurable terms.	Efforts will be made to improve the capacity utilisation from the current 48% to around 67% in the ensuing financial year. This will improve the turnover. In the subsequent years, it is expected that the capacity utilisation will be further improved to 80%. In the next 5 – 6 years of operation, the Company will be making reasonable profits meeting all the obligations comfortably.

IV. Disclosures – Provided in Corporate Governance 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 other than Mr G. Ramachandran as Managing Director.

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



DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

To

The Members

Your Directors are pleased to present the 46th Annual Report and the Audited Financial Statements of the Company for the year ended 31 March 2019.

FINANCIAL RESULTS

(Rupees in Crores)

DESCRIPTION	2018-19	2017-18
Sales Turnover (Net of Excise Duty / GST)	174.80	133.59
Gross Loss after meeting all expenses but before providing depreciation and interest	32.10	39.21
Add: Interest	2.34	3.21
Cash Loss	34.44	42.42
Add: Depreciation for the year	3.47	2.33
Extraordinary items	--	--
Net Profit / (Loss) for the year	(37.91)	(44.75)
Accumulated Loss	302.79	264.88
EPS & Diluted EPS	(4.15)	(30.51)

During the financial year, the operation of the CO₂ plant was stabilized ensuring continuous supply of CO₂ for production of Soda Ash. The solvent recovery system was also added. Quality of the coal was selected to limit the impurities in the flue gas resulting in the better utilization of the CO₂ plant. TWAD, as per the judgement of the National Green Tribunal (NGT) and further by the Supreme Court of India, stopped water supply with effect from 8.12.2018. Thereafter, we continued our operation only with our recovered water of the SWRO plant. The Supreme court of India, after presentation of the various facts, permitted industries to use the water, but under the continuous vigil of a committee headed by the Collector of Tuticorin, who will maintain the first right for supply of drinking water to the city.

In spite of continuous availability of CO₂ and water from SWRO plant, we could improve the production by only 8% due to the problems projected by the ageing equipments in the Soda Ash and Ammonium Chloride plants. The repairs are being done continuously avoiding long duration shutdowns but the short duration shutdowns hindered higher plant load factor. It is expected that the next financial year 2019-20, there could be substantial improvement by 20 – 30% in the capacity utilization.

The production and sales during the year ended 31st March, 2019 compared to the previous year are as given below;

(Qty. in MTs)

Product	Production		Sales (Includes internal Consumption)	
	2018-19	2017-18	2018-19	2017-18
Soda Ash (Light)	55,881	48,492	* 55,735	*48,454
Soda Ash (Dense)	--	10	--	3
Ammonium Chloride (Fertilizer)	52,215	41,940	55,303	39,054
Sodium Bicarbonate	--	153	--	166

*Includes captive consumption

DIVIDEND

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

MARKET SCENARIO

The selling price continued almost unchanged during the year. Since quantum of production was less, we didn't participate in the market, concentrating only couple of large customers.

Due to steady Ammonia prices, the sale price of Ammonium Chloride also remained steady through-out the year. However imposition of GST on Ammonium Chloride fertilizers has brought down the sales, as the fertilizers has become costlier in the hands of farmers, who prefers to buy other subsidized fertilizers at lower prices. Efforts to request reduction of GST on Ammonium Chloride fertilizers, which will boost local sales compared to the export, is being made.

FUTURE OUTLOOK & STRENGTH

Since your company is the only production source for Soda Ash in South and the quality is best suited for manufacture of detergent, it is a preferred product in the market. Tuticorin port seems to be the second largest source for Soda Ash in South with almost all western based manufacturers have started to import through this port and competing with us. However continuous production from the company can easily ward off such kind of efforts. The selling price of the products are easy to determine matching with landed cost. It is considered as very good opportunity available for the company to expand. The unit is situated right on the salt belt, hence sourcing the salt with availability of in house CO₂, are easy and large market for Soda ash in Asia & supply of imported ammonia from cheaper Asian market are the strengths of the Company to expand its operation. We are also continuously working in finalizing the plans for NPK complex fertilizer for better utilization of Ammonium Chloride (ACL). The absence of subsidy for ACL and need to make further investment to convert the ACL to NPK complex and the accumulated losses are the weaknesses of the Company.

**OPPORTUNITIES AND THREATS**

As already reported last year, your company has opportunity to market its fertilizers and soda ash not only in South India but also at mid and eastern states, when the expansion activity gathers steam.

The major threat of single source CO₂ has been overcome with the commissioning of the CO₂ plant. Addition of lime kiln plant, probably will make available more CO₂. Greenstar's second larger Ammonia tank will ensure continuous availability of Ammonia, which will substantially nullify the single source of Ammonia.

ENVIRONMENT AND SAFETY

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

WIND MILL

During the year 2018 - 19, 591608 units were generated from Wind Turbine Power Generators at Gudimangalam, Tirupur District, as against 55,000 units generated in the previous year. The aging windmills are being refurbished for better results.

POWER PURCHASE

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

CAPTIVE SALT WORKS

13,512 MT 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

Subsequent to holding EGM on 10.04.18, an application was filed with BSE and SEBI requesting their "in-principle" approval. NCLT also directed SEBI to decide soon on the matter, who granted their approval on 6.9.18. Since our application with NCLT has met with all the requirements of NCLT/SEBI, NCLT disposed off our case. We have issued fresh shares to the promoters as per the SEBI order and now we are awaiting listing clearance and trading clearance from BSE.

FIXED DEPOSIT

There was no outstanding deposit as at 31st March, 2019. 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

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

Your Company was 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 2018-19 which were in conflict with the interests of the Company.

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

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

**NUMBER OF BOARD & COMMITTEE MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW**

The Company had four Board meetings during the financial year under review. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. Full details are given in the Corporate Governance Report.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

Company's Internal Control System has been designed to provide for:

- Accurate recording of transactions with internal checks and prompt reporting.
- Adherence to applicable accounting standards and policies.
- Compliance with applicable statutes, management policies and procedures.
- Effective use of resources and safeguarding of assets.

The Internal audit was carried out periodically through a practicing chartered accountant. The observations arising out of the audit were periodically reviewed and compliance ensured. The summary of the internal audit observations and management responses were submitted to the Board after review by the Audit Committee.

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.

SEXUAL HARASSMENT

No cases were filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

The term of appointment of Mr.B.Narendran, and Mr. S.Asokan is ending on 13th August, 2019, hence, the company has proposed their re-appointment for the second term of five years in this Annual General Meeting

The tenure of appointment of Mr. G. Ramachandran has ended on 11th December, 2018. Hence, the Nomination Remuneration Committee has recommended his re-appointment for the further period of 3 years from 12 December, 2018 to 11 December, 2021.

The term of Dr. Rm Krishnan, as Independent Director of the Company is ending on 13th August, 2019, since he expressed his non willingness to get appointed for second term, he will be retiring on 13th August, 2019.

Mr.S.Shankar, Independent Director of the Company resigned with effect from 31.03.2019.

Mr. RS Abhinandhanan was appointed as a Company Secretary in place of Mr. S.Raghavan due to retirement.

DECLARATION OF INDEPENDENT DIRECTORS

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

BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Boards' performance and performance of the non-independent Directors 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 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, 2019. Secretarial Auditor's Report is annexed which forms part of this report.

COST AUDIT

As per the Government of India's directive, the Company's Cost Reports in respect of Fertilizer – Ammonium Chloride and Chemical – Soda Ash for the year ended 31st March, 2019 are being audited by the Cost Auditor Mr P R Tantri, was appointed by the Board.

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 and Mr. R. Kannan, Practicing Company Secretary, in their reports.

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

The Audit Committee consists of Mr.B. Narendran, Mr. S. Shankar, Mr. S. Asokan and Dr. Rm Krishnan all of whom are Independent Directors. During the year Mr.S.Shankar resigned as a member of Audit Committee with effect from 31.03.2019

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 safe guards 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 unsecured 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 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.

FRAUDS REPORTED BY AUDITORS AS PER SEC 143 (12) OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT.

There were no frauds reported by auditors in their report.

ANNUAL RETURN

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

CORPORATE GOVERNANCE

A report on Corporate Governance as stipulated under Schedule V and Regulation 34(3) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report. The requisite certificate from a practicing company secretary 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.

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 employee 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 – 2018-19	Mr.G.Ramachandran, Managing Director	10.29%
The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary in the financial year – 2018-19.	Mr.G.Ramachandran, Managing Director Mr. S.Nandakumar, Chief Financial Officer Mr. S.Raghavan, Company Secretary Retired w.e.f 30.08.2018	128% (Reverted to full-time in Oct. '18) 6% No change
The percentage increase in the median remuneration of employees in the financial Year – 2018-19.	(0.50)	
The number of permanent employees on the rolls of Company as on 31.03.2019	227	
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 2018-19.	(3.41%)
	Average percentage increase already made in the salaries of the key managerial personnel in the FY 2018-19	74.31%

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 older insulations are periodically replaced especially in the chilled water circuit, to reduce the energy consumption. The compressors and condensers are also attended to regularly for higher efficiency. In-house CO₂ production eliminated the need for venting the recirculating gas, which has brought in reduced specific consumption and improved efficiency.

2. Steps taken for utilizing alternative sources of energy

A Solar power plant, which is jointly installed by the Group companies, is expected to be commissioned in the ensuing financial year.

3. Capital investment in conservation energy

CO₂ plant reduces the wastage of CO₂, thereby saves energy indirectly. No direct investment has been made during the Financial Year.

B. Technology Absorption

(a) The Company has fully utilized the imported Technology of Hitachi Zosen, Japan which was imported in the year 1980.

(b) Expenditure on Research & Development

(i) Capital	Nil
(ii) Recurring	Nil
(iii) Total	Nil

C. Foreign Exchange Earnings and outgo:

(a) Foreign Exchange inflow:	Rs. 6.56 Crores
(b) Foreign Exchange outflow:	Rs. 3.36 Crores

Details of significant changes in key financial ratios (Change of 25% or more as compared to the immediately previous financial year).

During the year, there was no significant change in the financial ratios as compared to the previous year which are more than 25%.

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 to 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

Chennai
17th May, 2019

B. NARENDRAN G. RAMACHANDRAN
Director Managing Director

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

Company have formed Risk Management Committee as already reported, headed by Mr. B. Narendran, Director. The other members are M/s. S. Asokan, Director, G. Ramachandran, Managing Director, and S. Nandakumar, Chief Financial Officer.

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

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

ANNEXURE 2**REMUNERATION POLICY****PURPOSE**

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

PAY PACKAGE

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

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

EXECUTIVE PAY PACKAGE

The Executive Pay Packages shall also follow the above guidelines. However, since they are primarily responsible for taking the Company forward and improving its business ability, deviations as necessary can be made to provide substantial motivating pays apart from the fixed salary. Perquisites of housing and transportation can also be different as per the need.

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

OTHER GENERAL ISSUES

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

PROCEDURES

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

ANNEXURE 3**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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



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

As on the financial year ended on 31 March 2019

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

I. REGISTRATION AND OTHER DETAILS

I.	CIN :	L24119TN1971PLC006083
II.	Registration Date	03/12/1971
III.	Name of the Company:	Tuticorin Alkali Chemicals and Fertilizers Limited
IV.	Category / Sub-Category of the Company:	Listed Public Limited Company
V.	Address of the Registered Office and contact details:	"SPIC HOUSE", 88 Mount Road, Guindy, Chennai – 600 032 Phone: 2235 2513 E-mail: info@tacfert.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	65.96
2.	Ammonium Chloride - Fertilizer	24122	26.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

S.No	Name and address of the company	CIN	Holding/ Associate	% of shares held
1	Southern petrochemical Industries Corporation limited	L11101TN1969PLC005778	Associate	43.94
2	AMI Holdings Private Limited	U65921TN1992PTC100374	Associate	46.61


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 PROMOTER GROUP									
1.	INDIAN									
a.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	--	--	--	--	--	--	--	--	--
b.	BODIES CORPORATE	--	6680113	6680113	45.15	6680113	107040000	113720113	93.34	48.19
c.	FINANCIAL INSTITUTIONS/ BANKS	--	--	--	--	--	--	--	--	--
d.	ANY OTHER	--	--	--	--	--	--	--	--	--
	SUB - TOTAL (A)(1)	--	6680113	6680113	45.15	6680113	107040000	113720113	93.34	48.19
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	6680113	45.15	6680113	107040000*	113720113	93.34	48.19
B.	PUBLIC SHAREHOLDING									
1.	INSTITUTIONS									
a.	MUTUAL FUNDS/UTI	--	2450	2450	0.02	--	2450	2450	--	-0.02
b.	FINANCIAL INSTITUTIONS/ BANKS	600	500	1100	0.01	600	500	1100	--	-0.01
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	314	--	314	--	314	--	314	--	--
d.	INSURANCE COMPANIES	--	--	--	--	--	--	--	--	--
e.	FOREIGN INSTITUTIONAL INVESTORS	--	300	300	--	--	300	300	--	--



f.	FOREIGN VENTURE CAPITAL INVESTORS	--	--	--	--	--	--	--	--	--
g.	QUALIFIED FOREIGN INVESTOR	--	--	--	--	--	--	--	--	--
h.	ANY OTHER									
	SUB - TOTAL (B)(1)	914	3250	4164	0.03	914	3250	4164	--	-0.03
2.	NON-INSTITUTIONS									
a.	BODIES CORPORATE	1073546	16200	1089746	7.37	1367887	16200	1384087	1.14	-6.23
b.	INDIVIDUALS -									
I	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO RS. 1 LAKH	2480095	1370199	3850294	26.02	2695603	1308899	4004502	3.29	-22.73
II	INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF RS. 1 LAKH	2730719	--	2730719	18.46	2270907	--	2270907	1.86	-16.60
c.	QUALIFIED FOREIGN INVESTOR	--	--	--	--	--	--	--	--	--
d.	ANY OTHER CLEARING MEMBERS	3191	--	3191	0.02	4047	--	4047	--	-0.02
	HINDU UNDIVIDED FAMILIES	187026	--	187026	1.26	1020	--	1020	--	-1.26
	NON RESIDENT INDIANS	68927	180950	249877	1.69	77563	177300	254863	0.21	-1.48
	Resident HUF	--	--	--	--	191527	--	191527	0.16	0.16
	TRUSTS	700	--	700	--	600	--	600	--	--
	Total (d)	259844	180950	440794	2.98	274757	177300	452057	0.37	-2.61
	SUB - TOTAL (B)(2)	6544204	1567349	8111553	54.82	6609154	1502399	8111553	6.66	-48.16
	TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)	6545118	1570599	8115717	54.85	6610068	1505649	8115717	6.66	-48.19
	TOTAL (A)+(B)	6545118	8250712	14795830	100	13290181	1505649	121835830	100.00	--
C.	SHARES HELD BYCUSTODIANS									
	AND AGAINST									
	WHICH DEPOSITORY RECEIPTS									
	HAVE BEEN ISSUED Promoter and Promoter Group									
	Public	--	--	--	--	--	--	--	--	--
	TOTAL CUSTODIAN (C)	--	--	--	--	--	--	--	--	--
	GRAND TOTAL (A)+(B)+(C)	6545118	8250712	14795830	100	13290181	108545649	121835830	100.00	--



* Based on SEBI Order dated 6th September, 2018, 10,70,40,000 equity shares were allotted to promoter and promoter group on 17th September, 2018, to meet the requirement of regulation 74(1) of SEBI ICDR Regulations to be within 15 days. The Company is awaiting the outcome of the application for "In-principle" approval, listing, trading and the conditions / exemptions imposed / granted by SEBI and BSE on this issue. Pending the approval, the promoter holdings are not in demat.

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	% shares of pledged / encumbered to total shares	No of shares	% of total shares of the company	% shares of pledged / encumbered to
1	Southern Petrochemical Industries	6680113	45.15	45.15	53530113	43.94	--
2	AMI Holdings Private Limited	--	--	-	56790000	46.61	--
3	South India Travels Private Limited	--	--	--	400000	0.33	--
4	Twin Shield Consultants Private Limited	--	--	--	3000000	2.46	--

iii) Change in Promoters' Shareholding –

Sl No	Shareholder's Name	Reason	No. of shares held at the beginning of the year			Increase / (decrease) in shareholding	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	Allotment	6680113	45.15	45.15	46850000	53530113	43.94	--
2	AMI Holdings Private Limited	Allotment	--	--	--	56790000	56790000	46.61	--
3	South India Travels Private Limited	Allotment	--	--	--	400000	400000	0.33	--
4	Twin Shield Consultants Private Limited	Allotment	--	--	--	3000000	3000000	2.46	--

v) 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 01-Apr-2018	281000	1.89	281000	1.89
	Sale 20-Apr-2018	(125000)	0.84	156000	1.05
	Sale 27-Apr-2018	(3600)	0.02	152400	1.03
	Sale 01-Jun-2018	(13460)	0.09	138940	0.93
	Sale 08-Jun-2018	(28653)	0.19	110287	0.74
	Sale 15-Jun-2018	(34619)	0.23	75668	0.51
	Sale 22-Jun-2018	(31381)	0.21	44287	0.29
	Sale 29-Jun-2018	(2606)	0.01	41681	0.28
	Sale 06-Jul-2018	(2081)	0.01	39600	0.26
	Sale 13-Jul-2018	(13200)	0.08	26400	0.17



	Sale 20-Jul-2018	(5400)	0.03	21000	0.14
	Sale 03-Aug-2018	(16315)	0.11	4685	0.03
	Sale 10-Aug-2018	(4685)	0.03	--	--
	Purchase 29-Mar-2019	731191	4.94	731191	0.60
	At the end of the Year 30-Mar-2019	731191	4.94	731191	0.60
2	HARSHA HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : RADHABAI RAMJI JAVERI				
	At the beginning of the year 01-Apr-2018	210000	1.41	210000	1.41
	Purchase 06-Apr-2018	110465	0.74	320465	2.16
	Purchase 13-Apr-2018	135283	0.91	455748	3.08
	Purchase 20-Apr-2018	132201	0.89	587949	3.97
	At the end of the Year 30-Mar-2019	587949	3.97	587949	0.48
3	HITESH RAMJI JAVERI JT1 : RADHABAI RAMJI JAVERI JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 01-Apr-2018	425000	2.87	425000	2.87
	Purchase 20-Apr-2018	7500	0.05	432500	2.92
	At the end of the Year 30-Mar-2019	432500	2.92	432500	0.35
4	ASIAN PORTFOLIO MANAGEMENT PVT. LTD.				
	At the beginning of the year 01-Apr-2018	235000	1.58	235000	1.58
	At the end of the Year 30-Mar-2019	235000	1.58	235000	0.19
5	MAHAMAYA COMMOTRADE PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2018	--	--	--	--
	Purchase 30-Mar-2019	96000	0.64	96000	0.08
	At the end of the Year 30-Mar-2019	96000	0.64	96000	0.08
6	AJAY KUMAR AGARWAL				
	At the beginning of the year 01-Apr-2018	56887	0.38	56887	0.38
	Purchase 08-Jun-2018	3000	0.02	59887	0.40
	Purchase 10-Aug-2018	7000	0.04	66887	0.45
	Purchase 24-Aug-2018	2050	0.01	68937	0.46
	Purchase 14-Sep-2018	19000	0.12	87937	0.07
	At the end of the Year 30-Mar-2019	87937	0.59	87937	0.07
7	KINJAL DINESHCHANDRA SHAH				
	At the beginning of the year 01-Apr-2018	--	--	--	--
	Purchase 28-Sep-2018	20816	0.14	20816	0.02
	Purchase 05-Oct-2018	36290	0.24	57106	0.05
	At the end of the Year 30-Mar-2019	57106	0.38	57106	0.05
	HAVING SAME PAN				
7	KINJAL DINESHCHANDRA SHAH				
	At the beginning of the year 01-Apr-2018	--	--	--	--
	Purchase 12-Oct-2018	10000	0.06	10000	0.01
	At the end of the Year 30-Mar-2019	10000	0.06	10000	0.01



8	SPFL SECURITIES LTD.				
	At the beginning of the year 01-Apr-2018	50233	0.33	50233	0.04
	At the end of the Year 30-Mar-2019	50233	0.33	50233	0.04
9	MITALI HITESH JAVERI JT1 : HITESH RAMJI JAVERI JT2 : HARSHA HITESH JAVERI				
	At the beginning of the year 01-Apr-2018	49000	0.33	49000	0.33
	Purchase 13-Apr-2018	1	--	49001	0.33
	Purchase 18-May-2018	1226	0.01	50227	0.34
	At the end of the Year 30-Mar-2019	50227	0.33	50227	0.04
10	M.PRASAD & CO LIMITED				
	At the beginning of the year 01-Apr-2018	50000	0.33	50000	0.38
	At the end of the Year 30-Mar-2019	50000	0.34	50000	0.04
	NEW TOP 10 AS ON (30-Mar-2019)				
11	VIJAY KUMAR AGARWAL				
	At the beginning of the year 01-Apr-2018	1176385	7.95	1176385	7.95
	Sale 13-Apr-2018	(45000)	0.30	1131385	7.65
	Sale 04-May-2018	(23389)	0.16	1107996	7.49
	Sale 11-May-2018	(1680)	0.01	1106316	7.48
	Sale 10-Aug-2018	(11399)	0.08	1094917	7.40
	Sale 17-Aug-2018	(10740)	0.07	1084177	7.33
	Sale 24-Aug-2018	(12100)	0.08	1072077	7.25
	Sale 31-Aug-2018	(83956)	0.57	988121	6.68
	Sale 07-Sep-2018	(43305)	0.29	944816	6.39
	Sale 14-Sep-2018	(60000)	0.41	884816	5.98
	Sale 21-Sep-2018	(40000)	0.27	844816	0.69
	Sale 28-Sep-2018	(50000)	0.34	794816	0.65
	Sale 05-Oct-2018	(21917)	0.15	772899	0.63
	Sale 16-Nov-2018	(3312)	0.02	769587	0.63
	Sale 21-Dec-2018	(100)	--	769487	0.63
	Sale 28-Dec-2018	(12660)	0.09	756827	0.62
	Sale 11-Jan-2019	(21460)	0.15	735367	0.60
	Sale 18-Jan-2019	(1300)	--	734067	0.60
	Sale 25-Jan-2019	(2200)	0.01	731867	0.60
	Sale 29-Mar-2019	(731867)	4.95	--	--
	At the end of the Year 30-Mar-2019	--	---	--	--
12	ASHARI AGENCIES LTD				
	At the beginning of the year 01-Apr-2018	185978	1.27	185978	1.26
	Sale 03-Apr-2018	(50000)	0.34	135978	0.92
	Sale 06-Apr-2018	(25000)	0.17	110978	0.75
	Sale 13-Apr-2018	(110978)	0.75	--	--
	At the end of the Year 30-Mar-2019	--	--	--	--



13	SYKES & RAY EQUITIES (I) LTD.				
	At the beginning of the year 01-Apr-2018	100000	0.66	100000	0.68
	Purchase 16-Nov-2018	1000	--	101000	0.08
	Sale 22-Mar-2019	(4000)	0.03	97000	0.08
	Sale 30-Mar-2019	(97000)	0.66	--	--
	At the end of the Year 30-Mar-2019	--	--	--	--
14	JUHI ANIL GOEL				
	JT1 : MANAVI ANIL GOEL				
	At the beginning of the year 01-Apr-2018	66000	0.45	66000	0.45
	Sale 24-Aug-2018	(6000)	0.04	60000	0.41
	Sale 07-Sep-2018	(48147)	0.33	11853	0.08
	At the end of the Year 30-Mar-2019	11853	0.08	11853	0.01

vi) Shareholding of Directors and Key Managerial Personnel:

SI 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.	Mr. RS Abhinandhanan	40	-	40	-
2.	Mr. S Nandakumar	50	-	50	-

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 01.04.2018	8.00	10.47	---	18.47
i) Principal Amount	---	---	---	---
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	8.00	10.47	---	18.47
Change in Indebtedness during the financial year				
Addition	---	---	---	---
Reduction	--	10.47	---	10.47
Net Change	---	10.47	---	10.47
Indebtedness at the end of the financial year 31.03.2019				
i) Principal Amount	8.00	---	---	8.00
ii) Interest due but not paid	---	---	---	---
iii) Interest accrued but not due	---	---	---	---
Total (i+ii+iii)	8.00	---	---	8.00

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

(Rupees in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. G. Ramachandran	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38.80	38.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2.84	2.84
	(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)	41.64	41.64
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					
		Mr. B Narendran	Dr. RM Krishnan	Mr. S Shankar	Mr. S Asokan	Mrs. Rita Chandrasekar	Total Amount
1.	Fee for attending board / committee meetings	1.25	0.94	0.94	1.25	0.62	5.00
2.	Commission	NIL	NIL	NIL	NIL	NIL	NIL
3.	Others	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	1.25	0.94	0.94	1.25	0.62	5.00

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) = (I)+(II)	5.00
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		C F O	Total
		S.Raghavan (till 30.08.2019)	RS Abhinandhanan (from 31.08.2018)		
1.	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.38	3.43	15.41	22.22
	(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)	3.38	3.43	15.41	22.22

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Sl. No.	EMP CODE	EMP NAME	DESIGNATION	REMUNERATION (Rs.)	QUALIFICATION	EXPERIENCE	DATE OF JOINING	AGE	LAST EMPLOYMENT WITH DESIGNATION
1	C015	G RAMACHANDRAN	Managing Director	4163879	B.Tech., (Chem. Engg.), MBA	46	12/12/2011	67	Managing Director, Manali Petro Chemicals Limited
2	669	S NANDAKUMAR	CHIEF FINANCIAL OFFICER	1541384	B.Com., M.Com., ICWA	38	1/12/1983	58	Accountant, Royalty Wines
3	1524	G.MATHIVANAN	G M WORKS	1416841	BE (Mech. Engg.)	28	8/2/2016	50	ED, Firefix Engineering
4	1445	V.JAYAMUTHU MAGESH	A G M - HR	1123938	BA(Eco.), MA(SW), PG Dip.(LL & AL), LLB, PG Dip. (Counselling)	19	11/11/2015	41	Sr. Mgr. – HR, GHCL.
5	9040	S SAHAYARAJ	A G M Operations	1051189	B.Sc.(Chem.)	38	2/12/1981	61	--
6	1502	S V GANESH BABU	MANAGER MAINTENANCE	834335	DME, BE (Mech. Engg.)	26	5/4/2018	46	Mgr. – Maint., Shri Balaji Indl Valves, Chennai
7	243	T P NELLAIAPPAN	SR. MANAGER MAINTENANCE	829763	DME, BE (Mech. Engg.), Dip.(Fin. Mgmt.), MBA	37	2/12/1981	58	--
8	C024	N MUTHIAH	A G M - Finance	821348	B.Com., M.Com.	39	1/4/1980	63	--
9	C023	L DORAIPANDIAN	SR.MANAGER MARKETING	783020	M.Sc, PGDMM, Dip. In OR	39	4/10/2013	62	Asst. Professor of Statistics, Madras Christian College, Tambaram, Chennai
10	357	M THILAGAR	A G M - ACL	778756	B.Sc. (Chem.), AMIICE	36	16-08-1982	59	--



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 31 March, 2019 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 31 March, 2019, the Board of Directors of the Company comprised of 5 Directors. The Board comprises of

one Executive Director and five 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. Mr.S.Shankar, Non-Executive Independent Director of the Company resigned w.e.f. 31.03.2019.

- 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, 2019, numbers of meetings held and attended during the year are as follows:

S. No	Director	Board Meetings during the year		Attendance at last AGM	No. of Other Directorship 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	3	9
2.	Dr. Rm. Krishnan Non-Executive Independent	4	3	Yes	Director - 1	---	---
3.	S. Shankar * Non-Executive Independent	4	2	Yes	Director – 1	1	1
4.	S. Asokan Non-Executive Independent	4	4	Yes	Director - 1	---	2
5.	Rita Chandrasekar Non – Executive Independent	4	3	Yes	Director - 3	2	3
6.	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.

* Mr.S.Shankar, Non-Executive Independent Director of the Company resigned w.e.f. 31.03.2019.



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 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 independent Director in all companies.
2.	Dr. Rm. Krishnan Non-Executive Independent	Nil	Nil
3.	S. Asokan Non-Executive Independent	Nil	Nil
4.	Rita Chandrasekar Non – Executive Independent	❖ Sicagen India Limited ❖ India Radiators Limited	Non-Executive independent Director 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 Stakeholder'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.

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, 2018 to 31st March, 2019, 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
11.02.2019	6	5
02.11.2018	6	5
03.08.2018	6	6
16.05.2018	6	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 11.02.2019 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, 2019, the Chairman of the Committee is Mr. B.Narendran, Director and the other members of the Committee are Mr. S. Shankar, Director, Mr. S. Asokan, Director and Dr. Rm Krishnan. Mr.S.Shankar, resigned w.e.f. 31.03.2019.

- Meetings and attendance

Four Meetings of the Audit Committee were held during the year. The dates are 16.05.2018, 03.08.2018, 02.11.2018 and 11.02.2019. The attendance of each Member of the Committee is given below

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

- 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. The Members as on 31st March, 2019 are M/s. B. Narendran, S. Shankar and Dr. Rm. Krishnan.

- 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 1st November, 2013 and on 4th August, 2016, he has been reappointed for a further period of three years upto 11th December, 2018. He reverted back to full time service of the Company wef 1st October, 2018, after completing his assignment on an advisory role with M/s.Greenstar Fertilizers Limited. In the

proposed 46th AGM on 2nd August, 2019, his re-appointment for a further period of 3 years from 12th December, 2019 is taken up under Item No. 7 with remuneration fixed by the Nomination and Remuneration Committee. He has been paid a remuneration of Rs.41.64 lakhs for the year ended 31st March, 2019.

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, 2019 are as follows: (Rupees in Lakhs)

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

C. Stakeholders Relationship Committee:

The members of the Committee are Mr. B. Narendran, Director, Mr. G. Ramachandran, Managing Director and Mr. S. Asokan. The Board of Directors of the Company has authorised the Managing Director to approve the share transfers and transmissions once in a fortnight.

This enabled the Company to expeditiously process and approve share transfers and transmissions, within 10-15 days of receipt of the investors' requests. The Company had no pending documents for transfer as on 31st March, 2019.

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, 2019. 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
43rd AGM 2015 – 2016	Rajah Annamalai Hall, Esplanade, Chennai – 600 108	4th August 2016 10.00 am
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

Special Resolutions

Date of AGM	Subject
43rd AGM 2015 – 2016	<ul style="list-style-type: none"> Reappointment of MD for 3 years. To invest in Group captive scheme of Tamilnadu Electricity Regulatory Commission for Rs.5 crores.
44th AGM 2016 – 2017	Alteration in Capital clause of Articles of Association of the company
EGM	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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.

Passing of Special Resolution by Postal Ballot

No Resolution has been passed in Postal Ballot during the year 2018-19.

10. Disclosures

During the year ended 31st March, 2019, there were no materially significant related party transactions having conflict with the interests of the Company.

- Paid Rs. 64,800 to BSE as penalty towards 3 days delayed submission of Listing Application for 10,70,40,000 equity shares allotted on 17.09.2018.
- There were no other 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.

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

The Company is in compliance with all the mandatory provisions related to Corporate Governance pursuant to the requirements of the LODR with other applicable provisions, if any. The status of compliance with non-mandatory Regulation 27(1) of LODR are as under:

12 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.

13 Audit Qualifications:

During the period under review, there is no audit qualification in the Company's Financial Statements.

14 Reporting of the Internal Auditor:

The Company is having independent Internal Auditor (separate from the employees). The Internal Auditor's used to send their reports to the CFO and in turn the reports are circulated to the members of the Audit Committee for their perusal.

15 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

**16 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.

17 General Shareholder Information..

1	Annual General Meeting Date, Time and Venue	Friday, 2nd August 2019 at 10.00 a.m. Rajah Annamalai Hall, Esplanade, Chennai – 600 108
2	Financial Calendar April 2019 – March 2020	First Quarter Results - First Week of August, 2019 Half-Yearly Results - First Week of November, 2019 Third Quarter Results - First Week of February, 2020 Annual Results for the year ended 31st March 2020 - Last Week of May, 2020
3.	Record Date Book Closure Date	Nil 27.07.2019 TO 02.08.2019
4.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited. The Company has paid the Listing Fees to the Stock Exchange upto date
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Chennai – 600 002
6.	Stock Code Demat ISIN No.	506808 - Bombay Stock Exchange Limited. INE 400A01014
7.	Share Transfer System	The power to approve transfer and transmission of shares has been delegated by the Board to the Managing Director and Stakeholders Relationship Committee. Share Transfer requests are processed within a period of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names. The share certificates are dispatched by Registered Post
8.	Dematerialization of shares and liquidity	10.90 % equivalent to 1,32,90,181 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. Listing application for the 10,70,40,000 equity shares issued on 17.09.2018 has been filed with BSE, on approval the same will be dematerialized.
9.	Details of public funding obtained in the last three years Outstanding GDRs/ ADRs / Warrants of any convertible instruments. Depository Registry For providing connectivity to both the depositories viz., National Securities Depository Services Limited and Central Depository Services (India) Limited	No capital has been raised in the last three years from Public. Not Issued Cameo Corporate Services Limited Subramanian Building, 1, Club House Road Off. Anna Salai, Chennai 600 002 Telephone No.28460390 : Fax No. 28460129 Email: cameo@cameoindia.com
10.	Plant Location	Harbour Construction Road, Tuticorin - 628 005
11.	Website	www.tacfert.in



12.	Address for correspondence	<p>Investors may contact the Registrar and Transfer Agent for matters relating to shares, dividends, annual reports and related issues at the following address viz.,</p> <p>Cameo Corporate Services Ltd, Subramanian Building, V Floor, No: 1, Club House Road, Chennai – 600 002. Phone: 044 - 28460390 / 28460394 & 28460718, Fax 044 - 28460129, E-mail: investor@cameoindia.com</p> <p>For other general matters or in case of any difficulties/grievances Investors may contact:</p> <p>Mr. RS Abhinandhanan - Company Secretary Tuticorin Alkali Chemicals and Fertilizers Limited 'SPIC House', 88, Mount Road, Guindy, Chennai – 600 032. Telephone No.044- 22352513 Email: info@tacfert.com</p>
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18 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 Whistle Blower Policy has been framed, the text of which has been uploaded in the website of the Company. 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.

- 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-paras (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 shareholders 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)
Payment to statutory auditors	MSKA & Associates
Audit Fees	4.50
Tax Audit Fees	0.50
Other Services	-
Reimbursement of expenses	0.12
Total	5.12

- 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

The details of adoption of discretionary requirements as stipulated in Part E of Schedule II are as follows:

There have been no modified opinions on the financial statements and the Company is under a regime of unmodified audit opinions.

The Company has appointed a third party firm as the internal Auditor which carries out the audit and the report is presented to the Audit Committee for review and further directions.

**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, 2019.

Chennai
17th May, 2019

For and on behalf of the Board of Directors
S. NANDAKUMAR G. RAMACHANDRAN
Chief Financial Officer Managing Director

DISTRIBUTION OF HOLDINGS

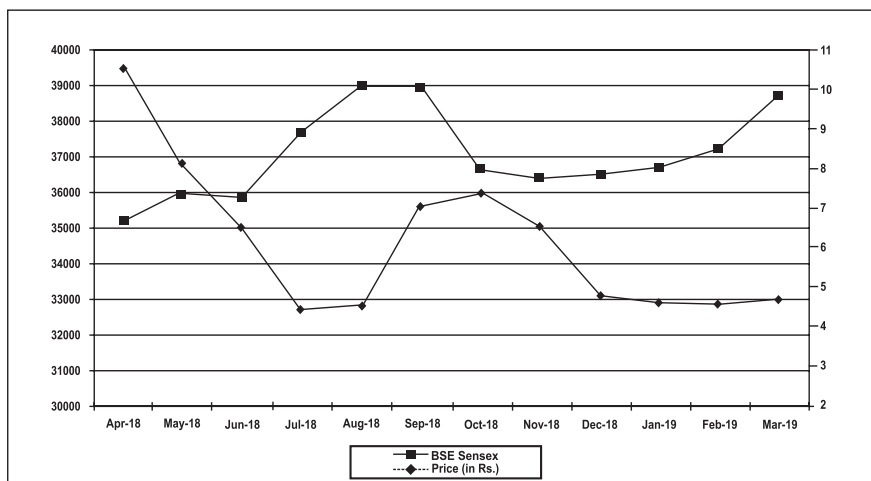
Share or Debenture holders	Share / Debenture holdings		Share Debenture holding	
Shares	Number	% of total	Shares	% of total
1 - 100	13345	69.65	768778	5.20
101 - 500	4253	22.20	1192542	8.06
501 - 1000	837	4.37	707154	4.78
1001 - 2000	361	1.88	567161	3.83
2001 - 3000	113	0.59	292687	1.98
3001 - 4000	52	0.27	186894	1.26
4001 - 5000	55	0.29	261750	1.77
5001 - 10000	65	0.34	488472	3.30
10001 - And Above	79	0.41	10330392	69.82
Total	19160	100.00	14795830	100.00

MARKET / SHARE PRICE DATA BOMBAY STOCK EXCHANGE LIMITED, MUMBAI

Month	Company shares Listed at BSE		Sensex	
	High	Low	High	Low
Apr-18	10.52	8.17	35993.53	34302.89
May-18	8.15	6.24	35877.41	34784.68
Jun-18	6.50	4.20	37644.59	35106.57
Jul-18	4.42	3.62	38989.65	37128.99
Aug-18	4.51	3.79	38934.35	35985.63
Sep-18	7.03	3.79	36616.64	33291.58
Oct-18	7.38	5.59	36389.22	34303.38
Nov-18	6.55	4.59	36554.99	34426.29
Dec-18	4.78	3.86	36701.03	35375.51
Jan-19	4.60	3.62	37172.18	35287.16
Feb-19	4.56	3.21	38748.54	35926.94
Mar-19	4.68	3.61	39487.45	38460.25



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



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, 2019 as stipulated in regulations 17 to 27 and clauses (b) to (i) 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 (i) 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, 2019, 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.

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

Geetha Jeyakumar
Partner
Membership No. 029409

Place: Chennai
Date: May 17, 2019



Form No.MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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,

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Tuticorin Alkali Chemicals And Fertilizers Limited(here in after 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 there on.

Based on my verification of M/s Tuticorin Alkali Chemicals and Fertilizers Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provide by the company its officers, gents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has during the filed and other records maintained by the company and also the information provided by the Company, its officers, agent as and authorized representatives during the conduct of secretarial 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 financials year ended on March 31, 2019 (Audit Period) complied with the statutory provisions listed here under also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2019 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
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

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

(a) The Fertilizer (Control) Order 1985.

(b) The Tamil Nadu Water (Prevention and Control of Pollution) Rules, 1983.

(c) The Air (Prevention and Control of Pollution) Act, 1981.

(d) The Hazardous Waste (Management and Handling) Rules, 1989.

(e) The Boilers Act, 1923.

We 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 1st July, 2015).
- (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.

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

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

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

With respect to the shares converted during the EGM held on 10th April, 2018 the company has applied for listing approval with SEBI/ BSE, which is pending at regulator level.

No specific violations in respect of Tax laws came to the notice of the undersigned from the review of the said check list. However I report



that I have not carried out the audit with reference with the applicable financial laws, such as the Direct and Indirect Tax Laws, as same falls under the review of statutory audit and other designed professionals.

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, the company has appointed Mr. R.S. ABHINANDHANAN as the Company Secretary as per Section 203 of the Companies Act read with The Companies (Appointment and remuneration of Managerial Personnel) Rules, 2014 for the company in place of Mr. Raghavan.

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.

Place: Chennai
Date: 17.05.2019

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.

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of audit, and also on review of quarterly compliance reports by respective department heads / company secretary, in my opinion, adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with other applicable laws such as Labour Laws and Environmental Laws.

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

'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: 17.05.2019

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Whereever 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



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 31st March 2019, 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 31st March 2019, and 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 34 to the financial statements, which indicates that the Company has incurred a net loss of Rs. 3,767.75 Lakhs during the year ended March 31, 2019 and, as of that date, the Company's current liabilities exceeded its total assets by

Rs.17,437.06 Lakhs. As stated in the said note, these events or conditions, along with other matters as set forth in Note, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, as stated in the note, having regard to continued production in the Company, financial support from its promoters, the financial statements have been prepared on going concern basis.

Our opinion is not modified in respect of this matter.

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.

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 Material Uncertainty related to Going Concern section, 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>As at March 31, 2019, Property Plant and Equipment (PPE) amounting to Rs. 6,248.97 Lakhs represents 51% of the Company's total assets. The company is incurring losses and the net worth has been fully eroded. Refer to Note 34 to the financial statements.</p> <p>This required an impairment assessment of the carrying value of assets based on the future cash flows of these assets. Calculation of recoverable amount based on requirement of 'IND AS 36: Impairment of Assets' in the said case involves significant judgement and estimates by management w.r.t utilisation of assets, attributable disposable values, discount rates applied for evaluating future cash flows etc. Accordingly, we have considered this as Key Audit Matter</p>	<p>Our audit procedures in respect of this matter included:</p> <ol style="list-style-type: none"> 1. Evaluated the methodology used by the management to determine the recoverable amount on the basis of value in use and to compare it with that required by IND AS 36. We also verified the mathematical accuracy of the model used. 2. Verify the accuracy and relevance of input data by reference to supporting evidence, such as approved budgets, and considered the reasonableness of these budgets in comparison to the Company's historical results and performance. 3. Reviewed the methodology of the calculation of value in use and use of certain assumptions including discount rates and long term growth rates etc. 4. Testing the appropriateness of the weighted average cost of capital used to discount the impairment models through engaging our internal valuations experts. 5. Performed sensitivity analysis over key assumptions, principally sales growth rate, terminal value multiple and discount rates in order to assess the potential impact of a range of possible outcomes.

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 in equity 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.

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 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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.

Place: Chennai

Date: May 17, 2019

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

Geetha Jeyakumar
Partner
Membership No. 029409

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

Auditor's 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

Place: Chennai

Date: May 17, 2019

**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, 2019**

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

- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) The company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of acquired land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date except for the following immovable properties:

(Rupees in Lakhs)

No. of cases	Leasehold/ Freehold	Gross Block as at March 31, 2019	Net Block as at March 31, 2019
1	Freehold land	1.07	1.07

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 bank and the Company for which confirmations have been obtained from respective bankers.

- The inventory has been physically verified during the year by the management at reasonable intervals. The discrepancies noticed on verification of between the physical stocks and book records were not material and have been dealt with in the books.
- 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.
- 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.

- 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, 2019 and the Company has not accepted any deposits during the year.
- 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, 2019 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	6.94	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	1997-98	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. However, the approval from Shareholders in respect of increase in remuneration is awaited.
- 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

Place: Chennai
Date: May 17, 2019

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, 2019 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 my / 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, 2019, 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: May 17, 2019

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

Geetha Jeyakumar
Partner
Membership No. 029409



FINANCIAL RESULTS 2018-19


BALANCE SHEET AS AT 31 MARCH 2019

(Rupees in Lakhs)

	Particulars	Note	As at 31 March 2019	As at 31 March 2018
A	ASSETS			
	1 Non-Current Assets			
	a) Property, Plant and Equipment	3	6,248.98	6,191.95
	b) Capital work-in-progress	3	--	335.20
	c) Other non-current assets	4	771.83	704.19
	d) Deferred Tax Asset (Net)	5	--	--
	e) Income tax Asset (Net)	6	56.31	56.79
	TOTAL NON-CURRENT ASSETS		7,077.12	7,288.13
	2 Current assets			
	a) Inventories	7	2,555.98	2,924.00
	b) Financial assets			
	i) Other Investments	8	0.05	0.05
	ii) Trade Receivables	9	2,241.16	2,155.12
	iii) Cash and Cash equivalents	10 A	4.57	12.47
	iv) Bank balances other than (iii) above	10 B	15.84	14.99
	v) Other financial assets	11	18.39	20.33
	c) Other Current assets	12	242.73	199.41
	TOTAL CURRENT ASSETS		5,078.72	5,326.37
	TOTAL ASSETS		12,155.84	12,614.50
B	EQUITY AND LIABILITIES			
	1 Equity			
	a) Equity share capital	13	12,186.76	1,482.76
	b) Other Equity	14	(29,623.82)	(25,856.07)
	Total Equity		(17,437.06)	(24,373.31)
	2 Liabilities			
	a) Non-Current liabilities			
	i) Financial liabilities			
	Borrowings	15	--	3,625.38
	Total non-current liabilities		--	3,625.38
	b) Current liabilities			
	i) Financial liabilities			
	a) Borrowings	16	799.81	8,459.55
	b) Trade payables	17	23,921.23	22,213.03
	c) Other financial liabilities	18	3,662.70	1,696.46
	ii) Other liabilities	19	1,135.18	922.40
	iii) Provisions	20	73.98	70.99
	Total Current liabilities		29,592.90	33,362.43
	Total Liabilities		29,592.90	36,987.81
	TOTAL EQUITY AND LIABILITIES		12,155.84	12,614.50
	Significant Accounting Policies	2.2		

The accompanying notes are an 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 : 17 May 2019

For and on behalf of the Board of Directors

G.RAMACHANDRAN
Managing Director
DIN 00051999

S. NANDAKUMAR
Chief Financial Officer

B.NARENDHAN
Director
DIN 01159394

RS ABHINANDHANAN
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019

(Rupees in Lakhs)

	Particulars	Note	Year ended 31 March 2019	Year ended 31 March 2018
I	Income ww			
	Revenue from operations (Inclusive of Excise Duty)	21	17,480.43	13,658.57
	Other income	22	97.25	97.45
	Total Income		17,577.68	13,756.02
II	Expenses			
	Cost of raw material and components consumed	23 A	7,957.34	6,106.14
	Changes in inventories of finished goods and work-in-progress.	23 B	327.00	(320.28)
	Purchase of Traded Goods	23 C	474.32	--
	Excise duty on sale of goods	--	--	299.83
	Employee benefits expense	24	1,255.48	1,238.56
	Finance costs	25	234.38	321.20
	Depreciation expense	3	347.03	233.00
	Other expenses	26	10,773.10	10,294.92
	Total Expenses		21,368.65	18,173.37
III	Loss before tax		(3,790.97)	(4,417.35)
IV	Tax expense			
	a) Current tax		--	--
	b) Deferred tax - MAT Credit entitlement Written off		--	57.32
	Total Tax expense		--	57.32
V	Loss for the year		(3,790.97)	(4,474.67)
	Other Comprehensive Income / (Loss) for the year			
	Items that will not be reclassified to profit or loss			
	Remeasurements gains/(losses) on Defined benefit plans		23.22	(39.86)
VI	Total Other Comprehensive Income / (Loss) for the year		23.22	(39.86)
VII	Total Comprehensive Loss for the year		(3,767.75)	(4,514.53)
VIII	Earnings per equity share			
	Basic and Diluted (in Rs.)	27	(4.15)	(30.51)
IX	Weighted average number of shares used in computing earnings per equity share		9,06,96,921	1,47,95,830
	Significant Accounting Policies	2.2		

The accompanying notes are an integral part of these financial statements.

As per our report of even date attached

For MSA & ASSOCIATES
Chartered Accountants
Firm Registration No. 105047W
GEETHA JEYAKUMAR
Partner
Membership No. 029409
Place : Chennai
Date : 17 May 2019

For and on behalf of the Board of Directors

G.RAMACHANDRAN
Managing Director
DIN 00051999

B.NARENDHAN
Director
DIN 01159394

S. NANDAKUMAR
Chief Financial Officer

RS ABHINANDHANAN
Company Secretary


CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in Lakhs)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(3,790.97)	(4,417.34)
Adjustments for:		
Depreciation expenses	347.03	233.02
Finance cost	234.38	321.20
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES	(3,209.56)	(3,863.12)
Adjustments for changes in working capital		
Increase / (Decrease) Trade payables	1,708.20	6,378.20
(Increase) / Decrease Inventories	368.02	387.10
(Increase) / Decrease Trade Receivables	(86.04)	(1,738.68)
(Increase) / Decrease Other Non Current Assets	(67.64)	45.06
Increase / (Decrease) Other Current Liabilities	212.78	24.73
(Increase) / Decrease Bank balances other than cash and cash equivalents	(0.85)	0.77
Increase / (Decrease) Other Current Financial Liabilities	1,966.24	(331.53)
Increase / (Decrease) Current Liabilities - Borrowings	(7,659.74)	37.27
Increase / (Decrease) Current Provisions	26.21	(40.72)
(Increase) / Decrease Other Financial Assets	1.94	(2.86)
(Increase) / Decrease Other Current Assets	(43.32)	(42.43)
CASH GENERATED (USED IN) / FROM OPERATIONS	(6,783.76)	853.79
Income tax paid	(0.48)	3.33
Net cash flows (used in) / from operating activities (A)	(6,783.28)	850.46
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment including Capital Advances and Capital Work in Progress	(68.86)	(685.30)
Net cash flow used in investing activities (B)	(68.86)	(685.30)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of borrowings - (Net)	(3,625.38)	--
Adjustment for fresh allotment of Shares - Refer Note below	10,704.00	--
Interest paid	(234.38)	(200.85)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)	6,844.24	(200.85)
NET DECREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(7.90)	(35.69)
Cash and cash equivalents at the beginning of the year	12.47	48.16
Cash and cash equivalents at the end of the year	4.57	12.47
	(7.90)	(35.69)
Cash and cash equivalents comprise (Refer Note No.10A)		
Balance with Banks		
Cash on hand	0.31	0.32
Balances with banks	4.26	12.15
Total cash and bank balances at end of the year	4.57	12.47

Disclosure of Non Cash transactions

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Adjustment for fresh allotment of Shares	10,704.00	--

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 (Ind AS - 7), "Statement of Cash Flows". The accompanying notes are an integral part of these financial statements

As per our report of even date attached

For MSA & ASSOCIATES

Chartered Accountants
Firm Registration No. 105047W

GEETHA JEYAKUMAR

Partner
Membership No. 029409
Place : Chennai
Date : 17 May 2019

For and on behalf of the Board of Directors
G.RAMACHANDRAN

Managing Director
DIN 00051999

B.NARENDHAN

Director
DIN 01159394

S. NANDAKUMAR

Chief Financial Officer

RS ABHINANDHANAN

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

(Rupees in Lakhs)

(A) Equity share capital	Particulars	As at 31 March 2019		As at 31 March 2018	
		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	1,47,95,830	1,482.76	1,47,95,830	1,482.76
	Add: Shares issued during the year	10,70,40,000	10,704.00	-	-
	Outstanding shares at the end of the year	12,18,35,830	12,186.76	1,47,95,830	1,482.76

(B) Other equity

Particulars	Note	Reserve and Surplus			Retained Earnings	Items of OCI	Total
		Capital Redemption Reserve	Securities Premium Reserve	General Reserve			
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	14	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 Loss						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)

The accompanying notes are an 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 : 17 May 2019

For and on behalf of the Board of Directors

G.RAMACHANDRAN
Managing Director
DIN 00051999

B.NARENDHRAN
Director
DIN 01159394

S. NANDAKUMAR
Chief Financial Officer

RS ABHINANDHANAN
Company Secretary



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. CORPORATE INFORMATION

Tuticorin Alkali Chemicals and Fertilizers Limited ("the Company TFL"), 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 Fertiliser and has its manufacturing facility at Tuticorin.

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

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

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:

Refer Note No.29: 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 judgements.

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 No.30.

2.2 Significant Accounting Policies**i) Revenue Recognition**

The Company earns revenue primarily from sale of Soda Ash and Ammonium Chloride (Dual Product). Effective April 1, 2018, the Company has applied Ind AS 115, Revenue from Contracts with Customers, which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts". The company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 01, 2018). The impact of adoption of the standard on the financial statements of the company is insignificant.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration which the company expects to receive 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 per the contract with the customer. Revenue also excludes taxes collected from customers.

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.

▶ Amortisation

Amortisation 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 amortises computer software over a period of 5 years.

Amortisation 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 Ind AS 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

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.

a) Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

b) Lease income

Lease income with respect to operating leases is accrued on a time basis by reference to the agreements entered.

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"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019:

a) Ind AS 116 – Leases

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases standard, Ind AS 17, Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for the adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The company will adopt Ind AS 116 effective annual reporting period beginning April 1, 2019. The company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the Standard had been applied since the commencement date but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value. On transition, the company will be using the practical expedient provided by the standard. The company is currently evaluating the effect in the adoption of this standard.

b) Ind AS 12 - Income taxes (amendments relating to uncertainty over income tax treatments and income tax consequences on dividend distribution)

On March 30, 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The effective date for adoption of Ind AS 12 amendments are annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The Company is currently evaluating the effect of this amendment on the financial statements.

c) Ind AS 19 - Plan amendment, curtailment or settlement (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments and settlements.

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The company does not expect this amendment to have any significant impact on its financial statements.

d) Ind AS 23 – Borrowing Costs (Amendment):

On March 30, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 23, Borrowing Costs. The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The company does not have any impact from this amendment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2019

3. Property, plant and equipment and capital work-in-progress

(Rupees in Lakhs)

Carrying amounts of	As at 31 March 2019	As at 31 March 2018
Land and Development *	38.93	38.93
Factory and Other Buildings	650.49	701.44
Roads	11.15	16.81
Plant and Machinery (including Windmill)	5,420.74	5,301.31
Handling Equipment	14.12	11.36
Electrical Equipments	89.27	91.77
Furniture and Fixtures	21.44	26.07
Vehicles	2.84	4.26
	6,248.98	6,191.95

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

(Rupees in Lakhs)

Particulars	Land and Develop - ment	Factory and Other Buildings	Roads	Plant and Machinery (including Windmill)	Handling Equipment	Electrical Equipments	Furniture and Fixtures	Vehicles	Total
Cost or Deemed Cost									
Balance as at April 1, 2017	38.93	710.05	28.22	4,683.07	12.64	97.36	33.32	9.76	5,613.35
Additions	--	87.13	--	1,004.95	--	0.43	--	--	1,092.51
Assets Written Off / Disposals	--	--	--	(210.36)	--	--	--	--	(210.36)
Balance as 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 as at 31 March 2019	38.93	797.18	28.22	5,877.46	15.91	98.78	33.32	9.76	6,899.56



(Rupees in Lakhs)

Particulars	Land and Develop - ment	Factory and Other Buildings	Roads	Plant and Machinery (including Windmill)	Handling Equipment	Electrical Equipments	Furniture and Fixtures	Vehicles	Total
ACCUMULATED DEPRECIATION AND IMPAIRMENT									
Balance as at April 1, 2017	--	44.8	5.75	186.09	0.46	3.40	3.67	2.43	246.60
Additions	--	50.94	5.66	166.31	0.82	2.62	3.58	3.07	233.00
Assets Written Off / Disposals	--	--	--	(176.05)	--	--	--	--	(176.05)
Balance as at 31 March 2018	--	95.74	11.41	176.35	1.28	6.02	7.25	5.5	303.55
Additions	--	50.95	5.66	280.37	0.51	3.49	4.63	1.42	347.03
Disposals	--	--	--	--	--	--	--	--	--
Balance as at 31 March 2019	--	146.69	17.07	456.72	1.79	9.51	11.88	6.92	650.58
CARRYING AMOUNT									
As at 31 March 2018	38.93	701.44	16.81	5,301.31	11.36	91.77	26.07	4.26	6,191.95
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

CAPITAL WORK IN PROGRESS

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Capital work in progress excluding Capital Advances	--	335.20
Total Capital Work in Progress	--	335.20

4 OTHER NON CURRENT ASSETS

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured - Considered Good		
a) Deposits	706.20	638.56
b) Balances with statutory authorities	65.63	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	771.83	704.19

5 DEFERRED TAX ASSET (NET):

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

(Rupees in Lakhs)

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	822.65	(127.29)	695.36
Provision for Doubtful Debts	23.73	--	23.73
Net Deferred tax Assets / (Liabilities)	--	--	--

(Rupees in Lakhs)

2017-18	Opening Balance	Recognized in Profit and Loss	Closing Balance
Deferred tax liabilities			
Property, Plant and equipments	2,164.56	(1,318.18)	846.38
Deferred tax assets:			
Unabsorbed Depreciation / Business Loss	2,114.19	(1,291.54)	822.65
Provision for Doubtful Debts	50.37	(26.64)	23.73
Net Deferred tax Assets / (Liabilities)	--	--	--
MAT Credit Entitlement	57.32	(57.32)	--
Net Deferred tax Asset	57.32	(57.32)	--



Tax losses of Rs 20,620 lakhs (31 March 2018: Rs 16,585 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 2019	As at 31 March 2018
Advance Income-Tax	12.61	12.61
Tax Deducted at Source	43.70	44.18
Total Income Tax Asset	56.31	56.79

7 INVENTORIES

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Inventories (lower of cost and net realisable value)		
- Raw materials	400.52	412.26
- Work-in-progress	143.65	154.11
- Finished goods	1,423.21	1,739.74
- Stores and spares	588.60	617.89
Total Inventories	2,555.98	2,924.00

8 OTHER INVESTMENTS

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
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 2019	As at 31 March 2018
Unsecured, Considered good	2,241.16	2,155.12
Unsecured, Considered Doubtful	50.37	50.37
	2,291.53	2,205.49
Less : Allowance for doubtful debts	(50.37)	(50.37)
Total Trade Receivables	2,241.16	2,155.12

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

10 A 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 2019	As at 31 March 2018
Cash on hand	0.31	0.32
Balances with banks in current accounts	4.26	12.15
Total Cash and Cash Equivalents	4.57	12.47

**10 B Bank balances other than above**

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Margin money deposits	15.84	14.99
Total Bank Balances	15.84	14.99

11 Other Financial Assets

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Other loans and receivables	18.39	20.33
Total Other Financial Assets	18.39	20.33

12 Other Current assets

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Advances given to vendors	68.68	78.82
Advances given to Employees	0.25	0.35
Balances with Government Authorities -		
CENVAT/VAT Credit receivable	112.88	84.32
Prepaid expenses	60.92	35.92
Total Other Current Assets	242.73	199.41

13 Equity Share Capital

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised Share capital :		
a) 12,20,00,000 fully paid equity shares of Rs.10 each. (2018: 1,50,00,000)	12,200.00	1,500.00
	12,200.00	1,500.00
Issued share capital		
12,19,30,430 Equity Shares of Rs.10 each (2018: 1,48,90,430)	12,193.04	1,489.04
	12,193.04	1,489.04
Subscribed and fully paid up		
12,18,35,830 Equity Shares of Rs.10 each (2018: 1,47,95,830)	12,183.58	1,479.58
Add : Forfeited Shares	3.18	3.18
	12,186.76	1,482.76

(i) Reconciliation of the number of shares

(Rupees in Lakhs)

Equity Shares	As at 31 March, 2019		As at 31 March 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	1,47,95,830	1,479.58	1,47,95,830	1,479.58
Add: Issue of equity shares				
(Refer Note No.13 (iv) below	10,70,40,000	10,704.00	--	--
Balance as at the end of the year	12,18,35,830	12,183.58	1,47,95,830	1,479.58

**(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 31 March, 2019		As at 31 March 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
Equity Shares of Rs.10 each				
Southern Petrochemical Industries Corporation Limited	5,35,30,113	43.94%	66,80,113	45.15%
AMI Holdings	5,67,90,000	46.61%	--	--
Vijay Kumar Agarwal	--	--	11,76,385	7.95%

- (iv) 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	4,68,50,000
AMI Holdings Private Limited	3,45,20,000
Bengal Auto Parts Private Limited *	2,22,70,000
Twinshield Consultants Private Limited	30,00,000
South India Travels Private Limited	4,00,000
Total Equity Shares	10,70,40,000

*Merged with M/s. AMI Holdings Private Limited as of August 21, 2018

The Company filed an application requesting In-Principle approval with BSE Ltd just before EGM in March, 2018 and also filed Listing approval application with BSE on October 10, 2018, post SEBI Order. The listing approvals for these allotment is still in process.

The company has also been granted exemption by the SEBI through a letter dated January 11, 2019 to comply with the regulations under Regulation 78 of the SEBI Regulations of SEBI (ICDR) Regulations, 2009 which corresponds to Regulation 167 of SEBI (ICDR) Regulations, 2018 for minimum public shareholding requirement under Securities Contracts (Regulation) Rules, 1957.

14 Other Equity

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
General reserve	289.09	289.09
Securities premium reserve	43.76	43.76
Capital redemption reserve	400.00	400.00
Retained earnings	(30,278.26)	(26,487.29)
Other Comprehensive income	(78.41)	(101.63)
Total Other Equity	(29,623.82)	(25,856.07)



(i) General Reserve

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	289.09	289.09
Movement during the year	--	--
Balance at 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 2019	As at 31 March 2018
Balance at beginning of year	43.76	43.76
Movement during the year	--	--
Balance at 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 2019	As at 31 March 2018
Balance at beginning of year	(26,487.29)	(22,012.62)
Loss for the year	(3,790.97)	(4,474.67)
Balance at end of year	(30,278.26)	(26,487.29)

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

(iv) Capital redemption reserve

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at beginning of year	400.00	400.00
Movement during the year	--	--
Balance at 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 2019	As at 31 March 2018
Balance at beginning of year	(101.63)	(61.77)
Movement during the year	23.22	(39.86)
Balance at end of year	(78.41)	(101.63)

15 Non-Current borrowings (Unsecured)

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
At amortised cost		
Redeemable cumulative preference shares		
Redeemable cumulative preference shares of Rs.100 each (Issued, subscribed and fully paid up) - Refer Note No.15 (i) to 15 (iii)	--	2,000.00
Interest payable on Preference Shares - Refer Note No.15 (ii)	--	1,625.38
Total non-current borrowings	--	3,625.38



(i) Details of authorised and issued share capital

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Authorized		
24,00,000 Redeemable cumulative Preference Shares of Rs 100 each (2018: 24,00,000)	2,400.00	2,400.00
Issued		
3,00,000 8 % Redeemable Cumulative Preference Shares of Rs.100 each (2018: 3,00,000)	--	300.00
20,00,000 5 % Redeemable Cumulative Preference Shares of Rs.100 each (2018: 20,00,000)	--	2,000.00

- (ii) Pursuant to SEBI Order dated September 06, 2018, the Preference Shares held by Southern Petrochemicals Industries Corporation Limited amounting to Rs.2,000 Lakhs and by Twinshield Consultants Private Limited amounting to Rs. 300 Lakhs were converted into Equity Shares of Rs.10/- per share - Refer Note No.13 (iv) above. The interest payable on these preference shares upto the date of conversion as equity shares amounting to Rs. 2,287.81 Lakhs is carried as a liability in the books as at March 31, 2019 - Refer Note No. 18.

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

Name / Institution	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Percentage	No. of Shares	Percentage
8% Redeemable Cumulative Preference Shares of Rs.100 each Twinshield Consultants Private Limited	--	--	3,00,000	100%
5% Redeemable Cumulative Preference Shares of Rs.100 each Southern Petrochemical Industries Corporation Limited	--	--	20,00,000	100%

16 Current borrowings

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
At amortised cost		
Secured Loans		
Loan repayable on demand from Banks (Refer Note No. (i) below)	799.81	800.04
Unsecured Loans		
Redeemable cumulative preference shares of Rs.100 each (Issued, subscribed and fully paidup) (Refer Note No.15 (i) to 15 (iii) above)	--	300.00
Interest payable on Preference Shares (Refer Note No.15 (ii) above)	--	593.21
From Related Parties - Southern Petrochemical Industries Corporation Limited	--	1,047.30
From Others	--	5,719.00
Total	799.81	8,459.55

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



17 Trade payables

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Trade Payables		
(i) dues to micro and small enterprises (Note No. 32)		
(ii) dues to other than micro and small enterprises:		
(a) Amount due on account of goods supplied	17,149.18	14,691.23
(b) Amount due on account of goods traded	329.02	329.02
(c) Amount due on account of services received	2,858.75	2,819.50
(d) Amount due to employees	188.58	210.30
(e) Amount due to Others	3,395.70	4,162.98
Total Trade payables	23,921.23	22,213.03

"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 No. 29.3.

For explanations on the Group's credit risk management processes, refer to Note No. 29.3."

18 Other Financial Liabilities

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
At Amortised cost		
Current		
a) Due on Lease Rentals	1,045.24	1,356.16
b) Deferred Sales Tax	243.72	243.72
c) Other payables	85.93	96.58
d) Interest payable on preference shares - Refer Note No.15 (ii) above	2,287.81	--
Total Other Financial Liabilities	3,662.70	1,696.46

19 Other Current Liabilities

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
a) Security Deposit	311.04	459.04
b) Statutory dues payable	497.87	143.15
c) Gratuity payable	326.27	320.21
Total Other Current liabilities	1,135.18	922.40

20 Provisions

(Rupees in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Employee benefits		
Provision for Compensated Absences	73.98	70.99
Total Provisions	73.98	70.99

21 Revenue from operation

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
a) Sale of Products (Including excise duty)		
Light Soda Ash	11,529.97	9,632.21
Dense Soda Ash	--	0.65
Sodium Bi-Carbonate	--	6.18
Ammonium Chloride Fertiliser Grade	4,685.50	3,634.38
Ammonium Chloride Industrial Grade	292.10	--
Other products	933.41	313.59
b) Other Operating Revenues		
Sale of scrap	39.45	71.56
Net Sales Revenue	17,480.43	13,658.57

**22 Other Income**

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
a) Interest income	39.33	34.24
b) Others		
i) Rent	54.50	56.60
ii) Gain on foreign currency transactions and translation (net)	--	5.25
iii) Others	3.42	1.36
Total Other Income	97.25	97.45

23A Cost of Materials Consumed

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
Raw Material Cost		
Salt	1,158.33	956.35
Ammonia	6,357.44	4,683.14
Carbon-di-oxide	68.64	90.48
Lime	309.87	301.71
Process Chemicals	52.07	61.80
Lab chemicals	10.99	12.66
Total Cost of Materials Consumed	7,957.34	6,106.14

23B Changes in Inventories of Finished Goods and Work-in-process

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019		Year ended 31 March 2018	
Opening Stock				
Finished Goods	1,739.74		1,443.07	
Work-in-Process	154.11	1,893.85	130.50	1,573.57
Closing Stock				
Finished Goods	1,423.20		1,739.74	
Work-in-Process	143.65	1,566.85	154.11	1,893.85
(Increase) / Decrease in stock		327.00		(320.28)

23 C Purchase of Traded Goods

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
Ammonia	474.32	-
Total Purchase of Traded Goods	474.32	--

24 Employee Benefit Expense

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
Salaries and Wages	918.52	898.35
Contribution to provident and other funds	73.73	75.78
Gratuity expense	61.37	57.22
Staff welfare expenses	201.86	207.21
Total Employee Benefit Expense	1,255.48	1,238.56

**25 Finance Costs**

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
Interest costs :		
Interest on redeemable preference shares	69.22	149.23
Interest on Lease Rentals	47.78	52.75
Other interest expense	117.38	119.22
Total Finance Costs	234.38	321.20

26 Other Expenses

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
Power and Fuel	6,375.73	5,032.58
Water charges	386.00	1,135.58
Rent	336.06	330.45
Rates and taxes	101.32	102.08
Insurance	29.86	38.76
Repairs and Maintenance		
-- Building	119.38	212.60
-- Plant and machinery	1,110.45	1,023.56
-- Others	131.77	104.93
Packing, transportation and handling	919.16	732.88
Commission on sales	997.74	1,290.49
Travel, Telephone, Printing & Stationery	65.35	59.62
Directors Sitting Fees	5.00	5.00
Loss on Foreign currency transactions and translation (Net)	7.28	--
Professional Charges	73.08	47.00
Auditors' remuneration (Refer Note No. 26 (i) below)	5.12	5.12
Miscellaneous Expenses	109.80	174.27
Total Other Expenses	10,773.10	10,294.92

26 (i) Auditors' Remuneration

(Rupees in Lakhs)

Particulars	Year ended 31 March, 2019	Year ended 31 March 2018
As auditors - Statutory Audit	4.50	4.75
For Tax Matters	0.50	0.25
Reimbursement of Expenses	0.12	0.12
Total Auditors Remuneration	5.12	5.12

27 Earnings per share

(Rupees in Lakhs)

Particulars	For the Year 31 March, 2019	For the Year 31 March 2018
Loss for the year after tax (Rupees in Lakhs)	(3,767.75)	(4,514.53)
Weighted average number of shares outstanding during the year*	9,06,96,921	1,47,95,830
Earnings per Share, Basic and Diluted (in Rs.)	(4.15)	(30.51)

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

28 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.

**29 Financial Instruments****29.1 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. For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity share holders. The primary objective of the company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to support its business and maximize share holder value.

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 2019	As at 31 March 2018
Equity	12,186.76	1,482.76
Debt	799.81	12,084.93
Cash and cash equivalents	4.57	12.47
Net debt	795.24	12,072.46
Total capital (Equity+net debt)	12,982.00	13,555.22
Net Debt to capital ratio	6.13	89.06

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 2019 and 31st March 2018

29.2 Categories of Financial Instruments

(Rupees in Lakhs)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
A. Financial Assets			
Measured at amortised cost			
(a) Investments	8	0.05	0.05
(b) Trade Receivables	9	2,241.16	2,155.12
(c) Cash and Cash Equivalents	10 A	4.57	12.47
(d) Other Bank balances	10 B	15.84	14.99
(e) Other Financial assets	11	18.39	20.33
B. Financial Liabilities			
Measured at amortised cost			
(a) Long term Borrowings	15	--	3,625.38
(b) Short term Borrowings	16	799.81	8,459.55
(c) Trade payables	17	23,921.23	22,213.03
(d) Other financial liabilities	18	3,662.70	1,696.46

29.3 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 Company is exposed to credit risks from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. 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.

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-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	--	3,662.70	--		3,662.70
Total	4,713.10	23,670.64	--	--	28,383.74
31-Mar-18					
Long term borrowings				3,625.38	3,625.38
Short term borrowings	800.04	7,659.51		-	8,459.55
Trade payables	4,704.42	16,580.20	928.37	-	22,212.99
Other financial liability	0.54	765.75	930.16		1,696.46
Total	5,505.00	25,005.46	1,858.53	3,625.38	35,994.38

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	31 March 2019	Liabilities at 31 March 2018	31 March 2019	Assets at 31 March 2018
Trade Payables				
a) Amount due on account of goods supplied	140.98	134.69		
b) Amount due to others	--	--		
Trade Receivables				
Considered Good			1266.93	202.45
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 March 2019		As at 31 March 2018	
	Profit or loss	Equity	Profit or loss	Equity
Rs / USD - increase by 10%	112.60	112.60	7.60	7.60
Rs / USD - decrease by 10%	(112.60)	(112.60)	(7.60)	(7.60)


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.

As at 31 March 2019

(Rupees in Lakhs)

Particulars	Carrying Amount					Fair Value			
	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	10 A	4.57	--	--	4.57	--	4.57	--	4.57
Other Bank balances	10 B	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 *									
Non Current Borrowings	15	--	--	--	--	--	--	--	--
Current Borrowings	16	--	--	799.81	799.81	--	799.81	--	799.81
Trade payables	17	--	--	23,921.23	23,921.23	--	23,921.23	--	23,921.23
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

As at 31 March 2018

(Rupees in Lakhs)

Particulars	Carrying Amount					Fair Value			
	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	21,55.12	--	--	2,155.12	--	2,155.12	--	2,155.12
Cash and Cash Equivalents	10 A	12.47	--	--	12.47	--	12.47	--	12.47
Other Bank balances	10 B	14.99	--	--	14.99	--	14.99	--	14.99
Other financial assets	11	20.33	--	--	20.33	--	20.33	--	20.33
Total		22,02.96	--	--	2,202.96	--	2,202.96	--	2,202.96
Liabilities									
Financial Liabilities not measured at fair value *									
Non Current Borrowings	15	--	--	3,625.38	3,625.38	--	3,625.38	--	3,625.38
Current Borrowings	16	--	--	8,459.55	8,459.55	--	8,459.55	--	8,459.55
Trade payables	17	--	--	22,213.03	22,213.03	--	22,213.03	--	22,213.03
Other financial liabilities	18	--	--	1,696.46	1,696.46	--	1,696.46	--	1,696.46
Total		--	--	35,994.42	35,994.42	--	35,994.42	--	35,994.42

**30 Employee benefit plans****a) Defined contribution plans**

The Company has recognised Rs.73.73 lakhs (March 31, 2018: Rs. 75.78 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, 2019. 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 the funds managed by Life Insurance Corporation of India (LIC).

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 31-Mar-19	As at 31-Mar-18	As at 31-Mar-19	As at 31-Mar-18
Present value of benefit obligation as at beginning of the year	320.21	288.49	70.99	71.85
Service cost	38.39	37.40	--	0.89
Interest cost	23.16	19.82	4.87	4.37
Remeasurement (gain) / loss				
- Actuarial (gain)/loss arising from change in Financial Assumption	3.99	2.96	1.10	(1.99)
- Actuarial (gain)/loss arising from experience adjustments	(27.04)	36.90	12.35	18.98
Benefits paid	(27.59)	(65.37)	(15.33)	(23.12)
Projected benefit obligation at the end of the year	331.12	320.21	73.98	70.99
Changes in Fair value of Planned Assets				
Fair value of plan assets as at beginning of the year	0.37	0.36	--	--
Interest Income	0.18	0.03	--	--
Contributions	4.13	--	15.33	23.12
Benefits paid	(27.59)	(65.37)	(15.33)	(23.12)
Remeasurement gain / (loss)	27.59	65.37	--	--
Actuarial gain / (loss) on plan asset	0.17	(0.01)	--	--
Fair value of plan asset at the end of the year	4.85	0.37	--	--
Amount recognised in the balance sheet				
Projected benefit obligation at the end of the year	331.12	320.21	73.98	70.99
Fair value of the plan assets at the end of the year	4.85	--	--	--
Funded Status of Plans- Liability Recognised in Balance Sheet	326.27	320.21	73.98	70.99



Components of defined benefit cost recognised in Profit and loss				
Current service cost	38.39	37.40	--	0.89
Net Interest Expense	22.98	19.82	4.87	4.38
Net cost in Profit and Loss	61.37	57.22	4.87	5.27
Components of defined benefit cost recognised in Other Comprehensive Income Remeasurement on the net defined benefit liability				
- Actuarial loss arising from change in Financial Assumption	3.99	2.96	--	--
- Actuarial (gain)/loss arising from experience adjustments	(27.21)	36.90	--	--
Return on Plan Assets				
Net (Income) / Cost in Other Comprehensive Income	(23.22)	39.86	--	--

ASSUMPTIONS

The principal assumptions used for the purposes of the actuarial valuations of Gratuity are given below

(Rupees in Lakhs)

Particulars	As at	
	31 March 2019	31 March 2018
Discount rate	7.30%	7.56%
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 March 2019	31 March 2018
Discount rate	7.38%	7.69%
Expected rate of salary increase	5%	5%
Expected rate of attrition	3%	3%
Mortality rate	100%	100%

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 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Discount rate				
- Increase 0.5%	(2.73)	(7.70)	(1.75)	(2.13)
- Decrease 0.5%	12.83	8.07	1.86	2.27
Salary Escalation				
- Increase 0.5%	12.97	8.23	1.89	2.32
- Decrease 0.5%	(2.93)	(7.92)	(1.80)	(2.19)
Attrition Rate				
- Increase of 5%	5.14	0.31	0.07	0.14
- Decrease of 5%	4.56	(0.33)	(0.08)	(0.14)

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. 20 Lakhs { Previous year Rs. 17.45 lakhs)

31 Contingent liabilities and commitments

A. Contingent liabilities

(Rupees in Lakhs)

Particulars	As at	
	31-Mar-19	31-Mar-18
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	2559.65	2335.00
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	72.93	72.93
Total	3240.58	3015.93

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

32. 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.

33. Related Party Disclosure

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

Entities exercising Significant Influence over the Company

Southern Petrochemicals Industries Corporation Limited

AMI Holdings Private Limited (With effect from 17 September 2018)

Key managerial personnel

G. Ramachandran, Managing Director

The list of related parties as identified by the Management and relied upon by the auditors.

B. Related party transactions :

The Company has entered into the following transactions with related parties during the year ended 31 March 2019 (Rupees in Lakhs)

Particulars	Year ended 31-Mar-19	Year ended 31-Mar-18
Southern Petrochemical Industries Corporation Limited		
Purchase of goods	81.00	107.08
Sale of goods	392.34	287.98
Purchases of services	6.63	7.02
Allotment of shares (4,68,50,000 shares) also Refer Note No.13 (iv) above	4,685.00	--
AMI Holdings Pvt. Ltd.		
Allotment of shares (5,67,90,000 shares) also Refer Note No.13 (iv) above	567.90	--
Key Management Personnel Compensation		
Salaries, Wages and Bonus	38.80	15.60
Value of perquisites	2.84	2.63

Amount Outstanding as at Balance Sheet date :

Particulars	As at 31-Mar-19	As at 31-Mar-18
Southern Petrochemical Industries Corporation Limited		
Receivables at the end of the year	464.37	264.40
Payables at the end of the year	1,681.20	4671.09

34 Going Concern

The company has incurred a Net Loss of Rs 3,767.75 Lakhs during the year ended March 31, 2019 and, as on that date, the Company's current liabilities exceeded its total assets by Rs. 17,437.06 Lakhs. 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.

35 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 17, 2019

36. 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

S. NANDAKUMAR

Chief Financial Officer

B. NARENDHAN

Director
DIN 01159394

RS ABHINANDHANAN

Company Secretary



FORM NO. MGT 11

PROXY FORM

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

(CIN : L24119TN1971PLC006083)

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

E-Mail Id: info@tacfert.com

Phone: 044 2235 2513

Name of the Member (s)	
Registered address	
Folio No. Client Id.	
DP ID :	
E-mail ID :	

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

Name:	
Address:	
E.Mail ID:	
Signature:	or failing him/her

Name:	
Address:	
E.Mail ID:	
Signature:	or failing him/her

as my/our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 46th Annual General Meeting of the Company, to be held on Friday, the 02nd August, 2019 at 10.00 a.m. at "Rajah Annamalai Hall", Esplanade, Chennai 600 108 and at any adjournment thereof in respect of such Resolutions, in the manner as indicated below:

Resolution No.	Description	Type of Resolution	Optional	
			For	Against
	Ordinary Business			
1	Adoption of Audited Financial Statements for the year ended 31st March, 2019.	Ordinary Resolution		
2	Re-appointment of Mr. G. Ramachandran as Director, who retires by rotation.	Ordinary Resolution		
3	To fix remuneration of M/s. MSKA & Associates, Chartered Accountants, for the Financial Year 2019-20.	Ordinary Resolution		
	Special Business			
4	Reappointment and continuation of Directorship of Mr. B. Narendran as an Independent Director on attaining the age of 75 years, for a second term	Special Resolution		
5	Reappointment of Mr. S. Asokan as an Independent Director for a second term.	Special Resolution		
6	Approval of Remuneration to Cost Auditor.	Ordinary Resolution		
7	Re-appointment of Mr. G. Ramachandran as Managing Director.	Special Resolution		

Signed this _____ day of _____, 2019.

Signature of Shareholder: _____

Signature of Proxy holder: _____

Note:

Affix
revenue
stamp
not less than
Re.0.15

- This form of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company at SPIC House, 88, Mount Road, Guindy, Chennai – 600 032 not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and Note, please refer to the Notice of the 46th AGM
- It is optional to put ✓ in the appropriate column against the Resolution indicated in the Box. If you leave the "For" or "Against" column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.
- Members may note that, a person shall not act as a Proxy for more than 50 members and holding in aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a Proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a Proxy for any other person.



INTENTIONALLY LEFT BLANK

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

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

(CIN : L24119TN1971PLC006083)

ATTENDANCE SLIP

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

Folio No:	
-----------	--

DP. ID*	
Client ID*	

* Applicable to investors holding shares in electronic form

NAME & ADDRESS OF THE SHAREHOLDER

.....

.....

.....

I hereby record my presence at the 46th Annual General Meeting at 'Rajah Annamalai Hall' Esplanade, Chennai - 600 108 on Friday, the 2nd August 2019 at 10.00 a.m.

Signature of the Member or Proxy

Shares Held

Note:

1. The Company is offering electronic voting facility to its members in respect of the ordinary / special business to be transacted at the ensuing AGM, pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules 2014.
2. Please read instructions given at Page No. 3 of this Report.

To



If undelivered, please return to:

Tuticorin Alkali Chemicals and Fertilizers Limited

“SPIC House”,

88, Mount Road,

Guindy,

Chennai - 600 032.

Tamilnadu, India