

Independent Auditor's Review Report on unaudited quarterly financial results of the Tuticorin Alkali Chemicals and Fertilizers Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**The Board of Directors
Tuticorin Alkali Chemicals and Fertilizers Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Tuticorin Alkali Chemicals and Fertilizers Limited ('the Company') for the quarter ended June 30, 2022 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' ('IND AS 34'), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether Statement is free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 2 to the Statement, which states that the Company has reported a net profit of Rs. 1,446.44 lakhs for the quarter ended June 30, 2022 and, as of that date, accumulated loss of Rs. 40,450.29 Lakhs which has eroded the net worth of the Company. Further, the company's current liabilities exceeded its current assets by Rs. 11,433.37 Lakhs. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as going concern. However as stated in the note, having regard to projected increase in utilization of production capacity of the Company on planned refurbishing/replacing identified old machineries and based on the cash flow forecasts and expected date of realization of assets and payment of liabilities, Company will have sufficient funds to meet its liabilities when it falls due. Accordingly, Statement of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of this matter.

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

Geetha Jeyakumar

Geetha Jeyakumar
Membership No.: 029409
UDIN: 22029409AOOIGB1000



Place: Chennai
Date: August 08, 2022

TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

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

Website : www.tacfert.in ; E mail : info@tacfert.com

CIN : L24119TN1971PLC006083

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30 JUNE 2022

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Year ended
		30 June 2022	31 March 2022	30 June 2021	31 March 2022
		Unaudited	Audited (Refer Note 5 below)	Unaudited	Audited
1	Income from operations:				
a)	Income from operations	11,147.21	8,037.81	1,685.53	17,451.98
b)	Other Income	108.13	466.65	12.21	604.56
	Total Income from operations	11,255.34	8,504.46	1,697.74	18,056.54
2	Expenses:				
a)	Cost of materials consumed	6,290.93	4,971.84	1,305.34	12,016.48
b)	Purchase of Traded Goods	1,722.08	-	-	-
b)	Changes in inventories of finished goods, work-in-progress	(2,192.35)	(1,592.03)	20.55	(2,311.95)
c)	Employee benefits expense - (Refer Note 3 below)	552.07	361.47	279.01	1,314.04
d)	Finance Cost	46.11	82.80	40.44	230.18
e)	Depreciation and Amortisation expense	75.93	60.71	81.00	303.71
f)	Power and Fuel charges	2,439.40	2,136.92	951.05	6,283.11
g)	Other expenses	874.73	1,017.32	722.93	3,618.36
	Total Expenses	9,808.90	7,039.03	3,400.32	21,453.93
3	Profit/(Loss) before taxes (1-2)	1,446.44	1,465.43	(1,702.58)	(3,397.39)
4	Tax expense	-	-	-	-
5	Profit/(Loss) for the period / year after tax (3 - 4)	1,446.44	1,465.43	(1,702.58)	(3,397.39)
6	Other Comprehensive Income (OCI)	-	(8.62)	-	9.60
7	Total Comprehensive Income (5 + 6)	1,446.44	1,456.81	(1,702.58)	(3,387.79)
8	Paid-up equity share capital Equity Shares - (Face value - Rs. 10 per share)	12,186.76	12,186.76	12,186.76	12,186.76
9	Earnings per share (Rs.10 each) (not annualised (except for year ended March):				
	- Basic	1.19	1.20	(1.40)	(2.79)
	- Diluted	1.19	1.20	(1.40)	(2.79)
	Weighted average number of shares used in computing earnings per equity share	121,835,830	121,835,830	121,835,830	121,835,830
	See accompanying Notes to Financial Results				



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Notes :

1 The above results were reviewed by the Audit committee and approved by the Board of Directors at their respective meetings, held on 08 August 2022 and has been subjected to limited review by the Statutory auditors of the Company. The unaudited financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013. These unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI) under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 as amended.

2 The Company made a net profit of Rs.1,446.44 Lakhs in the Quarter ended June 30, 2022 with significant improvement in operations which was vastly due to repairs and replacement of ageing / defective Plant and Machinery. However, as of that date, the accumulated losses amounting to Rs. 40,450.29 lakhs has fully eroded the Company's net worth. Further, the company's current liabilities exceeded its current assets by Rs. 11,433.37 lakhs.

Management of the company is continuing to improve the production capacity by incurring additional capital expenditure for refurbishing/replacing old identified machineries. The Management of the Company have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, the Company will have sufficient funds, through its facilities, realisation of its assets and funding from its promoters and group companies to meet its liabilities as they fall due for that period.

Based on this continuing support, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. Management believes that the company will continue realising its assets and discharging its liabilities in the normal course of business during the foreseeable future. Accordingly, the financial statements do not include any adjustments to carrying value of assets and liabilities.

3 Employee benefit expense for the current quarter includes salary increment provided with retrospective effect from January 01, 2021 amounting to Rs. 167.78 lakhs relating to previous period being approved in current quarter.

4 During the quarter, the Company's Plant was in operation for 84 days as against 77 days in the previous quarter and for 50 days in the corresponding previous quarter.

5 The Figures for the quarter ended 31 March 2022 are the balancing figures between the audited figures in respect of full financial year ended 31 March 2022 and the published year to date figures for the nine months ended 31 December 2021.

6 The figures for the previous year/period's have been regrouped/reclassified, wherever necessary, to confirm to the current year/period's presentation.

Chennai
08 August 2022

By Order of the Board



G. RAMACHANDRAN
MANAGING DIRECTOR

