

Annual Report 2007 - 09

**BOARD OF DIRECTORS**

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

**CHIEF FINANCIAL OFFICER**

Thiru O.N.JAYAKUMAR

**GENERAL MANAGER (MARKETING)**

Thiru R. RAJAMANICKAM

**HEAD (SITE)**

Thiru S. THANGATHIRUPATHY

**COMPANY SECRETARY**

Thiru S. RAGHAVAN

**AUDITORS**

CNGSN & ASSOCIATES

Chartered Accountants,

"Agastyar Manor"

20. Raja Street, T. Nagar,

Chennai - 600 017.

**BANKERS**

STATE BANK OF INDIA

TAMILNADU MERCANTILE BANK LTD

THE SOUTH INDIAN BANK LTD

THE CATHOLIC SYRIAN BANK LTD

INDIAN OVERSEAS BANK

CANARA BANK

SYNDICATE BANK

STATE BANK OF TRAVANCORE

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

"EAST COAST CENTRE"

534, Anna Salai, Teynampet

Chennai - 600 018.

Phone : 24345276 / 24349824

Fax : 24348044

E-mail : secretary@tacfert.com

**WORKS**

Harbour Construction Road,

Tuticorin - 628 005

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

Cameo Corporate Services Limited

"Subramanian Buildings".

1, Club House Road, Off Anna Salai,

Chennai - 600 002.

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**NOTICE**

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED will be held on Friday, Jul 17, 2009 at 2.45 p.m. at "Abirami Chidambaram Community Hall", No.1/3A, River View Road, (Near Kotturpuram Bridge), Kotturpuram, Chennai 600 085, to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Profit and Loss Account for the 18 month period ended Mar 31, 2009 (1.10.2007 to 31.3.2009), Balance Sheet as at that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Thiru M Jayasankar, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors and fix their remuneration. M/s.CNGSN & Associates, Chartered Accountants, Chennai, retire and are eligible for reappointment.

**SPECIAL BUSINESS**

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

RESOLVED that consequent to the change in the Accounting Year of the Company and extending the Accounting Year for 2007-08 from a period of 12 months ended on Sep 30, 2008 to 18 months ended on Mar 31, 2009, the remuneration of M/s.CNGSN & Associates, Chartered Accountants, Chennai, fixed at the last Annual General Meeting at Rs.4,50,000/- be increased

Registered Office:  
"East Coast Centre",  
534, Anna Salai, Teynampet,  
Chennai - 600 018.  
Apr 30, 2009.

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

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE PROXY FORM, DULY STAMPED AND EXECUTED, SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME FIXED FOR THE COMMENCEMENT OF THE MEETING.
3. Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of Item Nos.4, 5 & 6 is annexed hereto.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from Jul 9, 2009 to Jul 17, 2009 (both days inclusive).
5. Members are requested to quote their Folio Numbers in all their correspondence.
6. Members are requested to notify changes, if any, in their

proportionately to Rs.6,75,000/- exclusive of fees for other consultations, professional services, service tax and out-of-pocket expenses.

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

RESOLVED that Thiru R Soundararajan, who was co-opted by the Board as an Additional Director of the Company with effect from Apr 11, 2008 and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

RESOLVED that pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its consent and approval for the reappointment of Thiru.S Chandramohan as Managing Director of the Company for a further period of three years from 1.3.2009 to 29.2.2012 on a salary of Rs.90,000/- per month, performance linked allowance of Rs.10.00 lakhs per annum and perquisites restricted to Rs.16.20 lakhs per annum as have been set out in the Explanatory Statement to the Notice convening this Annual General Meeting with the authority to the Board of Directors to alter and vary the remuneration with the approval of the Government of India, if necessary, as may be agreed to by the Board of Directors and Thiru S Chandramohan, subject to the provisions of the Companies Act, 1956 or any statutory modifications or reenactments thereof.

addresses to the Company or to the Registrar viz., Cameo Corporate Services Limited, Subramanian Buildings, No.1. Club House Road, Off Anna Salai, Chennai 600 002 specifying full address in Block Capital with Pin Code of the Post Office.

7. Pursuant to Section 205A (5) of the Companies Act, 1956, all dividends up to the financial year ended Mar 31, 1995, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government. Members concerned are requested to claim the amount from the Registrar of Companies, Tamil Nadu, Shastri Bhavan, 26, Haddows Road, Chennai 600 006.
8. Members are requested to bring their copies of the Annual Report to the Meeting.
9. Members are requested to bring their Attendance Slips and hand over at the entrance, duly signed by them. Members who hold shares in the DEMATERIALIZED FORM are requested to indicate without fail their DP ID and Client ID Numbers in the Attendance Slips.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****Item No.4**

Members are aware that the Financial Year of the Company used to be from October to September. However, after the close of the Financial Year 2006-07 on Sep 30, 2007, the Financial Year has been changed to April to March and the Registrar of Companies, Chennai, has given his consent for the same on Aug 28, 2008. The accounting period for 2007-09 is therefore for 18 months from Oct 1, 2007 to Mar 31, 2009. M/s. CNGSN & Associates, the Auditors of the Company, have accordingly been required to conduct the audit for the additional period of 6 months from Oct 1, 2008 to Mar 31, 2009. At the last Annual General Meeting of the Company held on Feb 27, 2008, M/s. CNGSN & Associates was appointed as Auditors of the Company on a remuneration of Rs.4,50,000/-. They should therefore be paid for the said further period of 6 months extra remuneration of Rs.2,25,000/- being the proportionate amount on the basis of their annual remuneration having been fixed at Rs.4,50,000/-.

Members are requested to pass the Ordinary Resolution for the payment of such additional remuneration to M/s. CNGSN & Associates exclusive of fees for other consultations, professional services, service tax and out-of-pocket expenses.

**Disclosure of Interest**

None of the Directors of the Company is concerned or interested in the Resolution.

**Item No.5**

Thiru R Soundararajan was co-opted as an additional director to the Board on Apr 11, 2008. In accordance with the Articles of Association of the Company and Section 260 of the Companies Act, 1956, he holds office upto the date of this Annual General Meeting.

In terms of Section 257 of the Companies Act, 1956, the Company has received notice from a Member (along with a cheque for Rs.500/-) of his intention to propose the candidature of Thiru R Soundararajan for the Office of Director of the Company. Taking into consideration the vast experience possessed by Thiru R Soundararajan, it is considered that it will be in the best interests of the Company to appoint him as a Director of the Company.

**Disclosure of Interest**

None of the Directors of the Company is concerned or interested in the Resolution.

**Item No.6**

The Board of Directors of the Company, at its Meeting held on Jan 28, 2009, reappointed Thiru S Chandramohan as Managing Director of the Company for a period of three years from Mar 1, 2009 to Feb 29, 2012.

On the recommendation of the Remuneration Committee, Thiru S Chandramohan was reappointed as Managing Director on the existing remuneration package and governed by the same terms and conditions.

Salary	Rs.90,000/month
Performance Linked Allowance	Rs.10 lakhs/year
Perquisites	Rs.16.20 lakhs/year

In this regard, as required under Part II, Section II of Schedule XIII to the Companies Act, 1956, the following information is furnished:

**I. GENERAL INFORMATION:****1. Nature of Industry:**

The Company is primarily engaged in the manufacture and sale of Ammonium Chloride, Soda Ash, Sodium Bicarbonate, Ammonium Bicarbonate and Bioproducts.

**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 Nov 1, 1982.

**3. Financial Performance:**

The following are the results of the Company during the last three financial years, at a glance:

(Rupees in lakhs)

Financial Parameters	2005-06	2006-07	2007-09 (18 months)
Total Income	14271.09	7819.74	1784.12
Cash Profit/(Loss)	988.33	(74.43)	(2512.99)
Net Profit/(Loss)	433.90	(600.80)	(3250.30)
Amount of Dividend Paid (Equity)	Nil	Nil	Nil
Rate of Dividend declared in % (Equity)	Nil	Nil	Nil

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

- a) Export Performance and Net Foreign Exchange Earned:  
The Company has so far exported more than 53,824 Tonnes of Ammonium Chloride (Fertiliser), earning a foreign exchange of US \$ 4.50 million.
- b) Foreign Investments or Collaborators, if any:  
Nil.

**II. INFORMATION ABOUT THE APPOINTEE:****1. Background Details, Recognition/Awards**

Thiru S. Chandramohan is a Chemical Engineer {B.E.(Chem)} with Post Graduate degree in Business Management (M.B.A.). He has been associated with SPIC group for more than 30 years in various functions such as project development, project consultancy, project management (including tie-up of foreign collaboration and implementation), plant operation and de-bottlenecking. He has worked in senior management positions in SPIC at various locations such as Tuticorin, Chennai, Delhi, Colombo and Dubai.

In the year 1997, he was deputed to Middle East Projects as General Manager. He was subsequently elevated as Executive Director in 2001 and was working as Project Director, SPIC Fertilizers and Chemicals FZE, Dubai. Subsequently Thiru Chandramohan was appointed as Managing Director of the Company for a period of three years from Mar 1, 2003 and for a further period of three years from Mar 1, 2006.

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

He was a Director in SPIC Fertilizers and Chemicals FZE, Dubai.

He holds Directorship in SPIC Petrochemicals Limited and National Aromatics and Petrochemicals Corporation Limited.

In Dec 2007, the Institute of Economic Studies, New Delhi, a premier research and awareness promoting organisation, conferred the "Udyog Rattan Award" on Thiru S Chandramohan for his outstanding performance in the field of industrial development and he also achieved the "Excellence Award" for the Company, in appreciation for its excellence in the field of productivity, quality, innovation and management.

## 2. Past Remuneration: (Rupees in lakhs)

Date from which paid	Salary	Perquisites	Special Allowance	Contribution to Provident Fund	Total	% of net profits
01.10.2005 - 30.09.2006	7.20	7.16	7.20	0.90	22.46	Nil
01.10.2006 - 30.09.2007	9.90	11.33	9.30	1.24	31.77	Nil
01.10.2007 - 31.03.2009 (18 months)	25.92	12.55	—	2.03	40.50	Nil

## 3. Job Profile and Suitability:

Thiru S Chandramohan, after taking over as Managing Director with effect from Mar 1, 2003, had taken various steps for improving the financial health of the Company through several organisational and financial restructuring measures such as improving productivity and process efficiency, reduction in inventory levels, strengthening of Company's position in the market, reducing energy consumption levels, increasing product prices without any fall in the market share, speedy implementation of CDR Scheme, exercising several cost-control measures and introducing new value added products through in-house R & D.

The Company achieved a net profit of Rs.4.34 crores during the financial year 2005-06 followed by an increased net profit of Rs.6.71 crores during the first 6 months of the next financial year (2006-07) before the plants were totally shut down on Mar 26, 2007. Had the Plants been running continuously, the Company would have continued its operation on the profit mode.

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

## 4. Remuneration:

The remuneration to be paid to Thiru S Chandramohan, as approved by the Remuneration Committee of the Board of Directors at its Meeting held on Jan 28, 2009, would be as follows, which is the same as that of the completed earlier term:

- Salary of Rs.90,000/- per month;
- Performance Linked Pay of Rs.10.00 lakhs per annum;
- Allowance & Perquisites shall be allowed in addition to both salary and performance linked pay. However, it shall be restricted to an amount equal to Rs.16.20 lakhs per annum. Allowance and Perquisites are presently classified as follows:-

### i) Housing/House Rent Allowance

The expenditure incurred by the Company will be subject to a ceiling of 60% of the salary.

### ii) Gas, Electricity, Water and Furnishing

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-Tax Rules, 1962.

### iii) Medical Reimbursement

Expenses incurred for self and his family.

### iv) Leave and Leave Travel Concession

Leave as per rules of the Company. Leave Travel Concession for self and his family once in a year incurred in accordance with the rules of the Company.

### v) Club Fees

Fees of clubs subject to a maximum of one club.

### vi) Personal Accident Insurance

Personal Accident Insurance of an amount the annual premium of which does not exceed Rs.4,000/-.

For the purpose of calculating the above ceiling, perquisites will be evaluated as per Income Tax Rules, wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

However, the Remuneration Committee/Board of Directors will have the liberty to re-fix individual ceilings under each of the above heads so as not to exceed the limit of Rs.16.20 lakhs or to allow any other perquisites.

### vii) Provident Fund

Contribution to Provident Fund will be 12.5% of the salary;

### viii) Superannuation Fund

Contribution to Superannuation Fund will be 15% of the salary;

### ix) Gratuity

Gratuity payable shall not exceed one-half month's salary for each completed year of service.

Other Payments and Provisions, which shall not be included in the computation of the ceiling on remuneration:

### a) Encashment of Leave

As per Rules of the Company.

### b) Car

Provision of Company's car with driver for business and personal use.

### c) Telephone

Provision of telephone at residence.

### d) Reimbursement of Expenses

#### i) Entertainment Expenses

Reimbursement of entertainment expenses actually and properly incurred for the business of the Company.

#### ii) Travelling Expenses

Reimbursement of travelling expenses actually and properly incurred for the business of the Company.

In the event of loss, absence or inadequacy of profits, in any financial year during the currency of tenure of Thiru S. Chandramohan, Managing Director, the remuneration aforesaid shall be the minimum remuneration payable to him. However, any excess over the limits on minimum remuneration prescribed under the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, shall be payable to the Managing Director with the approval of the Government of India, if so required.

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

The prevalent levels of remuneration in manufacturing industries, in general and the chemical/fertilizer industry, in particular, are higher. Taking into account the turnover of the Company, the academic background, qualifications and rich experience of Thiru S Chandramohan, his invaluable

contribution to the Company, his present remuneration and comparable remuneration levels in the Country, the proposed remuneration to Thiru S Chandramohan is reasonable.

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

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

**III. OTHER INFORMATION:**

**1. Reasons for Loss/Inadequacy of Profit:**

After a lapse of six years, the Company made a cash profit of Rs.9.88 crores and a net profit of Rs.4.34 crores during the year 2005-06. The Company had incurred loss in the previous years mainly due to the unprecedented increase in the cost of raw salt and continued increase in the price of imported ammonia. Thiru S.Chandramohan was instrumental in bringing back the Company to the profit mode and had taken all efforts to wipe out the losses. For the first half-year ended 31st March, 2007, the Company had made a net profit of Rs.6.71 crores in spite of shut down of the Plant due to non-availability of CO<sub>2</sub> and Annual Turn Around. From then onwards, the Plant has not restarted till date due to non-availability of the key raw material CO<sub>2</sub> as SPIC's Plant is also under shut down.

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

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

Registered Office:  
"East Coast Centre",  
534, Anna Salai, Teynampet,  
Chennai - 600 018.  
Apr 30, 2009.

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

**Information required to be furnished under the Listing Agreement about the particulars of Directors proposed to be appointed/reappointed at the 36th AGM**

**Item No.2**

**Thiru M. JAYASANKAR, Director**

He was the President (Managing Director) of our Company from 10.5.1991 to 9.5.1999. He holds a Bachelors Degree in Chemical Engineering. Before joining the Company, he worked as Project Engineer in TATA Chemicals, Mithapur. He joined the Company in the year 1974 and was fully involved in setting up the Plant. He rose to assume positions of increasing responsibility before being inducted to the Board of the Company from May 1991.

He is a Member of the Indian Institute of Chemical Engineers and has wide exposure in the overall management and control of the Company's operations. He has also deep knowledge of all financial and other corporate functions. Presently he is a practicing Project Consultant, especially in the Soda Ash industry, both in India and abroad.

Thiru M Jayasankar holds Directorships in the following Companies:

**Director**

1. Southern Petrochemical Industries Corporation Limited
2. SPIC Petrochemicals Limited
3. Kamakshi Lamipack (P) Limited
4. Vibrant Industries Limited

**Member**

Southern Petrochemical Industries Corporation Limited – Audit Committee

- Restart of the Plant by setting up a Plant for recovery of CO<sub>2</sub> from Boiler Flue Gases; and
- Establishing a Co-Generation Plant for generating electricity.

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

Owing to the erosion of Net Worth, the Board of Directors formed an opinion that the Company has become a sick industrial company in terms of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and filed a reference under Section 15 of the said Act before the Board for Industrial and Financial Reconstruction (BIFR) for revival of the production of the Company. On resumption of production, the Company would be in a position to generate cash flows and start earning profits thereafter.

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

The details contained in the resolution along with the Explanatory Statement hereto may be treated as an abstract of the terms of reappointment of Thiru S.Chandramohan, Managing Director, for circulation to the Members as required under Section 302 of the Companies Act, 1956. All related documents are available for inspection by the Members at the Registered Office of the Company on any working day between 11.00 am to 1.00 pm prior to the date of the Meeting.

**Disclosure of Interest**

None of the Directors of the Company is concerned or interested in the Resolution except Thiru S. Chandramohan.

**Item No.5**

**Thiru R SOUNDARARAJAN, Director**

Thiru R Soundararajan, AICWA, CAIIB, was a former Finance Director of SPIC and subsequently Chairman of SPIC Holdings and Investment Limited. His previous positions include senior positions in Steel Authority of India Limited and Chief Financial Manager of STC (State Trading Corporation of India), New Delhi. He was the Director of many leading Companies and presently is the Director of SPIC Electric Power Corporation Private Limited. He has handled various international issues, such as GDRs dual currency convertibles, FRNs, Tax spared Bonds, Zero Coupon Bonds, etc. His financial experience extends to a time frame of 4 decades in Banks and various Companies. He is a member of AMFI (Association of Mutual Funds of India). He maintains close relationship with foreign banks and US, UK, Swiss Financial Institutions.

Thiru R Soundararajan holds Directorship in the following Company:

**Director**

SPIC Electric Power Corporation Private Limited.

**Member**

SPIC Electric Power Corporation Private Limited – Audit Committee & Remuneration Committee

**DIRECTORS' REPORT**

(In Tonnes)

To  
The Members

Your Directors hereby present the 36th Annual Report together with the Audited Accounts of the Company for the 18 month period ended Mar 31, 2009 since the Accounting Year of the Company has been changed from 1st October – 30th September to 1st April – 31st March.

Members are aware of the difficulties and problems that the Company has been facing for the last two years due to complete shut down of the Plant owing to the non-availability of Carbon-di-oxide (CO<sub>2</sub>) from SPIC (which is also under shutdown). Consequently, the entire net worth of the Company amounting to Rs.4226.51 lakhs has been fully wiped off by accumulated losses amounting to Rs.6,652.62 lakhs.

While approving the financial results for the 15 month period ended on Dec 31, 2008, the Board of Directors formed an opinion that the Company has become a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 and filed a reference under Sec.15 of the said Act before the Board for Industrial and Financial Reconstruction (BIFR) and the same has been registered on Feb 24, 2009.

**Financial Results**

The following are the financial highlights:-

(Rupees in Crores)

DESCRIPTION	2007-09 (18 month period)	2006-07 (12 month period)
Sales Turnover (Net of Excise Duty and Trade Discount)	14.43	73.41
Gross Profit after meeting all expenses but before providing depreciation and interest	(16.29)	4.67
Less: Interest	8.76	5.30
Less: Provision for Tax – Fringe Benefit Tax	0.08	0.11
Cash Profit/(Loss)	(25.13)	(0.74)
Less: Depreciation for the year	7.37	5.27
Profit/(Loss)	(32.50)	(6.01)
Net Balance brought forward from previous year after adjustment	(34.03)	(28.02)
Amount available for appropriation	(66.53)	(34.03)

During the 18 month period ended Mar 31, 2009, your Company has incurred a net loss of Rs.32.50 crores due to continuous shut down of the Plant for the entire period due to non-availability of key raw material viz., CO<sub>2</sub>.

**Production and Sales**

The details of production and sales of the finished products during the 18 month period ended Mar 31, 2009 in comparison with the previous year are given below:

Product	Production		Sales	
	2007-09 (18 months)	2006-07 (12 months)	2007-09 (18 months)	2006-07 (12 months)
Soda Ash (Light)	30	28,324	*2880	27,012
Soda Ash (Dense)	24	9,486	24	9,543
Ammonium Chloride (FG)	—	31,895	—	44,898
Ammonium Chloride (PG)	—	110	—	156
Ammonium Chloride (TG)	406	1,843	406	1,861
Sodium Bicarbonate	2	3,479	2	3,552
Ammonium Bicarbonate	—	878	—	884
Bio-products (Litres)	—	11,665	38	9,869
Captive Salt Works	13,680	20,070	23,015	—

Note: 1.02 Tonnes of Soda Ash Light is equivalent to 1.00 Tonne of Soda Ash (Dense)

\* Including Traded Soda Ash

**Wind Mill**

During the period, 5.91 lakh units were generated from 5 Nos. 250 KW Wind Operated Electricity Generators at Gudimangalam, Coimbatore District, as against 9.14 lakh units generated last year.

**Captive Salt Works**

During the period salt production was 13,680 MT at the Company's salt works as against 20,070 MT produced during the previous year. The downfall in production was due to heavy non-seasonal rains

**Fixed Deposit**

The aggregate amount of Fixed/Cumulative Deposits as on Mar 31, 2009 was Rs.11.68 lakhs including 3 unclaimed deposits amounting to Rs.0.49 lakhs. There was no unpaid deposit.

**Directors' Responsibility Statement**

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

- in the preparation of the 18 months accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give

a true and fair view of the state of affairs of the Company as at Mar 31, 2009 and of the loss of the Company for the 18 month period ended on that date;

- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors had prepared the annual accounts on a 'going concern' basis.

#### Industrial Relations

Industrial relations continued to remain cordial.

#### Particulars of Employees

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

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

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

#### Directors

Thiru R V Ramani, Director, resigned from the Board of the Company with effect from Feb 28, 2008.

The Board, at its meeting held on Apr 11, 2008, co-opted Thiru R Soundararajan as an Additional Director of the Company.

Thiru Ar Rm Arun and Thiru G C Raghubir, resigned from the Board of the Company with effect from Jul 23, 2008.

IDBI has withdrawn its Nominee Director Thiru S Srinivasan from the Board of the Company and instead nominated Tmt. Vatsala Krishnakumar in his place with effect from Feb 21, 2009.

#### Cost Audit

As per the Government of India's directive, the Company's Cost Records in respect of Fertiliser - Ammonium Chloride and Soda Ash for the 18 month period ended Mar 31, 2009 are being audited by the Cost Auditor Thiru P.R. Jantri, who was appointed by the Board with the approval of the Government of India.

#### Listing of Equity Shares

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

#### Corporate Governance

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

#### Acknowledgements

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

Chennai  
Apr 30, 2009

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



**ANNEXURE TO DIRECTORS' REPORT**

Details required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 for the 18 month period ended Mar 31, 2009.

**A. Conservation of Energy -**

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

**Form A**

Form for disclosure of particulars with respect to conservation of energy

**A. Power and Fuel Consumption**

		2007 09 (18 months)	2006-07 (12 months)
<b>1. Electricity</b>			
a) Purchase:			
Unit	Kwh	17,56,500	1,92,80,300
Total Amount	Rs. in lakhs	364.09	955.43
Rate/Unit *	Rs./Kwh	20.73	4.96
* Includes Fixed Demand and Electricity Consumption Charges			
b) Own Generation:			
i) Through Diesel Generator:			
Unit	Kwh	3,320	13,420
Units/Ltr. of Diesel Oil	Kwh/Ltr.	2.39	2.21
Cost/Unit	Rs./Kwh		
Diesel		12.85	15.03
Maintenance		1.00	1.00
		13.85	16.03
ii) Through Steam Turbine/Generator Units:			
Units per litre of Fuel Oil/Gas		Nil	Nil
Cost/Unit			
iii) Wind Mill Power Generation:			
Unit	Kwh	5,91,333	9,14,109
Credit given by TNEB per Unit	Rs./Kwh	3.68	3.68
<b>2. Coal</b>			
Quantity	Tonnes	Nil	13,620
Total Cost	Rs.in lakhs	Nil	371.25
Average Rate	Rs./Tonne	Nil	2,725.96
<b>3. Furnace Oil</b>			
Quantity			
Total Cost		Nil	Nil
Average Rate			
<b>4. Charcoal</b>			
Quantity	Tonnes	Nil	760.90
Total Cost	Rs.in lakhs	Nil	34.50
Average Rate	Rs./Tonne	Nil	4,533.48
<b>5. Others/Internal Generation</b>			
Quantity		Nil	Nil
Total Cost			
Average Rate			

**B. Consumption per Unit of Production**

Products		2007-09 (18 months) Soda Ash/ Ammonium Chloride	2006-07 (12 months) Soda Ash/ Ammonium Chloride
Electricity	Kwh/Te	NIL	507.730
Charcoal	Te/Te	NIL	0.024
Coal	Te/Te	NIL	0.358
Others		NIL	NIL

**Remarks and reasons for variations**

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

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

Efforts continue to bring in new technologies for the generation of CO<sub>2</sub> to restart the plant.

**Technology Absorption, Adaptation and Innovation**

- Efforts, in brief, made towards technology absorption, adaptation and innovation:-  
Absorption of CO<sub>2</sub> from boiler flue gas using MEA technology, a cost effective technology, and plant supply source have been identified. Steps are being initiated for adopting the same.
- Benefits derived as a result of the above efforts:  
Sourcing of CO<sub>2</sub> from outside agency could be substantially reduced.
- Imported Technology:
  - Technology imported Nil
  - Year of import
  - Has technology been fully absorbed N.A.
  - If not fully absorbed, reasons and future course of action

**C. Foreign Exchange Earnings and Outgo**

Total Foreign Exchange used and earned:

	(Rupees in lakhs)	
	2007-09 (18 months)	2006-07 (12 months)
Earned	Nil	Nil
Used	Nil	1.47

NOTE: Foreign Exchange used excludes import of raw material.

**Statement showing the particulars of employees of the Company, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the report of the Board of Directors for the 18 month period ended Mar 31, 2009**

Name	Designation and nature of duties	Age	Qualification	Experience (years)	Last Employment	Date of commencement of employment	Gross Remuneration (Rs.)
Thiru S.Chandramohan	Managing Director	57	B.E. (Chem.), M.B.A.	35	Project Director, SPIC Fertilizers and Chemicals FZE, Dubai.	1.3.2003	40,50,000

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

Chennai  
Apr 30, 2009

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

**REPORT ON CORPORATE GOVERNANCE (PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)****1. Company's Philosophy on Code of Governance:**

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

The Report on Corporate Governance followed by the Company for the 18 month period ended Mar 31, 2009 is as follows:

**2. Board of Directors**

## ❖ Composition

As on Mar 31, 2009, the Board of Directors of the Company comprised of 6 Directors. The Board comprises of one Executive Director and five Non-Executive Directors, of which three are independent. The Non-Executive Directors bring independent judgement in the Board deliberations and decisions. The Board of Directors is responsible for the management of the business of the Company and meets regularly for discharging its role and functions. All information as required under Annexure 1A to Clause 49 is being made available to the Board.

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

During the period, viz. from Oct 1, 2007 to Mar 31, 2009, seven Board Meetings were held on the following dates:

Date of the Board Meeting	Strength of the Board	No. of Directors present
22.10.2007	8	6
26.12.2007	8	5
29.01.2008	8	7
16.04.2008	8	6
23.07.2008	8	5
22.10.2008	6	5
28.01.2009	6	6

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

## ❖ Particulars of the Board's composition, attendance at Board Meetings and the previous Annual General Meeting, number of other Directorships held and Board-Committee Memberships of the Company's Directors, as at Mar 31, 2009 are given below:

Sl. No.	Director Tvl./Tmt.	Attendance Particulars		No. of Other Directorship	No. of other Board – Committee positions held	
		Board Meeting	Last AGM		As Chairman	As Member
1	2	3	4	5	6	7
1.	Dr. A.C. Muthiah Chairman Non- Executive Non-Independent	7	Yes	Chairman - 4 Vice Chairman - 2	----	----
2	Ashwin C Muthiah Non-Executive Non-Independent	3	No	Chairman - 5 Vice Chairman - 3 Director - 5	----	----
3.	S. Chandramohan Managing Director Executive Non- Independent	7	Yes	Director – 2	----	----
4.	M. Jayasankar Non-Executive Independent	7	Yes	Director - 4	1	----
5.	R. Soundararajan Non-Executive Independent (From 11.04.2008)	4	NA	Director – 1	----	2

1	2	3	4	5	6	7
6.	Vatsala Krishnakumar IDBI Nominee Non- Executive Independent (From 21.02.2009)	NA	NA	Director - 1	----	----
7.	R.V. Ramani Non-Executive Independent (Upto 28.02.2008)	3	Yes	Chairman - 5 Director - 3	----	----
8.	Ar Rm Arun Non-Executive Non-Independent (Upto 23.07.2008)	2	Yes	Chairman - 4 Vice Chairman - 1 Director - 1	----	1
9.	G.C. Raghubir SBI Nominee Non- Executive Independent (Upto 23.07.2008)	....	No	Director - 2	----	2
10.	S. Srinivasan IDBI Nominee Non- Executive Independent (Upto 21.02.2009)	7	No	Director - 1	----	1

Note: Directorships in Companies registered under Section 25 of the Companies Act, 1956 have not been included.

### 3. Audit Committee

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

The Audit Committee of your Company was set up in the year 1986 well before the Corporate Governance Code became mandatory. During the period, the Audit Committee consisted of three Directors all being Non-Executive and Independent Directors. Thiru R.Soundararajan, who was co-opted as an additional Director on Apr 11, 2008, was elected as the Chairman of the Committee in place of Thiru R.V. Ramani, Director & Chairman of the Audit Committee, who resigned from the Board on Feb 28, 2008. The other members of the Committee are Thiru M. Jayasankar, Director and Thiru S.Srinivasan, Nominee Director of IDBI. Thiru S.Srinivasan has been replaced by Tmt. Vatsala Krishnakumar with effect from 21.02.09. Thiru S. Chandramohan, Managing Director, is the Convener of the Committee. Thiru S. Raghavan, Company Secretary, is the Secretary of the Committee.

#### ❖ Meetings and attendance during the Period

Seven Meetings of the Audit Committee were held during the said period. The dates are Oct 22, 2007, Dec 26, 2007, Jan 29, 2008, Apr 16, 2008, Jul 23, 2008, Oct 22, 2008 and Jan 28, 2009. The attendance of each Member of the Committee is given below:

Names of Directors	No. of meetings attended
Thiru R. Soundararajan (From 11.04.2008)	4
Thiru M. Jayasankar	7
Thiru S Srinivasan	7
Thiru R.V. Ramani (Upto 28.02.2008)	3

Thiru R V Ramani, then Chairman of the Audit Committee, was present at the Annual General Meeting held on Feb 27, 2008.

#### ❖ Brief description of Terms of Reference

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

### 4. Remuneration to Directors

#### ❖ Remuneration Committee and Remuneration Policy

The Remuneration Committee of the Board was constituted on Mar 15, 2002 to formulate and recommend to the Board from time to time the compensation structure for Directors of the Board. The Members of the Committee are Thiru R Soundararajan (Chairman of the Committee), Thiru M.Jayasankar, Director and Thiru S. Srinivasan, Nominee Director of IDBI. Thiru S.Srinivasan has been replaced by Tmt. Vatsala Krishnakumar with effect from 21.02.09.

#### ❖ Remuneration to Directors

Thiru S. Chandramohan was appointed as the Managing Director of the Company for a period of three years with effect from Mar 1, 2003. He was reappointed for a period of three years with effect from Mar 1, 2006 and further reappointed for a period of three years with effect from Mar 1, 2009. The remuneration package comprises of salary, performance linked pay, allowances and perquisites. The Managing Director has been paid remuneration amounting to Rs.40.50 lakhs for the 18 month period ended Mar 31, 2009.

The Remuneration Committee Meeting was held on Jan 28, 2009.

The Non-Executive Directors are being remunerated by way of Sitting Fees. The Sitting Fees paid to Non-Executive Directors for the 18 month period ended Mar 31, 2009 is as follows:

Sl. No.	Name of the Director	Sitting Fee Paid (Rs.)
1.	Dr. A.C. Muthiah	16000
2.	Thiru Ashwin C Muthiah	6000
3.	Thiru M. Jayasankar	34000
4.	Thiru R. Soundararajan (From 11.04.2008)	18000
5.	Thiru S. Srinivasan	34000
6.	Thiru R.V. Ramani (Upto 28.02.2008)	16000
7.	Thiru Ar Rm Arun (Upto 23.07.2008)	5000
	<b>Total</b>	<b>129000</b>

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

- Details of the Members, Compliance Officer, No. of complaints received and pending transfers as on Mar 31, 2009

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

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

The Company had no pending documents for transfer as on Mar 31, 2009.

### 6. Code of Conduct

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

### 7. Insider Trading

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

### 8. CEO & CFO Certification

Certificate from Thiru S Chandramohan, Managing Director & CEO and Thiru O.N.Jayakumar, CFO in terms of Clause 49(V) of the Listing Agreement with the Stock Exchanges for the period under review was placed before the Board of Directors of the Company in their meeting held on Jan 28, 2009.

### 13. General Shareholder Information

1.	Annual General Meeting Date and Time Venue	Jul 17, 2009, 2.45 p.m. Abirami Chidambaram Community Hall, No.1/3A, River View Road, Near Kotturpuram Bridge, Kotturpuram, Chennai – 600 085.
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### 9. Secretarial Audit

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

### 10. General Meetings

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

Year	Location	Date and Time
33rd AGM – 2004-05	Raja Annamalai Hall, Esplanade, Chennai 600 108.	Jan 18, 2006 – 4.00 p.m.
34th AGM – 2005-06	Raja Annamalai Hall, Esplanade, Chennai 600 108.	Jan 29, 2007 – 4.00 p.m.
35th AGM – 2006-07	Abirami Chidambaram Community Hall, Kotturpuram, Chennai – 600 085.	Feb 27, 2008 – 3.15 p.m.

### 11. Disclosures

- During the 18 month period ended Mar 31, 2009, there were no materially significant related party transactions having conflict with the interests of the Company.
- There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

### 12. Means of Communication:

- The quarterly, half-yearly and yearly Financial Results of the Company are forwarded to the Stock Exchanges immediately upon approval by the Board of Directors and are published in "Business Standard" (English) and "Makkal Kural" (Tamil) Newspapers. The Company currently does not have a website.
- In accordance with Listing Agreement requirements, data pertaining to shareholding pattern, quarterly financial results etc., are displayed in the Electronic Data Information Filing and Retrieval (EDIFAR) website of SEBI (<http://sebidifar.nic.in>).
- The Management Discussion and Analysis Report forms a part of this Annual Report.

2.	Financial Calendar April 2009 – March 2010	A) First Quarter Results – Last Week of Jul 2009 B) Half-Yearly Results – Last Week of Oct 2009 C) Third Quarter Results – Last Week of Jan 2010 D) Annual Results for the year ending Mar 31, 2010 – Last week of Apr 2010.
3.	Record Date Book Closure Date	Nil Jul 9, 2009 to Jul 17, 2009
4.	Listing of Equity Shares on Stock Exchanges	Bombay Stock Exchange Limited. The Company has paid the Listing Fees to the Stock Exchange for the year 2008-09.
5.	Registrar and Transfer Agents	Cameo Corporate Services Limited Subramanian Buildings 1, Club House Road, Off. Anna Salai, Chennai – 600 002.
6.	Stock Code Demat ISIN No.	506808 - Bombay Stock Exchange Limited. INE400A01014
7.	Share Transfer System	The power to approve transfer and transmission of shares has been delegated by the Board to the Managing Director and Shareholders' / Investor's Grievance Committee. Share Transfer requests are processed within a period of 15 days from the date of receipt. Letters are sent to the shareholders after transfer of shares in their names. The share certificates are despatched by Registered Post.
8.	Dematerialisation of shares and liquidity	42.39% equivalent to 62,71,579 Equity Shares of the total Equity Capital is held in dematerialised form.
9.	Details of public funding obtained in the last three years	No capital has been raised in the last three years from Public. However, on 31.01.06, 5,62,430 equity shares were allotted to the South Indian Bank Limited, Thrissur, at the rate of Rs.17.78 per share with the Members' approval by conversion of Redeemable Cumulative Preference Shares amounting to Rs.1.00 crore.
	Outstanding GDRs / ADRs / Warrants of any convertible instruments.	Not Issued
	Depository Registry for providing connectivity to both the depositories viz., National Securities Depository Limited and Central Depository Services (India) Limited	Cameo Corporate Services Limited Subramanian Buildings, 1, Club House Road, Off Anna Salai, Chennai – 600 002 Telephone No.28460390 Fax No. 28460129 Email: cameo@cameoindia.com
10.	Plant Location.	Harbour Construction Road, Tuticorin – 628 005
11.	Compliance Officer & Address for Communication	Thiru S. Raghavan Company Secretary Tuticorin Alkali Chemicals and Fertilisers Limited 'East Coast Centre', 534, Anna Salai, Teynampet, Chennai – 600 018. Telephone No. 24345276 Fax No. 24348044 Email: secretary@tacfert.com

To the Members of Tuticorin Alkali Chemicals and Fertilisers Limited

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

We, S Chandramohan, Managing Director and O N Jayakumar, Chief Financial Officer, hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct formulated by the Company for the 18 month period ended Mar 31, 2009.

Chennai  
Apr 30, 2009

O N JAYAKUMAR  
Chief Financial Officer

S.CHANDRAMOHAN  
Managing Director

**DISTRIBUTION OF HOLDINGS**

Share holding of nominal value of Rs.10/- Range – Shares	Share Holders		No. of Shares	
	Number	%	Number	%
Upto 500	18,813	92.58	23,83,395	16.11
501 - 1,000	956	4.70	8,10,169	5.48
1,001 - 2,000	322	1.59	4,96,743	3.36
2,001 - 3,000	88	0.43	2,20,615	1.49
3,001 - 4,000	39	0.19	1,42,603	0.96
4,001 - 5,000	38	0.19	1,83,852	1.24
5,001 - 10,000	36	0.18	2,71,391	1.83
10,001 and above	29	0.14	1,02,87,062	69.53
<b>TOTAL</b>	<b>20,321</b>	<b>100.00</b>	<b>1,47,95,830</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31ST MARCH, 2009**

	Category	No. of Shares	Percentage
1.	Indian Promoters	66,80,113	45.15
2.	Mutual Funds	2,450	0.02
3.	Banks, Financial Institutions, Insurance Companies	4,78,027	3.22
4.	Foreign Institutional Investors	13,200	0.09
5.	Private Corporate Bodies	16,11,471	10.90
6.	Indian Public	56,98,287	38.51
7.	NRIs/OCBs	3,12,282	2.11
	<b>TOTAL</b>	<b>1,47,95,830</b>	<b>100.00</b>

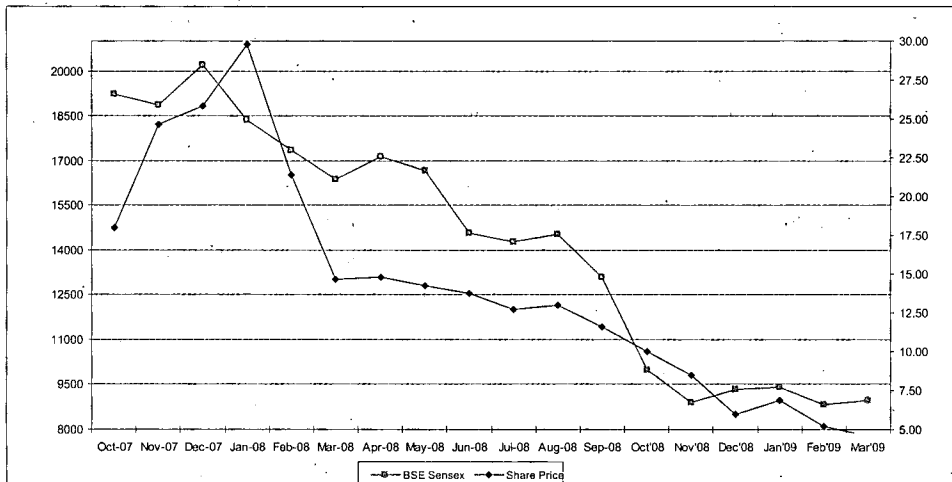
**MARKET / SHARE PRICE DATA****BOMBAY STOCK EXCHANGE LIMITED, MUMBAI**

In Rupees

Month	High	Low
Oct '07	18.00	13.45
Nov '07	24.68	13.55
Dec '07	25.85	19.50
Jan '08	29.80	17.95
Feb '08	21.40	14.55
Mar '08	14.65	9.55
Apr '08	14.80	10.80
May '08	14.25	12.15
Jun '08	13.75	10.25
Jul '08	12.70	8.66
Aug '08	13.00	10.10
Sep '08	11.60	8.50
Oct '08	9.99	5.51
Nov '08	8.49	4.70
Dec '08	5.98	4.56
Jan '09	6.90	4.76
Feb '09	5.20	3.97
Mar '09	4.58	3.52

## GRAPH

Performance of TAC's Equity Shares vis-à-vis the BSE Sensex is placed below:



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

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

We have examined the compliance of conditions of Corporate Governance by Tuticorin Alkali Chemicals and Fertilisers Limited, for the 18 month period ended Mar 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange.

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

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

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

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N. GANGADARAN  
Partner  
Membership No. 11205

Chennai  
Apr 30, 2009

#### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

##### Introduction

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



### Soda Ash

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

### Ammonium Chloride (Fertiliser Grade)

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

### Ammonium Bicarbonate & Sodium Bicarbonate

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

### Financial Performance

The Company's Plant has been under complete shut down for the past two years owing to non-availability of Carbon-di-oxide from SPIC. As a result of which the entire net worth of the Company amounting to Rs.4226.51 lakhs has been fully wiped off by accumulated losses. Hence the Board of Directors formed an opinion that the Company has become a Sick Industrial Company within the meaning of Section 3(1)(o) of Sick Industrial Companies (Special Provisions) Act, 1985 and filed a reference under Sec.15 of the said Act before the Board for Industrial and Financial Reconstruction (BIFR).

The financial performance of the company during the eighteen month period ended Mar 31, 2009 as compared to 2006-07 is summarised below:

Details	(Rupees in Crores)	
	2007-09 18 Months	2006-07 12 Months
TURNOVER (Net of Excise duty & Trade Discount)	14.43	73.41
a) Profit / (Loss) before Depreciation & Interest	(16.29)	4.67
b) Interest	8.76	5.30
c) Depreciation	7.37	5.27
d) Provision for Income Tax (Fringe Benefit Tax)	0.08	0.11
e) Profit / (Loss) for the year	(32.50)	(6.01)

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

### Internal Control

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

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

### Human Resource Development

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

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

The Company has around three hundred and four employees with diverse academic backgrounds and work experience.

### Cautionary Statement

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

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

1. We have audited the attached Balance Sheet of Tuticorin Alkali Chemicals and Fertilisers Limited as at 31st March, 2009, the Profit and Loss Account and also the Cash Flow Statement for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. Further to our comments in the annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - ii. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards, referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - v. Attention is drawn to the fact owing to plant shut down for over 26 months the net worth of the company has turned negative.
  - vi. Subject to 4(v) above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - (i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009,
    - (ii) in the case of Profit and Loss Account, of the LOSS for the period ended on that date, and
    - (iii) in the case of Cash Flow Statement, of the Cash Flows for the period ended on that date.

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N.GANGADARAN  
Partner  
Membership No.11205

Chennai  
Date: Apr 30, 2009

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

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

6. In our opinion and according to the information and explanations given to us the Company has complied with the provisions of Sections 58A and 58AA of the Companies Act, 1956 and any other relevant provisions of the Act.
7. In our opinion, the Company has an adequate internal audit department commensurate with the size and the nature of its business.
8. We have broadly reviewed the books of account, without detailed examination of the books and records maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 in respect of Soda Ash and Ammonium Chloride and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
9. a. Undisputed statutory dues including Provident Fund, Investors' Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty and Cess have generally been regularly deposited with the appropriate authorities. However, there have been delays in some cases and the company has not remitted Provident Fund amounting to Rs.24.95 lakhs and Deferred Sales Tax of Rs.16.17 lakhs.
- 9 b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March 2009 for a period of more than six months from the date they became payable.
- 9 c. According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute excepting the following:

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

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

(Rupees in lakhs)

SI No	Name of Bank	Principal overdue	Interest overdue	Period of outstanding
1	IDBI	469.89	345.93	Oct. '07 - Mar. '09
2	ICICI	219.82	201.00	Oct. '07 - Mar. '09
3	TMB	158.33	116.63	Oct. '07 - Mar. '09
4	HDFC	134.61	48.07	Oct. '07 - Mar. '09
		<b>982.65</b>	<b>711.63</b>	

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

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

For CNGSN & ASSOCIATES  
Chartered Accountants  
C.N.GANGADARAN  
Partner  
Chennai  
Date: Apr 30, 2009  
Membership No.11205

**BALANCE SHEET AS AT 31ST MARCH 2009**

(Rupees in lakhs)

	Schedule	As at 31.03.2009		As at 30.09.2007	
<b>SOURCES OF FUNDS</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	3782.75		3782.75	
Reserves and Surplus	2	443.76	4226.51	443.76	4226.51
<b>Loan Funds</b>					
Secured	3	6178.54		5380.68	
Unsecured	4	1149.70	7328.24	1171.67	6552.35
<b>Total</b>			<b>11554.75</b>		<b>10778.86</b>
<b>APPLICATION OF FUNDS</b>					
<b>Fixed Assets</b>					
Gross Block	5	15583.16		15795.30	
Less : Depreciation		10639.33		10046.14	
Net Block		4943.83		5749.16	
Capital Work in progress		49.53	4993.36	59.93	5809.09
<b>Investments</b>	6		1.13		122.46
<b>Current Assets, Loans &amp; Advances</b>					
<b>Current Assets</b>					
Inventories	7	999.30		1344.98	
Sundry Debtors	8	516.68		519.39	
Cash and Bank Balances	9	44.40		20.45	
		1560.38		1884.82	
Loans and Advances	10	616.01		1396.76	
		2176.39		3281.58	
Less : Current Liabilities & Provisions	11				
Current Liabilities		2268.75		1776.77	
Provisions				59.82	
		2268.75		1836.59	
Net Current Assets / (Current Liabilities)			(92.36)		1444.99
Miscellaneous Expenditure (to the extent not written off or adjusted)					
Profit and Loss account - Debit Balance	12		6652.62		3402.32
<b>Total</b>			<b>11554.75</b>		<b>10778.86</b>
Notes on Accounts	17				

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

S. RAGHAVAN Company Secretary	A.C. MUTHIAH Chairman	S. CHANDRAMOHAN Managing Director	This is the Balance Sheet referred to in our report of even date For CNGSN & ASSOCIATES Chartered Accountants
Chennai Apr 30, 2009	O.N. JAYAKUMAR Chief Financial Officer	M. JAYASANKAR R. SOUNDARARAJAN Directors	

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**PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH 2009**


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(Rupees in lakhs)

	Schedule	Period Ended 31.03.2009	Year Ended 30.09.2007
<b>INCOME</b>			
Sales (Note 8(d) in Schedule 17)		1466.36	8209.80
Less : Excise Duty		23.67	713.42
Less : Trade Discount		-	154.91
		<u>1442.69</u>	<u>7341.47</u>
Other Income	13	341.43	478.27
<b>Total Income</b>		<u>1784.12</u>	<u>7819.74</u>
<b>EXPENDITURE</b>			
Manufacturing and Other Expenses	14	2548.67	6451.53
Purchase of Traded Goods		855.63	130.48
Interest and Finance Charges	15	875.73	530.38
Depreciation		737.31	526.37
(Increase) / Decrease in stock of Finished Goods and Work-in-Process	16	9.08	770.93
<b>Total Expenditure</b>		<u>5026.42</u>	<u>8409.69</u>
<b>PROFIT / (LOSS) BEFORE TAX</b>		<u>(3242.30)</u>	<u>(589.95)</u>
Provision for Tax - M A T		-	57.32
M A T Credit Entitlement		-	(57.32)
Provision for Tax - F B T		8.00	10.85
<b>Profit / (Loss) After Tax</b>		<u>(3250.30)</u>	<u>(600.80)</u>
<b>LOSS BROUGHT FORWARD</b>		<u>(3702.76)</u>	<u>(3101.96)</u>
<b>BALANCE CARRIED TO BALANCE SHEET</b>		<u>(6953.06)</u>	<u>(3702.76)</u>
Notes on Accounts	17		

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

S. RAGHAVAN  
Company SecretaryA.C. MUTHIAH  
ChairmanS. CHANDRAMOHAN  
Managing DirectorThis is the Profit & Loss Account  
referred to in our report  
of even dateFor CNGSN & ASSOCIATES  
Chartered Accountants

C N GANGADARAN

Chennai  
Apr 30, 2009O.N. JAYAKUMAR  
Chief Financial OfficerM. JAYASANKAR  
R. SOUNDARARAJAN  
DirectorsPartner  
Membership No. 11205

**SCHEDULES FORMING PART OF BALANCE SHEET**

(Rupees in lakhs)

<b>SHARE CAPITAL</b>		<b>Schedule : 1</b>	
		As At 31.03.2009	As At 30.09.2007
<b>AUTHORISED</b>			
1,50,00,000	Equity Shares of Rs.10 each	1,500.00	1,500.00
24,00,000	Redeemable Cumulative Preference Shares of Rs.100 each	2,400.00	2,400.00
		<u>3,900.00</u>	<u>3,900.00</u>
<b>ISSUED</b>			
1,48,90,430	Equity Shares of Rs.10 each	1,489.04	1,489.04
1,00,000	12 % Redeemable Cumulative Preference Shares of Rs.100 each	100.00	100.00
3,00,000	8 % Redeemable Cumulative Preference Shares of Rs.100 each	300.00	300.00
20,00,000	5 % Redeemable Cumulative Preference Shares of Rs.100 each	2,000.00	2,000.00
		<u>3,889.04</u>	<u>3,889.04</u>
<b>SUBSCRIBED AND PAID UP</b>			
1,47,95,830	Equity Shares of Rs.10 each fully paid up	1,479.58	1,479.58
	Add : Forfeited Shares	3.17	3.17
3,00,000	8 % Redeemable Cumulative Preference Shares of Rs.100 each *	300.00	300.00
20,00,000	5% Redeemable Cumulative Preference Shares of Rs.100 each **	2,000.00	2,000.00
		<u>3,782.75</u>	<u>3,782.75</u>

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

\*\* Issued by conversion of Unsecured Promoters' loan in 2004

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

(Rupees in lakhs)

**SECURED LOANS** **Schedule : 3**

	As At 31.03.2009		As At 30.09.2007	
<b>FROM BANKS :</b>				
Term Loans *	4171.24		4,171.24	
Funded Interest *	424.49		424.49	
Interest accrued and due on Term Loans *	757.42		-	
Cash Credit from Banks **	479.23	5,832.38	438.79	5,034.52
		<u>6,178.54</u>	<u>5,034.52</u>	<u>5,034.52</u>
<b>FROM FINANCIAL INSTITUTIONS :</b>				
Housing Development Finance Corporation Limited ***		346.16		346.16
		<u>346.16</u>	<u>346.16</u>	<u>346.16</u>
		<u>6,178.54</u>	<u>5,380.68</u>	<u>5,380.68</u>

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

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

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

**UNSECURED LOANS** **Schedule : 4**

Fixed Deposits	11.20		32.31	
Amounts to be credited to Investor Education and Protection Fund				
Unclaimed Fixed Deposit from public*	0.49	11.69	1.35	33.66
Loans from Promoters - Funded Interest		1,047.30		1,047.30
From ICICI Bank Limited - Bioproducts Loan	55.20		55.20	
Funded Interest	35.51	90.71	35.51	90.71
		<u>1,149.70</u>	<u>90.71</u>	<u>90.71</u>
		<u>1,149.70</u>	<u>1,171.67</u>	<u>1,171.67</u>

\*This amount represents fixed deposits which have matured but remained unclaimed on 31st March 2009

Schedule : 5

## FIXED ASSETS

(Rupees in lakhs)

Description	Cost				Depreciation				Net Book Value	
	As at 01.10.2007	Additions	Deletions	As at 31.03.2009	As at 01.10.2007	For the Year	Deduction	As at 31.03.2009	As at 31.03.2009	As at 30.09.2007
Land and Development *	38.93	-	-	38.93	-	-	-	-	38.93	38.93
Factory and Other Buildings	1858.80	-	75.66	1783.14	667.07	72.45	16.55	722.97	1060.17	1191.73
Roads,Culverts,Fencing and Compound Wall	78.38	-	-	78.38	28.27	2.53	-	30.80	47.58	50.11
Plant & Machinery (including Windmill)	12061.12	10.21	117.77	11953.56	8098.78	540.94	101.64	8538.08	3415.48	3962.34
Handling Equipment	113.41	-	16.19	97.22	99.53	2.17	16.19	85.51	11.71	13.88
Electrical Equipment, Fittings and other Installations	1207.02	2.50	-	1209.52	835.66	88.68	0.09	924.25	285.27	371.36
Furniture,Fixtures,Office and other Equipments	396.85	1.92	6.36	392.41	298.41	23.36	4.96	316.81	75.60	98.44
Vehicles	40.79	-	10.79	30.00	18.42	7.19	4.70	20.91	9.09	22.37
Capital Work-in-progress (including capital stores and advances)	15795.30	14.63	226.77	15583.16	10046.14	737.32	144.13	10639.33	4943.83	5749.16
Previous year	16570.80	77.97	853.47	15795.30	9948.34	526.37	428.57	10046.14	4993.36	5809.09

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



		(Rupees in lakhs)	
<b>INVESTMENTS</b>	<b>Schedule : 6</b>		
	<b>As At</b>	<b>As At</b>	
	<b>31.03.2009</b>	<b>30.09.2007</b>	
<b>NON-TRADED UNQUOTED (AT COST)</b>			
National Savings Certificates ( Rs.0.33 lakhs matured and realised during the year ) (lodged with Government Departments as Security Deposit)	1.13	1.46	
Gold Nest Trading Company Limited (1,21,000 Shares of Rs.100 each disposed off during the year)		121.00	
	<u>1.13</u>	<u>122.46</u>	
<b>INVENTORIES</b>		<b>Schedule : 7</b>	
Stores and Spare parts at cost	493.13	525.43	
Stock-in-Trade			
- Raw Materials	445.11	749.39	
- Work-in-Process	54.77	63.66	
- Finished Goods	6.29	6.50	819.55
	<u>999.30</u>	<u>1,344.98</u>	
<b>SUNDRY DEBTORS</b>		<b>Schedule : 8</b>	
Unsecured			
Debts outstanding for a period exceeding six months :			
Considered Good	516.32	517.13	
Considered Doubtful (under legal proceedings)	40.79	40.79	
	<u>557.11</u>	<u>557.92</u>	
Less : Provision	40.79	516.32	517.13
Other Debts :			
Considered Good	0.36	2.26	
	<u>516.68</u>	<u>519.39</u>	
<b>CASH AND BANK BALANCES</b>		<b>Schedule : 9</b>	
Cash and Cheques on hand	2.00	0.45	
Bank Balances :			
With Scheduled Banks			
On Current Accounts	22.40	-	
On Fixed Deposit	20.00	20.00	
On Dividend Account	-	42.40	20.00
	<u>44.40</u>	<u>20.45</u>	

(Rupees in lakhs)

<b>LOANS AND ADVANCES</b>	<b>Schedule : 10</b>	
	As At 31.03.2009	As At 30.09.2007
Unsecured - Considered Good		
Advances recoverable in cash or in kind or for value to be received	419.73	932.51
Advance Tax and Tax Deducted at Source	44.80	74.52
MAT Credit Entitlement	57.32	57.32
Deposits	93.79	331.96
Balance with Central Excise Department	0.37	0.45
	<u>616.01</u>	<u>1,396.76</u>

<b>CURRENT LIABILITIES AND PROVISIONS</b>	<b>Schedule : 11</b>	
<b>CURRENT LIABILITIES</b>		
Sundry Creditors *	2,258.45	1,766.80
Amounts to be credited to Investor Education and Protection Fund	-	-
Unpaid Dividends	-	-
Interest accrued but not due on loans	10.30	9.97
<b>PROVISIONS</b>		
Provision for Fringe Benefits Tax	-	2.50
Provision for Minimum Alternate Tax	-	57.32
	<u>2,268.75</u>	<u>1,836.59</u>
* Dues to Director - Rs.6.13 lakhs		

<b>PROFIT AND LOSS ACCOUNT - DEBIT BALANCE</b>	<b>Schedule : 12</b>	
Profit and Loss account balance	6953.06	3,702.76
Less : General Reserve as per contra	<u>300.44</u>	<u>300.44</u>
	<u>6,652.62</u>	<u>3,402.32</u>

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

<b>OTHER INCOME</b>	<b>Schedule : 13</b>	
	Period Ended 31.03.2009	Year Ended 30.09.2007
Interest (Tax Deducted at Source Rs. 12.29 lakhs) (2006-07 Rs. 39.70 lakhs)	71.02	158.63
Rent (Tax Deducted at Source Rs. 11.23 lakhs) (2006-07 Rs. 6.05 lakhs)	97.07	63.50
Miscellaneous Income	173.34	256.14
	<u>341.43</u>	<u>478.27</u>

(Rupees in lakhs)

MANUFACTURING AND OTHER EXPENSES	Period Ended		Year Ended	
	31.03.2009		30.09.2007	
Raw Materials Consumed :				
Opening Stock	749.39		980.43	
Add : Purchases	75.87		2,265.28	
	<u>825.26</u>		<u>3,245.71</u>	
Less : Transfer to purchase of traded goods	331.94		-	
Less : Closing Stock	445.11	48.21	749.39	2,496.32
Consumption of Chemicals				19.05
Power , Fuel and Water Charges		486.67		1,481.67
Salaries, Wages and Bonus (including leave encashment on retirement )		1,055.61		834.49
Contribution to Provident Fund and Superannuation Fund		131.55		156.13
Contribution to Gratuity Fund		146.19		42.37
Staff Welfare Expenses		238.40		230.46
Rent		20.09		9.67
Rates and Taxes		39.78		106.99
Insurance		45.11		57.24
Research and Development Expenses		1.56		16.67
Repairs and Maintenance :				
Plant and Machinery	15.26		340.95	
Buildings	34.03		92.17	
Others	39.75	89.04	71.55	504.67
Packing, Transportation and Handling (net of recoveries)		1.55		253.89
Publicity and Sales Promotion		1.93		3.96
Commission and Discount on Sales		5.76		165.21
Travel Expenses		60.54		66.19
Printing and Stationery		3.92		6.04
Postage, Telegram and Telephone		12.91		14.66
Directors' Sitting Fees		1.29		1.29
Auditors' Remuneration :				
Audit	7.54		5.06	
Taxation	-		-	
Tax Audit	-		-	
Certification	0.56		0.16	
Reimbursement of Expenses	0.11	8.21	0.04	5.26
Exchange Variation (Net)		-		(141.42)
Miscellaneous Expenses		89.85		120.72
Loss on Sale of Investments		60.50		-
		<u>2,548.67</u>		<u>6,451.53</u>

(Rupees in lakhs)

INTEREST AND FINANCE CHARGES	Schedule : 15	
	Period Ended 31.03.2009	Year Ended 30.09.2007
On Fixed Loans	772.65	493.02
On Others	103.08	37.36
	<u>875.73</u>	<u>530.38</u>

(INCREASE)/DECREASE IN STOCK	Schedule : 16	
Opening Stock		
Finished Goods	6.51	755.65
Work-in-Process	<u>63.66</u>	<u>93.47</u>
Closing Stock		
Finished Goods	6.29	6.51
Work-in-Process	<u>54.77</u>	<u>63.66</u>
Movement of Excise Duty on Finished Goods	<u>(0.03)</u>	<u>(8.02)</u>
	<u>9.08</u>	<u>770.93</u>

**I SIGNIFICANT ACCOUNTING POLICIES:****SCHEDULE 17****1. Basis of Accounting**

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

**2. Fixed Assets**

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

**3. Depreciation**

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

Fixed assets costing Rs.5000/- or less have been fully depreciated.

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

**4. Long term investments**

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

**5. Inventories**

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

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

**6. Impairment of Assets**

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

**7. Revenue Recognition**

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

**8. Retirement Benefits**

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

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

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

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

Additional contribution to Life Insurance Corporation of India on account of Superannuation Scheme is amortised over a period of sixty months from the month after which the disbursements are made.

**9. Research & Development**

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

**10. Excise Duty**

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

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

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

**11. Foreign Currency Transaction**

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

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

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

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

**12. Deferred Revenue Expenditure**

Major replacements / repairs of parts of machinery is treated as deferred revenue expenditure and amortised over a period of sixty months.

Payment of compensation to employees who have retired under Voluntary Retirement Scheme is amortised over a period of sixty months from the month of retirement.

**13. Contingent Liabilities & Provisions**

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

**14. Taxation**

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

**II NOTES ON ACCOUNTS**

1. Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances) Rs. Nil lakhs (Previous year Rs.2.15 lakhs)
2. Security Deposit lodged with Sales Tax Authorities Rs. 0.14 lakh. (Previous year Rs.0.14 lakh)
3. The Company has sold part of the H.O. Building during this year. The profit on sale of these assets amounting to Rs. 113.94 lakhs is included in the Other Income. The sale proceeds of Rs.173.29 lakhs is lying in the 'No Lien Account' with IDBI Bank pending disbursement to term lenders after getting directions from CDR Empowered Group (CDR EG) with regard

to sharing. Hence the secured creditors and Loans and advances account is higher by Rs.173.29 lakhs.

4. Sundry Creditors include Rs. Nil lakhs (Previous year Rs.Nil lakhs) due to Small Scale Industrial (SSI) undertaking to the extent identified by the Management.

5. **Managerial Remuneration**

(Rupees in lakhs)

Details	2007-09 (18 Months)	2006-07
Salary and Allowances	*25.92	25.14
Contribution to Provident Fund	2.03	1.24
Perquisites**	12.55	5.39

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

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

6. The Company has not paid or provided salary since January 2009, instead paid only an Adhoc Allowance due to acute liquidity crunch arising out of the continuous shut down of the plant. Consequently, no provision or remittance has been made for PF contribution. The un-provided amount towards salary is Rs.74.92 lakhs and towards Management contribution of PF is Rs.9.98 lakhs

(Rupees in lakhs)

7.	Contingent Liabilities	31.03.09	30.09.07
a.	No provision is made for Purchase Tax, Sales Tax and penalties thereon imposed by Sales Tax Authorities relating to earlier years, which are under appeal.	345.82	345.82
b.	Disputed claims for rent under appeal.	544.85	447.83
c.	Arrears of dividend on Preference Shares	727.45	541.45

(in tonnes)

8.	Capacity, Production, Sales, Consumption and Stock:	2007-09 (18 Months)	2006-07
a.	<b>Installed Capacity</b> (per annum): (As certified by the management but not verified by the Auditors being a technical matter)		
	Soda Ash	115000	115000
	Ammonium Chloride (FG)	105000	105000
	Ammonium Chloride (PG / TG)	10000	10000
	Sodium Bicarbonate	5000	5000
	Ammonium Bicarbonate	3300	3300
	Bio-products (Kilo litres)	90	90

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

b	Production		
	Soda Ash (Light)	30.350	28324.000
	Soda Ash (Dense)	24.000	9486.000
	Ammonium Chloride (FG)	-	31895.000
	Ammonium Chloride (PG)	-	110.500
	Ammonium Chloride (TG)	405.600	1842.500
	Sodium Bicarbonate	1.800	3479.000
	Ammonium Bicarbonate	-	878.000
	Bio-products (Kilo litres)	-	11.665

(Rupees in lakhs)

		2007-09 (18 Months)	2006-07
<b>c.</b>	<b>Purchase of Traded Goods:</b>		
	Finished Goods - Soda Ash (Light)	523.69	130.48
	Transferred from Stock Account - Salt	245.92	-
	- Ammonia	86.02	-

		2007-09		2006-07	
		Quantity (Tonnes)	Value (Rs.in lakhs)	Quantity (Tonnes)	Value (Rs.in lakhs)
<b>d.</b>	<b>Sales *</b>				
	Soda Ash (Light)	2881.80	546.82	27012.450	2904.89
	Soda Ash (Dense)	24.070	2.71	9543.000	921.91
	Ammonium Chloride (FG)	-	-	44898.000	2812.23
	Ammonium Chloride (PG)	-	-	156.000	17.18
	Ammonium Chloride (TG)	405.600	69.80	1860.900	195.39
	Sodium Bicarbonate	1.800	0.18	3551.900	368.38
	Ammonium Bicarbonate	-	-	884.000	60.86
	Bio-products (Kilo litres)	0.038	0.22	9.869	34.44
	Others**	-	822.96	-	26.19

\* Includes samples, internal consumption and shortages.

\*\* Includes sale of Raw Materials and Captive Salt

<b>e.</b>	<b>Stock:</b>				
	Soda Ash (Light)	0.016	-	0.816	0.06
	Soda Ash (Dense)	0.910	0.06	0.980	0.08
	Ammonium Chloride (FG)	0.180	0.01	0.180	0.01
	Ammonium Chloride (PG)	0.050	0.01	0.050	0.01
	Ammonium Chloride (TG)	-	-	-	-
	Sodium Bicarbonate	0.940	0.06	0.940	0.06
	Ammonium Bicarbonate	-	-	-	-
	Bio-products (Kilo litres)	1.758	6.15	1.796	6.29

<b>f.</b>	<b>Raw Materials Consumed:</b>				
	Salt	-	-	57795.000	367.71
	Ammonia	-	-	13359.832	2020.82
	Carbon-di-oxide	-	-	24658.159	50.82
	Quick Lime	-	-	1426.000	55.68
	Others	-	48.21	-	20.34

(Rupees in lakhs)

9.	Description	2007-09 (18 Months)	2006-07
<b>a.</b>	<b>Value of Imports during the financial year calculated on CIF basis:</b>		
	Raw Materials and Chemicals	-	2074.05
	Components and Spare Parts	-	4.67
<b>b.</b>	<b>Expenditure in Foreign Currency during the financial year:</b>		
	i) Travel	-	1.47
	ii) Subscription	-	-
<b>c.</b>	<b>Amount remitted in Foreign currency during the year on account of dividends:</b>	Nil	Nil

(Rupees in lakhs)

<b>d. Earnings in Foreign Exchange during the financial year:</b>	<b>2007-09 (18 Months)</b>	2006-07
Exports of goods (F.O.B.)	Nil	Nil

<b>e. Value of Raw Materials, Spare parts and Components consumed during the year:</b>				
	<b>2007-09 (18 Months)</b>		2006-07	
	Value (Rs. in lakhs)	% to total Consumption	Value (Rs. in lakhs)	% to total Consumption
Imported	7.01	8	2078.72	75
Indigenous	78.33	92	687.19	25

<b>f. Stores consumed included under repairs and maintenance:</b>			(Rupees in lakhs)	
	<b>2007-09 (18 Months)</b>		2006-07	
Plant and Machinery	36.58		252.44	
Buildings	0.56		16.10	

**10. Related Party disclosure under Accounting Standard –18**

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

Associates:

Southern Petrochemical Industries Corporation Limited

Key Management Personnel of the Company:

Thiru S Chandramohan, Managing Director.

<b>II. The following transactions were carried out with the related parties:</b>				(Rupees in lakhs)	
Sl. No.	Particulars	<b>2007-09 (18 Months)</b>	2006-07		
1	Purchase of goods	-	59.82		
2	Sale of Goods	50.17	0.39		
3	Receiving of Services	57.28	175.10		
4	Remuneration to Key Management Personnel	Refer Note No. 5			
5	Proportion of outstanding				
	Receivable	44.58 %	26.35 %		
	Payable	13.70 %	12.81 %		
<b>III. Amounts written off during the year in respect of amounts due from related parties:</b>		NIL	NIL		

**11. Segmental Reporting For The Period Ended 31st March '09**

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

(Rupees in lakhs)

<b>12. Earnings per share</b>	<b>2007-09 (18 Months)</b>	2006-07
Profit / (Loss) as per Profit and Loss account	(3250.30)	(600.80)
Number of Equity shares paid up	14795830	14795830
Earnings per share - Basic & Diluted (in Rupees)	(23.22)	(4.90)
Face Value per share (in Rupees)	10.00	10.00

13. As regards recognition of deferred tax, in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India the total deferred tax asset / liability as on 31st March, 2009 are as under:

Deferred Tax Asset	(Rs. in lakhs)	Deferred Tax Liability	(Rs. in lakhs)
Unabsorbed Depreciation / (Loss)	6573.07	Depreciable Fixed Assets	3560.00
Provision for Doubtful Debts	40.79		
	6613.86		3560.00



As a matter of prudence the company has recognised Deferred Tax Asset of Rs 3560 lakhs to the extent of Deferred Tax Liability.

14. The figures for the current financial period are for eighteen months and hence not comparable with the twelve month previous year.

**15. CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2009**

(Rupees in lakhs)

	Period Ended 31.03.2009	Year ended 30.09.2007
<b>CASHFLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit / (Loss) Before Tax and Extraordinary Items	(3242.30)	(589.95)
Adjustments for:		
(Profit) / Loss on Sale of Assets	(135.46)	(235.06)
Depreciation	737.31	526.37
Exchange difference	-	(141.42)
Interest	875.73	530.38
(Profit) / Loss on sale of Investments	60.50	-
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>(1704.22)</b>	<b>90.32</b>
Adjustments for:		
Trade and Other Receivables	783.46	839.09
Inventories	345.69	981.00
Trade and Other Payables	434.33	(380.79)
Exchange difference	-	141.42
<b>CASH GENERATED FROM OPERATIONS</b>	<b>(140.74)</b>	<b>1671.04</b>
Direct Taxes Paid	(10.50)	(10.75)
<b>NET CASHFLOW FROM OPERATING ACTIVITIES (A)</b>	<b>(151.24)</b>	<b>1660.29</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets		
Including Increase in Capital Work In Progress	(4.24)	(103.83)
Sale of Fixed Assets (Sale Value)	218.12	659.97
Purchase of Investments	-	-
Sale of Investments	60.83	0.25
<b>NET CASH USED IN INVESTING ACTIVITIES (B)</b>	<b>274.71</b>	<b>556.39</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Long term Borrowings	775.88	(1695.21)
Interest Paid	(875.40)	(526.23)
<b>NET CASH USED IN FINANCING ACTIVITIES (C)</b>	<b>(99.52)</b>	<b>(2221.44)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>23.95</b>	<b>(4.76)</b>
Opening Cash and Cash Equivalents	20.45	25.21
Closing Cash and Cash Equivalents	44.40	20.45
Disclosure of Non cash transactions		

S. RAGHAVAN  
Company Secretary

A.C. MUTHIAH  
Chairman

S. CHANDRAMOHAN  
Managing Director

For CNGSN & ASSOCIATES  
Chartered Accountants

Chennai  
Apr 30, 2009

O.N. JAYAKUMAR  
Chief Financial Officer

M. JAYASANKAR  
R. SOUNDARARAJAN  
Directors

C N GANGADARAN  
Partner  
Membership No. 11205

## BALANCE SHEET ABSTRACT &amp; COMPANY'S GENERAL BUSINESS PROFILE

<b>I. Registration Details</b>	Registration No.	0	0	6	0	8	3	State code	1	8											
	Balance Sheet Date	3	1	0	3	0	9														
<b>II. Capital raised during the year (Rupees in Thousands)</b>																					
Public Issue								N	I	L											
Rights Issue								N	I	L											
Bonus Issue								N	I	L											
Private Placement								N	I	L											
<b>III. Position of Mobilisation and Deployment of Funds (Rupees in Thousands)</b>																					
Total Liabilities				1	3	8	2	3	5	0											
Total Assets				1	3	8	2	3	5	0											
<b>Source of Funds</b>																					
Paid-up Capital				3	7	8	2	7	5												
Reserves and Surplus				4	4	3	7	6													
Secured Loans				6	1	7	8	5	4												
UnSecured Loans				1	1	4	9	7	0												
<b>Application of Funds</b>																					
Net Fixed Assets				4	9	9	3	3	6												
Investments								1	1	3											
Net Current Assets								-	9	2	3	6									
Miscellaneous Expenditure												0									
Accumulated Losses				6	6	5	2	6	2												
<b>IV Performance of Company (Rupees in Thousands)</b>																					
Turnover (Gross Revenue)				1	4	4	2	6	9												
Total Expenditure				5	0	2	6	4	2												
Profit / Loss Before Tax		+	-	-		3	2	4	2	3	0										
Profit / Loss After Tax		+	-	-		3	2	5	0	3	0										
Earning Per Share in Rs.		+	-	-		2	3	.	2	2											
Dividend rate (%)												N	A								
<b>V Generic names of three Principal Products / Services of the Company</b>																					
Item Code No. (ITC Code)				2	8	3	6	2	0	0	9										
Product Description				S	O	D	A			A	S	H									
Item Code No. (ITC Code)				3	1	0	2	2	9	0	0										
Product Description				A	M	M	O	N	I	U	M		C	H	L	O	R	I	D	E	
Item Code No. (ITC Code)				2	8	3	6	3	0	0	0										
Product Description				S	O	D	I	U	M		B	I	C	A	R	B	O	N	A	T	E

S. RAGHAVAN  
Company SecretaryA.C. MUTHIAH  
ChairmanS. CHANDRAMOHAN  
Managing DirectorM. JAYASANKAR  
R. SOUNDARARAJAN  
DirectorsChennai  
Apr 30, 2009O.N. JAYAKUMAR  
Chief Financial Officer

**TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED**

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

**ATTENDANCE SLIP**

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

NAME & ADDRESS OF THE SHAREHOLDER

Folio No :	
DP. ID*	
Client ID*	

\* Applicable to Investors holding shares in electronic form

I hereby record my presence at the 36<sup>th</sup> Annual General Meeting at "Abirami Chidambaram Community Hall", Kotturpuram, Chennai - 600 085 on Friday, July 17, 2009 at 2.45 p.m.

SIGNATURE OF THE MEMBER OR PROXY
----------------------------------

SHARES HELD
-------------

**TUTICORIN ALKALI CHEMICALS AND FERTILISERS LIMITED**

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

**PROXY FORM**

I / We .....  
 .....of.....in the district of .....  
 .....being a member(s) of the above named Company hereby appoint Thiru.....  
 .....of.....in the district  
 of .....or failing him Thiru.....  
 .....of .....in the district of .....  
 as my / our proxy to attend and vote for me/us and on my/our behalf at the 36<sup>th</sup> Annual General Meeting of the  
 Company to be held at 2.45 p.m. on Friday, July 17, 2009 and at any adjournment thereof.

Signed this .....day of .....2009

Affix  
15 paise  
Revenue  
Stamp

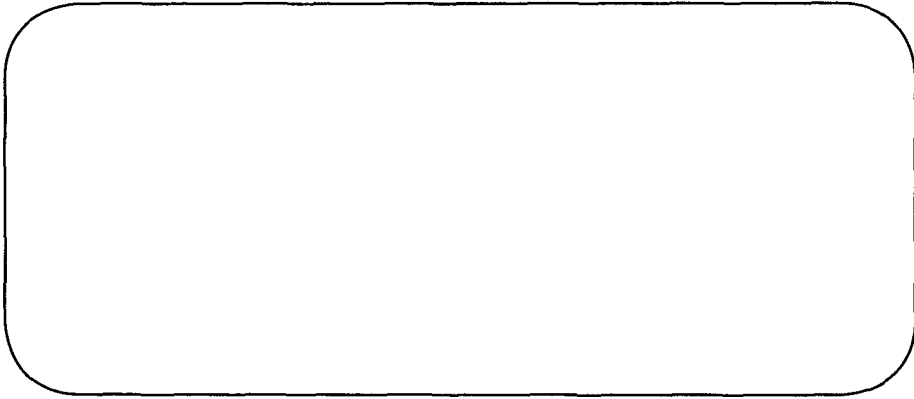
Folio No :	
------------	--

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

Book - Post



*If undelivered, please return to :*

**Tuticorin Alkali Chemicals and Fertilisers Limited**

"East Coast Centre"  
534, Anna Salai,  
Teynampet,  
Chennai - 600 018.  
India