



## NOTICE

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

### ORDINARY BUSINESS

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

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

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

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

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

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

### SPECIAL BUSINESS

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

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

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

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

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

- c. Leave as per rules of the Company.

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

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

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



## TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

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

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

Registered Office:

"SPIC House",

88, Mount Road, Guindy,

Chennai - 600 032.

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

Resolution:

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

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

### 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 and Principal Office of the Company at least 48 hours before the time fixed for the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 29th July, 2016 to 4th August, 2016 (both days inclusive).
4. Members are requested to quote their Folio Numbers in all their correspondence.
5. Members are requested to immediately provide their email address and notify changes, if any, in their addresses to the Company or to the Registrar viz., Cameo Corporate Services Limited, Subramanian Buildings, 1, Club House Road, Off Anna Salai, Chennai 600 002 specifying full address in Block Capital with Pin Code of the Post Office.
6. Members are requested to bring their copies of the Annual Report to the Meeting.
7. Members are requested to bring their Attendance Slips and hand over at the entrance, duly signed by them. Members who hold shares in the DEMATERIALISED FORM are requested to indicate without fail their DP ID and Client ID Numbers in the Attendance Slips.



**EXPLANATORY STATEMENT**

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

**Item No.2 & 4.**

**Thiru G Ramachandran**

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

Other Directorships held by Thiru G Ramachandran are:

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

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

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

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

**I. GENERAL INFORMATION:**

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

(Rs. in crores)

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

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

a. Export Performance and Net Foreign Exchange Earned:

The Company has not exported its products since March 2012.

b. Foreign Investments or Collaborators, if any: NIL

**II. INFORMATION ABOUT THE APPOINTEE:**

**Background Details, Recognition/Awards**

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

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

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

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

**Past Remuneration:**

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

(Rs. in lakhs)

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

**Job Profile and Suitability:**

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

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

**Remuneration Proposed:**

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

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

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



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

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

**III. OTHER INFORMATION:**

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

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

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

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

Completed One Time Settlements of Term Loans;

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

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

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

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

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

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

**Inspection of Documents**

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

**Disclosure of Interest**

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

**Item No. 5**

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

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

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

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

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

**Disclosure of Interest**

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

**Item No.6**

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

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

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

**Disclosure of Interest**

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

**Inspection of Documents**

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

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