

Independent Auditor's Report on Audited Annual Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended

To the Board of Directors of
Tuticorin Alkali Chemicals and Fertilizers Limited

Report on the Audit of Annual Financial Results

Opinion

We have audited the accompanying statement of annual financial results of Tuticorin Alkali Chemicals and Fertilizers Limited (hereinafter referred to as 'the Company') year ended March 31, 2023 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) is presented in accordance with the requirements of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2023.

Basis for Opinion

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the Note 2 of the financial results which states that, during the year, the Company has changed its accounting policy with respect to subsequent measurement of class of assets under property, plant and equipment consisting of freehold land and building from cost model to revaluation model in accordance with INDAS 16 to reflect the fair value of assets land and building, which as per management provides reliable and more relevant information about entity's financial position. Accordingly, fair value of free hold land and building was obtained from an independent valuer as on March 31, 2023 resulting in fair value gain of Rs 19,889.11 lakhs (net of deferred taxes amounting to Rs 3,969.81 lakhs) being recorded in other comprehensive income.

Our opinion is not modified in respect of this matter



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Management and Board of Directors' Responsibilities for the Financial Results

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, have been prepared on the basis of the annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

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

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

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



MSKA & Associates

Chartered Accountants

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and mevents in a manner that achieves fair presentation.

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

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

Other Matters

The Statement include the results for the quarter ended March 31, 2023 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of the above matter.

For M S K A & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

-S/D-

Geetha Jeyakumar
Partner
Membership No. 029409
UDIN: 23029409BGTMVA4143



Place: Chennai
Date: May 24, 2023

STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2023

(Rs. in Lakhs)

S.No.	Particulars	Quarter ended			Year ended	
		31 March 2023	31 December 2022	31 March 2022	31 March 2023	31 March 2022
		Audited (Refer Note 4 below)	Unaudited	Audited (Refer Note 4 below)	(Audited)	(Audited)
1	Income from operations:					
a)	Income from operations	13,374.88	14,823.95	8,037.81	51,293.70	17,451.98
b)	Other Income	43.74	27.47	466.65	215.22	604.56
	Total Income from operations	13,418.62	14,851.42	8,504.46	51,508.92	18,056.54
2	Expenses:					
a)	Cost of materials consumed	1,969.35	3,570.80	4,920.61	21,241.48	11,887.25
b)	Purchase of Traded Goods		2,500.91		4,222.99	
c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	215.52	4,109.74	(1,592.03)	1,705.89	(2,311.95)
d)	Employee benefits expense	429.49	414.73	361.47	1,787.58	1,314.04
e)	Finance Cost	66.95	66.71	82.80	321.26	230.18
f)	Depreciation and Amortisation expense	139.77	75.93	60.71	367.55	303.71
g)	Power and Fuel charges	2,319.93	1554.13	2,136.92	8,652.18	6,283.11
h)	Other expenses	2,670.91	799.13	1,068.55	5,333.90	3,747.59
	Total Expenses	10,811.94	13,092.07	7,039.03	43,632.83	21,453.93
3	Profit/(Loss) before taxes (1-2)	2,606.70	1,759.35	1,465.43	7,876.09	(3,397.39)
4	Tax expense					
a)	Deferred Tax Benefit	(2,241.79)	-	-	(2,241.79)	-
5	Profit/(Loss) for the period / year after tax (3 - 4)	4,848.49	1,759.35	1,465.43	10,117.88	(3,397.39)
6	Other Comprehensive Income (OCI)					
	Items that will not be reclassified to profit or loss					
	Revaluation on property, plant, equipment	23,858.92			23,858.92	
	Remeasurements gains/(losses) on Defined benefit plans	(41.00)	-	(8.62)	(62.79)	9.60
7	Income Tax related to items that will not be reclassified to profit or loss	3,969.81			3,969.81	
8	Total Other Comprehensive Income / (Loss) (6 - 7)	19,848.11	-	(8.62)	19,826.32	9.60
9	Total Comprehensive Income/(Loss) (5+8)	24,696.60	1,759.35	1,456.81	29,944.20	(3,387.79)
10	Paid-up equity share capital					
	Equity Shares - (Face value - Rs. 10 per share)	12,186.76	12,186.76	12,186.76	12,186.76	12,186.76
11	Reserves Excluding Revaluation Reserve				(31,108.80)	(41,163.89)
12	Earnings per share (Rs.10 each) (not annualised (except for year ended March)*:					
	- Basic	3.98	1.44	1.20	8.30	(2.79)
	- Diluted	3.98	1.44	1.20	8.30	(2.79)
	Weighted average number of shares used in computing earnings per equity share	12,18,35,830	12,18,35,830	12,18,35,830	12,18,35,830	12,18,35,830
	See accompanying Notes to Financial Results					

* EPS for the quarter is annualised



STATEMENT OF ASSETS & LIABILITIES AS AT MARCH 31, 2023

(Rs. in Lakhs)

S.No	Particulars	As at 31 March 2023	As at 31 March 2022
A	ASSETS		
1	Non-Current Assets		
a)	Property, Plant and Equipment	30,036.38	5,785.50
b)	Capital work-in-progress	465.95	393.38
c)	Investment property	175.94	181.32
d)	Financial Assets		
e)	Other Financial Assets	17.54	17.54
f)	Other non-current assets	1,072.21	845.54
g)	Income tax Asset (Net)	74.40	67.92
	TOTAL NON-CURRENT ASSETS	31,842.42	7,291.20
2	Current assets		
a)	Inventories	4,025.56	5,151.65
b)	Financial assets		
i)	Investments	0.05	0.05
ii)	Trade Receivables	17,404.50	908.47
iii)	Cash and Cash equivalents	2.30	87.15
iv)	Bank balances other than (iii) above	1.20	1.20
v)	Other financial assets	18.93	18.11
c)	Other Current assets	529.35	958.02
	TOTAL CURRENT ASSETS	21,981.89	7,124.65
	TOTAL ASSETS	53,824.31	14,415.85
B	EQUITY AND LIABILITIES		
1	Equity		
a)	Equity share capital	12,186.76	12,186.76
b)	Other Equity	(11,219.69)	(41,163.90)
	Total Equity	967.07	(28,977.14)
2	Liabilities		
A.	Non-Current Liabilities		
a)	Financial Liabilities		
i)	Trade payables		
	- total outstanding dues to micro enterprises and small enterprises	-	-
	- total outstanding dues to creditors other than micro enterprises and small enterprises	26,312.11	17,839.47
	Deferred Tax Liabilities	1,728.02	-
	Total Non-Current Liabilities	28,040.13	17,839.47
B.	Current liabilities		
a)	Financial liabilities		
i)	Borrowings	383.09	629.54
ii)	Trade payables		
	- total outstanding dues to micro enterprises and small enterprises	718.95	340.69
	- total outstanding dues creditors other than micro enterprises and small enterprises	15,471.92	16,417.56
iii)	Other Financial Liabilities	5,342.30	4,884.52
b)	Other Current Liabilities	2,834.08	3,228.39
c)	Provisions	66.77	52.82
	Total Current liabilities	24,817.11	25,553.52
	Total liabilities	52,857.24	43,392.99
	TOTAL EQUITY AND LIABILITIES	53,824.31	14,415.85



TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED
CASHFLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Rupees in Lakhs

S.No.	Particulars	Year ended 31 March 2023		Year ended 31 March, 2022	
A	Cash flow from operating activities				
	Profit/ (loss) before tax		7,876.09		(3,397.39)
	Adjustments for:				
	Rent Income	(23.96)		(14.84)	
	Depreciation expenses	367.55		303.71	
	Finance cost	321.26		230.18	
	Unrealised Exchange Gain/loss	1,394.91			
	Liabilities no longer payable	(97.00)		(408.82)	
			1,962.76		110.23
	Operating loss before working capital changes		9,838.85		(3,287.16)
	Adjustments for changes in working capital				
	Increase/(Decrease) in Trade payables	7,905.25		10,535.02	
	Increase/(Decrease) in Other Current Liabilities	(394.29)		(3,523.04)	
	Increase/(Decrease) in Other Current Financial Liabilities	350.66		305.20	
	Increase/(Decrease) in Current Provisions	(48.84)		(3.33)	
	(Increase)/Decrease in Inventories	1,126.09		(3,346.57)	
	(Increase)/Decrease in Trade Receivables	(17,890.95)		407.56	
	(Increase)/Decrease in Other Non Current Assets	(14.33)		46.07	
	(Increase)/Decrease in Other Financial Assets	(0.82)		(8.08)	
	(Increase)/Decrease in Other Current Assets	525.70		(182.42)	
			(8,441.53)		4,230.42
	Cash generated from operations		1,397.32		943.26
	Income tax paid/(credit)		(6.48)		(12.88)
	Net cash flows from operating activities (A)		1,390.84		930.38
B	Cash flow from Investing activities				
	Purchase of property, plant and equipment including capital advance	(1,039.05)		(782.22)	
	Investment in Fixed Deposits			(1.20)	
	Rent income Received	23.96		14.84	
	Net cash flow used in investing activities (B)		(1,015.09)		(768.58)
C	Cash flow from Financing activities				
	Repayment of current borrowings (net)	(246.46)		38.30	
	Interest paid	(214.14)		(140.53)	
	Net cash flow used in financing activities (C)		(460.60)		(102.22)
	Net (Decrease) / Increase in cash and cash equivalents (A+B+C)		(84.85)		59.58
	Cash and cash equivalents at the beginning of the year		87.15		27.57
	Cash and cash equivalents at the end of the year		2.30		87.15
			(84.85)		59.58



TUTICORIN ALKALI CHEMICALS AND FERTILIZERS LIMITED

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

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

CIN: L24119TN1971PLC006083

Notes :

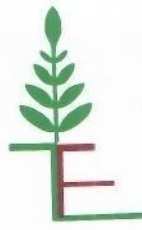
- 1 The above results were reviewed by the Audit committee and approved by the Board of Directors at their respective meeting, held on May 24, 2023. The audited financial results are prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013.
- 2 During the year, Company has changed its accounting policy with respect to subsequent measurement of class of assets of property, plant and equipment consisting of freehold land and building from cost model to revaluation model in accordance with INDAS 16 to reflect the fair value of land and building, to provide reliable and more relevant information about the entity's financial position. Accordingly fair value of free hold land and building was obtained from an independent valuer as on March 31, 2023 resulting in fair value gain of Rs 19,889.11 lakhs (net of deferred tax of Rs 3,969.81) being recorded in other comprehensive income.
- 3 The Company made a net profit of before tax Rs.2,606.70 Lakhs for quarter ended March 31, 2023 (PY Rs 1465.43 lakhs), net profit of Rs 7,876.09 lakhs for financial year ended March 31, 2023 (PY Loss of Rs 3,397.39 lakhs) with significant improvement in operation. Considering the profit earned during the year and the fair value gain on revaluation of assets as mentioned above, the Company's networth has turned positive as at the end of the year amounting to Rs 967.07 lakhs (PY Negative networth of Rs 28,977.14 lakh). The Management of the Company is continuing to improve the production capacity by incurring additional capital expenditure for refurbishing/replacing old identified machineries. The cash flow forecasts for a period of 12 months from the date of approval of these financial results indicate that, the Company will have sufficient funds, through its operations and funding from its promoters and group companies to meet its liabilities as and when they fall due for that period.
Based on this continuing support and improvement in the operations of the Company, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.
- 4 The Figures for the quarter ended March 31, 2023 and March 31, 2022 are the balancing figures between the audited figures in respect of full financial year ended March 31, 2023 and March 31, 2022 respectively and the published year to date figures for the nine months ended December 31, 2023 and December 31, 2022 respectively.
- 5 The figures for the previous year/period's have been regrouped/reclassified, wherever necessary, to confirm to the current year/period's presentation.

Place : Chennai
Date : May 24, 2023



By Order of the Board
G. Ramachandran
G. RAMACHANDRAN
MANAGING DIRECTOR





24th May, 2023

To,

Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Sub: Declaration with respect to Auditor's Report with unmodified opinion to the Audited Financial Results for the Financial Year Ended 31st March, 2023.

Sir/Madam,

Pursuant to Regulation 33 (3) (d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we do hereby confirm that the Statutory Auditors of the Company M/s. MSKA & Associates, Chartered Accountants (Registration No.105047W) have issued an unmodified opinion in the Annual Audited Financial Results of the Company, for the Financial Year ended 31 March, 2023.

Thanking You.

Yours faithfully,

For Tuticorin Alkali Chemicals and Fertilizers Limited

S. Nandakumar
Chief Financial Officer

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