CCAL
CHEMFAB ALKALIS LIMITED
(Formerly Known as Teamec Chlorates Limited)

CAL / SECL / 2018-19 **July 11, 2018**

The Manager,
Listing Department
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400 001.

The Manager,
Listing Department
National Stock Exchange of India Limited
" Exchange Plaza"
Bandra - Kurla Complex, Bandra (E)
Mumbai - 400 051.

BSE – Security Code: 541269

NSE Symbol: CHEMFAB

Dear Sir/ Madam,

Sub: Submission of the Annual Report of 9th Annual General Meeting.

Reg: Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

This is to inform you that the Ninth Annual General Meeting (AGM) of the Company was held on Thursday, the 5th July, 2018 at the Kalyan Hometel – A Sarovar Hotel, No.247, GST Road, Vandalur, Chennai – 600 048 at 10.30 A.M .for the business mentioned in the notice of AGM dated 10th May, 2018.

In this regard we enclose the Annual Report of the Company which was duly approved and adopted in the 09th Annual General Meeting as per the provisions of the Companies Act, 2013.

Kindly take the above information on record.

Thanking You,

Yours faithfully,

For **CHEMFAB ALKALIS LIMITED**
(formerly known as TEAMEC CHLORATES LIMITED)

G Somasundaram
Company Secretary.

CHEMFAB ALKALIS LIMITED

(Formerly known as TEAMEC CHLORATES LIMITED)

ANNUAL REPORT

2017-18

Technological dynamism with environmental commitment

A tribute to one of the greatest
Technocrats, Innovators and Visionaries of our times

Dr C H Krishnamurthi Rao

7.11.1940 – 19.1.2012

Founder Chairman - Chemfab Team Group of Companies
Dr Rao Holdings Pte Ltd., Singapore

We at CCAL pledge to carry forward your legacy
and fulfil your cherished dreams.

CHEMFAB ALKALIS LIMITED
(Formerly Known as Teamec Chlorates Limited)

DIRECTORS

Mr. Suresh Krishnamurthi Rao	Chairman
Mr. C.S. Ramesh	Director
Mr. T. Ramabadran	Independent Director
Mrs. Sujatha Jayarajan	Independent Director
Mr. A. Janakiraman	Independent Director
Mrs. Drushti Desai	Independent Director
Mr. R. Mahendran	Director

CHIEF EXECUTIVE OFFICER
Mr. V.M. Srinivasan

CHIEF FINANCIAL OFFICER
Mr. Nitin.S.Cowlagi

COMPANY SECRETARY
Mr. G. Somasundaram

AUDITORS
M/s Deloitte Haskins & Sells LLP
ASV N Ramana Tower,
52, Venkatanarayana Road,
T. Nagar, Chennai - 600 017

BANKER TO THE COMPANY
Axis Bank Limited
6, St. Ange Street, Puducherry Branch,
Puducherry - 605 001.

REGISTERED OFFICE
"TEAM House", GST Salai, Vandalur, Chennai - 600 048
Phone : +91-44-22750323/24, Fax : +91-44-22750860
Email : chemfabalkalis@drraoholdings.com
Website: www.chemfabalkalis.com
CIN No : U24290TN2009PLC071563

FACTORIES
Puducherry
'Gnanananda Place', Kalapet, Puducherry - 605 014
Phone : +91-413-2655111, Fax : +91-413-2655125
Email : chemfabalkalis@drraoholdings.com
Website: www.chemfabalkalis.com

Ongole
Plot No.558 & 559, APIIC Growth Centre,
Gundlapalli (Village),
Maddipadu (Mandal), Prakasam (District),
Andhra Pradesh – Pin: 523211.

Sri City
650, Chigurupalem Road, Sri City,
Andhra Pradesh – Pin: 517646.

SALT FIELDS
Kanthadu Village, Tindivanam Taluk, Villupuram District,
Mariyur Salai, Sayalkudi, Ramnad District

MARKETING OFFICE
1A, Jeyam Kondar Towers, First floor,
12/40, Murray's Gate Road, Alwarpet, Chennai - 600 018
Phone : +91-44-42031444/ +91-44-24987874
Email : chemfabmktg@drraoholdings.com
Website : www.chemfabalkalis.com

REGISTRAR AND SHARE TRANSFER AGENT
M/s Cameo Corporate Services Ltd.
Subramanian Building, 1 Club House Road, Chennai - 600 002
Phone : +91-44-2846 0390 / 2846 0395, Fax: +91-44-2846 0129
Email : cameo@cameoindia.com, Website : www.cameoonline.net

Suresh Krishnamurthi Rao
Chairman

CHAIRMAN's STATEMENT - 2017 - 2018

Dear Shareowners,

It gives me great pleasure to present to you the Annual Report of your Company for the FY 2017-18. An overall positivity in the macro economic environment propelled growth in both the domestic and international markets, paving the way for significant upward demand and price movement in the Chlor Alkali industry during the year.

International market

In the global market, there has been a notable increase in the prices for Caustic Soda, attributable to a combination of factors, including removal of 1.3 Million MT of Caustic capacity due to phasing out of Mercury cells in Europe. A series of environmental restrictions in China and a strong demand push for Alumina across the globe have also contributed to the price growth.

Domestic market

The industry posted good performance in the domestic market too during the year. Domestic prices moved in line with the international prices through FY 2017-18. The positive sentiment in the industry was also evident in the fairly robust demand for Caustic Soda in the domestic market across all segments, particularly in the backdrop of strong demand pull from the Alumina sector.

Demand for both Caustic as well as Chlorine has been growing at 5-6 % p.a.

Company's performance

Your Company, with its intrinsic strengths, was well positioned to harness the favourable conditions prevailing in the industry in the year under review.

What gave a major impetus to the Company's business momentum was the approval received in July 2017, for augmenting production from 33000 tpa to 45600 tpa. This immediately led to a scaling up of production, which coupled with the strong realisation for Caustic as per the prevalent market conditions, gave a major boost to the Company's top line as well as the bottom line.

Your Company's performance was manifest in its numbers. Net Revenue from Operations rose by 28% - from Rs. 140.22 Crore in FY 2016-17 to Rs. 179.61 Crore in FY 2017-18. PBT also went up commensurately, posting a growth of 141% to increase from Rs. 16.51 Crore in FY 2016-17 to Rs. 39.78 Crore in FY 2017-18.

The external environment remains favourable for your Company, which is well entrenched to leverage its strengths to move aggressively towards higher levels of production and growth. We have already received In-Principle approval for enhancement of capacity to 200 TPD, which is expected to become operational from the fourth quarter of FY 2018-19. This will give a definite impetus to your Company's performance, both in terms of Revenues and Profitability.

In addition, your Company is in the process of setting up of a Desalination Plant, which is expected to be operational from the last quarter of the next fiscal. We expect this first-of-its-kind plant in Puducherry region to emerge as a key driver in realising our commitment towards preservation and sustenance of natural resources, thus raising the bar for your Company to become an even more environmentally responsible corporate focused on sustainable and sustained growth.

Another factor that we see aiding our continued growth in the coming years is our decision to diversify into the manufacture of Oriented PVC pipes. Manufacturing facility being set up in Sri City, Tada, Andhra Pradesh, with an investment of Rs. 50 Crores and is scheduled to go operational in the third quarter of FY 2018-19. This new, unique and highly advanced pipes have exceptional features, designed to enable conveyance of high pressure water with the best-in-class operational and cost efficiencies.

Our strategic foray into the manufacturing of Oriented PVC pipes is driven by the huge demand that we see coming up for advanced and efficient pipes as a result of the large-scale investments being made by the Government of India to strengthen water connectivity, both in urban as well as rural areas. The diversification, which is in line with our focus on identifying and seeking new opportunities for business growth, will lend further momentum to our plans for adding value to the Company and all its stakeholders.

On behalf of all your Board of Directors and on my own behalf, I express my sincere gratitude to the Government of Puducherry and all our stake holders, for their continued support. I thank all the CCALmates for their efforts, commitments and valuable contribution to the progress of your company.

I am confident that with the support and contribution of all stakeholders, we shall continue our journey to create more value.

Place : Chennai

Date : 10.05.2018

Suresh Krishnamurthi Rao

Chairman

CHEMFAB ALKALIS LIMITED

(Formerly Known as Teamec Chlorates Limited)

CHEMFAB ALKALIS LIMITED
(formerly known as TEAMEC CHLORATES LIMITED)
(Regd.Office: 'TEAM House', GST Road, Vandalur, Chennai-600 048)
CIN: U24290TN2009PLC071563

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held on Thursday, the 5th July, 2018 at Kalyan Hometel – A Sarovar Hotel, No.247, GST Road, Vandalur, Chennai – 600 048 at 10.30a.m to transact the following business:

ORDINARY BUSINESS:

1. Adoption of Financial Statements:

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

"RESOLVED THAT the Audited Financial Statements i.e., Balance Sheet of the Company as at 31st March, 2018 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors ("the Board) and the Auditors thereon as presented to this Annual General meeting, be and are hereby approved and adopted".

2. Dividend:

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

"RESOLVED THAT a Dividend at the rate of Rs. 1.25 per Equity Share (12.50%) be and is hereby declared, on the fully paid-up Equity Shares of Rs. 10 /- each in the Paid-up Capital of the Company, to those Members whose names appear in the Register of Members of the Company as on the date of the Book Closure"

3. Retirement by Rotation:

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

"RESOLVED THAT Mr. C. S. Ramesh (DIN: 00019178), Director, who retires by rotation and, being eligible, offers himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

4. Ratification of Appointment of M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) as the Statutory Auditors.

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

"RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the Company hereby ratifies the appointment of M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company to be held in the year 2019 on such remuneration as may be fixed by the Board of Directors as recommended by Audit Committee in consultation with them".

SPECIAL BUSINESS:

5. Ratification of Cost Auditor's Remuneration:

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the decision to pay a Remuneration of Rs. 1,50,000/- to Mr. A. Madhavan, the Cost Auditor of the Company for the year 2018-19, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified".

By Order of the Board of Directors

for **Chemfab Alkalis Limited**
(formerly known as Teamec Chlorates Limited)

Place: Chennai — G. Somasundaram
Date: 10.05.2018 — Company Secretary

NOTES:

1. A Member of the Company, who is entitled to attend and vote at this Annual General Meeting, is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member.
2. Instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
3. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 relating to the Special Business set out in the Notice is annexed hereto.
4. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014 read with notification GSR 207(E) dated 19th March 2015, the Company is pleased to offer the option of E-Voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend the Annual General Meeting can vote electronically/manually. The Company

has appointed S.A. Inbavadivu, Advocate in Practice, as Scrutinizer.

5. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have already not cast their votes by remote e-voting shall be able to exercise their right at the meeting
6. Members who have cast their votes by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.”Remote e-voting” means the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting.
7. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.
8. Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' written notice is given to the Company in advance.
9. The members are requested to bring their copy of Annual Report and duly filled attendance slips for attending the meeting.

The instructions for shareholders voting electronically are as under:

The voting period begins on 01.07.2018 from 09.00 a.m and ends on 04.07.2018 at 05.00 p.m. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 28.06.2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

The shareholders should log on to the e-voting website www.evotingindia.com.

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

Members holding shares in Physical Form should enter Folio Number registered with the Company.

Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

After entering these details appropriately, click on “SUBMIT” tab.

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

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

Click on the EVSN for Chemfab Alkalis Limited on which you choose to vote.

On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/ NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

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

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

If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 14.06.2018. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.

The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

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

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

10. Members are requested to produce the Attendance Slip, sent along with the Annual Report, duly signed as per the specimen signature recorded with the Company for admission to the Meeting.
11. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos. for easier verification of attendance at the Meeting.
12. The Register of Members and the Share Transfer Books of the Company will remain closed from 29.06.2018 to 05.07.2018 (both days inclusive).
13. If and when approved by the Shareholders, the dividend will be paid / warrant will be posted before the expiry of 30 days from the date of the AGM.
14. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company, Cameo Corporate Services Limited, “Subramanian Building”, No.1, Club House Road, Chennai – 600 002.
15. Members holding shares in physical form, in their own interest, are advised to dematerialize the shares to avail of the benefits of electronic holding/trading.
16. Members are requested to note that any dividend which remains unencashed for a period of seven years will get transferred to Investor Education and Protection Fund in terms of Section 205 C of the Companies Act, 1956 or Section 124/125 of the Companies Act, 2013.
17. Members who have not encashed their dividend warrants in respect of Dividend declared for the year ended 31st March, 2012 and for any financial year thereafter may contact the Company immediately for revalidation of their dividend warrants.

EXPLANATORY STATEMENT RELATING TO THE ORDINARY AND SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act. Deloitte Haskins & Sells LLP (Firm Registration No. 117366W/ W-100018), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of five consecutive financial years at the Annual General Meeting (AGM) of the Company held on 04th September, 2017 to hold office from the conclusion of that Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held during the calendar year 2022. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the Members at every Annual General Meeting. Accordingly, ratification of the members is being sought for appointment of statutory auditors as per the proposal contained in the Resolution set out at item No. 4 of the Notice. The Board recommends the Ordinary Resolution at item No. 4 for approval by the Members. None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution set out at item no. 4 of the Notice.

Item No.5

At the Board Meeting held on the 10th of May, 2018, after considering the recommendation of the Audit Committee, the Directors appointed Mr. A. Madhavan, Cost Accountant, as the Cost Auditor of the Company for the year 2018-19 on a remuneration of Rs. 1,50,000/-. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.

None of the Directors or the Key Managerial Personnel is interested or concerned in the passing of the Resolution.

By Order of the Board of Directors

for **Chemfab Alkalis Limited**
(formerly known as Teamec Chlorates Limited)

Place: Chennai | G. Somasundaram
Date: 10.05.2018 | Company Secretary

Additional information on Director recommended for appointment / re-appointment as required under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief Resume of Mr. C.S. Ramesh

Mr. C.S. Ramesh is a Member of the Institute of Chartered Accountants of India with 50 years of experience in the areas of Finance, Taxation, Auditing and Management.

Mr C.S. Ramesh does not hold any Directorship in any other Listed Company other than this Company Chemfab Alkalis Limited which is listed in BSE Limited and NSE.

Mr.C.S.Ramesh holds Directorship in the following Unlisted Company:

COMPANY NAME	CATEGORY
Titanium Equipment and Anode Manufacturing Company Limited	Director

He is a member of the following Committees in your Company:

(i) Audit Committee;

(ii) Nomination and Remuneration Committee;

(iii) Stakeholders' Relationship Committee;

(iv) Risk Management Committee and

(v) Corporate Social Responsibility Committee (Chairman)

He holds 58 Shares of the Company.

There is No relationship between the Directors inter-se.

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Ninth Annual Report of Chemfab Alkalis Limited along with the Audited financial statements for the Financial Year ended 31st March, 2018. The summarized financial results for the Financial Year are as under:

Financial Summary:

Particulars	Rs. In Lakhs	
	Year ended 31 March 2018	Year ended 31 March 2017
Total Revenue	18,780.23	15,937.50
Profit before Finance Cost and Depreciation	5,483.07	3,391.20
Less: Finance Cost	307.79	435.75
Profit before Depreciation	5,175.28	2,955.45
Less: Depreciation	1,197.71	1,304.83
Profit before Tax	3,977.57	1,650.62
Less: Tax including Deferred Tax	1,430.12	97.88
Profit after Tax	2,547.45	1,552.74
Other Comprehensive Income	(29.40)	10.99
Total Comprehensive Income	2,518.05	1,563.73
Balance brought forward from last year	(14,536.94)	(15,951.69)
Less: Impact of change in tax rate on Deferred Tax Asset on the items recognised in the reserves	221.00	-
Less: Appropriations		
Capital Redemption Reserve	960.00	-
OCI Reserve	(29.40)	10.99
Final Dividend	172.88	114.65
Tax on Dividend	35.19	23.34
Balance Carried to Balance Sheet	(13,378.56)	(14,536.94)

Performance and State of Affairs of the Company:

The sales volumes were stable and realization improved during the Financial Year 2017-18 resulting in increase in the Sales turnover and Profitability for the year. During the year under review, the Company achieved Total revenue of Rs.18,780.23 Lakhs and made a Profit Before Tax (PBT) of Rs. 3,977.57 Lakhs.

Dividend:

Your Directors recommend payment of Dividend of Rs.1.25 per share (12.50%) for the year ended 31st March, 2018, absorbing a sum of Rs. 172.88 Lakhs, subject to the approval of the Members at the ensuing Annual General Meeting.

Transfer of profit to reserves:

The Company has not proposed to transfer any of its profits to reserves.

Directors & Key Managerial Personnel:

The details of Directors and Key Managerial Personnel (KMP):

Consequent to the National Company Law Tribunal Division Bench, Chennai, order dated 30th March 2017 approving the Scheme of Amalgamation and Arrangement of Chemfab Alkalis Limited (Listed Company) with Teamec Chlorates Limited (Unlisted Company – now known as Chemfab Alkalis Limited) and their respective shareholders and creditors, the changes in directors and Key Managerial Personnel (KMP) were effected by the Board at its Meeting held on 26.04.2017 which details are as follows:

S. No	Name of Directors	Designation	Date of appoint-ment	Date of resignation
1	Mr. Suresh Krishnamurthi Rao	Non Execu-tive Director	26.04.2017	-
2	Mr. C.S. Ramesh	Non Execu-tive Director	26.04.2017	-
3	Mr. T. Ramabadran	Independent Director	26.04.2017	-
4	Mr.A. Janakiraman	Independent Director	26.04.2017	-
5	Mrs.Drushti Desai	Independent Director	26.04.2017	-
6	Mrs. Sujatha Jayarajan	Independent Director	26.04.2017	-
7	Mr. R. Mahendran	Non-Execu-tive Director	14.03.2016	-
8	Mr. P. Santhanam	Independent Director	-	30.05.2017
9	Mr. K. Gopalan	Independent Director	-	26.04.2017
10	Mr. M. Krishna-swami Iyer	Non Execu-tive Director	-	26.04.2017

S. No	Name of KMP	Designation	Date of appointment	Date of resignation
1	Mr. V.M. Srinivasan	CEO	26.04.2017	-
2	Mr. Nitin S Cowlagi	CFO	26.04.2017	-
3	Mr. G Somasundaram	Company Secretary	26.04.2017	-

Subsidiaries, Joint Ventures or Associate Companies:

Your Company had no Subsidiaries, Joint Venture or Associates during the year 2017-18.

Fixed Deposits:

During the year under review, the Company did not raise funds by way of fixed deposits from the public.

Code of Conduct for prevention of Insider Trading:

The Company has a policy viz.,"Code of Conduct for prevention of Insider Trading" and the same has been posted on its website www.Chemfabalkalis.com.

Name Change:

The National Company Law Tribunal (NCLT), Division Bench, Chennai had, vide its order dated 30th March 2017, approved the Scheme of Arrangement and Amalgamation ("Scheme") of Chemfab Alkalis Limited ("Transferor Company" / "Amalgamated Company") with Teamec Chlorates Limited. As a consequence, and as per Clause 11 of the Order of the NCLT, Chemfab Alkalis Limited (Transferor Company) stands dissolved without winding up. As per Clause 10 of the said approved Scheme, the name of Teamec Chlorates Limited shall be changed to Chemfab Alkalis Limited. Consequent to the filing of form for name change with MCA, the company's name was changed to CHEMFAB ALKALIS LIMITED with effect from 21st July, 2017.

Development and implementation of a Risk Management Policy:

The main objective of Risk Management is risk reduction and avoidance as also identification of the risks faced by the business and optimizing of the risk management strategies. The Company has put in place a well-defined Risk Management framework.

The Company has constituted a Risk Management Committee even though the constitution of Risk Management Committee is NOT applicable to the Company since it is mandatory only for the top 100 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring and reviewing the Risk Management Plan. The Committee lays down the Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through properly defined framework.

The composition of the Risk Management Committee is as under:

S. No	Name of the Member	Category
1)	Mr. A. Janakiraman	Chairman, Non executive Independent Director
2)	Mr. C.S. Ramesh	Member, Non executive Non Independent Director
3)	Mrs. Drushti Desai	Member, Non executive Independent Director
4)	Mr. R. Mahendran	Member, Non executive Non Independent Director
5)	Mr. V.M. Srinivasan	Member, Executive

The Company has obtained certification for ISO 14001 and OHSAS 18001 systems to take care of critical operational areas. It also utilizes the services of professional bodies like Central Leather Research Institute (CLRI) / The Energy and Resources Institute (TERI) / National Environmental Engineering Research Institute (NEERI) as also Consultants to continuously analyze and upgrade its operations. The Company has also implemented Process Safety Management (PSM). We are the first company in our industry to implement the same.Also Sustainability Reporting has been carried out enhancing our commitment to sustainable development.

Details of significant and material orders passed by the regulators/ courts/ tribunals impacting the going concern status and company's operations in future:

During the year, there were no instances of significant and material orders passed by the regulators, courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Control:

Your Company has well defined and adequate internal controls and procedures, commensurate with its size and the nature of its operations. This is further strengthened by the Internal Audit done concurrently. During the year, the Company got its internal controls over financial reporting and risk management process evaluated by independent Consultants.

Besides, the Company has an Audit Committee, comprising Independent and Non-Executive Directors, which monitors systems, control, financial management and operations of the Company.

The Audit committee at its meeting held on 10th May, 2018 has evaluated the internal financial controls and risk management system accordingly.

Extract of the Annual Return:

An extract of the Annual Return as prescribed under sub-section (3) of Section 92 of the Companies Act, 2013 ("Act") is given in **Annexure 1** forming part of this Report.

Number of Board Meetings held during the year along with the dates of the meetings:

During the Financial Year 2017-2018, the Board of Chemfab Alkalis Limited met Six times as under:

S No.	Dates of meeting of the Board	Quarter	No of directors on the date of meeting	Total No. of directors attended
1.	05/04/2017	First	4	4
2	26/04/2017	First	4	3
3	30/05/2017	First	8	5
4	27/07/2017	Second	7	7
5	23/10/2017	Third	7	6
6	31/01/2018	Fourth	7	7

The meetings of the Board were held periodically, with not more than one hundred and twenty days intervening between two consecutive meetings of the Board, as prescribed under Section 173(1) of the Act.

Directors' Responsibility Statement:

As required under Section 134 (5) of the Companies Act, 2013, the Board of Directors hereby confirm:-

(i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) That 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 the affairs of the Company at the end of the Financial Year and of the profit of the Company for that Financial Year;

(iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(iv) That the Directors had prepared the Annual Accounts on a going-concern basis;

(v) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of contracts or arrangements with related parties:

The contracts or arrangements entered into with related parties along with justification for entering into such contract or arrangement, referred to in sub-section (1) of section 188 in the prescribed form no. AOC 2 is as per **Annexure 2.**

Technology absorption, Conservation of energy and Research and development:

The Company has an in-house Research and Development Department, where the main areas of focus are Energy Conservation, Process Upgradation and Environmental Preservation. The Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India, has recognized the Company's in-house R & D facilities, which is valid upto 31st March, 2019. The Company has a sophisticated Quality Assurance (QA) Laboratory recognized by DuPont, USA for the analysis of Chlor- Alkali brine. The Brine from various Chlor- Alkali Industries in India is being analyzed at CAL-QA Laboratory.

The Company continues to take all possible steps to conserve energy in every area of its operations. Brief details on Conservation of Energy and Technology Absorption are given in **Annexure 3**

Annual Evaluation made by the Board of its own performance and that of its Committees and Individual Directors

The Board of Directors at its meeting held on 10th May, 2018 has evaluated the performance of the Board, its Committees and the Individual Directors as per the Nomination and Remuneration Policy disclosed in Annexure 1 to Corporate Governance Report.

Declaration by Independent Directors as required under Section 149(7) of the Companies Act, 2013

Mr. T. Ramabadran, Mr.A. Janakiraman, Mrs.Drushti Desai and Mrs. Sujatha Jayarajan Independent Directors of the Company have given their statement of declaration under Section 149(7) of the Companies Act, 2013 ('the Act") that they meet the criteria of independence as provided in Section 149 (6) of the Act, and their Declarations have been taken on record.

Statutory Auditors:

As per the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014, the Auditors, M/s.Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 04.09.2017 for a period of Five(5) consecutive Financial Years from 2017-18 to 2021-22 subject to the ratification of the members at every Annual

General Meeting. The Directors recommend the ratification of M/s. Deloitte Haskins & Sells LLP as the Statutory Auditors of the Company for this Financial Year.

Cost Auditor:

In conformity with the provisions of the Companies Act, 2013, the Company has appointed Shri. A. Madhavan, Cost Accountant, Chennai, as the Cost Auditor, for the audit of cost accounts for the chemicals manufactured by the Company for the year ending 31st March 2019. The remuneration paid to him is being ratified at this Annual General meeting.

Secretarial Audit Report:

Mr. M.R. Thiagarajan, Company Secretary, is appointed as Secretarial Auditor of your company in the meeting of the Board for the financial year 2018 -19. The Secretarial Audit Report for the period 2017-18 is attached to the Annual Report.

Particulars of loans, guarantees or investments u/s 186 of the Companies Act, 2013:

Particulars of investments made by the Company during the Financial Year 2017-18 are given below and they are within the prescribed limits under Section 186 of the Companies Act, 2013:

S. No	Loans, Guarantees & Investments made in	Amount	Higher of 60% of Paid up capital and Free Reserves and Securities Premium or 100% of Free Reserves	Remarks
1	Titanium Equipment and Anode Manufacturing Company Limited	Rs. 25 lakhs	Rs. 21,209.75 lakhs	Guarantees given and expired during the year

Vigil Mechanism:

The Company has established a vigil mechanism, also called the Whistle Blower Policy, which has been adopted by the Board for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. Confidentiality of Whistle Blower shall be maintained to the greatest extent possible. Details of the vigil mechanism are posted on the Company's website.

Board Composition:

The Board is well constituted with a composition of 3 Non Executive and 4 Non Executive Independent Directors.

Category	Name of Director
Non Executive Director	Mr. Suresh Krishnamurthi Rao Mr. C S Ramesh Mr. R Mahendran
Non Executive Independent Director	Mr. A Janakiraman Mrs. Drushti Desai Mr. T Ramabadran Mrs. Sujatha Jayarajan

Board Committee:

The Board has constituted the following committees viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee.

Audit Committee:

The composition of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and in terms of Regulation 18 of The SEBI (LODR) Regulations, 2015 is as under:

S. No	Name of the Member	Category
1	Mr. T. Ramabadran	Chairman, Non-Executive Independent Director
2	Mr. C.S. Ramesh	Member, Non-Executive, Non-Independent Director
3	Mr.A. Janakiraman	Member, Non-Executive, Independent Director
4.	Mrs. Sujatha Jayarajan	Member, Non-Executive, Independent Director
5.	Mrs. Drushti Desai	Member, Non-Executive, Independent Director

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors in terms of Section 177(4) of the Act and in terms of Regulation 18 of The SEBI (LODR) Regulations, 2015. It also oversees the vigil mechanism and is obliged to take suitable action against the Directors or employees concerned, when necessary.

Nomination and Remuneration Committee:

In terms of Section 178 of the Companies Act, 2013 and the Rules prescribed thereunder, your Company is mandatorily required to constitute a Nomination and Remuneration Committee.

Composition:

S. No	Name of the Member	Category
1	Mr. T. Ramabadran	Chairman, Non-Executive Independent Director
2	Mr. C.S. Ramesh	Member, Non-Executive, Non-Independent Director
3	Mr.A. Janakiraman	Member, Non-Executive, Independent Director
4.	Mrs. Drushti Desai	Member, Non-Executive, Independent Director

Accordingly, the Company has set up a Nomination and Remuneration Committee which has formulated the criteria for determining the qualifications, positive attributes and independence of a Director and ensures that:

1) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

2) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

3) Remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and variable pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy of your Company is set out in **Annexure 1** to the Report on Corporate Governance forming part of this Report.

Stakeholders' Relationship Committee:

The Company has constituted the Stakeholders' Relationship Committee to take note of Share Transfer and Transmission and consider and resolve the grievances of the Stake holders of the Company.

Composition:

S. No	Name of the Member	Category
1	Mrs. Drushti Desai	Chairman, Non-Executive Independent Director
2	Mr. C. S. Ramesh	Member, Non-Executive, Non-Independent Director
3	Mr. T. Ramabadran	Member, Non-Executive, Independent Director
4	Mr. Suresh Krishnamurthi Rao	Member, Non-Executive, Non-Independent Director

Risk Management Committee:

The Company has constituted a Risk Management Committee even though the constitution of Risk Management Committee is NOT applicable to the Company since it is mandatory only for the top 100 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring and reviewing the Risk Management Plan. The Committee lays down the Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through properly defined framework.

Composition:

S. No	Name of the Member	Category
1)	Mr. A. Janakiraman	Chairman, Non executive Independent Director
2)	Mr. C.S. Ramesh	Member, Non executive Non Independent Director
3)	Mrs. Drushti Desai	Member, Non executive Independent Director
4)	Mr. R. Mahendran	Member, Non executive Non Independent Director
5)	Mr. V.M. Srinivasan	Member, Executive

Corporate Social Responsibility (CSR) Committee:

According to Section 135 of the Companies Act, 2013 ("the Act"), a Company having a Net Worth of Rs.500 Crores or more, or Turnover of Rs.1,000 Crores or more, or Net Profit of Rs. 5 Crores or more during any financial year shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more Directors, of which at least one shall be an Independent Director.

Composition:

S. No	Name of the Member	Category
1	Mr. C.S. Ramesh	Chairman, Non-Executive Non Independent Director
2	Mr. T. Ramabadran	Member, Non-Executive, Independent Director
3	Mr.A. Janakiraman	Member, Non-Executive, Independent Director
4.	Mrs. Sujatha Jayarajan	Member, Non-Executive, Independent Director
5.	Mr. R. Mahendran	Member, Non-Executive, Non-Independent Director

As your Company's Net Profit is more than Rs 5 Crores, the Board has constituted the Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Company is committed to operate in a socially responsible manner in terms of protecting the environment and conserving water resources and energy. Details of the CSR Policy drawn up by the Company and the CSR expenditure and initiatives taken during the year 2017-18 are given in **Annexure 4** to this Report.

Remuneration details of Directors and Employees:

The details of remuneration paid to the Directors and employees of your Company are set out in **Annexure 5**

Code of conduct for Directors and Senior Management:

The Board of Directors had adopted a code of conduct for the Board Members and employees of the company. This Code helps the Company to maintain the standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrong doing and promoting ethical conduct at the Board level and by employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned.

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

Disclosure on Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 :

Presently the Company does not have any woman employee at the work place. Hence the company has not constituted a separate committee under the sexual harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

However, the company has zero tolerance for sexual harassment at work place.

Employees' Stock Option Scheme :

The Shareholders of the Amalgamated entity Chemfab Alkalis Limited approved the Employees' StockOption Scheme titled as "CAESOS – 2015 through Postal Ballot on 05th March, 2016. CAESOS-2015 is in compliance with The SEBI (Share Based Employee Benefits) Regulations, 2014. The details are available on our website www.chemfabalkalis.com. The purpose of the Scheme is:

i) to attract, retain and motivate talented and critical employees.

ii) to encourage employees to align Individual performance with the Company's Objectives; and

iii) reward employee performance with ownership.

The details of CAESOS – 2015 form part of the Notes to Accounts of the Financial Statements in thisAnnual Report.

As per the approval given by the Shareholders of Chemfab Alkalis Limited, the Options granted to the employees of the amalgamated Company Chemfab Alkalis Limited also carry the eligibility of application of Swap ratio of 10:7 (i.e., 10 shares of Rs.10 each for every 7 shares of Rs.5 each held) mentioned in the Scheme of Amalgamation of erstwhile Chemfab Alkalis Limited with the Company approved by the NCLT vide its Order dated 30.03.2017.

Shares issued under Employee Stock Option Scheme (ESOS) as at 10.05.2018: 60000

Price at which shares were issued: Rs.52.43

Employee wise details(Name - Designation - No. of shares)

1. Mr. V M Srinivasan - CEO - 35,714 shares
2. Mr. Nitin S Cowlagi - CFO - 14,286 shares
3. Mr. V R Raguraman - AVP Admin - 10,000 shares

Consideration received against issuance of shares - Rs.31,45,800/-

Diluted EPS - Rs.18.16/-

Equity Shares with differential voting rights: NA

Sweat Equity Shares: NA

Details of Voting rights not exercised: NA

Listing of Equity Shares of the Company after the amalgamation of erstwhile listed Company Chemfab Alkalis Limited with the Company:

After the Amalgamation of erstwhile listed Company Chemfab Alkalis Limited with the Company, the listing application was made and the Company's Equity Shares got listed in BSE and NSE on 25.04.2018. The Company has paid the listing fee for the financial year 2018-19 to the Stock Exchanges.

Acknowledgement

The Directors thank all the Shareholders, Customers, Dealers, Suppliers, Bankers, Financial Institutions and all other business associates for their continued support to the Company and the confidence reposed in its Management. The Directors also thank the Government authorities for their co-operation. The Directors wish to record their sincere appreciation of the significant contribution made by the CCALmates at all levels to its profitable and successful operations.

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED
(formerly known as Teamec Chlorates Limited)

Place: Chennai
Date: 10.05.2018

Suresh Krishnamurthi Rao
CHAIRMAN
DIN No: 00127809

Annexure 1

EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	U24290TN2009PLC071563
Registration Date	06/05/2009
Name of the Company	**CHEMFAB ALKALIS LIMITED (formerly known as TEAMEC CHLORATES LIMITED)**
Category / Sub-Category of the Company	Company Limited by Shares/ Indian Non-Government Company
Address of the Registered office and contact details	Team House, GST Salai, Vandalur, Chennai, - 600048
Whether listed company Yes / No	No. (The Company's shares got listed on 25.04.2018)
Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Cameo Corporate Services Ltd, Subramanian Building, 1, Club House Road, Chennai - 600 002. Phone No.044 2846 0390 / 2846 0395 Fax: 044 2846 0129 Email : cameo@cameoindia.com Website : www.cameoonline.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing to 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture of Inorganic Chemicals	24117 and 3008	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. N0	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
		NIL			

IV) i) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category of Shareholders		No. of shares held at the beginning of the year - 01.4.2017				No. of shares held at the end of the year - 31.3.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
(1)	**Indian**									
(a)	**Individual/HUF**	-	497579	497579	68.34	2037798	497579	2535377	18.33	(50.01)
(b)	**Central Govt**	-	-	-	-	-	-	-	-	-
(c)	**State Govt(s)**	-	-	-	-	-	-	-	-	-

(d)	Bodies Corp.	-	100	100	0.02	1072082	100	1072182	7.75	7.73
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other ….	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	-	497679	497679	68.36	3109880	497679	3607559	26.08	(42.28)
2	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	-	230400	230400	31.64	6530668	230400	6761068	48.89	17.25
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other ….	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	-	230400	230400	31.64	6530668	230400	6761068	48.89	17.25
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	-	728079	728079	100	9640548	728079	10368627	74.97	(25.03)
B.	Public Shareholding									
1	Institutions									
(a)	Mutual Funds	-	-	-	-	10142	1285	11427	0.08	0.08
(b)	Banks / FI	-	-	-	-	3407	142	3549	0.03	0.03
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FIIs	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	232467	-	232467	1.68	1.68
	Sub- Total (B)(1)	-	-	-	-	246016	1427	247443	1.79	1.79
2	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian	-	-	-	-	406832	12428	419260	3.03	3.03
(ii)	Overseas	-	-	-	-	-	-	-	-	-
(b)	Individuals									
i	Individual shareholders holding nominal shares capital up to Rs.2 lakh	-	1	1	-	1694111	220757	1914868	14.71	14.71
ii	Individual sharehold-ers holding nominal shares capital in excess of Rs.2 lakh	-	-	-	-	522221	13571	535792	3.01	3.01
	Sub- Total (B)(2)	-	1	1	-	2623164	246756	2869920	20.75	20.75

(c)	**Others (specify) Total (B)(3)**	-	-	-	-	157069	187445	344514	2.49	2.49
i	**Trust**	-	-	-	-	285	-	285	-	-
ii	**NRI**	-	-	-	-	82325	34446	116771	0.84	0.84
iii	**Hindu undivided family**	-	-	-	-	74201	142	74343	0.54	0.54
iv	**Foreign national**	-	-	-	-	-	152857	152857	1.11	1.11
v	**Clearing members**	-	-		-	116	-	116	-	-
vi	**Directors & their relatives**	-	-		-	142	-	142	-	-
	Total Public Shareholding (B) = (B)(1) + (B)(2)+ (B)(3)	-	1	1	-	3026249	435628	3461877	25.03	25.03
(C)	**Shares held by Custodian for GDRs and ADRs**	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	**-**	**728080**	**728080**	**100**	**12666797**	**1163707**	**13830504**	**100**	**-**

(ii) Shareholding of Promoters:

Sl. No	Name of the Holder(S)	Shareholding at the beginning of the year (01.04.2017)			Shareholding at the Ending of the year (31.03.2018)		
		Number of shares	Percentage	% of shares pledged / encumbered to total shares	Number of shares	Percentage	% of shares pledged / en-cumbered to total shares
1	Dr Rao Holdings Pte Ltd	230400	31.64	NIL	6761068	48.89	NIL
2	Titanium Equiment And Anode Manufacturing Company Limited	100	0.01	NIL	1072182	7.75	NIL
3	Suresh Krishnamurthi Rao	167561	23.00	NIL	1424423	10.30	NIL
4	Padma K M	329918	45.31	NIL	1110712	8.03	NIL
5	J Venkataraman	50	0.00	NIL	50	0.00	NIL
6	N Ramachandran	50	0.00	NIL	192	0.00	NIL
		728079	**99.99**	**NIL**	**10368627**	**74.97**	**NIL**

(iii) Change in Promoters' Shareholding: (please specify, if there is no change)

Sl.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	728079	99.99	728079	05.26

	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Allotment of new Shares on 30.05.2017 pursuant to the amalgamation of erstwhile Chemfab Alkalis Limited with the Company.			9640548	69.71
	At the End of the year	728079	99.99	10368627	74.97

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No	Name of the Share holder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1	OLD MUTUAL GLOBAL INVESTORS SERIES PUBLIC LIMITED COMPANY				
	At the beginning of the Year 1-Apr-2017	0	0	232467	1.6808
	At the end of the Year 31-Mar-2018			232467	1.6808
2	SENTHILKUMAR N				
	At the beginning of the Year 1-Apr-2017	0	0	183500	1.3268
	At the end of the Year 31-Mar-2018			183500	1.3268
3	SUBRAMANIAN P				
	At the beginning of the Year 1-Apr-2017	0	0	157142	1.1362
	At the end of the Year 31-Mar-2018			157142	1.1362
4	P L THIRUNAVUKKARASU				
	At the beginning of the Year 1-Apr-2017	0	0	152857	1.1052
	At the end of the Year 31-Mar-2018			152857	1.1052
5	CHARTERED CAPITAL & INVESTMENT LTD.				
	At the beginning of the Year 1-Apr-2017	0	0	62440	0.4515
	At the end of the Year 31-Mar-2018			62440	0.4515
6	ROYAL COMPUTERS PVT LTD				
	At the beginning of the Year 1-Apr-2017	0	0	34038	0.2461
	At the end of the Year 31-Mar-2018			34038	0.2461
7	BHAVANA GOVINDBHAI DESAI				
	At the beginning of the Year 1-Apr-2017	0	0	28571	0.2066
	At the end of the Year 31-Mar-2018			28571	0.2066
8	LALITHA RAMAN				
	At the beginning of the Year 1-Apr-2017	0	0	25571	0.1849
	At the end of the Year 31-Mar-2018			25571	0.1849
9	GLOBE CAPITAL MARKET LTD				
	At the beginning of the Year 1-Apr-2017	0	0	21428	0.1549
	At the end of the Year 31-Mar-2018			21428	0.1549
10	VISHNUKANTA MODANI				
	At the beginning of the Year 1-Apr-2017	0	0	20934	0.1514
	At the end of the Year 31-Mar-2018			20934	0.1514

* The shares were allotted pursuant to the amalgamation of erstwhile listed Company Chemfab Alkalis Limited on 30.05.2017

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MR. SURESH KRISHNAMURTHI RAO				
	At the beginning of the year	167561	01.211	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) New Equity Shares were allotted on 30.05.2017 pursuant to the Amalgamation of erstwhile Chemfab Alkalis Limited.	0	0	1256862	9.087
	At the End of the year	167561	01.211	1424423	10.30
2	MR. A. JANAKIRAMAN				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0
3	MR. T. RAMABADRAN				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): New Equity Shares were allotted on 30.05.2017 pursuant to the Amalgamation of erstwhile Chemfab Alkalis Limited.	No Change	No Change	142	0.001027
	At the End of the year	0	0	142	0.001027
4	MR. C S RAMESH				
	At the beginning of the year	1	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): New Equity Shares were allotted on 30.05.2017 pursuant to the Amalgamation of erstwhile Chemfab Alkalis Limited.	No Change	No Change	57	0.000412
	At the End of the year	1	0	58	0.000412
5	MRS. SUJATHA JAYARAJAN				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0
6	MRS. DRUSHTI DESAI				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0

7	MR R MAHENDRAN				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0
8	MR V. M. SRINIVASAN				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0
9	MR. NITIN S COWLAGI				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change	No Change	No Change	No Change
	At the End of the year	0	0	0	0
10	MR. G. SOMASUNDARAM				
	At the beginning of the year	0	0	0	0
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): New Equity Shares were allotted on 30.05.2017 pursuant to the Amalgamation of erstwhile Chemfab Alkalis Limited.	No Change	No Change	7	0
	At the End of the year	0	0	7	0

V. Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	31.96	1603.16		1635.12
ii) Interest due but not paid				
iii) Interest accrued but not due		222.66		222.66
Total (i+ii+iii)	**31.96**	**1825.82**		**1857.78**
Change in Indebtedness during the financial year				
• Addition	533.40	219.35		752.75
• Reduction				
Net Change	533.40	219.35		752.75
Indebtedness at the end of the financial year				
i) Principal Amount	565.36	1705.16		2270.52
ii) Interest due but not paid				
iii) Interest accrued but not due		340.01		340.01
Total (i+ii+iii)	**565.36**	**2045.17**		**2610.53**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Not Applicable	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify…		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		

B. Remuneration to other directors:

Amount Rs. in Lakhs

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Suresh Krishna -murthi Rao	Mr. C. S. Ramesh	Mr. R. Mahendran	Mr. A. Janakiraman	Mrs. Drusthi Desai	Mr. N. Ganga Ram*	Mrs. Sujatha Jayarajan	Mr. T. Ramabadran	
1.	Independent Directors									
	• Fee for attending board / committee meetings	-	-	-	1.20	1.05	0.30	1.43	1.95	5.93
	• Commission	-	-	-	-	-	4.50	4.50	5.50	14.50
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (1)	-	-	-	1.20	1.05	4.80	5.93	7.45	20.43

Sl. no.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr. Suresh Krishnamurthi Rao	Mr. C. S. Ramesh	Mr. R. Mahendran	Mr. A. Janakiraman	Mrs. Drusthi Desai	Mr. N. Ganga Ram*	Mrs. Sujatha Jayarajan	Mr. T. Ramabadran	
2.	Other Non-Executive Directors									
	• Fee for attending board / committee meetings	-	1.88	0.68	-	-	-	-	-	2.56
	• Commission	26.00	4.50	-	-	-	-	-	-	30.50
	• Others, please specify	-	-	-	-	-	-	-	-	-
	Total (2)	26.00	6.38	0.68						33.06
	Total (B) = (1+2)	26.00	6.38	0.68	1.20	1.05	4.80	5.93	7.45	53.49
	Total Managerial Remuneration provided for FY 17-18	-	-	-	-	-	-	-	-	420
	Overall Ceiling as per the Act	-	-	-	-	-	-	-	-	420

*upto 30 March 2017 in Erstwhile Chemfab Alkalis Limited

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD:**

Amount Rs. in Lakhs

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	81.89	13.51	29.68	125.08
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	0.32	0.81	0.32	1.45
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2.	Stock Option	18.01	-	16.08	34.09
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	**100.22**	**14.32**	**46.08**	**160.62**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. OTHER OFFICERS IN DEFAULT					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

There were no penalties/punishment/compounding of offences for the year ending 31st March, 2018.

Annexure 2

AOC 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2018, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis-

No material transactions.

(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/ arrangements/ transactions	(c) Duration of the contracts / arrangements/ transactions	(d) Salient terms of the contracts or arrange-ments or transactions including the value, if any:	(e) Date(s) of approval by the Board, if any:	(f) Amount paid as advances, if any:
NIL					

For and on behalf of Board of Directors of

CHEMFAB ALKALIS LIMITED
(formerly known as Teamec Chlorates Limited)

Suresh Krishnamurthi Rao
CHAIRMAN
DIN No: 00127809

Place: Chennai
Date: 10.05.2018

Annexure 3

(A) Conservation of Energy-

Particulars	Details
(i) The steps taken or impact on conservation of energy;	Most of the conventional lightings were replaced with LED lights. Energy saved: 41500 units per annum
(ii) The steps taken by the company for utilising alternate sources of energy;	The company to install 100 KW Solar Power plant
(iii) The capital investment on energy conservation equipments;	Rs. 3.92 Lakhs

(B) Technology absorption-

Particulars	Details
(i) The efforts made towards technology absorption;	Installed Caustic soda flaker plant by going for the best technology available in the world from Bertrams, Switzerland
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	Product improvement from Lye to Solid, reducing the space required to store. Improved water recovery and recycle.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
a) the details of technology imported	Caustic Flaker Unit from Bertrams, Switzerland
b) the year of import;	2013 (Capitalised during the FY 2017 - 18)
c) whether the technology been fully absorbed;	Yes
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	N/A

(iv) The expenditure incurred on Research and Development.

Amount Rs. In Lakhs

Particulars	2017-18	2016-17
Employee Benefits expense	34.26	32.29
Professional fees	8.68	9.35
Consumption of Stores and spares	11.74	15.35
Travelling expenses	1.39	1.27
Depreciation	7.59	6.17
Total	**63.66**	**64.43**

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

Particulars	Amount
Foreign exchange earnings	Rs. 44.88 Lakhs
Foreign Exchange outgo	Rs. 1027.23 Lakhs

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED
(formerly known as Teamec Chlorates Limited)

Suresh Krishnamurthi Rao
CHAIRMAN
DIN No: 00127809

Place: Chennai
Date: 10.05.2018

Annexure 4

ANNUAL REPORT ON CSR ACTIVITIES FORMING PART OF THE BOARD'S REPORT

1.	A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.	The Company will take up community and socially focused activities, with particular emphasis on the following activities, hereinafter referred to as "CSR activities": I. Promoting preventive and general health care, sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and provision of safe drinking water. II. Promoting education by providing financial assistance to deserving educational institutions, meritorious students, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled, promoting livelihood enhancement projects and road safety projects with special emphasis on driver training programmes. III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care center and such other facilities for senior citizens. IV. Ensuring environmental sustainability, ecological balance, protection of Flora and Fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the Ganga. V. Protection of National heritage, art and culture, including restoration of building and sites of historical importance and works of art, setting up of public libraries, promotion and development of traditional arts and handicrafts. VI. Contribution of funds to technology incubators located within academic institutions which are approved by the Central Government; VII. Contributing to rural development projects; and VIII. Such other activities and projects covered in Schedule VII to the Companies Act, 2013 and notifications made by the Ministry from time to time.

2.	Composition of the CSR Committee	
	Name of the Member	**Category**
a.	Mr. C.S. Ramesh	Non Executive Director, Chairman
b.	Mr. T. Ramabadran	Non-Executive Independent Director, Member
c.	Mr. A. Janakiraman	Non-Executive Independent Director, Member
d	Mrs. Sujatha Jayarajan	Non-Executive Independent Director, Member
e	Mr. R. Mahendran	Non-Executive Director, Member

3.	Average net profit of the company for the last three financial years u/s 135 of Companies Act 2013	
	Particulars	**Amount (Rs. in Lakhs)**
	Net profit/(Loss) for the year 2014-15	(746.80)
	Net profit/(Loss) for the year 2015-16	45.35
	Net profit/(Loss) for the year 2016-17	1597.10
	AVERAGE N.P	298.55

4.	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	
	2% on the Average Net Profits as stated above shall amount to	Rs. 5.97 Lakhs

5.	Details of CSR Expenditure in FY 2017-18	
a.	Total amount spent in the Financial Year 2017-18	Rs. 53.39 Lakhs
b.	Amount unspent, if any	-

Rs. in Lakhs

c.	Details of the Amounts Spent on CSR Projects during the Financial Year 2017-18						
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the product is covered	Projects or programs (1)Local area or other (2)Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1)Direct expenditure on projects or programs (2)Over-heads:	Cumulative expenditure up to the reporting period	Amount spent direct or through implementing agency
(i)	Providing Safe Drinking Water	Schedule VII (i)	Local Area, Puducherry/ Tamil Nadu		13.67		Direct
(ii)	Socially and economically backward group	Schedule VII (iii)	Local Area, Puducherry/ Tamil Nadu		0.20		Direct
(iii)	Education and Training	Schedule VII (ii)	Local Area, Puducherry/ Tamil Nadu		26.52		Direct
(iv)	Health Care	Schedule VII (i)	Local Area, Puducherry/ Tamil Nadu		2.50		Direct
(v)	Environmental Sustainability	Schedule VII (iv)	Local Area, Puducherry/ Tamil Nadu		5.50		Direct
(vi)	Sanitation	Schedule VII (i)	Local Area, Puducherry/ Tamil Nadu		5.00		Direct
	TOTAL				**53.39**		

6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	N.A.
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

Place: Chennai
Date: 10.05.2018

C.S. Ramesh
Chairman, CSR Committee
DIN No: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN No: 00127809

Annexure 5

Remuneration Details of Directors and Employees

(i) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year

Amount Rs. in Lakhs

Sl. No.	Director Name	Remuneration FY 2017-18	Median Remuneration of Employees FY 2017-18	Ratio
1	Mr. Suresh Krishnamurthi Rao	26.00	4.38	5.94
2	Mr. C.S. Ramesh	6.38	4.38	1.46
3	Mrs. Drushti Desai	1.05	4.38	0.24
4	Mr. A. Janakiraman	1.20	4.38	0.27
5	Mr. R. Mahendran	0.68	4.38	0.16
6	Mr. N. Ganga Ram*	4.80	4.38	1.10
7	Mrs. Sujatha Jayarajan	5.93	4.38	1.35
8	Mr. T. Ramabadran	7.45	4.38	1.70

*upto 30 March 2017 in Erstwhile Chemfab Alkalis Limited

(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year

Sl.No.	Particulars	Remuneration FY 2017-18	Remuneration FY 2016-17	% Increase
1	Mr. Suresh Krishnamurthi Rao	26.00	20.00	30%
2	Mr. C.S. Ramesh	6.38	6.68	(4%)
3	Mrs Drushti Desai	1.05	0.00	N.A.
4	Mr.A Janakiraman	1.20	0.00	N.A.
5	Mr. R Mahendran	0.68	0.00	N.A.
6	Mr. N. Ganga Ram*	4.80	6.75	(29%)
7	Mrs. Sujatha Jayarajan	5.93	6.75	(12%)
8	Mr. T. Ramabadran	7.45	7.75	(4%)
9	Mr. V.M Srinivasan, CEO	118.16	78.53	50%

10	Mr. Nitin S Cowlagi, CFO	52.18	30.53	71%
11	Mr. G Somasundaram, CS	19.99	17.81	12%

*upto 30 March 2017 in Erstwhile Chemfab Alkalis Limited

(iii) the percentage increase in the median remuneration of employees in the financial year

Median Remuneration FY 2017-18	Median Remuneration FY 2016-17	% Increase
4.38	4.18	5%

(iv) Number of permanent employees on the rolls of company – 216

(v) the explanation on the relationship between average increase in remuneration and company performance

The company follows performance appraisal methodology wherein performance of employees is linked to the key deliverables and key control areas of the company. The increase in remuneration thus suggests better performance of the company in terms of profitability and customer satisfaction, stronger processes and controls, better compliances with various regulations and establishment of better relationship with stakeholders and also factors in inflation.

(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the company

Remuneration of KMP FY 2017-18	PAT of the Company FY 2017-18	Remuneration to PAT %
190.33	2547.45	7.47%

(vii) variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year

	FY 2017-18	FY 2016-17	Variation
Market Capitalisation	N.A.	N.A.	N.A.
Price Earning Ratio	N.A.	N.A.	N.A.
Net Worth	23,602	21,476	10%

(viii) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

	FY 2017-18	FY 2016-17	% Increase
Employees Salary	1521.73	1451.49	5%
Managerial Remuneration	53.49	47.93	12%

The company follows a performance appraisal methodology wherein performances of employees are linked to the key deliverables and key control areas of the company.

(ix) comparison of each remuneration of the Key Managerial Personnel against the performance of the company

Particulars	Remuneration of KMP FY 2017-18	PAT of the Company FY 2017-18	Remuneration to PAT %
CEO	118.16	2547.45	5%
CFO	52.18	2547.45	2%
CS	19.99	2547.45	1%

(x) the key parameters for any variable component of remuneration availed by the directors

The Directors of the company are paid Commission, not exceeding 11% of the net profit of the company which is arrived at as per the relevant provisions of the Companies Act, 2013.

(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Remuneration of Highest paid Director	26.00
Remuneration of Employee (1)	118.16
Ratio	4.54
Remuneration of Employee (2)	52.18
Ratio	2.01

(xii) affirmation that the remuneration is as per the remuneration policy of the company.

It is affirmed that the remuneration is as per the remuneration policy of the Company.

Information as per Rule 5(2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employee Name	Designation & Nature of Employment	Qualification and Experience (in years)	Age	Date of Joining & Previous Employment details	Remuneration (Rs. In lakhs)	Percentage of equity shares held	whether employee is a relative of any director or manager of the company
Mr. V.M. Srinivasan	CEO (Permanent Employee)	B.Sc, MBA Experience – 30 Years	50	26/04/2017 Previous Employment – CEO, the erstwhile amalgamated Company Chemfab Alkalis Limited and Floking Pipes	118.16	Nil	No

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2018

To

Members of
CHEMFAB ALKALIS LIMITED
(Formerly known as TEAMEC CHLORATES LIMITED)
CIN: U24290TN2009PLC071563
Team House, GST Salai,
Vandalur, Chennai- 600048.

Dear Members,

Since the Securities of the Company are not Listed and the Paid-up Share Capital of the Company does not exceed Rs. 50 Crore and the Turnover of the Company does not exceed Rs. 250 Crore, the Secretarial Audit Report presented hereunder is not reported pursuant to section 204(1) of the Companies Act, 2013 read with Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **CHEMFAB ALKALIS LIMITED** (Formerly known as TEAMEC CHLORATES LIMITED) (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **CHEMFAB ALKALIS LIMITED**'s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on **31st March, 2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **CHEMFAB ALKALIS LIMITED** ("the Company") for the financial year ended on **31st March, 2018** according to the provisions of:

(i) The Companies Act 2013 (to the extent Sections and Schedules notified) and the rules made thereunder including Amendments, Circulars, Notifications and Removal of Difficulties Order issued by the Ministry of Corporate Affairs from time to time;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under. (not applicable to the company during the period of review)

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') as amended:-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (not applicable to the company during the period of review)

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable to the company during the period of review)

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (not applicable to the company during the period of review)

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable to the company during the period of review)

f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the company during the period of review)

g) The Securities and Exchange Board of India (Buyback of Securities), Regulations,1998(not applicable to the company during the period of review)

h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; (not applicable to the Company during the period of review)

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; (not applicable to the company during the period of review)

(vi) The Industry specific acts, rules and notification applicable to the Company as stated in **Annexure –I** of this report –

We further report that based on the information received, explanations given, process explained, records maintained, statutory compliance and statutory internal audit reports submitted to the Board on quarterly basis, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable labour laws, rules, regulations and guidelines.
We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 (including revised) issued by The Institute of Company Secretaries of India.

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

We were informed that the share transfer, share transmissions, DEMAT requests received during the period June 2017- March 2018 were not processed by the Registrar and Transfer Agent as all the shares will remain frozen until the shares are listed and trading permission is received from stock exchange.

Pursuant to the National Company Law Tribunal (hereinafter called the "NCLT") order dated 30.03.2017, the transferor Company Chemfab Alkalis Limited amalgamated with Teamec Chlorates Limited. The Transferor Company had to transfer the unpaid/ unclaimed dividend to the Investor Education and Protection Fund (hereinafter called the "IEPF") Account. Hence the payment of Rs 2,36,605/- was made to the IEPF account on 15.06.2017 bearing the CIN of the Transferor Company. However the same could not be reported to the Fund as the status of the Transferor Company has been changed to "Amalgamated". The transferee Company is unable to upload the form as the SRN does not relate to the Company for which payment has been made. The Company has raised ticket with the Ministry of Corporate Affairs which was forwarded to the IEPF Authority however still as on date of the report the error has not been rectified and Form IEPF 1 could not be uploaded pending resolution of error by IEPF Authority.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Non Executive Director(s) and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions were taken unanimously at the Board meeting and with requisite majority at the Annual General Meeting. There was no Extra- ordinary General Meeting convened during the period under review.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company had:

- Pursuant to NCLT order dated 30.03.2017 and Clause 10 of the Scheme of Amalgamation, the name of the company was changed from "TEAMEC CHLORATES LIMITED" to "CHEMFAB ALKALIS LIMITED". The fresh Certificate of Incorporation was issued on 21.07.2017.
- Pursuant to the Scheme of Amalgamation, the following were amended during the period under review-
    - Memorandum of Association with new name, objects clause and capital clause
    - Altered articles of association with new name of the Company
- On 30.05.2017, allotted 1,31,02,424 equity shares of Rs 10/- each to the shareholders of the merged entity "Chemfab Alkalis Limited" and 7,28,080 equity shares of Rs 10/- each were issued to the existing shareholders of the Company post reduction of share capital as per the scheme of amalgamation.
- Redeemed 2,60,000 11% Redeemable Cumulative Preference Shares of Rs.100/-each and 7,00,000 12% Redeemable Cumulative Preference Shares of Rs.100/-each
- With the approval of the Shareholders in the Annual General Meeting held on 04.09.2017 amended the objects clause of the Memorandum of Association for the purpose of carrying on the business activities of manufacture and sale of extruded and oriented plastic products including pipes
- With the approval of the Shareholders in the Annual General Meeting held on 04.09.2017 sought for the extension of application of swap ratio fixed for the purpose of allotment of shares to the shareholders of the merged entity Chemfab Alkalis Limited i.e. "for every 7 shares of the face value of Rs 10/- each of the company" to the options granted to the employees of the merged entity "Chemfab Alkalis Limited" under the Chemfab Alkalis Employee Stock Option Scheme- 2015 (CAESOS 2015)

Place : Chennai

Date : 10.05.2018

Signature:

Name of Company Secretary in practice: Dr. B Ravi
FCS No.: 1810 CP No.: 3318
MANAGING PARTNER
B RAVI & ASSOCIATES
Firm Registration Number: P2016TN052400

Annexure- I

The following are the acts, rules and notifications that are specifically applicable to the Company based on the nature of the business the Company is engaged in:

1. The Water (Prevention And Control Of Pollution) Act, 1974 and rules framed thereunder
2. The Water (Prevention And Control Of Pollution) Cess Act,1977 and rules framed thereunder
3. The Air (Prevention And Control Of Pollution) Act, 1981and rules framed thereunder

4. The Environmental (Protection) Act, 1986 and rules framed thereunder
5. Manufacture Storage And Import Of Hazardous Chemical Rules, 1989
6. The Public Liability Insurance Act, 1991 and rules framed thereunder
7. The National Environmental Tribunal Act, 1995
8. Environmental Impact Assessment (Environmental Clearance Rules),1997-Public Hearing
9. The Atomic Energy Act, 1962
10. Radiation Protection Rules ,2004
11. Prevention And Control Of Pollution (Uniform Consent Procedure) Rules, 1999
12. Hazardous Wastes (Management, Handling And Transboundry) Rules, 2008
13. Batteries (Management and Handling) Rules , 2001
14. Ozone Depleting Substances (Regulation), Rules 2000
15. The Coastal Zone Regulation Rules ,1991
16. Pondicherry Groundwater (Control and Regulation) Act, 2002 and rules framed thereunder
17. EIA Notification For Environmental Clearance, 2006
18. The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996
19. Noise pollution(Regulation and Control) Rules, 2000
20. E-waste **(**Management **and** Handling) Rules, 2011
21. Petroleum Act, 1934 and rules framed thereunder
22. Explosives Act, 1884 and rules framed thereunder
23. Gas Cylinder Rules, 2004
24. Static and Mobile Pressure Vessels (Unfired) Rules, 1981
25. The Electricity Act, 2003 and rules framed thereunder
26. The Standards of Weights And Measures Act, 1976
27. The Boilers Act, 1923
28. The Factories Act, 1948 and rules framed thereunder

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

CHLOR-ALKALI INDUSTRY STRUCTURE AND DEVELOPMENTS

Chlor-Alkali is the basic Heavy Chemical Industry, manufacturing Caustic Soda, with Chlorine, Hydrogen, Sodium Hypo Chlorate and Hydro Chloric Acid as by-products. During the year, the global Caustic lye prices which moved up from 400 to 600 per MT USD CIF are currently at 500 – 550 per MT USD CIF. Imports during the year were lower compared to previous year (by 4 %). Capacity utilization of the Industry for the year has remained at around 82%. Chlorine realization was subdued due to supply demand imbalance.

OPPORTUNITIES AND THREATS

Commodity prices are expected to remain at current levels across all products, except for Crude oil which seems to be firming up and could remain at higher levels than last year. The Caustic prices are expected to continue to remain strong. However the prices of Chlorine and Hydrochloric acid could be under pressure.

On the Chlorine utilization front, demand growth would be there, but would continue to be sector specific. HCL would grow in line with the growth of the other sectors.

Capacity build up in the domestic industry continues to happen at the rate of 6-7% p.a. This will have an impact on the capacity utilisation.

SEGMENT -WISE OR PRODUCT -WISE PERFORMANCE

The Company operates in two segments viz, Chemicals and related Products/Services and PVC-O Pipes. The production and sales volumes in 2017-18 of chemical segment improved compared to previous year.

OUTLOOK

With the growth in the country's GDP, envisaged to be positive, the demand for caustic especially, is expected to grow at a reasonable rate.

RISKS AND CONCERNS

Dependence on the grid power continues to be a risk though the Pondicherry power scenario remains reasonably stable but the possibility of increasing cost of power is a concern in the long run.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has well defined and adequate internal controls and procedures, commensurate with its size and nature of its operations. This is further strengthened by the Internal Audit done concurrently.

Besides, the Company has an Audit Committee, comprising Non-Executive Directors, to monitor its financial systems, controls, management and operations.

The Company has obtained certification for ISO 14001 and OHSAS 18001 systems to take care of critical operational areas. It also utilizes the services of professional bodies like Central Leather Research Institute (CLRI) / The Energy and Resources Institute (TERI) / National Environmental Engineering Research Institute (NEERI) as also Consultants to continuously analyze and upgrade its operations. The Company has also implemented Process Safety Management (PSM). We are the first company in our industry to implement the same. Also Sustainability Reporting has been carried out enhancing our commitment to sustainable development.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The sales volumes and realization improved during the Financial Year 2017-18 resulting in increase in the Sales turnover and Profitability for the year.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PERSONS EMPLOYED.

During the year under review, the Industrial Relations continued to be cordial.

The Company has given direct employment to 216 persons and indirect employment to 197 persons.

CAUTIONARY STATEMENT

The Statements made in this Report on Management Discussion and Analysis, describing the Company's views may be forward-looking statements within the meaning of the applicable security regulations and laws. These Statements are based on certain expectations on demand, imports, availability and cost of power etc. and any change in Government laws and the economic situation in the country would have its impact on the Company's operations.

The Company assumes no responsibility in respect of the forward-looking statements herein, which may undergo changes in future for reasons beyond its control.

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED
(formerly known as Teamec Chlorates Limited)

Place : Chennai
Date : 10.05.2018

Suresh Krishnamurthi Rao
CHAIRMAN
DIN No: 00127809

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH, 2018

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance stands for commitment to values and ethical business conduct. It is an information to outsiders showing how an organization is managed. This includes its corporate structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the Company are integral parts of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts best talents and keeps the stakeholders satisfied.

Your Company has been practising the principles of good Corporate Governance over the years and has been upholding fair and ethical business and corporate practices and transparency in its dealings, laying emphasis on scrupulous regulatory compliances.

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company believes that sound Corporate Governance is critical to enhance and retain investors' trust.

Accordingly, your Company seeks to achieve its goals with integrity and fairness. The Company's philosophy is based on Accountability, Ethical conduct, Compliance with statutes, Interest of all stakeholders, Transparency and Timely disclosure. The objective is to institutionalize Corporate Governance practices that go beyond adherence to the regulatory framework.

The Company is in full compliance with the requirements under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Your Company is committed to adhere to the norms of Corporate Governance on a consistent basis for meeting all its obligations towards the stakeholders.

2. BOARD OF DIRECTORS

The Company's Board consists of Seven Directors as on date, all of whom are Non-Executive Directors.

SI. No	Name of Directors	Designation	Date of appointment
1	Mr. Suresh Krishnamurthi Rao	Non Executive Director	26.04.2017
2	Mr. C.S. Ramesh	Non Executive Director	26.04.2017
3	Mr. T. Ramabadran	Non Executive Independent Director	26.04.2017
4	Mr. A. Janakiraman	Non Executive Independent Director	26.04.2017
5	Mrs. Drushti Desai	Non Executive Independent Director	26.04.2017
6	Mrs. Sujatha Jayarajan	Non Executive Independent Director	26.04.2017
7	Mr. R. Mahendran	Non Executive Director	14.03.2016

The Company is Board-managed and it has no Managing Director, Whole-Time Director or Manager. The day-today affairs are managed by the Chief Executive Officer (CEO) of the Company.

The Key Managerial Personnel of the Company viz., Mr. V M Srinivasan, CEO, Mr. Nitin S Cowlagi, CFO and Mr. G. Somasundaram, Company Secretary were appointed as such on 26.04.2017.

The composition of the Board, the categorization of Directors, the number of Board meetings held during the Financial Year, 2017-18, attendance at the Board meetings and at the last Annual General meeting and the number of Directorships and Memberships/Chairmanships in other public companies held by the Directors as on 31st March 2018 are given below:

A. I) Information on Board of Directors and Attendance

Sl No.	Name of Director	Category of Directorship	No. of Equity Shares held	No. of Board Meetings		No. of Other Director -ship *	No. of other Committee		Attendance of last AGM
				Held	Attended		Member	Chairman	
1	Mr. Suresh Krishnamurthi Rao	Non Executive Non Independent Chairman Promoter	1424423	6	5	1	0	0	YES
2	Mr. C. S. Ramesh	Non Executive Non Independent	58	6	5	1	0	0	NO
3	Mr. T. Ramabadran	Non Executive Independent	142	6	5	0	0	0	YES
4	Mrs. Sujatha Jayarajan	Non Executive Independent	0	6	4	1	1	0	NO
5	Mrs. Drushti Desai	Non Executive Independent	0	6	3	6	8	5	YES
6	Mr R Mahendran	Non Executive Non Independent	0	6	5	0	0	0	YES
7	Mr. A. Janakiraman	Non Executive Independent	0	6	4	1	0	0	YES
8	Mr. P Santhanam**	Non Executive Independent	0	6	2	0	0	0	NO
9	Mr. K Gopalan***	Non Executive Independent	0	6	2	0	0	0	NO
10	Mr. M Krishnaswami Iyer***	Non Executive Non Independent	0	6	1	0	0	0	NO

* The Directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships of Foreign Companies and Private Limited Companies.
** Mr P Santhanam, Director resigned from the Directorship on 30.05.2017
*** Mr K. Gopalan and Mr Krishnaswami Iyer, Directors resigned from Directorship on 26.04.2017

There is NO relationship between the Directors Inter-se.

Further to National Company Law Tribunal Division Bench Chennai Order dated 30th March 2017 approving the Scheme of Amalgamation and Arrangement of Chemfab Alkalis Limited (Listed Company) with Teamec Chlorates Limited (Unlisted Company) and their respective shareholders and creditors, Mr. Suresh Krishnamurthi Rao and Mr. C. S. Ramesh were appointed as Non-Executive Directors and Mr. T. Ramabadran, Mr.A. Janakiraman, Mrs.Drushti Desai and Mrs. Sujatha Jayarajan were appointed as Independent Directors with effect from 26th April 2017.

Please refer to http://www.chemfabalkalis.com/pdf-2015/Indpdt-Directors-Famlrzn-Prog.pdf for familiarization programme imparted to Independent Directors.

B. Number of Board Meetings held during the year along with the dates of the Meetings:

During the Financial Year 2017-18, six meetings of the Board of Directors of Chemfab Alkalis Limited were held as under:

Sl No.	Date of Meeting
1.	05th April 2017
2.	26th April 2017
3.	30th May 2017
4.	27th July 2017
5.	23rd October 2017
6.	31st January 2018

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company was constituted in compliance with provisions of Section 177 of the Companies Act, 2013 ("the Act") and in compliance with Regulation 18 of SEBI (LODR) Regulations, 2015.

Out of the total five Members of the Audit Committee, four were Non-Executive Independent Directors and have relevant finance exposure. The Committee was chaired by an Independent Director.

Further to The National Company Law Tribunal Division Bench Chennai Order dated 30th March 2017 approving the Scheme of Amalgamation and Arrangement of erstwhile Chemfab Alkalis Limited (Listed Company) with the Company, Mr. Suresh Krishnamurthi Rao and Mr. C. S. Ramesh were appointed as Non-Executive Directors and Mr. T. Ramabadran, Mr. A. Janakiraman, Mrs. Drushti Desai and Mrs. Sujatha Jayarajan were appointed as Independent Directors with effect from 26th April 2017. Pursuant to the same, the Audit Committee of the Company was reconstituted on 26th April, 2017. The Composition of Audit Committee after reconstitution was as follows:

Name of the member	Status	Director Category
Mr. T. Ramabadran	Chairman	Non Executive Independent Director
Mr. C.S. Ramesh	Member	Non Executive - Non Independent Director
Mr. A. Janakiraman	Member	Non Executive Independent Director
Mrs. Sujatha Jayarajan	Member	Non Executive Independent Director
Mrs. Drushti Desai	Member	Non Executive Independent Director
Mr. R. Mahendran	Member	Non Executive - Non Independent Director

The Board at its meeting held on 27th July 2017 reconstituted the Audit Committee with the following members:

Name of the Member	Status	Director Category
Mr. T. Ramabadran	Chairman	Non Executive Independent Director
Mr. C.S. Ramesh	Member	Non Executive - Non Independent Director
Mr. A. Janakiraman	Member	Non Executive Independent Director
Mrs. Sujatha Jayarajan	Member	Non Executive Independent Director
Mrs. Drushti Desai	Member	Non Executive Independent Director

Out of the total five Members of the Audit Committee, four are Non-Executive Independent Directors and have relevant finance exposure.

The Statutory Auditors, Internal Auditor, Chief Executive Officer, Chief Financial Officer and the Company Secretary attended the meetings of the Audit Committee regularly by invitation.

The terms of reference and scope of the Committee include:-

(i) To recommend the appointment/removal of Auditors, fixing of audit fees and approval of payments;

(ii) To review and monitor the Auditor's independence, performance, and effectiveness of audit process, to examine the financial statements and auditor's report thereon, scrutiny of inter-corporate loans and investments;

(iii) To approve or make any subsequent modification of transactions of the Company with related parties;

(iv) To value the undertakings or assets of the Company, wherever it is necessary;

(v) To evaluate the internal financial controls and risk management systems;

(vi) To monitor the end use of funds raised through public offers and related matters.

The Audit Committee also abided by the terms of reference as specified under Part C of Schedule II of the SEBI (LODR) Regulations, 2015.

During the Financial Year 2017-18, the Composition and attendance of the Members at the meetings of the Committee are as follows:-

Name of the Member	Status	Director Category	No. of meetings attended
Mr. T. Ramabadran	Chairman	Non Executive Independent Director	4
Mr. C.S. Ramesh	Member	Non Executive Non Independent Director	4
Mrs. Sujatha Jayarajan	Member	Non Executive Independent Director	4
Mr. A. Janakiraman	Member	Non Executive Independent Director	3
Mrs. Drushti Desai	Member	Non Executive Independent Director	3

The Audit Committee of the Company met four times during the year under review as indicated below:

Sl No.	Date of Meeting
1.	30th May 2017
2.	27th July 2017
3.	23rd October 2017
4.	31st January 2018

The Minutes of the meetings of the Audit Committee meetings are discussed and noted by the Board of Directors.

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company was constituted in compliance with provisions of Section 178 of the Companies Act, 2013 ("the Act") and in terms of Clause 49 of the erstwhile Listing Agreement and the current Regulation 19 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Committee include:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee also abides by the terms of reference as specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

The Nomination and Remuneration Committee of the Company consisted of the following Members, the details of whom are furnished below:

Name of the Member	Status	Directors Category
Mr. T. Ramabadran	Chairman	Non-Executive Independent Director
Mr. C.S. Ramesh	Member	Non-Executive Non Independent Director
Mr. A. Janakiraman	Member	Non-Executive Independent Director
Mrs. Drushti Desai	Member	Non Executive Independent Director
Mr. P. Santhanam*	Chairman	Non Executive Independent Director
Mr. K. Gopalan*	Member	Non Executive Independent Director
Mr. M. Krishnaswami Iyer*	Member	Non Executive Non Independent Director

*Consequent on the resignation of Mr. P. Santhanam, Mr. K. Gopalan and Mr. M. Krishnaswami Iyer, the Nomination and Remuneration Committee of Chemfab Alkalis Limited was reconstituted on 26th April 2017 with the following four members:

Name of the Member	Status	Directors Category
Mr. T. Ramabadran	Chairman	Non-Executive Independent Director
Mr. C.S. Ramesh	Member	Non-Executive Non Independent Director
Mr. A. Janakiraman	Member	Non-Executive Independent Director
Mrs. Drushti Desai	Member	Non Executive Independent Director

During the Financial Year 2017-18, the Nomination and Remuneration Committee of the Company met two times on 26th April 2017 and 30th May 2017. The attendance of the members is as follows:

Name of the Member	Status	Directors Category	No. of meetings attended
Mr. T. Ramabadran	Chairman	Non Executive Independent Director	1
Mr. C.S. Ramesh	Member	Non Executive Non Independent Director	1
Mr. A. Janakiraman	Member	Non-Executive Independent Director	1
Mrs. Drushti Desai	Member	Non Executive Independent Director	0
Mr. P. Santhanam	Chairman	Non Executive Independent Director	1
Mr. K. Gopalan	Member	Non Executive Independent Director	1
Mr. M. Krishnaswami Iyer	Member	Non Executive Independent Director	0

The Remuneration Policy of your Company is disclosed in ***Annexure 1*** to this Report.

<u>Disclosure on Remuneration:</u>

A	All elements of remuneration package of individual Directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc	NIL
B	Details of fixed component and performance linked incentives along with the performance Criteria	NIL
C	Service contracts, notice period, severance fees.	NIL
D	Stock Option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable	NIL

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

Details of the sitting fees paid to the Non-Executive Directors and Commission paid to them with the approval of the Shareholders during the year are given below:

Rs. in Lakhs

Sl No.	Name of the Director	Sitting Fees	Commission	Total
1.	Mr. Suresh Krishnamurthi Rao	-	26.00	26.00
2.	Mr. C. S. Ramesh	1.88	4.50	6.38
3.	Mr. T. Ramabadran	1.95	5.50	7.45
4.	Mr. A. Janakiraman	1.20	-	1.20
5.	Mrs. Sujatha Jayarajan	1.43	4.50	5.93
6.	Mrs. Drushti Desai	1.05	-	1.05
7.	Mr. R. Mahendran	0.68	-	0.68
8.	Mr. N. Gangaram*	0.30	4.50	4.80
	TOTAL	**8.49**	**45.00**	**53.49**

*Non Executive Director - upto 30 March 2017 in Erstwhile Chemfab Alkalis Limited

It may be noted that the commission of Rs. 45.00 Lakhs as above relates to the year 2016-17 actually paid in the year 2017-18.

For the year ended 31st March 2018, it is proposed to pay the commission not exceeding 11% of the Net Profits of the Company to the Non Executive Directors, absorbing a sum of Rs.420 Lakhs.

Performance evaluation Criteria for Independent Directors: Performance of Independent Directors are assessed, based on their Attendance, preparedness and active participation in the discussions at the Meetings, valuable suggestions provided by them for improvement of business decisions and Statutory Compliances, visits to the Factory, attending to Seminars and in-house programs on familiarization etc.,

Criteria for making payments to Non-Executive Directors: Based on the performance and contributions of the Non Executive Directors as per the details provided under Nomination & Remuneration Policy of the Company.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted a Stakeholders' Relationship Committee on 26.04.2017 pursuant to the amalgamation of the erstwhile Chemfab Alkalis Limited with the Company.

During the Financial Year 2017-18, the Composition of the Stakeholders' Relationship Committee of the Company is as follows:

Sl No.	Name of the Member	Status	Directors Category
1.	Mrs. Drushti Desai	Chairman	Non Executive Independent Director
2.	Mr. T. Ramabadran	Member	Non Executive Independent Director
3.	Mr. C.S. Ramesh	Member	Non Executive Non Independent Director
4.	Mr. Suresh Krishnamurthi Rao	Member	Non Executive Non Independent Director

The Committee takes care of the relations with the Stakeholders of the Company. It looks into and redresses the Shareholders' complaints relating to delay in transfer of shares and non-receipt of annual report/dividend warrants, oversees the performance of Registrars & Transfer Agents and recommends measures for overall improvements in the quality of investor services and investor relations.

The Stakeholders' Relationship Committee abides by the terms of reference as specified under Part D of Schedule II of the SEBI (LODR) Regulations, 2015.

As at 31st March 2018, there were no Shareholders' complaints pending redressal.

During the Financial Year 2017-18, the Committee met Two times on:

Sl. No.	Date of Meeting
1.	30th May 2017
2.	23rd October 2017

The attendance of the members are as follows:

Name of the Member	Status	Directors' Category	No. of meetings attended
Mrs. Drushti Desai	Chairman	Non Executive Independent Director	1
Mr. C.S. Ramesh	Member	Non Executive Non Independent Director	2
Mr. T. Ramabadran	Member	Non Executive Independent Director	2
Mr. Suresh Krishnamurthi Rao	Member	Non Executive Non Independent Director	2

Mr. G. Somasundaram, Company Secretary, is the Compliance Officer of the Company.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board of Directors of the Company had constituted the Corporate Social Responsibility Committee on 26th April 2017 pursuant to the amalgamation of erstwhile Chemfab Alkalis Limited with the Company.

The Composition of the Committee is as follows:

Sl No.	Name of the Member	Status	Directors' Category
1	Mr. C.S. Ramesh	Chairman	Non Executive Non Independent Director
2	Mr. T. Ramabadran	Member	Non Executive Independent Director
3	Mr A. Janakiraman	Member	Non Executive Independent Director
4	Mrs. Sujatha Jayarajan	Member	Non Executive Independent Director
5	Mr. R. Mahendran	Member	Non Executive Non Independent Director

During the Financial Year 2017-18, the Committee met Two times on:

Sl No.	Date of Meeting
1.	30th May 2017
2	31st January 2018

The attendance of the members are as follows:

Name of the Member	Status	Directors' Category	No. of meetings attended
Mr. C.S. Ramesh	Chairman	Non Executive Non Independent Director	2
Mr. T. Ramabadran	Member	Non Executive Independent Director	2
Mr. A. Janakiraman	Member	Non Executive Independent Director	2
Mrs. Sujatha Jayarajan	Member	Non Executive Independent Director	2
Mr. R. Mahendran	Member	Non Executive Non Independent Director	1

7. RISK MANAGEMENT COMMITTEE:

The Board of Directors of the Company has constituted a Risk Management Committee on 26.04.2017 pursuant to the amalgamation of erstwhile Chemfab Alkalis Limited, even though the constitution of such Committee was / is applicable only to the top 100 listed Companies in terms of market capitalisation.

The Composition of the Members of Risk Management Committee is as follows:

Sl No.	Name of the Member	Status	Directors' Category
1	Mr. A. Janakiraman	Chairman	Non Executive Independent Director
2	Mr. C S Ramesh	Member	Non Executive Non Independent Director
3	Mrs. Drushti Desai	Member	Non Executive Independent Director
4	Mr. R. Mahendran	Member	Non Executive Non Independent Director
5	Mr. V M Srinivasan	Member	Chief Executive Officer

8. ANNUAL GENERAL MEETINGS:

i. The details of the last three Annual General Meetings of the Company held are given below:

Year	Location	Date	Time	Number of Special Resolutions passed
2014-15	Registered Office	30.09.2015	16.00 hrs	Two

2015-16	Registered Office	30.09.2016	16.00 hrs	---
2016-17	Kalyan Hometel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai - 600048	04.09.2017	10.00 hrs	Two

ii) During the year 2017-18, the Company passed the following Special Resolutions by E-Voting.

1. To approve the Change in Objects Clause of the Memorandum of Association of the Company.

MANNER OF VOTING	VOTES IN FAVOUR	VOTES AGAINST	VOTES INVALID
E-voting	9404701	0	0
Total	9404701	0	0
Total %	100	0	0

2. To approve the extension of application of swap ratio of amalgamation for allotment of shares to the Chemfab Alkalis Employees Stock Option Scheme – 2015 (CAESOS 2015)

MANNER OF VOTING	VOTES IN FAVOUR	VOTES AGAINST	VOTES INVALID
E-voting	9404701	0	0
Total	9404701	0	0
Total %	100	0	0

Mr S.A. Inbavadivu, Advocate in Practice was appointed as Scrutinizer to conduct the E-Voting exercise.

9. DISCLOSURES:

a. Related party transactions during the year have been disclosed as required under IND AS 24. The transactions are not prejudicial to the interests of the Company.

Please refer to the Weblink http://www.chemfabalkalis.com/ for Related Party Transaction Policy of the Company.

b. No strictures/penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to capital market during the last three years.

c. The Company has established a vigil mechanism, also called the Whistle Blower Policy which is adopted for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee till now.

d. Accounting Treatment

In the preparation of the financial statements, IND AS and corresponding principles and policies were followed. All the Mandatory Accounting Standards were followed in the preparation of the financial statements.

e. Board Disclosures - Risk Management

The main objective of Risk Management is risk reduction and avoidance as also to help the Company identify the risks faced by the business and optimise the risk management strategies. The Company has a defined risk management framework.

f. Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company. The said Code of Conduct has been posted on the Website of the Company www.chemfabalkalis.com

The Company is Board-managed and there is no Managing/Whole time Director/Manager. The Board of Directors have authorized the CFO and the CEO, to make a declaration on compliance of Code of Conduct by all the Board Members and the Senior Management Personnel.

A Compliance Report on the Code of Conduct given by the CFO and the CEO, authorised in this behalf by the Board, is given at the end of this Report.

The Company has adopted the discretionary requirements as per Regulation 27 of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by adopting some of the requirements viz., separate posts of Chairperson and CEO and reporting of Internal Auditor directly to the Audit Committee under part-E of Schedule II.

The Company has not adopted non-mandatory requirements as per the Regulations of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which came into effect from 1st December 2015.

10. CEO/CFO CERTIFICATION

The Chief Financial Officer (CFO) and the Chief Executive Officer (CEO) of the Company have certified to the Board on financial and other matters in accordance with Regulation 17(8) read with Part-B of Schedule II of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to CEO/CFO certification for the Financial Year ended 31st March 2018.

11. MEANS OF COMMUNICATION:

The quarterly/half yearly /yearly financials audited/unaudited results were published by the Company in Newspapers as required. Further, the quarterly results have been posted on the Company's Website – www.chemfabalkalis.com.

12. GENERAL SHAREHOLDERS INFORMATION:

REGISTERED OFFICE	Team House, GST Salai Vandalur, Chennai – 600 048 Phone: +91-44-22750323/324 Fax: +91-44-22750860 Email : cosecy@drraoholdings.com website: www.chemfabalkalis.com
ANNUAL GENERAL MEETING, DATE OF BOOK CLOSURE & DIVIDEND PAYMENT DATE	Annual General Meeting has been fixed on Thursday, the 5th July, 2018. Book Closure starts from 29.06.2018 to 05.07.2018 (both days inclusive). Dividend will be paid within a period of 7 days from the date of Annual General Meeting.

FINANCIAL CALENDAR (TENTATIVE) Covering period from 01st Apr 2018 to 31st Mar 2019.	➢ First Quarter's Results By 25th Jul 2018 ➢ Second Quarter's Results By 30th Oct 2018 ➢ Third Quarter's Results By 30th Jan 2019 ➢ Annual Results By 30th May 2019

LISTING OF EQUITY SHARES ON THE STOCK EXCHANGES

STOCK EXCHANGE WHERE SHARES ARE LISTED	SCRIP CODE / No.'s
DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES	**INE783X01023**
BOMBAY STOCK EXCHANGE LTD. **(BSE)**	**541269 / 1,38,30,504 Shares**
NATIONAL STOCK EXCHANGE OF INDIA LIMITED **(NSE)**	**CHEMFAB / 1,38,30,504 Shares**

MARKET PRICE DATA

The High and Low stock quotations of the Company, during the Financial Year 2017-18 on BSE and NSE are NOT APPLICABLE since the listing happened only on 25.04.2018:

REGISTRAR AND SHARE TRANSFER AGENT	Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai - 600 002. Phone No.044 2846 0390 / 2846 0395 Fax: 044 2846 0129 Email : cameo@cameoindia.com Website : www.cameoonline.net

SHARE TRANSFER SYSTEM

A Committee of the Board has authorised the Company Secretary for approval of Share Transfer/ transmission in the physical form and the same is reported to the Committee at its Meeting held every quarter.

(a) DISTRIBUTION OF SHAREHOLDINGS

CHEMFAB ALKALIS LIMITED

DISTRIBUTION OF HOLDINGS - NSDL & CDSL & PHYSICAL RECORD DATE : 31-Mar 2018

Category (Amount)	No. of Shareholders	% to Total	Total No. of Shares	Amount	% of Amount
1 - 5000	5705	84.2688	770141	7701410	5.5684
5001 - 10000	567	8.3751	399742	3997420	2.8902
10001 - 20000	279	4.1211	398169	3981690	2.8789
20001 - 30000	95	1.4032	242107	2421070	1.7505
30001 - 40000	35	0.5169	120465	1204650	0.871

40001 - 50000	22	0.3249	97798	977980	0.7071
50001 - 100000	31	0.4579	214235	2142350	1.549
100001 - And Above	36	0.5317	11587847	115878470	83.7847
Total :	**6770**	**100**	**13830504**	**138305040**	**100**

(b) SHAREHOLDING PATTERN

S.No.	Category of Shareholders	No. of shares held at the end of the year - 31.3.2018			
		Demat	Physical	Total	% of Total Shares
A.	**Promoters**				
(1)	**Indian**				
(a)	**Individual/HUF**	2037798	497579	2535377	18.33
(b)	**Central Govt**	-	-	0	-
(c)	**State Govt(s)**	-	-	0	-
(d)	**Bodies Corp.**	1072082	100	1072182	7.75
(e)	**Banks / FI**	-	-	0	-
(f)	**Any Other ….**	-	-	0	-
	Sub-Total (A)(1)	3109880	497679	3607559	26.08
(2)	**Foreign**				
(a)	**NRIs - Individuals**	0	0	0	0
(b)	**Other - Individuals**	0	0	0	0
(c)	**Bodies Corp.**	6530668	230400	6761068	48.89
(d)	**Banks / FI**	-	-	0	-
(e)	**Any Other ….**	-	-	0	-
	Sub-Total (A)(2)	6530668	230400	6761068	48.89
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	9640548	728079	10368627	74.97
B.	**Public Shareholding**				
(1)	**Institutions**				
(a)	**Mutual Funds**	10142	1285	11427	0.08
(b)	**Banks / FI**	3407	142	3549	0.03
(c)	**Central Govt**	0	0	0	0

(d)	State Govt(s)	0	0	0	0
(e)	Venture Capital Funds	0	0	0	0
(f)	Insurance Companies	0	0	0	0
(g)	FIIs	0	0	0	0
(h)	Foreign Venture Capital Investors	0	0	0	0
(i)	Any Other - Foreign Portfolio Investors	232467	0	232467	1.68
	Sub- Total (B)(1)	246016	1427	247443	1.79
(2)	Non- Institutions				
(a)	Bodies Corporate				
(i)	Indian	406832	12428	419260	3.03
(ii)	Overseas	0	-	0	-
(b)	Individuals				
i	Individual shareholders holding nominal shares capital up to Rs.2 lakh	1694111	220757	1914868	14.71
ii	Individual shareholders holding nominal shares capital in excess of Rs.2 lakh	522221	13571	535792	3.01
	Sub- Total (B)(2)	2623164	246756	2869920	20.75
(c)	Others (specify) Total (B)(3)	157069	187445	344514	2.49
i	Trust	285	0	285	0
ii	NRI	82325	34446	116771	0.84
iii	Hindu undivided family	74201	142	74343	0.54
iv	Foreign national	0	152857	152857	1.11
v	Clearing members	116	0	116	0
vi	Directors & their relatives	142	0	142	0
	Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)	3026249	435628	3461877	25.03
(C)	Shares held by Custodian for GDRs and ADRs				
	GRAND TOTAL (A)+(B)+(C)	**12666797**	**1163707**	**13830504**	**100**

DETAILS OF UNCLAIMED SHARE CERTIFICATES

The erstwhile Listed Company Chemfab Alkalis Limited which was amalgamated with the Company had sent the reminders vide letters dated 27.01.2011, 05.03.2011 and 30.03.2011 to all the Shareholders whose Share Certificates were returned undelivered. The Company transferred the Shares comprised in the Share Certificates, which were still remaining undelivered into one Folio in the name of Chemfab Alkalis Limited Unclaimed Suspense Account. Further, the Company opened an account viz., Chemfab Alkalis Limited Unclaimed Suspense Account (demat account) and dematerialised the shares to that account. The details of Unclaimed shares are given below:

(a) aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year - 188 shareholders having 50188 Equity Shares

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year - Nil

(c) number of shareholders to whom shares were transferred from suspense account during the year - Nil

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 188 shareholders having 71697 Equity Shares (After the Amalgamation of erstwhile Listed Company Chemfab Alkalis Limited with the Company, applying the swap ratio, the shares credited to Unclaimed Suspense Account amounted to 71697 Equity Shares)

The voting rights on these Unclaimed shares shall remain frozen till the rightful owners of such shares claim the shares.

DEMATERIALISATION OF SHARES:

The Company has appointed M/s Cameo Corporate Services Ltd., as the Registrars of the Company for establishing connectivity with NSDL and CDSL to facilitate dematerialization of the shares held by the Members.

As on 31.03.2018, 91.59% of Equity Shares have been dematerialized.

OUTSTANDING GDR/ADR WARRANTS OR CONVERTIBLE BONDS

The Company has not issued any of the securities mentioned above.

PLANT LOCATION

CHLOR ALKALI PLANT	'Gnanananda Place', Kalapet, Puducherry 605 014
SALT FIELD	Kanthadu Village, Marakanam Post, Villupuram District, Tamil Nadu Mariyur Salai, Sayalkudi, Ramnad District, Tamil Nadu
SODIUM CHLORATE PLANT	Plot No.558 & 559, APIIC Growth Centre, Gundlapalli (Village) Maddipadu (Mandal), Prakasam (District), Andhra Pradesh 523 211
PVC-O PLANT	650, Chigurupalem Road, Sri City, Andhra Pradesh 517 646

ADDRESS FOR CORRESPONDENCE

The Company Secretary Chemfab Alkalis Limited Team House, GST Salai, Vandalur, Chennai – 600 048	Phone: +91-44-22750323 Fax : +91-44-22750860 Email : cosecy@drraoholdings.com website: www.chemfabalkalis.com

For and on behalf of the Board of Directors of
CHEMFAB ALKALIS LIMITED
(formerly known as Teamec Chlorates Limited)

Place : Chennai
Dated : 10.05.2018

Suresh Krishnamurthi Rao
Chairman
DIN No: 00127809

Declaration

As stipulated under Part-D of Schedule V of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct.

Place: Chennai
Date: 10.05.2018

V.M. Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

Annexure 1 to Corporate Governance Report

NOMINATION AND REMUNERATION POLICY

Introduction:

This Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors.

Details of the Committee and of the Policy are as under:

Objectives of the Committee: The Committee shall:

1. Identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal vide Section 178 of the Companies Act, 2013;
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees vide Section 178 of Companies Act, 2013.

   The Committee shall, while formulating the Policy, ensure that-

   a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

   b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

   c. remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals vide Section 178 of Companies Act, 2013,
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. To undertake the process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;
6. To recommend the Director's appointment/continuing to hold appointment as a Director on the Board;
7. To ensure that such persons meet the relevant criteria prescribed under applicable laws;
8. To review the said criteria from time to time;
9. To fix/refix the remuneration of the Executive Directors (Whole-Time Directors) of the Company, if any;
10. The Committee shall approve the remuneration/any change therein of the managerial personnel of the Company when there are no profits /inadequate profits /negative effective capital as per Schedule V to the Companies Act, 2013;
11. The Committee while approving the overall remuneration of the Executive Directors of the Company shall:

    a. take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, employee stock options granted by the Board, etc.

    b. be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders;
12. The Committee shall have no authority to delegate its powers and duties;
13. Any other matter delegated by the Board from time to time.

    Effective Date: The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 27th April, 2015, This policy shall be operational with immediate effect.

Definitions:

- **"Board"**:- Board means Board of Directors of the Company.
- **"Director"**:- Director means Director of the Company.
- **"Committee"**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **"Company"**:- Company means Teamec Chlorates Limited **(Now known as Chemfab Alkalis Limited).**
- **"Independent Director"**:- As provided under the erstwhile clause 49 of the Listing Agreement and the SEBI (LODR) Regulations, 2015 and under the Companies Act, 2013,
- **"Key Managerial Personnel"**:-
- Key Managerial Personnel
  (KMP) means-
  (i) the Chief Executive Officer or the managing director or the manager;
  (ii) the Company Secretary;
  (iii) the Whole-Time Director;
  (iv) the Chief Financial Officer; and
  (v) such other officer as may be prescribed under the applicable statutory provisions / regulations
- **"Senior Management"**:- The expression ''senior management'' means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads. Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:- The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee: The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

1. Mr. T. Ramabadran - Chairman (Independent- Non executive)
2. Mr. C.S. Ramesh - Member (Non Independent- Non executive)
3. Mr. A. Janakiraman - Member (Independent- Non executive)
4. Mrs. Drushti Desai - Member (Independent- Non executive)

General Appointment Criteria:

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Company shall ensure that the person so appointed as Director/Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, Rules made thereunder, Listing Agreement or any other enactment for the time being in force.

iii. The Director/ Independent Director/KMP/Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.

iv. The appointees in various designations shall be qualified for the post.

v. Letters of Appointment - Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company.

. The Company is required to appoint a MD/Manager/ CEO and in their absence a WTD as one of the KMPs. The Company is also required to appoint a Company Secretary and a Chief Financial Officer. The Company may also appoint a Chief Executive Officer who may or may not be a Director.

The Board shall have atleast one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

Additional Criteria for Appointment of Independent Directors: The Committee shall consider qualifications and appointment for Independent Directors as per the provisions of the Listing Agreement (under SEBI (LODR) Regulations, 2015) and the Companies Act, 2013.

Term / Tenure: The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and the Rules made there under as amended from time to time.

Termination: The Directors and others may terminate from the Board on their own accord. The notice period for termination of the contract of employment shall be as agreed to between the appointee and the Company.

Removal: Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, Rules and Regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, Rules and Regulations.

Criteria for Evaluation of Independent Director and the Board: The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis to satisfy the requirements of the Listing Agreement. Following are the Criteria for evaluation of the performance of Independent Directors and the Board:

1. **Executive Directors**: The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time.
2. **Non Executive Directors**: The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:
   (a) act objectively and constructively while exercising their duties;
   (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
   (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
   (d) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
   (e) refrain from any action that would lead to loss of his independence;
   (f) inform the Board immediately when they lose their independence;
   (g) assist the company in implementing the best corporate governance practices;
   (h) strive to attend all meetings of the Board of Directors and the Committees;
   (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
   (j) strive to attend the general meetings of the company;
   (k) keep themselves well informed about the company and the external environment in which it operates;
   (l) do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(m) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholders' interest.

(n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc. Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors. The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

3. KMP's and Senior Officials' additional evaluation criteria:

(i) leadership & stewardship abilities;

(ii) contributing to clearly defined corporate objectives & plans;

(iii) communication of expectations & concerns clearly with subordinates;

(iv) obtain adequate, relevant & timely information from external sources;

(v) review & approval of achievement of strategic and operational plans, objectives, budgets;

(vi) regular monitoring of corporate results against projections;

(vii) identify, monitor & mitigate significant corporate risks;

(viii) assess policies, structures & procedures and

(ix) review of corporation's ethical conduct;

Policy on Board diversity: The Board of Directors shall have the optimum combination of Directors from different areas /fields like Production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

Remuneration: The Committee will recommend the remuneration to be paid to the Managing Director, Whole-Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay wherever considered reasonable reflecting short and long-term performance objectives appropriate to the working of the Company and its goals. Payment of bonus, contribution to Provident and other Funds, ESI etc. shall be in accordance with the regulations.

1.Director/ Managing Director: Besides the above criteria, the remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

2. **Non executive / Independent Directors:** The Non-Executive / Independent Directors are not entitled to any stock option and may receive remuneration by way of sitting fees, reimbursement of expenses (travel and other related expenses incurred for attending the meetings) for attending meetings of Board or Committee thereof and profit related commission. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under the Companies Act, 2013 and Rules made thereunder or any other enactment for the time being in force.

3. **KMPs/Senior Management Personnel etc:** The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

4. **Directors' and Officers' Insurance:** Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Deviations and Changes to the Policy: The Board may vary the above policy on need basis in accordance with the applicable laws in force. The Remuneration Committee may review the above policy from time to time to cope with the changed scenario and manpower requirements and suggest suitable changes on its own or at the request of the Board.

TO THE MEMBERS OF CHEMFAB ALKALIS LIMITED (formerly known as Teamec Chlorates Limited)

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

1. This certificate is issued in accordance with the terms of our engagement letter dated December 14, 2017.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of **Chemfab Alkalis Limited** (formerly known as Teamec Chlorates Limited) ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

9. We 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 **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

V Balaji
Partner
Membership No. 203685

Chennai, May 10, 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMFAB ALKALIS LIMITED

(formerly known as Teamec Chlorates Limited)

Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of **CHEMFAB ALKALIS LIMITED** (formerly known as Teamec Chlorates Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its profit , total comprehensive income, its cash flows and the changes in the equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, as applicable.

e) On the basis of the written representations received from the directors of the Company as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. The Company is in the process of transferring the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

V Balaji
Partner
Membership No. 203685

Chennai, 10 May 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **CHEMFAB ALKALIS LIMITED** (formerly known as Teamec Chlorates Limited) ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

V Balaji
Partner
(Membership No. 203685)

Chennai,10 May 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

Particulars	Carrying amount as at 31 March 2018 Rs. In Lakhs	Remarks
Freehold land and building located at Kalapet and Ramnad admeasuring 36.57 acres and 694.17 acres respectively.	2,125.87	The title deeds are in the name of erstwhile Chemfab Alkalis Limited, which was merged with the Company under section 391 to 394 of the Companies Act, 1956 and the corresponding section 230 to 232 reading with section 52 of the Companies Act, 2013, in terms of the approval of the National Company Law Tribunal ('NCLT') Chennai. Further, for freehold land admeasuring 31.51 acres located at Ramnad, the Company is in the process of registering, in its name.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans etc. are held in the name of the Company based on the confirmations directly received by us from lenders.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained.

(vii) According to the information and explanations given to us, in respect of statutory dues;

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax,Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Labour welfare fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service tax,cess and other material statutory dues in arrears as at 31 March 2018 for a period of more than six months from the date they became payable except for Labour welfare fund payable amounting to Rs.0.05 lakhs.

(c) Details of dues of Sales Tax, Service Tax , Customs Duty and Excise Duty which have not been deposited as on 31 March 2018 on account of disputes are given below:

Name of the Statute	Nature of Dues (Including interest)	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In lakhs)	Amount Unpaid (Rs. In lakhs
The Central Sales Tax Act, 1956	Sales Tax	CTO, Chengalpet	FY 2003-2004	0.58	0.58
The Finance Act, 1994	Service Tax	Commissioner (Appeals), Chennai	January 2005 to March 2013	7.28	5.32
The Central Excise Act, 1944	Cenvat on Excise and Service tax availment	Commissioner (Appeals), Chennai	April 2006 to June 2012	68.34	68.34
The Customs Act, 1962	Customs Duty	Commissioner (Appeals), Trichy	FY 2013-2014	48.04	48.04
Income Tax Act, 1961	Income tax	High court of Madras	FY 2002-03	84.76	84.76

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not taken any loans from financial institutions and government and has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable. The Company did not have any holding, subsidiary or associate Companies.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

V Balaji
Partner
(Membership No. 203685)

Chennai, 10 May 2018

BALANCE SHEET AS AT 31 MARCH 2018

Particulars	Note No	As at 31 March 2018 Rs. In Lakhs	As at 31 March 2017 Rs. In Lakhs	As at 01 April 2016 Rs. In Lakhs
I. ASSETS				
(1) Non-Current Assets				
(a) Property, Plant and Equipment	5 & 6	17,194.16	16,371.53	16,685.43
(b) Capital Work-In-Progress		162.39	1,136.17	1,474.87
(c) Intangible Assets	5 & 6	88.08	62.44	76.26
(d) Financial Assets				
(i) Investments	7	4.79	21.20	2.71
(ii) Other Financial Assets	8	980.66	1,403.43	1,127.86
(e) Non - Current Tax Assets (Net)	9	5.05	-	401.41
(f) Deferred Tax Assets (Net)	10	5,637.87	6,382.26	6,197.46
(g) Other Non - Current Assets	11	1,504.03	93.26	234.24
Total Non - Current Assets		**25,577.03**	**25,470.29**	**26,200.24**
(2) Current Assets				
(a) Inventories	12	327.20	430.71	370.80
(b) Financial Assets				
(i) Investments	13	0.34	7.94	43.22
(ii) Trade Receivables	14	1,710.61	846.30	1,730.00
(iii) Cash and Cash Equivalents	15A	650.00	36.79	105.11
(iv) Bank Balances other than (iii) above	15B	568.60	148.76	44.12
(v) Other Financial Assets	16	364.38	65.06	43.87
(c) Other Current Assets	17	618.81	502.72	252.20
Total Current Assets		**4,239.94**	**2,038.28**	**2,589.32**
TOTAL ASSETS		**29,816.97**	**27,508.57**	**28,789.56**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share Capital	18	1,383.05	1,383.05	1,383.05
(b) Other Equity	19	22,234.87	20,108.95	18,667.39
Total Equity		**23,617.92**	**21,492.00**	**20,050.44**
(2) Liabilities				
Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	906.76	1,603.16	1,874.11
(ii) Other Financial Liabilities	21	396.55	1,237.17	443.73
(b) Provisions	22	133.70	89.22	80.68
(c) Other Non-Current Liabilities	23	229.10	299.55	370.00
Total Non-Current Liabilities		**1,666.11**	**3,229.10**	**2,768.52**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	24	1,363.76	31.96	3,089.55
(ii) Trade Payables	25	1,816.85	1,289.61	1,493.66
(iii) Other Financial Liabilities	26	601.90	1,097.74	1,091.11
(b) Provisions	27	182.35	148.07	75.62
(c) Current Tax Liabilities (Net)	28	91.62	28.18	-
(d) Other Current Liabilities	29	476.46	191.91	220.66
Total Current Liabilities		**4,532.94**	**2,787.47**	**5,970.60**
Total Liabilities		**6,199.05**	**6,016.57**	**8,739.12**
TOTAL EQUITY AND LIABILITIES		**29,816.97**	**27,508.57**	**28,789.56**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner
Place : Chennai
Date : 10 May 2018

For and on behalf of the Board of Directors

C S Ramesh
Director
DIN: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

V M Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

G Somasundaram
Company Secretary

Place : Chennai
Date : 10 May 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

	Particulars	Note No	For the Year Ended 31 March 2018 Rs. In Lakhs	For the Year Ended 31 March 2017 Rs. In Lakhs
I	Revenue from Operations	30	18,418.20	15,653.40
II	Other Income	31	362.03	284.10
III	**Total Revenue (I+II)**		**18,780.23**	**15,937.50**
IV	**Expenses**			
	Cost of Materials Consumed	32A	399.80	695.52
	Purchases of Stock-in-Trade	32B	6.62	60.52
	Changes in Inventories of Finished Goods and Work-in-Progress	33	92.38	(67.53)
	Excise Duty on sale of goods		457.21	1,631.09
	Other Direct Manufacturing Expenses	34	8,463.22	6,702.64
	Employee Benefits Expense	35	1,521.73	1,451.49
	Finance Costs	36	307.79	435.75
	Depreciation and Amortisation Expense	5 & 6	1,197.71	1,304.83
	Other Expenses	37	2,356.20	2,072.57
	Total Expenses (IV)		**14,802.66**	**14,286.88**
V	**Profit before tax (III - IV)**		**3,977.57**	**1,650.62**
VI	**Tax expense**	10		
	- Current Tax		890.25	288.32
	- Deferred Tax		1,424.94	97.88
	- Minimum Alternate Tax Credit Entitlement		(885.07)	(288.32)
			1,430.12	**97.88**
VII	**Profit for the Year (V - VI)**		**2,547.45**	**1,552.74**
VIII	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	- Equity Instruments through Other Comprehensive Income		1.73	0.33
	- Remeasurement of the defined benefit plans		(47.61)	16.31
	- Income tax relating to items that will not be reclassified to profit or loss	10	16.48	(5.65)
	Total Other Comprehensive (Loss) / Income		**(29.40)**	**10.99**
IX	**Total Comprehensive Income for the Year (VII + VIII)**		**2,518.05**	**1,563.73**
X	**Earnings per Equity Share (Face Value of Rs 10 each)**	43		
	- Basic		18.42	11.23
	- Diluted		18.16	11.08

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

Place : Chennai
Date : 10 May 2018

For and on behalf of the Board of Directors

C S Ramesh
Director
DIN: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

V M Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

G Somasundaram
Company Secretary

Place : Chennai
Date : 10 May 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Particulars	For the Year Ended 31 March 2018 Rs. In Lakhs	For the Year Ended 31 March 2017 Rs. In Lakhs
A. Cash flow from Operating Activities		
Net Profit after tax	**2,547.45**	**1,552.74**
Adjustment for:		
Income Tax Expense recognised in the statement of Profit and Loss	1,430.12	97.88
Depreciation and Amortisation Expense	1,197.71	1,304.83
Dividend from Non-current and current Investments	(10.51)	(0.03)
Dividend from Current Investments	-	(6.72)
Expense on Employee Stock based compensation	15.82	15.82
Interest Income from Fixed Deposit/Others	(47.03)	(51.24)
Interest income on financial assets at amortised cost	(137.66)	(68.97)
Finance Costs/Interest Expense on financial liabilities at amortised cost	307.79	435.75
(Profit) / Loss from Sale of Property, Plant and Equipment / Assets discarded (Net)	(96.52)	49.62
Impairment of Capital Work in Progress	70.87	74.97
Bad debts written off	0.73	0.26
Provision for Expected credit loss (Net)	22.58	46.21
Liabilities no longer required written back	(20.66)	-
Unrealised Exchange Variation (Net)	23.63	(22.19)
Operating Profit/(Loss) before Working Capital and Other changes	**5,304.32**	**3,428.93**
(Increase) / Decrease in Trade Receivables	(887.60)	837.29
(Increase) / Decrease in Other Non current and Current Financial assets and Non current and Current assets	(156.30)	(433.55)
(Increase) / Decrease in Inventories	103.51	(59.91)
Increase / (Decrease) in Trade Payables, Other Current and Non-current liabilities and Provisions	927.49	(127.60)
Changes in Working Capital and Other changes	**(12.90)**	**216.23**
Cash generated from Operations	**5,291.42**	**3,645.16**
Direct Taxes (paid) / refund (net)	(831.87)	141.28
Net cash generated from Operating Activities (A)	**4,459.55**	**3,786.44**
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	(2,615.96)	(797.05)
Proceeds from Sale of Property, Plant and Equipment	97.82	20.00
(Purchase) / Sale of Non Current Investments (Net)	-	(18.15)
Increase in Bank balances not considered as Cash and cash equivalents	(565.90)	(109.86)
Dividend Received from Non-current and Current Investments	10.51	0.03
Dividend Received from Current Investments	-	6.72
Interest Received on Fixed Deposit	60.64	26.15
Net Cash (used in) Investing Activities (B)	**(3,012.89)**	**(872.16)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

Particulars	For the Year Ended 31 March 2018 Rs. In Lakhs	For the Year Ended 31 March 2017 Rs. In Lakhs
C. Cash flow from Financing Activities		
Dividend Paid, including Dividend Distribution Tax	(349.18)	(137.99)
Redemption of Preference shares	(960.00)	700.00
Borrowings taken/(repaid) (net)	15.18	(3,447.03)
Finance Costs paid on Borrowings	(80.45)	(164.82)
Net Cash (used in) Financing Activities (C)	**(1,374.45)**	**(3,049.84)**
D. Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	**72.21**	**(135.56)**
E. Cash and Cash Equivalents (Opening) as on 1st April 2017 / 2016	**12.77**	**148.33**
F. Cash and Cash Equivalents (Closing)	**84.98**	**12.77**
Notes:		
(i) Reconciliation of Cash and cash equivalents		
Cash and Cash Equivalents as per Balance Sheet	650.00	36.79
Add: Current investments considered as part of Cash and cash equivalents (as defined in INDAS 7 Cash Flow Statements)	0.34	7.94
Less: Cash credit from Banks	(565.36)	(31.96)
Cash and cash equivalents at the end of the Year	**84.98**	**12.77**
(ii) Disclosure of Significant Non-Cash Transaction		
Adjustment of Non current Investment with the Payable to the party	18.15	-

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

Place : Chennai
Date : 10 May 2018

For and on behalf of the Board of Directors

C S Ramesh
Director
DIN: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

V M Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

G Somasundaram
Company Secretary

Place : Chennai
Date : 10 May 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

A. Equity Share Capital (Also Refer Note 18)

Amount Rs. In lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Balance as at beginning of the Year	1,383.05	1,383.05	1,383.05
Changes in equity share capital during the year	-	-	-
Closing Balance	**1,383.05**	**1,383.05**	**1,383.05**

B. Other Equity

Amount Rs. In lakhs

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance as at 1 April, 2016	**-**	**15.67**	**-**	**34,588.31**	**0.30**	**(15,951.69)**	**14.80**	**18,667.39**
Profit for the year	-	-	-	-	-	1,552.74	-	**1,552.74**
Recognition of Employee stock based compensation	-	-	-	-	15.82	-	-	**15.82**
Payment of Dividend on equity shares	-	-	-	-	-	(114.65)	-	**(114.65)**
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	(23.34)	-	**(23.34)**
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	0.33	**0.33**
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	10.66	**10.66**
Balance as at 31 March, 2017	**-**	**15.67**	**-**	**34,588.31**	**16.12**	**(14,536.94)**	**25.79**	**20,108.95**
Profit for the year	-	-	-	-	-	2,547.45	-	**2,547.45**
Recognition of Employee stock based compensation	-	-	-	-	15.82	-	-	**15.82**
Share Application Money Pending Allotment	21.12	-	-	-	-	-	-	**21.12**
Transfer to capital redemption reserve on redemption of preference shares	-	-	960.00	-	-	(960.00)	-	**-**
Impact of change in tax rate on Defered Tax Asset on the items recognised in the reserves	-	-	-	-	-	(221.00)	-	**(221.00)**
Payment of Dividend on equity shares	-	-	-	-	-	(172.88)	-	**(172.88)**
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	(35.19)	-	**(35.19)**
Equity Instruments through Other Comprehensive Income	-	-	-	-	-	-	1.73	**1.73**
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	-	(31.13)	**(31.13)**
Balance as at 31 March, 2018	**21.12**	**15.67**	**960.00**	**34,588.31**	**31.94**	**(13,378.56)**	**(3.61)**	**22,234.87**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

V. Balaji
Partner

Place : Chennai
Date : 10 May 2018

For and on behalf of the Board of Directors

C S Ramesh
Director
DIN: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

V M Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

G Somasundaram
Company Secretary

Place : Chennai
Date : 10 May 2018

1 Corporate Information

Chemfab Alkalis Limited (formerly known as Teamec Chlorates Limited) (hereinafter referred to as “the Company”) was incorporated on 06 May 2009 and is in the business of manufacturing of basic inorganic chemicals. The name of the Company was changed from Teamec Chlorates Limited to Chemfab Alkalis Limited on July 21, 2017, vide revised certificate of incorporation issued by the Registrar of Companies pursuant to the scheme of amalgamation (‘scheme’) approved by the National Company Law Tribunal (NCLT) Chennai vide its order dated 30 March 2017. Erstwhile Chemfab Alkalis Limited a listed entity, had merged with the Company pursuant to the scheme and consequently the Company’s equity shares have been listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 25 April 2018.

2 Significant Accounting Policies

2.1 Statement of Compliance

On 16 February 2015, the Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015. The Rules specify the Indian Accounting Standards (Ind AS) to certain class of companies and sets out the date of applicability. Chemfab Alkalis Limited (formerly known as Teamec Chlorates Limited), being a listed Company with net worth of less than Rs. 500 Crores, for whom Ind AS is applicable in Phase II as defined in the said notification, is required to apply the standards as specified in the Companies (Indian Accounting Standards) Rules, 2015.

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015. Upto the year ended March 31, 2017, the Company prepared its financial statements in accordance with the requirements of the Standards specified in the Companies (Accounting Standards) Rules, 2006 (as amended) (“Previous GAAP”). These are the Company’s first Ind AS adopted financial statements. The date of transition to Ind AS is April 1, 2016. Refer Note 51 for the details of first-time adoption exemptions availed by the Company. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of Shareholders’ equity as at March 31, 2017 and April 1, 2016 and of the comprehensive net income for the year ended March 31, 2017 and April 1,2016 from the presentation of financial statements under Previous GAAP to Ind AS.

2.2 Basis of preparation of financial statements

These Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability

2.3 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Examples of such estimates include provision for doubtful debts/advances, provision for employee benefits, useful lives of fixed assets, provision for contingencies etc. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and/or in future years, as applicable.

2.4 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.5 Revenue recognition

(I) Sale of Goods/Services:

Domestic sale of products is recognised when risks and rewards of ownership are transferred as per the terms of sale / understanding with the customers, and comprise amounts invoiced for goods including excise duty but net of rebates/ discounts and sales tax / VAT / GST.

Export sale of products is recognised when goods are delivered to the carrier, which is when risks and rewards of ownership are transferred as per the terms of sale / understanding with the customers.

Income from service activities is accounted for on rendering the service in accordance with the contractual terms and when there is no uncertainty in receiving the same.

(II) Other Income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Dividend Income is accounted when the right to receive is established.

2.6 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes cost of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition and is net of taxes where applicable. The methods of determination of cost of various categories of inventory are as follows:

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.
- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the Cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

2.7 Cash and Cash Equivalent (For the purpose of Cash Flow Statement)

Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

2.8 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.9 Property, Plant and Equipment (PPE) and Depreciation on Property, Plant and Equipment

Property, Plant and Equipment (PPE's) are recorded at cost less accumulated depreciation and accumulated impairment loss (if any). The Company capitalizes all costs relating to acquisition and installation of Property, Plant and Equipment. The cost of Property, Plant and Equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying Property, Plant and Equipment up to the date the Propery, Plant and Equipment is ready for its intended use.

Cost of spares relating to specific item of Property, Plant and Equipment is capitalized. Cost of modifications that enhance the operating performance or extend the useful life of Property, Plant and Equipment are also capitalized, where there is a certainty of deriving future economic benefits from the use of such assets.

Any part or components of Property, Plant and Equipment which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized separately, based on the technical assessment of the Management.

Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each balance sheet date are disclosed as "Capital Advances" under Other Non Current Assets and cost of Property, Plant and Equipment not ready to use before such date are disclosed under "Capital Work- in- Progress".

Depreciation:

Depreciable amount for assets is the cost of an asset less its estimated residual value.

Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of Continuous Process Plant, in whose case the life of the assets has been assessed as 18 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

Depreciation is also accelerated on fixed assets, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

Intangible Assets:

Intangible fixed assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses(If any). Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern.

Research and Development:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

Derecognition of Property, Plant and Equipment:

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

Deemed Cost on transition to INDAS

For transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1 April 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

2.10 Borrowing Cost

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.11 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits, if any, are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are accounted in Reserves and Surplus in Other Equity. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

2.12 Foreign Currency Transactions

Initial Recognition:

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition:

As at the reporting date, non monetary assets and liabilities which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate prevalent at the date of the transaction. Foreign currency monetary assets and liabilities are reported using the exchange rate prevalent at the date of the balance sheet.

Treatment of Exchange Differences:

Foreign exchange gains and losses resulting from the settlement / reinstatement of monetory assets and liabilities of the company are recognised as income or expense in the statement of profit and loss.

2.13 Employee Benefits

Retirement benefit costs and termination benefits:

i) Defined Benefit Plans:

Employee defined benefit plans include gratuity.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the Statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability)

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees.

Short-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

ii) Defined Contribution Plans

Employee defined contribution plans include provident fund, Employee state insurance and Super Annuation Fund.

Provident Fund and Employee State Insurance :

All employees of the Company receive benefits from Provident Fund and Employee's State Insurance, which are defined contribution plans. Both, the employee and the Company make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Company has no further obligations under the plan beyond its monthly contributions. The Company contributes to the Employee Provident Fund and Employee's State Insurance scheme maintained by the Central Government of India and the contribution thereof is charged to the Statement of Profit and Loss in the year in which the services are rendered by the employees.

Super Annuation Fund:

The Company makes contribution to a scheme administered by the insurer to discharge its liabilities towards super annuation to the eligible employees. The Company has no other liability other than its annual contribution.

2.14 Employee Share Based Payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense, Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax:

Current tax expense for the year is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternate Tax (MAT):

Minimum Alternate Tax (MAT) paid as current tax expense in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as tax credit and recognised as deferred tax asset when there is reasonable certainty that the Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Company. The carrying amount is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.16 Segment Reporting

Operating segments reflect the Company's management structure and the way the financial information is regularly reviewed by the Company's Chief operating decision maker (CODM). The CEO of the company has been identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM considers the business from both business and product perspective based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / (loss) amounts are evaluated regularly by the CODM in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue, where applicable, is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.17 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1st April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease:

Rental expense from operating leases is generally recognised on a straight-line basis over the term of relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate required to settle the obligation at the balance sheet date and measured using the present value of cash flows estimated to settle the present obligations (when the effect of time value of money is material). These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. The Company does not recognize a contingent liability but discloses its existence in the Financial Statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

2.20 Insurance Claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

2.21 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in profit and loss.

2.22 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets:

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Changes in the carrying amount of FVTOCI monetary financial assets relating to changes in foreign currency rates are recognised in profit or loss. Other changes in the carrying amount of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed off or is determined to be impaired, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Investments in equity instruments at FVTOCI:

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

• It has been acquired principally for the purpose of selling it in the near term; or

• On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

• It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividend on these investments in equity instruments are recognised in the Statement of Profit and Loss when the right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Financial assets at fair value through profit or loss (FVTPL):

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amotised cost criteria or FVTOCI criteria are measured at FVTPL. In addition, instruments that meet the amortised cost criteria or FVTOCI criteria may be designated as FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

Financial Assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset. Dividend on financial assets at FVTPL are recognised when the right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, trade receivables and other contractual rights to receive cash or other financial asset.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

For trade receivables, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses. Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient methord as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

De-recognition of financial assets:

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses:

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss.

- Changes in carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

- For the purposes of recognising foreign exchange gains or losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in the Statement of Profit and Loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.23 Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis;

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the ‘finance costs’ line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on amortised cost of the instruments and are recognised in the Statement of Profit and Loss.

The fair value of the financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at FVTPL, the foreign exchange component forms part of the fair value gains or losses recognised in the Statement of profit and Loss.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3 Application of new and revised Ind AS

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these financial statements. There are no other Indian Accounting Standards that has been issued as of date but was not mandatorily effective.

Recent Standards notified but not effective:

Ind AS 115 - "Revenue from Contracts with Customers":

On 28 March 2018, the Ministry of Corporate Affairs (MCA), notified Ind AS 115, Revenue from Contracts with Customers, as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is based on IFRS 15, Revenue from Contracts with Customers. The standard is effective for the accounting periods commencing on or after 1 April 2018.

Ind AS 115 replaces Ind AS 11 Construction contracts and Ind AS 18 Revenue. The core principle of Ind AS 115 is that an entity recognises revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Identify the contract(s) with a customer – assess whether the contract is within the scope of Ind AS 115. 'Customer' has now been defined.

- Identify the performance obligations in the contract – determine whether the goods and services in a contract are distinct.

- Determine the transaction price – transaction price will include fixed, variable and non cash considerations.

- Allocate the transaction price to the performance obligations in the contract – allocation based on a stand-alone selling price basis using acceptable methods.

- Recognise revenue when (or as) the entity satisfies a performance obligation – i.e. recognise revenue at a point in time or over a period of time based on performance obligations.

The Company is evaluating the requirements of the standards, and the transition effects on the financial statements.

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is evaluating the effect of this on the financial statements.

Standards yet to be notified:

Ind AS 116 - "Leases":

On 18 July 2017, the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India (ICAI) issued an Exposure Draft (ED) of Ind AS 116, Leases. Ind AS 116 is largely converged with IFRS 16. When notified, Ind AS 116 will replace Ind AS 17 Leases.

Ind AS 116 sets out a comprehensive model for identification of lease arrangements and their treatment in the financial statements of the lessor and lessee. Ind AS 116 applies a control model for the identification of leases, distinguishing between leases and service contracts on the basis of whether there is an identified asset controlled by the customer. The Company is evaluating the requirement of the standard and the effect on the financial statements.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of Financial Statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures. Uncertainty about the assumptions and estimates could result in outcomes that require a material adjustment to the carrying value of assets or liabilities affected in future periods

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in Financial Statements is included in the following notes:

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements are included in the following notes:

(i) Useful lives of Property, Plant and Equipment
(ii) Carrying values of Property, Plant and Equipment
(iii) Assets and obligations relating to employee benefits
(iv) Valuation and measurement of income taxes and deferred taxes

Determination of functional currency:

Currency of the primary economic environment in which the Company operates ("the functional currency") is Indian Rupee (INR) in which the company primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

5. Property Plant and Equipment and Intangible Assets - current year ended 31 March 2018

Amounts Rs. In Lakhs

Particulars	Gross Block				Accumulated Depreciation / Amortisation				Net Block
	As at 01 April 2017	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2018	As at 01 April 2017	For the year	Deletions/ Adjustment during the year	As at 31 March 2018	As at 31 March 2018
A. Property Plant and Equipment									
Land - Freehold (Refer Note 5.2 and 5.3 below)	1,841.55	-	-	1,841.55	-	-	-	-	1,841.55
Buildings (Refer Note 5.3 below)	2,123.50	27.62	-	2,151.12	223.63	116.58	-	340.21	1,810.91
Plant and Equipment (Refer Note 5.4 below)	13,492.40	1,904.28	1.19	15,395.49	1,023.17	998.20	-	2,021.37	13,374.12
Furniture and Fixtures	52.44	2.74	-	55.18	8.02	9.14	-	17.16	38.02
Vehicles	74.87	25.58	-	100.45	10.77	10.44	-	21.21	79.24
Office Equipments	74.25	23.19	0.11	97.33	21.89	25.12	-	47.01	50.32
TOTAL (A)	**17,659.01**	**1,983.41**	**1.30**	**19,641.12**	**1,287.48**	**1,159.48**	**-**	**2,446.96**	**17,194.16**
B. INTANGIBLE ASSETS									
Computer Software	79.79	63.87	-	143.66	17.35	38.23	-	55.58	88.08
TOTAL (B)	**79.79**	**63.87**	**-**	**143.66**	**17.35**	**38.23**	**-**	**55.58**	**88.08**
TOTAL (A + B)	**17,738.80**	**2,047.28**	**1.30**	**19,784.78**	**1,304.83**	**1,197.71**	**-**	**2,502.54**	**17,282.24**

Notes:

5.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 56.84 lakhs as at 31 March 2018 (Previous Year Rs. 61.44 lakhs).

5.2 The Company is currently using approximately 170 acres of land for production of salt. Further it is in the process of developing the balance 524.17 acres of salt fields. The production of salt on these lands is expected to commence post completion of the development activities.

5.3 Freehold Land includes:

Particulars	As at 31 March 2018 Amount in Rs. In Lakhs	Remarks
Freehold land and building located at Kalapet and Ramnad admeasuring 36.57 acres and 694.17 acres respectively.	2,125.87	The title deeds are in the name of the Erstwhile Chemfab Alkalis limited which was merged with the Company under sec 391 to 394 of the Companies Act, 1956 and the corresponding section 230 to 232 reading with section 52 of the Companies Act, 2013, in terms of approval of the National Company Law Tribunal (NCLT) Chennai. Further freehold land admeasuring 31.51 acres located at Ramnad , the Company is in the process of registering the name.

5.4 Additions to Plant and equipment for the current year includes CEC plant of Rs 259.99 Lakhs (net of Impairment provision of Rs. 99.02 Lakhs) and flaker plant of Rs. 1305.88 Lakhs (net of Impairment provision of Rs. 254.65 Lakhs)

6. Property Plant and Equipment and Intangible Assets - previous year ended 31 March 2017

Amounts Rs. In Lakhs

Particulars	Gross Block					Accumulated Depreciation / Amortisation				Net Block
	As at 01 April 2016 (Refer note 6.1 below)	Adjustment as at 01 April 2016 (Refer note 6.2 below)	Addtions during the year	Deletions during the year	As at 31 March 2017	As at 01 April 2016	For the year	Deletions during the year	As at 31 March 2017	As at 31 March 2017
A. Property Plant and Equipment										
Land - Freehold (Refer Note 6.2 and 6.4 below)	1,853.97	(25.15)	12.73	-	1,841.55	-	-	-	-	1,841.55
Buildings	2,053.88	(35.93)	129.55	24.00	2,123.50	-	223.63	-	223.63	1,899.87
Plant and Equipment (Refer Note 6.3)	12,821.64	(163.83)	1,034.45	199.86	13,492.40	-	1,023.17	-	1,023.17	12,469.23
Furniture and Fixtures	48.61	-	3.83	-	52.44	-	8.02	-	8.02	44.42
Vehicles	81.82	-	-	6.95	74.87	-	10.77	-	10.77	64.10
Office Equipments	50.42	-	24.93	1.10	74.25	-	21.89	-	21.89	52.36
TOTAL (A)	**16,910.34**	**(224.91)**	**1,205.49**	**231.91**	**17,659.01**	**-**	**1,287.48**	**-**	**1,287.48**	**16,371.53**
B. INTANGIBLE ASSETS										
Computer Software	76.26	-	4.17	0.64	79.79	-	17.35	-	17.35	62.44
Goodwill (Refer Note 6.4)	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	**76.26**	**-**	**4.17**	**0.64**	**79.79**	**-**	**17.35**	**-**	**17.35**	**62.44**
TOTAL (A + B)	**16,986.60**	**(224.91)**	**1,209.66**	**232.55**	**17,738.80**	**-**	**1,304.83**	**-**	**1,304.83**	**16,433.97**

Notes:

6.1 The deemed cost of the property plant and equipment and intangible assets as at 1 April 2016 represents carrying value of all of its property, plant and equipment recognised as of 1 April 2016 (transition date) measured as per the previous GAAP. The carrying value as at 1 April 2016 amounting to Rs. 16,986.60 lakhs represents gross cost of Rs. 48,154.27 lakhs net of accumulated depreciation of Rs. 31,167.67 lakhs as at 31 March 2016.

6.2 Adjustments represents prior period expenses accounted as at the transition date

6.3 Adjustments during the year includes subsidy amounting to Rs.1.37 lakhs received from authorities.

6.4 Pursuant to the Scheme of Amalgamation as referred to in Note 51.3(a) the Company had recognised Goodwill amounting to Rs.21,377.55 lakhs as at 1 April 2014, being the appointed date of merger (net of deferred tax adjustements on the date of the acquisition). The aforesaid goodwill had been amortised over a period of 2 years from the date of merger as per the accounting policy of the Company. During the previous year, the fully amortised goodwill had been retired.

10 Current Taxes and Deferred Taxes

Amount Rs. In lakhs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(A.1) Income Tax recognised in statement of profit and loss		
(i) Current Tax:		
- in respect of current year	890.25	288.32
Total (A)	**890.25**	**288.32**
(ii) Deferred Tax:		
- in respect of current year	1,424.94	97.88
- Minimum Alternate Tax credit entitlement	(885.07)	(288.32)
Total (B)	**539.87**	**(190.44)**
Total income tax expense recognised in profit and loss account (A+B)	**1,430.12**	**97.88**
(A.2) Income tax recognised in other Comprehensive income		
Deferred tax related to items recognised in other comprehensive income during the year:		
- Remeasurement of defined benefit obligations -Deferred Tax Asset	16.48	(5.65)
Total	**16.48**	**(5.65)**
Classification of income tax recognised in other comprehensive income		
- Income taxes related to items that will be reclassified to profit or loss	-	-
- Income taxes related to items that will not be reclassified to profit or loss	16.48	(5.65)
Total	**16.48**	**(5.65)**
(A.3) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:		
Profit before tax	3,977.57	1,650.62
Income Tax using the Company's domestic Tax rate	1,376.56	571.25
Tax Effect of :		
- Effect of expenses that are non-deductible in determining taxable profit	53.73	70.47
- Exempt income - Dividend	(2.99)	(2.25)
- Recognition of Tax Effect of Previously unrecognised tax losses	-	(519.56)
- Changes in recognised temporary differences	2.82	(22.03)
Income Tax expense recognised in statement of profit or loss from continuing operations	**1,430.12**	**97.88**

The tax rate used for the year ended March 31, 2018 and March 31, 2017 reconciliations above is the corporate tax rate of 34.608% payable by corporate entities in India on taxable profits under Indian Income Tax Laws.

(B1) Movement in Deferred Tax Balances **Amount Rs. In lakhs**

Particulars	As at March 31, 2017	Recognised in profit and loss account	Recognised in OCI	Recognised in Other Equity	As at March 31, 2018
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets					
Property, Plant and Equipment and Intangible Assets	1,015.02	846.74	-	-	168.28
Financial assets at amortised cost	13.03	(5.13)	-	-	18.16
Employee Benefits	51.49	(11.97)	-	-	63.46
Provisions for Expenses and Doubtful trade receivables	107.06	87.38	-	-	19.68
Remeasurement of defined benefit obligations	31.69	(1.99)	16.48	-	50.16
Others	-	(10.93)	-	-	10.93
Carryforward of Tax Loss	4,875.65	520.84	-	-	4,354.81
Change in tax rate	-	-	-	221.00	(221.00)
	6,093.94	1,424.94	16.48	221.00	4,464.48
MAT Credit	288.32	885.07	-	-	1,173.39
Net Tax Asset /(Liabilities)	**6,382.26**	**539.87**	**16.48**	**221.00**	**5,637.87**

Amount Rs. In lakhs

Particulars	As at April 01, 2016	Recognised in profit and loss account	Recognised in OCI	Recognised in Other Equity (Refer Note 51.3a)	As at March 31, 2017
(B2) Movement in Deferred Tax Balances					
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets					
Property, Plant and Equipment and Intangible Assets	2,146.71	1,131.69	-	-	1,015.02
Financial assets at amortised cost	25.93	12.90	-	-	13.03
Employee Benefits	22.73	(28.76)	-	-	51.49
Provisions	159.87	52.81	-	-	107.06
Remeasurement of defined benefit obligations	30.41	(6.93)	(5.65)	-	31.69
Carryforward of Tax Loss	3,811.81	(1,063.84)	-	-	4,875.65
	6,197.46	97.88	(5.65)	-	6,093.94
MAT Credit	-	288.32	-	-	288.32
Net Tax Asset /(Liabilities)	**6,197.46**	**(190.44)**	**(5.65)**	**-**	**6,382.26**

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
7. Investments - Non Current			
A. At Cost			
Non trade, Unquoted - Fully paid-up			
Investment in Equity Instruments of Other entities			
24,86,000 Equity Shares of Rs.10/- each of SBQ Steels Limited	-	18.15	-
	-	**18.15**	-
B. Investment carried at fair value through Other Comprehensive Income			
Non trade, Quoted - Fully paid-up			
Investment in Equity Instruments of Other entities			
281 (P.Y. 281) Equity Shares of Rs.10/- each of Summit Securities Ltd.	2.22	1.51	0.81
500 (P.Y. 500) Equity Shares of Rs.10/- each of De Nora India Ltd.	2.08	1.14	1.58
300 (P.Y. 300) Equity Shares of Rs.10/- each of Sree Rayalaseema Alkalis & Allied Chemicals Ltd	0.16	0.07	0.05
450 (P.Y. 450) Equity Shares of Rs.5/- each of Kanoria Chemicals Ltd.	0.30	0.31	0.24
Investment in Preference Shares of Other entities			
300 (P.Y. 300) 0.01% Cumulative Preference Shares of Rs.10/- each of Sree Rayalaseema Alkalis & Allied Chemicals Ltd.	0.03	0.02	0.03
	4.79	3.05	2.71
Total	**4.79**	**21.20**	**2.71**
Aggregate Book value of Quoted Investment	**4.79**	**3.05**	**2.71**
Aggregate Market value of Quoted Investment	**4.79**	**3.05**	**2.71**
Aggregate Carrying value of Unquoted Investment	**-**	**18.15**	**-**
Category wise investments as per Ind tAS 109 classification:			
Financial Assets carried at Fairvalue through Profit and loss (FVTPL)	-	-	-
Financial Assets carried at amortised cost	-	18.15	-
Financial Assets carried at Fairvalue through Other Comprehensive Income (FVTOCI)	4.79	3.05	2.71
8. Other Financial Assets - Non Current			
(Unsecured, considered good)			
Deposits with others	539.57	808.15	725.05
Reimbursements Receivable from Government (net)	213.80	514.86	329.69
Balances held as margin money (Refer Note below)	227.29	80.42	73.12
Total	**980.66**	**1,403.43**	**1,127.86**
Note: Represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.			
9. Non-Current Tax Assets (Net)			
Income Tax paid / TDS Receivable (net of provision for tax of Rs. Nil (As on 1 April 2016 of Rs.3,092.56 Lakhs))	5.05	-	401.41
Total	**5.05**	**-**	**401.41**

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
11. Other Non-Current Assets			
(Unsecured, Considered good)			
Capital Advances	1,099.27	2.48	117.78
Prepaid Rent	0.29	90.78	116.46
Amortisation of prepayment for leasehold land	404.47	-	-
Total	**1,504.03**	**93.26**	**234.24**
12. Inventories (at lower of cost and net realisable value)			
(a) Raw Materials	23.13	30.35	20.90
(b) Work in Progress	8.52	30.39	138.01
(c) Finished Goods (other than those acquired for trading)	218.78	289.31	114.80
(d) Fuel	6.25	9.11	4.42
(e) Stores and Spares (including Goods in Transit amounting to Rs. 1.17 Lakhs) (As at 31 March 2017 - Rs. 0.28 Lakhs)	70.52	71.55	92.67
Total	**327.20**	**430.71**	**370.80**
Notes:			
1. The cost of inventories recognised as an expenses during the year	399.80	695.52	488.81
2. The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value	15.17	11.87	35.74
3 The mode of valuation of inventories has been stated in Note 2.6			
13. Other Investments - Current			
Investments carried at Fair Value through Profit & Loss			
Investments in Mutual Funds (quoted, fully paid-up)			
SBI Premier Liquid Fund - Dividend - 31.548 units (P.Y. 269.304) of Rs. 1,003.25 each	0.32	2.70	5.25
LIC Nomura Liquid Fund - 1.576 units (P.Y. 303) of Rs. 1,098 each	0.02	3.33	36.06
SBI Magnum Insta Cash Mutual Fund - NIL (P.Y.114.116 Units) of Rs. 1,675.03 each	-	1.91	1.91
Total	**0.34**	**7.94**	**43.22**
14. Trade Receivables			
- Secured considered good (Refer Note 14.1 below)	589.72	261.12	-
- Others			
Unsecured, Considered good	1,150.88	588.94	1,766.87
Unsecured, Considered doubtful	6.97	10.62	9.13
	1,747.57	**860.68**	**1,776.00**
Less: Provision for Expected Credit Loss	(36.96)	(14.38)	(46.00)
Total	**1,710.61**	**846.30**	**1,730.00**

Notes:
14.1 Secured Trade Receivables are secured by way of unrevocable Letter of Credits.
14.2 The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. Trade receivables are non-interest bearing and are generally on terms of upto 90 days. There are no customers who represent more than 5% of the total balance of Trade Receivables.
14.3 The age of the receivables is as under:

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
Age of receivables			
within the credit period	1,442.32	662.79	1,154.91
Upto 6 months past due	298.28	187.27	611.96
more than 6 months	6.97	10.62	9.13
Total	**1,747.57**	**860.68**	**1,776.00**
15A. Cash and Cash Equivalents			
Cash on hand	0.50	0.40	0.86
Balance with Banks - Current Accounts	649.50	36.39	104.25
Total	**650.00**	**36.79**	**105.11**
15B. Bank balances other than Cash and Cash Equivalents			
In Earmarked accounts			
- Margin Money Accounts for bank guarantees and letters of credit	550.62	131.59	29.03
- Unpaid Dividend Accounts (Refer Note 26(i))	17.98	17.17	15.09
Total	**568.60**	**148.76**	**44.12**
16. Other Financial Assets - Current			
(Unsecured, considered good)			
Deposits	29.68	38.64	27.40
Advance to employees	0.98	0.44	3.64
Interest accrued on Fixed Deposits	36.47	25.98	12.83
Reimbursements Receivable from Government	297.25	-	-
Total	**364.38**	**65.06**	**43.87**
17. Other Current Assets			
(Unsecured, Considered good)			
Advances to Vendors	106.55	23.19	23.59
Balance with Government Authorities	24.05	64.95	90.01
Prepaid expenses	49.84	53.05	65.00
Amortisation of prepayment for leasehold land	4.14	-	-
Other Receivables	434.23	361.53	73.60
Total	**618.81**	**502.72**	**252.20**

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
18. Share Capital	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
(a) Authorised						
Equity shares of Rs. 10/- each (with voting rights)	2,85,00,000	2,850.00	2,85,00,000	2,850.00	2,85,00,000	2,850.00
11% Redeemable Cumulative Preference shares of Rs. 100/- each (Refer Note 21.1)	2,64,000	264.00	2,64,000	264.00	2,64,000	264.00
12% Redeemable Cumulative Preference shares of Rs. 100/- each (Refer Note 21.1)	8,00,000	800.00	8,00,000	800.00	8,00,000	800.00
		3,914.00		**3,914.00**		**3,914.00**
(b) Issued, Subscribed and Paid up [refer (a) to (e) below]						
Equity shares of Rs. 10/- each (with voting rights) fully paid up	1,38,30,504	1,383.05	1,38,30,504	1,383.05	1,38,30,504	1,383.05
Total		**1,383.05**		**1,383.05**		**1,383.05**

(a) Reconciliation of the number of equity shares issued and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Equity Share Capital					
	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
Issued, Subscribed and Paid up equity shares						
Shares and Share Capital outstanding at the beginning of the year	1,38,30,504	1,383.05	1,38,30,504	1,383.05	72,80,804	728.08
Add: Shares and Share Capital issued during the year	-	-	-	-	-	-
Add: Share Capital Suspense account pursuant to scheme of amalgamation	-	-	-	-	1,31,02,424	1,310.24
Less: Reduction in Share Capital pursuant to scheme of amalgamation	-	-	-	-	65,52,724	655.27
Shares and Share Capital outstanding at the end of the year	**1,38,30,504**	**1,383.05**	**1,38,30,504**	**1,383.05**	**1,38,30,504**	**1,383.05**

(b) Rights, preferences and restrictions attached to the equity shareholders

The Company has one class of equity shares having par value of Rs. 10 per share. Each shareholder is eligible for one vote per equity share held. The Company declares and pays dividend in Indian Rupees. The dividend proposed by Board of directors is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding

(c) The details of equity shareholders holding more than 5 % of the aggregate equity Shares:

Particulars	Equity Share Capital					
	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	**% held**	**Number of shares**	**% held**	**Number of shares**	**% held**
Dr. Rao Holdings Pte Ltd	67,61,068	48.89%	67,61,068	48.89%	67,61,068	48.89%
Titanium Equipment and Anode Manufacturing Company Limited	10,72,182	7.75%	10,72,182	7.75%	10,72,182	7.75%
Shrimati K.M. Padma	11,10,712	8.03%	11,10,712	8.03%	11,10,712	8.03%
Shri Suresh Krishnamurthi Rao	14,24,423	10.30%	14,24,423	10.30%	14,24,423	10.30%

(d) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:

Particulars	Equity Share Capital					
	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Number of shares	**% held**	**Number of shares**	**% held**	**Number of shares**	**% held**
Shares allotted pursuant to the scheme of amalgamations during last 5 years	1,31,02,424	94.74%	-	-	-	-

(e) Refer note 49 for details regarding employee stock option scheme and note 51.3(a) for details regarding the scheme of Amalgamation.

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
19. Other Equity			
a) Share Application Money Pending Allotment (Refer note 1 below)			
Share Application Money Pending Allotment	21.12	-	-
Closing balance	**21.12**	**-**	**-**
b) Capital Reserve (Refer note 2 below)	**15.67**	**15.67**	**15.67**
c) Capital Redemption Reserve (Refer note 3 below)			
Add: On account of Redemption of Preference Shares	960.00	-	-
Closing balance	**960.00**	**-**	**-**
d) Securities Premium Reserve			
Opening balance	34,588.31	34,588.31	33,968.11
Add: Securities Premium on issue of Equity Shares	-	-	620.20
Closing balance	**34,588.31**	**34,588.31**	**34,588.31**
e) Share Based Payment Reserve (Refer note 4 below)			
Opening balance	16.12	0.30	-
Add: Employee compensation expense for the year	15.82	15.82	0.30
Closing balance	**31.94**	**16.12**	**0.30**
f) Retained Earnings (Refer note 5 below)			
Opening Balance	(14,536.94)	(15,951.69)	(23,157.94)
Add: Reduction in Equity Share Capital Pursuant to Scheme of Amalgamation	-	-	655.27
Less: Amount transferred to Capital Redemption Reserve	(960.00)	-	-
Less: Impact of Change in tax rate on Deferred Tax Asset on items recognised in reserves	(221.00)	-	-
Add: Payment of dividend on equity shares	-	-	137.99
Add: Recognition of Deferred Tax Asset on the date of transition	-	-	6,691.09
Less: Other comprehensive income (net of taxes)	-	-	(14.80)
Add: Change in Fairvalue of Financial liability (inclusive of taxes)	-	-	133.31
Add: Transfer of Capital reserve to Retained earnings	-	-	25.00
Less: Recognition of Share based payment			(0.06)
Less: Prior period Adjustment as part of INDAS	-	-	(283.92)
Less: Expected credit loss on Financial Assets	-	-	(184.16)
Add: Investment fair value adjustment	-	-	2.39
Add: Profit for the year	2,547.45	1,552.74	44.14
	(13,170.49)	14,398.95)	(15,951.69)
Less: Appropriations			
- Dividend on Equity Shares	172.88	114.65	-
- Tax on Equity Dividend	35.19	23.34	-
Closing Balance	**(13,378.56)**	**(14,536.94)**	**(15,951.69)**
g) Other Comprehensive Income (Refer note 6 below)			
Opening Balance	25.79	14.80	-
Add/(Less): Current Year	(29.40)	10.99	14.80
Closing Balance	(3.61)	25.79	14.80
Total	**22,234.87**	**20,108.95**	**18,667.39**

Notes:

1.This represents Share Application Money received from employees under the ESOP scheme titled "CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015] upon exercise of 40,286 options, for which allotment of shares is pending. Also refer note 49.

2. Capital reserve represents reserve recognised on amalgamation being the difference between consideration amount and net assets of the transferor company and profit on reissue of shares

3.Capital redemption reserve has been created pursuant to Section 55 of the Companies Act, 2013 on account of redemption of preference shares out of the profits of the Company.

4.Shares based payment reserve relates to the share options granted by the company to its employees under its share option plan. Refer Note 49 for further details.

5.Retained earnings refer to net earnings not paid out as dividends, but retained by the company to be reinvested in its core business. This amount is available for distribution of dividends to its equity shareholders.

6.Other comprehensive income represents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income and remeasurement of defined benefit plans, net of taxes.

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
20. Borrowings			
(i) Secured - at amortised cost			
- Term Loan from Bank	-	-	230.03
(ii) Unsecured - at amortised cost			
- From Related Parties			
(a) External Commercial Borrowings (Refer Note (i) below and Note 42)	-	760.10	743.24
(b) Others (Refer Note (ii) below and Note 42)	906.76	843.06	783.84
- From Others	-	-	117.00
Total	**906.76**	**1,603.16**	**1,874.11**
Note: Details in respect of Borrowings are as under :- (i) The entire amount represents Trade Credit from Global Outsourcers Pte Ltd, a related party, which was converted into an Unsecured External Commercial Borrowings originally repayable by 5 September 2015. The period for repayment were subsequently extended to 3 September 2018 vide letter from by Global Outsourcers Pte. Ltd. dated 1 June 2015. The interest on the ECB loan was also waived vide agreement dated 27 March 2013. (ii)The entire amount represents borrowings from Titanium Equipment and Anode Manufacturing Company Limited, a related party, at an interest rate of 9.50% per annum. The loan including interest thereof is repayable within 7 years from the date of the borrowing of 01 July 2015.			
21. Other Financial Liabilities - Non Current			
11% Redeemable Cumulative Preference Share Capital of Rs.100/- each fully paid (Refer Note 21.1 below)	-	260.00	260.00
12% Redeemable Cumulative Preference Share Capital of Rs.100/-each fully paid (Refer Note 21.1 below)	-	700.00	-
Trade / security deposits received	56.54	54.51	59.65
Interest accrued but not due on borrowings - Related Party (Refer Note 42)	340.01	222.66	124.08
Total	**396.55**	**1,237.17**	**443.73**

Note:

21.1 Redeemable preference shares were issued in financial year 2015-16 for a period of upto 2 years, subject to an option with holder of the instrument to redeem preference shares prior to their maturity at the end of every year from the date of allotment, and are cumulative with a non discretionary dividend of 11% / 12%. These redeemable preference shares do not contain any equity component.

All of the issued preference shares were redeemed during the year pursuant to exercising of the option by the holders of such preference shares.

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
22. Provisions - Non Current			
Provision for Gratuity (Refer Note 41)	133.70	89.22	80.68
Total	**133.70**	**89.22**	**80.68**
23. Other Non Current Liabilities			
Unamortised Portion of borrowings - Amortised cost	229.10	299.55	370.00
Total	**229.10**	**299.55**	**370.00**
24. Borrowings - Current			
From Banks			
- Cash Credit - Secured (Note (i) below)	565.36	31.96	-
- Current maturities of borowings (Non - Current)	-	-	3,089.55
Unsecured - at amortised cost			
- From Related Parties			
(a) External Commercial Borrowings (Refer Note 20(i) and Note 42)	798.40	-	-
Total	**1,363.76**	**31.96**	**3,089.55**
Note: Details in respect of Current Borrowings are as under :- (i) Cash Credits are secured by way of first charge over the entire current assets of the Company. The cash credits are repayable on demand			
25. Trade Payables - Current (Refer Note 44)			
Total Outstanding dues of micro enterprises and small enterprises	9.06	3.12	3.26
Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,807.79	1,286.49	1,490.40
Total	**1,816.85**	**1,289.61**	**1,493.66**
Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.			
26. Other Financial Liabilities - Current			
Provision for preference dividend (Refer Note 42)	-	101.24	-
Provision for tax on preference dividend	-	20.61	-
Unpaid Dividends (Refer Note (i) below)	17.98	17.17	15.09
Creditors for Capital Goods (Refer Note 42)	583.92	958.72	1,076.02
Total	**601.90**	**1,097.74**	**1,091.11**
Note: (i) Amounts remitted to Investor Education and Protection Fund during the current year	2.37	-	-

Particulars	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 01 April 2016 Rs. In lakhs
27. Provisions - Current			
Provision for compensated absences (Refer Note 41)	161.12	137.22	50.62
Provision for Gratuity (Refer Note 41)	21.23	10.85	25.00
Total	**182.35**	**148.07**	**75.62**
28. Current tax liabilities (Net)			
Provision for Tax (Net of Income Tax paid / TDS of Rs. 3,150.43 lakhs (As at 31 March 2017 of Rs. 2,323.62 lakhs))	91.62	28.18	-
Total	**91.62**	**28.18**	**-**
29. Other Current Liabilities			
Unamortised Portion of borrowings - Amortised cost	70.45	70.45	70.45
Other payables			
- Statutory liabilities	323.45	75.70	108.19
- Advance from Customers	82.56	45.76	42.02
Total	**476.46**	**191.91**	**220.66**

Particulars	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
30. Revenue from Operations		
Sale of Manufactured Goods		
Manufactured goods (Refer Note (i) below)		
- Caustic Soda Lye	13,003.20	10,007.06
- Caustic Soda Flakes	133.38	-
- Chlorine	268.69	629.71
- Sodium Chlorate	2,764.93	2,556.42
- Hydrogen	881.39	922.44
- Others	1,343.52	1,389.66
Total - Sale of Manufactured goods	**18,395.11**	**15,505.29**
Sale of Traded Goods		
Traded Goods (Refer Note (ii) below)		
- Caustic Soda Lye	7.39	61.45
- Chlorine	0.05	30.64
- Others	-	0.22
Total - Sale of Traded goods	**7.44**	**92.31**
Other Operating Income		
- Testing Charges (Refer Note (iii) below)	15.65	29.39
- Sale of Scrap	-	26.41
Total - Other Operating Income	**15.65**	**55.80**
Total	**18,418.20**	**15,653.40**
Note		
(i) Sale of Manufactured good comprises:		
Domestic sales	18,383.00	15,495.63
Export sales	12.11	9.66
	18,395.11	15,505.29
(ii) Sale of Traded goods comprises:		
Domestic sales	7.39	92.31
Export sales	0.05	-
	7.44	92.31
(iii) Testing Charges comprises:		
Domestic	12.04	18.69
Export	3.61	10.70
	15.65	29.39

Particulars	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
31. Other Income		
(a) Interest Income:		
- Interest on fixed deposits with banks	20.49	17.23
- Interest on Income tax refund	-	78.99
- Other Interest	26.54	34.01
- Other Financial Assets (at amortised cost)	137.66	68.97
(b) Dividend income	10.51	6.75
(c) Other Non Operating Income:		
- Exchange variation(Net)	-	29.66
- Profit on Sale of Fixed Assets (Net)	96.52	-
- Provision for Expected credit loss written back	-	31.62
- Liabilities no longer required written back	20.66	-
- Miscellaneous Income	49.65	16.87
Total	**362.03**	**284.10**
Notes:		
(i) Dividend income includes:		
a. Dividend from Non Current Investments	0.02	0.03
b. Dividend from Current Investments	10.49	6.72
	10.51	**6.75**
32A. Cost of Materials Consumed		
Opening Stock	30.35	20.90
Add: Purchases	392.45	704.97
	422.80	725.87
Less: Closing Stock	23.00	30.35
Cost of Materials consumed	**399.80**	**695.52**
Materials Consumed Comprises of:		
Salt	122.35	352.52
Soda Ash	114.53	100.22
Caustic Soda Lye	10.14	69.32
Others (Refer Note (i) below)	152.78	173.46
Total	**399.80**	**695.52**
Note:		
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.		
32B. Purchase of Stock in Trade		
Domestic		
- Caustic Soda Lye	6.57	54.77
- Others	0.05	5.75
Total	**6.62**	**60.52**

Particulars	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
33. Changes in Inventories of Finished Goods and Work in Progress		
Opening Stock		
Finished goods	289.29	114.80
Work-in-Progress	30.39	138.01
	319.68	**252.81**
Closing Stock		
Finished goods	218.78	289.29
Work-in-Progress	8.52	30.39
	227.30	**319.68**
Increase / (Decrease) of excise duty on changes in inventory	-	(0.66)
Net (Increase)/decrease	**92.38**	**(67.53)**
34. Other Direct Manufacturing Expenses		
Power and Fuel	8,104.72	6,331.23
Labour Charges	358.50	371.41
Total	**8,463.22**	**6,702.64**
35. Employee Benefits Expense		
Salaries and Wages	1,254.37	1,208.47
Contribution to Provident and other Funds (Refer Note 41)	159.50	146.10
Expense on employee stock based compensation (Refer Note 49)	15.82	15.82
Staff Welfare Expenses	92.04	81.10
Total	**1,521.73**	**1,451.49**
36. Finance Cost		
Interest on Borrowings	225.93	313.90
Dividend (including DDT) on Redeemable Preference Shares	81.86	121.85
Total	**307.79**	**435.75**

Particulars	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
37. Other Expenses		
Stores and Spare parts consumed	237.35	264.37
Rent - Others	53.30	59.14
Repairs and Maintenance - Machinery	242.62	299.93
- Buildings	72.04	66.18
Insurance	56.99	44.48
Lease Charges (Refer Note 38)	1.38	59.04
Rates and Taxes	26.42	52.94
Travelling Expenses	104.75	99.04
Auditor's Remuneration (net of Indirect tax input credit)		
- Statutory Audit	20.50	17.50
- Limited Review	4.50	4.50
- Other Services - Certificates	2.00	5.00
- Out of Pocket Expenses	0.76	0.80
Commission to Directors	420.00	45.00
Sitting fees	8.50	9.00
Expenditure on Corporate Social Responsibility (Refer Note 45)	53.39	42.17
Legal and Professional Fees	106.25	200.08
Freight (Net)	188.73	137.92
Advertisement	6.30	3.46
Exchange variation (Net)	24.11	-
Bad receivables written off	0.73	0.26
Provision for Expected credit loss on Trade Receivables / Financial assets	22.58	77.83
Net Loss on Sale of Property, Plant and Equipments / Assets discarded	-	49.62
Impairment of Capital Work in Progress	70.87	74.97
Bank Charges	42.19	56.13
Miscellaneous Expenses	589.94	403.21
Total	**2,356.20**	**2,072.57**
Note:		
(i) Miscellaneous Expenses includes:		
- Donations	20.00	20.25

	Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
		Amount Rs. In lakhs		
38	**Operating Lease**			
	The company has entered into a 99 year operating lease agreement for its PVC O factory premises			
	Leases future obligation/rights as at Balance Sheet date for lease arrangements amount to:			
	Not later than one year	4.14	N.A	N.A
	Later than one year and not later than five years	16.57	N.A	N.A
	More than five years	387.91	N.A	N.A
	Total	**408.62**	**N.A**	**N.A**
	The lease rentals charged during the year	**1.38**	**59.04**	**N.A**
	Lease rentals for previous year relates to other plant and machinery			
39	**a. Commitments**			
	(i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of :			
	- Tangible assets	3,233.22	596.66	759.34
	- Intangible assets	11.27	-	-
	b. Contingent liabilities in respect of			
	(i) Guarantees given by the Company to the Customs department on behalf of Titanium Equipment and Anode Manufacturing Company Limited (Refer Note 42)	-	25.00	95.00
	(ii) Guarantees given by the Company to the Third parties for purchase of electricity	-	100.00	-
	(iii) Sales tax ,Excise, Service Tax and other demands against which the Company has filed appeals and for which no provision is considered required as the Company is hopeful of successful outcome in the appeals.	103.25	29.18	45.11

Sl No.	Name of the Statute	Nature of Dues	Disputed Amount Rs. in Lakhs	Period (F.Y)	Forum where dispute is pending
1	The Central Sales Tax Act, 1956	Sales Tax	0.58 (0.58)	F.Y 2003-2004	CTO, Chengalpet
2	The Finance Act, 1994	Service Tax	5.32 (1.97)	January 2005 to March 2013	Commissioner (Appeals), Chennai
3	The Central Excise Act, 1944	Cenvat on Excise and Service tax	48.43 (25.75)	April 2006 to June 2012	Commissioner (Appeals), Chennai
4	Employees' State Insurance Act, 1948	Employees' State Insurance	0.88 (0.88)	April 2010 to June 2010	ESI Court, Puducherry
5	The Customs Act, 1962	Customs Duty	48.04 -	F.Y. 2013-14	Commissioner (Appeals), Trichy

Notes:

(i) The amounts shown above represent best possible estimate carried on the basis of the available information. The uncertainties and possible reimbursement are dependent on the outcome of the various case proceedings which have been initiated by the Company or the claimants, as the case may be, and therefore cannot be predicted accurately.

(ii) Figures in bracket indicate previous year figures

40 The National Green Tribunal, in an application filed by a party (NGO), had granted an ex parte stay, restraining the construction activities pertaining to the expansion and operation of the Company's Plant without valid consent order. The Company strongly objected the averments of the complainant and filed its counter for vacating the stay which was granted however the matter is pending with the Honourable forum for final disposal. The Puducherry Pollution Control Committee has granted In-principle clearance for the enhancement of the production capacity of Caustic Soda from 125 TPD to 200 TPD vide order dated 28 November 2017 subject to other approvals/conditions and outcome of the National Green Tribunal Case . Subsequent to the receipt of in-principle approval, the company has withdrawn its appeals filed against the denial of expansion.

41. Employee benefit plans

I Defined contribution plans

The Company makes Provident Fund, Superannuation Fund which are defined contribution plans, for qualifying employees. During the year, the Company has recognised the following amounts under Defined Contribution Plan in the Statement of Profit and Loss: **Amount Rs. in lakhs**

Particulars	For the Year Ended	
	31 March 2018	**31 March 2017**
Employer's Contribution to Provident Fund	88.75	83.88
Employer's Contribution to Superannuation Fund	20.76	16.36
Employer's Contribution to Employee Deposit Linked Insurance scheme	7.19	6.23
	116.70	**106.47**

II Defined benefit plans

The Company operates a gratuity plan covering qualifying employees. The benefit payable is calculated as per the Payment of Gratuity Act, 1972 and the benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary.

(a) Amount recognised in the statement of profit & loss in respect of the defined benefit plan are as follows :

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Amount Rs. in lakhs	**Amount Rs. in lakhs**
Recognised in Statement of Profit and Loss		
Current service cost	36.56	36.56
Net interest expense	5.69	3.08
Components of defined benefit costs recognised in the Statement of Profit and Loss	**42.25**	**39.64**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(1.82)	(1.31)
Actuarial gains and loss arising from changes in financial assumptions	49.43	(15.00)
Components of defined benefit costs recognised in Other Comprehensive Income	**47.61**	**(16.31)**
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	**89.86**	**23.33**

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Contribution to Provident and Other Funds"

(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

(b) The amount included in the balance sheet arising from the entity's obligation in respect of defined benefit plan is as follows :

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
	Amount Rs. in lakhs	Amount Rs. in lakhs	Amount Rs. in lakhs
Net asset / (liability) recognised in the Balance Sheet			
1. Present value of defined benefit obligation	(452.24)	(362.48)	(348.29)
2. Fair value of plan assets	297.31	262.41	242.61
Net asset / (liability) recognised in the Balance Sheet	**(154.93)**	**(100.07)**	**(105.68)**
Current portion of the liability included under Note 27	21.23	10.85	25.00
Non-Current portion of the liability included under Note 22	133.70	89.22	80.68
	154.93	**100.07**	**105.68**

(c) Movement in the present value of the defined benefit obligation are as follows :

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Amount Rs. in lakhs	Amount Rs. in lakhs
Present value of defined benefit obligation at the beginning of the year	362.48	348.29
Expenses Recognised in Statement of Profit and Loss:		
-Current service cost	36.56	36.56
-Interest cost	25.14	26.65
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses):		
-Actuarial gains and loss arising from changes in financial assumptions	49.43	(15.00)
Benefits paid	(21.37)	(34.02)
Present value of defined benefit obligation at the end of the year	**452.24**	**362.48**

(d) Movement in fair value of plan assets are as follows :

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
	Amount Rs. in lakhs	Amount Rs. in lakhs
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	262.41	242.61
Expenses Recognised in Statement of Profit and Loss:		
Acquisition adjustment	-	4.58
Expected return on plan assets	19.46	19.08
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)		
Return on plan assets (excluding amount included in net interest expense)	1.82	1.31
Contributions by employer	34.99	28.85
Benefits paid	(21.37)	(34.02)
Fair value of plan assets at the end of the year	**297.31**	**262.41**

(e) The fair value of plan assets plan at the end of the reporting period are as follows:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Investment Funds with Insurance Company -Aditya Birla Sun Life Insurance Company Limited	3.36%	-	-
-Life Insurance Corporation of India	96.64%	100%	100%
The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity			

(f) The principal assumptions used for the purpose of actuarial valuation were as follows :

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Discount rate	7.67%	7.23% -7.32%	7.80%
Expected return on plan assets	7.67%	7.50%	8.50%
Salary escalation	10.00%	8.00%	8.00%
Attrition	5.00%	3.00%	3.00%
Mortality tables	India Assured Life (2006-08)	India Assured Life (2006-08)	India Assured Life (2006-08)

Significant actuarial assumptions for the determination of defined obligation are discount rate, expected salary increase rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period while holding all other assumptions constant:

Amount Rs. in lakhs

Impact on the Defined benefit Obligation	Increase	Increase	Increase
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Change in the discount rate by 50 basis point	15.84	12.70	12.20
Change in Expected rate of salary increase by 50 basis point	(16.84)	(13.50)	(12.97)

Impact on the Defined benefit Obligation	Decrease	Decrease	Decrease
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Change in the discount rate by 50 basis point	(16.86)	(13.51)	(12.98)
Change in Expected rate of salary by 50 basis point	15.99	12.82	12.31

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore in presenting the above sensitivity analysis the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There is no change in the methods and assumptions used in preparing the sensitivity analysis from the prior years.

Experience adjustments

Gratuity	2017-18	2016-17	2015-16
Present value of DBO	452.24	362.48	348.29
Fair value of plan assets	297.31	262.41	242.61
Experience gain / (loss) adjustments on plan liabilities	(49.43)	15.00	-
Experience gain / (loss) adjustments on plan assets	1.82	1.31	-

Details relating to the experience adjustments are provided to the extent information is available.

42. Related party disclosures

a) List of Related parties and description of relationship

(i) Individuals exercising Significant influence	Mr. Suresh Krishnamurthi Rao - Chairman
(ii) Relatives of above	Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
	Mrs. Meenakshi Ratnam (Wife of Mr. Suresh Krishnamurthi Rao)
(iii) Entities in which persons listed in (i) and (ii) above exercise significant influence	CHKR Foundation
	Dr Rao Holdings Pte Ltd
	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)
	Global Outsourcers Pte Ltd (GOPL)
(iv) Key Management Personnel (KMP)	Mr. V.M. Srinivasan - Chief Executive Officer
	Mr. Nitin S Cowlagi - Chief Financial Officer
	Mr. C.S.Ramesh - Non Executive Director
	Mrs. Drushti Desai - Non Executive Director
	Mr. Janakiraman A - Non Executive Director
	Mr. Mahendran R - Non Executive Director
	Mr. N.Ganga Ram - Non Executive Director (upto 30 March 2017 in Erstwhile Chemfab Alkalis Limited)
	Mrs. Sujatha Jayarajan - Non Executive Director
	Mr. T.Ramabadran - Non Executive Director
(v) Other related party	Chemfab Alkalis Limited Employee's Group Gratuity Trust

Note: Related party relationship are as identified by the management and relied upon by the auditors

Nature of Transaction	Related Party	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
1. Transactions during the year			
a) Income			
Sale of Products	Titanium Equipment and Anode Manufacturing Company Limited	0.93	3.54
b) Expenditure			
Purchase of Materials	Titanium Equipment and Anode Manufacturing Company Limited	10.90	23.27
Repairs & Maintenance (Machinery)	Titanium Equipment and Anode Manufacturing Company Limited	-	1.21
Equipment Lease Rental Charges	Titanium Equipment and Anode Manufacturing Company Limited	-	59.04
Finance Cost	Titanium Equipment and Anode Manufacturing Company Limited	117.35	114.84
Annual Maintenance Charges	Titanium Equipment and Anode Manufacturing Company Limited	-	68.95
Royalty Expenses	Titanium Equipment and Anode Manufacturing Company Limited	8.79	9.73
Preference Dividend (excluding Dividend Tax)	Titanium Equipment and Anode Manufacturing Company Limited	68.02	101.24
Lease Rent	Titanium Equipment and Anode Manufacturing Company Limited	29.41	0.69

Nature of Transaction	Related Party	For the Year Ended 31 March 2018 Rs. In lakhs	For the Year Ended 31 March 2017 Rs. In lakhs
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	26.00	20.00
Commission paid and Sitting Fees	Mr. C.S.Ramesh	6.38	6.68
	Mrs. Drushti Desai	1.05	-
	Mr. Janakiraman A	1.20	-
	Mr. Mahendran R	0.68	-
	Mr. N.Ganga Ram	4.80	6.75
	Mrs. Sujatha Jayarajan	5.93	6.75
	Mr. T.Ramabadran	7.45	7.75
Salaries and Perquisites	Mr. V.M. Srinivasan	118.16	78.53
	Mr. Nitin S Cowlagi	52.18	30.53
Post Employment benefits	Mr. V.M. Srinivasan	10.40	5.46
c) Others			
Sale of Fixed Assets	Titanium Equipment and Anode Manufacturing Company Limited	-	4.00
Purchase of Fixed Assets	Titanium Equipment and Anode Manufacturing Company Limited	93.99	201.20
Proceeds from Issue of Preference shares	Titanium Equipment and Anode Manufacturing Company Limited	-	700.00
Contractually reimbursable expenses	Titanium Equipment and Anode Manufacturing Company Limited	0.93	0.31
Redemption of Preference shares	Titanium Equipment and Anode Manufacturing Company Limited	960.00	-
Finance cost Paid	Titanium Equipment and Anode Manufacturing Company Limited	169.26	-
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	35.00	28.83
Refund of Rental Deposit	Titanium Equipment and Anode Manufacturing Company Limited	300.00	-
Guarantee given to Customs	Titanium Equipment and Anode Manufacturing Company Limited	-	25.00
Counter Guarantees given expired during the year	Titanium Equipment and Anode Manufacturing Company Limited	-	2,800.00
Guarantees given expired during the year	Titanium Equipment and Anode Manufacturing Company Limited	25.00	95.00
Dividend paid	Mr. Suresh Krishnamurthi Rao	17.81	11.00
	Mrs. K.M. Padma	13.88	6.83
	Dr Rao Holdings Pte Ltd	84.51	57.14
	Titanium Equipment and Anode Manufacturing Company Limited	13.40	11.01

Note:

1) Purchases, Sales and Services above are inclusive of taxes

2) The above excludes Provision for Commission to Directors of Rs. 420 lakhs (PY - Rs.45 lakhs) made during the year.

Nature of Transaction	Related Party	As at 31 March 2018 Rs. In lakhs	As at 31 March 2017 Rs. In lakhs	As at 1 April 2016 Rs. In lakhs
II. Balances Outstanding at the end of the year				
Payables	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	52.51	83.19	51.23
Trade Receivables	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	0.21	-	-
Interest accrued but not due on Borrowings (Gross)	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	340.01	222.66	107.82
Rental Deposit	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	-	300.00	300.00
Capital Creditors	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	299.11	689.08	487.88
Borrowings - Present Value (Financial liabilities - Non current)	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	906.76	843.06	783.84
Other Financial Liabilities - Current	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	-	101.24	-
Borrowings (Financial Liabilities - Non Current)	Global Outsourcers Pte Ltd (GOPL)	-	760.10	743.24
Borrowings (Financial Liabilities - Current)	Global Outsourcers Pte Ltd (GOPL)	798.40	-	-
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	297.31	262.40	242.62
Others:				
Counter Guarantee given	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	-	-	2,800.00
Guarantee given	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)	-	25.00	95.00

43. Earnings Per Share

Net Profit for the year has been used as the numerator and number of shares has been used as denominator for calculating the basic and diluted earnings per share.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017 (As adjusted)
Face Value Per Share - Rs.	10	10
Net Profit attributable to the Equity shareholders (A) - Rs. in lakhs	**2,547.45**	**1,552.74**
Weighted average Number of Shares (B)	1,38,30,504	1,38,30,504
Add: Effects of ESOP which are dilutive in nature	1,99,016	1,83,845
Weighted average Number of Shares for Diluted EPS (C)	**1,40,29,520**	**1,40,14,349**
Basic Earnings per Share (A/B) - Rs.	18.42	11.23
Diluted Earnings per Share (A/C) - Rs.	18.16	11.08

44 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Amount Rs. In lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
a) Dues remaining unpaid			
- Principal	9.06	3.12	3.26
- Interest	-	-	-
		-	
b) (i) Amounts paid to suppliers beyond the appointed day	-	-	8.12
(ii) Interest paid in terms of Sec.16 of the Act	-	-	-
c) Interest due and payable for the period of delay in payments made beyond the appointed day during the year	-	-	-
d) Interest accrued and remaining unpaid	-	-	-
e) Interest due and payable even in the succeeding years until actually paid	-	-	-

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

45 During the year, the Company incurred an aggregate amount of Rs. 53.39 lakhs towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below: -

Gross amount required to be spent by the Company during the year Rs. 5.97 lakhs.
Amount spent by the Company during the year on:

Amount Rs. In lakhs

Particulars	Paid in Cash / Cheque	Amount Paid	Yet to be paid	Total
i) Construction / Acquisition of any asset	Cheque	18.67	-	18.67
ii) On purposes other than (i) above	Cash	0.36	-	0.36
	Cheque	34.36	-	34.36
Total		**53.39**	**-**	**53.39**

46 Disclosure as per Section 186(4) of Companies Act 2013

Amount Rs. In lakhs

Particulars	Name of the Party	Amount as at 31 March, 2018	Purpose	Remarks
Guarantees given	Titanium Equipment and Anode Manufacturing Company Limited	- (P.Y. 25.00)	Surety Bond given to Customs department	Refer Note 39 (b) (i)

47 Financial Instruments

(I) Capital Management

The Company manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Company's capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Other Financial Liabilities net of Cash and bank balances. The Company monitors capital on the basis of the following gearing ratio. There is no change in the overall capital risk management strategy of the Company compared to last year.

Gearing Ratio :

Amount Rs. In lakhs

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Borrowings and Other Financial Liabilities	3,268.97	3,970.03	6,498.50
Cash and Bank Balances	(1,218.60)	(185.55)	(149.23)
Net Debt (A)	**2,050.37**	**3,784.48**	**6,349.27**
Total Equity (B)	**23,617.92**	**21,492.00**	**20,050.44**
Net Debt to equity ratio (A/B)	**0.09**	**0.18**	**0.32**

(II) Categories of Financial Instruments

(a) Financial Assets **Amount Rs. In lakhs**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Measured at fair value through Other Comprehensive Income (FVTOCI)			
- Investments	4.79	3.05	2.71
Measured at fair value through P&L (FVTPL)			
- Investments	0.34	7.94	43.22
Measured at amortised cost			
- Investments	-	18.15	-
- Cash and Bank balances	650.00	36.79	105.11
- Bank Balances other than (iii) above	568.60	148.76	44.12
- Trade receivables	1,710.61	846.30	1,730.00
- Other financial assets	1,345.04	1,468.49	1,171.73
Total	**4,279.38**	**2,529.48**	**3,096.89**

(b) Financial Liabilities : **Amount Rs. In lakhs**

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Measured at amortised cost			
- Borrowings	2,270.52	1,635.12	4,963.66
- Trade Payables	1,816.85	1,289.61	1,493.66
- Other financial liabilities	998.45	2,334.91	1,534.84
Total	**5,085.82**	**5,259.64**	**7,992.16**

(III) Financial Risk Management Framework

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk.These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk, credit risk and liquidity risk. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Company has not entered into any derivate contracts during the year ended 31 March 2018 and there are no outstanding contracts as at 31 March 2017.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
		Amount in Foreign Currency	Amount Rs. In lakhs	Amount in Foreign Currency	Amount Rs. In lakhs	Amount in Foreign Currency	Amount Rs. In lakhs
Capital Creditors	EURO	1,85,000	149.15	1,85,000	128.11	1,85,000	138.93
Trade Payables	JPY	1,77,800	1.09	-	-	-	-
Trade Receivables	USD	2,461	1.60	6,194	4.02	14,360	9.53
Non current Borrowings	USD	-	-	12,50,000	810.48	12,50,000	829.16
Current Borrowings	USD	12,50,000	813.05	-	-	-	-
Capital Advances	EURO	12,45,175	954.28	-	-	-	-

All of the above exposures have not been hedged

(V) Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2018	For the year ended 31 March 2017	For the year ended 31 March 2017	For the year ended 1 April 2016	For the year ended 1 April 2016
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.62)	0.62	(0.62)	0.62	-	-
JPY	(0.09)	0.09	-	-	-	-
EURO	0.53	(0.53)	(0.09)	0.09	-	-

Impact on total equity as at the end of the reporting period

Particulars	As at 31 March 2018	As at 31 March 2018	As at 31 March 2017	As at 31 March 2017	As at 01 April 2016	As at 01 April 2016
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.62)	0.62	(0.62)	0.62	(0.62)	0.62
JPY	(0.09)	0.09	-	-	-	-
EURO	0.53	(0.53)	(0.09)	0.09	(0.09)	0.09

Note :
This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

(VI) Forward foreign exchange contracts : NIL

(VII) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company. Periodically.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2018						
Interest bearing	-	-	1,363.76	340.01	906.76	2,610.53
Non-interest bearing	-	2,418.75	-	56.54	-	2,475.29
Total	**-**	**2,418.75**	**1,363.76**	**396.55**	**906.76**	**5,085.82**
March 31, 2017						
Interest bearing	-	-	31.96	1,942.76	843.06	2,817.78
Non-interest bearing	-	2,387.35	-	54.51	-	2,441.86
Total	**-**	**2,387.35**	**31.96**	**1,997.27**	**843.06**	**5,259.64**
April 1, 2016						
Interest bearing	-	-	3,089.55	1,474.35	783.84	5,347.74
Non-interest bearing	-	2,584.77	-	59.65	-	2,644.42
Total	**-**	**2,584.77**	**3,089.55**	**1,534.00**	**783.84**	**7,992.16**

The following tables detail the Company's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2018						
Interest bearing	0.34	-	617.75	766.86	-	1,384.95
Non-interest bearing	650.00	1,703.64	322.20	213.80	4.79	2,894.43
Total	**650.34**	**1,703.64**	**939.95**	**980.66**	**4.79**	**4,279.38**
March 31, 2017						
Interest bearing	7.94	-	196.65	888.57	-	1,093.16
Non-interest bearing	36.79	835.68	27.79	533.01	3.05	1,436.32
Total	**44.73**	**835.68**	**224.44**	**1,421.58**	**3.05**	**2,529.48**
April 1, 2016						
Interest bearing	43.22	-	72.90	798.17	-	914.29
Non-interest bearing	105.11	1,720.87	24.22	329.69	2.71	2,182.60
Total	**148.33**	**1,720.87**	**97.12**	**1,127.86**	**2.71**	**3,096.89**

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

(VIII) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit control policies are included in a blue print, including prescribed work procedures and guidelines; to manage credit risk, credit checks are performed upfront for new customers. For High risk clients, credit limits are put in place based on internal and / or external ratings. Credit risk is monitored by the credit control department of company on a daily basis.

The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(IX) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(X) Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

48 Fair Value Hierarchy

This note provides information about how the Company determines fair value of various financial assets and liabilities

(I) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Amount Rs. In lakhs

Particulars	Fair Value as at			Fair Value Hierarchy	Valuation techniques and key inputs
	31 March 2018	31 March 2017	01 April 2016		
Financial Assets					
-Investment in quoted Equity Instruments at FVTOCI	4.79	3.05	2.71	Level 1	Quoted bid prices in an active market.
-Other Investments	0.34	7.94	43.22	Level 1	Based on fund statements
Total	**5.13**	**10.99**	**45.93**		

(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring) :

Amount Rs. In lakhs

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:						
- Investments	-	-	18.15	18.15	-	-
- Cash and Bank balances	650.00	650.00	36.79	36.79	105.11	105.11
- Bank Balances other than (iii) above	568.60	568.60	148.76	148.76	44.12	44.12
- Trade receivables	1,710.61	1,710.61	846.30	846.30	1,730.00	1,730.00
- Other financial assets	1,345.04	1,345.04	1,468.49	1,468.49	1,171.73	1,171.73
Total	**4,274.25**	**4,274.25**	**2,518.49**	**2,518.49**	**3,050.96**	**3,050.96**
Financial liabilities held at amortised cost :						
- Borrowings	2,270.52	2,270.52	1,635.12	1,635.12	4,963.66	4,963.66
- Trade Payables	1,816.85	1,816.85	1,289.61	1,289.61	1,493.66	1,493.66
- Other financial liabilities	998.45	998.45	2,334.91	2,334.91	1,534.84	1,534.84
Total	**5,085.82**	**5,085.82**	**5,259.64**	**5,259.64**	**7,992.16**	**7,992.16**

Fair value hierarchy as at 31 March 2018

Amount Rs. In lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments	-	-	-	-
- Cash and Bank balances	650.00	-	-	650.00
- Bank Balances other than (iii) above	568.60	-	-	568.60
- Trade receivables	-	-	1,710.61	1,710.61
- Other financial assets	-	-	1,345.04	1,345.04
	1,218.60	**-**	**3,055.65**	**4,274.25**
Financial liabilities held at amortised cost :				
- Borrowings	-	-	2,270.52	2,270.52
- Trade Payables	-	-	1,816.85	1,816.85
- Other financial liabilities	-	-	998.45	998.45
	-	**-**	**5,085.82**	**5,085.82**

Fair value hierarchy as at 31 March 2017

Amount Rs. In lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments	18.15	-	-	18.15
- Cash and Bank balances	36.79	-	-	36.79
- Bank balances other than (iii) above	148.76	-	-	148.76
- Trade receivables	-	-	846.30	846.30
- Other financial assets	-	-	1,468.49	1,468.49
	203.70	**-**	**2,314.79**	**2,518.49**
Financial liabilities held at amortised cost :				
- Borrowings	-	-	1,635.12	1,635.12
- Trade Payables	-	-	1,289.61	1,289.61
- Other financial liabilities	-	-	2,334.91	2,334.91
	-	**-**	**5,259.64**	**5,259.64**

Fair value hierarchy as at 01 April 2016

Amount Rs. In lakhs

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Investments	-	-	-	-
- Cash and Bank balances	105.11	-	-	105.11
- Bank balances other than (iii) above	44.12	-	-	44.12
- Trade receivables	-	-	1,730.00	1,730.00
- Other financial assets	-	-	1,171.73	1,171.73
	149.23	**-**	**2,901.73**	**3,050.96**
Financial liabilities held at amortised cost :				
- Borrowings	-	-	4,963.66	4,963.66
- Trade Payables	-	-	1,493.66	1,493.66
- Other financial liabilities	-	-	1,534.84	1,534.84
	-	**-**	**7,992.16**	**7,992.16**

49 Employee Stock Option Scheme

a) The ESOP scheme titled "CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015] was approved by the erstwhile shareholders of Chemfab Alkalis Limited through postal ballot on 5 March 2016 pursuant to which 1,68,000 employee stock options were issued. Subsequent to merger, the benefit of swap ratio was extended to the options outstanding and revised shares outstanding were 2,40,000 options out of which 40,286 options were exercised during the year. The vesting period of these options range over a period of 2 to 4 years. The options may be exercised within a period of 12 months from the date of vesting.

b)

Option Plan	Number	Grant Date	Exercise price in Rs.	Fairvalue on the date of grant in Rs.
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	1,68,000	24-Mar-16	52.43	74.90

Vesting plan:
25% of the Options - Two years from the date of grant.
25% of the Options - Three years from the date of grant.
50% of the Options - Four years from the date of grant.

c) Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]				
Option outstanding at the beginning of the year (Refer note 51.3(a))	1,68,000	52.43	1,68,000	52.43
Add: Granted extending the benefit of swap ratio of 10:7	72,000	52.43	-	-
Add: Granted during the year	-	-	-	-
Less: Exercised during the year	(40,286)	52.43	-	-
Less: Lapsed during the year	-	-	-	-
Options outstanding at the end of the year	1,99,714	52.43	1,68,000	52.43
The exercise price has been determined on the basis of the weighted average share price of erstwhile Chemfab Alkalis Limited as at the grant date.	NA	52.43	NA	52.43

Weighted average remaining contractual life for options outstanding as at 31 March, 2018 - 2 Years (As at 31 March, 2017 - 3 Years).

d) The assumptions used in this model for calculating fair value on date of grant using Black-Scholes model are as below:

Assumptions	25 % options	25 % options	50 % options
Risk Free Interest Rate	7.44%	7.49%	7.53%
Expected Life	3.5	4	4.5
Expected Annual Volatility of Shares	45%	44%	44%
Expected Dividend Yield	25%	25%	25%

e) Stock Options exercised during the year

Option Plan	Number Exercised	Exercise date	Exercise price in Rs.
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	40,286	24-Mar-18	52.43

f) Total expense accounted for by the Company on account of the above are given below:

Amount Rs. In lakhs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
ESOP cost accounted by the Company	15.82	15.82
Total	**15.82**	**15.82**

50 Segment Information

Description of segments and principal activities

The company identifies its operating segment based on the nature and class of product and services, nature of production process and assessment of differential risks and returns and financial reporting results reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS. For financial statements presentation purposes, individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors.

Specifically, the Company's reportable segments under Ind AS are as follows:

1) Chemicals and related Products/Services

2) PVC-O Pipes

Geographical segments

The geographical segments considered for disclosure are based on markets, broadly as India and Others

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 2, the accounting policies in relation to segment accounting are as under:

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Inter segment sales are eliminated in consolidation

Other income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

The total assets disclosed for each segment include all operating assets used by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude, deferred tax assets and income tax etc

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities etc.

I. Segment revenues and results

Particulars	2017-18		
	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Revenue	18,418.20 (15,653.40)	- -	18,418.20 (15,653.40)
Less: Inter-segment revenue	- -	- -	- -
Total	18,418.20 (15,653.40)	- -	18,418.20 (15,653.40)
Segment result	3,925.36 (1,802.27)	(2.03) -	3,923.33 (1,802.27)
Finance Cost			307.79 (435.75)
Operating income			3,615.54 (1,366.52)
Other income			362.03 (284.10)
Profit before taxes			3,977.57 (1,650.62)
Tax expense			1,430.12 (97.88)
Profit for the year			2,547.45 (1,552.74)

II. Segment Assets and Liabilities

Particulars	2017-18		
	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
	Rs. In Lakhs	Rs. In Lakhs	Rs. In Lakhs
Segment assets	22,693.62 (21,098.15)	1,457.32 -	24,150.94 (21,098.15)
Unallocable assets			5,666.03 (6,410.42)
Total assets			29,816.97 (27,508.57)
Segment liabilities	3,164.45 (2,661.59)	14.92 -	3,179.37 (2,661.59)
Unallocable liabilities			3,019.68 (3,354.98)
Total liabilities			6,199.05 (6,016.57)
<u>Other information</u>			
Capital expenditure	1,582.46 (797.05)	1,033.50 -	2,615.96 (797.05)
Depreciation and amortisation	1,197.71 (1,304.83)	- -	1,197.71 (1,304.83)

Information on geographic segments:

Geographical Segments	Revenues for the year ended 31 March 2018	Non-current assets as at 31 March 2018 (Refer Note 3)
	Rs. In Lakhs	Rs. In Lakhs
India	18,402.43	19,934.11
	(15,633.04)	(19,088.03)
Others	15.77	-
	(20.36)	-

Note: 1) Figures in bracket relate to the previous year
2) Also Refer Note 2.16
3) Non-current assets excludes deferred tax assets and income tax assets

Information about major customers:
Company has no single customer from whom the revenue is not less than 10 % of the revenue from external customers of the company

51 First-time adoption - mandatory exceptions, optional exemptions and Reconciliations

These financial statements of the Company as at and for the year ended March 31, 2018 have been prepared in accordance with Ind AS . For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - First Time adoption of Indian Accounting Standard, with April 1, 2016 as the transition date and IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018 and the comparative information. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss and cash flow, Optional exemptions and certain exceptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out below:

51.1 Mandatory Exceptions and Optional Exemptions

(a) Equity instruments at fair value through other comprehensive income

The Company has designated investment in shares under Non Current Investment as at FVTOCI on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

(b) Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on facts and circumstances that existed as of the transition date.

(c) Past business combinations

The Company has elected not to apply Ind AS 103 - Business Combinations retrospectively to past business combinations that had an effective date before the transition date of April 1, 2016. Consequently, the Company has kept the same classification for the past business combinations as in its previous GAAP financial statements.

(d) Property, Plant and Equipment

The Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognised as at April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost on the date of transition to Ind AS.

(e) Share-based payment

The Company has elected not to apply IND AS 102 - Share based payment to equity instruments that vested before date of transition to Ind AS and to liabilities arising from share-based payment transactions that were settled before the date of transition to Ind AS.

(f) Classification and measurement of financial assets

The company has opted not to apply EIR principles retrospectively and thus opted to consider the carrying cost of financial asset as its amortised cost as at transition date

Key sources of estimation uncertainity:

The estimates at 1 April 2016 and at 31 March 2017 are consistent with those made for the same dates in accordance with previous GAAP (after adjustments to reflect any differences in accounting policies). The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2016, the date of transition to Ind AS and as of 31 March 2017.

51.2 First-time Ind AS adoption reconciliations

Effect of Ind AS adoption on the Balance Sheet as at 31 March 2017 and 01 April 2016 **Amount Rs. in lakhs**

Particulars	Notes	As on 1 April 2016 (Date of transition)			
		Previous GAAP	Effect of the scheme of Amalgamation on 1 April 2016 (Also Refer note 51.3(a) below)	Effect of transition to Ind AS	Opening Ind AS balance sheet
A ASSETS					
Non-current assets					
(a) Property, Plant and Equipment	l	5,732.67	11,177.67	(224.91)	16,685.43
(b) Capital work-in-progress		95.98	1,378.89	-	1,474.87
(c) Intangible assets		-	76.26	-	76.26
(d) Financial Assets					
(i) Investments	i	-	0.32	2.39	2.71
(ii) Other Financial Assets	h,p	875.03	508.77	(255.94)	1,127.86
(e) Non - Current Tax Assets (Net)		1.27	400.14	-	401.41
(f) Deferred tax assets (net)	h,j,k	-	(519.56)	6,717.02	6,197.46
(g) Other non-current assets	h	-	117.78	116.46	234.24
Total Non - Current Assets		**6,704.95**	**13,140.27**	**6,355.02**	**26,200.24**
Current assets					
(a) Inventories		166.84	203.96	-	370.80
(b) Financial Assets					
(i) Investments		1.91	41.31	-	43.22
(ii) Trade receivables	o	61.74	1,712.92	(44.66)	1,730.00
(iii) Cash and cash equivalents		3.38	101.73	-	105.11
(iv) Bank Balances other than (iii) above		4.86	39.26	-	44.12
(v) Other Financial Assets		0.14	43.73	-	43.87
(c) Other current assets	l	56.39	202.02	(6.21)	252.20
Total Current Assets		**295.26**	**2,344.93**	**(50.87)**	**2,589.32**
Total Assets		**7,000.21**	**15,485.20**	**6,304.15**	**28,789.56**
B EQUITY AND LIABILITIES					
Equity					
(a) Equity Share capital	g	728.08	654.97	-	1,383.05
(b) Other Equity	51.3	(1,735.07)	13,905.75	6,496.71	18,667.39
Total Equity		**(1,006.99)**	**14,560.72**	**6,496.71**	**20,050.44**
Liabilities					
Non-current liabilities					
(a) Financial Liabilities					
(i) Borrowings	j,l	4,756.58	(2,386.75)	(495.72)	1,874.11
(ii) Other financial liabilities	g	367.82	75.91	-	443.73
(b) Provisions	l	-	69.54	11.14	80.68
(c) Other non-current liabilities	j	-	-	370.00	370.00
		5,124.40	**(2,241.30)**	**(114.58)**	**2,768.52**
Current liabilities					
(a) Financial Liabilities					
(i) Borrowings	j	1,600.00	1,500.00	(10.45)	3,089.55
(ii) Trade payables		448.40	1,045.26	-	1,493.66
(iii) Other financial liabilities		-	1,091.11	-	1,091.11
(b) Provisions	e	3.21	210.39	(137.98)	75.62
(c) Current Tax Liabilities (Net)		-	-	-	-
(d) Other current liabilities	j	831.19	(680.98)	70.45	220.66
		2,882.80	**3,165.78**	**(77.98)**	**5,970.60**
Total Liabilities		**8,007.20**	**924.48**	**(192.56)**	**8,739.12**
Total Equity and Liabilities		**7,000.21**	**15,485.20**	**6,304.15**	**28,789.56**

Amount Rs. in lakhs

Particulars	As on 31 March 2017 (End of last period presented under previous GAAP)			
	Notes (51.3)	Previous GAAP	Effect of Transition to Ind AS	Ind AS
A) ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	l	16,371.53	-	16,371.53
(b) Capital work-in-progress		1,136.17	-	1,136.17
(c) Intangible assets		62.44	-	62.44
(d) Financial Assets				
(i) Investments	i	18.48	2.72	21.20
(ii) Other Financial Assets	h,p	1,679.53	(276.10)	1,403.43
(e) Non - Current Tax Assets (Net)		-	-	-
(f) Deferred tax assets (net)	h,j,k	288.32	6,093.94	6,382.26
(g) Other non-current assets	h	2.48	90.78	93.26
Total Non - Current Assets		**19,558.95**	**5,911.34**	**25,470.29**
Current assets				
(a) Inventories		430.71	-	430.71
(b) Financial Assets				
(i) Investments		7.94	-	7.94
(ii) Trade receivables	o	854.31	(8.01)	846.30
(iii) Cash and cash equivalents		36.79	-	36.79
(iv) Bank Balances other than (iii) above		148.76	-	148.76
(v) Other Financial Assets		65.06	-	65.06
(c) Other current assets		502.72	-	502.72
Total Current Assets		**2,046.29**	**(8.01)**	**2,038.28**
Total Assets		**21,605.24**	**5,903.33**	**27,508.57**
B) EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	g	2,343.05	(960.00)	1,383.05
(b) Other Equity	51.3	14,133.00	5,975.95	20,108.95
Total Equity		**16,476.05**	**5,015.95**	**21,492.00**
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	j,l	2,045.78	(442.62)	1,603.16
(ii) Other financial liabilities	g	277.17	960.00	1,237.17
(b) Provisions	l	89.22	-	89.22
(c) Other non-current liabilities	j	-	299.55	299.55
		2,412.17	**816.93**	**3,229.10**
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		31.96	-	31.96
(ii) Trade payables		1,289.61	-	1,289.61
(iii) Other financial liabilities		1,097.74	-	1,097.74
(b) Provisions		148.07	-	148.07
(c) Current Tax Liabilities (Net)		28.18	-	28.18
(d) Other current liabilities	j	121.46	70.45	191.91
		2,717.02	**70.45**	**2,787.47**
Total Liabilities		**5,129.19**	**887.38**	**6,016.57**
Total Equity and Liabilities		**21,605.24**	**5,903.33**	**27,508.57**

Effect of Ind AS adoption on the Statement of Profit and Loss for the Year ended 31 March 2017

Amount Rs. in lakhs

Particulars	**Notes (51.3)**	**Previous GAAP**	**Effect of transition to Ind AS**	**Ind AS**
I Revenue from Operations	c,d	14,043.31	1,610.09	15,653.40
II Other Income	h,j,o,p	183.51	100.59	284.10
III Total Revenue (I+II)		**14,226.82**	**1,710.68**	**15,937.50**
IV Expenses				
Cost of Materials Consumed		695.52	-	695.52
Purchase of Stock in Trade		60.52	-	60.52
Changes in Inventories of Finished goods and Work-in -Progress		(67.53)	-	(67.53)
Excise Duty on sale of goods	d	-	1,631.09	1,631.09
Other Direct Manufacturing Expenses		6,702.64	-	6,702.64
Employee Benefits Expense	f,n	1,431.93	19.56	1,451.49
Finance Cost	g,j	267.91	167.84	435.75
Depreciation and Amortisation Expenses		1,304.83	-	1,304.83
Other Expenses	c,h,o,p,l	2,283.51	(210.94)	2,072.57
Total Expenses (IV)		**12,679.33**	**1,607.55**	**14,286.88**
V Profit before tax (III - IV)		**1,547.49**	**103.13**	**1,650.62**
VI Tax Expenses				
- Current tax		288.32	-	288.32
- Deferred tax	h,j,k	-	97.88	97.88
- Minimum Alternate Tax Credit Entitlement		(288.32)	-	(288.32)
VII Profit for the Year (V - VI)		**1,547.49**	**5.25**	**1,552.74**
VIII Other Comprehensive Income	b			
Items that will not be reclassified to the Statement of Profit and Loss				
- Equity Instruments through Other Comprehensive Income	i	-	0.33	0.33
- Remeasurements of the defined benefit plans	f	-	16.31	16.31
- Income tax relating to items that will not be reclassified to profit or loss	f	-	(5.65)	(5.65)
Total Other Comprehensive Income (VIII)		**-**	**10.99**	**10.99**
IX Total Comprehensive Income for the Year (VII + VIII)		**1,547.49**	**16.24**	**1,563.73**

51.3 Reconciliation of total equity as at 31 March 2017 and 01 April 2016

Amount Rs. in lakhs

Particulars	**Notes**	**As at 31 March 2017**	**As at 01 April 2016**
Total Equity under previous GAAP		**16,476.05**	**13,553.73**
Adjustment of Prior period expenses	l	-	(283.92)
Reversal of Proposed Dividend including Dividend Distribution tax	e	-	137.99
Recognition of Deferred Tax Asset on unabsorbed business losses and others	k	6,080.90	6,691.09
Fair value adjustments – Investments	i	2.72	2.39
Additional Provision for Receivables (Expected Credit Loss)	o	(8.01)	(44.65)
Recognition of borrowings at amortized cost based on EIR	j,l	72.59	107.39
Fair value adjustments - Financial Assets	h,p	(9.51)	-
Provision for Expected Credit Loss on Financial Assets	p	(175.77)	(139.51)
Deferred Tax impact on the above adjustments	h,j	13.03	25.93
Reclassification of Preference Shares to Financial Liabilities	g	(960.00)	-
Total adjustment to Equity		**5,015.95**	**6,496.71**
Total equity under IND AS		**21,492.00**	**20,050.44**

* Under previous GAAP, total comprehensive income was not reported. Therefore, the above reconciliation starts with profit under previous GAAP.

Effect of Ind AS adoption on the Statement of Cash Flows for the Year ended 31 March 2017 **Amount Rs. in lakhs**

Particulars	Notes (Refer Note q)	Previous GAAP	Effect of transition to Ind AS	Ind AS
Net cash flow from operating activities		3,790.95	(4.51)	3,786.44
Net cash flow from investing activities		(872.16)	(0.00)	(872.16)
Net cash flow from financing activities		(3022.39)	(27.45)	(3,049.84)
Net increase/decrease in cash and cash equivalents		**(103.60)**	**(31.96)**	**(135.56)**
Cash and cash equivalents at the beginning of the year		**148.33**	**-**	**148.33**
Cash and cash equivalents at the end of the year		**44.73**	**(31.96)**	**12.77**

Notes to Reconciliation:

a) During the FY 2016-17, erstwhile Chemfab Alkalis Limited merged with the Company with appointed date of 01.04.2014. The effect of the merger had been given in FY 16-17 under the previous GAAP, pursuant to the order of NCLT dated 30.03.2017. As the company has claimed optional exemption under IND AS 101 to adopt IND AS 103 prospectively from the transition date, the effect of the merger entries have been given in the opening Balance Sheet as at 01.04.2016, duly considering the appointed date of the merger of 01 April 2014.

The details of carrying balance of assets and liabilities acquired on the merger as on the date of appointment of 01 April 2014 under previous GAAP are as follows:

Particulars	Amounts as at 1 April 2014 (Appointed date)
	Rs. in lakhs
Assets	
(a) Fixed assets	
(i) Tangible Assets	7,168.46
(ii) Intangible Assets	10.15
(iii) Capital work-in-progress	5,871.43
(iv) Intangible assets under development	81.21
(b) Non-current Investments	0.32
(c) Long-term Loans and Advances	1,889.84
(d) Other Non Current Assets	-
(e) Current Investments	717.96
(f) Inventories	279.16
(g) Trade Receivables	1,059.10
(h) Cash and Bank Balances	
- Cash and Cash Equivalents	67.15
- Other Bank Balances	123.16
(i) Short-term Loans and Advances	751.64
(j) Other Current Assets	20.80
Total Assets [A]	**18,040.38**
Liabilities	
(a) Capital Reserve	40.67
(b) Deferred Tax Liabilities (Net)	1,137.81
(c) Other Long-term Liabilities	63.31
(d) Long-Term Provisions	29.58
(e) Short Term Borrowings	2,418.93
(f) Trade Payables	1,267.96
(g) Other Current Liabilities	873.91
(h) Short-Term Provisions	137.16
Total Liabilities [B]	**5,969.33**
Excess of Assets over Liabilities [A - B] = [C]	**12,071.05**

b) Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains or losses are required to be presented in other comprehensive income

c) Under previous GAAP, rebates and discounts on sale of goods are disclosed as other expenses. Under Ind AS, revenue is recognised at fair value, hence rebates and discounts are reduced from revenue from operations. The net effect of this is decrease in revenue from operations by Rs. 20.98 lakhs and corresponding decrease in other expenses by Rs. 20.98 lakhs for the year ended March 31, 2017. This change does not effect the net profit for the year ended March 31, 2017.

d) Under previous GAAP, revenue from sale of products was presented net of excise duty under revenue from operations. Whereas, under Ind AS, revenue from sale of products includes excise duty. The corresponding excise duty expense is presented separately on the face of the standalone statement of profit and loss. The effect of this is increase in revenue from operations by Rs. 1631.09 lakhs for the year ended March 31, 2017 but there is no impact on profit or loss for the year ended March 31, 2017.

e) Under previous GAAP upto 31 March 2016, dividends on equity shares recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in annual general meeting. Effect of this change is increase in total equity by Rs. 137.99 lakhs as at April 1, 2016 (Rs. NIL as at March 31, 2017), decrease in Provisions - Current by Rs. 137.99 lakhs as at April 1,2016 (Rs. NIL as at March 31, 2017)

f) Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined liability/asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income. The actuarial loss for the year ended March 31, 2017 was Rs. 16.31 lakhs and tax effect was Rs. 5.65 lakhs and deferred tax liabilities reduced by Rs. 5.65 lakhs as at March 31, 2017.

g) Under previous GAAP, redeemable preference shares were classified as part of total equity. Dividend paid on these preference shares were adjusted against retained earnings. However under Ind AS as these preference shares do not contain any equity component and hence, have been classified as financial liability. The resultant dividends including tax thereon hitherto recognised directly as a reduction in equity, has been recognised as finance cost in the statement of profit and loss. The net effect of this change is a decrease in total equity by Rs. 960.00 lakhs as at March 31, 2017 (Rs. Nil as at April 1, 2016) with corresponding increase in Other financial liabilities and decrease in profit before tax by Rs. 121.85 lakhs for the year ended March 31, 2017 (Rs. NIL as at April 1, 2016)

h) Under previous GAAP, security deposits are carried at cost. Under Ind AS, these are carried at amortized cost. The effect of this change is decrease in other financial assets by Rs. 95.31 lakhs as at March 31, 2017 (decrease by Rs.116.46 lakhs as at April 1, 2016) and increase in other non current assets by Rs. 90.78 lakhs as at March 31, 2017 (increase by Rs. 116.46 lakhs as at April 1, 2016) and decrease in total equity by Rs. 4.53 lakhs as at March 31, 2017. There had been increase in other income by Rs. 21.15 lakhs and other expenses by Rs.25.68 lakhs for the year ended March 31, 2017 and consequently decrease in deferred tax liabilities by Rs. 1.57 lakhs as at March 31, 2017 (Rs. NIL as at April 1, 2016).

i) Under previous GAAP, investments were carried at cost. Under Ind AS, investments (other than investments in equity instruments of subsidiaries and associates) are carried at fair value through Profit or loss and Other comprehensive income. Net effect of this change is increase in non current investments and increase in Other Comprehensive income by Rs. 2.72 lakhs as at March 31, 2017 (Rs. 2.39 lakhs as at April 1, 2016)

j) Under previous GAAP, Borrowing cost and processing fees related to loans and financial liabilities were charged off to the statement of profit and loss. Under Ind AS, the Company needs to measure the borrowings at fair value using Effective interest rate (EIR) also considering the Upfront fees and Processing fees paid and any interest free loan at the time of obtaining the borrowings. The net effect of change is decrease in borrowings under non current liabilities by Rs. 442.62 lakhs as at March 31, 2017 (decrease by Rs. 537.38 lakhs as at April 1, 2016) and increase in other current liabilities by Rs. 70.45 lakhs as at 31 March 2017 (increase by Rs. 370.00 lakhs in other non current liabilities and increase by Rs. 70.45 lakhs in other current liabilities as at March 31,2016) . There is an increase in borrowings under current liabilities by Rs. 10.45 lakhs as at March 31, 2017 (decrease by Rs. 10.45 lakhs as at April 1, 2016) and increase in total equity by Rs. 72.62 lakhs as at March 31, 2017 (increase by Rs. 107.38 lakhs as at April 1, 2016). There had been increase in finance cost by Rs.45.99 lakhs and increase in other income by Rs. 11.23 lakhs and decrease in deferred tax liabilities by Rs. 11.31 lakhs as at March 31, 2017 (increase by Rs. 25.93 lakhs as at April 1, 2016).

k) Under previous GAAP, Deferred tax asset for unused tax losses and unabsorbed depreciation was recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Under IND AS Deferred tax asset is recognised for carry forward unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deferred tax asset can be utilised. The Company has thus recognised Deferred Tax Asset of Rs. 6,080.91 lakhs as at March 31, 2017 (Rs. 6,691.09 lakhs as at April 1,2016) and increase in other equity by Rs. 6,691.09 lakhs as at April 1 , 2016

l) Under previous GAAP, Prior period items are included in determination of net profit or loss of the period in which the error pertaining to a prior period is discovered and are separately disclosed in the statement of profit and loss in a manner that the impact on current profit or loss can be perceived. Material prior period errors are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening balance sheet. Accordingly Rs. 283.92 lakhs of prior period expense identified in the previous GAAP financial statements for the year ended March 31, 2017 has been accounted as at the transition date of April 1, 2016 to Other Equity by adjusting the following balances

Particulars	Amount (Rs. in lakhs)
Property, Plant and Equipment	224.91
Other current assets	6.21
Borrowings under Non current Liabilities	41.66
Provisions under Non current Liabilities	11.14
Total	**283.92**

m) Under pervious GAAP Grants relating to non-depreciable assets are credited to capital reserve. Under IND AS Grants related to non-depreciable assets may also require the fulfilment of certain obligations and would then be recognised in profit or loss over the periods that bear the cost of meeting the obligations. Capital Reserve relating to government grant of Rs. 25.00 lakhs transferred to Reserves and Surplus under Other Equity as at April 1, 2016

n) Under previous GAAP, the Company accounted for equity settled stock options under the 'intrinsic value' method and made fair value disclosures. Under IND AS the Company will account for equity settled stock options using the 'fair value' method. Under this method, compensation cost for the employees' stock options will be recognized based on the fair value at the date of grant in accordance with the Black Scholes model. Accordingly, share option outstanding account has increased and Reserves and surplus under other equity has decreased by an amount of Rs. 3.29 lakhs as at March 31, 2017 (Rs. 0.06 lakhs by April 1, 2016). Consequently, Employee benefit expenses has increased by Rs. 3.23 lakhs as at March 31,2017.

o) Under previous GAAP, the Company made provision for doubtful debts for Trade Receivables based on the ageing analysis and individual debtor assessment of recoverability. Under IND AS the impairment model of financial asset is based on Expected Credit Loss model. Accordingly, the Company has provided loss allowance based on Expected credit loss and as a result trade receivables has decreased by Rs. 8.01 lakhs as at March 31, 2017 (decreased by Rs. 44.65 lakhs as at April 1, 2016). Reserves and Surplus under other Equity decreased by Rs. 44.65 lakhs as at April 1 , 2016. Consequently, proviwsion for doubtful receivables under other expenses decreased by 5.01 lakhs and written back under other income by Rs. 31.62 lakhs for March 31, 2017.

p) Under previous GAAP, reimbursements receivable from government are carried at cost. Under Ind AS, these are carried at amortized cost. The effect of this change is increase in other non current financial assets by Rs. 175.77 lakhs as at March 31, 2017 (Rs. 139.51 lakhs as at April 1,2016) and decrease in other equity by Rs. 175.77 Lakhs as at March 31, 2017 (Rs. 139.51 Lakhs as at April 1, 2016). There had been increase in other income by Rs. 36.59 lakhs and other expenses by Rs.77.83 lakhs for the year ended March 31, 2017 and consequently decrease in deferred tax liabilities by Rs. 1.72 lakhs as at March 31, 2017 (Rs. NIL as at April 1, 2016).

q) Under IND AS, Cash Credit from Banks which are repayable on demand and form an integral part of an entity's cash management systems are included in cash and cash equivalents for the purpose of presentation of statement of cashflow. Whereas under previous GAAP there was no similar guidance and hence Cash Credit from Banks were considered similar to other borrowings and the movement therein were reflected in cashflow from financing activities. The effect of this is that Cash Credit from Banks of Rs. 31.96 lakhs as at 31 March 2017 and Rs. Nil as at 1 April 2016 have been considered as a part of cash and cash equivalents under IND AS for the purpose of presentation of statement of cashflows. Consequently the cash outflow from financing activities as per statement of cashflow for the year ended 31 March 2017 prepared as per INDAS is lower to the extent of the above.

r) The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

52 Details of Research & Development Expenditure Recognised as an expense (As identified by the management)

Amount Rs. In lakhs

Particulars	**2017-18**	**2016-17**
Employee Benefits expense	34.26	32.29
Professional fees	8.68	9.35
Consumption of Stores and spares	11.74	15.35
Travelling expenses	1.39	1.27
Depreciation	7.59	6.17
Total	**63.66**	**64.43**

53 The Board of Directors has recommended a final dividend of 12.50% (Rs. 1.25 per Equity Share of Rs. 10/- each) for the financial year 2017-18 which is subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

54 Previous Year Figures

As stated in Note 1, the Company has adopted Indian Accounting Standards with effect from 1 April 2017 with date of transition to Ind AS being 1 April 2016. Accordingly, previous year figures in the financial statements have been restated to Ind AS. Further, previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

55 Approval of Financial Statements

The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on 10 May 2018.

For and on behalf of Board of Directors

C S Ramesh
Director
DIN: 00019178

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

V M Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

G Somasundaram
Company Secretary

Place : Chennai
Date : 10 May 2018

CII-ITC Sustainability Awards -2017 from CII-ITC Centre of Excellence for Sustainable Development

SEC Singapore Environmental Achievement Award (Regional) – 2017 from Singapore Environment Council

Indian Chemical Council – ICC Award for Excellence in Management of Environment

Greentech Foundation - Greentech Safety Award - 2017 - Gold Award in Chemical Sector for Outstanding Achievement in Safety Management

CHEMFAB ALKALIS LIMITED

(Formerly Known as Teamec Chlorates Limited)

FORM NO. MGT-11 - PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CHEMFAB ALKALIS LIMITED

(Formerly Known as Teamec Chlorates Limited)

Regd. Office : 'Team House', GST Salai, Vandalur, Chennai-600 048.

CIN No. U24290TN2009PLC071563

Name of the Member(s)	
Registered Address:	
E mail id:	
Folio No. / Client ID:	
DP ID:	

I/We*..

of ....being a Member/Members* of Chemfab Alkalis Limited (Formerly known as Teamec Chlorates Limited) hereby appoint ....of...or failing him/her.......................... ....of ....as my/our* Proxy in my/our* absence to attend and vote for me/us* and on my/our* behalf at the 9th Annual General Meeting of the Company, to be held at 10.30 AM on 5th July, 2018 and at any adjournment thereof in respect of such resolution/s as indicated below:

Resolution No.	Resolution	Vote For (See Note 3)	Vote Against (See Note 3)
1	Adoption of Financial Statements alongwith the Report of the Board of Directors and Auditors for the financial year ended 31st March, 2018 (Ordinary Business)		
2	Approval of Dividend for the financial year ended 31st March, 2018 (Ordinary Business)		
3	Appointment of Director in the place of Mr C. S. Ramesh (DIN:00019178), who retires by rotation and being eligible, offers himself for reappointment (Ordinary Business)		
4	Ratification of Appointment of M/s. Deloitte Haskins & Sells LLP (Firm Registration No.117366W/W-100018) as Statutory Auditors of the Company (Ordinary Business)		
5	Ratification of Cost Auditor's Remuneration (Special Business)		

As Witness set my/our hand/hands* this .... day of 2018

Signature (s)...

1 Rupee Revenue Stamp

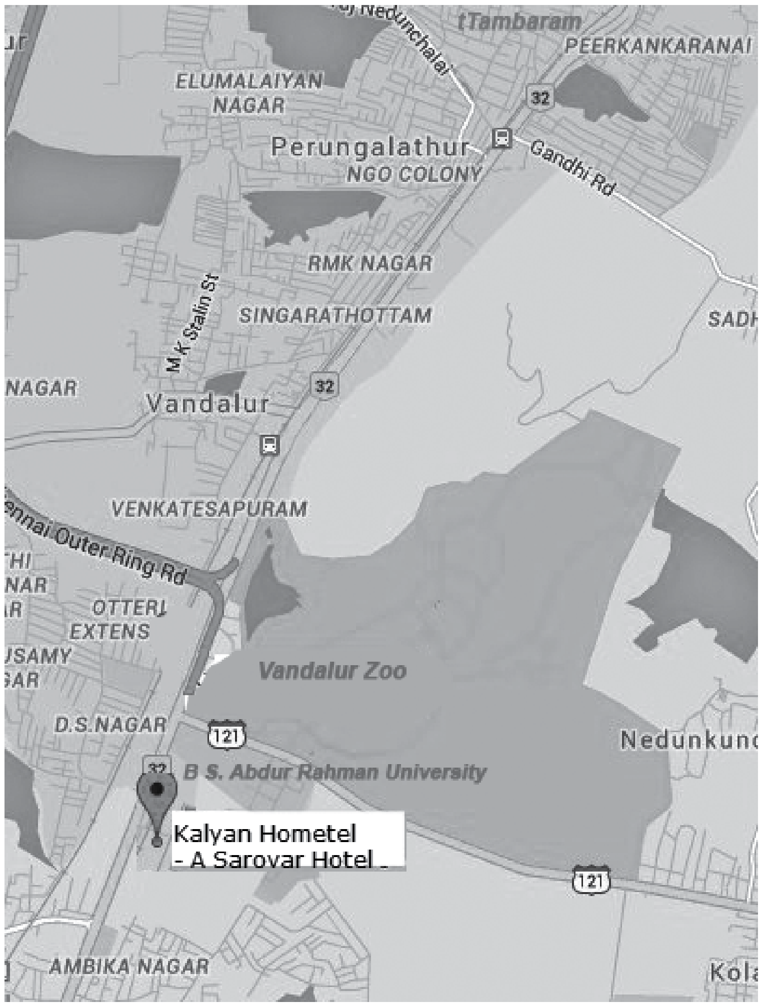
* Delete if not applicable

Note : 1. The Proxy must be deposited at the Registered Office of the Company 48 hours before the time fixed for holding the meeting. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

2. A Person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total Share Capital of the Company. A Member holding more than ten percent of the total Share Capital of the Company may appoint a single Person as a Proxy and such Person can not act as a Proxy for any other Person or Shareholder.

3. It is Optional to put a "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he / she may deem appropriate.

Route Map



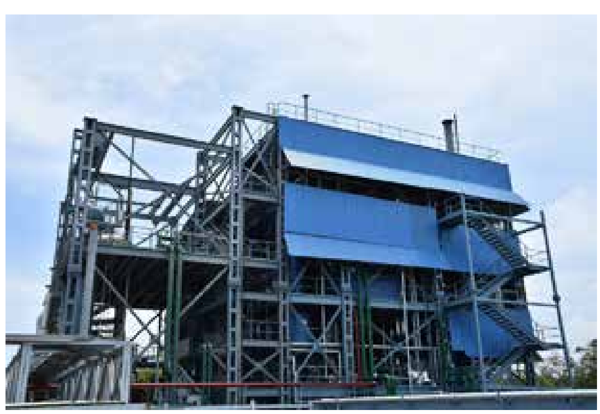
Venue of AGM

Kalyan Hometel – A Sarovar Hotel,
No.247, GST Road, Vandalur, Chennai – 600 048

Date : 05.07.2018
Time : 10.30 am

EDUCATIONAL ASSITANCE TO VILLAGERS

AWARENESS PROGRAMS FOR LOCAL COMMUNITY



CHEMFAB ALKALIS LIMITED

(Formerly known as Teamec Chlorates Limited)

"TEAM House", GST Salai, Vandalur, Chennai - 600 048

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Email : chemfabalkalis@drraoholdings.com Website: www.chemfabalkalis.com

Member - Dr. Rao's Group of Companies