

CHEMFAB/SEC/2020-21

June 30, 2020

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: Notice of the 11th Annual General Meeting and Annual Report 2019 -2020 – reg.
Ref. Regulation 34(1) of the Securities Exchange Board of India (LODR) Regulations – 2015**

In pursuant to Reg.34(1) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a copy of the annual report sent to the shareholders along with the notice of annual general meeting to be held on July 29, 2020 is enclosed herewith for your reference and record.

Further, the same is also available in the Company’s website in the following link:
<https://chemfabalkalis.com/investors/>.

The Schedule of AGM is as set out below.

EVENT	DATE	TIME
Relevant Date / Cut-off date to vote on AGM Resolutions	22.07.2020	NA
Book closure date – Dividend	22.07.2020	NA
Record Date for Dividend	22.07.2020	NA
Commencement of E-Voting	26.07.2020	9.00 A.M
End of E-Voting	28.07.2020	5.00 P.M
Annual General Meeting	29.07.2020	10.00 A.M

Kindly take the above information on record.

Thanking You,

Yours faithfully,
For **CHEMFAB ALKALIS LIMITED**
(formerly known as Teamec Chlorates Limited)



Dr. V. Rajesh
Company Secretary and Compliance Officer



**ANNUAL REPORT
2019-20**

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.*

CCAL

CHEMFAB ALKALIS LIMITED

DIRECTORS

Mr. Suresh Krishnamurthi Rao
Mr. C.S. Ramesh
Mr. R. Mahendran
Mrs. Sujatha Jayarajan
Mr. A. Janakiraman
Mrs. Drushti Desai
Mr. T. Ramabadhran (from 27.06.2019)

Chairman, Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent Director
Independent Director
Independent Director
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. V.M. Srinivasan

CHIEF FINANCIAL OFFICER

Mr. Nitin.S.Cowlagi (up to 07.04.2020)
Mr. S. Prasath (from 07.04.2020)

COMPANY SECRETARY

Dr. V. Rajesh

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@draoholdings.com
Website: www.chemfabalkalis.com
CIN No: L24290TN2009PLC071563

FACTORIES

PUDUCHERRY

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

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@draoholdings.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

ONGOLE

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

SRI CITY

No. 650, Chigurapalem Road
SriCity, Tada, Andhra Pradesh 517646



Suresh Krishnamurthi Rao
Chairman

CHAIRMAN'S STATEMENT - FY - 2019 - 2020

Dear Shareowners,

It gives me great pleasure to present to you the Annual Report of your Company for Financial Year 2019-20. Our Chlor-Alkali business overall has been stable and the company has firmed up its plans for increasing its capacities to take advantage of the growing market demand in the long term for Chlor-Alkali products. This year marks successful first full year of operations of Oriented PVC Pipes business. The operations and results are encouraging and can be a growth engine to reach newer heights of your company.

Chlor-Alkali Segment Outlook

During the year, there was a sharp fall in international caustic soda prices due to various geopolitical issues which affected the Global demand.

Domestic prices moved in tandem with the international prices. During the year, there was a sharp fall by almost 40% in the prices of caustic soda lye. Such a sharp fall was not seen for the last 10 years. The drop in the demand by the end users of the product like the alumina industry coupled with increase in domestic capacities has led to significant pricing pressures in the domestic market.

Caustic Soda being a major inorganic essential commodity, its growth has moved in line with the growth of other segments. The Growth of Caustic and HCL has been between 5- 6 % for both the products in the past. However, the impact of Covid-19 pandemic on the domestic demand is likely to have an impact on the offtake of the Chlor-Alkali products in the coming months.

Your Company has been closely following up with government authorities and other stakeholders to complete the 200 TPD expansion from existing 125 TPD, including setting up of desalination plant for the Chlor-Alkali unit at Puducherry in the financial year 2020-21. However delay in few approvals has postponed the scale up of operations to 200 TPD in the Financial Year 2019-20. This coupled with sharp drop in the prices of Chlor-Alkali products affected the Revenue and profitability of Chlor-Alkali Segment. However, the PVC-O pipes segment of the Company has stabilised well in its first full year of Operations and helped the company in setting off partly the downturn impact of the Chlor-Alkali segment during the year.

In this backdrop, the revenue from operations of the company has increased by about 6% compared to previous year, while the PAT has increased by about 53%.

The financial year gone by was filled with significant challenges. While the domestic economy was showing signs of slowdown since beginning of the calendar year 2020, the world was hit by the Covid-19 pandemic having a significant impact on world economy and societies. This has led to a very deep slowdown in the Indian Economy.

PVC-O pipes Segment Outlook

During the year, we have received BIS approval for our PVCO Pipes in November 2019. This will help in market penetration of our products, especially in the Government segment, which is our major market segment. I believe, in the coming years, this Business would be one of our key focus areas as it has potential for rapid growth. The company has invested in second production line of Orientation and Extrusion Machines, however, we could not commission the same during the year due to global travel restrictions in place due to which the key commissioning team from overseas OEM manufacturers could not travel. The second line is expected to commission during the second quarter of FY 2020-2021 leading to doubling of manufacturing capacity.

Green Field Project at Karaikal

During the year, the company has formed a wholly owned subsidiary company viz, Chemfab Alkalis Karaikal Limited to cater to the ambitious plans of greenfield expansion in the Chlor-Alkali Segment and giving a boost to the 'Make in India' Program of the government. Land for the project has been identified and taken on a long-term lease. The company has plans to start with downstream Chlorine utilisation projects and also thereafter add laid out plans for the design, implementation and commissioning of the new Chlor-alkali Capacity at the new location as well. The new location will help the company in taking a big leap in terms of capacity expansion of the Chlor-Alkali Segment in the coming years.

COVID 19 Impact and Measures adopted

In view of the outbreak of the Coronavirus (COVID-19) pandemic and in compliance with the directives issued by the Government authorities and keeping in mind the safety and well-being of all the employees and stakeholders, the Company had, effective March 23, 2020 onwards shut down its manufacturing operations located at Puducherry (UT) and Sricity in Andhra Pradesh. The operations at PVC-O plant at Sricity resumed post the lifting of lock down restrictions. This has led to loss of production for a period during March to May 2020. The Company expects to catch up to the shortfall in sales in the subsequent period. The operations at Caustic Soda Plant at Puducherry plant was resumed in a phased manner during April 2020 after taking adequate permissions and adhering to the guidelines issued by the government. **Company has been able to operate the caustic soda plant at Puducherry at 85% capacity from** third week of April by being very agile in resuming plant operations in coordination with government authorities and strong marketing efforts.

Company has mandated employees to work from home, except for minimum workforce required for operations of plant and business on rotational basis. All general precautions are being followed as per the directions of government authorities including office of the district collector. Passes have been obtained from local authorities for travel of employees to work place. Vehicles and trucks coming into the factory are being regularly disinfected. The factory premises and also the office areas are regularly disinfected.

A Covid-19 task force was created in the company with the support of a Doctor and OHS team. Masks and hand sanitizer were provided to all CCALmates and also the contract workers. Thermal scanning and social distancing at workplace have been made mandatory. Employees residing at the hotspot areas have been asked to work from home.

As a part of the CSR budget of the Company, the Company has supplied Sodium Hypo Chlorite to local municipalities during March and April 2020. Sodium Hypo Chlorite has been used as a disinfectant by the municipalities and the support by the company in supplying the product free of cost has been widely appreciated by the Puducherry government.

Further company has organized supply of disposable masks/sanitizers / face shields for preventive purposes via Government authorities and other NGO's and contribution to Puducherry COVID19 Relief Fund.

Even though presently there is a demand slow down, I am confident that the company is now well placed to recover from the slowdown and resume the growth plans. Company would continue to focus on internal cost optimisation and to improve the

margins in these difficult times. Further with strong balance sheet and low leverage, company is better placed to tide over the short-term uncertainties caused due to the outbreak of the pandemic.

On behalf of all your Board of Directors, and on my behalf, I express my sincere gratitude to the Central Government and State Governments of Puducherry and Andhra Pradesh and all our Stakeholders for their continued support. I specially thank all our CCAL mates for their efforts, commitment and their contribution to the progress of your Company.

I also take this opportunity to thank all the Directors on the Board, for their valuable inputs.

I am confident that with the Growth Plans we have in place, we will continue to grow and create more value to all the stakeholders.

Suresh Krishnamurthi Rao
Chairman

CCAL

CHEMFAB ALKALIS LIMITED

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CHEMFAB ALKALIS LIMITED
(Regd. Office: 'TEAM House', GST Road, Vandalur,
Chennai-600 048)
CIN: L24290TN2009PLC071563

NOTICE OF THE 11th ANNUAL GENERAL MEETING

Notice is hereby given that the Eleventh Annual General Meeting of the Company will be held on Wednesday, the 29th July 2020 through Video Conference (VC)/ Other Audio Visual Means (OAVM) at 10.00 A.M. IST 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 Standalone and Consolidated Financial Statements of the Company i.e., Balance Sheet of the Company as at 31st March, 2020 and Statement of Profit and Loss A/c (incl. Comprehensive income), Statement of Cash Flows and Statement of Changes in Equity 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. R. Mahendran (DIN: 07451058), 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.”

SPECIAL BUSINESS:

4. 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.1,70,000/- to M/s. Madhavan, Mohan & Associates, the Cost Auditors of the Company for the year 2020 – 21, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified”.

5. APPOINTMENT OF MR. NITIN S COWLAGI (DIN:06703283) WHO WAS APPOINTED AS AN ADDITIONAL DIRECTOR:

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

“RESOLVED THAT pursuant to the provisions of Sections 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Nitin S Cowlagi (DIN: 06703283) who was appointed as an Additional Director by the Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee and who holds office as such up to the date of this Annual General Meeting of the Company proposing his candidature for the office of director be and is hereby appointed as a Director of the Company, whose term of office is liable to retire by rotation.”

6. PAYMENT OF COMMISSION TO Mr. SURESH KRISHNAMURTHI RAO, (DIN:00127809) NON – EXECUTIVE DIRECTOR OF THE COMPANY

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of sections 197, 198 of the Companies Act 2013 (ACT”) read with Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amended regulations 2018 (“Listing Regulations”) and rules made thereunder, the consent of the members of the company be and is hereby accorded to the payment of commission for the financial year 2019 – 2020 to Mr. Suresh Krishnamurthi Rao, (DIN: 00127809) Non – Executive Director of the company, computed in the manner prescribed under section 198 of the Act, which may exceed 50% (Fifty percent) of total remuneration payable to all Non – Executive Directors for the financial year 2019 – 2020.

RESOLVED FURTHER THAT the above-mentioned total remuneration shall be in addition to the fees may be

decided/approved by the Board of Directors (including any Committee thereof) and reimbursement of various expenses incurred in performance of his duties including travelling and other out – of – pocket expenses as required from time to time.

RESOLVED FURTHER THAT Dr.V. Rajesh, the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things as may be necessary to give effect to the foregoing resolutions.”

7. APPROVAL OF CHEMFAB ALKALIS EMPLOYEES STOCK OPTION SCHEME 2020 (CAESOS-2020) AND GRANT OF EMPLOYEES STOCK OPTIONS TO THE EMPLOYEES OF THE COMPANY THEREUNDER

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as “SEBI (SBEB) Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee, which the Board has constituted to exercise its powers, including the powers, conferred by this Resolution), approval and consent of the Shareholders of the Company (“Shareholders”) be and is hereby accorded respectively to the ‘Chemfab Alkalies Employees Stock Option Scheme 2020 (hereinafter referred to as the “CAESOS-2020” or “the Scheme”) and to the Board to create, offer and grant from time to time up to 4,00,000 (Four Lakhs) Employees stock options (Options) being not exceeding 2.87 % approximately of the paid-up equity share capital of the Company as on the date of passing the resolution to the permanent Employees including Directors of the Company [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India [hereinafter referred to as an “Employee(s)”, as may be decided solely by the Board under the Scheme, exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in

aggregate of the face value of Rs. 10/- (Rupees Ten) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI (SBEB) Regulations and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done, including appointment of Merchant Banker, are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of the options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders (“Additional Shares”), the ceiling as aforesaid of 4,00,000 (Four Lakhs) options and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares or other relevant securities of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate CAESOS-2020 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of CAESOS-2020 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations 2014 and any

other applicable laws and regulations to the extent relevant and applicable to CAESOS - 2020.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to take necessary steps for listing of the equity shares allotted under CAESOS-2020 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Regulations with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby further authorised to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorising or appointing Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of CAESOS-2020 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/ Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this Resolution.”

8. GRANT OF STOCK OPTIONS TO THE EMPLOYEES OF THE HOLDING / SUBSIDIARY / ASSOCIATE COMPANY(IES) OF THE COMPANY UNDER CHEMFAB ALKALIS EMPLOYEES STOCK OPTION SCHEME 2020

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI SBEB Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to

as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (“Shareholders”) be and is hereby accorded to create, offer and grant from time to time 4,00,000 (Four Lakhs) Employees stock options within the overall ceiling of 4,00,000 (Four Lakhs) equity shares to the permanent Employees including Directors [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India of any existing and future Holding / Subsidiary / Associate Company(ies) of the Company whether in or outside India (hereinafter referred to as an “Employee(s)”), as may be decided solely by the Board under the ‘Chemfab Alkalys Employees Stock Option Scheme 2020’ (hereinafter referred to as “CAESOS-2020” or “the Scheme”), exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 10/- (Rupees Ten) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI (SBEB) Regulations 2014 and in due compliance with other applicable laws and regulations.

RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done, including appointment of Merchant Banker, are hereby specifically approved and ratified.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of the options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders (“Additional Shares”), the ceiling as aforesaid of 4,00,000 (Four Lakhs) Options and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of

Rs. 10/- (Rupees Ten) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.

RESOLVED FURTHER THAT the Board be and is hereby also authorised at any time to modify, change, vary, alter, amend, suspend or terminate CAESOS-2020 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the CAESOS-2020 and do all other things incidental and ancillary thereof.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI (SBEB) Regulations and any other applicable laws and regulations to the extent relevant and applicable to the CAESOS-2020.

RESOLVED FURTHER THAT the Board be and is hereby also authorized to take necessary steps for listing of the equity shares allotted under the CAESOS-2020 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including authorizing or appointing Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of CAESOS-2020 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/ Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorized to do for the purpose of giving effect to this Resolution.”

9. GRANT OF STOCK OPTION TO THE EMPLOYEES IN EXCESS OF 1% OF ISSUED EQUITY CAPITAL UNDER CHEMFAB ALKALIS EMPLOYEES STOCK OPTION SCHEME 2020

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “SEBI (SBEB) Regulations”) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), approval and consent of the Shareholders of the Company (“Shareholders”) be and is hereby accorded to create, offer and grant from time to time, in a financial year, employees stock options in excess of 1% of the issued capital of the Company (excluding outstanding warrants and conversions) at the time of grant of such options within the overall ceiling of 4,00,000 (Four Lakhs) equity shares to the permanent Employees of the Company or of the Holding Company or of the Subsidiary Company(ies) or of Associate Company(ies) including Directors [other than Promoter(s) or persons belonging to the Promoter Group of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding equity shares of the Company], whether Whole time or otherwise, whether working in India or out of India of any existing and future Holding Company or Subsidiary Company(ies) or Associate Company(ies) whether in or outside India (hereinafter referred to as an “Employee(s)”), as may be decided solely by the Board under the ‘Chemfab Alkalys Employees Stock Option Scheme 2020’ (hereinafter referred to as “CAESOS-2020” or “the Scheme”), exercisable into not more than 4,00,000 (Four Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 10/- (Rupees Ten) each at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Scheme, SEBI (SBEB) Regulations and in due compliance with other applicable laws and regulations.”

By Order of the Board of Directors
for **Chemfab Alkalys Limited**

Sd/-

Place: Chennai

Dr.V.Rajesh,

Date: 04.06.2020

Company Secretary

NOTES:

1. Being this AGM scheduled to be held through VC/OAVM in pursuant to MCA Circular No. 14/2020 dated April 08, 2020, hence the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

2. 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.

3. 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, and as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020 the Company is pleased to offer the option of remote and AGM 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). The Members can vote electronically either in advance during the e-voting period ("remote e-voting") or on the day of AGM. The Company has appointed S.A Inbavadivu, Advocate in Practice, as Scrutinizer.

CDSL E-VOTING SYSTEM – FOR REMOTE E-VOTING AND E-VOTING DURING AGM

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio-visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA

Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, **the facility to appoint proxy to attend and cast vote for the members is not available for this AGM.** However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.

6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.chemfabalkalis.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.

7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

8. THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER:

(i) The remote voting period begins **on Sunday 26.07.2020 from 09.00 a.m. and ends on Tuesday 28.07.2020 at 5.00 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 22.07.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

(iv) Click on “Shareholders” module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DPID followed by 8 Digits Client ID,

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

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

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

(viii) If you are a first-time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.

Dividend Bank Details	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.
OR Date of Birth (DOB)	<ul style="list-style-type: none"> 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 as mentioned in instruction (v).

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

(x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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 also used by the demat holders for voting for resolutions of any other company 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.

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

(xii) Click on the **EVS N 200623001** for Chemfab Alkalys Ltd on which you choose to vote.

(xiii) 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.

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

(xv) 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.

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

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

(xviii) 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". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. **For Physical shareholders-** please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **RTA email id narasimhan@cameoindia.com** on or before 22.07.2020

2. **For Demat shareholders -** please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to **RTA email id narasimhan@cameoindia.com** on or before 22.07.2020

3. The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above-mentioned shareholders.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to

use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 (seven) days prior to meeting** i.e., on or before 22.07.2020 mentioning their name, demat account number/folio number, email id, mobile number at (ccaldcs@draoholdings.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 (seven) days prior to meeting** i.e., on or before 22.07.2020 mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xix) Note for Non – Individual Shareholders and Custodians

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

- 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ccaldcs@draoholdings.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting 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 or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESSES PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO: 4 - RATIFICATION OF REMUNERATION TO THE COST AUDITOR

At the Board Meeting held on the June 04, 2020 after considering the recommendation of the Audit Committee, the Directors appointed M/s. Madhavan, Mohan & Associates, Cost Accountant, as the Cost Auditor of the Company for the year 2020 – 2021 on a remuneration of Rs.1,70,000/-. 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.

ITEM NO: 5 APPOINTMENT OF Mr. NITIN S COWLAGI AS A DIRECTOR

The Board of Directors at their meeting held on June 04, 2020, upon recommendation of Nomination and Remuneration Committee appointed Mr. Nitin S Cowlagi (DIN: 06703283) as an Additional Director to hold office as such up to the date of this Annual General Meeting of the Company.

Brief Resume of Mr. Nitin S Cowlagi

Mr. Nitin S Cowlagi a Graduate in Commerce from Bombay University. He has over 35 years of experience in handling Finance & Accounts. He has been in the CCAL Group for over 2 decades and is involved in the handling of Project Finance, Treasury Functions, and Statutory Compliances apart from the day to day Finance & Accounts activities.

He was the Chief Financial Officer of the Company retired w.e.f., 07.04.2020, and instrumental in finalizing and publishing the Audited Accounts on 31st March itself. Thus, he brings in with him an experience of 3.5 decades of handling and strategizing of Finance and other related matters.

He holds 56142 shares of the company issued under the 'CAESOS – 2015' scheme.

He does not hold Directorship in any company.

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.

ITEM NO: 6 PAYMENT OF COMMISSION TO Mr. SURESH KRISHNAMURTHI RAO

In the Annual General Meeting held on 4th September 2017, the members of the Company had granted their approval for payment of remuneration/commission to the Directors including Independent Directors for a period of 5 years commencing from 1st April 2017 within the ceiling limit of 11% of the net profits of the company in accordance with Section 198 of the Companies Act 2013 and such payments shall be made in respect of profits of the company for each financial year.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 04.06.2020 granted in – principle approval to pay a remuneration of Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakh only) to Mr. Suresh Krishnamurthi Rao, a Non – Executive Director of the company for the financial year 2019 – 2020, subject to the approval of shareholders.

Mr. Suresh Krishnamurthi Rao, has been instrumental in guiding the company towards growth and sustainability. His vision has seen the company achieve high standards of corporate governance, innovation, brand visibility and growth – oriented project investments. Mr. Suresh Krishnamurthi Rao has been playing a pivotal role in the growth of the company and thereby also maximizing stakeholder value.

The Board deems it appropriate to recognize his contribution and compensate such amount as remuneration as it deems fair. Pursuant to the regulations 17 (6) (ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including amendment of said Regulation 2018, the approval of shareholders by special resolution is required for payment of remuneration in excess of 50% of the total annual remuneration payable to all the Non – Executive Directors.

The proposed remuneration to Mr. Suresh Krishnamurthi Rao is in excess of 50% of the total annual remuneration payable to all the Non- Executive Directors.

The Board commends the passing of the resolution as set out in Item no.6 of the Notice for approval of the members as a Special Resolution.

Except Mr. Suresh Krishnamurthi Rao, Director, none of the other directors, key managerial personnel of the company, in any way concerned or interested, financially or otherwise, in the resolutions set out in Item No: 6 of the accompanying Notice.

ITEM NO: 7. 8 and 9

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives. Your Company believes that equity based Compensation schemes are an effective tool to reward the employees (including Directors) of the Company in the growth of the Company, to create an employee ownership in the Company, to attract new talents, to retain the key resources in the organization and for the benefit of the present and future employees of the Company.

With this objective in mind, your Company intends to implement Chemfab Alkalys Employees Stock Option Scheme 2020 (CAESOS-2020) for the aforesaid employees.

The Company seeks members' approval in respect of CAESOS-2020 and grant of Stock Options to the eligible employees of the Company as decided in this behalf from time to time in due compliance of the Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations").

The main features of the CAESOS 2020 are as under:

a. Brief description of the Scheme(s):

The Chemfab Alkalys Employees Stock Option Scheme 2020 (CAESOS-2020) encourages a long term and committed involvement of the Employees in the management and future of the Company. The objective of the Scheme is to encourage ownership of the Company's equity by its Employees on an ongoing basis. The Scheme is intended to reward the Employees for their contribution to the successful operation

of the Company and to provide an incentive to continue contributing to the success of the Company. It is envisaged that the Scheme will enable the Company to attract and retain the best available talent by making them partners in business and its growth.

The Scheme seeks to grant to the Employees, options convertible into equal number of equity shares of Rs. 10/- (Rupees Ten) each of the Company. It further empowers the Board of Directors (or such Committee including the Compensation Committee or such officers of the Company to whom the Board may delegate these powers) to amend, vary or modify the terms and conditions pertaining to the grant of options, pricing of options, issue or allotment of equity shares or warrants pursuant to the options, to make adjustments as may be required and to the extent permissible in law for dividends, bonus and other rights that may accrue in respect of the options granted.

b. Total number of options to be granted

The total number of options to be granted under CAESOS-2020 shall not exceed 4,00,000 number of options convertibles into equivalent number of shares of Rs. 10 each approximately equivalent to 2.87% of the present issued equity share Capital of the Company.

c. Classes of Employees entitled to participate in the Scheme

The following classes of the Employees are entitled to participate:

- (i) a permanent Employee of the Company who has been working in India or outside India; or
- (ii) a director of the Company, whether a whole-time director or not but excluding an independent director; or
- (iii) an Employee as defined in clauses (i) or (ii) of a subsidiary, in India or outside India, or of a holding company of the Company or of an associate company but does not include-
 - (a) an Employee who is a promoter or a person belonging to the promoter group; or
 - (b) a director who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than ten percent of the outstanding equity shares of the Company.

a. Requirements of vesting and period of vesting

The Vesting period under CAESOS – 2020 is as follows:

- 25% of the Options - One year from the date of grant

- 25% of the Options - Two years from the date of grant
- 25% of the Options - Three years from the date of grant
- 25% of the Options – Four years from the date of grant

b. Maximum period (Subject to the regulation 18(1) or 24(1) of the Regulations, as the case may be) within which the options shall be vested

The maximum period for vesting of options is four years from the date of offer/grant.

c. Exercise price

The Exercise price per share will be at a discount of 30% of the last traded price on the National Stock Exchange of India Ltd. (NSE) on the previous trading day of the date of grant of options.

d. Exercise period and process of exercise

The Employee can exercise his right to convert the options into shares either in full or in stages by addressing a communication to the Compensation Committee as per Form II of this Scheme or any other prescribed form. He has to mention the number of shares that he is willing to take under CAESOS 2020.

The exercise period shall commence from the date of vesting and expire not later than 12 (Twelve) months from the last vesting date, except in the case of discontinuation of the services of an Employee, which has been discussed in the CAESOS 2020. The Compensation Committee may grant an extension upon a specific request made by the Employee concerned to this effect.

e. Appraisal process for determining the eligibility of Employees for the scheme(s).

The Employees falling within the scope of CAESOS-2020 will be selected for grant of options based on their performance during the year and having been recommended by their respective supervisor. The final eligibility will be decided by the Compensation Committee under CAESOS-2020.

The Compensation Committee is entitled to review the criteria and eligibility of the Employees for grant of options.

f. Maximum number of options to be issued per Employee and in aggregate

The Scheme provides discretion to the Board to determine the total Number of options that may be granted to the employees in any financial year (which shall not exceed 4,00,000 (Four Lakhs) options in aggregate).

Resolution under item No.9 of this notice appropriately authorizes the Board to grant Options to the employees

exceeding 1% of the issued capital of the Company in any financial year.

g. Maximum quantum of benefits to be provided per employee under the scheme

The Maximum quantum of benefits underlying the Options issued to an eligible employee shall depend upon the market price of the Share as on the date of sale of Share.

h. Whether the Scheme is to be implemented and administered directly by the Company or trust.

The Scheme is to be implemented and administered directly by the Company without forming or involving any trust.

i. Whether the Scheme involves new issue of shares by the Company or secondary acquisition by the trust or both

The Scheme involves issue of new shares against exercise of options. There is no involvement of trust and therefore there will not be any secondary acquisition.

j. The amount of loan to be provided for implementation of the Scheme by the Company to the trust, its tenure, utilization, repayment terms etc.,

CAESOS-2020 is to be implemented and administered directly by the Company without forming or involving any Trust. Therefore, provision of any loan to a Trust under the Scheme does not arise.

k. Maximum percentage of secondary acquisition (subject to limits specified under the Regulations) that can be made by the trust for the purpose of the Scheme(s)

CAESOS-2020 is to be implemented and administered directly by the Company without forming or involving any trust. Therefore, the Scheme does not envisage any secondary acquisition.

l. Statement for conformation to the accounting policies specified in Regulation 15

The Company shall follow the requirements of the 'Guidance Note on Accounting for Employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein.

m. Method which the Company shall use to value its option

Exercise price per share will be at a discount of 30% of the last traded price on the National Stock Exchange of India Ltd. (NSE) on the previous trading day of the date of grant of options.

n. In case the Company opts for expensing of share based Employee benefits using the intrinsic value, the difference between the Employee compensation cost so computed and the Employee compensation cost that shall have been recognized if it had used the fair value, shall be disclosed in the Directors' Report and the impact of this difference on the profits and on the earnings per share ("EPS") of the Company shall also be disclosed in the Directors' Report.

o. The Company has appointed M/s. Vivro Financial Services Private Limited, a registered merchant banker, for the Employees Stock Option Scheme. The said Merchant Banker has issued a certificate stating that CAESOS 2020 complies with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

Consent of the members is being sought by way of a special resolution pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and as per Regulation 6 of the SEBI(SBEB) Regulations.

A draft copy of the 'CAESOS 2020' is available in the company's website www.chemfabalkalis.com

None of the Directors, Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Scheme.

In light of the above, you are requested to accord your approval to this Special Resolution.

By Order of the Board of Directors
for **Chemfab Alkalys Limited**

Sd/-

Place: Chennai

Date: 04.06.2020

Dr. V. Rajesh,
Company Secretary

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Eleventh Annual Report of Chemfab Alkalys Limited along with the Audited Standalone and Consolidated for financial statements for the Financial Year ended 31st March 2020.

The summarized financial results for the Financial Year ended are as under:

Financial Summary:

Particulars	Consolidated (Rs. In Lakhs)	Standalone (Rs. In Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019
Summary of Profit and Loss Statement:			
Total Revenue	20,452.32	20,452.32	19,330.38
Profit before Finance Cost and Depreciation	5,815.99	5,830.32	6,502.92
Less: Finance Cost	315.00	315.00	199.20
Profit before Depreciation	5,500.99	5,515.32	6,303.72
Less: Depreciation and amortization	2,508.76	2,508.76	1,492.12
Profit Before Exceptional Items	2,992.23	3,006.56	4,811.60
Exceptional Items	(321.03)	(321.03)	(1,963.25)
Profit before Tax	2,671.20	2,685.53	2,848.35
Less: Tax including Deferred Tax	126.59	126.59	1,172.77
Profit after Tax	2,544.61	2,558.94	1,675.58
Other Comprehensive Income	71.58	71.58	0.47
Total Comprehensive Income	2,616.19	2,630.52	1,676.05
Summary of Retained Earnings Movement:			
Balance brought forward from last year	(11,918.64)	(11,918.64)	(13,386.62)
Add: Profit after Tax	2,544.61	2,558.94	1,675.58
Add: Other Comprehensive Income (Remeasurement of Defined Benefit Plans, net of taxes)	73.53	73.53	1.72
Less: Impact of adoption of Ind AS 116	8.62	8.62	-
Less: Appropriations			
Final Dividend	174.12	174.12	173.63
Tax on Dividend	35.79	35.79	35.69
Balance Carried to Balance Sheet	(9,519.03)	(9,504.70)	(11,918.64)

Performance and State of Affairs of the Company:

During the year, the realization for Chemical Division decreased sharply due to adverse market conditions which resulted in decrease in sales turnover and profitability of the company, however the same was set off to some extent due to the stabilization and first full year operation of PVC O

plant. Also, during the year, an amount of Rs. 706.70 Lakhs was recognized as impairment loss (as an exceptional item) on account of suspension of the operations of Ongole Plant. During the year under review, the group achieved Total revenue of Rs. 20,452.32 Lakhs and made a Profit after tax (PAT) of Rs. 2,544.61 Lakhs.

Dividend:

Your Directors recommended the payment of Dividend of Rs. 1.25 /- per share (12.50 %) for the year ended March 31, 2020, absorbing a sum of Rs. 174.18 Lakhs considering shares outstanding as at 31 March 2020, 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.

Material Changes occurred during the reporting period

No material changes have occurred or commitments have been made between financial period ended March 31, 2020 and to the date of report which affect the financial position of the Company.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

The Board of Directors of the Company comprises of Non - Executive Chairman who is a promoter of the Company along with him other Six Non - Executive Directors, including four Independent Directors. The Company has two women Independent Directors. The composition of the Board of Directors in compliance with regulation 17(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors under section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and as per Regulation of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

All the four Independent Directors were registered with the data bank as per the rule 6 of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

The Independent Director registration details are as below:

Sl. No	Name of the Director	Registration number
01.	T. Ramabadhran	IDDB-DI-202002-007333

02.	A. Janakiraman	IDDB-DI-202002-007989
03.	Sujatha Jayarajan	IDDB-DI-201912-001692
04.	R. Drushti Desai	IDDB-DI-202002-015500

Board Composition:

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

Category	Name of Directors
Non – Independent Director	Mr. Suresh Krishnamurthi Rao Mr. C S Ramesh Mr. R Mahendran
Independent Director	Mr. A Janakiraman Mrs. Drushti Desai Mrs. Sujatha Jayarajan Mr. T Ramabadhran (from 27.06.2019)

Currently the Board has Seven Directors, with the composition of Three Non – Independent and Four Independent Directors (with Two Women Independent directors) and all are Non – Executive Directors constituted in line with the terms of Section 149 of the Companies Act 2013 and in terms of Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015.

B. Meetings

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

(Disclosure in pursuant to 134 (3)(b) of the Companies Act, 2013). During the Financial Year 2019 - 2020, the Board of Chemfab Alkalys Limited met five times as under:

Sl. No	Dates of meetings of the Board	Quarter	No. of Directors on the date of Meeting	Total No. of Directors attended
1	07.05.2019	First	6	6
2	30.07.2019	Second	7	6
3	30.10.2019	Third	7	6
4	19.11.2019	Third	7	6
5	29.01.2020	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.

C. Re-appointment of Director Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. R. Mahendran (DIN- 07451058) liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors based on the recommendation of Nomination and Remuneration Committee, has recommended the re-appointment of Mr. R. Mahendran (DIN- 07451058) retiring by rotation.

D. Committees of the Board

The constitution and terms of reference of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee were also aligned with the requirements of regulations 18 to 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Company has also constituted Corporate Social Responsibility Committee. A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report forming part of the Annual Report.

E. Performance Evaluation

Section 134 of the Companies Act, 2013 states that formal evaluation needs to be made by the Board, of its own performance and that of its committees and the individual Directors. Schedule IV of the Companies Act, 2013 and regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 states that the performance evaluation of Independent Directors shall be done by the entire Board of Directors excluding the Directors being evaluated.

Pursuant to the provisions of section 134 (3)(p) of the Companies Act, 2013 and the SEBI (LODR) regulations, 2015, the Board has carried out an evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

F. Directors' Responsibility Statement

(Disclosure in pursuant to 134(3)(c) of the Companies Act, 2013)

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

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

(ii) 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 the Financial Year 2019 – 2020.

(iii) 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) the Directors had prepared the Annual Accounts on a going-concern basis.

(v) 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) 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.

G. Changes in Directors and Key Managerial Personnel

The SEBI has amended its Securities and Exchange Board of India (SEBI) (LODR) Regulations, 2015 to give effect to the suggestions/recommendations provided by the Committee under the Chairmanship of Mr. Uday Kotak with a view to enhancing the standards of corporate governance of listed entities in India, w.e.f. April 01, 2019.

One of the significant amendments is insertion of sub-regulation in Regulation 17(1), restricting the age limit to seventy-five (75) years for appointment or continuation of non-executive Directors in the Board, beyond which shareholders special approval is required.

Consequently, the shareholders had approved in the Annual General Meeting held on 27.06.2019 via special resolution reappointed Mr. T. Ramabadrhan and regularized the appointments of Mr. A. Janakiraman and Mr. C. S. Ramesh.

Mr. Nitin S. Cowlagi, Chief Financial Officer retired w.e.f., 07.04.2020 and upon the recommendation of Nomination and Remuneration Committee, the Board appointed Mr. S. Prasath, fellow member of Institute of Chartered Accountant of India as Chief Financial Officer of the Company w.e.f. 07.04.2020.

H. Changes in Subsidiaries, Joint Ventures and Associates

Your Company had incorporated, a wholly owned subsidiary namely 'Chemfab Alkalys Karaikal Limited' on 19.12.2019 to manufacture all types of chemicals, chemical compounds and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Per chlorate ,

other chemicals and their by-products or derivatives in all forms and kinds.

The said company had obtained a provisional allotment of undeveloped land comprising of 65 acres (2,63,055 sqm) located at extreme South West corner of the layout at Industrial Growth Centre, Polagam, Karaikal on premium lease basis for a period of 30 years initially and extendable up to a maximum period of 99 years, for setting up of a unit for the manufacture of “Caustic Soda Lye”.

The Company is in the process of getting firm allotment of land after land survey and get it registered along with obtaining statutory approvals for setting up its business activities.

I. Significant or Material Orders Passed by Regulators / Courts

There were no any significant or material order passed by the regulators/ courts during the reporting period.

J. Declaration by Independent Directors

The Company has received necessary declarations from Mr. T. Ramabadrhan, Mr. A. Janakiraman, Mrs. Drushti Desai and Mrs. Sujatha Jayarajan independent directors under Section 149 (7) of the Companies Act 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and their Declarations have been taken on record.

K. Details in respect of Frauds

The Company’s auditors’ report does not have any statement on suspected fraud in the company operations to explain as per Sec. 134(3)(ca) of the Companies Act 2013.

L. Fixed Deposits:

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

M. Details 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 are as per **Annexure D**.

N. 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.

O. 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 500 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 Company has also obtained certification for ISO 14001 and OHSAS 18001 systems to take care of critical operational areas. The Company has also implemented Process Safety Management (PSM). We are the first company in our industry to implement the same. We are continuing with the publishing of sustainability report, enhancing our commitment to sustainable development.

P. 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.

The Company has a sophisticated Quality Assurance (QA) Laboratory accredited by NABL in accordance with the requirements of ISO/IEC 17025-2017. Samples from various Chlor- Alkali Industries in India is being analyzed at CCAL - QA Laboratory

Awards received during the year (2019-20):

1. CII- Environmental Best Practices Award – 2019: “Most Innovative Environmental Project Award” for the conversion of flue gas into value added products – Soda ash and Sodium Sulphite - Photograph enclosed.
2. ICC AWARD FOR EXCELLENCE IN MANAGEMENT OF HEALTH & SAFETY- 2018:

Certificate of Merit in *CATEGORY II*

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 E**.

Q. Cost Records

Your Company is maintaining cost records and reports in 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.

AUDIT RELATED MATTERS:

A. 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.

There are no qualifications or adverse remarks in the Statutory Audit Report which require any explanation from the Board of Directors.

B. Cost Auditor:

As per Sec. 148 (6) of Companies Act 2013 and rule 6(6) of the Companies (Cost records and audit) Rules, 2014, the applicability of Cost audit is based on being the overall annual turnover of the company from all its products and services during the immediately preceding financial year rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services, being for which cost records are required to be maintained under rule 3, is Rupees thirty five crore or more.

In conformity with the said provisions of the Companies Act, 2013, the Company has appointed M/s. Madhavan, Mohan & Associates, Cost Auditors, as the Cost Auditor, for the audit of cost accounts for your Company for the year ending 31st March 2021. The remuneration to be paid to him is being ratified at this Annual General meeting.

There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

C. Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. M.R. Thiagarajan, Company Secretary-in-Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report in Form No.MR.3 for Financial year 2019 - 20, is annexed herewith, as **Annexure - I**.

A Certificate from a Company Secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed herewith, as **Annexure – J**.

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

D. Internal Financial Controls

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, controls, financial management and operations of the Company.

The Audit committee at its meeting held on June 04, 2020 has evaluated the internal financial controls and risk management system.

E. Internal Auditor

The board appointed, M/s. Mukesh Manish & Kalpesh, Chartered Accountants as internal auditor for the Financial Year 2020 – 21 based on the recommendation of the Audit Committee.

BOARD COMMITTEE COMPOSITION

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

A. Audit Committee

Pursuant to regulation 18 of SEBI (LODR) Regulations 2015 and the provision of Section 177(8) read with Rule 6 of the companies (Meeting of Board and its Powers) Rules 2014, the Company has duly constituted a qualified and independent Audit Committee. The Audit Committee of the Board consists four "Independent Directors" and One "Non – Independent Director" as members having adequate financial and accounting knowledge. The composition, procedures, powers and role/functions of the audit, committee and its terms of reference are set out in the Corporate Governance Report forming part of the Boards Report.

During the period under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

The board reconstituted the committee w.e.f., 30th July 2019 in terms of Section 177 of the Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations, 2015.

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.

A detailed note on the Audit Committee is given in the Corporate Governance Report forming part of the Annual Report.

B. Nomination and Remuneration Committee:

Consequent to the resignation of Mr. T. Ramabhadran, the Board reconstituted the committee w.e.f., 30th July 2019 in terms of Section 178 of the Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015

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-term 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 and available in your company website www.chemfabalkalis.com.

A detailed note on the Nomination and Remuneration Committee is given in the Corporate Governance Report forming part of the Annual Report.

C. Stakeholders' Relationship Committee:

The board reconstituted the committee w.e.f., 30th July 2019 in terms of Section 178 of the Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015.

A detailed note on the stake holders' relationship Committee is given in the Corporate Governance Report forming part of the Annual Report.

D. 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 500 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.

E. 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.

A detailed note on the Committee is given in the Corporate Governance Report forming part of the Annual Report.

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 2019 – 20 are given in **Annexure – F** to this Report.

OTHER MATTERS

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

Your company had incorporated a wholly owned subsidiary in the name and style of Chemfab Alkalys Karaikal Limited on 19.12.2019 (CIN: U24100TN2019PLC133285) to carry on the business of manufacturing all types of chemicals, chemical compounds and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Per chlorate, other chemicals and their by-products or derivatives in all forms and kinds.

The Company as on 31.03.2020 invested a sum of

Rs. 8,00,00,000 (Rupees Eight Crores only), in the form of 53,20,000 equity shares of Rs. 10/- each aggregating 5,32,00,000 (Rupees Five Crore Thirty-Two Lakhs only) and in the form of 0.01% Cumulative Convertible Preference Shares of 26,80,000 at Rs. 10/- each amount to Rs. 2,68,00,000 (Rupees Two Crore Sixty-Eight Lakhs only).

During the year under review, the Company did not provide any loans, guarantees u/s 186 of the Companies Act 2013.

B. Remuneration details of Directors and Employees

The Company's policy on Directors' appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub-section (3) of section 178, is posted in our company website in the following link <https://chemfabalkalis.com/investors/> and forms part of this Report pursuant to first proviso of Sec. 178 of the Companies Act 2013.

C. Debentures

During the year under review, the Company has not issued any debentures. As on date, the Company does not have any outstanding debentures.

D. Bonus Shares

During the year under review, the Company has not issued any bonus shares.

E. Borrowings

The Company has outstanding borrowings including IND AS accounting adjustment entries and interest accrued of Rs. 4,245.20 Lakhs during the financial Year ended March 31, 2020.

F. Deposits

The Company has not accepted any deposit in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review and as such, no amount on account of principal or interest on public deposits was outstanding as of the balance sheet date.

G. Transfer to Investor Education and Protection Fund

The details of transfer of shares of unclaimed dividend and the shares for seven consecutive years to the Investor Education and Protection Fund has been detailed in the Corporate Governance Report forming part of the Annual Report, which is also available in the company's website.

H. Credit Ratings

CARE has re-affirmed its rating of "CARE A - Stable" for Long term Bank facilities; and CARE A2+ for Short term Bank facilities.

I. Code of Corporate Governance

In compliance with the requirement of regulations 24 to 27 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, a detailed report on Corporate Governance is annexed to this report as **Annexure – H** along with a Certificate from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants affirming compliance with the said Code which is appended as **Annexure – K**.

J. 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 wrongdoing 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.

K. Management Discussion and Analysis Report

In accordance with the requirement of the Listing regulations, the Management Discussion and Analysis Report is presented in a separate section of the Annual Report, is appended as **Annexure – A**.

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

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with the sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- Number of complaints filed during the financial year - NIL
- Number of complaints disposed of during the financial year - NIL
- Number of complaints pending as on end of financial year - NIL

M. 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 is available in our Company's website.

N. Extract of the Annual Return:

An extract of the Annual Return as prescribed under subsection (3) of Section 92 and as per Sec. 134(3)(a) of the Companies Act, 2013 ("Act") is appended as **Annexure - B**.

O. Employees' Stock Option Scheme:

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

The purpose of the Scheme is:

- to attract, retain and motivate talented and critical employees.
- to encourage employees to align Individual performance with the Company's Objectives; and
- to reward employee performance with ownership.

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

As per the approval given by the Shareholders of Chemfab Alkalys Limited, the Options granted to the employees of the amalgamated Company Chemfab Alkalys Limited also carry the eligibility of application of the 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 Alkalys Limited to the Company approved by the NCLT vide its Order dated 30.03.2017.

Shares allotted under employee stock option scheme is provided below:

Particulars	No. of shares allotted
During the FY 2018 – 19	60000
During the FY 2019 – 20	59000
During the FY 2020 – 21 (allotted on 04.06.2020)	38570
Total shares allotted under CAESOS – 2015	157570

Price at which shares were issued: Rs.52.43

Sl. No	Name of the Employee	Total no. of shares allotted as on 04.06.2020
01.	V.M. Srinivasan	81428
02.	Nitin S. Cowlagi	56142
03.	V.R. Raguraman	20000
	TOTAL GRANT	157570

Diluted EPS - Rs.18.27/- (Standalone)

Diluted EPS - Rs.18.16/- (Consolidated)

Equity Shares with differential voting rights: NA

Sweat Equity Shares: NA

Details of Voting rights not exercised: NA

P. Green initiatives

Pursuant to the Ministry of Corporate Affairs (MCA) circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. Electronic copies of the Annual Report 2019 – 20 and Notice of the Eleventh Annual General Meeting are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). Further, the soft copy of the Annual Report (in pdf format) is also available on our website <https://chemfabalkalis.com/investors/>

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration)

Rules, 2014, and Listing Regulations, the Company is providing e-voting facility to all members to enable them or cast their votes electronically on all resolutions set forth in the notice. The instructions for e-voting are provided in the notice.

Q. Statement on Secretarial Standards

The Company is adopting compliances of applicable secretarial standards and other secretarial standards to ensure good governance.

R. Human Resources

Employee relation continues to be cordial and harmonious at all levels and in all the division of the Company. The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and dedication.

The number of employees as on March 31, 2020 was 189. The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - G** to the Board's Report.

ACKNOWLEDGEMENT

The Directors thank 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 CCAL mates at all levels to its profitable and successful operations.

By Order of the Board of Directors
for Chemfab Alkalies Limited

Sd/-

Suresh Krishnamurthi Rao,
Chairman
DIN:00127809

Place: Chennai

Date: 04.06.2020

ANNEXURE – A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Company now operates in Two segments viz Chlor- alkali segment and Oriented PVC Pipes segment

CHLOR-ALKALI INDUSTRY

Chlor-Alkali is the Inorganic Building block and part of the basic Heavy Chemical Industry, manufacturing Caustic Soda, with Chlorine, Hydrogen, Sodium Hypo Chlorate and Hydro-Chloric Acid as by-products. During the last year, the Global Caustic Soda Lye prices were operating between USD 270-330 and have been range bound for the entire year. In the domestic front, the additional capacities which have been added in the West has brought in an imbalance in the Supply demand situation, thereby putting pressure in the prices of the Chlor-Alkali products. The year 2019-20 had seen a “Demand Slowdown “across verticals during the year which also had an adverse impact on the Realisations and the volumes.

Capacity utilisation of Chlor-Alkali industry in 2019-20 is expected to be lower at around 80% against 84% in the previous year.

We expect to increase our Caustic plant capacity to 200 TPD from Q3 of FY 2020-21

ORIENTED PVC PIPES (PVC-O PIPES)

FY 2019-20 was the first full year of operations for PVCO Pipes business and the performance was quite satisfactory with plant operating at almost 90% capacity. The product has been well received in both private and Government segment. We got our BIS licence in November 2019. This will further help us in penetrating into the Government business. As we are visualising good demand in both private as well as Government segment, we have already ordered and received our Second Machine which will be commissioned during Q2 of FY 2020-21. This effectively doubles our capacity from 3000 TPA to 6000 TPA. This will help us maintain our Market Leadership position established during FY 2019-20.

OPPORTUNITIES AND THREATS

COVID -19 has already had an impact on the economy in the first few months of this fiscal and is expected to continue with its impact in the Balance period as well. Crude oil which has crashed to USD 20 / mt is expected to remain between USD 25- 35 /MT during FY 2020-21. With a “Demand Destruction” already felt, and with the predictions that it could take a few more quarters for revival, the prices and the demand for all the Chlor-Alkali products would be under pressure during 2020-21. Further Capacity addition

build up in the domestic industry in the 2020-21 is likely to slow down.

Post COVID lockdown, we were able to restart Chlor-Alkali operations from Second week of April and were able to get back to full production from Second week of May '20.

With respect to PVC O business, operations were closed post Lockdown and operations commenced from 1st week of May'20 and here also we have reach full capacity from second week of May'20.

On pipe business, with Central Government focus on Water Connectivity as well as many State Government schemes, demand is expected to be robust. We are focussed on end to end support to the customers, which has provided us with an Edge in the market, especially in Private segment projects.

OUTLOOK

With the growth in the country's GDP in FY 2020-21 likely to be muted, demand growth in the Chlor-Alkali segment is expected to be muted as well. Infact, in the first half the growth is expected to be negative and growth is expected only from Q3. This could mean a more challenging market environment

PVCO Pipe industry is looking optimistic due to focus of both Central as well as State Government on water Connectivity and distribution. Also, with PVCO Pipes at the infancy stage, we expect the good growth in Market demand.

RISKS AND CONCERNS

For Chlor-Alkali business 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

During the year, the realization for Chemical Division decreased sharply which resulted in decrease in sales turnover and profitability of the company, however the same was set off to some extent due to the stabilization and first full year operation of PVC O plant

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 189 persons and indirect employment to 225 persons.

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefore, including:

S. No.	Ratio Analysis	FY 19-20	FY 18-19	Variance	Variance %	Remarks
(i)	Debtors Turnover Ratio (Times) (Revenue from operations / Average Trade Receivables)	15.80	11.56	4.24	37%	Change due to change in Segment composition in business compared to previous year
(ii)	Inventory Turnover Ratio (Times) (Revenue from operations / Average Inventories)	24.44	33.61	-9.16	-27%	
(iii)	Interest Coverage Ratio (Times) (EBIT / Finance Cost)	10.54	25.15	-14.61	-58%	Decrease due to reduction in EBIT and increase in finance cost
(iv)	Operating Profit Margin (%) (Profit before exceptional items - Other Income / Revenue from Operations)	13.28%	22.45%	-0.09	-41%	Decrease due to decrease in Chlor-Alkali prices and COVID-19 impact on the revenue
(v)	Net Profit Margin (Profit before exceptional Items / Revenue from Operations)	14.70%	24.89%	-0.10	-40%	Decrease due to decrease in Chlor-Alkali prices and COVID-19 impact on the revenue

Above comparison is based on standalone financial statements.

Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

	FY 19-20	FY 18 -19	Variance
RONW	9.28%	6.67%	2.61%

Return on net worth (RONW) is computed as ratio of Profit after tax to total equity.

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.

ANNEXURE - B

MGT – 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2020

[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	L24290TN2009PLC071563
Registration Date	06/05/2009
Name of the Company	CHEMFAB ALKALIS 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	Yes.
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 Web-site : https://cameoindia.com/

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	76%
2	Manufacture & trading of PVCO Pipes	22209	24%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address Of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Chemfab Alkalys Karaikal Limited	U24100TN2019PLC133285	Subsidiary	100 %	2(87)

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

Category of Shareholder		No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Shareholding of Promoter and Promoter Group									
1.	Indian									
a.	Individuals / Hindu Undivided Family	2535327	0	2535327	18.25	2535327	0	2535327	18.19	0.00
b.	Central Government/ State Government(S)	0	0	0	0.00	0	0	0	0.00	0.00

c.	Bodies Corporate	1072182	0	1072082	7.72	1072182	0	1072182	7.69	0.00
d.	Financial Institutions/ Banks	0	0	0	0.00	0	0	0	0.00	0.00
e.	Any Other									
	Sub - Total (A)(1)	3607509	0	3607509	25.97	3607509	0	3607509	25.8890	0.00
2.	Foreign									
a.	Individuals (Non- Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b.	Bodies Corporate	6761068	0	6761068	48.67	6761068	0	6761068	48.5203	0.00
c.	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e.	Any Other									
	Sub - Total (A)(2)	6761068	0	6761068	48.67	6761068	0	6761068	48.5203	0.00
	Total Share Holding Of Promoter And Promoter Group (A) = (A)(1)+(A)(2)	10368577	0	10368577	74.65	10368577	0	10368577	74.41	0.00
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds/UTI	10142	1285	11427	0.08	10142	0	11427	0.07	-0.0092
b.	Financial Institutions/ Banks	2142	142	2284	0.02	2142	0	2142	0.02	-0.0010
c.	Central Government/ State Government(s)	0	0	0	0	0	0	0	0.00	0.00
e.	Insurance Companies	0	0	0	0	0	0	0	0.00	0.00
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0.00	0.00
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0.00	0.00
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0.00	0.00
i.	Any Other									
	Foreign Portfolio Investor (Corporate) Category II	0	0	0	0	0	0	0	0.00	0
	Sub - Total (B)(1)	12284	1427	13711	0.1	12284	0	12284	0.09	-0.0102
2.	Non-Institutions									
a.	Bodies Corporate	377617	12428	390045	2.808	285811	11857	297668	2.1362	-0.6629
b.	Individuals -									
	I. Individual Shareholders Holding Nominal Share Capital upto Rs. 1 Lakh	1823972	223327	2047299	14.7388	1721628	178406	1900034	13.64	-1.0804
	II. Individual Shareholders Holding Nominal Share Capital in Excess of Rs. 1 Lakh	653822	13571	667393	4.7751	794536	13571	808107	5.7993	1.0098
c.	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0
d.	Any Other									
	Clearing Members	4316	0	4316	0.0309	3168	0	3168	0.0227	-0.0082
	Directors And Their Relatives	0	0	0	0.00	0	0	0	0.00	0.00
	Foreign Nationals	0	152857	152857	1.1004	0	152857	152857	1.097	0.0000
	Hindu Undivided Families	0	142	142	0.0	86570	0	86570	0.6213	-0.1148
	Non Resident Indians	111856	31590	143446	1.0327	232923	23133	256056	1.8375	0.8081
	Resident HUF	102291	142	102433	0.7384	86570	0	86570	0.6213	-0.1148
	IEPF									
	Trusts	285	0	285	0.00	285	0	285	0.00	0
		218748	184731	403479	2.9	371844	175990	547834	3.9314	1.0359
	Sub - Total (B)(2)	3074159	434057	3508216	25.2563	3170533	379824	3553643	25.5024	0.3024
	Total Public Shareholding (B) = (B)(1)+(B)(2)	3086443	435484	3521927	25.355	3182817	379824	3562641	25.5907	0.2921
	TOTAL (A)+(B)	13455020	435484	13890504	100.00	13551394	379824	13934504	100	0.2921

C.	Shares Held By Custodians and Against Which Depository Receipts Have Been Issued									
	Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
	Public	0	0	0	0	0	0	0	0	0
	TOTAL CUSTODIAN (C)	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	13455020	435484	13890504	100.00	13551394	379824	13934504	100	0.2921

(ii) Shareholding of Promoters:

S I. No	Name of the Holder (S)	Shareholding at the beginning of the year (01.4.2019)			Shareholding at the Ending of the year (31.3.2020)		
		Number of shares	Percentage	% of shares pledged / encumbered to total shares	Number of shares	Percentage	% of shares pledged / encumbered to total shares
1	Dr Rao Holdings Pte Ltd	6761068	48.67	NIL	6761068	48.52	NIL
2	Titanium Equipment And Anode Manufacturing Company (P) Limited	1072182	7.72	NIL	1072182	7.69	NIL
3	Suresh Krishnamurthi Rao	1424423	10.25	NIL	1424423	10.22	NIL
4	Padma K M	1110712	8.00	NIL	1110712	7.97	NIL
5	N Ramachandran	192	0.00	NIL	192	0.00	NIL
		10368577	74.65	NIL	10368577	74.41	NIL

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

Sl.No	Promoters' Shareholding	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	10368577	74.65	10368577	74.65
	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):	NIL	NIL	NIL	NIL
	At the End of the year	10368577	74.41	10368577	74.41

(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	SENTHILKUMAR N				
	At the beginning of the year 01-Apr-2019	198036	1.43	198036	1.43
	At the end of the Year 31-Mar-2020	176454	1.27	176454	1.27
2	SUBRAMANIAN P				
	At the beginning of the year 01-Apr-2019	157120	1.13	157120	1.13
	At the end of the Year 31-Mar-2020	0	0	0	0
3	P L THIRUNAVUKKARASU				
	At the beginning of the year 01-Apr-2019	124857	0.90	124857	0.90
	At the end of the Year 31-Mar-2020	124857	0.90	124857	0.90
4	CHARTERED CAPITAL & INVESTMENT LTD.				
	At the beginning of the year 01-Apr-2019	62440	0.45	62440	0.45
	At the end of the Year 31-Mar-2020	62440	0.45	62440	0.45
5	V. M. SRINIVASAN				
	At the beginning of the year 01-Apr-2019	35714	0.26	35714	0.26
	At the end of the Year 31-Mar-2020	71428	0.51	71428	0.51
6	APARNAA SAREES PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2019	34500	0.25	34500	0.25
	At the end of the Year 31-Mar-2020	29328	0.21	29328	0.21
7	CREDIT GATE PRIVATE LIMITED				
	At the beginning of the year 01-Apr-2019	34038	0.25	34038	0.25

	At the end of the Year 31-Mar-2020	34038	0.25	34038	0.25
8	BHAVNA GOVINDBHAI DESAI				
	At the beginning of the year 01-Apr-2019	28571	0.21	28571	0.21
	At the end of the Year 31-Mar-2020	28571	0.21	28571	0.21
9	P L THIRUNAVUKKARASU				
	At the beginning of the year 01-Apr-2019	28000	0.20	28000	0.20
	At the end of the Year 31-Mar-2020	28000	0.20	28000	0.20
10	LALITHA RAMAN				
	At the beginning of the year 01-Apr-2019	25571	0.18	25571	0.18
	At the end of the Year 31-Mar-2020	25571	0.18	25571	0.18

(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	1424423	10.25	1424423	10.25
	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	1424423	10.22	1424423	10.22
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	0.00	0	0.00
3	MR. T. RAMABADHRAN				
	At the beginning of the year	142	0.00	142	0.00

	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	142	0.00	142	0.00
4	MR. C S RAMESH				
	At the beginning of the year	58	0.00	58	0.00
	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	58	0.00	58	0.00
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	0.00	0	0.00
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	0.00	0	0.00
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	0.00	0	0.00
8	MR V. M. SRINIVASAN				
	At the beginning of the year	35714	0.26	35714	0.26
	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): Equity share allotted as per the “CAESOS 2016” in the Board meeting held on 07.05.2019.	35714	0.26	35714	0.26
	At the End of the year	71428	0.51	71428	0.51
9	MR. NITIN S COWLAGI				
	At the beginning of the year	14286	0.10	14286	0.10
	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): Equity share allotted as per the “CAESOS 2016” in the Board meeting held on 07.05.2019.	3286	0.02	3286	0.02
	At the End of the year	17572	0.12	17572	0.12

10	MR. V. RAJESH				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	0.00	0	0.00
	At the End of the year	0	0.00	0	0.00

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	3,398.64	-	-	3,398.64
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	18.41	-	-	18.41
Total (i+ii+iii)	3,417.05	-	-	3,417.05
Change in Indebtedness during the financial year				
Net Change (Addition/Reduction)	803.96	-	-	803.96
Indebtedness at the end of the financial year				
i. Principal Amount	4221.01	-	-	4221.01
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	24.19			24.19
Total (i+ii+iii)	4,245.20	-	-	4,245.20

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. 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 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 © Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Not Applicable	
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:

Brief	Name of the Director
SKMR	Suresh Krishnamurthi Rao
CSR	C.S. Ramesh
RM	R. Mahendran
AJ	A. Janakiraman
DD	Drushti Desai
SJ	Sujatha Jayarajan
TR	T. Ramabadhran

Amount - Rs. In Lakhs

S. No	Particulars of remuneration	Name of Directors							Total Amount
		SKMR	CSR	RM	AJ	DD	SJ	TR	
1	Independent Directors								
	Fee for attending board / committee meetings	-	-	-	1.625	1.850	1.250	0.725	5.450
	Commission	-	-	-	5.500	5.500	5.500	6.500	23.000

	Others, please specify	-	-	-	0.000	0.000	0.000	0.000	0.000
	Total (1)	-	-	-	7.125	7.350	6.750	7.225	28.450
2	Other Non-Executive Directors								
	Fee for attending board / committee meetings	0.000	1.925	1.075	-	-	-	-	3.000
	Commission	272.000	5.500	5.500	-	-	-	-	283.000
	Others, please specify	0.000	0.000	0.000	-	-	-	-	0.000
	Total (2)	272.000	7.425	6.575	-	-	-	-	286.000
	Total (B) = (1+2)	272.000	7.425	6.575	7.125	7.350	6.750	7.225	314.450
	Total Managerial Remuneration provided for FY 19-20								240.000
	Overall Ceiling as per the Act								249.750

Note: Directors remuneration of Rs. 306 lakhs for the financial period 2018 – 19 was paid during FY 2019 – 2020

C. i) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB:

Amount Rs. in Lakhs

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		Mr VM Srinivasan (CEO)	Mr V Rajesh (Company Secretary)	Mr. Nitin S Cowlagi CFO	Total
1	Gross salary	100.69	14.10	37.79	152.58
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.17	0.00	0.32	0.49
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2	Stock Option	34.24	0.00	13.15	47.39
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify (post employment benefits)	21.88	0.00	7.89	29.77
	Total	156.98	14.10	59.15	230.23

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)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding	Sec. 211 of Companies Act, 1956. [Sec 129(1) of the Companies Act, 2013] r/w AS 29	Outstanding LC was not shown as <i>Contingent liability</i> in the Financial Statement for the year ended 31.03.2013.	Total compounding fee is Rs.10,000/- Compounding fee. [Rs. 2,500/- each levied-on director]	Regional Director (RD)	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding	Sec 129(1) of the Companies Act, 2013	Secured Loan given to a related party not shown as secured as required under Schedule III of the Companies Act, 2013.	Compounding fee of Rs. 50000/- levied on Chief Financial Officer.	Regional Director (RD)	Nil
	Sec 129(1) of the Companies Act, 2013] r/w AS 29	No provision was made for secured loan (ICDs) and interest thereon given to a related party.	Compounding fee of Rs. 50,000/- levied on Chief Financial Officer.	Regional Director (RD)	Nil

ANNEXURE - C

FORM NO. AOC.1

**STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/
ASSOCIATE COMPANIES/JOINT VENTURES (PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF
SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)**

Part “A”: Subsidiaries

(Information in respect of subsidiary to be presented with amounts in Rs. In Lakhs.)

Name of the Subsidiary	Chemfab Alkalys Karaikal Limited
Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	2019 - 2020
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	NA
Equity Share capital	532.00
Reserves & surplus	(14.33)
Total assets	792.35
Total Liabilities	274.68
Investment	-
Turnover	-
Profit before taxation	(14.33)
Provision for taxation	-
Profit after taxation	(14.33)
Proposed Dividend	-
% of shareholding	100%

Note: Your Company had incorporated, a wholly-owned subsidiary namely ‘Chemfab Alkalys Karaikal Limited’ on 19.12.2019 to manufacture all types of chemicals, chemical compounds and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Per chlorate , other chemicals and their by-products or derivatives in all forms and kinds.

The said company had obtained a provisional allotment of undeveloped land comprising of 65 acres (2,63,055 sqm) located at extreme South West corner of the layout at Industrial Growth Centre, Polagam, Karaikal on premium lease basis for a period of 30 years initially and extendable up to a maximum period of 99 years, for setting up of a unit for the manufacture of “Caustic Soda Lye and Chlorine derivatives”.

The Company is in the process of getting firm allotment of land after land survey and get it registered along with obtaining statutory approvals for setting up its business activities.

Part “B”: Associates and Joint Ventures

There are no associates and JVs to your company during reporting period.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-

Sriraman Parthasarathy
Partner

Place : Chennai

Date : 04.06.2020

For and on behalf of the Board of Directors

Sd/-

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Sd/-

V M Srinivasan
Chief Executive Officer

Sd/-

S Prasath
Chief Financial Officer

Sd/-

V Rajesh
Company Secretary

ANNEXURE – D

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 during the year ended March 31, 2020, which were not at arm's length basis.

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

There were no material contracts or arrangements, or transactions entered during the year ended March 31, 2020.

For and on behalf of Board of Directors of

Sd/-

Suresh Krishnamurthi Rao

CHAIRMAN

Place: Chennai

Date: 04.06.2020

DIN No: 00127809

ANNEXURE – E

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

Particulars	Details
(i) The steps taken or impact on conservation of energy	VFD operation, LED Conversion and other operational controls has resulted in savings of 9.37 Lakhs of Units during FY2019-20
(ii) The steps taken by the company for utilising alternate sources of energy	Commissioning of 110KW & existing 110KWp Roof Top Solar has resulted in Generation of 220109 Units
(iii) The capital investment on energy conservation equipments	Capital investment on Energy conservation initiatives was Rs. 4.77 Lakhs during FY 2019-20

B. Technology Absorption

Particulars	Details
(i) The efforts made towards technology absorption	<p>1. Installed Vapour Absorption Machine (VAM) as substitute for Screw Chiller for generation of chilled water by utilising surplus steam from heat recovery in Hydrochloric acid plant.</p> <p>2. Study of Replacement of 2nd Generation electrolyser with latest 6th Generation electrolyser undertaken</p>
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution	-
(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	a) License to use of Technology, Know-how and IP Rights to manufacture Oriented PVC (“PVC-O”) from Molecor Tecnologia, S.L., Spain
b) the year of import;	b) 2018, 2019
c) whether the technology been fully absorbed;	c) Yes
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	d) N.A.

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. 86.50 Lakhs
Foreign Exchange outgo	Rs. 1865.96 Lakhs

ANNEXURE – F

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	Chairman, Non – Independent Director
b.	Mr. T. Ramabhadran	Member, Independent Director
c.	Mr. A. Janakiraman	Member, Independent Director
d.	Mrs. Sujatha Jayarajan	Member, Independent Director
e.	Mr. R. Mahendran	Member, Non – Independent Director

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 2016-17	1597.10
	Net profit/(Loss) for the year 2017-18	3972.73
	Net profit/(Loss) for the year 2018-19	4750.73
	AVERAGE N.P	3440.19
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. 68.80 Lakhs
5. Details of CSR Expenditure in FY 2019-20		
a.	Total amount spent in the Financial Year 2019-20	Rs. 68.93 Lakhs
b.	Amount unspent, if any	-

c. Details of the Amounts Spent on CSR Projects during the Financial Year 2019 - 20							
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	Education and Training	Schedule VII (ii)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 10.74 Lakhs	Rs. 10.74 Lakhs	Direct
ii	Employment enhancing vocational skills	Schedule VII (ii)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 20.08 Lakhs	Rs. 20.08 Lakhs	Direct
iii	Healthcare	Schedule VII (i)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 1.43 Lakhs	Rs. 1.43 Lakhs	Direct
iv	Rural Development Project	Schedule VII (X)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 5.60 Lakhs	Rs. 5.60 Lakhs	Implementing Agency – Apulkee Samajik Sanstha, Pune
v	Socially and economically backward group	Schedule VII (iii)	Other than Local Area, Maharashtra	—	Rs. 2.00 Lakhs	Rs. 2.00 Lakhs	Direct
vi	Safe Drinking Water	Schedule VII (i)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 9.63 Lakhs	Rs. 9.63 Lakhs	Direct
vii	Ensuring Environment Sustainability	Schedule VII (iv)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 14.77 Lakhs	Rs. 14.77 Lakhs	Direct
viii	Disaster Relief Management	Schedule VII (xii)	Local Area, Puducherry/ Tamil Nadu	—	Rs. 4.68 Lakhs	Rs. 4.68 Lakhs	Direct
	TOTAL				Rs. 68.93 Lakhs	Rs. 68.93 Lakhs	

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

Sd/-
Suresh Krishnamurthi Rao
Chairman
DIN No: 00127809

ANNEXURE – G

REMUNERATION DETAILS

DISCLOSURE PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

The Information required under section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as below:

(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 2019-20	Median Remuneration of Employees FY 2019-20	Ratio
1	Mr. Suresh Krishnamurthi Rao	272.00	5.74	47.39
2	Mr. C.S.Ramesh	7.42	5.74	1.29
3	Mrs. Drushti Desai	7.35	5.74	1.28
4	Mr. Janakiraman A	7.12	5.74	1.24
5	Mr. Mahendran R	6.58	5.74	1.15
6	Mrs. Sujatha Jayarajan	6.75	5.74	1.18
7	Mr. T.Ramabadhran	7.23	5.74	1.26

(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.	Director Name	Remuneration FY 2019-20	Remuneration FY 2018-19	% Increase/(Decrease)
1	Mr. Suresh Krishnamurthi Rao	272.00	377.00	-28%
2	Mr. C.S. Ramesh	7.42	9.33	-20%
3	Mrs. Drushti Desai	7.35	8.58	-14%
4	Mr. Janakiraman A	7.12	9.18	-22%
5	Mr. Mahendran R	6.58	8.35	-21%
6	Mrs. Sujatha Jayarajan	6.75	8.43	-20%
7	Mr. T. Ramabadhran	7.23	10.40	-30%
8	Mr. V.M Srinivasan, CEO	156.98	143.21	10%
9	Mr. Nitin S Cowlagi, CFO*	59.15	40.05	48%
10	Dr. V Rajesh, CS	14.10	-	N.A.

* Up to 07.04.2020

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

Median Remuneration FY 2019-20	Median Remuneration FY 2018-19	% Increase
5.74	4.86	18%

(iv) Number of permanent employees on the rolls of company – 189

(viii) average percentile increases 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, pointing out if there are any exceptional circumstances for increase in the managerial remuneration.

Particulars	FY 2019-20	FY 2018-19	% Increase
Employees Salary	1807.35	1670.62	8.18%
Managerial Remuneration	314.45	431.27	-27.09%

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

(item (v) (vi) (vii) (ix) (x) (xi) Omitted by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 Dated 30th June, 2016.

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	53	26/04/2017 Previous Employment – CEO, the erstwhile amalgamated Company Chemfab Alkalys Limited and Floking Pipes	156.98	0.51	No

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees, age, designation, drawing remuneration, nature of employment, qualification, experience, date of commencement of employment, last employment, and other particulars in terms of the said Rules is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company via email : ccalcosecy@draoholdings.com

ANNEXURE – H

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2020

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The term '**Governance**' refers to the way in which something is governed and function of governing, and the term '**Corporate Governance**' refers to the way in which companies are governed and to what purpose. It is concerned with practices and procedures for trying to ensure that a company is run in such a way that it achieves its mission and goals. It includes maximizing the wealth of the shareholders subject to various guidelines and constraints.

In other words, the term 'Corporate Governance' stands for a commitment to values and ethical business conduct. It is information to outsiders showing how an organization is managed. This includes its corporate structure, its culture, policies, and the way 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 the best talents, and keeps the stakeholders satisfied.

Your Company has been practicing 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 adhering 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, all of whom are Non-Executive Directors.

Sl. No	Name of Directors	Category	Date of appointment
1	Mr. Suresh Krishnamurthi Rao	Promoter, Non - Independent Director	26.04.2017
2	Mr. C.S. Ramesh	Non – Independent Director	26.04.2017
3	Mr. R. Mahendran	Non - Independent Director	14.03.2016
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. T. Ramabadhran (Re-appointed)	Independent Director	27.06.2019

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

The Key Managerial Personnel of the Company

Name of the Personnel	Designation	Remarks
V.M. Srinivasan	Chief Executive Officer	-
Nitin S. Cowlagi	Chief Financial Officer	Retired dated 07.04.2020
S. Prasath	Chief Financial Officer	Appointed w.e.f. 07.04.2020
Dr. V. Rajesh	Company Secretary	-

The composition of the Board, the categorization of Directors, the number of Board meetings held during the Financial Year, 2019-20, 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 2020 are given below:

A. I) INFORMATION ON BOARD OF DIRECTORS AND ATTENDANCE

Sl No	Name of Directors (Mr./Mrs.)	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	Suresh Krishnamurthi Rao	Non - Independent	1424423	5	5	2	0	0	YES
2	C. S. Ramesh	Non - Independent	58	5	5	1	0	0	YES
3	R. Mahendran	Non - Independent	0	5	5	0	0	0	YES
4	Sujatha Jayarajan	Independent	0	5	4	2	2	0	NO
5	Drushti Desai	Independent	0	5	5	2	4	0	YES
6	A. Janakiraman	Independent	0	5	5	0	0	0	YES
7	** T. Ramabadhran	Independent	142	5	2	1	0	0	NO

* The Directorships and membership in Committee held by the Directors as mentioned above do not include Chemfab Alkalies Limited, and Alternate Directorships and Directorships of Foreign Companies and Private Limited Companies.

**Mr. T. Ramabadhran, Independent Director was re-appointed as Director on 27th June 2019.

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

Appointment of Independent Directors

The Independent Directors meeting held on 29.01.2020 and reviewed the performance of Non – Independent Directors and the Board as a whole and the performance of Chairperson – considering of view of other Non – Independent Director(s) and assessed the quality, quantity, and timeliness of flow of information between the company management and the board. <https://chemfabalkalis.com/investors/>

During the Financial Year, Mr. T. Ramabadhran has been appointed as Independent Director w.e.f. 27.06.2019.

In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI Listing Regulations and they are independent of the Management.

Details of Meeting of Independent Directors are as follows:

The Independent Directors met on 29.01.2020 and reviewed the performance of non – independent Directors and the Board of directors as a whole also reviewed the performance of Chairperson – considering of view of other Non – Independent Directors and assessed the quality, quantity and timeliness of flow of information between the company management and the board.

Sl. No	Name of the Director	Number of Meeting	Attended
01.	T. Ramabadhran	1	1
02.	A. Janakiraman	1	1
03.	Sujatha Jayarajan	1	1
04.	Drushti Desai	1	1

A. II) INFORMATION ON BOARD OF DIRECTORS ON OTHER LISTED COMPANIES

Sl. No	Name of the Director	No. of the Directorship in other listed Companies	Name of the listed entities in which he/she is director	Category of Directorship
01.	Suresh Krishnamurthi Rao	-	-	-
02.	C. S. Ramesh	-	-	-
03.	R. Mahendran	-	-	-
04.	Sujatha Jayarajan	1	1. Thejo Engineering Limited	1. Independent Director
05.	Drushti Desai	2	1. Kewal Kiran Clothing Limited 2. Narmada Gelatines Limited	1. Independent Director 2. Director
06.	A. Janakiraman	-	-	-
07.	T. Ramabadhran	-	-	-

B. NUMBER OF BOARD MEETINGS HELD DURING THE YEAR ALONG WITH THE DATES OF THE MEETINGS:

During the Financial Year 2019-20, Five meetings of the Board of Directors were held as under:

Sl No.	Date of Meeting
1.	07 th May 2019
2.	30 th July 2019
3.	30 th October 2019
4.	19 th November 2019
5.	29 th January 2020

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

There is no inter-se relationships between Directors.

D. NUMBER OF SHARES HELD BY NON – EXECUTIVE DIRECTORS

Sl. No	Name of the Director	Number of Shares holding by the NED
01.	Suresh Krishnamurthi Rao	1424423
02.	C. S. Ramesh	58
03.	R. Mahendran	0
04.	Sujatha Jayarajan	0
05.	Drushti Desai	0
06.	A. Janakiraman	0
07.	T. Ramabadrhan	142

E. A CHART OR A MATRIX SETTING OUT THE SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS

Effective Governance are leaders in establishing robust director competency frameworks that can be used by boards to identify director skill gaps and ensure the skills of the current directors are being properly utilized.

Building the right board requires an understanding of director competencies, which involves consideration of the directors' experience, skills, attributes and capabilities. Director competencies encompass two distinct areas:

- (i) Technical competencies and
- (ii) Behavioural competencies.

Technical competencies are a director's technical skills and experience such as accounting or legal skills, industry knowledge, experience in strategic planning and corporate governance.

Behavioural competencies are a director's capabilities and personal attributes and include, for example, linkages to the "ownership"; an ability to positively influence people and situations; an ability to assimilate and synthesize complex information; time availability; honesty and integrity; and high ethical standards.

Thus, the Board of Directors of your Company has identified the following list of core skills/expertise/competencies required for each Director(s) in the context of its business(es) and sector(s) for it to function effectively and those available with the board.

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

(2) Monitoring the effectiveness of governance practices and making changes as needed.

(3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.

(4) Aligning key managerial personnel and remuneration of board of directors with the longer-term interests of the company and its shareholders.

(5) Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

(6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

(7) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place systems for risk management, financial and operational control, and compliance with the law and relevant standards.

(8) Overseeing the process of disclosure and communications.

(9) Monitoring and reviewing board of director's evaluation framework.

The following matrix table is the skills/expertise/competencies identified by the board of directors

Sl. No	Name of the Directors	1	2	3	4	5	6	7	8	9
1	Suresh Krishnamurthi Rao	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	C.S. Ramesh	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	R. Mahendran	-	✓	-	-	✓	✓	-	-	-
4	T. Ramabhadhran	✓	✓	✓	✓	✓	✓	✓	✓	✓
5	A. Janakiraman	✓	✓	✓	✓	✓	✓	✓	✓	✓
6	Sujatha Jayarajan	✓	✓	✓	-	✓	✓	✓	✓	✓
7	Drushti Desai	✓	✓	✓	✓	✓	✓	✓	✓	✓

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 Independent Directors and all the members have relevant finance exposure. The Committee was chaired by an Independent Director.

Consequent to the Appointment of Mr. T. Ramabhadhran, the board reconstituted the committee w.e.f., 30th July 2019 in terms of Section 177 of the Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations, 2015 is as under:

S. No	Name of the Member	Category up to 30.07.2019	Category from 30.07.2019
1	Mr. T. Ramabhadhran	Not applicable	Chairman, Independent Director
2	Mr. A. Janakiraman	Chairman, Independent Director	Member, Independent Director
3	Mrs. Drushti Desai	Member, Independent Director	Member, Independent Director
4.	Mrs. Sujatha Jayarajan	Member, Independent Director	Member, Independent Director
5.	Mr. C.S. Ramesh	Member, Non-Independent Director	Member, Non-Independent Director

The Statutory Auditors, Internal Auditors, 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 including amendment of SEBI (LODR) Regulation 2018. The Audit Committee of the Company met four times during the year under review as indicated below:

Sl No.	Date of Meeting
1.	07 th May 2019
2.	30 th July 2019
3.	30 th October 2019
4.	29 th January 2020

During the Financial Year 2019-20, 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. Ramabadhran	Chairman	Non - Executive Independent Director	1
Mr. C.S. Ramesh	Member	Non - Executive Non -Independent Director	4
Mrs. Sujatha Jayarajan	Member	Independent Director	3
Mr. A. Janakiraman	Member	Independent Director	4
Mrs. Drushti Desai	Member	Independent Director	4

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 re - constituted in compliance with provisions of Section 178 of the Companies Act, 2013 ("the Act") and in terms of 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.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance of evaluation of independent directors.

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.

Consequent to the Appointment of Mr. T. Ramabadhran, the board reconstituted the committee w.e.f., 30th July 2019 in terms of Section 178 of the Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015 is as under:

S. No	Name of the Member	Category up to 30.07.2019	Category from 30.07.2019
1	Mrs. Drushti Desai	Chairperson, Independent Director	Chairperson, Independent Director
2	Mr. T. Ramabadhran	Not applicable	Member, Independent Director
3	Mr. A. Janakiraman	Member, Independent Director	Member, Independent Director
4.	Mr. C.S. Ramesh	Member, Non-Independent Director	Member, Non-Independent Director

During the Financial Year 2019-20, the Nomination and Remuneration Committee of the Company met two times on 7th May 2019, and 29th January 2020.

The attendance of the members are as follows:

Name of the Member	Status	Directors Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	2
Mr. A. Janakiraman	Member	Independent Director	2
Mr. T. Ramabadhran	Member	Independent Director	1
Mr. C.S. Ramesh	Member	Non - Independent Director	2

The Remuneration Policy of your Company is available in the website of the company in the link www.chemfabalkalis.com. There are no any pecuniary relationships or transactions between the Company and Non – Executive Directors except Mr. Suresh Krishnamurthi Rao, who is a promoter.

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:

Sl. No	Name of the Director	Sitting Fees	Commission	Total (Rs. In Lakhs)
01.	Suresh Krishnamurthi Rao	-	272.00	272.00
02.	C. S. Ramesh	1.925	5.500	7.425
03.	R. Mahendran	1.075	5.500	6.575
04.	Sujatha Jayarajan	1.250	5.500	6.750
05.	Drushti Desai	1.850	5.500	7.350
06.	A. Janakiraman	1.625	5.500	7.125
07.	T. Ramabadhran	0.725	6.500	7.225
	TOTAL	8.450	306.00	314.450

DISCLOSURE OF REMUNERATION

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

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.,

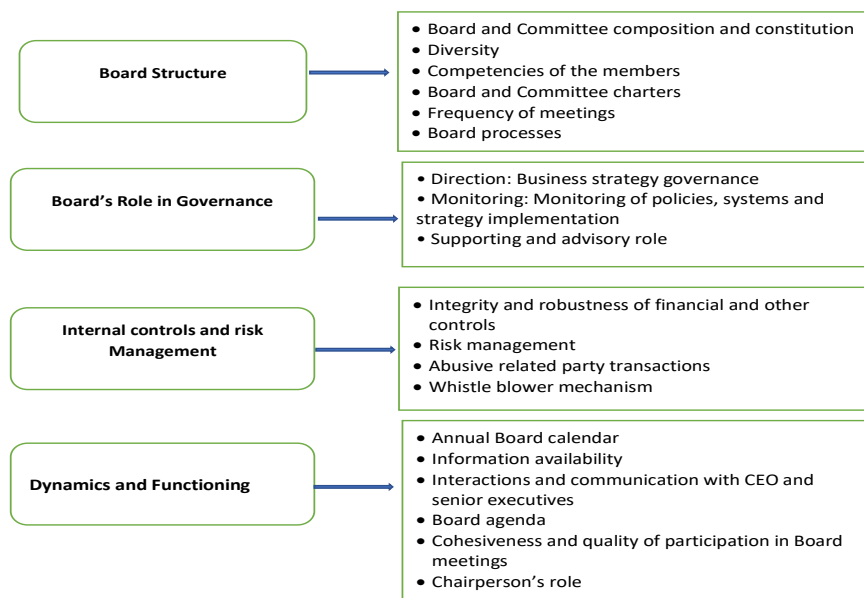
Criteria for making payments to Non-Executive Directors: Payments are made based on the performance and contributions of the Non-Executive Directors as per the details provided under Nomination & Remuneration Policy of the Company.

Overall Board Evaluation

The Board evaluation is a process of evaluating the entire board on its performance and it also provides an independent assessment of the strengths and capabilities of board, committees, and directors.

Thus, an evaluation will:

- assess the balance of skills within the board
- identify attributes required for new appointments
- review practices and procedures to improve efficiency and effectiveness
- review practices and procedures of the board's decision-making processes recognize the board's outputs and achievements



Parameters of Board Evaluation

The Nomination and Remuneration Committee of the Board evaluated the Board by method of collecting the data by distributing the questionnaire to the Directors on 07.05.2019. The following five – based ranking scale was used against each question and asked the directors to rate it.

Strongly Agree	Agree	No Opinion	Disagree	Strongly disagree
1	2	3	4	5

The questionnaire was broadly covered in the following areas:

1. Structure of the Board
2. Functions of the Board
3. Effectiveness of the Board
4. Governance and Compliance
5. Evaluation of risks
6. Grievances redressal for investors and conflict of interest evaluation
7. Stakeholder value and responsibility and
8. Relationship between the Board and the management

The committee obtained responses from the individual directors, collated together and reported to the Chairperson to analyze the result.

This method of the evaluation helped the Board to understand the effectiveness of the board, director's contribution in strategic decision making, participation in Board and Committee meetings, communication and interpersonal skills of the director, ethical issues and dilemmas faced by the director and relationship of the director with the senior management.

The Board also evaluated performance of its following committees.

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination and Remuneration Committee and
4. Stakeholders Relationship Committee

Thus, the performance of the Board, its committees, and individual directors has been evaluated by the Board through Nomination and Remuneration Committee.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

On account of Appointment of Mr. T. Ramabadrhan, the Board reconstituted Stakeholders' Relationship Committee on 30th July 2019 is as under:

S. No	Name of the Member	Category up to 30.07.2019	Category from 30.07.2019
1	Mrs. Drushti Desai	Chairperson, Independent Director	Chairperson, Independent Director

2	Mr. T. Ramabadhran	Resigned	Member, Independent Director
3	Mr. Suresh Krishnamurthi Rao	Member, Non - Independent Director	Member, Non - Independent Director
4.	Mr. Mahendran	Member, Non-Independent Director	Member, 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 2020, there were no Shareholders' complaints pending redressal.

During the Financial Year 2019-20, the Committee met four times on:

<u>Sl No.</u>	<u>Date of Meeting</u>
1.	07 th May 2019
2.	30 th July 2019
3.	30 th October 2019
4.	29 th January 2020

The attendances of the members are as follows:

Name of the Member	Status	Directors' Category	No. of meetings attended
Mrs. Drushti Desai	Chairman	Independent Director	4
Mr. C.S. Ramesh	Member	Non - Independent Director	4
Mr. T. Ramabadhran	Member	Independent Director	1
Mr. Suresh Krishnamurthi Rao	Member	Non - Independent Director	4

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

On account of Appointment of Mr. T. Ramabadhran, the Board reconstituted Corporate Social Responsibility Committee on 30th July 2019 Committee is as under:

S. No	Name of the Member	Category up to 30.07.2019	Category from 30.07.2019
1	Mr. C.S. Ramesh	Chairman, Non- Independent Director	Chairman, Non- Independent Director
2	Mr. R. Mahendran	Member, Non-Independent Director	Member, Non-Independent Director
3	Mr.A. Janakiraman	Member, Independent Director	Member, Independent Director
4.	Mrs. Sujatha Jayarajan	Member, Independent Director	Member, Independent Director
5.	Mr. T. Ramabadhran	Not applicable	Member, Independent Director

During the Financial Year 2019-20, the Committee met two times on:

<u>Sl No.</u>	<u>Date of Meeting</u>
1.	7 th May 2019
2	29 th January 2020

The attendances of the members are as follows:

S. No	Name of the Member	Status	Directors' Category	No. of meetings attended
1	Mr. C.S. Ramesh	Chairman	Independent Director	2
2	Mr. R. Mahendran	Member	Non – Independent Director	2
3	Mr.A. Janakiraman	Member	Independent Director	2
4.	Mrs. Sujatha Jayarajan	Member	Independent Director	2
5.	Mr. T. Ramabadhran	Member	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 Alkalies Limited, though the constitution of such Committee is applicable only to the top 500 listed Companies in terms of market capitalization.

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	Independent Director
2	Mr. C S Ramesh	Member	Independent Director
3	Mrs. Drushti Desai	Member	Independent Director
4	Mr. R. Mahendran	Member	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
2016-17	Kalyan Homitel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai - 600048	04.09.2017	10.00 hrs	Two
2017-18	Kalyan Homitel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai – 600048	05.07.2018	10.30 hrs	---
2018-19	Kalyan Homitel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai – 600048	27.06.2019	09.30 hrs	Three

9. MEANS OF COMMUNICATION

Quarterly Results	Publish in the Stock Exchanges website, as well as Newspaper having wide circulation and Company's website
Newspapers wherein results normally published	1. News Today/ Economic Times 2. Makkal Kural
Website, where displayed	www.chemfabalkalis.com
Whether it also displays official news releases and	Yes
Presentations made to institutional investors or to the analysts	No such presentation made in the reporting period
Financial Results	The Company availed the exemption granted by the SEBI vide circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 for publication of advertisements in newspapers, as required under regulation 47, for all events scheduled till May 15, 2020

10. GENERAL SHAREHOLDERS INFORMATION:

REGISTERED OFFICE	Team House, GST Salai Vandalur, Chennai – 600 048 Phone: +91-44-22750323/324 Fax: +91-44-22750860 Email : cosecy@draaholdings.com website: www.chemfabalkalis.com
ANNUAL GENERAL MEETING, DATE OF BOOK CLOSURE & DIVIDEND PAYMENT DATE	E- Annual General Meeting has been fixed on Wednesday, the 29th July 2020. Book Closure starts from 23.07.2020 to 29.07.2020 (both days inclusive). Dividend will be paid within a period of 7 days from the date of E- Annual General Meeting.

FINANCIAL CALENDAR (TENTATIVE) Covering period from 01 st April 2020 to 31 st March 2021	1 st QTR end Results	30 th July 2020
	2 nd QTR end Results	30 th October 2020
	3 rd QTR end Results	30 th January 2021
	4 th QTR	30 th May 2021
	(Annual Results)	

LISTING 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
BSE LTD (BSE)	541269 / 1,39,34,504 Shares
NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)	CHEMFAB / 1,39,34,504 Shares

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

MARKET PRICE DATA

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2019	155.75	130.60	158.05	142.00
May 2019	179.75	152.75	177.95	151.45
June 2019	175.00	167.00	179.00	166.50
July 2019	176.50	158.40	180.90	161.65
August 2019	167.95	158.00	168.00	153.95
September 2019	196.80	155.00	198.00	153.60
October 2019	194.95	173.40	183.90	170.10
November 2019	194.00	161.00	182.50	160.20
December 2019	173.00	154.05	174.65	159.10
January 2020	221.00	168.20	221.75	170.00
February 2020	195.00	158.05	189.85	151.55
March 2020	175.00	90.05	175.75	98.00

DISTRIBUTION OF SHAREHOLDING - DISTRIBUTION OF HOLDINGS - AS ON 31.3.2020

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	5620	98.1830	1783856	17838560	12.80
5001 - 10000	61	1.0656	411314	4113140	2.95
10001 - 20000	23	0.4018	316124	3161240	2.27
20001 - 30000	5	0.0873	126554	1265540	0.91
30001 - 40000	2	0.0349	68844	688440	0.49
40001 - 50000	2	0.0349	95566	955660	0.69
50001 - 100000	4	0.0698	277430	2774300	1.99
100001 - And Above	7	0.1222	10854816	108548160	77.90
Total :	5724	100.00	13934504	139345040	100.00

SHARE TRANSFER SYSTEM

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

DETAILS OF UNCLAIMED SHARES

The erstwhile Listed Company Chemfab Alkalys Limited which was amalgamated with the Company had sent the reminders vide letters 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 Alkalys Limited Unclaimed Suspense Account.

Further, the Company opened an account viz., Chemfab Alkalies Limited Unclaimed Suspense Account (demat account) and dematerialized 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 -186 shareholders having 70783 Equity Shares

(b) number of shareholders who approached listed entity for transfer of shares from suspense account during the year – one shareholder having 142 shares.

(c) number of shareholders to whom shares were transferred from suspense account during the year - one shareholder having 142 shares.

(d) aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 185 shareholders having 70641 Equity Shares

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

DETAILS OF UNCLAIMED DIVIDEND AND THE SHARES TRANSFERRED TO IEPF

Pursuant to the provisions of Sec. 124(5) of the Companies Act 2013, the unclaimed dividends aggregating Rs. 6,15,860/- (Rupees Six Lakhs Fifteen Thousand Eight Hundred and Sixty only) which remains as unpaid or unclaimed for a period of seven years from the date of such transfer are transferred by the company, to the Fund established under sub-section (1) of section 125 (i.e., Investor Education and Protection Fund).

Further in pursuant to provisions of Sec.124 (6) of the Companies Act 2013, 9044 shares in respect of which dividend has not been paid or claimed for seven consecutive years, are transferred by the company to Investor Education and Protection Fund.

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 31.03.2020, 97.26% 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

CHLORALKALI PLANT	'Gnanananda Place', Kalapet, Puducherry 605 014
SALT FIELD	1.Kanthadu Village, Marakanam Post, Villupuram District, Tamil Nadu 2.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

CREDIT RATING DISCLOSURES

CARE	2019 – 2020	2018 – 19
Long term Bank Facilities	CARE A - Stable	CARE A - Stable
Short term Bank Facilities	CARE A2+	CARE A2+

11. 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

<https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Materiality-of-Related-Parties-Transaction.pdf> 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. Quarterly Compliance report:

The Company has submitted its Corporate Governance report as prescribed format to the BSE Ltd and National Stock Exchange within 15 days from the end of each quarter.

d. Sexual Harassment Policy

The Company has in place a Sexual Harassment Policy in line with the requirement of Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Compliant Committee (ICC) has been set up to redress the complaints received in connection with the sexual harassment in any form.

All employees (permanent, contractual, temporary, trainees) are covered under this policy.

- a. Number of complaints filed during the financial year - NIL
- b. Number of complaints disposed of during the financial year – NIL
- c. Number of complaints pending as on end of financial year - NIL

e. Details of non – compliance of the company, penalties, stricture imposed on the listed entity by the stock exchange(s) of SEBI or any statutory authority, or any matter related to capital markets, during the last three years.

There is no any such incidence occurred to the company where the penalties, stricter non – compliance imposed to the company by SEBI or any statutory authority.

f. 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.

g. Accounting Treatment

In the preparation of the financial statements, IND AS and corresponding principles and policies were followed. The Company has followed the applicable mandatory Indian Accounting Standards prescribed under the Companies Act, 2013 in the preparation of the Annual Standalone and Consolidated Financial Statements.

h. 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 optimize the risk management strategies. The Company has a defined risk management framework.

i. 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 is available in the below Weblink <https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Code-of-Conduct-for-Directors-and-Senior-Management.pdf>

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, authorized 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.

j. Disclosure of material transactions to the Board by the Senior Management

The senior management personnel gives disclosure on annual basis to the Board for all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transactions have taken place during the financial year 2019 – 2020.

k. Recommendation of the Committee

There are no such incident or event where the board had not accepted any recommendation of any committee of the board, which is mandatorily required, in the reporting financial year.

l. Details of Auditor's Remuneration

	Particulars	Standalone Rs. in lakhs	Consolidated Rs. in lakhs
1.	Statutory Audit	19.50	25.40
2.	Limited Review	4.50	4.50
3.	Other Services - Certificates	1.00	1.00
4.	Out of Pocket Expenses	0.75	0.75
	Total	25.75	31.65

m. Subsidiary details

Your Company had incorporated, a wholly-owned subsidiary namely 'Chemfab Alkalies Karaikal Limited' on 19.12.2019 to manufacture all types of chemicals, chemical compounds, and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Per chlorate, other chemicals and their by-products or derivatives in all forms and kinds.

Further, in accordance with the SEBI (LODR) Regulation 2015, the said subsidiary is not falling under the definition of "material subsidiary".

12. CEO/CFO CERTIFICATION

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) 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.

ADDRESS FOR CORRESPONDENCE

Dr. V. Rajesh Company Secretary and Compliance Officer Chemfab Alkalys Limited Team House, GST Salai, Vandalur, Chennai – 600 048 Phone: +91-44-22750323 Email: cosecy@draoholdings.com website: www.chemfabalkalis.com	Mr. S Prasath Chief Financial Officer Chemfab Alkalys Limited ‘Gnananada Place’ Puducherry – 605014 Email: prasath@draoholdings.com website: www.chemfabalkalis.com
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For and on behalf of the Board of Directors of
CHEMFAB ALKALIS LIMITED

Sd/-
Suresh Krishnamurthi Rao
Chairman

Place: Chennai
Dated : 04.06.2020

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. Further, the Company has complied with all the mandatory requirements of the SEBI (LODR) Regulations, 2015, and all the amendments from time to time.,

Sd/-
VM Srinivasan
Chief Executive Officer

Sd/-
S Prasath
Chief Financial Officer

Date: 04.06.2020
Place: Chennai

ANNEXURE – I

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members

Chemfab Alkalys Limited

CIN: L24290TN2009PLC071563

Team House, GST Salai,

Vandalur, Chennai- 600048

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Chemfab Alkalys Limited (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’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, I hereby report that in my opinion, the Company has, during the period covered by my audit, that is to say-1st April 2019 to 31st March 2020 (hereinafter referred to as ‘Audit Period’) 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder.

(ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder.

(iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’) to the extent it was applicable during the Audit Period:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 till 11th September 2018 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 from 11th September 2018;

(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;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 till 11th September 2018 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 from 11th September 2018.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India; and

(ii) The Listing Agreements entered into by the Company with Stock Exchanges and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the audit period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. I further report that the compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof

on test check basis, the Company has complied with the Industry specific laws [as stated in **Annexure** to this report] as applicable to the Company.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors 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 of meetings of the Board of Directors were given to all directors and agenda and detailed notes on agenda in respect of such meetings were sent at least seven days in advance, other than those held at shorter notice, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes of the Meetings.

I 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.

I further report that during the Audit Period:

- **ISSUE OF SHARES UNDER ESOS:** 44000 Equity Shares of Rs.10/- each (Distinctive No(s) from 13890505 to 13934504) were allotted to employees who exercised their option granted under the CAESOS-2015. These equity shares allotted under the CAESOS-2015 were also listed in BSE and NSE

- **WHOLLY OWNED SUBSIDIARY COMPANY:** Chemfab Alkalys Karaikal Limited was incorporated on 19.12.2019 (CIN: U24100TN2019PLC133285) as wholly owned subsidiary (WoS) of the Company to carry on the business of manufacturing all types of chemicals, chemical compounds and chemical products including, but not limited to alkali, acids, Acids, Bases, Solvents, Alcohols, Gases, Ethers, Aliphatics, Aromatics, Aldehydes Ketones, Amines, Alkaloids, caustic soda, Potassium Chlorate, Sodium Chlorate, Per chlorate , other chemicals and their by-products or derivatives in all forms and kinds as stated in its memorandum of association .The Company has till 31.03.2020 invested a sum of Rs. 8,00,00,000 (Rupees Eight Crores only) -Rs. 5,32,00,000 (Rupees Five Crore Thirty-Two Lakhs only) for investment in 53,20,000 equity shares of Rs. 10/- each and Rs. 2,68,00,000 (Rupees Two Crore Sixty-Eight Lakhs only) for investment in 26,80,000 of Cumulative Convertible Preference Shares at Rs. 10/- each in the WoS.

Place: Chennai

Date: 4th June 2020

UDIN: 40053278000315252

Signature:

Name: M R THIAGARAJAN

Company Secretary in Practice

ACS 5327

CP No 6487

ANNEXURE

(Annexure Referred to in my Secretarial Audit Report)

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, 1981 and 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 Transboundary) 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 Legal Metrology Act, 2009
27. The Boilers Act, 1923
28. The Factories Act, 1948 and rules framed thereunder

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To:

The Members

Chemfab Alkalys Limited

CIN: L24290TN2009PLC071563

Team House, GST Salai

Vandalur, Chennai- 600048.

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.

4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai

Signature:

Date: 4th June 2020

Name: M R THIAGARAJAN

UDIN: A0053278000315252

Company Secretary in Practice

ACS 5327 /CoP No 6487

ANNEXURE J

**INDEPENDENT AUDITOR'S CERTIFICATE ON
CORPORATE GOVERNANCE**

**TO THE MEMBERS OF CHEMFAB ALKALIS
LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 18, September 2019.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Chemfab Alkalys Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2020, 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 as amended (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 stipulate 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 31 March, 2020.

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)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai
Date: 04 June 2020
Ref: PS/EKP/KS/2020/70
Unique Document Identification Number:
20206834AAAAAN1901

ANNEXURE – K

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To:
The Members
Chemfab Alkalys Limited
Team House, GST Salai
Vandalur, Chennai- 600048

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Chemfab Alkalys Limited having CIN L24290TN2009PLC071563 and having registered office at Team House, GST Salai, Vandalur, Chennai- 600048, Tamilnadu (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company

Signature:

Name: **M R THIAGARAJAN**

Company Secretary in Practice

ACS 5327/ COP No 6487

Place: Chennai

Date: 04th June 2020

UDIN: A0053278000315521

Sr No.	Name of Director	DIN	Date of Appointment in Company
1	CITTUR SUNDAR RAO RAMESH	00019178	26/04/2017
2	SURESH KRISHNAMURTHI RAO	00127809	26/04/2017
3	DRUSHTI RAHUL DESAI	00294249	26/04/2017
4	SUJATHA JAYARAJAN	00633989	26/04/2017
5	TYAGARAJAN RAMABADHRAN	00701503	27/06/2019
6	ANANTHANARAYANAN JANAKIRAMAN	01831854	26/04/2017
7	R.MAHENDRAN	07451058	14/03/2016

ANNEXURE – L

**INDEPENDENT AUDITOR’S CERTIFICATE
CERTIFYING THAT THE SCHEME HAS BEEN
IMPLEMENTED IN ACCORDANCE WITH THE
REGULATIONS**

1. This certificate is issued in accordance with the terms of our engagement letter dated June 01, 2020

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No: 117366W/ W-100018), have been requested by Chemfab Alkalys Limited with Corporate Identity Number of L24290TN2009PLC071563 (“the Company”), having its Registered Office at Team House, GST Road, Vandalur, Chennai-600048 to certify for the year ended March 31, 2020 that the Chemfab Alkalys Employees Stock Option Scheme 2015 (referred to as the “Scheme”) has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereto (the “Regulations”) and in accordance with the special resolution passed by shareholders of the Company in this regard at the Annual General Meeting held on September 4, 2017 (referred to as the “Resolution”) for submission to National Stock Exchange of India Limited and The Bombay Stock Exchange Limited (together the “Stock Exchanges”).

Management’s responsibility

3. The Management of the Company is responsible for adherence to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 and the Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 and the Notification No. SEBI/LAD-NRO/GN/2015-16/021 dated September 18, 2015 issued pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014 as amended from time to time (together the “Regulations”). This responsibility includes collecting, collating and validating data and the design, implementation and maintenance of internal controls relevant to the implementation of the Scheme that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

4. Pursuant to the Regulations, it is our responsibility to provide reasonable assurance that the Share based Employee Benefits plans have been implemented in accordance with these Regulations and in accordance with the Resolution.

5. We have conducted our verification in accordance with the Guidance Note on Reports or Certificates for Special Purposes (“Guidance Note”) and Standards on Auditing issued by the Institute of Chartered Accountants of India (“ICAI”) and Standards on Auditing specified under section

143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

6. 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.

7. We have, for the purpose of issuing this certificate, examined:

- a. the Scheme of the Company;
- b. the Regulations;
- c. the Resolutions;
- d. written representation from the management; and
- e. such other information and documents which we considered necessary for the purpose of issuing this certificate.

Opinion

8. Based on our examination conducted as described in paragraph 7 above and according to the information and explanations given to us, we certify that the Scheme has been implemented in accordance with the Regulations and in accordance with the Resolution of the Company.

Restriction on use

9. This Certificate has been issued at the request of the Company and is intended solely for compliance the Regulations and may not be suitable for any other purpose. Our Certificate should not be quoted or referred to in any other document or made available to any other person(s) without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

**For Deloitte Haskins & Sells LLP
Chartered Accountants**

Firm’s Registration No. 117366W/W-10018

Sd/-

**Sriraman Parthasarathy
(Partner)
(Membership No.206834)**

Place: Chennai

Date: 04 June 2020

Ref.: PS/EKP/KS/2020/67

Unique Document Identification Number:
20206834AAAAAO1875

INDEPENDENT AUDITOR'S REPORT

To The Members of Chemfab Alkalis Limited

Report on the Audit of the Standalone IndAS financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial Statements of Chemfab Alkalis Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2020, 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 significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Ind AS financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS financial Statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial Statements of the current

period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment of property, plant and equipment at Ongole plant:</p> <p>The Management has suspended the operations of its plant in Ongole since July 2018 and is in the process of evaluating the future course of action and viability of the plant.</p> <p>The Management has carried out an evaluation of the recoverable value of the plant, and has recognised an impairment loss of Rs. 706.70 lakhs for the year ended 31 March 2020 resulting in the net carrying value of the property, plant and equipment as at 31 March 2020 being Rs. 1,275.00 lakhs (Refer Note 2.5 of the Standalone Ind AS financial Statements for the year ended 31 March 2020).</p> <p>Due to the multitude of factors, assumptions and significant judgments involved in estimating the recoverable values, any adverse changes to these assumptions could result in such recoverable value becoming lower than the carrying amount.</p>	<p>Principal audit procedures performed:</p> <p>We have performed the following procedures:</p> <ol style="list-style-type: none"> Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which <i>inter-alia</i> includes the completeness and accuracy of the data considered, reasonableness of assumptions considered in determining the recoverable value of property, plant & equipment. Obtained the external valuation reports with respect to recoverable value of Property Plant & Equipment as at 31 March 2020 and the management's assessment associated with the determination of the recoverable value and performed the following procedures: <ul style="list-style-type: none"> Conducted meetings and discussions with key management persons to identify factors, if any, that should be taken into account in the analysis. Assessed the reasonableness of the valuation methodology considered by the external specialists, appointed by the Management. Checked, on a sample basis, the accuracy and relevance of the data used by Management in determining the recoverable value Evaluated the management's assumptions used in determining the recoverable value.

Information Other than the Standalone Ind AS financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for

the other information. The other information comprises the information in Management Discussion and Analysis, Board's report including the Annexures to the Board Report and Corporate Governance but does not include the Consolidated Ind AS financial statements, Standalone Ind AS financial statements and our auditor's report there on.

- Our opinion on the Standalone Ind AS financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Standalone Ind AS financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Ind AS financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS 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 Standalone Ind AS financial Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or

has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS financial Statements

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

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

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

in the Standalone Ind AS financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial Statements, including the disclosures, and whether the Standalone Ind AS financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 books of account.
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) 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 Standalone 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai

Date: 04 June 2020

Ref.: PS/EKP/KS/2020/67

Unique Document Identification Number:
20206834AAAAAP9474

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** (“the Company”) as of 31 March 2020 in conjunction with our audit of the Standalone 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 of the Company 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 we have obtained 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 2020, based on the criteria for internal financial control over financial reporting 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)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai
Date: 04 June 2020
Ref.: PS/EKP/KS/2020/67
Unique Document Identification Number:
20206834AAAAAP9474

**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 property, plant and equipment.
- (b) The property, plant and equipment 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 property, plant and equipment 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 2020 Rs. In Lakhs	Remarks
Freehold land located at Ram-nad.	55.20	For the title deeds pertaining to land measuring 31.51 acres located at Ramnad, the Company is in the process of getting the registration 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 been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Labour welfare fund, Income-tax, Customs Duty, 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, Customs Duty, Goods and Service tax, cess and other material statutory dues in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax, Service Tax, Excise Duty, Customs Duty and Income Tax which have not been deposited as on 31 March 2020 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, Chennai	FY 2003-2004	0.58	0.58
The Finance Act, 1994	Service Tax	Commissioner (Appeals), Chennai	January 2005 to March 2013	7.99	6.03

The Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Puducherry	October 2011 to June 2012	1.72	1.72
The Central Excise Act, 1944	Excise Duty	Assistant Commissioner of Central Tax, Nellore	November 2015 to June 2017	0.86	0.86
The Customs Act, 1962	Customs Duty	The Customs Excise and Service Tax Appellate Tribunal	FY 2013-2014	61.66	54.83
Income Tax Act, 1961	Income tax	The High court of Madras	FY 2002-03	100.28	21.37

- (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 Order 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 Standalone 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 the Order 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, directors of its subsidiary or persons connected with them and, hence, provisions of Section 192 of the Companies Act, 2013 are not applicable.

(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)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai
Date: 04 June 2020
Ref: PS/EKP/KS/2020/67
Unique Document Identification Number:
20206834AAAAAP9474

Standalone Balance Sheet as at 31 March 2020			
Particulars	Note No	As at 31 March 2020 Rs. In Lakhs	As at 31 March 2019 Rs. In Lakhs
I. ASSETS			
(1) Non - current Assets			
(a) Property, Plant and Equipment	2 & 3	19,001.57	19,350.34
(b) Capital Work-In-Progress		3,527.11	1,015.33
(c) Right of Use Assets	37	450.01	-
(d) Investment Property	4	-	19.61
(e) Other Intangible Assets	2 & 3	26.96	30.98
(f) Financial Assets			
(i) Investments			
- Subsidiary	5	800.00	-
- Others	6	1.58	3.53
(ii) Other Financial Assets	7	259.23	854.33
(g) Non - Current Tax Assets (Net)	8	508.72	36.01
(h) Deferred Tax Assets (Net)	9	5,186.96	5,492.27
(i) Other Non - current Assets	10	39.05	678.71
Total Non - current Assets		29,801.19	27,481.11
(2) Current Assets			
(a) Inventories	11	850.26	823.21
(b) Financial Assets			
(i) Investments	12	-	0.35
(ii) Trade Receivables	13	954.24	1,634.10
(iii) Cash and Cash Equivalents	14A	1.86	104.10
(iv) Bank Balances other than (iii) above	14B	263.86	303.29
(v) Other Financial Assets	15	1,187.56	497.51
(c) Current Tax Assets (net)	9	334.94	-
(d) Other Current Assets	16	1,450.45	1,255.46
Total Current Assets		5,043.17	4,618.02
TOTAL ASSETS		34,844.36	32,099.13
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	17	1,393.45	1,389.05
(b) Other Equity	18	26,173.46	23,721.76
Total Equity		27,566.91	25,110.81
(2) Liabilities			
Non- current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,178.03	2,798.64
(ii) Trade Payables	20		
- Total Outstanding dues of micro enterprises and small enterprises		-	-

Standalone Balance Sheet as at 31 March 2020			
Particulars	Note No	As at 31 March 2020 Rs. In Lakhs	As at 31 March 2019 Rs. In Lakhs
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		-	318.87
(iii) Lease Liabilities	37	44.90	-
(iv) Other Financial Liabilities	21	61.36	62.52
(b) Provisions	22	98.10	144.11
Total Non- current Liabilities		2,382.39	3,324.14
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	1,418.98	-
(ii) Trade Payables	24		
- Total Outstanding dues of micro enterprises and small enterprises		10.46	9.44
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		1,647.53	1,211.61
(iii) Lease Liabilities	37	14.00	-
(iv) Other Financial Liabilities	25	1,247.62	1,541.48
(b) Provisions	26	198.19	177.01
(c) Current Tax Liabilities (Net)	27	95.55	96.66
(d) Other Current Liabilities	28	262.73	627.98
Total Current Liabilities		4,895.06	3,664.18
Total Liabilities		7,277.45	6,988.32
TOTAL EQUITY AND LIABILITIES		34,844.36	32,099.13

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 04 June 2020

Sd/-
Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Place : Chennai

Sd/-
V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Date : 04 June 2020

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Statement of Standalone Profit and Loss for the year ended 31 March 2020			
Particulars	Note No	For the Year Ended 31 March 2020 Rs. In Lakhs	For the Year Ended 31 March 2019 Rs. In Lakhs
I Revenue from Operations	29	20,452.32	19,330.38
II Other Income	30	311.41	472.70
III Total Revenue (I+II)		20,763.73	19,803.08
IV Expenses			
Cost of Materials Consumed	31A	3,149.82	1,832.48
Purchases of Stock - in - Trade	31B	665.75	326.92
Changes in Inventories of Finished Goods and Work-in-Progress	32	(126.45)	(178.69)
Other Direct Manufacturing Expenses	33	7,075.70	7,561.11
Employee Benefits Expense	34	1,807.35	1,614.19
Finance Costs	35	315.00	199.20
Depreciation and Amortisation Expense	2, 3 & 37	2,508.76	1,492.12
Other Expenses	36	2,361.24	2,144.15
Total Expenses (IV)		17,757.17	14,991.48
V Profit before Exceptional Items (III - IV)		3,006.56	4,811.60
VI Exceptional Items	2.4 & 4.1	(321.03)	(1,963.25)
VII Profit before tax (V + VI)		2,685.53	2,848.35
VIII Tax expense	9		
- Current Tax			
Current Year		651.63	1,027.88
Prior Years	9C	(800.14)	-
- Deferred Tax		275.10	144.89
		126.59	1,172.77
IX Profit for the Year (VII - VIII)		2,558.94	1,675.58
X Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
- Equity Instruments through Other Comprehensive Income		(1.95)	(1.25)
- Remeasurement of the defined benefit plans		103.74	2.43
- Income tax relating to items that will not be reclassified to profit or loss	9	(30.21)	(0.71)
Total Other Comprehensive Income/(Loss)		71.58	0.47
XI Total Comprehensive Income for the Year (IX + X)		2,630.52	1,676.05
XII Earnings per Equity Share (Face Value of Rs 10 each)	40		
-Basic		18.37	12.07
-Diluted		18.27	11.96

See accompanying notes forming part of the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 04 June 2020

For and on behalf of the Board of Directors

Sd/-
Suresh Krishnamurthi Rao
Chairman

DIN: 00127809
Place : Chennai

Sd/-
V Rajesh
Company Secretary
Place : Chennai
Date : 04 June 2020

Sd/-
V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Standalone Cash Flow Statement for the year ended 31 March 2020			
Particulars	Note No.	For the Year Ended 31 March 2020 Rs. In Lakhs	For the Year Ended 31 March 2019 Rs. In Lakhs
A. Cash flow from Operating Activities			
Net Profit after tax		2,558.94	1,675.58
Adjustment for:			
Income Tax Expense recognised in the statement of Profit and Loss	9	126.59	1,172.77
Provision for Impairment	2&3	706.70	1,963.25
Depreciation and Amortisation Expense	2&3&37	2,508.76	1,492.12
Dividend from Non-current and current Investments	30(b)	(0.01)	(11.25)
Expense on Employee Stock based compensation	34 & 47	13.18	15.82
Interest Income	30(a)	(32.08)	(35.53)
Interest income on financial assets at amortised cost	30(a)	-	(229.27)
Finance Costs/Interest Expense on financial liabilities at amortised cost	35	315.00	199.20
Gain on Sale of Investment Property	4	(385.67)	-
(Profit) from Sale of Property, Plant and Equipment	30(c)	(28.06)	(60.86)
Bad Receivables written off	36	20.07	0.18
Provision for Expected credit loss (Net)	36	198.94	9.95
Liabilities no longer required written back	30(c)	-	(28.46)
Unrealised Exchange Variation (Net)		52.72	71.46
Operating Profit/(Loss) before Working Capital and Other changes		6,055.08	6,234.96
(Increase) / Decrease in Trade Receivables	13	628.31	66.46
(Increase) / Decrease in Other Non current and Current Financial assets and Non current and Current assets	7,10,15&16	(384.13)	(764.06)
(Increase) / Decrease in Inventories	11	(27.05)	(496.01)
Increase / (Decrease) in Trade Payables, Other Current and Non-current liabilities and Provisions	20 -22 , 24-26 & 28	(181.45)	112.02
Changes in Working Capital and Other changes		35.68	(1,081.59)
Cash generated from Operations		6,090.76	5,153.37
Direct Taxes (paid)/refund (net)	9	(660.26)	(1,053.80)
Net cash generated from Operating Activities (A)		5,430.50	4,099.57
B. Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment	2&3	(5,503.22)	(5,303.42)
Proceeds from Sale of Property, Plant and Equipment and Investment Property		453.69	93.48
Net movement in Bank balances not considered as Cash and cash equivalents	7&14B	(4.39)	472.85
Dividend Received from Non-current and Current Investments		0.01	11.25
Interest Income	15 & 30	30.32	63.74
Investment in Equity Shares of Subsidiary Company	5	(532.00)	-
Investment in Preference Shares of Subsidiary Company	5	(268.00)	-
Net Cash (used in) Investing Activities (B)		(5,823.59)	(4,662.10)

Standalone Cash Flow Statement for the year ended 31 March 2020			
Particulars	Note No.	For the Year Ended 31 March 2020 Rs. In Lakhs	For the Year Ended 31 March 2019 Rs. In Lakhs
C. Cash flow from Financing Activities			
Dividend Paid, including Dividend Distribution Tax	14&18	(206.52)	(209.52)
Issue of Equity Shares	17 & 18	23.07	10.34
Money received towards allotment of equity shares	18	7.86	-
Payment of lease liabilities	37	(21.46)	-
Proceeds from Term Loan taken	19 & 25	-	3,500.00
Repayment of Term Loan made during the year	19	(600.00)	(90.00)
Short term Borrowings (repaid)/taken (net)	19, 23 & 24	1,384.51	(2,125.30)
Finance Costs paid on Borrowings	25 & 35	(296.96)	(503.52)
Net Cash from Financing Activities (C)		290.50	582.00
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A)+(B)+(C)		(102.59)	19.47
E. Cash and Cash Equivalents (Opening)	14A	104.45	84.98
F. Cash and Cash Equivalents (Closing)		1.86	104.45
Notes:			
(i) Reconciliation of Cash and cash equivalents			
Cash and Cash Equivalents as per Balance Sheet	14A	1.86	104.10
Add: Current investments considered as part of Cash and cash equivalents (as defined in INDAS 7 Cash Flow Statements)	12	-	0.35
Cash and cash equivalents at the end of the Year		1.86	104.45

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Sd/-
Sriraman Parthasarathy
Partner

Sd/-
Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

Sd/-
V M Srinivasan
Chief Executive Officer
Place : Chennai

Place : Chennai
Date : 04 June 2020

Sd/-
V Rajesh
Company Secretary
Place : Chennai
Date : 04 June 2020

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Statement of Standalone Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital									
Amount Rs. In lakhs									
Particulars	As at 31 March 2020	As at 31 March 2019							
Balance as at beginning of the Year	1,389.05	1,383.05							
Changes in equity share capital during the year	4.40	6.00							
Closing Balance	1,393.45	1,389.05							
B. Other Equity									
Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings (Refer Note below)	Other Comprehensive Income	Total Other Equity	
Balance as at 1 April 2018	21.12	15.67	960.00	34,588.31	31.94	(13,386.62)	4.45	22,234.87	
Profit for the year	-	-	-	-	-	1,675.58	-	1,675.58	
Recognition of Employee stock based compensation	-	-	-	-	15.82	-	-	15.82	
Share Application Money Received	10.34	-	-	-	-	-	-	10.34	
Shares Allotted	(31.46)	-	-	-	(13.48)	-	-	(44.94)	
Securities Premium on issue of Equity Shares	-	-	-	38.94	-	-	-	38.94	
Payment of Dividend on equity shares	-	-	-	-	-	(173.63)	-	(173.63)	
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	(35.69)	-	(35.69)	
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	(1.25)	(1.25)	
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	1.72	-	1.72	
Balance as at 31 March 2019	-	15.67	960.00	34,627.25	34.28	(11,918.64)	3.20	23,721.76	
Profit for the year	-	-	-	-	-	2,558.94	-	2,558.94	
Recognition of Employee stock based compensation	-	-	-	-	13.18	-	-	13.18	
Share Application Money Received	30.93	-	-	-	-	-	-	30.93	
Shares Allotted	(23.07)	-	-	-	(17.84)	-	-	(40.91)	
Securities Premium on issue of Equity Shares	-	-	-	36.51	-	-	-	36.51	
Payment of Dividend on equity shares	-	-	-	-	-	(174.12)	-	(174.12)	
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	(35.79)	-	(35.79)	
Impact of adoption of Ind AS 116 (Refer Note 37)	-	-	-	-	-	(8.62)	-	(8.62)	
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	(1.95)	(1.95)	
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	73.53	-	73.53	
Balance as at 31 March 2020	7.86	15.67	960.00	34,663.76	29.62	(9,504.70)	1.25	26,173.46	

Note: In accordance with Notification G.S.R 404(E), dated April 06, 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.

See accompanying notes forming part of the financial statements
In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Sd/-

Sriraman Parthasarathy

Partner

Place : Chennai

Date : 04 June 2020

For and on behalf of **Board of Directors**

Sd/-

Suresh Krishnamurthi Rao

Chairman

DIN: 00127809

Place : Chennai

Sd/-

V M Srinivasan

Chief Executive Officer

Place : Chennai

Sd/-

V Rajesh

Company Secretary

Place : Chennai

Sd/-

S Prasath

Chief Financial Officer

Place : Puducherry

Date : 04 June 2020

1 Corporate Information

Chemfab Alkalys 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 Alkalys 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 Alkalys 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.

Significant Accounting Policies

1.1 Basis Of Accounting

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

Except for the changes below, the Company has consistently applied accounting policies to all periods

- (i) The Company has adopted Ind AS 116 ‘Leases’ with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Company has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Also Refer Note 37.

- (ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. Also Refer Note 9.
- (iii) Amendment to Ind AS 19 ‘Employee Benefits’: On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 ‘Employee Benefits’ in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.
- (iv) Amendment to Ind AS 12 ‘Income Taxes’: On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 ‘Income Taxes’. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of

dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

1.2 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

1.3 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and / or in future years, as applicable.

1.4 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.

1.5 Revenue recognition

(I) Sale of Goods/Services:

The Company derives revenues primarily from sale of manufacturing of inorganic chemicals viz Caustic Soda Lye, Chlorine, Hydrogen, Hydrochloric acid, Sodium Hypo and Sodium Chlorate and also from PVC-O pipes. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Accordingly, the revenue is recognised on point in time basis.

- a) Sale of products: Revenues and costs relating to sale of products are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied:-
- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
 - the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the economic benefits associated with the transaction will flow to the company ; and
 - the costs incurred or to be incurred in respect of the transactions can be measured reliably.
- b) 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.

1.6 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.

1.7 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.

1.8 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.

1.9 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 Property, 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 Property, Plant & Equipment, 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.

1.10 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.

1.11 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.

1.12 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/restatement of monetary assets and liabilities of the Company are recognised as income or expense in the statement of profit and loss.

1.13 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
- Remeasurement 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 (where applicable), 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 (where applicable) 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.

1.14 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.

1.15 Taxation

Income taxes comprise Current and deferred tax. Income tax expense/credit is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax and Prior Period Tax:

Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognized on deductible and taxable temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases of such assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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.

1.16 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".

1.17 Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental

borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

1.18 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.

1.19 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.

1.20 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

1.21 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.

1.22 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.

1.23 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 amortised 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 method 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.

1.24 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 is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing 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

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 Companying 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 the Statement of Profit and Loss.

1.25 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.

1.26 Investment in subsidiary

Investment in subsidiary is measured at cost. Dividend income from subsidiaries is recognised when its right to receive the dividend is established.

1.27 Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. The Company declares and pays dividends in Indian rupees and are subject to applicable distribution taxes.

1.28 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 (Refer Note 1.25)
- (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).



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

(Amount Rs. In Lakhs)									
Particulars	Gross Block			Accumulated Depreciation / Amortisation/Impairment			Net Block		
	As at 01 April 2019	Additions during the year	Deletions/Adjustment during the year	As at 31 March 2020	For the year	Deletions/Adjustment during the year	Impairment recognised (Refer Note 2.4 below)	As at 31 March 2020	As at 31 March 2020
A. Property Plant and Equipment									
Land - Freehold (Refer Note 2.2 and 2.3)	1,821.94	723.00	-	2,544.94	-	-	-	-	2,544.94
Buildings	3,258.15	160.78	7.20	3,411.73	172.77	7.20	29.94	1,555.52	1,856.21
Plant and Equipment (Refer Note 23 (ii))	19,824.91	1,903.99	34.24	21,694.66	2,254.89	-	676.76	7,257.71	14,436.95
Furniture and Fixtures	66.95	6.78	1.28	72.45	8.46	1.15	-	43.04	29.41
Vehicles	69.99	67.44	27.89	109.54	13.08	16.21	-	24.70	84.84
Office Equipments	132.66	16.67	-	149.33	25.48	-	-	100.11	49.22
TOTAL (A)	25,174.60	2,878.66	70.61	27,982.65	2,474.68	24.56	706.70	8,981.08	19,001.57
B. Other Intangible Assets									
Computer Software	159.85	10.35	-	170.20	14.37	-	-	143.24	26.96
TOTAL (B)	159.85	10.35	-	170.20	14.37	-	-	143.24	26.96
TOTAL (A + B)	25,334.45	2,889.01	70.61	28,152.85	2,489.05	24.56	706.70	9,124.32	19,028.53

Notes:

2.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 41.35 Lakhs as at 31 March 2020.

2.2 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.

2.3 Freehold Land includes:

Particulars	As at 31 March 2020 Amount in Rs. In Lakhs	Remarks
Freehold land located at Ramnad.	55.20	For the title deeds pertaining to land measuring 31.51 acres located at Ramnad, the Company is in the process of getting the registration in its name.

2.4 The Company had suspended the operations at its Ongole plant from 10 July 2018 in order to dispose excess accumulated inventory, post which the Management is evaluating various options of running the unit profitably. The Management has carried out a detailed impairment evaluation and has recognised an impairment of Rs. 706.70 lakhs during the year ended 31 March 2020 (Rs. 1,963.25 Lakhs during the previous year ended 31 March 2019) resulting in its carrying value of the property, plant and equipment being Rs. 1,275.00 Lakhs as at 31 March 2020 (Rs. 2,757.79 Lakhs as at 31 March 2019) and disclosed as Exceptional Item under Statement of Profit & Loss.

3. Property Plant and Equipment and Other Intangible Assets - previous year ended 31 March 2019									
Particulars	Gross Block			Accumulated Depreciation / Amortisation/Impairment				Amount Rs. In Lakhs	
	As at 01 April 2018	Additions during the year	Deletions/Adjustment during the year (Refer Note 3.3 below)	As at 31 March 2019	As at 01 April 2018	For the year	Deletions/Adjustment during the year	Impairment recognised (Refer Note 2.4)	As at 31 March 2019
A. Property Plant and Equipment									
Land - Freehold (Refer Note 3.2 to 3.4 below)	1,841.55	-	19.61	1,821.94	-	-	-	-	1,821.94
Buildings	2,151.12	1,107.03	-	3,258.15	340.21	130.27	-	889.53	1,898.14
Plant and Equipment	15,395.49	4,433.89	4.47	19,824.91	2,021.37	1,245.83	-	1,058.86	15,498.85
Furniture and Fixtures	55.18	11.77	-	66.95	17.16	7.74	-	10.83	31.22
Vehicles	100.45	2.47	32.93	69.99	21.21	11.40	4.78	-	42.16
Office Equipments	97.33	35.33	-	132.66	47.01	23.59	-	4.03	58.03
TOTAL (A)	19,641.12	5,590.49	57.01	25,174.60	2,446.96	1,418.83	4.78	1,963.25	19,350.34
B. OTHER INTANGIBLE ASSETS									
Computer Software	143.66	16.19	-	159.85	55.58	73.29	-	-	30.98
TOTAL (B)	143.66	16.19	-	159.85	55.58	73.29	-	-	30.98
TOTAL (A + B)	19,784.78	5,606.68	57.01	25,334.45	2,502.54	1,492.12	4.78	1,963.25	19,381.32

Notes:

- 3.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 49.06 Lakhs as at 31 March 2019.
- 3.2 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.
- 3.3 Deletion to Freehold Land includes an amount of Rs. 19.61 lakhs being held as investment property. Also Refer Note 4.
- 3.4 Freehold Land includes:

Particulars	As at 31 March 2019 Amount in Rs. In Lakhs	Remarks
Freehold land located at Ramnad.	55.20	For the title deeds pertaining to land measuring 31.51 acres located at Ramnad, the Company is in the process of getting the registration in its name.

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
4. Investment Property		
Completed Investment Property	-	19.61
Cost or Deemed Cost		
Opening Balance	19.61	-
Transferred from Property, Plant & Equipment	-	19.61
Additions / Deletions	(19.61)	
Closing Balance	-	19.61
Accumulated Depreciation & Impairment		
Opening Balance	-	-
Transferred from Property, Plant & Equipment	-	-
Closing Balance	-	-
Carrying Amount		
Opening Balance	19.61	-
Additions / Deletions	(19.61)	19.61
Depreciation	-	-
Closing Balance	-	19.61
Notes:		
4.1: During the year the company has sold its investment property for Rs. 405.28 Lakhs whose carrying amount in books was Rs. 19.61 Lakhs. The gain on sale of Investment property of Rs. 385.67 Lakhs has been disclosed as an exceptional item in the Statement of Profit and Loss account for the year ended 31 March 2020		
4.2 : The fair value of Investment Property determined considering the Guidance value as at 31 March 2020 is NA (PY Rs. 300.04 Lakhs)		
5. Investments in wholly-owned subsidiary (Refer Note 39)		
Unquoted - Fully paid-up		
Investment in Equity Shares of wholly-owned subsidiary, at Cost		
53,20,000 Equity Shares of Rs.10/- each of Chemfab Alkalys Karaikal Limited	532.00	-
Investment in Preference Shares of wholly-owned subsidiary, at Cost		
26,80,000 0.01% Convertible Preference Shares of Chemfab Alkalys Karaikal Limited	268.00	-
Total	800.00	-
6. Investments - Non Current		
Investment carried at fair value through Other Comprehensive Income		
Quoted - Fully paid-up		
Investment in Equity Instruments of Other entities		
281 (P.Y. 281) Equity Shares of Rs.10/- each of Summit Securities Limited	0.77	1.66
500 (P.Y. 500) Equity Shares of Rs.10/- each of De Nora India Limited	0.66	1.46
300 (P.Y. 300) Equity Shares of Rs.10/- each of TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalys & Allied Chemicals Limited)	0.04	0.13
450 (P.Y. 450) Equity Shares of Rs.5/- each of Kanoria Chemicals Limited	0.11	0.28
Total	1.58	3.53
Aggregate Book value of Quoted Investment	1.58	3.53
Aggregate Market value of Quoted Investment	1.58	3.53
Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	1.58	3.53

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
7. Other Financial Assets - Non Current (Unsecured, considered good - unless otherwise stated)		
Deposits with others	198.85	261.72
Reimbursements Receivable from Government	226.49	226.49
Balances held as margin money (Refer Note 7.1 below)	60.38	19.95
Other Receivables	-	406.41
Total (Gross)	485.72	914.57
Less: Provision for Expected Credit Loss	(226.49)	(60.24)
Total (Net)	259.23	854.33
Note :		
7.1 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.		
8. Non-Current Tax Assets (Net)		
Income Tax paid / TDS Receivable	508.72	36.01
(Net of provision for tax of Rs. 1,324.29 Lakhs (PY Rs. 296.40 Lakhs))		
Total	508.72	36.01

9. Current Taxes and Deferred Taxes		
(Amount Rs. In lakhs)		
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(A.1) Income Tax recognised in Statement of Profit and Loss		
(i) Current Tax:		
- in respect of current year	651.63	1,027.88
Total (A)	651.63	1,027.88
(ii) Deferred Tax:		
- in respect of current year	275.10	144.89
Total (B)	275.10	144.89
Total income tax expense recognised in Statement of Profit and Loss (A+B)	926.73	1,172.77
(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 & Others	(30.21)	(0.71)
Total	(30.21)	(0.71)
Classification of income tax recognised in other comprehensive income		
- Income taxes related to items that will not be reclassified to profit or loss	(30.21)	(0.71)
Total	(30.21)	(0.71)
(A.3) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:		
Profit before tax	2,685.53	2,848.35
Income Tax using the Company's domestic Tax rate	782.03	829.44
Tax Effect of :		
- Effect of expenses that are non-deductible in determining taxable profit	(2.90)	19.88
- Deductible allowances and Expenses	(1.79)	(168.33)
- Gain on sale of Investment Property	95.46	-
- Exempt income	-	(5.01)
- Changes in recognised temporary differences	9.22	496.79
- Others	44.71	-
Income Tax expense recognised in Statement of Profit or Loss from continuing operations	926.73	1,172.77
The tax rate used for the year ended March 31, 2020 and March 31, 2019 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense / (reversal) relating to prior years.		



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

(B1) Movement in Deferred Tax Balances		(Amount Rs. In lakhs)			
Particulars	As at March 31, 2019	Recognised in profit and loss account	Recognised in OCI	Recognised in Other Equity	As at March 31, 2020
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets					
Property, Plant and Equipment and Other Intangible Assets	(852.41)	421.34	-	-	(1273.75)
Financial assets at amortised cost	17.53	(48.68)	-	-	66.21
Employee Benefits	53.95	2.58	-	-	51.37
Provisions for Expenses, impairment and Doubtful trade receivables	591.16	(209.51)	-	-	800.67
Remeasurement of defined benefit obligations	49.07	(17.16)	(30.21)	-	36.02
Carryforward of Tax Loss	3,425.14	775.52	-	-	2,649.62
Others	6.56	2.64	-	-	3.92
	3,291.00	926.73	(30.21)	-	2,334.06
MAT Credit	2,201.27	651.63	-	-	2,852.90
Net Tax Asset/(Liabilities)	5,492.27	275.10	(30.21)	-	5,186.96
(B2) Movement in Deferred Tax Balances		(Amount Rs. In lakhs)			
Particulars	As at March 31, 2018	Recognised in profit and loss account	Recognised in OCI	Recognised in Other Equity	As at March 31, 2019
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets					
Property, Plant and Equipment and Other Intangible Assets	168.28	1,020.69	-	-	(852.41)
Financial assets at amortised cost	18.16	0.63	-	-	17.53
Employee Benefits	63.46	9.51	-	-	53.95
Provisions for Expenses, impairment and Doubtful trade receivables	19.68	(571.48)	-	-	591.16
Remeasurement of defined benefit obligations	50.16	0.38	(0.71)	-	49.07
Carryforward of Tax Loss	4,133.81	708.67	-	-	3,425.14
Others	10.93	4.37	-	-	6.56
	4,464.48	1,172.77	(0.71)	-	3,291.00
MAT Credit	1,173.39	1,027.88	-	-	2,201.27
Net Tax Asset/(Liabilities)	5,637.87	144.89	(0.71)	-	5,492.27
C Prior Years - Provision no longer required written back					
Based on the completion of the tax assessments for various prior years, the Company has written back, provision made for taxation in prior years, which are no longer required amounting to Rs. 800.14 lakhs during the year ended 31 March 2020.					
D. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.					

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
10. Other Non-Current Assets		
Capital Advances (Refer Note below)	39.01	264.04
Balance with Government Authorities	-	14.22
Prepaid Rent	0.04	0.12
Amortisation of prepayment for leasehold land	-	400.33
Total	39.05	678.71
Note: Capital advances includes Rs. Nil (PY Rs. 214.38 Lakhs) secured by way of Bank Guarantees.		
11. Inventories (at lower of cost and net realisable value)		
(a) Raw Materials	290.45	262.12
(b) Work in Progress	10.54	82.39
(c) Finished Goods (other than those acquired for trading)	392.93	194.63
(d) Fuel	5.97	14.68
(e) Stores and Spares	150.37	269.39
(including Goods in Transit amounting to Rs. Nil (PY - Rs. 120.03 Lakhs))		
Total	850.26	823.21
Notes:		
1. The cost of inventories recognised as an expenses during the year	4,127.25	2,271.59
2. The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	32.73	23.71
3 The method of valuation of inventories has been stated in Note 1.6		
12. Other Investments - Current		
Investments carried at Fair Value through Profit & Loss		
Investments in Mutual Funds (quoted, fully paid-up)		
SBI Premier Liquid Fund - Dividend - Nil (P.Y. 11.534 units of Rs. 2,928.03 each)	-	0.35
Total	-	0.35
13. Trade Receivables		
(a) Receivables considered good, Secured (Refer Note 13.1)	158.35	457.43
(b) Receivables considered good, Unsecured	854.49	1,215.56
(c) Receivables which have significant increase in Credit Risk	21.00	8.02
	1,033.84	1,681.01
Less: Provision for Expected Credit Loss (Refer Note 13.5)	(79.60)	(46.91)
Total	954.24	1,634.10
Notes:		
13.1 Secured Trade Receivables are secured by way of irrevocable Letter of Credits		
13.2 The Company has entered into a factoring arrangement on a recourse basis for certain receivables as at 31 March 2020. The amount of such factored receivables as at 31 March 2020 was Rs. 24.50 Lakhs. There were no such amounts as at 31 March 2019.		
13.3 The Company has used a practical expedient method 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.		

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
13.4 The age of the receivables is as under:		
<u>Age of receivables</u>		
within the credit period	569.21	1,269.48
upto 6 months past due	443.63	403.51
more than 6 months	21.00	8.02
Total	1,033.84	1,681.01
13.5 Movement in Expected credit loss	Year ended 31 March 2020 Amount Rs. In lakhs	Year ended 31 March 2019 Amount Rs. In lakhs
Balance at the beginning of the year	46.91	36.96
Movement in expected credit loss allowance on trade receivables	32.69	9.95
Balance at the end of the year	79.60	46.91
14A. Cash and Cash Equivalents	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
Cash on hand	0.59	0.18
Balance with Banks - Current Accounts	1.27	103.92
Total	1.86	104.10
14B. Bank balances other than Cash and Cash Equivalents		
In Earmarked accounts		
- Margin Money Accounts for bank guarantees and letters of credit	249.07	285.11
- Unpaid Dividend Accounts (Refer Note 25 (i))	14.79	18.18
Total	263.86	303.29
15. Other Financial Assets - Current (Unsecured, considered good)		
Deposits	15.56	19.65
Advance to employees	0.65	0.42
Interest accrued on Deposits	10.02	8.26
Reimbursements Receivable from Government	469.18	469.18
Interest accrued on Income tax refund	137.24	-
Receivables against sale of raw materials	148.50	-
Other Receivables	406.41	-
Total	1,187.56	497.51
16. Other Current Assets		
Advances to Vendors (Refer Note 39)	519.37	334.22
Balance with Government Authorities	729.09	687.89
Prepaid expenses	197.47	229.21
Amortisation of prepayment of leasehold land	-	4.14
Other Receivables	4.52	-
Total	1,450.45	1,255.46



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares	Amount Rs. In lakhs	Number of shares	Amount Rs. In lakhs
17. Share Capital				
(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
11% Redeemable Cumulative Preference shares of Rs. 100 each	2,64,000	264.00	2,64,000	264.00
12% Redeemable Cumulative Preference shares of Rs. 100 each	8,00,000	800.00	8,00,000	800.00
		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	1,39,34,504	1,393.45	1,38,90,504	1,389.05
Total		1,393.45		1,389.05
(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 2020		As at 31 March 2019	
	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	1,38,90,504	1,389.05	1,38,30,504	1,383.05
Add: Shares and Share Capital issued during the year (Refer Note 47)	44,000	4.40	60,000	6.00
Shares and Share Capital outstanding at the end of the year	1,39,34,504	1,393.45	1,38,90,504	1,389.05
(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 2020		As at 31 March 2019	
	Number of shares	% held	Number of shares	% held
Dr. Rao Holdings Pte Ltd	67,61,068	48.52%	67,61,068	48.67%
Titanium Equipment and Anode Manufacturing Company Limited	10,72,182	7.69%	10,72,182	7.72%
Shrimati K.M. Padma	11,10,712	7.97%	11,10,712	8.00%
Shri Suresh Krishnamurthi Rao	14,24,423	10.22%	14,24,423	10.25%
(d) Number of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash:				
Particulars	Equity Share Capital			
	Year	Number of shares	Amount	%
Shares allotted pursuant to the scheme of amalgamations during last 5 years	31 March 2020			
	31 March 2019	-	-	-
	31 March 2018	1,31,02,424	1,310.24	94.74%
	31 March 2017	-	-	-
	31 March 2016	-	-	-
(e) Refer Note 47 for details regarding employee stock option scheme.				



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

Particulars	As at 31 March 2020 Rs. In lakhs Amount	As at 31 March 2019 Rs. In lakhs Amount
18. Other Equity		
a) Share Application Money Pending Allotment (Refer Note 1 below)		
Opening Balance	-	21.12
Share Application Money Received	30.93	10.34
Less: Shares Allotted during the year	(23.07)	(31.46)
Closing balance	7.86	-
b) Capital Reserve (Refer Note 2 below)	15.67	15.67
c) Capital Redemption Reserve (Refer Note 3 below)		
Opening Balance	960.00	960.00
Add: On account of Redemption of Preference Shares	-	-
Closing balance	960.00	960.00
d) Securities Premium Reserve (Refer Note 4 below)		
Opening Balance	34,627.25	34,588.31
Add: Securities Premium on issue of Equity Shares	36.51	38.94
Closing balance	34,663.76	34,627.25
e) Share Based Payment Reserve (Refer Note 5 below)		
Opening Balance	34.28	31.94
Add: Employee compensation expense for the year	13.18	15.82
Less: Transfer to Securities Premium for the shares allotted during the year	(17.84)	(13.48)
Closing balance	29.62	34.28
f) Retained Earnings (Refer Note 6 below)		
Opening Balance	(11,918.64)	(13,386.62)
Add: Profit for the year	2,558.94	1,675.58
Add: Other Comprehensive income for the year (Remeasurement of the defined benefit plans, net of taxes)	73.53	1.72
	(9,286.17)	(11,709.32)
Less: Impact of adoption of Ind AS 116 (Refer Note 37)	8.62	-
Less: Appropriations		
- Dividend on Equity Shares	174.12	173.63
- Tax on Equity Dividend	35.79	35.69
Closing Balance	(9,504.70)	(11,918.64)
g) Other Comprehensive Income (Refer Note 7 below)		
Opening Balance	3.20	4.45
Add/(Less): Current Year	(1.95)	(1.25)
Closing Balance	1.25	3.20
Total	26,173.46	23,721.76
Notes		
<p>1. This represents Share Application Money received from employees under the ESOP scheme titled "CAESOS 2015" [Chemfab Alkalies Employees Stock Option Scheme 2015]. Also Refer Note 47.</p> <p>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.</p> <p>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.</p> <p>4. Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.</p> <p>5. Shares based payment reserve relates to the share options granted by the company to its employees under its share option plan. Refer Note 47 for further details.</p> <p>6. 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.</p> <p>7. Other comprehensive income represents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes.</p>		

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
19. Borrowings		
(i) Secured - at amortised cost		
- Term Loan from Bank (Refer Note (i) and (ii) below)	2,178.03	2,798.64
Total	2,178.03	2,798.64
Note:		
Details in respect of Borrowings are as under :-		
(i) Term Loan carrying an interest rate of 9.35% p.a was availed for PVCO plant from Axis Bank Limited. The borrowings are secured by way of Equitable Mortgage over lease hold land (taken under 99 years lease by the company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittor District, Andhra Pradesh - Exclusive Charge. Charge over the fixed assets (Building, Plant and Machineries with estimated cost of Rs. 5,000 lakhs including land, created out of the proposed term loan of Rs. 3,500 lakhs (Exclusive Charge). Further collateral common for all bank sanction facilities including equitable mortgage over land and building comprising of 9.56 acres and 19.87 acres belonging to the company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry.		
(ii) Repayment Summary		
<u>Term Loan Tranche 1 of Rs. 1,927.03 lakhs (net of Rs. 7.97 lakhs Ind AS EIR adjustment) as at 31 March 2020:</u>		
Repayable in 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 40 lakhs each, 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 30 lakhs each, 12 monthly instalments of Rs. 20 lakhs each, and 1 monthly instalment of Rs. 15 lakhs respectively		
<u>Term Loan Tranche 2 of Rs. 875 lakhs as at 31 March 2020:</u>		
Repayable in 12 monthly instalments of Rs. 17 lakhs each, 12 monthly instalments of Rs. 18.50 lakhs each, 12 monthly instalments of Rs. 15 lakhs each, 12 monthly instalments of Rs. 12.25 lakhs each, 12 monthly instalments of Rs. 9.40 lakhs each, 1 monthly instalments of Rs. 9.20 lakhs respectively		
Out of the above Rs. 624.00 lakhs have been classified as Current maturities of long-term debt (Secured) under Other Financial Liabilities - Current		
20. Trade Payables - Non Current		
Total Outstanding dues of micro enterprises and small enterprises	-	-
Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	318.87
Total	-	318.87

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
21. Other Financial Liabilities - Non Current		
Trade/security deposits received	61.36	62.52
Total	61.36	62.52
22. Provisions - Non Current		
Provision for Gratuity (Refer Note 41)	98.10	144.11
Total	98.10	144.11
23. Borrowings - Current		
From Banks		
- Cash Credit - Secured (Note (i) below)	553.57	-
- Buyer's Credit (Note (ii) below)	840.91	-
- Others (Refer Note 13.2)	24.50	-
Total	1,418.98	-
Note:		
Details in respect of Current Borrowings are as under :-		
(i) Cash Credit facilities are secured by way of first charge over the entire current assets of the Company. The cash credits are repayable on demand.		
(ii) Buyer's credit, relating to acquisition of Plant and Equipment, is secured by way of Standby Letter of Credit (SBLC) attributable to non fund based credit limits with an option to convert to fund based Term Loan at the time of maturity. Collateral are common as given in note 19 (i).		
24. Trade Payables - Current (Refer Note 39 and 42)		
Total Outstanding dues of micro enterprises and small enterprises	10.46	9.44
Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,647.53	1,211.61
Total	1,657.99	1,221.05
Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.		

Particulars	As at 31 March 2020 Amount Rs. In lakhs	As at 31 March 2019 Amount Rs. In lakhs
25. Other Financial Liabilities - Current		
Current maturities of long-term debt (Refer Note 19(ii))	624.00	600.00
Creditors for Capital Goods	584.64	904.89
Unpaid Dividends (Refer Note (i) and (ii) below)	14.79	18.18
Interest accrued	24.19	18.41
Total	1,247.62	1,541.48
Note:		
(i) Amounts remitted to Investor Education and Protection Fund during the year	6.16	2.41
(ii) The Company has transferred the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund.		
26. Provisions - Current		
Provision for compensated absences	159.50	148.67
Provision for Warranty (Refer Note 1.20)	13.11	-
Provision for Gratuity (Refer Note 41)	25.58	28.34
Total	198.19	177.01
27. Current tax liabilities (Net)		
Provision for Tax (Net of Income Tax paid / TDS of Rs. 2,701.42 lakhs) (As at 31 March 2019 of Rs. 3,973.54 lakhs)	95.55	96.66
Total	95.55	96.66
28. Other Current Liabilities		
Statutory liabilities	173.98	192.56
Advance from Customers	88.75	435.42
Total	262.73	627.98

29. Revenue from operations		
Particulars	For the Year ended 31 March 2020 Amount Rs. In Lakhs	For the Year ended 31 March 2019 Amount Rs. In Lakhs
a Sales of Products (Refer note below)	20,418.94	19,320.34
b Other operating revenues		
- Testing charges	33.38	10.04
Total	20,452.32	19,330.38
Note: Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31.03.2020 amounting to Rs. 21.09 lakhs (previous year Rs. 22.97 Lakhs).		
29.1 Disaggregation of the revenue Information		
The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.		
Particulars	For the year ended 31 March 2020 Amount Rs. In Lakhs	For the year ended 31 March 2019 Amount Rs. In Lakhs
Revenue by Geography		
India	20,346.69	19,307.83
Outside India	105.63	22.55
Total revenue from contracts with customers	20,452.32	19,330.38
Revenue by offerings		
<u>Manufactured goods</u>		
<u>Chemicals & Related Products / Services</u>		
- Caustic Soda Lye	10,815.66	13,236.45
- Caustic Soda Flakes	1,405.20	936.80
- Chlorine	820.00	518.11
- Sodium Chlorate	-	877.05
- Hydrogen	803.63	770.85
- Others	1,690.15	1,642.75
<u>PVCO-Pipes</u>		
- PVC-O Pipes	4,031.67	926.85
- Others	75.68	17.15
<u>Traded Goods</u>		
<u>Chemicals & Related Products / Services</u>		
- Caustic Soda Lye	-	4.42
- Others	-	0.55
<u>PVCO-Pipes</u>		
- PVC-O Pipes	776.95	389.36
<u>Other Operating Income</u>		
<u>Chemicals & Related Products / Services</u>		
- Testing Charges	33.38	10.04
Total revenue from contracts with customers	20,452.32	19,330.38
Timing of recognition		
Goods & Services transferred at a point in time	20,452.32	19,330.38
Total revenue from contracts with customers	20,452.32	19,330.38

29.2. Trade Receivables and Contract Balances

The company classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

29.3. Transaction price allocated to the remaining performance obligations

Particulars	As at 31 March 2020 Amount Rs. In Lakhs	As at 31 March 2019 Amount Rs. In Lakhs
Contract Liabilities		
Advance received from customers	88.75	435.42

The Company has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

29.4. Information about major customers

The Company is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, hydrochloric acid, sodium hypochlorite and pvco pipes.

Revenues arising from direct sales above includes revenues of approximately Rs. 2,751 lakhs which arose from sales to the company's single large customer (Previous Year 2018-19 Rs. 3,203 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the financial year 2019-20 and 2018-19.

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs	For the Year Ended 31 March 2019 Amount Rs. In Lakhs
30. Other Income		
(a) Interest Income:		
- Interest on fixed deposits with banks	32.08	35.53
- Interest income on Income Tax refund	137.24	-
- Other Financial Assets (at amortised cost)	-	229.27
- Other Interest income	7.82	-
(b) Dividend income (refer note (i) below)	0.01	11.25
(c) Other Non Operating Income:		
- Profit on Sale of Property, Plant & Equipment (Net)	28.06	60.86
- Liabilities no longer required written back	-	28.46
- Miscellaneous Income	106.20	107.33
Total	311.41	472.70
Notes:		
(i) Dividend income includes:		
a. Dividend from Non Current Investments	0.01	0.02
b. Dividend from Current Investments	-	11.23
	0.01	11.25
31A. Cost of Materials Consumed		
Opening Stock	262.12	152.10
Add: Purchases	3,438.93	1,942.50
	3,701.05	2,094.60
Less: Sale of Raw Materials	260.78	-
Less: Closing Stock	290.45	262.12
Cost of Materials consumed	3,149.82	1,832.48
Materials Consumed Comprises of:		
Salt	1,041.32	957.31
Soda Ash	56.61	64.15
Caustic Soda Lye	0.30	5.60
PVC Resin	1,718.99	613.33
Others (Refer Note (i) below)	332.60	192.09
Total	3,149.82	1,832.48
Note:		
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.		

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs	For the Year Ended 31 March 2019 Amount Rs. In Lakhs
31.B Purchase of Stock in Trade		
Domestic		
- Caustic Soda Lye	-	5.09
- PVCO-Pipes	665.75	321.07
- Others	-	0.76
	665.75	326.92
32. Changes in Inventories of Finished Goods and Work in Progress		
Opening Stock		
Finished goods	194.63	89.81
Work-in-Progress	82.39	8.52
	277.02	98.33
Closing Stock		
Finished goods	392.93	194.63
Work-in-Progress	10.54	82.39
	403.47	277.02
Net (Increase)/decrease	(126.45)	(178.69)
33. Other Direct Manufacturing Expenses		
Power and Fuel	6,903.89	7,416.07
Labour Charges	171.81	145.04
Total	7,075.70	7,561.11
34. Employee Benefits Expense		
Salaries and Wages	1,458.01	1,341.56
Contribution to Provident and other Funds (Refer Note 41)	244.54	167.61
Expense on employee stock based compensation (Refer Note 47)	13.18	15.82
Staff Welfare Expenses	91.62	89.20
Total	1,807.35	1,614.19
35. Finance Cost		
Interest on Borrowings (Refer Note 39)	308.51	199.20
Interest on Lease Liability (Refer Note 37)	6.49	-
Total	315.00	199.20

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs	For the Year Ended 31 March 2019 Amount Rs. In Lakhs
36. Other Expenses		
Stores and Spare parts consumed	438.13	290.88
Rent	27.95	51.17
Repairs and Maintenance - Plant and Equipment	187.49	192.60
- Buildings	66.23	77.85
Insurance	80.43	65.57
Rates and Taxes	66.38	30.18
Travelling Expenses	154.53	129.31
Auditor's Remuneration (net of GST input credit)		
- Statutory Audit	19.50	19.50
- Limited Review	4.50	4.50
- Other Services/Certificates	1.00	1.00
- Out of Pocket Expenses	0.75	0.84
Commission to Directors (Refer Note 39)	240.00	306.00
Sitting fees (Refer Note 39)	8.45	11.25
Expenditure on Corporate Social Responsibility (Refer Note 43)	72.68	49.78
Legal and Professional Fees	79.31	91.13
Freight (Net)	152.84	108.33
Advertisement	12.31	14.33
Exchange variation (Net)	27.50	50.80
Bad receivables written off	20.07	0.18
Provision for Expected credit Loss on Other Financial assets	166.25	-
Provision for Expected credit Loss on Trade Receivables	32.69	9.95
Bank Charges	40.10	46.76
Miscellaneous Expenses	462.15	592.24
Total	2,361.24	2,144.15
Note:		
(i) Miscellaneous Expenses includes:		
- Donations	22.72	19.20

Particulars	Amount Rs. In lakhs	
	For the Year Ended 31 March 2020	
<p>37 Effective 1 April, 2019, the company has adopted Ind AS 116 “Leases”, applied to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March, 2019 have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the financial statements for the year ended 31 March 2020. Reconciliation to opening balance for lease liability as of 01 April 2019 is based upon the operating lease obligations as of 31 March 2019</p> <p>Reconciliation</p> <p>Operating lease obligations payable as at 31 March 2019 -</p> <p>Effects from discounting at the incremental rate of borrowings rate as at 01 April 2019 -</p> <p>Lease Liabilities at 01 April 2019 -</p> <p>Leases identified as per IND AS 116 73.87</p> <p>Liabilities from leases as of 01 April 2019 73.87</p> <p>Leases</p> <p>We have leases for Land and certain equipment. Our leases have remaining lease terms of 1 year upto 22 years with option to terminate or extend the lease.</p> <p>Net Carrying Amount of ROU Assets</p> <p>As at transition date of 01.04.2019 434.56 35.16</p> <p>As at 31.03.2020 425.14 24.87</p> <p>Depreciation expenses for the year ended</p> <p>31 March 2020 9.42 10.29</p> <p>Amounts recognised in Statement of Profit and Loss were as follows:</p> <p>Depreciation Expense on right-of-use assets 19.71</p> <p>Interest Expense on lease Liabilities 6.49</p> <p>Short term lease expensed 14.58</p> <p>Amount transferred to Retained Earnings (Refer Note 18) 8.62</p> <p>Supplemental cash flow information related to leases was as follows:</p> <p>Total cash outflow for leases 21.46</p> <p>Additions to right of use assets 469.72</p> <p>Maturities of Lease Liabilities were as follows</p> <p>Undiscounted Lease Payments to be made 100.90</p> <p>Not later than 1 year 19.07</p> <p>Later than 1 year and not later than 5 years 32.50</p> <p>Later than 5 years 49.33</p>		



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

Particulars					Amount Rs. In lakhs	
					As at 31 March 2020	As at 31 March 2019
38	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 - Other Intangible assets b. Contingent liabilities in respect of (i) Claims against the Company not Acknowledged as debt (ii) Sales tax, Excise, Service Tax, Customs Duty 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.				1226.28 - 13.00 70.69	2698.06 1.92 - 84.75
Sl No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) 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	6.02 (7.26)	June 2005 to January 2008	Commissioner (Appeals), Chennai	
3	The Central Excise Act, 1944	Excise Duty	1.72 -	October 2011 to June 2012	Commissioner of Central Excise, Puducherry	
4	Employees' State Insurance Act, 1948	Employees' State Insurance	0.71 (0.71)	April 2010 to June 2010	ESI Court, Puducherry	
5	The Customs Act, 1962	Customs Duty	61.66 (54.83)	F.Y. 2013-14	CESTAT	
6	The Income Act, 1961	Income Tax	- (21.37)	F.Y. 2002-03	The High Court of Madras	
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.						

39 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)
(iii) Entities exercising significant influence over the Company	Dr Rao Holdings Pte Ltd
(iv) Entities in which persons listed in (i) and (ii) above exercise significant influence	Titanium Equipment and Anode Manufacturing Company Limited (TEAM) Global Outsourcers Pte Ltd (GOPL)
(v) Wholly owned Subsidiary	Chemfab Alkalys Karaikal Limited
(vi) Key Management Personnel (KMP)	Mr. V.M. Srinivasan - Chief Executive Officer Mr. Nitin S Cowlagi - Chief Financial Officer (Refer Note 2 below) 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 Mrs. Sujatha Jayarajan - Non Executive Director Mr. T.Ramabadran - Non Executive Director
(vii) Other related party	Chemfab Alkalys Limited Employee's Group Gratuity Trust

Note 1: The list above includes only parties with transactions during the year.

Note 2: Mr. Nitin S Cowlagi retired from the Company as Chief Financial Officer and Mr. S Prasath was appointed as Chief Financial Officer w.e.f 07.04.2020.



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

b) Transactions with related parties :

Nature of Transaction	Related Party	For the Year Ended 31 March 2020 Rs. In lakhs	For the Year Ended 31 March 2019 Rs. In lakhs
1. Transactions during the year			
a) Income			
Sale of Products	Titanium Equipment and Anode Manufacturing Company Limited	13.42	0.18
b) Expenditure			
Purchase of Goods and Services	Titanium Equipment and Anode Manufacturing Company Limited	0.88	1.22
Finance Cost	Titanium Equipment and Anode Manufacturing Company Limited	-	74.48
Lease Rent	Titanium Equipment and Anode Manufacturing Company Limited	22.13	40.06
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	156.98	143.21
	Mr. Nitin S Cowlagi	59.15	40.05
c) Others			
Investment in Equity Share Capital	Chemfab Alkalys Karaikal Limited	532.00	-
Investment in Preference Share Capital	Chemfab Alkalys Karaikal Limited	268.00	-
Contractually reimbursable expenses	Chemfab Alkalys Karaikal Limited	7.92	-
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	272.00	377.00
Commission paid and Sitting Fees	Mr. C.S.Ramesh	7.42	9.33
	Mrs. Drushti Desai	7.35	8.58
	Mr. Janakiraman A	7.12	9.18
	Mr. Mahendran R	6.58	8.35
	Mrs. Sujatha Jayarajan	6.75	8.43
	Mr. T.Ramabadran	7.23	10.40
Purchase of Property, Plant & Equipment	Titanium Equipment and Anode Manufacturing Company Limited	589.68	214.97
Contractually reimbursable expenses	Titanium Equipment and Anode Manufacturing Company Limited	5.53	5.29
Finance cost Paid	Titanium Equipment and Anode Manufacturing Company Limited	-	366.84
Repayment of Borrowings	Titanium Equipment and Anode Manufacturing Company Limited	-	1,235.30
Repayment of Borrowings	Global Outsourcers Pte Ltd	-	890.00
Contribution to employees post employment benefit plans	Chemfab Alkalys Limited Employee's Group Gratuity Trust	-	27.69
Dividend paid	Mr. Suresh Krishnamurthi Rao	17.81	17.81
	Mrs. K.M. Padma	13.88	13.88
	Dr Rao Holdings Pte Ltd	84.51	84.51
	Titanium Equipment and Anode Manufacturing Company Limited	13.40	13.40
	Mr. V.M. Srinivasan	0.89	-
	Mr. Nitin S Cowlagi	0.22	-

Note:

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

2) The above excludes Provision for Commission to Directors of Rs. 240 lakhs (PY - Rs. 306 lakhs) made during the year.

Nature of Transaction	Related Party	As at 31 March 2020 Rs. In lakhs	As at 31 March 2019 Rs. In lakhs
II. Balances			
Outstanding at the end of the year			
Payables	Titanium Equipment and Anode Manufacturing Company Limited	6.78	13.51
Other Current Assets	Titanium Equipment and Anode Manufacturing Company Limited	0.59	-
Investment in Subsidiary - Equity Share Capital	Chemfab Alkalys Karaikal Limited	532.00	-
Investment in Subsidiary - Preference Share Capital	Chemfab Alkalys Karaikal Limited	268.00	-
Receivables - Other Current Assets	Chemfab Alkalys Karaikal Limited	0.08	-
Post employment benefits	Mr. V.M. Srinivasan Mr. Nitin S Cowlagi	32.25 2.62	15.92 -
Contribution to employees post employment benefit plans	Chemfab Alkalys Limited Employee's Group Gratuity Trust	373.88	348.62

Benefits included in Compensation of key management personnel of the Company are as below:

Particulars	2019-20	2018-19
Mr. V.M. Srinivasan		
Salary	100.86	115.30
Share-based payment transactions perquisite	34.24	22.39
Post employment benefits	21.88	5.52
Total	156.98	143.21
Mr. Nitin S Cowlagi		
Salary and perquisite	38.11	40.05
Share-based payment transactions	13.15	-
Post employment benefits	7.89	-
Total	59.15	40.05

40 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 2020	For the year ended 31 March 2019
Face Value Per Share - Rs.	10	10
Net Profit attributable to the Equity shareholders (A) - Rs. In Lakhs	2,558.94	1,675.58
Weighted average Number of Shares (B)	1,39,26,408	1,38,84,093
Add: Effects of ESOP which are dilutive in nature	82,811	1,22,904
Weighted average Number of Shares for Diluted EPS (C)	1,40,09,219	1,40,06,997
Basic Earnings per Share (A/B) - Rs.	18.37	12.07
Diluted Earnings per Share (A/C) - Rs.	18.27	11.96

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:

Particulars	Amount Rs. In lakhs	
	For the Year Ended	
	31 March 2020	31 March 2019
Employer's Contribution to Provident Fund/Pension Scheme	106.04	93.53
Employer's Contribution to Superannuation Fund	26.23	23.46
Employer's Contribution to Employee Deposit Linked Insurance scheme	1.68	2.98
	133.95	119.97

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 and Aditya Birla Sun Life Insurance Company Limited. 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 2020	Year ended 31 March 2019
	Amount Rs. In lakhs	Amount Rs. In lakhs
Recognised in Statement of Profit and Loss		
Current service cost	98.00	37.12
Net interest expense	12.59	10.52
Components of defined benefit costs recognised in the Statement of Profit and Loss	110.59	47.64
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(1.81)	0.25
Actuarial gains and loss arising from changes in financial assumptions	(101.93)	(2.68)
Components of defined benefit costs recognised in Other Comprehensive Income	(103.74)	(2.44)
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	6.85	45.20

(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 2020	As at 31 March 2019
	Amount Rs. In lakhs	Amount Rs. In lakhs
Net asset / (liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	(497.56)	(521.07)
2. Fair value of plan assets	373.88	348.62
Net asset / (liability) recognised in the Balance Sheet	(123.68)	(172.45)
Current portion of the liability included under Note 26	25.58	28.34
Non-Current portion of the liability included under Note 22	98.10	144.11
	123.68	172.45

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	Amount Rs. In lakhs	Amount Rs. In lakhs
Present value of defined benefit obligation at the beginning of the year	521.07	452.24
Expenses Recognised in Statement of Profit and Loss:		
-Current service cost	98.00	37.12
-Interest cost	38.54	34.38
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses):		
-Actuarial gains and loss arising from changes in financial assumptions	(101.93)	(2.67)
Benefits paid	(58.12)	-
Present value of defined benefit obligation at the end of the year	497.56	521.07

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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
	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	348.62	297.31
Expenses Recognised in Statement of Profit and Loss:		
Expected return on plan assets	25.95	23.87
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses)	-	-
Return on plan assets (excluding amount included in net interest expense)	1.81	(0.25)
Contributions by employer	55.62	27.69
Benefits paid	(58.12)	-
Fair value of plan assets at the end of the year	373.88	348.62

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

Particulars	As at 31 March 2020	As at 31 March 2019
Investment Funds with Insurance Company		
-Aditya Birla Sun Life Insurance Company Limited	10.35%	10.04%
-Life Insurance Corporation of India	89.65%	89.96%

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 2020	As at 31 March 2019
Discount rate	6.56%	7.47%
Expected return on plan assets	7.44%	8.03%
Salary escalation	8.00%	10.00%
Attrition	5.00%	5.00%
Mortality tables	India Assured Life (2012-14)	India Assured Life (2012-14)

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:

Impact on the Defined benefit Obligation	Amount Rs. In lakhs	
	Increase	Increase
	As at 31 March 2020	As at 31 March 2019
Change in the discount rate by 50 basis point	15.13	17.06
Change in Attrition rate by 50 basis point	0.94	2.03
Change in Expected rate of salary increase by 50 basis point	(16.14)	(18.04)
Impact on the Defined benefit Obligation	Decrease	
	As at 31 March 2020	As at 31 March 2019
	As at 31 March 2020	As at 31 March 2019
Change in the discount rate by 50 basis point	(16.01)	(18.10)
Change in Attrition rate by 50 basis point	(0.97)	(2.11)
Change in Expected rate of salary by 50 basis point	15.40	17.18
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	2019-20	2018-19
Present value of DBO	497.56	521.07
Fair value of plan assets	373.88	348.62
Experience gain / (loss) adjustments on plan liabilities	101.93	2.67
Experience gain / (loss) adjustments on plan assets	1.81	(0.25)
Details relating to the experience adjustments are provided to the extent information is available.		

42 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006
(Amount Rs. In lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
a) Dues remaining unpaid		
- Principal	10.46	9.44
- Interest	-	-
b) (i) Amounts paid to suppliers beyond the appointed day	-	-
(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 and Small 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.

43 During the year, the Company incurred an aggregate amount of Rs. 72.68 lakhs and paid Rs. 68.93 Lakhs (PY- Rs. 49.78 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. 68.80 lakhs.

Amount spent by the Company during the year on:

(Amount Rs. In lakhs)

Particulars	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction / Acquisition of any asset	Cheque / Electronic Fund Transfer	9.63	1.32	10.95
	Cash	0.24	-	0.24
ii) On purposes other than (i) above	Cheque / Electronic Fund Transfer	59.06	2.43	61.49
Total		68.93	3.75	72.68

44 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 Current Maturities of Long term Debt 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 2020	As at 31 March 2019
Borrowings and Current Maturities of Long Term Debt	4,221.01	3,398.64
Cash and Bank Balances	(265.72)	(407.39)
Net Debt (A)	3,955.29	2,991.25
Total Equity (B)	27,566.91	25,110.81
Net Debt to equity ratio (A/B)	0.14	0.12

(II) Categories of Financial Instruments

(a) Financial Assets

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments	1.58	3.53
Measured at fair value through P&L (FVTPL)		
- Investments	-	0.35
Measured at amortised cost		
- Investments in Subsidiaries	800.00	-
- Cash and Cash Equivalents	1.86	104.10
- Bank Balances other than (iii) above	263.86	303.29
- Trade receivables	954.24	1,634.10
- Other financial assets	1,446.79	1,351.84
Total	3,468.33	3,397.21

(b) Financial Liabilities :

(Amount Rs. in lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Measured at amortised cost		
- Borrowings	3,597.01	2,798.64
- Trade Payables	1,657.99	1,539.92
- Lease Liabilities	58.90	-
- Other financial liabilities	1,308.98	1,604.00
Total	6,622.88	5,942.56

(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. 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 2020 and there are no outstanding contracts as at 31 March 2020.

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 2020		As at 31 March 2019	
		Amount in Foreign Currency	Amount - Rs. In lakhs	Amount in Foreign Currency	Amount - Rs. In lakhs
Capital Creditors	EURO	420,472.55	353.91	1,85,000	143.75
Trade Payables	USD	122,661.00	91.43	-	-
Trade Receivables	USD	31,222.45	24.27	-	-
Current Borrowings	EURO	1,016,054.90	840.91	-	-
Current Advances	USD	-	-	66,196	46.06
	EURO	-	-	80,321	63.03

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

(Amount Rs. In Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2020	For the year ended 31 March 2019	For the year ended 31 March 2019
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.55)	0.55	-	-
EURO	(0.72)	0.72	(0.09)	0.09

Impact on total equity as at the end of the reporting period

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2020	As at 31 March 2019	As at 31 March 2019
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	(0.55)	0.55	-	-
EURO	(0.72)	0.72	(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.

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.

(Amount Rs. In Lakhs)						
Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2020						
Interest bearing	-	602.26	1,478.91	2,222.93	-	4,304.10
Non-interest bearing	-	2,257.42	-	61.36	-	2,318.78
Total	-	2,859.68	1,478.91	2,284.29	-	6,622.88

March 31, 2019						
Interest bearing	-	18.41	600.00	2,798.64	-	3,417.05
Non-interest bearing	-	2,144.12	-	381.39	-	2,525.51
Total	-	2,162.53	600.00	3,180.03	-	5,942.56

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for term loan at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change (decrease/increase) of 100 basis points in interest rates for term loan at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Impact on Profit and Loss for the reporting period

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Profit and Loss for the reporting period	(31.43)	31.43	(9.19)	9.19

Impact on Total Equity as at end of the reporting period

Particulars	As at 31 March 2020		As at 31 March 2019	
	Increase by	Decrease by	Increase by	Decrease by
	100 bps	100 bps	100 bps	100 bps
Impact on Total Equity as at end of the reporting period	(31.43)	31.43	(9.19)	9.19

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.

(Amount Rs. In Lakhs)						
Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2020						
Interest bearing	-	-	396.33	32.74	-	429.07
Non-interest bearing	1.86	933.24	1,076.09	226.49	801.58	3,039.26
Total	1.86	933.24	1,472.42	259.23	801.58	3,468.33

March 31, 2019						
Interest bearing	0.35	-	313.44	627.84	-	941.63
Non-interest bearing	104.10	1,626.08	495.38	226.49	3.53	2,455.58
Total	104.45	1,626.08	808.82	854.33	3.53	3,397.21

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. 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.

45 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 2020	31 March 2019		
Financial Assets				
-Investment in quoted Equity Instruments at FVTOCI	1.58	3.53	Level 1	Quoted bid prices in an active market
-Other Investments	-	0.35	Level 1	Based on fund statement
Total	1.58	3.88		

(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 2020		As at 31 March 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
-Investments in Subsidiaries	800.00	800.00	-	-
- Cash and Cash Equivalents	1.86	1.86	104.10	104.10
- Bank Balances other than above	263.86	263.86	303.29	303.29
- Trade receivables	954.24	954.24	1,634.10	1,634.10
- Other financial assets	1,446.79	1,446.79	1,351.84	1,351.84
Total	3,466.75	3,466.75	3,393.33	3,393.33

Financial liabilities held at amortised cost :				
- Borrowings	3,597.01	3,597.01	2,798.64	2,798.64
- Trade Payables	1,657.99	1,657.99	1,539.92	1,539.92
- Lease Liabilities	58.90	58.90	-	-
- Other financial liabilities	1,308.98	1,308.98	1,604.00	1,604.00
Total	6,622.88	6,622.88	5,942.56	5,942.56

Fair value hierarchy as at 31 March 2020

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	1.86	-	-	1.86
- Bank Balances other than above	263.86	-	-	263.86
- Trade receivables	-	-	954.24	954.24
- Other financial assets	-	-	1,446.79	1,446.79
	265.72	-	2,401.03	2,666.75

Financial liabilities held at amortised cost :

- Borrowings	-	-	3,597.01	3,597.01
- Trade Payables	-	-	1,657.99	1,657.99
- Lease Liabilities	-	-	58.90	58.90
- Other financial liabilities	-	-	1,308.98	1,308.98
	-	-	6,622.88	6,622.88

Fair value hierarchy as at 31 March 2019

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	104.10	-	-	104.10
- Bank Balances other than above	303.29	-	-	303.29
- Trade receivables	-	-	1,634.10	1,634.10
- Other financial assets	-	-	1,351.84	1,351.84
	407.39	-	2,985.94	3,393.33
Financial liabilities held at amortised cost :				
- Borrowings	-	-	2,798.64	2,798.64
- Trade Payables	-	-	1,539.92	1,539.92
- Lease Liabilities	-	-	-	-
- Other financial liabilities	-	-	1,604.00	1,604.00
	-	-	5,942.56	5,942.56

46 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 1, 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

(Amount Rs. In lakhs)

Particulars	2019-20		Total
	Business segments		
	Chemicals and related Products/ Services	PVC-O Pipes	
Revenue	15,568.02	4,884.30	20,452.32
	(17,997.15)	(1,335.63)	(19,332.78)
Less: Inter-segment revenue	-	-	-
	(0.13)	(2.27)	(2.40)
Total	15,568.02	4,884.30	20,452.32
	(17,997.02)	(1,333.36)	(19,330.38)
Segment result before exceptional item	2,083.07	927.08	3,010.15
	(4,380.79)	(157.31)	(4,538.10)
Less: Exceptional Item	(321.03)	-	(321.03)
	(1,963.25)	-	(1,963.25)
Segment result after exceptional item	1,762.04	927.08	2,689.12
	(2,417.54)	(157.31)	(2,574.85)



CHEMFAB ALKALIS LIMITED

Notes forming part of the Standalone financial statements for the year ended 31 March 2020

Finance Cost			315.00
			(199.20)
Operating income			2,374.12
			(2,375.65)
Other income			311.41
			(472.70)
Profit before taxes			2,685.53
			(2,848.35)
Tax expense			126.59
			(1,172.77)
Profit for the year			2,558.94
			(1,675.58)

II. Segment Assets and Liabilities

(Amount Rs. In lakhs)

Particulars	2019-20		Total
	Business segments		
	Chemicals and related Products/ Services	PVC-O Pipes	
Segment assets	19,921.73	8,875.64	28,797.37
	(19,747.28)	(6,801.51)	(26,548.79)
Unallocable assets			6,046.99
			(5,550.34)
Total assets			34,844.36
			(32,099.13)

Segment liabilities	2,364.88	557.03	2,921.91
	(2,664.40)	(792.03)	(3,456.43)
Unallocable liabilities			4,355.54
			(3,531.89)
Total liabilities			7,277.45
			(6,988.32)
Other information			
Capital expenditure	3,411.43	2,091.79	5,503.22
	(1,482.89)	(3,820.53)	(5,303.42)
Depreciation and amortisation	1,958.22	550.54	2,508.76
	(1,347.17)	(144.95)	(1,492.12)

Information on geographic segments:

(Amount Rs. In lakhs)

Geographical Segment	Revenues for the year ended 31 March 2020	Non - Current Assets as at 31 March 2020 (Refer Note 3 below)
India	20,346.69 (19,307.83)	24,105.51 (21,952.83)
Others	105.63 (22.55)	- -

Note: 1) Figures in bracket indicate previous year figures.

2) Also Refer Note 1.16.

3) Non current assets excludes deferred tax assets and income tax assets.

47 Employee Stock Option Scheme

- a) The ESOP scheme titled “CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015] was approved by the erstwhile shareholders of Chemfab Alkalys 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 2017-18 and 19,714 options were exercised during the year 2018-19 and 59,000 options were exercised during FY 2019-20. 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.	Fair value on the date of grant in Rs.
	<p>“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015] (refer (a) above)</p> <p>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.</p>	2,40,000	24-Mar-16	52.43	74.90

- c) Employee stock options details as on the balance sheet date are as follows:

Particulars	For the year ended 31 March 2020		For the year ended 31 March 2019	
	Options (Num- bers)	Weighted average exer- cise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
<u>“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015]</u>				
Option outstanding at the beginning of the year:	1,80,000	52.43	1,99,714	52.43
Add: Granted during the year:	-	-	-	-
Less: Exercised during the year: *	(59,000)	52.43	(19,714)	52.43
Less: Lapsed during the year:	(1,000)	-	-	-
Options outstanding at the end of the year:	1,20,000	52.43	1,80,000	52.43
The exercise price has been determined on the basis of the weighted average share price of erstwhile Chemfab Alkalys Limited as at the grant date.	NA	52.43	NA	52.43
Weighted average remaining contractual life for options outstanding as at 31 March 2020 - 0.5 Year (As at 31 March 2019 - 1 Years).				
* Out of the above, shares relating to 15,000 options are pending allotment as at 31 March 2020				

- 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 Alkalys Employees Stock Option Scheme 2015]		39,000	07-May-19	52.43
“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015]		5,000	29-Jan-20	52.43
“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015]		5,000	04-Mar-20	52.43
“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015]		10,000	11-Mar-20	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, 2020	For the year ended March 31, 2019
ESOP cost accounted by the Company			13.18	15.82
Total			13.18	15.82

48 Details of Research & Development Expenditure Recognised as an expense (As identified by the management)

(Amount Rs. in lakhs)

Particulars	2019-20	2018-19
Employee Benefits expense	39.83	37.56
Professional fees	12.65	14.19
Consumption of Stores and spares	4.28	6.97
Travelling expenses	1.59	1.87
Depreciation	7.71	7.78
Total	66.05	68.37

49 The Board of Directors have recommended a final dividend of 12.50% (Rs. 1.25 per Equity Share of Rs. 10 each) for the financial year 2019-20 which is subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

50 In view of lockdown across the country due to outbreak of Covid-19 pandemic, the Company's operations were scaled down / shutdown in compliance with the directives / orders issued by the Government Authorities. The operations of the Company have subsequently recommenced during the months of April 2020 and May 2020 in a phased manner in its Kalapet and Sri City units respectively. Based on the assessment carried out by the Management, the impact of the Covid-19 pandemic on the future operations, profitability and liquidity position of the Company, if any, is expected to be limited.

51 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 04 June 2020.

For and on behalf of Board of Directors

Sd/-

Suresh Krishnamurthi Rao
Chairman

DIN: 00127809

Place : Chennai

Sd/-

V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-

V Rajesh
Company Secretary

Place : Chennai

Sd/-

S Prasath
Chief Financial Officer

Place : Puducherry

Date : 04 June 2020

INDEPENDENT AUDITOR'S REPORT

To The Members of Chemfab Alkalis Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of **Chemfab Alkalis Limited** ("the Parent"/ "the Holding Company") and its subsidiary, (the Parent/ Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Impairment of property, plant and equipment at Ongole plant of the Parent:</p> <p>The Management of the Parent has suspended the operations since July 2018 and is in the process of evaluating the future course of action and viability of the plant.</p> <p>The Management has carried out an evaluation of the recoverable value of the plant, and has recognised an impairment loss of Rs. 706.70 lakhs for the year ended 31 March 2020 resulting in the net carrying value of the property, plant and equipment as at 31 March 2020 being Rs. 1,275.00 lakhs (Refer Note 2.4 of the Consolidated Ind AS financial Statements for the year ended 31 March 2020).</p> <p>Due to the multitude of factors, assumptions and significant judgments involved in estimating the recoverable values, any adverse changes to these assumptions could result in such recoverable value becoming lower than the carrying amount.</p>	<p>Principal audit procedures performed:</p> <p>We have performed the following procedures:</p> <ol style="list-style-type: none"> Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls which <i>inter-alia</i> includes the completeness and accuracy of the data considered, reasonableness of assumptions considered in determining the recoverable value of property, plant & equipment. Obtained the external valuation reports with respect to recoverable value of Property Plant & Equipment as at 31 March 2020 and the management's assessment associated with the determination of the recoverable value and performed the following procedures: <ul style="list-style-type: none"> Conducted meetings and discussions with key management persons to identify factors, if any, that should be taken into account in the analysis. Assessed the reasonableness of the valuation methodology considered by the external specialists, appointed by the Management. Checked, on a sample basis, the accuracy and relevance of the data used by Management in determining the recoverable value Evaluated the management's assumptions used in determining the recoverable value.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's/ Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in Management Discussion and Analysis, Board's report including the Annexures to the Board Report and Corporate Governance but does not include the Consolidated Ind AS financial statements, Standalone Ind AS financial statements and our auditor's report thereon.
- Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary, to the extent it relates to the entity, and consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statements.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Consolidated Ind As financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Ind AS financial statements.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS financial statements.

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in

the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our report, 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 of the aforesaid Consolidated Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.
 - d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of the Subsidiary company incorporated in India, none of the directors of the Parent and Subsidiary company incorporated in India is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in “Annexure A” which is based on the auditors’ reports of the Parent/ Holding company and the subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

h) 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 Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
- ii) The Group 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 Parent/ Holding Company and its subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai
Date: 04 June 2020
Ref.: PS/EKP/KS/2020/68
Unique Document Identification Number:
20206834AAAAAQ1321

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”)

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of **Chemfab Alkalis Limited** (hereinafter referred to as “the Holding Company”) and its subsidiary company as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 (ICAI). 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 the respective 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 internal financial controls over financial reporting of the Holding Company, its subsidiary company, which are companies incorporated in India, 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.

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 Holding Company, its subsidiary company, which are companies incorporated in India, have, 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 March 31, 2020, based on the criteria for internal financial control over financial reporting established by the respective companies 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)

Sd/-
Sriraman Parthasarathy
(Partner)
(Membership No.206834)

Place: Chennai
Date: 04 June 2020
Ref.: PS/EKP/KS/2020/68
Unique Document Identification Number:
20206834AAAAAQ1321

Consolidated Balance Sheet as at 31 March 2020		
Particulars	Note No	As at 31 March 2020 Rs. In Lakhs
I. ASSETS		
(1) Non - current Assets		
(a) Property, Plant and Equipment	2	19,001.57
(b) Capital Work-In-Progress		3,527.11
(c) Right of Use Assets	34	450.01
(d) Investment Property	3	-
(e) Other Intangible Assets	2	26.96
(f) Financial Assets		
(i) Investments	4	1.58
(ii) Other Financial Assets	5	259.23
(g) Non - Current Tax Assets (Net)	6	508.72
(h) Deferred Tax Assets (Net)	7	5,186.96
(i) Other Non - current Assets	8	762.45
Total Non - current Assets		29,724.59
(2) Current Assets		
(a) Inventories	9	850.26
(b) Financial Assets		
(i) Investments	10	67.22
(ii) Trade Receivables	11	954.24
(iii) Cash and Cash Equivalents	12A	3.59
(iv) Bank Balances other than (iii) above	12B	263.86
(v) Other Financial Assets	13	1,187.56
(c) Current Tax Assets (net)	6	334.94
(d) Other Current Assets	14	1,450.38
Total Current Assets		5,112.05
TOTAL ASSETS		34,836.64
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity Share Capital	15	1,393.45
(b) Other Equity	16	26,159.13
Equity attributable to Shareholders of the Company		27,552.58
Non-controlling interests		-
Total Equity		27,552.58
(2) Liabilities		
Non- current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	17	2,178.03
(ii) Lease Liabilities	34	44.90
(iii) Other Financial Liabilities	18	61.36
(b) Provisions	19	98.10
Total Non- current Liabilities		2,382.39

Consolidated Balance Sheet as at 31 March 2020

In terms of our report attached

For and on behalf of the Board of Directors

Sd/- Sd/-
Suresh Krishnamurthi Rao V M Srinivasan
Chairman Chief Executive Officer

Place : Chennai Place : Chennai

Sd/-
V Rajesh
Company Secretary
Place : Chennai
Date : 04 June 2020

Statement of Consolidated Profit and Loss for the year ended 31 March 2020		
Particulars	Note No	For the Year Ended 31 March 2020 Rs. In Lakhs
I Revenue from Operations	26	20,452.32
II Other Income	27	311.41
III Total Revenue (I+II)		20,763.73
IV Expenses		
Cost of Materials Consumed	28A	3,149.82
Purchases of Stock - in - Trade	28B	665.75
Changes in Inventories of Finished Goods and Work-in-Progress	29	(126.45)
Other Direct Manufacturing Expenses	30	7,075.70
Employee Benefits Expense	31	1,807.35
Finance Costs	32	315.00
Depreciation and Amortisation Expense	2 & 34	2,508.76
Other Expenses	33	2,375.57
Total Expenses (IV)		17,771.50
V Profit before Exceptional Items (III - IV)		2,992.23
VI Exceptional Items	2.4 & 3.1	(321.03)
VII Profit before tax (V + VI)		2,671.20
VIII Tax expense	7	
- Current Tax		
Current Year		651.63
Prior Years	7C	(800.14)
- Deferred Tax		275.10
		126.59
IX Profit for the Year (VII - VIII)		2,544.61
X Other Comprehensive Income		
Items that will not be reclassified to profit or loss:		
- Equity Instruments through Other Comprehensive Income		(1.95)
- Remeasurement of the defined benefit plans		103.74
- Income tax relating to items that will not be reclassified to profit or loss	7	(30.21)
Total Other Comprehensive Income		71.58

Statement of Consolidated Profit and Loss for the year ended 31 March 2020		
Particulars	Note No	For the Year Ended 31 March 2020 Rs. In Lakhs
XI Total Comprehensive Income for the Year (IX + X)		2,616.19
Profit for the year Attributable to:		
Owners of the Company		2,544.61
Non-Controlling Interests		-
Other Comprehensive Income for the year Attributable to:		
Owners of the Company		71.58
Non-Controlling Interests		-
Total Comprehensive Income for the year Attributable to:		2,616.19
Owners of the Company		-
Non-Controlling Interests		-
XII Earnings per Equity Share (Face Value of Rs 10 each)	37	
-Basic		18.27
-Diluted		18.16
See accompanying notes forming part of the financial statements		
In terms of our report attached		
For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors	
Chartered Accountants		
Sd/-	Sd/-	Sd/-
Sriraman Parthasarathy	Suresh Krishnamurthi Rao	V M Srinivasan
Partner	Chairman	Chief Executive Officer
	DIN: 00127809	
Place : Chennai	Place : Chennai	Place : Chennai
Date : 04 June 2020		
	Sd/-	Sd/-
	V Rajesh	S Prasath
	Company Secretary	Chief Financial Officer
	Place : Chennai	Place : Puducherry
	Date : 04 June 2020	

Consolidated Cash Flow Statement for the year ended 31 March 2020		
Particulars	Note No.	For the Year Ended 31 March 2020 Rs. In Lakhs
A. Cash flow from Operating Activities		
Net Profit after tax		2,544.61
Adjustment for:		
Income Tax Expense recognised in the statement of Profit and Loss	7	126.59
Provision for Impairment	2	706.70
Depreciation and Amortisation Expense	2 & 34	2,508.76
Dividend from Non-current and current Investments	27(b)	(0.01)
Expense on Employee Stock based compensation	31	13.18
Interest Income	27(a)	(32.08)
Finance Costs/Interest Expense on financial liabilities at amortised cost	32	315.00
Gain on Sale of Investment Property	3	(385.67)
(Profit) from Sale of Property, Plant and Equipment	27 (c)	(28.06)
Bad Receivables written off	33	20.07
Provision for Expected credit loss (Net)	33	198.94
Unrealised Exchange Variation (Net)		52.72
Operating Profit/(Loss) before Working Capital and Other changes		6,040.74
(Increase) / Decrease in Trade Receivables	11	628.31
(Increase) / Decrease in Other Non current and Current Financial assets and Non current and Current assets	5, 8, 13 & 14	(384.06)
(Increase) / Decrease in Inventories	9	(27.05)
Increase / (Decrease) in Trade Payables, Other Current and Non-current liabilities and Provisions	19, 21, 22, 23 & 25	(174.85)
Changes in Working Capital and Other changes		42.36
Cash generated from Operations		6,083.10
Direct Taxes (paid)/refund (net)	7	(660.26)
Net cash generated from Operating Activities (A)		5,422.84
B. Cash flow from Investing Activities		
Purchase of Property, Plant and Equipment	2	(6,226.62)
Proceeds from Sale of Property, Plant and Equipment and Investment Property		453.69
Investment in Mutual Funds	10	(67.22)

Particulars	Note No.	For the Year Ended 31 March 2020 Rs. In Lakhs
Net movement in Bank balances not considered as Cash and cash equivalents	5 & 12B	(4.39)
Dividend Received from Non-current and Current Investments		0.01
Interest Income	13 & 27	30.32
Net Cash (used in) Investing Activities (B)		(5,814.20)
C. Cash flow from Financing Activities		
Dividend Paid, including Dividend Distribution Tax	16	(206.52)
Issue of Equity Shares	15 & 16	23.07
Money received towards allotment of equity shares	16	7.86
Lease Liability Payments	34	(21.46)
Repayment of Term Loan made during the year	17 & 22	(600.00)
Short term Borrowings (repaid)/taken (net)	17, 20 & 22	1,384.51
Finance Costs paid on Borrowings	22 & 32	(296.96)
Net Cash from Financing Activities (C)		290.50
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A) + (B) + (C)		(100.86)
E. Cash and Cash Equivalents (Opening)	12A	104.45
F. Cash and Cash Equivalents (Closing)		3.59
See accompanying notes forming part of the financial statements		
In terms of our report attached		
For Deloitte Haskins & Sells LLP	For and on behalf of the Board of Directors	
Chartered Accountants		
Sd/-	Sd/-	Sd/-
Sriraman Parthasarathy	Suresh Krishnamurthi Rao	V M Srinivasan
Partner	Chairman	Chief Executive Officer
	DIN: 00127809	
	Place : Chennai	Place : Chennai
Place : Chennai		
Date : 04 June 2020		
	Sd/-	Sd/-
	V Rajesh	S Prasath
	Company Secretary	Chief Financial Officer
	Place : Chennai	Place : Puducherry
	Date : 04 June 2020	

Statement of Consolidated Changes in Equity for the year ended 31 March 2020

A. Equity Share Capital

Amount Rs. In lakhs	
Particulars	As at 31 March 2020
Balance as at beginning of the Year	1,389.05
Changes in equity share capital during the year	4.40
Closing Balance	1,393.45

B. Other Equity

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings (Refer Note below)	Other Comprehensive Income	Total	Non-controlling Interests	Total Other Equity
Balance as at 01 April 2019	-	15.67	960.00	34,627.25	34.28	(11,918.64)	3.20	23,721.76	-	23,721.76
Profit for the year	-	-	-	-	-	2,544.61	-	2,544.61	-	2,544.61
Recognition of Employee stock based compensation	-	-	-	-	13.18	-	-	13.18	-	13.18
Share Application Money Received	30.93	-	-	-	-	-	-	30.93	-	30.93
Shares Allotted	(23.07)	-	-	-	(17.84)	-	-	(40.91)	-	(40.91)
Securities Premium on issue of Equity Shares	-	-	-	36.51	-	-	-	36.51	-	36.51
Payment of Dividend on equity shares	-	-	-	-	-	(174.12)	-	(174.12)	-	(174.12)
Payment of Dividend Distribution Tax on equity shares	-	-	-	-	-	(35.79)	-	(35.79)	-	(35.79)
Impact of adoption of Ind AS 116 (Refer Note 34)	-	-	-	-	-	(8.62)	-	(8.62)	-	(8.62)
Equity Instruments through Other Comprehensive Income (net of taxes)	-	-	-	-	-	-	(1.95)	(1.95)	-	(1.95)
Remeasurement of Defined Benefit Plans (net of taxes)	-	-	-	-	-	73.53	-	73.53	-	73.53
Balance as at 31 March 2020	7.86	15.67	960.00	34,663.76	29.62	(9,519.03)	1.25	26,159.13	-	26,159.13

Note: In accordance with Notification G.S.R 404(E), dated April 06, 2016, remeasurement of defined benefit plans is recognised as a part of retained earnings.

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Sd/-

Sriraman Parthasarathy
Partner

Place : Chennai
Date : 04 June 2020

Sd/-

Suresh Krishnamurthi Rao
Chairman

DIN: 00127809
Place : Chennai

Sd/-

V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-

V Rajesh
Company Secretary

Place : Chennai
Date : 04 June 2020

Sd/-

S Prasath
Chief Financial Officer

Place : Puducherry

1 Corporate Information

Chemfab Alkalys Limited (“the Parent Company”) and Chemfab Alkalys Karaikal Limited (“the Subsidiary” together “ the Group”) is in the business of manufacturing of basic inorganic chemicals and PVC pipes.

The name of the Parent Company was changed from Teamec Chlorates Limited to Chemfab Alkalys 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 Alkalys Limited a listed entity, had merged with the Parent Company pursuant to the scheme and consequently the Parent 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.

During the current year ended 31 March 2020, CAL has incorporated a wholly owned subsidiary, CAKL on 19 December 2019 which is yet to commence operations. Accordingly, the Company has prepared consolidated financial statements for the first time during the current year and there are no comparative reporting periods.

Significant Accounting Policies

1.1 Principles of Consolidation:

The Consolidated financial statements relate to the Parent Company and its Subsidiary. The Consolidated financial statements have been prepared on the following basis:

The financial statements of the Parent Company and its Subsidiary have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating material intra-group balances, intragroup transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances are presented to the extent possible, in the same manner as the Parent Company’s standalone financial statements.

The details of the Subsidiary Company considered in the preparation of the consolidated financial statements are given below:

Name : Chemfab Alkalys Karaikal Limited; Country of Incorporation :India; Relationship: Wholly Owned Subsidiary; Effective Ownership Interest as at 31 March 2020 : 100%

1.2 Basis Of Accounting

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the 2013 Act read with the Companies (Indian Accounting Standards) Rules 2015 and other relevant provisions of the 2013 Act.

The Group has consistently applied accounting policies for the year including the below:

(i) The Group has adopted Ind AS 116 ‘Leases’ with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Group has applied Ind AS 116 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at April 1, 2019. As a result, the comparative information has not been restated. Also Refer Note 34.

(ii) Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs (“MCA”) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax

bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. Also Refer Note 7.

(iii) Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

(iv) Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

1.3 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 Group 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

1.4 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Revisions to accounting estimates are recognized prospectively in the year in which the estimate is revised and / or in future years, as applicable.

1.5 Operating Cycle

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

1.6 Revenue recognition

(I) Sale of Goods/Services:

The Group derives revenues primarily from sale of manufacturing of inorganic chemicals viz Caustic Soda Lye, Chlorine, Hydrogen, Hydrochloric acid, Sodium Hypo and Sodium Chlorate and also from PVC-O pipes. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to be received in exchange for those products or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Accordingly, the revenue is recognised on point in time basis.

a) Sale of products:

Revenues and costs relating to sale of products are recognized as the related goods are delivered, and titles have passed, at which time all the following conditions are satisfied:-

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the Group of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group ; and
- the costs incurred or to be incurred in respect of the transactions can be measured reliably.

b) 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 Group 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.

1.7 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.

1.8 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.

1.9 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 Group are segregated based on the available information.

1.10 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 Group 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 Property, 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 Property, Plant & Equipment, 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 Group 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.

1.11 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.

1.12 Government Grants, Subsidies and Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Group will comply with the conditions attached to them and the grants / subsidies will be received. Government grants whose primary condition is that the Group 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.

1.13 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/restatement of monetary assets and liabilities of the Group are recognised as income or expense in the statement of profit and loss.

1.14 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
- Remeasurement comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability)

The Group 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 Group'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 Group 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 Group receive benefits from Provident Fund and Employee's State Insurance (where applicable), which are defined contribution plans. Both, the employee and the Group make monthly contributions to the plan, each equalling to a specified percentage of employee's basic salary. The Group has no further obligations under the plan beyond its monthly contributions. The Group contributes to the Employee Provident Fund and Employee's State Insurance (where applicable) 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 Group makes contribution to a scheme administered by the insurer to discharge its liabilities towards super annuation to the eligible employees. The Group has no other liability other than its annual contribution.

1.15 Employee Share Based Payments

Employees of the Group 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 Group'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 Group'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.

1.16 Taxation

Income taxes comprise Current and deferred tax. Income tax expense/credit is recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the income taxes are also recognised in other comprehensive income or directly in equity, respectively.

Current Tax and prior period tax:

Current income tax liability/ (asset) for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax:

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognized on deductible and taxable temporary differences between the carrying amounts of assets and liabilities in the Ind AS financial statements and the corresponding tax bases of such assets and liabilities. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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 Group 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 Parent Company will pay normal income tax in the future years and future economic benefit associated with it will flow to the Parent 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.

1.17 Segment Reporting

Operating segments reflect the Group's management structure and the way the financial information is regularly reviewed by the Group's Chief operating decision maker (CODM). The CEO of the Group 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 Group. 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 Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

1.18 Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether: (1) the contract involves the use of an identified asset (2) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the group changes its assessment if whether it will exercise an extension or a termination option.

1.19 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.

1.20 Provisions and contingent liabilities

A provision is recognised when the Group 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 Group 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 Group 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.

1.21 Provision for warranty

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto three years.

1.22 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.

1.23 Financial Instruments

Financial assets and financial liabilities are recognised when the Group 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.

1.24 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 Group 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 Group 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 Group 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 amortised 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 Group 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 Group in accordance with the contract and all the cash flows that the Group 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 Group 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 Group 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 Group 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 Group 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 Group has used a practical expedient method 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 Group 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 Group neither

transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group 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 Group retains an option to repurchase part of a transferred asset), the Group 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."

1.25 Financial liabilities and equity instruments

Classification as debt or equity:

Debt and equity instruments issued by the Group 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 Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group'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 Group'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 is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

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 Group 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 Group's documented risk management or investment strategy, and information about the Group 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 Group derecognises financial liabilities when, and only when, the Group'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 the Statement of Profit and Loss.

1.26 Impairment of Tangible and Intangible Assets

At the end of each reporting period, the Group 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 Group 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.

1.27 Dividend and dividend distribution tax

Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors. The Group declares and pays dividends in Indian rupees and are subject to applicable distribution taxes.

1.28 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 (Also Refer Note 1.26)
- (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 Group operates ("the functional currency") is Indian Rupee (INR) in which the Group primarily generates and expends cash. Accordingly, the Management has assessed its functional currency to be Indian Rupee (INR).

2. Property Plant and Equipment and Other Intangible Assets - current year ended 31 March 2020

Particulars	Gross Block			Accumulated Depreciation / Amortisation/Impairment			(Amount Rs. In Lakhs)	
	As at 01 April 2019	Additions during the year	Deletions/Adjustment during the year	As at 31 March 2020	As at 01 April 2019	For the year	As at 31 March 2020	Net Block As at 31 March 2020
A. Property Plant and Equipment								
Land - Freehold (Refer Note 2.2 and 2.3)	1,821.94	723.00	-	2,544.94	-	-	-	2,544.94
Buildings	3,258.15	160.78	7.20	3,411.73	1,360.01	172.77	1,555.52	1,856.21
Plant and Equipment (Refer note 20(ii))	19,824.91	1,903.99	34.24	21,694.66	4,326.06	2,254.89	7,257.71	14,436.95
Furniture and Fixtures	66.95	6.78	1.28	72.45	35.73	8.46	43.04	29.41
Vehicles	69.99	67.44	27.89	109.54	27.83	13.08	24.70	84.84
Office Equipments	132.66	16.67	-	149.33	74.63	25.48	100.11	49.22
TOTAL (A)	25,174.60	2,878.66	70.61	27,982.65	5,824.26	2,474.68	8,981.08	19,001.57
B. OTHER INTANGIBLE ASSETS								
Computer Software	159.85	10.35	-	170.20	128.87	14.37	143.24	26.96
TOTAL (B)	159.85	10.35	-	170.20	128.87	14.37	143.24	26.96
TOTAL (A + B)	25,334.45	2,889.01	70.61	28,152.85	5,953.13	2,489.05	9,124.32	19,028.53

Notes:

2.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 41.35 Lakhs as at 31 March 2020.

2.2 The Parent 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.

2.3 Freehold Land includes:

Particulars	As at 31 March 2020 Amount in Rs. In Lakhs	Remarks
Freehold land located at Ramnad.	55.20	For the title deeds pertaining to land measuring 31.51 acres located at Ramnad, the Parent Company is in the process of getting the registration in its name.

2.4 The Parent Company had suspended the operations at its Ongole plant from 10 July 2018 in order to dispose excess accumulated inventory, post which the Management is evaluating various options of running the unit profitably. The Management has carried out a detailed impairment evaluation and has recognised an impairment of Rs. 706.70 lakhs during the year ended 31 March 2020 resulting in its carrying value of the property, plant and equipment being Rs. 1,275.00 Lakhs as at 31 March 2020 and disclosed as Exceptional Item under Statement of Profit & Loss.

7. Current Taxes and Deferred Taxes

(Amount Rs. In lakhs)

Particulars	For the year ended 31 March 2020
(A.1) Income Tax recognised in statement of profit and loss	
(i) Current Tax:	
- in respect of current year	651.63
Total (A)	651.63
(ii) Deferred Tax:	
- in respect of current year	275.10
Total (B)	275.10
Total income tax expense recognised in Statement of Profit and Loss (A+B)	926.73
(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 & Others	(30.21)
Total	(30.21)
Classification of income tax recognised in other comprehensive income	
- Income taxes related to items that will not be reclassified to profit or loss	(30.21)
Total	(30.21)
(A.3) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:	
Profit before tax	2,671.20
Income Tax using the Company's domestic Tax rate	777.85
Tax Effect of :	
- Effect of expenses that are non-deductible in determining taxable profit	1.28
- Deductible allowances and Expenses	(1.79)
- Gain on sale of Investment Property	95.46
- Changes in recognised temporary differences	9.22
- Others	44.71
Income Tax expense recognised in statement of profit or loss from continuing operations	926.73

The tax rate used for the year ended March 31, 2020 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense / (reversal) relating to prior years.

(B1) Movement in Deferred Tax Balances			(Amount Rs. In lakhs)		
Particulars	As at March 31, 2019	Recognised in profit and loss account	Recognised in OCI	Recognised in Other Equity	As at March 31, 2020
Tax effect of items constituting (deferred tax liabilities)/deferred tax assets					
Property, Plant and Equipment and Other Intangible Assets	(852.41)	421.34	-	-	(1273.75)
Financial assets at amortised cost	17.53	(48.68)	-	-	66.21
Employee Benefits	53.95	2.58	-	-	51.37
Provisions for Expenses, impairment and Doubtful trade receivables	591.16	(209.51)	-	-	800.67
Remeasurement of defined benefit obligations	49.07	(17.16)	(30.21)	-	36.02
Carryforward of Tax Loss	3,425.14	775.52	-	-	2,649.62
Others	6.56	2.64	-	-	3.92
	3,291.00	926.73	(30.21)	-	2,334.06
MAT Credit	2,201.27	651.63	-	-	2,852.90
Net Tax Asset /(Liabilities)	5,492.27	275.10	(30.21)	-	5,186.96

C Prior Years - Provision no longer required written back

Based on the completion of the tax assessments for various prior years, the Parent Company has written back, provision made for taxation in prior years, which are no longer required amounting to Rs. 800.14 lakhs during the year ended 31 March 2020.

D. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The provision for taxation for the current year has been determined by the Management based on the tax position to be considered for tax filing and its assessment of the probability of acceptance of the same by the taxation authorities.

Particulars	As at 31 March 2020 Amount Rs. In lakhs
3. Investment Property	
Completed Investment Property	-
Cost or Deemed Cost	
Opening Balance	19.61
Transferred from Property, Plant & Equipment	-
Additions / Deletions	(19.61)
Closing Balance	-
Accumulated Depreciation & Impairment	
Opening Balance	-
Transferred from Property, Plant & Equipment	-
Closing Balance	-
Carrying Amount	
Opening Balance	19.61
Additions / Deletions	(19.61)
Depreciation	-
Closing Balance	-
Note:	
3.1 During the year the Parent Company has sold its investment property for Rs. 405.28 Lakhs whose carrying amount in books was Rs. 19.61 Lakhs. The gain on sale of Investment property of Rs. 385.67 Lakhs has been disclosed as an exceptional item in the Statement of Profit and Loss for the year ended 31 March 2020.	
4. Investments - Non Current	
Investment carried at fair value through Other Comprehensive Income	
Quoted - Fully paid-up	
Investment in Equity Instruments of Other entities	
281 Equity Shares of Rs.10/- each of Summit Securities Limited	0.77
500 Equity Shares of Rs.10/- each of De Nora India Limited	0.66
300 Equity Shares of Rs.10/- each of TGV SRAAC Limited (formerly known as Sree Ray-alaseema Alkalis & Allied Chemicals Limited)	0.04
450 Equity Shares of Rs.5/- each of Kanoria Chemicals Limited	0.11
Total	1.58
Aggregate Book value of Quoted Investment	1.58
Aggregate Market value of Quoted Investment	1.58
Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	1.58

Particulars	As at 31 March 2020 Amount Rs. In lakhs
5. Other Financial Assets - Non Current (Unsecured, considered good)	
Deposits with others	198.85
Reimbursements Receivable from Government	226.49
Balances held as margin money (Refer Note 5.1 below)	60.38
Total (Gross)	485.72
Less: Provision for Expected Credit Loss	(226.49)
Total (Net)	259.23
Note:	
5.1 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.	
6. Non-Current Tax Assets (Net)	
Income Tax paid / TDS Receivable (Net of provision for tax of Rs. 1,324.29 Lakhs)	508.72
Total	508.72
8. Other Non-Current Assets	
Capital Advances (Refer Note below)	762.41
Prepaid Rent	0.04
Total	762.45
Note:	
The Subsidiary has paid an amount of Rs. 723.40 lakhs as a 100% advance premium lease amount towards allotment of land, for setting up of unit for the manufacture of basic inorganic chemicals. The Subsidiary has received a provisional allotment letter from Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC) to allot 65 Acres of land at Industrial Growth Centre, Karaikal on a lease basis for a period of 30 years initially and extendable upto a maximum period of 99 years, subject to terms and conditions specified in provisional allotment letter.	
9. Inventories (at lower of cost and net realisable value)	
(a) Raw Materials	290.45
(b) Work in Progress	10.54
(c) Finished Goods (other than those acquired for trading)	392.93
(d) Fuel	5.97
(e) Stores and Spares	150.37
Total	850.26
Notes:	
1. The cost of inventories recognised as an expenses during the year	4,127.25
2. The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	32.73
3 The method of valuation of inventories has been stated in Note 1.7	

Particulars	As at 31 March 2020 Amount Rs. In lakhs
10. Other Investments - Current	
Investments carried at Fair Value through Profit & Loss	
Investments in Mutual Funds (quoted, fully paid-up)	
SBI Liquid Fund Direct Growth (Number of Units - 2,162.14 of Rs. 3,109.02 each)	67.22
Total	67.22
11. Trade Receivables	
(a) Receivables considered good, Secured (Refer Note 11.1 below)	158.35
(b) Receivables considered good, Unsecured	854.49
(c) Receivables which have significant increase in Credit Risk	21.00
	1,033.84
Less: Provision for Expected Credit Loss (Refer Note 11.5 below)	(79.60)
Total	954.24
Notes:	
11.1 Secured Trade Receivables are secured by way of irrevocable Letter of Credits	
11.2 The Parent Company has entered into a factoring arrangement on a recourse basis for certain receivables as at 31 March 2020. The amount of such factored receivables as at 31 March 2020 was Rs. 24.50 Lakhs.	
11.3 The Group 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.	
11.4 The age of the receivables is as under:	
Particulars	As at 31 March 2020 Amount Rs. In lakhs
<u>Age of receivables</u>	
within the credit period	569.21
upto 6 months past due	443.63
more than 6 months	21.00
Total	1,033.84
11.5 Movement in Expected credit loss	
	Year ended 31 March 2020 Amount Rs. In lakhs
Balance at the beginning of the year	46.91
Movement in expected credit loss allowance on trade receivables	32.69
Balance at the end of the year	79.60
12A. Cash and Cash Equivalents	
Cash on hand	0.59
Balance with Banks - Current Accounts	3.00
Total	3.59

Particulars	As at 31 March 2020 Amount Rs. In lakhs
12B. Bank balances other than Cash and Cash Equivalents	
In Earmarked accounts	
- Margin Money Accounts for bank guarantees and letters of credit	249.07
- Unpaid Dividend Accounts (Refer Note 22 (i))	14.79
Total	263.86
13. Other Financial Assets - Current (Unsecured, considered good)	
Deposits	15.56
Advance to employees	0.65
Interest accrued on Deposits	10.02
Reimbursements Receivable from Government	469.18
Interest accrued on Income tax refund	137.24
Receivables against sale of raw materials	148.50
Other Receivables	406.41
Total	1,187.56
14. Other Current Assets	
Advances to Vendors (Refer Note 36)	519.30
Balance with Government Authorities	729.09
Prepaid expenses	197.47
Other Receivables	4.52
Total	1,450.38

Particulars	As at 31 March 2020	
	Number of shares	Amount Rs. In lakhs
15. Share Capital		
(a) Authorised		
Equity shares of Rs. 10 each (with voting rights)	2,85,00,000	2,850.00
11% Redeemable Cumulative Preference shares of Rs. 100 each	2,64,000	264.00
12% Redeemable Cumulative Preference shares of Rs. 100 each	8,00,000	800.00
		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	1,39,34,504	1,393.45
Total		1,393.45
(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 2020	
	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	1,38,90,504	1,389.05
Add: Shares and Share Capital issued during the year (Refer Note 44)	44,000	4.40
Shares and Share Capital outstanding at the end of the year	1,39,34,504	1,393.45

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

The Parent 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 Parent 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 Parent Company, the equity shareholders are eligible to receive the remaining assets of the Parent 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 2020	
	Number of shares	% held
Dr. Rao Holdings Pte Ltd	67,61,068	48.52%
Titanium Equipment and Anode Manufacturing Company Limited	10,72,182	7.69%
Shrimati K.M. Padma	11,10,712	7.97%
Shri Suresh Krishnamurthi Rao	14,24,423	10.22%

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

Particulars	Equity Share Capital			
	Year	Number of shares	Amount	%
Shares allotted pursuant to the scheme of amalgamations during last 5 years	31 March 2020			
	31 March 2019	-	-	-
	31 March 2018	1,31,02,424	1,310.24	94.74%
	31 March 2017	-	-	-
	31 March 2016	-	-	-

(e) Refer Note 44 for details regarding employee stock option scheme.



CHEMFAB ALKALIS LIMITED

Notes forming part of the Consolidated financial statements for the year ended 31 March 2020

Particulars	As at 31 March 2020 Rs. In lakhs Amount
16. Other Equity	
a) Share Application Money Pending Allotment (Refer Note 1 below)	
Opening Balance	-
Share Application Money Received	30.93
Less: Shares Allotted during the year	(23.07)
Closing balance	7.86
b) Capital Reserve (Refer Note 2 below)	15.67
c) Capital Redemption Reserve (Refer Note 3 below)	
Opening Balance	960.00
Add: On account of Redemption of Preference Shares	-
Closing balance	960.00
d) Securities Premium Reserve (Refer Note 4 below)	
Opening Balance	34,627.25
Add: Securities Premium on issue of Equity Shares	36.51
Closing balance	34,663.76
e) Share Based Payment Reserve (Refer Note 5 below)	
Opening Balance	34.28
Add: Employee compensation expense for the year	13.18
Less: Transfer to Securities Premium for the shares allotted during the year	(17.84)
Closing balance	29.62
f) Retained Earnings (Refer Note 6 below)	
Opening Balance	(11,918.64)
Add: Profit for the year	2,544.61
Add: Other Comprehensive income for the year	73.53
(Remeasurement of the defined benefit plans, net of taxes)	(9,300.50)
Less: Impact of adoption of Ind AS 116 (Refer Note 34)	8.62
Less: Appropriations	
- Dividend on Equity Shares	174.12
- Tax on Equity Dividend	35.79
Closing Balance	(9,519.03)
g) Other Comprehensive Income (Refer Note 7 below)	
Opening Balance	3.20
Add/(Less): Current Year	(1.95)
Closing Balance	1.25
Total	26,159.13
Notes	
<p>1.This represents Share Application Money received from employees under the ESOP scheme titled “CAESOS 2015” [Chemfab Alkalies Employees Stock Option Scheme 2015]. Also Refer Note 44.</p> <p>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.</p> <p>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.</p> <p>4.Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.</p> <p>5.Shares based payment reserve relates to the share options granted by the company to its employees under its share option plan. Refer Note 44 for further details.</p> <p>6.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.</p> <p>7.Other comprehensive income represents the cumulative gain and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, net of taxes.</p>	

Particulars	As at 31 March 2020 Amount Rs. In lakhs
17. Borrowings	
(i) Secured - at amortised cost	
- Term Loan from Bank (Refer Note (i) and (ii) below)	2,178.03
Total	2,178.03
Note:	
Details in respect of Borrowings are as under :-	
<p>(i) Term Loan carrying an interest rate of 9.35% p.a was availed for PVCO plant from Axis Bank Limited. The borrowings are secured by way of Equitable Mortgage over lease hold land (taken under 99 years lease by the company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittoor District, Andhra Pradesh - Exclusive Charge. Charge over the fixed assets (Building, Plant and Machineries with estimated cost of Rs. 5,000 lakhs including land, created out of the proposed term loan of Rs. 3,500 lakhs (Exclusive Charge). Further collateral common for all bank sanction facilities including equitable mortgage over land and building comprising of 9.56 acres and 19.87 acres belonging to the company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry.</p>	
(ii) Repayment Summary	
<u>Term Loan Tranche 1 of Rs. 1,927.03 lakhs (net of Rs. 7.97 lakhs Ind AS EIR adjustment) as at 31 March 2020:</u>	
Repayable in 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 40 lakhs each, 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 30 lakhs each, 12 monthly instalments of Rs. 20 lakhs each, and 1 monthly instalment of Rs. 15 lakhs respectively	
<u>Term Loan Tranche 2 of Rs. 875 lakhs as at 31 March 2020:</u>	
Repayable in 12 monthly instalments of Rs. 17 lakhs each, 12 monthly instalments of Rs. 18.50 lakhs each, 12 monthly instalments of Rs. 15 lakhs each, 12 monthly instalments of Rs. 12.25 lakhs each, 12 monthly instalments of Rs. 9.40 lakhs each, 1 monthly instalments of Rs. 9.20 lakhs respectively	
Out of the above Rs. 624 lakhs have been classified as Current maturities of long-term debt (Secured) under Other Financial Liabilities - Current	
18. Other Financial Liabilities - Non Current	
Trade/security deposits received	61.36
Total	61.36

Particulars	As at 31 March 2020 Amount Rs. In lakhs
19. Provisions - Non Current	
Provision for Gratuity (Refer Note 38)	98.10
Total	98.10
20. Borrowings - Current	
From Banks	
- Cash Credit - Secured (Note (i) below)	553.57
- Buyer's Credit (Note (ii) below)	840.91
- Others (Refer Note 11.2)	24.50
Total	1,418.98
Notes:	
Details in respect of Current Borrowings are as under :-	
(i) Cash Credit facilities are secured by way of first charge over the entire current assets of the Company. The cash credits are repayable on demand.	
(ii) Buyer's credit, relating to acquisition of Plant and Equipment, is secured by way of Standby Letter of Credit (SBLC) attributable to non fund based credit limits with an option to convert to fund based Term Loan at the time of maturity. Collateral are common as given in note 17 (i).	
21. Trade Payables - Current (Refer Note 36 and 39)	
Total Outstanding dues of micro enterprises and small enterprises	10.46
Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,653.64
Total	1,664.10
Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.	
22. Other Financial Liabilities - Current	
Current maturities of long-term debt (Refer Note 17(ii) above)	624.00
Creditors for Capital Goods	584.64
Unpaid Dividends (Refer Note (i) and (ii) below)	14.79
Interest accrued	24.19
Total	1,247.62

Particulars	As at 31 March 2020 Amount Rs. In lakhs
Note:	
(i) Amounts remitted to Investor Education and Protection Fund during the year	6.16
(ii) The Parent Company has transferred the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund.	
23. Provisions - Current	
Provision for compensated absences	159.50
Provision for Warranty (Refer Note 1.21)	13.11
Provision for Gratuity (Refer Note 38)	25.58
Total	198.19
24. Current tax liabilities (Net)	
Provision for Tax (Net of Income Tax paid / TDS of Rs. 2,701.42 lakhs)	95.55
Total	95.55
25. Other Current Liabilities	
Statutory liabilities	174.48
Advance from Customers	88.75
Total	263.23

26. Revenue from operations

Particulars	For the Year ended 31 March 2020 Amount Rs. In Lakhs
a Sales of Products	20,418.94
b Other operating revenues	
- Testing charges	33.38
Total	20,452.32

Note: Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31.03.2020 amounting to Rs. 21.09 Lakhs.

26.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

As per the management, the below disaggregation best depicts the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For the year ended 31 March 2020 Amount Rs. In Lakhs
Revenue by Geography	
India	20,346.69
Outside India	105.63
Total revenue from contracts with customers	20,452.32
Revenue by offerings	
<u>Manufactured goods</u>	
<u>Chemicals & Related Products / Services</u>	
- Caustic Soda Lye	10,815.66
- Caustic Soda Flakes	1,405.20
- Chlorine	820.00
- Hydrogen	803.63
- Others	1,690.15
<u>PVCO-Pipes</u>	
- PVC-O Pipes	4,031.67
- Others	75.68
<u>Traded Goods</u>	
<u>PVCO-Pipes</u>	
- PVC-O Pipes	776.95
<u>Other Operating Revenue</u>	
<u>Chemicals & Related Products / Services</u>	
- Testing Charges	33.38
Total revenue from contracts with customers	20,452.32
Timing of recognition	
Goods & Services transferred at a point in time	20,452.32
Total revenue from contracts with customers	20,452.32

26.2. Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as receivable.

A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer.

Trade receivable are presented net of impairment in the Balance Sheet.

Contract liabilities include payments received in advance of performance under the contract, and are realized with the associated revenue recognized under the contract.

26.3. Transaction price allocated to the remaining performance obligations

Particulars	As at 31 March 2020 Amount Rs. In Lakhs
Contract Liabilities	
Advance received from customers	88.75

The Group has applied practical expedient and has not disclosed information about remaining performance obligations in contracts where the original contract duration is one year or less or where the entity has the right to consideration that corresponds directly with the value of entity's performance completed to date.

26.4. Information about major customers

The Group is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, hydrochloric acid, sodium hypochlorite and pvco pipes.

Revenues arising from direct sales above includes revenues of approximately Rs. 2,752 Lakhs which arose from sales to the Group's single large customer. No other single customers contributed 10% or more to the Group's revenue during the financial year 2019-20.

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs
27. Other Income	
(a) Interest Income:	
- Interest on fixed deposits with banks	32.08
- Interest income on Income Tax refund	137.24
- Other Interest income	7.82
(b) Dividend income (refer note (i) below)	0.01
(c) Other Non Operating Income:	
- Profit on Sale of Property, Plant & Equipment (Net)	28.06
- Miscellaneous Income	106.20
Total	311.41
Notes:	
(i) Dividend income includes:	
a. Dividend from Non Current Investments	0.01
b. Dividend from Current Investments	-
	0.01
28A. Cost of Materials Consumed	
Opening Stock	262.12
Add: Purchases	3,438.93
	3,701.05
Less: Sale of Raw Materials	260.78
Less: Closing Stock	290.45
Cost of Materials consumed	3,149.82
Materials Consumed Comprises of:	
Salt	1,041.32
Soda Ash	56.61
Caustic Soda Lye	0.30
PVC Resin	1,718.99
Others (Refer Note (i) below)	332.60
Total	3,149.82
Note:	
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.	

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs
28.B Purchase of Stock in Trade	
Domestic	
- PVCO-Pipes	665.75
	665.75
29. Changes in Inventories of Finished Goods and Work in Progress	
Opening Stock	
Finished goods	194.63
Work-in-Progress	82.39
	277.02
Closing Stock	
Finished goods	392.93
Work-in-Progress	10.54
	403.47
Net (Increase)/decrease	(126.45)
30. Other Direct Manufacturing Expenses	
Power and Fuel	6,903.89
Labour Charges	171.81
Total	7,075.70
31. Employee Benefits Expense	
Salaries and Wages	1,458.01
Contribution to Provident and other Funds (Refer Note 38)	244.54
Expense on employee stock based compensation (Refer Note 44)	13.18
Staff Welfare Expenses	91.62
Total	1,807.35
32. Finance Cost	
Interest on Borrowings	308.51
Interest on Lease Liability (Refer Note 34)	6.49
Total	315.00

Particulars	For the Year Ended 31 March 2020 Amount Rs. In Lakhs
33. Other Expenses	
Stores and Spare parts consumed	438.13
Rent	27.95
Repairs and Maintenance - Plant and Equipment - Buildings	187.49 66.23
Insurance	80.43
Rates and Taxes	73.19
Travelling Expenses	154.57
Auditor's Remuneration (net of GST input credit, where applicable)	
- Statutory Audit	25.40
- Limited Review	4.50
- Other Services/Certificates	1.00
- Out of Pocket Expenses	0.75
Commission to Directors (Refer Note 36)	240.00
Sitting fees (Refer Note 36)	8.45
Expenditure on Corporate Social Responsibility (Refer Note 40)	72.68
Legal and Professional Fees	80.87
Freight (Net)	152.84
Advertisement	12.31
Exchange variation (Net)	27.50
Bad receivables written off	20.07
Provision for Expected credit Loss on Trade Receivables	32.69
Provision for Expected credit Loss on Other Financial assets	166.25
Bank Charges	40.12
Miscellaneous Expenses	462.15

Particulars	Amount Rs. In lakhs	
	For the Year Ended 31 March 2020	
34 Effective 1 April, 2019, the company has adopted Ind AS 116 “Leases”, applied to all lease contracts existing on 1 April, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended 31 March, 2019 have not been retrospectively adjusted. The adoption of Ind AS 116 did not have any material impact on the financial statements for the year ended 31 March 2020.		
Reconciliation to opening balance for lease liability as of 01 April 2019 is based upon the operating lease obligations as of 31 March 2019		
Reconciliation		
Operating lease obligations payable as at 31 March 2019	-	
Effects from discounting at the incremental rate of borrowings rate as at 01 April 2019	-	
Lease Liabilities at 01 April 2019	-	
Leases identified as per IND AS 116	73.87	
Liabilities from leases as of 01 April 2019	73.87	
Leases		
The Group has leases towards Land and Others Equipments. Our leases have remaining lease term of 1 year upto 22 years with option to terminate or extend the leases.		
Net Carrying Amount of ROU Assets	Land	Equipment
As at transition date of 01.04.2019	434.56	35.16
As at 31.03.2020	425.14	24.87
Depreciation expenses for the year ended 31 March 2020	9.42	10.29
Amounts recognised in Statement of Profit and Loss were as follows:		
Depreciation Expense on right-of-use assets	19.71	
Interest Expense on lease Liabilities	6.49	
Short term lease expensed	14.58	
Amount transferred to Retained Earnings (Refer note 16)	8.62	
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	21.46	
Additions to right of use assets	65.25	
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	100.90	
Not later than 1 year	19.07	
Later than 1 year and not later than 5 years	32.50	
Later than 5 years	49.33	


CHEMFAB ALKALIS LIMITED

Notes forming part of the Consolidated financial statements for the year ended 31 March 2020

Particulars	Amount Rs. In lakhs
	As at 31 March 2020
35 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	1226.28
- Other Intangible assets	-
b. Contingent liabilities in respect of	
(i) Claims against the Group not Acknowledged as debt	13.00
(ii) Sales tax, Excise, Service Tax, Customs Duty and other demands against which the Parent Company has filed appeals and for which no provision is considered required as the Parent Company is hopeful of successful outcome in the appeals.	70.69

Sl No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) Rs. In lakhs	Period (F.Y)	Forum where dispute is pending
1	The Central Sales Tax Act, 1956	Sales Tax	0.58	F.Y. 2003-2004	CTO, Chengalpet
2	The Finance Act, 1994	Service Tax	6.02	June 2005 to January 2008	Commissioner (Appeals), Chennai
3	The Central Excise Act, 1944	Excise Duty	1.72	October 2011 to June 2012	Commissioner of Central Excise, Puducherry
4	Employees' State Insurance Act, 1948	Employees' State Insurance	0.71	April 2010 to June 2010	ESI Court, Puducherry
5	The Customs Act, 1962	Customs Duty	61.66	F.Y. 2013-14	CESTAT

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 Parent Company or the claimants, as the case may be, and therefore cannot be predicted accurately.

36 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)
(iii) Entities exercising significant influence over the Group	Dr Rao Holdings Pte Ltd
(iv) Entities in which persons listed in (i) and (ii) above exercise significant influence	Titanium Equipment and Anode Manufacturing Company Limited (TEAM)
(v) Key Management Personnel (KMP) of the Group	Mr. V.M. Srinivasan - Chief Executive Officer Mr. Nitin S Cowlagi - Chief Financial Officer (Refer Note 2 below) 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 Mrs. Sujatha Jayarajan - Non Executive Director Mr. T.Ramabadran - Non Executive Director
(vi) Other related party	Chemfab Alkalies Limited Employee's Group Gratuity Trust

Note 1: The list above includes only parties with transactions during the year.

Note 2: Mr. Nitin S Cowlagi retired from the Parent Company as Chief Financial Officer and Mr. S Prasath was appointed as Chief Financial Officer w.e.f 07.04.2020.

b) Transactions with related parties :

Nature of Transaction	Related Party	For the Year Ended 31 March 2020 Rs. In lakhs
1. Transactions during the year		
a) Income		
Sale of Products	Titanium Equipment and Anode Manufacturing Company Limited	13.42
b) Expenditure		
Purchase of Goods and Services	Titanium Equipment and Anode Manufacturing Company Limited	0.88
Lease Rent	Titanium Equipment and Anode Manufacturing Company Limited	22.13
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	156.98
	Mr. Nitin S Cowlagi	59.15
c) Others		
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	272.00
Commission paid and Sitting Fees	Mr. C.S.Ramesh	7.42
	Mrs. Drushti Desai	7.35
	Mr. Janakiraman A	7.12
	Mr. Mahendran R	6.58
	Mrs. Sujatha Jayarajan	6.75
	Mr. T.Ramabadran	7.23
Purchase of Property, Plant & Equipment	Titanium Equipment and Anode Manufacturing Company Limited	589.68
Contractually reimbursable expenses	Titanium Equipment and Anode Manufacturing Company Limited	5.53
Dividend paid	Mr. Suresh Krishnamurthi Rao	17.81
	Mrs. K.M. Padma	13.88
	Dr Rao Holdings Pte Ltd	84.51
	Titanium Equipment and Anode Manufacturing Company Limited	13.40
	Mr. V.M. Srinivasan	0.89
	Mr. Nitin S Cowlagi	0.22

Note:

- 1) Purchases, Sales and Services above are inclusive of taxes
- 2) The above excludes Provision for Commission to Directors of Rs. 240 lakhs made during the year.

Nature of Transaction	Related Party	As at 31 March 2020 Rs. In lakhs
<u>II. Balances Outstanding at the end of the year</u>		
Payables	Titanium Equipment and Anode Manufacturing Company Limited	6.78
Other Current Assets	Titanium Equipment and Anode Manufacturing Company Limited	0.59
Post employment benefits	Mr. V.M. Srinivasan	32.25
	Mr. Nitin S Cowlagi	2.62
Contribution to employees post employment benefit plans	Chemfab Alkalys Limited Employee's Group Gratuity Trust	373.88

Benefits included in Compensation of key management personnel of the Company are as below:

Particulars	2019-20
Mr. V.M. Srinivasan	
Salary	100.86
Share-based payment transactions perquisite	34.24
Post employment benefits	21.88
Total	156.98

Particulars	2019-20
Mr. Nitin S Cowlagi	
Salary and perquisite	38.11
Share-based payment transactions	13.15
Post employment benefits	7.89
Total	59.15

37 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 2020
Face Value Per Share - Rs.	10
Net Profit attributable to the Equity shareholders (A) - Rs. In Lakhs	2,544.61
Weighted average Number of Shares (B)	1,39,26,408
Add: Effects of ESOP which are dilutive in nature	82,811
Weighted average Number of Shares for Diluted EPS (C)	1,40,09,219
Basic Earnings per Share (A/B) - Rs.	18.27
Diluted Earnings per Share (A/C) - Rs.	18.16

38 Employee benefit plans

I Defined contribution plans

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

Particulars	Amount Rs. In lakhs
	For the Year Ended 31 March 2020
Employer's Contribution to Provident Fund/Pension Scheme	106.04
Employer's Contribution to Superannuation Fund	26.23
Employer's Contribution to Employee Deposit Linked Insurance scheme	1.68
	133.95

II Defined benefit plans

The Parent 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 Parent Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India and Aditya Birla Sun Life Insurance Company Limited. Gratuity has been accrued based on actuarial valuation as at the balance sheet date, carried out by an independent actuary.

There were no employees in the rolls of the Chemfab Alkalys Karaikal Limited as at 31 March 2020.

(a) Amount recognised in the Statement of Profit & Loss in respect of the defined benefit plan are as follows :

Particulars	Year ended 31 March 2020
	Amount Rs. In lakhs
Recognised in Statement of Profit and Loss	
Current service cost	98.00
Net interest expense	12.59
Components of defined benefit costs recognised in the Statement of Profit and Loss	110.59
Remeasurement on the net defined benefit liability:	
Return on plan assets (excluding amount included in net interest expense)	(1.81)
Actuarial gains and loss arising from changes in financial assumptions	(101.93)
Components of defined benefit cost recognised in Other Comprehensive Income	(103.74)
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	6.85

(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 2020
	Amount Rs. In lakhs
Net asset / (liability) recognised in the Balance Sheet	
1. Present value of defined benefit obligation	(497.56)
2. Fair value of plan assets	373.88
Net asset / (liability) recognised in the Balance Sheet	(123.68)
Current portion of the liability included under Note 23	25.58
Non-Current portion of the liability included under Note 19	98.10
	123.68

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

Particulars	Year ended 31 March 2020
	Amount Rs. In lakhs
Present value of defined benefit obligation at the beginning of the year	521.07
Expenses Recognised in Statement of Profit and Loss:	
-Current service cost	98.00
-Interest cost	38.54
Recognised in Other Comprehensive Income:	
Remeasurement gains / (losses):	
-Actuarial gains and loss arising from changes in financial assumptions	(101.93)
Benefits paid	(58.12)
Present value of defined benefit obligation at the end of the year	497.56

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

Particulars	Year ended 31 March 2020
	Amount Rs. In lakhs
Change in fair value of assets during the year	
Fair value of plan assets at the beginning of the year	348.62
Expenses Recognised in Statement of Profit and Loss:	
Expected return on plan assets	25.95
Recognised in Other Comprehensive Income:	
Return on plan assets (excluding amount included in net interest expense)	1.81
Contributions by employer	55.62
Benefits paid	(58.12)
Fair value of plan assets at the end of the year	373.88

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

Particulars	As at 31 March 2020
Investment Funds with Insurance Company	
-Aditya Birla Sun Life Insurance Company Limited	10.35%
-Life Insurance Corporation of India	89.65%

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 2020
Discount rate	6.56%
Expected return on plan assets	7.44%
Salary escalation	8.00%
Attrition	5.00%
Mortality tables	India Assured Life (2012-14)

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:

Impact on the Defined benefit Obligation	Amount Rs. In lakhs
	Increase As at 31 March 2020
Change in the discount rate by 50 basis point	15.13
Change in Attrition rate by 50 basis point	0.94
Change in Expected rate of salary increase by 50 basis point	(16.14)

Impact on the Defined benefit Obligation	Decrease As at 31 March 2020
Change in the discount rate by 50 basis point	(16.01)
Change in Attrition rate by 50 basis point	(0.97)
Change in Expected rate of salary by 50 basis point	15.40

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	2019-20
Present value of DBO	497.56
Fair value of plan assets	373.88
Experience gain / (loss) adjustments on plan liabilities	101.93
Experience gain / (loss) adjustments on plan assets	1.81

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

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

(Amount Rs. In lakhs)

Particulars	As at 31 March 2020
a) Dues remaining unpaid	
- Principal	10.46
- Interest	-
b) (i) Amounts paid to suppliers beyond the appointed day	-
(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 and Small 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.

40 During the year, the Parent Company incurred an aggregate amount of Rs. 72.68 lakhs and paid Rs. 68.93 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 Parent Company during the year Rs. 68.80 lakhs.

Amount spent by the Parent Company during the year on:

(Amount Rs. In lakhs)

Particulars	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction / Acquisition of any asset	Cheque / Electronic Fund Transfer	9.63	1.32	10.95
ii) On purposes other than (i) above	Cash	0.24	-	0.24
	Cheque / Electronic Fund Transfer	59.06	2.43	61.49
Total		68.93	3.75	72.68

41 Financial Instruments

(I) Capital Management

The Group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure. For the purpose of the Groups' capital management, capital includes equity share Capital and Other Equity and Debt includes Borrowings and Current Maturities of Long Term Debt net of Cash and bank balances. The Group monitors capital on the basis of the following gearing ratio.

Gearing Ratio :

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020
Borrowings and Current Maturities of Long Term Debt	4,221.01
Cash and Bank Balances	(267.45)
Net Debt (A)	3,953.56
Total Equity (B)	27,552.58
Net Debt to equity ratio (A/B)	0.14

(II) Categories of Financial Instruments

(a) Financial Assets

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020
Measured at fair value through Other Comprehensive Income (FVTOCI)	
- Investments	1.58
Measured at fair value through P&L (FVTPL)	
- Investments	67.22
Measured at amortised cost	
- Cash and Cash Equivalents	3.59
- Bank Balances other than (iii) above	263.86
- Trade receivables	954.24
- Other financial assets	1,446.79
Total	2,737.28

(b) Financial Liabilities :

(Amount Rs. in lakhs)	
Particulars	As at 31 March 2020
Measured at amortised cost	
- Borrowings	3,597.01
- Trade Payables	1,664.10
- Lease Liabilities	58.90
- Other financial liabilities	1,308.98
Total	6,628.99

(III) Financial Risk Management Framework

The Group 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. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management :

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Group has not entered into any derivative contracts during the year ended 31 March 2020 and there are no outstanding contracts as at 31 March 2020.

The carrying amounts of the Group'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 2020	
		Amount in Foreign Currency	Amount - Rs. In lakhs
Capital Creditors	EURO	420,472.55	353.91
Trade Payables	USD	122,661.00	91.43
Trade Receivables	USD	31,222.45	24.27
Current Borrowings	EURO	1,016,054.90	840.91

All of the above exposures have not been hedged

(V) Foreign Currency sensitivity analysis:

The following table details the Group'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

(Amount Rs. In Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2020
	Increase by 5%	Decrease by 5%
USD	(0.55)	0.55
EURO	(0.72)	0.72

Impact on total equity as at the end of the reporting period

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2020
	Increase by 5%	Decrease by 5%
USD	(0.55)	0.55
EURO	(0.72)	0.72

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group 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 Group cannot meet its financial obligations. The Group 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 Group.

Liquidity and Interest Risk Tables :

The following tables detail the Group'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 Group may be required to pay.

(Amount Rs. In Lakhs)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2020						
Interest bearing	-	602.26	1,478.91	2,222.93	-	4,304.10
Non-interest bearing	-	2,263.53	-	61.36	-	2,324.89
Total	-	2,865.79	1,478.91	2,284.29	-	6,628.99

Interest Rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for term loan at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A change (decrease/increase) of 100 basis points in interest rates for term loan at the reporting date would increase/(decrease) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

Impact on Profit and Loss for the reporting period

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2020	
	Increase by 100 bps	Decrease by 100 bps
Impact on Profit and Loss for the reporting period	(31.43)	31.43

Impact on Total Equity as at end of the reporting period

Particulars	As at 31 March 2020	
	Increase by 100 bps	Decrease by 100 bps
Impact on Total Equity as at end of the reporting period	(31.43)	31.43

The following tables detail the Group's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Group does not hold any derivative financial instrument.

(Amount Rs. In Lakhs)

Particulars	Less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years and above	Total
March 31, 2020						
Interest bearing	67.22	-	396.33	32.74	-	496.29
Non-interest bearing	3.59	933.24	1,076.09	226.49	1.58	2,240.99
Total	70.81	933.24	1,472.42	259.23	1.58	2,737.28

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 Group. 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 Group has not offset financial assets and financial liabilities.

42 Fair Value Hierarchy

This note provides information about how the Group determines fair value of various financial assets and liabilities

(I) Fair value of the Group'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 2020		
Financial Assets			
-Investment in quoted Equity Instruments at FVTOCI	1.58	Level 1	Quoted bid prices in an active market
-Other Investments	67.22	Level 1	Based on fund statement
Total	68.80		

(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 2020	
	Carrying Value	Fair Value
Financial assets at amortised cost:		
- Cash and Cash Equivalents	3.59	3.59
- Bank Balances other than above	263.86	263.86
- Trade receivables	954.24	954.24
- Other financial assets	1,446.79	1,446.79
Total	2,668.48	2,668.48
Financial liabilities held at amortised cost :		
- Borrowings	3,597.01	3,597.01
- Trade Payables	1,664.10	1,664.10
- Lease Liabilities	58.90	58.90
- Other financial liabilities	1,308.98	1,308.98
Total	6,628.99	6,628.99

Fair value hierarchy as at 31 March 2020

(Amount Rs. In lakhs)				
Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	3.59	-	-	3.59
- Bank Balances other than above	263.86	-	-	263.86
- Trade receivables	-	-	954.24	954.24
- Other financial assets	-	-	1,446.79	1,446.79
	267.45	-	2,401.03	2,668.48
Financial liabilities held at amortised cost :				
- Borrowings	-	-	3,597.01	3,597.01
- Trade Payables	-	-	1,664.10	1,664.10
- Lease Liabilities	-	-	58.90	58.90
- Other financial liabilities	-	-	1,308.98	1,308.98
	-	-	6,628.99	6,628.99

43 Segment Information

Description of segments and principal activities

The Group 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 Group'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 1, 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 Group 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

(Amount Rs. In lakhs)

Particulars	2019-20		
	Business segments		Total
	Chemicals and related Products/Services	PVC-O Pipes	
Revenue	15,568.02	4,884.30	20,452.32
Less: Inter-segment revenue	-	-	-
Total	15,568.02	4,884.30	20,452.32
Segment result before exceptional item	2,068.74	927.08	2,995.82
Less: Exceptional Item	(321.03)	-	(321.03)
Segment result after exceptional item	1,747.71	927.08	2,674.79
Finance Cost			315.00
Operating income			2,359.79
Other income			311.41
Profit before taxes			2,671.20
Tax expense			126.59
Profit for the year			2,544.61

II. Segment Assets and Liabilities

(Amount Rs. In lakhs)

Particulars	2019-20		Total
	Business segments		
	Chemicals and related Products/Services	PVC-O Pipes	
Segment assets	19,846.79	8,875.64	28,722.43
Unallocable assets			6,114.21
Total assets			34,836.64
Segment liabilities	2,371.49	557.03	2,928.52
Unallocable liabilities			4,355.54
Total liabilities			7,284.06
Other information			
Capital expenditure	4,134.83	2,091.79	6,226.62
Depreciation and amortisation	1,958.22	550.54	2,508.76

Information on geographic segments:

(Amount Rs. In lakhs)

Geographical Segment	Revenues for the year ended 31 March 2020	Non - current assets as at 31 March 2020 (Refer Note 3)
India	20,346.69	24,028.91
Others	105.63	-

Note: 1) Figures in bracket indicate previous year figures.

2) Also Refer Note 1.17

3) Non current assets excludes deferred tax assets and income tax assets.

44 Employee Stock Option Scheme

- a) The ESOP scheme titled “CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015] was approved by the erstwhile shareholders of Chemfab Alkalys 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 2017-18 and 19,714 options were exercised during the year 2018-19 and 59,000 options were exercised during FY 2019-20. 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.	Fair value on the date of grant in Rs.
	CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015] (refer (a) above)	2,40,000	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 2020	
	Options (Numbers)	Weighted average exercise price per option (Rs.)
<u>“CAESOS 2015” [Chemfab Alkalys Employees Stock Option Scheme 2015]</u>		
Option outstanding at the beginning of the year:	1,80,000	52.43
Add: Granted during the year:	-	-
Less: Exercised during the year: *	(59,000)	52.43
Less: Lapsed during the year:	(1,000)	-
Options outstanding at the end of the year:	1,20,000	52.43
The exercise price has been determined on the basis of the weighted average share price of erstwhile Chemfab Alkalys Limited as at the grant date.	NA	52.43
Weighted average remaining contractual life for options outstanding as at 31 March, 2020 - 0.5 Year.		

* Out of the above, shares relating to 15,000 options are pending allotment as at 31 March 2020

- 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	44.60%	44.20%	44.00%
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 Alkalies Employees Stock Option Scheme 2015]	39,000	07-May-19	52.43
“CAESOS 2015” [Chemfab Alkalies Employees Stock Option Scheme 2015]	5,000	29-Jan-20	52.43
“CAESOS 2015” [Chemfab Alkalies Employees Stock Option Scheme 2015]	5,000	04-Mar-20	52.43
“CAESOS 2015” [Chemfab Alkalies Employees Stock Option Scheme 2015]	10,000	11-Mar-20	52.43

- f) Total expense accounted for by the Parent Company on account of the above are given below:

Particulars	(Amount Rs. In lakhs)
	For the year ended March 31, 2020
ESOP cost accounted by the Parent Company	13.18
Total	13.18



CHEMFAB ALKALIS LIMITED

Notes forming part of the Consolidated financial statements for the year ended 31 March 2020

45 Statement of Net assets and Profit or loss attributable to owners :

Name of the Entities in the group	Net Assets (Total Assets minus Total Liabilities)		Share in Profit or (Loss) for the year ended 31 March 2020		Share in Other Comprehensive Income for the year ended 31 March 2020		Share in Total Comprehensive Income for the year ended 31 March 2020	
	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)
A. Parent								
Chemfab Alkalys Limited	97.15%	26,766.83	100.56%	2,558.94	100.00%	71.58	100.55%	2,630.52
B. Wholly Owned Subsidiary								
Chemfab Alkalys Karaikal Limited								
31 March 2020	2.85%	785.75	(0.56%)	(14.33)	0.00%	-	(0.55%)	(14.33)
Total	100.00%	27,552.58	100.00%	2,544.61	100.00%	71.58	100.00%	2,616.19

46 Details of Research & Development Expenditure Recognised as an expense (As identified by the management)

(Amount Rs. In lakhs)

Particulars	2019-20
Employee Benefits expense	39.83
Professional fees	12.65
Consumption of Stores and spares	4.28
Travelling expenses	1.59
Depreciation	7.71
Total	66.05

- 47 The Board of Directors of the Parent Company has recommended a final dividend of 12.50% (Rs. 1.25 per Equity Share of Rs. 10 each) for the financial year 2019-20 which is subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Parent Company.
- 48 In view of lockdown across the country due to outbreak of Covid-19 pandemic, the Group's operations were scaled down / shutdown in compliance with the directives / orders issued by the Government Authorities. The operations of the Parent Company have subsequently recommenced during the months of April 2020 and May 2020 in a phased manner in its Kalapet and Sri City units respectively. Based on the assessment carried out by the Management, the impact of the Covid-19 pandemic on the future operations, profitability and liquidity position of the Group, if any, is expected to be limited.
- 49 The Board of Directors of the Parent 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 04 June 2020.

For and on behalf of Board of Directors

Sd/-

Suresh Krishnamurthi Rao
Chairman

DIN: 00127809

Place : Chennai

Sd/-

V Rajesh
Company Secretary

Place : Chennai

Sd/-

V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-

S Prasath
Chief Financial Officer

Place : Puducherry

Date : 04 June 2020



PVCO pipes for Project in TN



PVCO pipes for Project in TN



PVCO pipes for Project in TN



CII Environment Best Practices Award - 2019



ICC AWARD FOR EXCELLENCE IN MANAGEMENT OF HEALTH & SAFETY



CCAL-Recognizing Services towards a water rich Puducherry BY RAJ NIVAS Puducherry



Desilting of Water Bodies - Uppanar Canal



Desilting of Water Bodies - Uppanar Canal



Medical assistance to local villagers



Medical assistance to local villagers



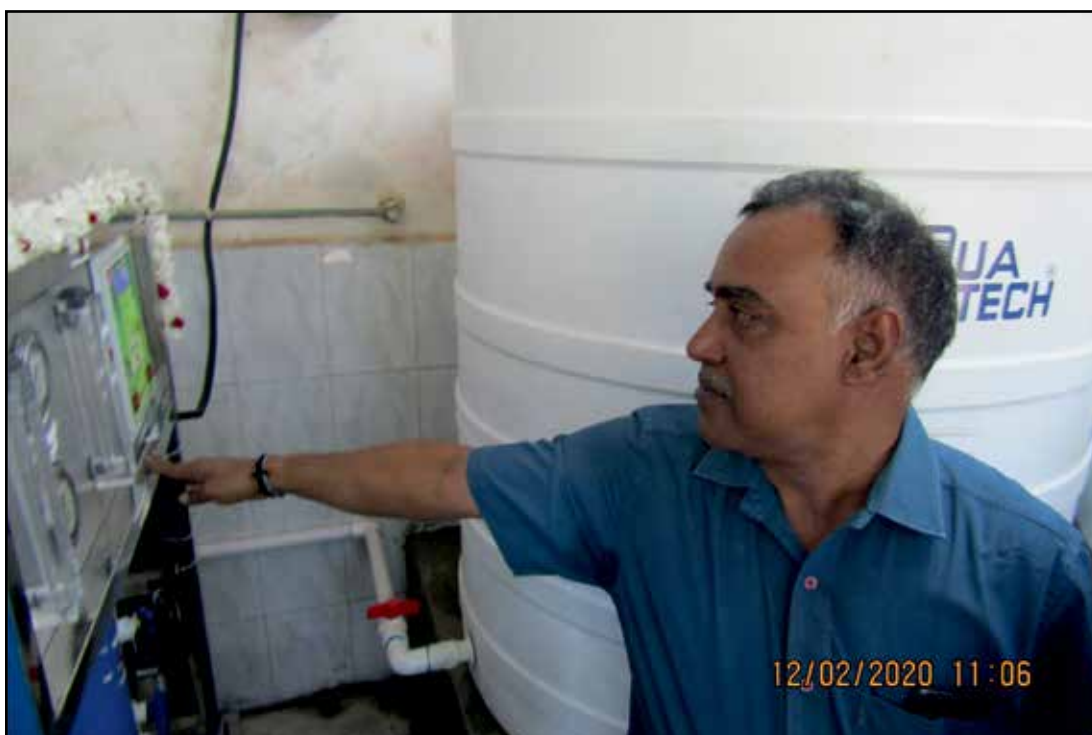
Care for Society- Distribution of Helmet to SHO - Kalapet



Care for Society- Distribution of Helmet to SHO - Kalapet



RO plant at Kalapet girls school



RO plant at Kalapet girls school



Sensitization program at Local Institution and Company



Sensitization program at Local Institution and Company



Educational Assistance to Local villagers



Educational Assistance to Local villagers



Herbal garden developed at PHC Kalapet



Herbal garden developed at PHC Kalapet



Eco Friendly & Environment Sustainability - Miyawaki project at Pillaichavady school



Eco Friendly & Environment Sustainability - Miyawaki project at Pillaichavady school



Women Empowerment Program



Women Empowerment Program



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