



ANNUAL REPORT 2014 -15



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 CAL pledge to carry forward your legacy
and fulfil your cherished dreams.*

CCAL

CHEMFAB ALKALIS LIMITED

DIRECTORS

Mr. Suresh Krishnamurthi Rao	Chairman
Mr. C.S. Ramesh	Director
Mr. T. Ramabadran	Independent Director
Mrs. Sujatha Jayarajan	Independent Director
Mr. N. Ganga Ram	Independent Director

CHIEF EXECUTIVE OFFICER

Mr. V.M.Srinivasan

CHIEF FINANCIAL OFFICER

Mr. Nitin. S. Cowlagi

COMPANY SECRETARY

Mr. G. Somasundaram

AUDITORS

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

BANKER TO THE COMPANY

State Bank of India,
Industrial Finance Branch,
Anna Salai, Chennai - 600 002

REGISTERED OFFICE

"TEAM House", GST Salai, Vandalur, Chennai - 600 048
Phone : +91-44-22750323/24, Fax : +91-44-22750860
Email : chemfabalkalis@draaholdings.com
Website: www.chemfabalkalis.com
CIN No : L24297TN1983PLC072409

FACTORY

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

SALT DIVISION

Kanthadu Village, Tindivanam Taluk, Villupuram District

MARKETING OFFICE

1st Floor, Majestic Towers, Old No.1-A, New No.101,
HD Raja Street, Eldams Road, Chennai - 600 018
Phone : +91-44-42031444, Fax : +91-44-24347959
Email : chemfabmktg@draaholdings.com
Website: www.chemfabalkalis.com

REGISTRAR AND SHARE TRANSFER AGENT

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



Suresh Krishnamurthi Rao
Chairman

CHAIRMAN'S STATEMENT – 2014 - 15

Dear Shareowners,

I have great pleasure in welcoming you all to the 32nd Annual General Meeting of your Company.

MILESTONE

This year, your Company has achieved yet another milestone. In 1985, your Company was the first to introduce the Monopolar Electrolysers from M/s Chlorine Engineers Corporation, Japan (CEC). This year your Company has repeated history by introducing, for the first time in the Country, a new BiTAC[®] Electrolysers from CEC, Japan.

The new Plant was commissioned during August 2014, and is operating well within the agreed operational parameters and will result in savings in energy consumption.

Your Company has also replaced the old Caustic Concentration plant with a new Plant and this was commissioned in the month of March 2015. This will also result in improved operational efficiencies.

COMPANY'S PERFORMANCE

As all of you would have noticed from the Annual report for the year, the Profitability for this year is Rs.10.23 Cr. against Rs.16.45 Cr. for the previous financial year. The Revenue from Operations (Net) for this year is Rs.110.39 Cr. against Rs.112.66 Cr. for the previous financial year. The decline in the profitability is mainly on account of lower realizations for the products due to adverse market conditions, higher power and depreciation cost.

EXPANSION

We still await the Statutory clearances for the Company's expansion plans and a favourable decision on our appeal before the National Green Tribunal. Your Company has also made plans for venturing into newer areas for Chlorine utilisation. The new Salt fields which were acquired are slated to commence production shortly. With all these measures, I am confident that your Company is poised for a great leap ahead and achieving good results in the forthcoming years.

PROCESS SAFETY MANAGEMENT

Your Company has begun implementing the Process Safety Management (PSM) and is also working on the Sustainability Report.

CARBON FOOTPRINT STUDY

I am very happy to inform that your Company is the first in the Chloralkali Industry in India to have carried out the carbon footprint study in association with The Energy and Resources Institute (TERI), Bangalore.

DIVIDEND

Your Directors have recommended the payment of dividend of 25% for this year.

ACKNOWLEDGEMENT

I thank all the Shareholders of the Company for the confidence they have reposed on us.

On behalf of all your Board of Directors and on my behalf, I would like to express our sincere gratitude to all our Stakeholders, for their valuable support. We also thank all the CALmates for their efforts and commitment towards their contribution to the progress of your Company.

I express my gratitude to my Directors on the Board for their valuable guidance.

Thank you all for attending this meeting.

Place : Chennai
Date : 27th April 2015

Suresh Krishnamurthi Rao
Chairman

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CHEMFAB ALKALIS LIMITED

(Regd. Office: 'Team House', GST Salai, Vandalur, Chennai - 600 048)

CIN No:L24297TN1983PLC072409

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting of the Members of the Company will be held on Thursday, the 30th July, 2015 at 10.15 AM at the Registered Office of the Company at 'Team House', GST Salai, Vandalur, Chennai - 600 048 to transact the following business:

ORDINARY BUSINESS

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

"RESOLVED THAT the Audited Financial Statement - Balance Sheet of the Company as at 31st March, 2015 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, together with the Reports of the Board of Directors and the Auditors thereon as presented to this Annual General meeting, be and are hereby approved and adopted".

2. 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 (25%) be and is hereby declared, on the fully paid-up Equity Shares of Rs. 5 /- 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. To consider and if thought fit, to pass with or without modification, the following Resolution as an Ordinary Resolution:

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

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

"RESOLVED THAT in terms of Sections 139 and 142 of The Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the retiring Auditors, M/s Deloitte Haskins & Sells (Registration No.008072S) who were first appointed as Auditors of the Company for the year 2005-06 be and are hereby appointed, as recommended by the Audit Committee, as Auditors of the Company for two consecutive Financial Years 2015-16 and 2016-17, to hold office from the conclusion of this Annual General Meeting until the conclusion of the Annual General Meeting of the Company to be held during the calendar year 2017, subject to ratification by the Members at the Annual General Meeting to be held during the year 2016, on such remuneration as may be fixed in this behalf by the Board of Directors of the Company."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 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) read with Schedule IV of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mrs. Sujatha Jayarajan (DIN: 00633989) as a Non-Executive Independent Woman Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013, from a member proposing her candidature for the Office of Director, for a term of five consecutive years with effect from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 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) read with Schedule IV of the Act and General Circular No.14/2014 dated 9th June 2014 of the Ministry of Corporate Affairs and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mr. Tyagarajan Ramabadrans (DIN : 00701503) as a Non – Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013 from a member proposing his candidature for the Office of Director, for a term of five consecutive years from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 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) read with Schedule IV of the Act and General Circular No.14/2014 dated 9th June 2014 of the Ministry of Corporate Affairs and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mr. Ganga Ram Nilacanta Iyer (DIN: 00001246) as a Non – Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013 from a member proposing his candidature for the Office of Director, for a term of five consecutive years from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

8. 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. 80,000/- to Mr. A. Madhavan, the Cost Auditor of the Company for the year 2015-16, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

By Order of the Board of Directors

Place: Chennai
Date: 29th May 2015

G. Somasundaram
Company Secretary

NOTES:

1. A Member of the Company, who is entitled to attend and vote at this Annual General Meeting, is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member.
2. Instrument of Proxy, in order to be effective, must be received at the Company's Registered Office not less than forty-eight hours before the time fixed for holding the Annual General Meeting. A Form of Proxy is enclosed.
3. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business is attached.
4. Pursuant to the provisions of Sections 107 and 108 of The Companies Act, 2013 read with The Companies (Management and Administration) Rules, 2014 read with notification GSR 207(E) dated 19th March 2015, the Company is pleased to offer the option of E-Voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting. The Members who wish to attend the Annual General Meeting can vote electronically/manually. The Company has appointed Shubashree G, Company Secretary in Practice, as Scrutinizer.
5. The facility for voting, either through electronic voting system or ballot or polling paper, shall also be made available at the meeting and members attending the meeting who have already not cast their vote by remote e-voting shall be able to exercise their right at the meeting.
6. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. "Remote e-voting" means the facility of casting votes by a member using an electronic voting system from a place other than venue of a general meeting.

The procedure and manner for e-voting are as under:

- i) Open your web browser during the voting period and log on to the e-voting website www.evotingindia.com.
- ii) Now click on "Shareholders" to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number – "EVSN" along with "CHEMFAB ALKALIS LIMITED" from the drop down menu and click on "SUBMIT"
- iv) Now, fill up the following details in the appropriate boxes:

User-ID	For Members holding shares in Demat Form:- a) For NSDL:- 8 Character DP ID followed by 8 digits Client ID b) For CDSL:- 16 digits beneficiary ID. For Members holding shares in Physical Form:- • Folio Number registered with the Company
Password	Your Unique password is printed on the Attendance slip
PAN	Enter your 10 digit alpha-numeric PAN issued by the Income Tax Department

- v) After entering these details appropriately, click on "SUBMIT" tab.

- vi) Members holding shares in physical form will then reach directly to the voting screen.
 - vii) Members holding shares in Demat form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of atleast one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password is also to be used by the Demat holders for voting for resolution 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.
 - viii) You can also update your mobile number and e-mail ID in the user profile details of the folio which may be used for sending communication(s) regarding CDSL e-voting system in future. The same may be used in case the Member forgets the password and the same needs to be reset.
 - ix) If you are holding shares in Demat form and have logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing login id and password are to be used.
 - x) For Members holding shares in physical form, the password and default number can be used only for e-voting on the resolutions contained in this Notice.
 - xi) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Enter the number of shares (which represents number of votes) under YES/NO or alternatively you may partially enter any number in YES and partially in NO, but the total number in YES and NO taken together should not exceed your total shareholding.
 - xii) 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.
 - xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
 - xiv) Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at ragageetham@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
 - xv) In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.
 - xvi) The e-voting period commences on 27.07.2015 from 09.00 AM and is open upto 29.07.2015, 05.00 PM.
7. Members are requested to produce the Attendance Slip, sent along with the Annual Report, duly signed as per the specimen signature recorded with the Company for admission to the Meeting.
 8. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos. for easier verification of attendance at the Meeting.

9. The Register of Members and the Share Transfer Books of the Company will remain closed from 24.07.2015 to 30.07.2015 (both days inclusive).
10. If and when approved by the Shareholders, the dividend will be paid / warrant will be posted before the expiry of 30 days from the date of AGM.
11. Members holding shares in physical form are requested to intimate immediately, changes, if any, in their registered addresses, Bank Mandate and Status, quoting their Folio Numbers, to the Share Transfer Agents of the Company, M/s Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.
12. Members holding shares in physical form, in their own interest, are advised to dematerialize the shares to avail of the benefits of electronic holding/trading.
13. Members are requested to note that any dividend which remains unencashed for a period of seven years will get transferred to Investor Education and Protection Fund in terms of Section 205 C of the Companies Act, 1956 or Section 125 of the Companies Act, 2013.
14. Members who have not encashed their dividend warrants in respect of Dividend declared for the year ended 31st March, 2008 and for any financial year thereafter may contact the Company immediately for revalidation of their dividend warrants.

EXPLANATORY STATEMENT RELATING TO THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item Nos. 5, 6 and 7

Mrs. Sujatha Jayarajan

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") and Clause 49 of the Listing Agreement with the Stock Exchanges, Listed Companies are required to appoint at least one Woman Director on the Board, within one year from the commencement of the Act i.e., 1st April 2014. In compliance with the aforesaid provisions, the Board of Directors of your Company at their meeting held on 30th March, 2015 appointed Mrs. Sujatha Jayarajan as a Non-Executive Independent Woman Director of the Company, as recommended by the Nomination and Remuneration Committee, for a period of five consecutive years from 30th March, 2015, subject to the approval of the Members at the Annual General Meeting.

Mrs. Sujatha Jayarajan is a Post Graduate in English and has over 33 years of experience in the financial sector covering Banking and NBFCs in both public and private sectors (including over 15 years in the State Bank Group). She has specialized in credit assessment as well as project analysis, and her core strengths include financial modeling and variance analysis.

Mrs. Sujatha Jayarajan has given declaration under Section 149 (7) of the Act declaring that she fulfills the conditions specified in Section 149(6) of the Act read with the Rules made thereunder for her appointment as Independent Director of the Company and is independent of the Management. Your Directors are of the opinion

that the services of Mrs. Sujatha Jayarajan will be of great value to the Company and accordingly, recommend the Ordinary Resolution for approval of the Members.

None of the Directors or Key Managerial Personnel or their relatives is concerned or interested, directly or indirectly, in the Ordinary Resolution, other than Mrs. Sujatha Jayarajan.

Mr. Ramabadran and Mr. Ganga Ram

Mr. Ramabadran and Mr. Ganga Ram are serving Independent Directors of the Company. The Ministry of Corporate Affairs in its Circular dated 9th June 2014 has clarified that if it is intended to appoint the existing Independent Directors under the new Companies Act, 2013 ("the Act"), it needs to be made expressly under Section 149 (10) and (11) of the Act within one year from the commencement of the Act i.e., 1st April 2014. Accordingly, the Board of Directors of the Company at their meeting held on 30th March, 2015 expressly appointed Mr. Ramabadran and Mr. Ganga Ram under the said provisions, as recommended by the Nomination and Remuneration Committee, as Non-Executive Independent Directors for a term of five consecutive years from 30th March, 2015, without being liable to retirement by rotation.

Mr. Ramabadran is a Fellow of Indian Institute of Engineering and a Life Member of Indian Pharmaceutical Association, and has wide experience in the Engineering and Pharmaceuticals Industry. He has held top management positions in different organizations and has also worked in various capacities in Smith Kline Beecham Pharmaceuticals Ltd. He holds Directorship in the following Company:

Company Name	Category
Pharmed Medicare Pvt Ltd.	Director

He is also the Chairman / a Member of the following Committees in your Company:

- 1) Audit Committee - Chairman
- 2) Corporate Governance Committee - Chairman
- 3) Stakeholders Relationship Committee - Member
- 4) Nomination and Remuneration Committee - Chairman
- 5) Risk Management Committee - Chairman
- 6) Corporate Social Responsibility Committee - Member

Mr. Ganga Ram holds Master of Arts Degree in Economics and is a Certified Associate of the Indian Institute of Bankers and a Fellow of the Economic Development Institute of the World Bank, Washington. He was deputed to the Industrial Development Bank of India from the Reserve Bank of India where he did project appraisal and post sanction supervision of Industrial Projects. Mr. Ganga Ram has also worked as a Consultant of the World Bank and the Asian Development Bank. Mr. Ganga Ram was Chairman of the Listing Advisory Committee of the National Stock Exchange (NSE) and also a Member of three Committees of the Exchange. Besides, he was an Arbitrator of NSE. Mr. Ganga Ram was Advisor (Investment) to Unit Trust of India and Corporate Advisor to ICRA. He holds Directorship in the following other companies:

Company Name	Category	
Sundaram BNP Paribas Home Finance Ltd.	Director	None of the Directors or Key Managerial Personnel or their relatives is concerned or interested, directly or indirectly, in the respective Ordinary Resolutions, other than the appointees, Mr. Ramabadran and Mr. Ganga Ram.
Thejo Engineering Ltd.	Director	
Oricon Enterprises Ltd.	Director	
Juniper Hotels Private Ltd.	Director	
He is also the Chairman / a Member of the following Committees in your Company:		Item No. 8
<ul style="list-style-type: none"> 1) Audit Committee - Member 2) Corporate Governance Committee - Member 3) Stakeholders Relationship Committee - Chairman 4) Nomination and Remuneration Committee - Member 5) Risk Management Committee - Member 6) Corporate Social Responsibility Committee - Member 		At the Board Meeting held on the 27 th April, 2015, after considering the recommendation of the Audit Committee, the Directors have appointed Mr. A. Madhavan, Cost Accountant, as the Cost Auditor of the Company for the year 2015-16 on a remuneration of Rs. 80,000. 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.
As per Section 150 of the Act, the appointment of Independent Directors is required to be approved by the Members and hence the matter is placed for consideration and approval of the Members.		The Ordinary Resolution appearing in the Notice is sought to be passed for this purpose.
Notice under Section 160(1) of the Act, along with a deposit of Rs. 1,00,000/- each as required under that Section, has been received from a Member of the Company proposing the appointment of the above three Independent Directors of the Company, namely, Mrs. Sujatha Jayarajan, Mr. Ramabadran and Mr. Ganga Ram.		None of the Directors or the Key Managerial Personnel is interested or concerned in the passing of the Resolution.
Mr. Ramabadran and Mr. Ganga Ram have given declarations under Section 149 (7) of the Act that they fulfill the conditions specified in Section 149(6) of the Act read with the Rules made thereunder for their appointment as Independent Directors of the Company and are independent of the Management. Your Directors are of the opinion that the continued association of the two Independent Directors will be of great value to the Company and accordingly, recommend the respective Ordinary Resolutions for approval of the Members.		By Order of the Board of Directors
		Place: Chennai Date: 29 th May 2015
		G. Somasundaram Company Secretary

BOARD OF DIRECTORS' REPORT

Your Directors are pleased to present the Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report for the Financial Year ended 31st March, 2015. The summarized financial results for the Financial Year are as under:

Financial Summary:

Particulars	For the Year Ended	
	31 st March 2015	31 st March 2014
	Rs. in lakhs	Rs. in lakhs
Profit Before Interest and Depreciation	2,626	3,116
Less: Interest	24	14
Profit Before Depreciation	2,602	3,102
Less: Depreciation	1,015	627
Profit Before Tax	1,586	2,475
Tax	298	736
Deferred Tax Liability	265	94
Net Profit For the Year	1,023	1,645
Balance Brought Forward from Previous Year	9,235	7,929
Balance Available For Appropriation	10,258	9,574
Appropriations:		
Transferred to General Reserve	0	165
Interim Dividend Paid	0	0
Proposed Dividend	115	115
Dividend Tax	23	19
Balance Carried to Balance Sheet	10,120	9,275

State of Company's Affairs:

During the year under review, the Company achieved net revenue from operations of Rs.11,039/- Lakhs, as against Rs.11,266/- Lakhs in the previous year and made Profit Before Tax (PBT) of Rs. 1,586/- Lakhs as against Rs.2,475/- Lakhs in the previous year. The fall in PBT was mainly due to the steep increase in the cost of power, coupled with the reduction in sales realization, following the fall in international prices of Caustic Soda which made the imports cheaper and led to lower product realizations on the domestic front. The Company is taking steps to control its manufacturing costs and improve margins.

Directors & Key Managerial Personnel:

The details of Directors and Key Managerial Personnel (KMP) as on 31.03.2015 were as follows:

S. No	Name of Directors	Designation	Date of appointment	Date of resignation
1	Mr. Ganga Ram Nilacanta Iyer	Director	04.07.2009	-
2	Mr. Chittur Sundar Rao Ramesh	Director	16.06.1983	-
3	Mr. Suresh Krishnamurthi Rao	Director	30.09.1996	-
4	Mr. Tyagarajan Ramabadran	Director	23.08.2006	-
5	Mr. J. Venkataraman*	Director	01.10.2008	25.07.2014
6	Mrs. Sujatha Jayarajan**	Director	30.03.2015	-

S. No	Name of KMP	Designation	Date of appointment	Date of resignation
1	Mr. Nitin S Cowlagi	CFO	11.04.2014	-
2	Mr. K. Mohamed Ibrahim	CS	11.04.2014	14.11.2014
3	Mr. V.M. Srinivasan***	CEO	30.03.2015	-

* Mr. J. Venkataraman resigned during the year on 25th July 2014

** Mrs. Sujatha Jayarajan was appointed as Director (Independent) on 30th March 2015.

*** Mr. V M Srinivasan, has joined duty w.e.f. 03.04.2015

Director, Mr. C.S. Ramesh retires by rotation and being eligible, offers himself for re-appointment. The Directors recommend Mr. C.S. Ramesh for re-appointment.

Mr. Ramabadran and Mr. Ganga Ram are serving Independent Directors of the Company. The Ministry of Corporate Affairs in its Circular dated 9th June 2014 has clarified that if it is intended to appoint the existing Independent Directors under the new Companies Act, 2013 ("the Act"), it needs to be made expressly under Section 149 (10) and (11) of the Act within one year from the commencement of the Act (1st April 2014). Accordingly, the Board of Directors of the Company at their meeting held on 30th March, 2015 expressly appointed Mr. Ramabadran and Mr. Ganga Ram under the said provisions, as recommended by the Nomination and Remuneration Committee, as Non-Executive Independent Directors for a term of five consecutive years from 30th March, 2015, without being liable to retirement by rotation.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("Act") and Clause 49 of the Listing Agreement with the Stock Exchanges, Listed Companies are required to appoint at least one Woman Director on the Board, within one year from the commencement of the Act i.e., 1st April 2014. In compliance with the aforesaid provisions, the Board of Directors of your Company at their meeting held on 30th March, 2015 appointed Mrs. Sujatha Jayarajan as a Non-Executive Independent Woman Director of the Company, as recommended by the Nomination and Remuneration Committee, for a period of five consecutive years from 30th March, 2015, subject to the approval of the Members at the Annual General Meeting.

Subsidiaries, Joint Ventures or Associate Companies:

Your Company had no Subsidiaries, Joint Venture or Associates during the year 2014-15.

Fixed Deposits:

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

Dividend:

Your Directors recommend payment of Dividend of Rs.1.25 per share (25%) for the year ended 31st March, 2015, absorbing a sum of Rs. 1,14,64,621/-, subject to the approval of the Members at the ensuing Annual General Meeting.

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 optimize the risk management strategies. The Company has

put in place a well-defined Risk Management framework.

The Company has constituted a Risk Management Committee which assists the Board in drawing up, implementing, monitoring and reviewing the Risk Management Plan. The Committee lays down the Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through properly defined framework.

The composition of the Risk Management Committee as on 31st March 2015 was as under:

S. No.	Name of the Member	Category
1	Mr. T. Ramabadrán	Chairman, Non executive Independent Director
2	Mr. C.S. Ramesh	Member, Non executive, non independent Director
3	Mr. N. Ganga Ram	Member, Non executive, Independent Director
4	Mr. V.R. Raguraman	Member, Executive
5	Mr. N .Kalyanasundaram	Member, Executive

The Company has obtained certification for ISO 14001 and OHSAS 18001 systems to take care of critical operational areas. It also utilizes the services of professional bodies like Central Leather Research Institute (CLRI) / The Energy and Resources Institute (TERI) / National Environmental Engineering Research Institute (NEERI) as also Consultants to continuously analyze and upgrade its operations.

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

During the year, there were no instances of significant and material orders passed by the regulators, courts or tribunals on the Company.

Internal Financial Control:

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. 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 Non-Executive Directors, which monitors systems, control, financial management and operations of the Company.

The Audit committee at its meeting held on 27.04.2015 has evaluated the internal financial controls and risk management system accordingly.

Extract of the Annual Return:

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

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

During the Financial Year 2014-2015, the Board met six times as under:

S. No.	Dates of meeting of the Board	Quarter	No of directors on the date of meeting	Total no of directors attended	Remarks
1.	11/04/2014	First	5	5	
2.	25/07/2014	Second	4	4	
3.	12/11/2014	Third	4	4	
4.	10/02/2015	Fourth	4	4	
5.	23/02/2015	Fourth	4	3	
6.	30/03/2015	Fourth	4	4	

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

Directors' Responsibility Statement:

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

- (i) That in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the Financial Year and of the profit of the Company for that Financial Year;
- (iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors had prepared the Annual Accounts on a going-concern basis;
- (v) That the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (vi) That the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Particulars of contracts or arrangements with related parties:

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

Technology absorption, Conservation of energy and Research and development:

The Company has an in-house Research Development Department, where the main areas of focus are Energy Conservation, Process Upgradation and Environmental Preservation. The Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India, has recognized the Company's in-house R & D facilities, which is valid upto 31st March, 2017. The Company has a sophisticated Quality Assurance (QA) Laboratory

recognized by DuPont, USA for the analysis of Chlor- Alkali brine. The Brine from various Chlor- Alkali Industries in India is being analyzed at CAL-QA Laboratory.

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

Foreign Exchange Earnings and Outgo:

The foreign exchange earned and outgoes in terms of actual inflows/outflows during the year are as below:

Foreign Exchange Earnings	Rs. 1,57,23,945/-
Foreign Exchange Outgo	Rs. 1,61,26,307/-

Power and Fuel Consumption:

PARTICULARS	31 st MARCH, 2015	31 st MARCH, 2014
I. ELECTRICITY		
PURCHASED:		
- Units	9,10,00,650	9,47,03,550
- Total amount / Rs in Lakhs.	5,275	5,047
Rate per Unit [Gross] Rs.	5.80	5.33

II. FURNACE OIL		
[a] PURCHASED:		
- Quantity [KL]	582	580
- Total Amount / Rs in Lakhs.	204	253
- Average Rate per KL / Rs.	35,152	43,642
[b] CONSUMPTION:		
- Furnace Oil [KL]	587	586
- Amount / Rs in Lakhs.	209	255
- Amount per KL / Rs.	35,676	43,485

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

The Board of Directors at its meeting held on 27.04.2015 has evaluated the performance of the Board, its Committees and the Individual Directors as per the Nomination and Remuneration Policy disclosed in **Annexure 1** to Corporate Governance Report.

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

Mr. T. Ramabadrn, Mr. N. Ganga Ram, and Mrs. Sujatha Jayarajan Independent Directors of the Company have given their statement of declaration under Section 149(7) of the Companies Act, 2013 (“the Act”) that they meet the criteria of independence as provided in Section 149(6) of the Act, and their Declarations have been taken on record.

Familiarisation programmes for Board Members

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company’s procedures and practices. The details of such familiarisation programmes for the Independent Directors are posted on the website of the Company (For details, please visit www.chemfabalkalis.com).

Prevention of Insider trading:

Your Company has adopted a code of conduct for prevention of

‘Insider Trading’ as mandated by SEBI and the same is available on the website of the company (For details, please visit www.chemfabalkalis.com).

Statutory Auditors:

The current Statutory Auditors of the Company, M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting of the Company. They were first appointed as Statutory Auditors for the year 2005-06 and under the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, which came into effect from 1st April, 2014, it is proposed to appoint M/s Deloitte Haskins & Sells as Auditors of the Company, as recommended by the Audit Committee, for two consecutive Financial Years, 2015-16 and 2016-17, from the conclusion of the ensuing Annual General Meeting to the conclusion of the Annual General Meeting to be held in the calendar year 2017, subject to ratification by the Members at the Annual General Meeting to be held in the calendar year, 2016, on the terms of remuneration to be fixed by the Board of Directors. The consent of M/s Deloitte Haskins & Sells and their confirmation that their appointment, if made, will be in accordance with the prescribed conditions, have been received by the Company. The Directors recommend the re-appointment of M/s. Deloitte Haskins & Sells as the Statutory Auditors of the Company for the two years period ending on 31st March, 2017.

Cost Auditor:

In conformity with the provisions of The Companies Act, 2013, the Company has appointed Mr. A. Madhavan, Cost Accountant, Chennai, as the Cost Auditor, for the audit of cost accounts for the chemicals manufactured by the Company for the year ending 31st March 2016. The remuneration paid to him is being ratified at this Annual General meeting.

Secretarial Audit Report:

Mr. B. Ravi, Company Secretary, has been appointed as Secretarial Auditor of your company in the meeting of the Board. The Secretarial Audit Report as required under section 204 of the Act, for the period 2014-15 is attached to the Annual Report.

Auditors’ Report:

a) Auditors Report

The Statutory Auditors have observed that they are unable to comment on the recoverability of the ICDs, details of which are referred to in note no 33.

In this regard, the Board of Directors state that the relevant note forming part of the Financial Statements is self-explanatory. As indicated therein, based on the discussions with TCL and considering certain other developments, the Board believes that no provisioning is required to be made for the outstanding ICDs as at this stage.

b) Secretarial Audit Report

Pursuant to requirements of section 204 of the Act a secretarial audit report is annexed to the Board report. As regards certain observations made in the said report, Board of Directors wish to clarify that certain delays in filing the forms in question was due to technical snag at the time of filing the documents.

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

Particulars of investments made by the Company during the Financial Year 2014-15 are given below and they are within the prescribed limits under Section 186 of the Companies Act, 2013:

S. No	Loans, Guarantees & Investments made in	Amount (In Rs)	60% of Paid up capital and Free Reserves	Remarks
1.	Teamec Chlorates Limited	14, 70,45,171	72,67,03,114	Inter Corporate Deposit given
2.	Titanium Equipment and Anode Manufacturing Company Limited	1,15,00,000	72,67,03,114	Guarantees given

Vigil Mechanism:

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

Audit Committee:

The composition of the Audit Committee constituted by the Board in terms of Section 177 of the Companies Act, 2013 and Clause 49 (III) of the Listing Agreement with the Stock Exchanges is as under:

S. No	Name of the Member	Category
1	Mr. T. Ramabdran	Chairman, Non-Executive Independent Director
2	Mr. C.S. Ramesh	Member, Non-Executive, Non-Independent Director
3	Mr. N. Ganga Ram	Member, Non-Executive, Independent Director

The Audit Committee acts in accordance with the terms of reference specified by the Board of Directors in terms of Section 177(4) of the Act and Clause 49 (III) (D) of the Listing Agreement. It also oversees the vigil mechanism and is obliged to take suitable action against the Directors or employees concerned, when necessary.

Nomination and Remuneration Committee:

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

Accordingly, the Company has set up a Nomination and Remuneration Committee which has formulated criteria for determining qualifications, positive attributes and independence of a Director and for ensuring 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 initiative pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

Corporate Social Responsibility (CSR):

According to Section 135 of the Companies Act, 2013 ("the Act"), a Company having 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.

As your Company's Net Profit is more than Rs 5 Crores, the Board has constituted Corporate Social Responsibility Committee in accordance with Section 135 of the Act. The Company is committed to operating 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 of CSR expenditure and initiatives taken during the year 2014-15 are given in **Annexure 4** to this Report. (For details, please visit www.chemfabalkalis.com)

Remuneration details of Directors and Employees:

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

Shares issued under Employee Stock Option Scheme (ESOS): Nil

Acknowledgement

The Directors thank all the Shareholders, customers, dealers, suppliers, bankers, financial institutions and all the 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 understanding and co-operation. The Directors wish to record their sincere appreciation of the significant contribution made by the employees of the Company at all levels to its profitable and successful operations.

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED

Place: Chennai
Date: 27th April 2015

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Annexure 1

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.03.2015

[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	L24297TN1983PLC072409
Registration Date	16/06/1983
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 - 600 048
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 Website : www.cameoonline.net

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. 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	99%

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
	NIL		NIL		

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

i) Category - wise Share Holding

	Category of Shareholders	No. of shares held at the beginning of the year - 01.4.2014				No. of shares held at the end of the year - 31.3.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
(1)	Indian									
(a)	Individual/HUF	1426400	-	1426400	15.55	1426400	-	1426400	15.55	-
(b)	Central Govt	-	-	-	-	-	-	-	-	-
(c)	State Govt(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corp.	880458	-	880458	9.60	880458	-	880458	9.60	-
(e)	Banks / FI	-	-	-	-	-	-	-	-	-
(f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(1)	2306858	-	2306858	25.15	2306858	-	2306858	25.15	-
(2)	Foreign									
(a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
(b)	Other - Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corp.	4571468	-	4571468	49.84	4571468	-	4571468	49.84	-
(d)	Banks / FI	-	-	-	-	-	-	-	-	-
(e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	4571468	-	4571468	49.84	4571468	-	4571468	49.84	-
	Total shareholding of Promoter (A)= (A)(1)+(A)(2)	6878326	-	6878326	75.00	6878326	-	6878326	75.00	-
B.	Public Shareholding									
(1)	Institutions									
(a)	Mutual Funds	8200	900	9100	0.10	8200	900	9100	0.10	-
(b)	Banks / FI	400	100	500	0.01	400	100	500	0.01	-
(c)	Central Govt	-	-	-	-	-	-	-	-	-
(d)	State Govt(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	-	-	-	-	-
(g)	FII's	-	-	-	-	-	-	-	-	-
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other - Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
	Sub- Total (B)(1)	8600	1000	9600	0.10	8600	1000	9600	0.10	-
(2)	Non- Institutions									
(a)	Bodies Corporate									
(i)	Indian	221783	15802	237585	2.59	179047	15802	194849	2.12	-0.47
(ii)	Overseas	-	-	-	-	-	-	-	-	-

(b)	Individuals									
i)	Individual shareholders holding nominal shares capital up to Rs.1 lakh	1439114	222382	1661496	18.12	1512307	215622	1727929	18.84	0.72
ii)	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	69975	-	69975	0.76	70900	-	70900	0.77	0.01
(c)	Others (specify)									
i)	Trust	200	-	200	0.00	200	-	200	0.00	0.00
ii)	Non-Resident Indians	53169	39722	92891	1.01	50214	38122	88336	0.96	-0.05
iii)	Hindu Undivided Family	95705	-	95705	1.04	90243	-	90243	0.98	-0.06
iv)	Foreign National		107000	107000	1.17	-	107000	107000	1.17	0.00
v)	Clearing Members	18919	-	18919	0.21	4314	-	4314	0.05	-0.16
	Sub- Total (B)(2)	1898865	384906	2283771	24.90	1907225	376546	2283771	24.90	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	1907465	385906	2293371	25.00	1915825	377546	2293371	25.00	0.00
C	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	8785791	385906	9171697	100	8794151	377546	9171697	100	0.00

(ii) Shareholding of Promoters

S.No.	Name of The Holder(S)	Shareholding at the beginning of the year (01.4.2014)			Shareholding at the end of the year (31.3.2015)		
		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	4571468	49.84	NIL	4571468	49.84	NIL
2	Titanium Equipment and Anode Manufacturing Company Limited	880458	9.60	NIL	880458	9.60	NIL
3	Suresh Krishnamurthi Rao	879804	9.59	NIL	879804	9.59	NIL
4	Padma K M	546556	5.96	NIL	546556	5.96	NIL
5	Ramesh C S Manorama Ramesh	40	0.00	NIL	40	0.00	NIL
		6878326	75.00	NIL	6878326	75.00	NIL

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

S.No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	6878326	75.00	6878326	75.00
2	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
3	At the End of the year	-	-	6878326	75.00

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	P L THIRUNAVUKKARASU				
	At the beginning of the year	87400	0.95	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	87400	0.95
2	STAR FINVEST PRIVATE LTD				
	At the beginning of the year	47000	0.51	-	-
	04-04-14 - Purchase	3517	0.04	50517	0.55
	18-04-14 - Purchase	6939	0.08	57456	0.63
	25-04-14 - Purchase	12000	0.13	69456	0.76
	16-05-14 - Purchase	960	0.01	70416	0.77
	06-06-14 - Purchase	6000	0.07	76416	0.83
	13-06-14 - Purchase	14588	0.16	91004	0.99
	20-06-14 - Purchase	11967	0.13	102971	1.12
	30-06-14 - Purchase	239	0.00	103210	1.13
	04-07-14 - Purchase	790	0.01	104000	1.13
	01-08-14 - Sold	-944	-0.01	103056	1.12
	22-08-14 - Sold	-5845	-0.06	97211	1.06
	29-08-14 - Sold	-2213	-0.02	94998	1.04
	05-09-14 - Purchase	517	0.01	95515	1.04
	12-09-14 - Sold	-515	-0.01	95000	1.04
	19-09-14 - Purchase	55	0.00	95055	1.04
	30-09-14 - Sold	-14303	-0.16	80752	0.88
	10-10-14 - Sold	-10752	-0.12	70000	0.76
	17-10-14 - Sold	-6239	-0.07	63761	0.70

	24-10-14 - Sold	-3261	-0.04	60500	0.66
	31-10-14 - Sold	-2657	-0.03	57843	0.63
	07-11-14 - Sold	-3877	-0.04	53966	0.59
	14-11-14 - Sold	-804	-0.01	53162	0.58
	21-11-14 - Sold	-3162	-0.03	50000	0.55
	05-12-14 - Sold	-38	0.00	49962	0.54
	12-12-14 - Sold	-2500	-0.03	47462	0.52
	19-12-14 - Sold	-10	0.00	47452	0.52
	09-01-15 - Sold	-9000	-0.10	38452	0.42
	16-01-15 - Purchase	1000	0.01	39452	0.43
	23-01-15 - Sold	-916	-0.01	38536	0.42
	30-01-15 - Sold	-1000	-0.01	37536	0.41
	06-02-15 - Sold	-1899	-0.02	35637	0.39
	13-02-15 - Purchase	363	0.00	36000	0.39
	20-02-15 - Sold	-8200	-0.09	27800	0.30
	27-02-15 - Purchase	48	0.00	27848	0.30
	06-03-15 - Sold	-938	-0.01	26910	0.29
	13-03-15 - Purchase	90	0.00	27000	0.29
3	S N RAJAN ANURADHA RAJAN				
	At the beginning of the year	42275	0.46	-	-
	04-04-14 - Sold	-3000	-0.03	39275	0.43
	11-04-14 - Sold	-6016	-0.07	33259	0.36
	25-04-14 - Purchase	2343	0.03	35602	0.39
	02-05-14 - Purchase	4469	0.05	40071	0.44
	16-05-14 - Purchase	6720	0.07	46791	0.51
	23-05-14 - Sold	-3858	-0.04	42933	0.47
	06-06-14 - Sold	-6000	-0.07	36933	0.40
	13-06-14 - Sold	-12427	-0.14	24506	0.26
	20-06-14 - Sold	-1264	-0.01	23242	0.25
	30-06-14 - Sold	-2168	-0.02	21074	0.23
	04-07-14 - Sold	-14595	-0.16	6479	0.07
	12-09-14 - Sold	-4557	-0.05	1922	0.02
	19-09-14 - Sold	-1922	-0.02	0	0.00
	27-03-15 - Purchase	1119	0.01	1119	0.01
	31-03-15 - Purchase	3085	0.03	4204	0.04
4	SANGEETHA S				
	At the beginning of the year	27700	0.30	-	-
	20-06-14 - Purchase	3690	0.04	31390	0.34
	30-06-15 - Purchase	900	0.01	32290	0.35
	04-07-14 - Purchase	500	0.01	32790	0.36

	11-07-14 - Purchase	7	0.00	32797	0.36
	25-07-14 - Purchase	333	0.00	33130	0.36
	08-08-14 - Purchase	900	0.01	34030	0.37
	22-08-14 - Purchase	978	0.01	35008	0.38
	29-08-14 - Purchase	490	0.01	35498	0.39
	12-09-14 - Purchase	3792	0.04	39290	0.43
	10-10-14 - Purchase	2930	0.03	42220	0.46
	17-10-14 - Purchase	1710	0.02	43930	0.48
	14-11-14 - Purchase	2760	0.03	46690	0.51
	21-11-14 - Purchase	1800	0.02	48490	0.53
	28-11-14 - Purchase	2880	0.03	51370	0.56
	05-12-14 - Purchase	1757	0.02	53127	0.58
	12-12-14 - Purchase	1991	0.02	55118	0.60
	02-01-15 - Purchase	2000	0.02	57118	0.62
	30-01-15 - Purchase	7719	0.09	64837	0.71
	13-02-15 - Purchase	6063	0.06	70900	0.77
5	BHAVANA GOVINDBHAI DESAI / GOVINDBHAI BALDEVBHAI DESAI				
	At the beginning of the year	20000	0.22	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	20000	0.22
6	P L THIRUNAVUKKARASU				
	At the beginning of the year	19600	0.21	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	19600	0.21
7	SCMS INVESTMENT SERVICES PRIVATE LIMITED				
	At the beginning of the year	18251	0.20	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	18251	0.20
8	KOTHA APPA RAO				
	At the beginning of the year	17950	0.20	-	-
	04-04-14 Sold	-1000	-0.01	16950	0.19
	18-04-14 Sold	-8950	-0.10	8000	0.09
	25-04-15 Sold	-8000	-0.09	0	0.00

9	LALITHA RAMAN				
	At the beginning of the year	17900	0.20	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL	NIL	17900	0.20
10	MAYUR MANGALDAS KOTHARI				
	At the beginning of the year	15678	0.17	-	-
	11-04-14 Sold	-2000	-0.02	13678	0.15
	04-07-14 Sold	-603	-0.01	13075	0.14
	14-11-14 Sold	-4208	-0.05	8867	0.09
	20-02-15 Sold	-3379	-0.04	5488	0.05

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	MR. SURESH KRISHNAMURTHI RAO	879804	9.59	879804	9.59
	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	-	-	879804	9.59
2	MR. N. GANGA RAM	0	0.00	0	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	-	-	0	0.00
3	MR. T. RAMABADRAN	100	0.001	100	0.001
	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	-	-	100	0.001
4	MR. C S RAMESH	40	0.0004	40	0.0004
	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	-	-	40	0.0004
5	MRS. SUJATHA JAYARAJAN	0	0.00	0	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	-	-	0	0.00
6	MR. V M SRINIVASAN	0	0.00	0	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	-	-	0	0.00
7	MR. NITIN S COWLAGI	0	0.00	0	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	-	-	0	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	Rs. 24,18,93,015			Rs. 24,18,93,015
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	Rs. 8,16,312			Rs. 8,16,312
Total (i+ii+iii)	Rs. 24,27,09,327			Rs. 23,88,83,073
Change in Indebtedness during the financial year				
• Addition				
• Reduction	Rs. 38,26,254			Rs. 38,26,254
Net Change	Rs. 38,26,254			Rs. 38,26,254
Indebtedness at the end of the financial year				
i) Principal Amount	Rs. 23,81,12,981			Rs. 23,81,12,981
ii) Interest due but not paid				
iii) Interest accrued but not due	Rs. 7,70,092			Rs. 7,70,092
Total (i+ii+iii)	Rs. 23,88,83,073			Rs. 23,88,83,073

VI. REMUNERATION / COMMISSION / SITTING FEES OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

NIL

S.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					
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - others, specify...					
5.	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

B. Remuneration to other directors:

Amount - Rs. In Lakhs

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Suresh Krishnamurthi Rao	Mr. C. S. Ramesh	Mr. T.Ramabadrn	Mr. N.Ganga Ram	
1.	Independent Directors					
	• Fee for attending board / committee meetings			2.64	2.36	5.00
	• Commission			7.00	5.00	12.00
	• Others, please specify					
	Total (1)	0.00	0.00	9.64	7.36	17.00

2.	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	0.00	2.58			2.58
	• Commission	25.00	6.00			31.00
	• Others, please specify					
	Total (2)	25.00	8.58	0.00	0.00	33.58
	Total (B)=(1+2)	25.00	8.58	9.64	7.36	50.58
	Total Managerial Remuneration					50.58
	Overall Ceiling as per the Act					74.26

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

Amount - Rs. In Lakhs

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	N.A.	3.91	19.92	23.11
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			0.21	0.21
	(c) Profits in lieu of salary under section 17(3) Incometax Act, 1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
	Total		3.91	20.13	23.32

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

There were no penalties / punishment / compounding of offences for the year ended 31st March, 2015

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED

Place: Chennai
Date: 27th April 2015

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Annexure 2
AOC 2

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

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

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

There were no contracts or arrangements or transactions entered in during the year ended 31st March 2015, which were not at arm's length basis.

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

No material transactions.

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

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED

Place: Chennai
Date: 27th April 2015

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Annexure 3

(A) Conservation of Energy-

	Particulars	Details
(i)	The steps taken or impact on conservation of energy;	Modernisation of electrolyzers by replacing the old ones with the latest technology
(ii)	The steps taken by the company for utilising alternate sources of energy;	The company continues to use hydrogen gas instead of conventional fuel reducing the carbon footprint. The company has also installed solar street lightings and also the Bio Gas plant for replacing conventional energy sources.
(iii)	The capital investment on energy conservation equipment;	Solar Lightings – Rs. 8.37 Lakhs Bio Gas Plant – Rs. 1.27 Lakhs

(B) Technology absorption-

	Particulars	Details
(i)	The efforts made towards technology absorption;	The company has during the year commissioned the BiTAC electrolyser and also the new energy efficient Caustic Concentration Plant
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	Cost reduction due to lesser consumption of power and fuel
(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; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	CEC – BiTAC Electrolysers, Energy efficient Caustic Concentration Unit 2013 Yes

(iv) The expenditure incurred on Research and Development.

Amount in Rs

Particulars	2014-15	2013-14
Employee Benefits expense	59,90,887	61,43,829
Professional fees	12,86,300	6,50,000
Consumption of Stores and spares	27,81,932	13,20,719
Travelling expenses	1,26,779	1,40,993
Depreciation	6,03,944	5,53,652
Total	1,07,89,842	88,09,193

(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	Amounts
Foreign exchange earnings	Rs. 1,57,23,945/-
Foreign Exchange outgo	Rs. 1,61,26,307/-

For and on behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED

Place: Chennai

Date: 27th April 2015

Suresh Krishnamurthi Rao

Chairman

DIN: 00127809

Annexure 4

The Annual Report on CSR Activities

<p>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.</p>	<p>The Company will take up community and socially focused activities, with particular emphasis on the following activities, hereinafter referred to as "CSR activities":</p> <p>(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.</p> <p>(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.</p> <p>(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.</p>
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	<p>(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.</p> <p>(v) Protection of National heritage, art and culture, including restoration of building and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional arts and handicrafts.</p> <p>(vi) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;</p> <p>(vii) Contributing to rural development projects; and</p> <p>(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.</p>	<table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">2.</td> <td colspan="2" style="text-align: center;">Composition of the CSR Committee as on 31st March 2015</td> </tr> <tr> <td></td> <td style="text-align: center;">Name of the Member</td> <td style="text-align: center;">Category</td> </tr> <tr> <td>a.</td> <td>Mr. C S Ramesh</td> <td>Non Executive Director, Chairman</td> </tr> <tr> <td>b.</td> <td>Mr. T Ramabadrán</td> <td>Non-Executive Independent Director, Member</td> </tr> <tr> <td>c.</td> <td>Mr. N Ganga Ram</td> <td>Non-Executive Independent Director, Member</td> </tr> </table> <p>3. Average net profit of the company for last three financial years u/s 135 of Companies Act 2013</p> <table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">Amount (in Rs)</th> </tr> </thead> <tbody> <tr> <td>Net profit for the year 2011-12</td> <td style="text-align: right;">Rs. 12,81,30,896</td> </tr> <tr> <td>Net profit for the year 2012-13</td> <td style="text-align: right;">Rs. 33,95,55,721</td> </tr> <tr> <td>Net profit for the year 2013-14</td> <td style="text-align: right;">Rs. 24,70,29,223</td> </tr> <tr> <td>Average Net Profit</td> <td style="text-align: right;">Rs. 23,82,38,613</td> </tr> </tbody> </table> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">4.</td> <td colspan="2">Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</td> </tr> <tr> <td></td> <td>2% on the Average Net Profits as stated above shall amount to</td> <td style="text-align: right;">Rs. 47,64,772</td> </tr> </table> <table border="1" style="width: 100%;"> <tr> <td style="width: 5%;">5.</td> <td colspan="2">Details of CSR Expenditure in FY 2014-15</td> </tr> <tr> <td>a.</td> <td>Total amount spent in the Financial Year 2014-15</td> <td style="text-align: right;">Rs. 13,68,765</td> </tr> <tr> <td>b.</td> <td>Amount unspent, if any</td> <td style="text-align: right;">Rs. 33,96,007</td> </tr> </table>	2.	Composition of the CSR Committee as on 31st March 2015			Name of the Member	Category	a.	Mr. C S Ramesh	Non Executive Director, Chairman	b.	Mr. T Ramabadrán	Non-Executive Independent Director, Member	c.	Mr. N Ganga Ram	Non-Executive Independent Director, Member	Particulars	Amount (in Rs)	Net profit for the year 2011-12	Rs. 12,81,30,896	Net profit for the year 2012-13	Rs. 33,95,55,721	Net profit for the year 2013-14	Rs. 24,70,29,223	Average Net Profit	Rs. 23,82,38,613	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. 47,64,772	5.	Details of CSR Expenditure in FY 2014-15		a.	Total amount spent in the Financial Year 2014-15	Rs. 13,68,765	b.	Amount unspent, if any	Rs. 33,96,007
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a.	Total amount spent in the Financial Year 2014-15	Rs. 13,68,765																																								
b.	Amount unspent, if any	Rs. 33,96,007																																								
c.	Details of the Amounts Spent on CSR Projects during the Financial Year 2014-15						Amount (in Rs)																																			
(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																																			
1.	Organic Farming Assistance		Local Area, Puducherry	9,23,475	2,01,502	2,01,502	Satya Special School, Puducherry																																			
2.	Innovative Village Education Program		Local Area, Tamil Nadu	5,70,000	2,50,000	2,50,000	Eureka Child Foundation, TamilNadu																																			
3.	Eye Camp		Local Area, Tamil Nadu		64,763	64,763	Direct																																			
4.	Socially and economically backward group		Local Area, Puducherry/Tamil Nadu		7,93,500	7,93,500	Direct																																			

5.	Education and Training		Local Area, Puducherry		59,000	59,000	Direct
	TOTAL				13,68,765	13,68,765	

6.	In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.	The average Net Profit of the Company during the last three Financial Years amounts to Rs. 23,82,38,613 and 2% of such average Net Profit works out to Rs. 47,64,772 which is the amount of CSR expenditure the Company was required to incur during the Financial Year 2014-15. As against this, the total amount spent by the Company on CSR Projects during FY 2014-15 was Rs.13,68,675. The reasons for the shortfall in CSR expenditure is primarily that the Company did not get adequate number of eligible projects. With the experience gained during the initial year of CSR regime, the Company expects to meet the CSR expenditure target in the current Financial Year, 2015-16.
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7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.	The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.
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Place: Chennai Date: 27 th April 2015	C.S. Ramesh Chairman, CSR Committee DIN: 00019178	Suresh Krishnamurthi Rao Chairman DIN: 00127809
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Annexure 5

Remuneration Details of Directors and Employees

Amount Rs. in Lakhs

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

S. No.	Director Name	Remuneration FY 2014-15	Median Remuneration of Employees FY 2014-15	Ratio
1	Mr. Suresh Krishnamurthi Rao	25.00	3.53	7.08
2	Mr. C.S. Ramesh	8.58	3.53	2.43
3	Mr. T. Ramabadrhan	9.64	3.53	2.73
4	Mr. N. Ganga Ram	7.36	3.53	2.08

(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

S.No.	Director Name	Remuneration FY 2014-15	Remuneration FY 2013-14	% Increase
1	Mr. Suresh Krishnamurthi Rao	25.00	50.00	-50.00
2	Mr. C.S. Ramesh	8.58	11.40	-24.74
3	Mr. T. Ramabadrhan	9.64	11.40	-15.44

4	Mr. N. Ganga Ram	7.36	6.40	15.00
5	Chief Executive Officer	NA	NA	NA
6	Chief Financial Officer	23.85	19.89	19.91
7	Company Secretary	3.91	5.99	-34.72

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

Median Remuneration FY 2014-15	Median Remuneration FY 2013-14	% Increase
3.53	3.34	5.69

(iv) Number of permanent employees on the roll of company – 170

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

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

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

Remuneration of KMP FY 2014-15	PAT of the Company FY 2014-15	Remuneration to PAT %
27.76	1023	2.71

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

	FY 2014-15	FY 2013-14	Variation
Market Capitalisation	6732.03	7768.43	-1036.40
Price Earning Ratio	6.51	4.72	1.79

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

	FY 2014-15	FY 2013-14	% Increase
Employees Salary	970.83	900.18	7.85
Managerial Remuneration	50.58	79.20	-36.14

The company follows performance appraisal methodology where in performances of employees are linked to the key deliverables and key control areas of the company

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

Particulars	Remuneration of KMP FY 2014-15	PAT of the Company FY 2014-15	Remuneration to PAT %
CEO	NA	NA	NA
CFO	23.85	1,023	2.33
CS	3.91	1,023	0.38

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

The Directors of the company are paid Commission, not exceeding 3% of the net profit of the company which is arrived at as per the relevant provisions of the Companies Act, 2013.

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

Remuneration of Highest paid Director	25.00
Remuneration of Employee	39.50
Ratio	1.58

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

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2015

The Members of
Chemfab Alkalys Limited
CIN: L24297TN1983PLC072409
Team House, GST Salai,
Vandalur, Chennai - 600 048.

Dear Members,

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

- 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.
- 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.
- I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
- Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.,
- 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.
- 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 Name of the Company Secretary: Dr.B. Ravi

Date : 27.04.2015 FCS 1810 C.P.No. 3318

The Members of
CHEMFAB ALKALIS LIMITED
CIN L24297TN1983PLC072409

Team House,
GST Salai, Vandalur,
Chennai – 600 048

Dear Members,

Pursuant to the provisions of Section 204 of the Companies Act 2013, the Board of directors of the Company at their meeting held on 25.07.2014 have appointed me, the undersigned, as Secretarial Auditor to conduct an audit and report on the compliance of applicable statutory provisions and the adherence to good corporate practices by CHEMFAB ALKALIS LIMITED (CIN: L24297TN1983PLC072409) (hereinafter referred to as the 'Company').

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CHEMFAB ALKALIS LIMITED (CIN: L24297TN1983PLC072409). The 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 audit period covering the financial year ended on 31.03.2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner reported hereinafter.

Corporate information:

The Company was incorporated on 16.06.1983. The Corporate Identity Number is L24297TN1983PLC072409. The company's Registered office is at Team House – GST Salai, Vandalur, Chennai – 600 048, Tamil Nadu.

The Company is a basic Heavy Chemical Industry. The company is engaged in manufacturing Caustic Soda, with Chlorine, Hydrogen, Sodium Hypo Chlorite and Hydrochloric Acid as by-products.

The Equity shares of the company are listed on the Bombay Stock Exchange Limited and National Stock Exchange Limited and as a result of which the company has acquired the character of listed company within the meaning of Section 2(52) of the Companies Act 2013. (hereinafter referred to as Act).

Compliance Reporting:

A. THE COMPANIES ACT

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company on paper or in electronic form for the financial year ended on 31.03.2015 according to the provisions of –

- The Companies Act, 1956, the Companies Act 2013 (to the extent Sections and Schedules notified) and the Rules made there under including Amendment, Circulars, Notifications and Removal of Difficulties Order issued by the Ministry of Corporate Affairs from time to time.
- Updated Memorandum and Articles of Association of the company.

2. I report that the Company has, in my opinion, subject to the observations/*qualifications* reported hereunder, complied with the provisions of The Companies Act, 1956, The Companies Act 2013 (hereinafter singly and collective referred to as 'Act'), to the extent Sections and Schedules notified and the Rules made there under including amendment, circulars, notifications and removal of difficulties Order issued by the Ministry of Corporate Affairs from time to time with regard to the following:

- a. Maintenance of various registers and documents and making necessary entries therein. The company has maintained the registers required to be maintained by them under the Act in the new format.
- b. Closure of Register of Members. During the year under audit the company has closed its register of members from 02.06.2014 to 10.06.2014 (both days inclusive) and has complied with the requirements relating to publication in the newspapers.
- c. Forms, returns, documents, resolutions and intimations required to be filed with the Registrar of Companies,

Regional Director and the Central Government have been filed on time, *except those forms arising out of the decisions taken at the Board meeting held on 11.04.2014, which have been filed belatedly.* However I was informed by the company that the delay was due to technical snag at the time of filing the documents.

- d. Service of documents by the Company on its Members, Auditors, Registrar of Companies and on all those who are entitled to receive the same.
- e. Notice of Board meetings and Committee meetings of Directors.
- f. The meetings of Directors and Committees of Directors including passing of resolutions by circulation: During the year under audit:
 - The Board of directors have met 6 times
 - The Audit Committee has met 4 times
 - Shareholders Grievance Committee has met 4 times
 - Corporate Governance Committee has met 4 times
 - Nomination and Remuneration Committee has met 4 times
 - Stakeholders Relationship Conunittee has met 3 times
 - Corporate Social Responsibility committee has met 3 times
 - Share Transfer Committee has met 11 times and
 - Risk Management Committee has met 1 time

The company has complied with the requirements of the Act read with the Rules framed thereunder in the conduct of the Board meetings.

Independent Directors on the Board, as required under Schedule IV of the Companies Act 2013 under Clause VII met on 30.03.2015 and for which purpose notice dated 11.03.2015 was issued.

During the year under Audit, one resolution was confirmed in the Board meeting held on 25.07.2014 which was passed in circulation on 31.05.2014 by the Audit Committee in due compliance of the provisions of Section 175 of the Act.

- g. The Annual General Meeting to consider and adopt the Accounts for the financial year ended 31.03.2014 besides other items was held on 10.06.2014. No Extra Ordinary General Meeting was held during the year under review.
- h. Minutes of proceedings of General Meetings and of the Board and its Committee meetings: The Minutes of Board Meetings and Committee meetings held during the 4th quarter January-March 2015 were verified based on the draft Minutes which should be confirmed in the next meeting.

The Company has however entered minutes of the meeting held on 30.03.2015 in the minutes books within 30 days of the meeting as required under Rule 25 of the Companies (Management and Administration) Rules 2014.

Minutes books are maintained as required under Rule 25 stated supra for each meeting separately.

- i. Approvals of the Members, the Board of Directors, the Committees of Directors and the Government authorities, wherever required;

- j. Composition of the Board of Directors / Committee(s) of Directors, appointment, retirement and re-appointment of Directors including the Key Managerial Personnel. (hereinafter referred to as KMP)

The Composition of the Board and KMP and committees of the board is in line with the requirement of Sections 149, 203 and other applicable provisions of the Act.

- k. Payment of remuneration to Directors including the Key Managerial Personnel; Board Resolution for payment of remuneration to directors was passed on 25.07.2014 based on the approval given by the Shareholders in the Annual General Meeting held on 23.05.2011. The remuneration of other KMP is also approved by the board at the time of their appointment and the payment is within the approved limits as informed by the company.
- l. Appointment and remuneration of Auditors viz., Statutory Auditors, Internal Auditors and Secretarial Auditors.
- m. Issue and allotment of and Transfers of the Company's shares and issue and dispatch of share certificates: The Company has complied with the requirements relating to transfer and transmission of shares as per the Companies Act.
- n. Declaration and payment of dividends - The company has declared a dividend of Rs. 1.25 per Equity Share of Rs.5/- and the company has complied with the book closure requirements. The Company has complied with the requirement of Section 123 of the Act.
- o. Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends/interest on the websites of the Company.
- p. Borrowings and registration, modification and satisfaction of charges wherever applicable. There are no live charges as on 31.03.2015 and no charge was created / satisfied during the year under review.
- q. Investment of the Company's funds including inter-corporate loans and investments and loans to others: I was informed that the inter corporate deposits are within the limit approved by the board. During the year under review the company has not made any loans in violation of Section 185 of the Act. During the year under review, the company has not made any investments and hence the question of compliance with Section 186 does not arise.
- r. Form of balance sheet is as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparations of the same as prescribed in Schedule VI to the Companies Act, 1956 in respect of the financial statements for the year ended 31.03.2014.
- s. Directors' report and the disclosures to be made thereat: The directors' Report for the year ended 31.03.2014 is in compliance with the requirements of Section 217 of the Companies Act, 1956.
- t. Contracts, common seal, registered office and publication of name of the Company; and
- u. Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. I further report that during the year under audit, there is no change

in the Authorised / Paid up share capital of the company.

4. I further report that subject to the observations / **qualifications** if any, made hereunder:

- The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
- The Company has obtained necessary approvals under the various provisions of the Act; and
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act. However, a show cause notice under Sec.629A with regard to Section 205C of the Companies Act, 1956 has been received from the Ministry of Corporate Affairs dated 30.07.2014 and the company has responded to the same on 02.08.2014.

B. SECURITIES LAWS

5. I report that I have examined forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2015 according to the provisions of -

- The Securities Contracts (Regulation) Act, 1956 and Rules made there under
- The Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 2011.
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
- The Equity Listing Agreement with Stock Exchanges

6. I further report that the equity shares of the company are listed in The National Stock Exchange Limited and the Bombay Stock Exchange Limited and company has complied with the provisions of the Equity Listing Agreement.

I further report that based on the proof submitted by the company, the intimations that are required to be made under the Listing Agreement with the Bombay Stock Exchange Limited and the National Stock Exchange Limited have been promptly made by the company.

- I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
- I further report that the equity shares of the company are listed in The National Stock Exchange Limited and the Bombay Stock Exchange Limited and compliance of the requirement of the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding has been complied with.
- Closure of Register of Members. During the year under audit the company has closed its register of members from 02.06.2014 to 10.06.2014 (both days inclusive) and the same was intimated to the NSE and BSE promptly in compliance with the Listing Agreement requirements.
- The composition of the board is in line with the requirement of

the Listing Agreement.

11. Issue and allotment of and Transfers of the Company's shares and issue and dispatch of share certificates: The Company has complied with the requirements relating to transfer and transmission of shares as per the Listing Agreement.
12. Declaration and payment of dividends - The company has declared a dividend of Rs. 1.25 per Equity Share of Rs.5/- and the company has complied with the book closure requirements. Necessary intimation has been made to the Stock Exchange.
13. There was no prosecution initiated and no fines or penalties were imposed during the year under review under Securities and Exchange Board of India Act 1992, Reserve Bank of India Act 1934, The Depositories Act 1996, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

C. OTHER LAWS INCLUDING SECTOR SPECIFIC LAWS

14. I further report that based on the information received, explanations given, process explained and records maintained 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, including Sector Specific laws, rules, regulations and guidelines. The company has confirmed compliance with all those laws.

However, I report that the company does not place a quarterly statutory compliance report before the board indicating compliance during each quarter. The company confirms that such a mechanism for monitoring exists at the individual department level and exceptions are reported to the management.

The company has also reviewed its internal financial controls and statutory compliances through an external agency, Manish, Mukesh and Kalpesh, Chartered Accountants, wherein the risks and the effectiveness of various controls have been highlighted. The same is to be placed before the Board in the first Board meeting for the financial year 2015-16.

15. I further report that I have seen the three internal audit reports by R Janakiraman & Co, Chartered Accountants, certifying compliance of all statutory payments covering the following areas as placed before the Board and I relied on the same for necessary compliance of regarding statutory payments by the Company:.

- a. Service tax Act, 1994
- b. Income tax Act, 1961
- c. The Employees Provident Fund and Miscellaneous Provision Act, 1952.
- d. Employees State Insurance Act, 1948
- e. Central Excise Act, 1944
- f. Central Sales Tax Act, 1956.

I am informed that Professional tax is also being remitted by the company and the same is subject to Internal Audit although this is not forming part of the reporting by the Internal Auditor.

D. SECRETARIAL STANDARDS:

16. I further report that the company, by and large, has complied with Secretarial Standards on Board meetings and General meetings as framed by the Institute of Company Secretaries of

India, and mandated under the Act.

The final version of the Secretarial Standards 1 and 2 got notified on 23.04.2015 and shall be effective from 01.07.2015.

E. MISCELLANEOUS:

17. I further report that based on the information received, explanations given, process explained and records maintained, the following laws and regulations are not applicable to the company-

- The Debt Listing Agreement with the Stock Exchanges.
- The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings.
- The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

18. I further report that during the Audit period the company has had the following specific events/actions having a major bearing on the company's affairs in pursuance of above referred Jaws, rules, regulations, guidelines, standards etc., and the same being in the nature of Price Sensitive Information has been intimated to the Stock Exchange:

- i) That the Plant at Kalapet, Puducherry, will be shut for about a week from August 12, 2014 on account of the revamping activities, for replacement of certain old machineries / equipments. This will affect the Production and Sales, during the above mentioned period.
- ii) Further to the Company's announcement dated August 11, 2014 out of two plants, one has been restarted on August 19, 2014 and the second plant is expected to be commissioned after completion of the revamping work by next week.
- iii) The revamping work has been completed, and both the plants are now in operation.

Place : Chennai Name of the Company Secretary: Dr.B. Ravi
Date : 27.04.2015 FCS 1810 C.P.No. 3318

MANAGEMENT DISCUSSION AND ANALYSIS
REPORT

CHLOR-ALKALI INDUSTRY STRUCTURE AND DEVELOPMENTS

Chlor-Alkali is the basic Heavy Chemical Industry, manufacturing Caustic Soda, with Chlorine, Hydrogen, Sodium Hypo Chlorate and Hydro Chloric Acid as by-products. Overall, the Financial Year 2014-15 was an average year for the Industry, primarily due to the fall in international caustic prices which averaged during the year between USD 320 – 340 per MT CIF. Also, the Rupee depreciation during the year made imports cheaper, resulting in increased flow of imports into the country thereby impacting our product realizations on the domestic front. Added to it chlorine realizations continued to be subdued resulting in overall lower realisation. Capacity utilization of the Industry for the year continued to prevail around 80%.

OPPORTUNITIES AND THREATS

In the last few weeks of Q4 of the Financial Year under review, both the international caustic prices and the US Dollar strengthened. International caustic prices have now moved to USD 360-380 per MT CIF levels and are expected to remain in this band in the short term which will have a positive impact on our realizations.

Rate of capacity build-up in the Industry has dropped and this should help in improving the existing capacity utilization of the Industry in the forthcoming year.

On the chlorine utilization front, slow demand growth continued to have an adverse impact on the Industry. This mismatch is expected to continue.

The investments and efforts taken by the Company during the Financial Year are expected to result in significant savings in our manufacturing costs, especially power cost.

SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company operates in one segment viz, Chlor Alkali. The volumes across production and sales in 2014-15 remained similar to the previous year.

OUTLOOK

With the rebound in the country's GDP, the demand for caustic especially, is likely to grow strong. However, slower chlorine demand is expected to continue to impact the capacity utilisation of the Industry.

RISKS AND CONCERNS

Dependence on the grid power continues to be a risk though the Puducherry power scenario remains reasonably stable but with the cost of power continuing to be a concern. The Company is working with the Puducherry Government for the implementation of Open Access which would help de-risk our power sourcing.

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.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The sales volumes during the Financial Year 2014-15 remained at similar levels as in the previous year. However, the realizations declined due to market conditions resulting in the overall reduction in Sales turnover for the year. Further the increase in the power cost also had an adverse effect on the profitability for the year.

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

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

The Company has given direct employment to 170 persons and indirect employment to 116 persons.

CAUTIONARY STATEMENT

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

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

For and behalf of Board of Directors of
CHEMFAB ALKALIS LIMITED

Place : Chennai
Date : 27th April 2015

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

**REPORT ON CORPORATE GOVERNANCE
FOR THE YEAR ENDED 31st MARCH, 2015**

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate structure, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, ownership and material developments in respect of the Company is an integral part of Corporate Governance. Adoption of good Corporate Governance practices helps to develop a good image of the organization, attracts best talents and keeps 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 Clause 49 of the Listing Agreement with the Stock Exchanges. Your Company is committed to adhere to the norms of Corporate Governance on a consistent basis for meeting all its obligations towards the stakeholders.

2. BOARD OF DIRECTORS

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

The Company is Board-managed and it has no Managing Director, Whole-Time Director or Manager. Towards the end of the Financial Year, 2014-15, the Company has appointed a Chief Executive Officer (CEO) with effect from 30.03.2015 under Section 203 of the Companies Act, 2013.

During the year, Mr. K. Mohamed Ibrahim was appointed as Company Secretary on 11th April 2014 and he resigned his post with effect from 14th November 2014. The Company is in the process of appointing a new Company Secretary in place of Mr. K. Mohamed Ibrahim.

The composition of the Board as on 31st March 2015, the categorization of Directors, the number of Board meetings held during the Financial Year, 2014-15, 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 2015 are given below:

A. Information on Board of Directors and Attendance

S. No	Name of Director	Category of Directorship	No. of Board Meeting		No. of Other Directorship *	No. of other Committee		Attendance of last AGM
			Held	Attended		Member	Chairman	
1	Mr. Suresh Krishnamurthi Rao	Non Executive Chairman Promoter	6	6	1	0	0	YES
2	Mr. C. S. Ramesh	Non Executive Non Independent	6	6	1	0	0	YES
3	Mr. T. Ramabadran	Non Executive Independent	6	6	1	0	0	YES
4	** Mr. J. Venkataraman	Non Executive Independent	2	1	-	0	0	NO
5	Mr. N. Ganga Ram	Non Executive Independent	6	5	4	4	1	NO
6	***Mrs. Sujatha Jayarajan	Non Executive Independent	-	-	-	-	-	N.A.

* The Directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships of Foreign Companies and Private Limited Companies.

** Mr. J. Venkataraman resigned during the year on 25th July 2014

*** Mrs. Sujatha Jayarajan was appointed as Director (Independent) on 30th March 2015.

The existing Independent Directors, Mr. T. Ramabadran and Mr. N. Ganga Ram were expressly appointed by the Board of Directors at their meeting held on 30th March 2015 as Independent Directors under the new Companies Act, 2013 for a term of five consecutive years from 30th March 2015, not liable to retire by rotation, subject to the approval of the Members at the ensuing Annual General Meeting.

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

During the Financial Year 2014-15, six meetings of the Board of Directors were held as under:

S. No.	Date of Meeting
1.	11 Apr 2014
2.	25 Jul 2014
3.	12 Nov 2014
4.	10 Feb 2015
5.	23 Feb 2015
6.	30 Mar 2015

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors is constituted in compliance with provisions of Section 177 of the Companies Act, 2013 ("the Act") and Clause 49 of the Listing Agreement. Out of the total three Members of the Committee, two are Non-Executive Independent Directors and have relevant finance exposure. The Committee is chaired by an Independent Director. The Statutory Auditors, Head of Internal Audit and the Company Secretary attend 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 and 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 and
- (vi) To monitor the end use of funds raised through public offers and related matters

The Audit Committee also abides by the terms of reference as specified under clause 49(III)(D) of the Listing Agreement with the Stock Exchanges.

The attendance of the Members at the meetings of the Committee was as follows:

Name of the member	Status	Director Category	No. of meeting attended
Mr. T. Ramabadran	Chairman	Non Executive Independent Director	4
Mr. C.S. Ramesh	Member	Non Executive Non Independent Director	4
Mr. N. Ganga Ram	Member	Non Executive Independent Director	4
*Mr. J.Venkataraman	Member	Non Executive Independent Director	1

*Mr. J. Venkataraman resigned during the year on 25th July 2014

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

S. No.	Date of Meeting
1.	11 Apr 2014
2.	25 Jul 2014
3.	12 Nov 2014
4.	10 Feb 2015

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 Board of Directors of the Company have constituted a Nomination & Remuneration Committee as required under section 178 of the Act.

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 and
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Nomination and Remuneration Committee consists of three Members as at 31st March 2015:

Name of the Member	Status	Director Category	No. of meeting attended
Mr. T. Ramabadrán	Chairman	Non-Executive Independent Director	4
Mr. C.S. Ramesh	Member	Non-Executive Non Independent Director	4
Mr. N. Ganga Ram	Member	Non-Executive Independent Director	3

During the Financial Year 2014-15, the Committee met four times as follows:

S.No.	Date of Meeting
1.	25 Jul 2014
2.	12 Nov 2014
3.	10 Feb 2015
4.	30 Mar 2015

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

Disclosure on Remuneration:

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

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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

(Rs. In Lakhs)

S. No.	Name of the Director	Sitting Fees	Commission	Total
1.	Mr. Suresh Krishnamurthi Rao	0.00	25.00	25.00
2.	Mr. C. S. Ramesh	2.58	6.00	8.58
3.	Mr. T.Ramabadrán	2.64	7.00	9.64
4.	Mr. N.Ganga Ram	2.36	5.00	7.36
	TOTAL	7.58	43.00	50.58

It may be noted that the commission of Rs. 43 lakhs as above relates to the year 2013-14 actually paid in the year 2014-15.

For the year ended 31st March 2015, it is proposed to pay commission not exceeding 3% of the Net Profits of the Company to the Non Executive Directors, absorbing a sum of Rs. 37 Lakhs.

5. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board of Directors has constituted a Shareholders'/Investors' Grievances Committee consisting of the following Non-Executive Directors:

S. No.	Name of the Member	Status	Directors Category	No. of meeting attended
1.	Mr. N. Ganga Ram	Chairman	Independent Director	4
2.	Mr. T. Ramabadrán	Member	Independent Director	4
3.	Mr. C.S. Ramesh	Member	Non Executive Director	4
4.	Mr. Suresh Krishnamurthi Rao	Member	Non Executive Promoter	4

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.

During the year, the name of the Committee was changed from "Shareholders Grievance Committee" to "Stakeholders Relationship Committee" in line with the provisions of the Act.

As at 31st March 2015, there were no Shareholders' complaints pending redressal, as follows:

S.No.	Particulars	No.
1	No of shareholder's complaints received so far	3
2	No of complaints not solved	Nil
3	No of pending complaints	Nil

During the Financial Year 2014-15, the Committee met Four times on:

S. No.	Date of Meeting
1.	11 Apr 2014
2.	25 Jul 2014
3.	12 Nov 2014
4.	10 Feb 2015

Mr. K Mohamed Ibrahim, Company Secretary was the Compliance Officer of the Company under the relevant SEBI Guidelines. However, following Mr. K. Mohamed Ibrahim's resignation from the Company on 14th November 2014, Mr. Nitin S Cowlagi, CFO was appointed in his place as Compliance Officer.

6. INDEPENDENT DIRECTORS MEETING:

During the year under review, the Independent Directors met on 30.03.2015 interalia, to discuss:

1. Evaluation of the performance of Non Independent Directors and the Board of Directors as a whole;
2. Evaluation of the performance of Chairman of the Company taking into account, the views of Executive and Non Executive Directors.
3. Evaluation of the quality content and time lines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at the meeting.

7. 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
2011-12	Registered Office	21.05.2012	10.00 hrs	---
2012-13	Registered Office	23.05.2013	10.00 hrs	One
2013-14	Registered Office	10.06.2014	10.30 hrs	---

ii) During the year 2014-15, the Company did not pass any Special Resolution by Postal Ballot.

iii) At the forthcoming AGM, there is no item on the Agenda that needs approval by Postal Ballot.

8. DISCLOSURES:

- a. Related party transactions during the year have been disclosed as required under Accounting Standard 18. The transactions are not prejudicial to the interests of the Company (For details please visit www.chemfabalkalis.com).
- b. No strictures/penalties have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities on any matter related to capital market during the last three years.
- c. The Company has established a vigil mechanism, also called the Whistle Blower Policy which is adopted for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee till now.

d. i. Accounting Treatment

In the preparation of the financial statements, the generally accepted accounting principles and policies were followed. All the Mandatory Accounting Standards were followed in the preparation of the financial statements.

The Statutory Auditors have observed that they are unable to comment on the recoverability of the ICDs details of which are referred to in note no 33.

In this regard, the Board of Directors state that the relevant note forming part of the Financial Statements is self-explanatory. As indicated therein, based on the discussions with TCL and considering certain other developments, the board believes that no provisioning is required to be made for the outstanding ICDs as at this stage

d. ii. Board Disclosures - Risk Management

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

d. iii. Code of Conduct

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

The Company is Board-managed and there is no Managing/Whole time Director/Manager. The Board of Directors have authorized the CFO, 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, authorised in this behalf by the Board, is given at the end of this Report.

The Company has not adopted the non-mandatory requirements as per the revised Listing Agreement with the Stock Exchanges which came into effect from 1st October 2014.

9. CEO/CFO CERTIFICATION

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company have certified to the board on financial and other matters in accordance with Clause 49(IX) of the Listing Agreement pertaining to CEO/CFO certification for the Financial Year ended 31st March 2015.

10. MEANS OF COMMUNICATION:

The quarterly/half yearly/yearly financials audited/unaudited results were published by the Company in Newspapers as required. Further, the quarterly results were also posted on the Company's Website (For details, please visit www.chemfabalkalis.com).

11. 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
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ANNUAL GENERAL MEETING, DATE OF BOOK CLOSURE & DIVIDEND PAYMENT DATE	Since the date of AGM and the Period of Books Closure and the date of commencement of Book Closure are yet to be decided on the date of this report, we are unable to indicate the exact date of payment of dividend.
FINANCIAL CALENDAR (TENTATIVE) Covering period from 01st Apr 2015 to 31st Mar 2016.	First Quarter's Results By 20 th Jul 2015 Second Quarter's Results By 20 th Oct 2015 Third Quarter's Results By 20 th Jan 2016 Annual Results By 20 th Apr 2016

LISTING OF EQUITY SHARES ON THE STOCK EXCHANGES

STOCK EXCHANGE WHERE SHARES ARE LISTED	SCRIP CODE / Nos
DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES	ISIN INE479E01028
BOMBAY STOCK EXCHANGE LTD. (BSE)*	506894
NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)*	CHEMFALKAL

* The Company has paid Listing Fees to the Stock Exchanges for 2014-15.

MARKET PRICE DATA

The High and Low stock quotations during the Financial Year 2014-15 on BSE and NSE are as under:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2014	93.80	70.00	93.60	69.35
May 2014	83.90	66.35	84.00	66.10
June 2014	94.40	74.90	93.50	75.30
July 2014	105.00	83.05	105.00	83.05
August 2014	95.35	79.05	92.00	79.20
September 2014	122.00	84.00	122.20	84.00
October 2014	114.60	97.00	114.65	97.00
November 2014	111.05	88.30	111.00	87.65
December 2014	104.00	76.20	97.50	76.65
January 2015	87.40	78.00	90.70	79.05
February 2015	89.90	78.00	90.00	77.50
March 2015	85.20	60.50	94.00	65.05

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

A Committee of the Board approves Share Transfers in the physical form on a fortnightly basis.

a) DISTRIBUTION OF SHAREHOLDINGS

SHAREHOLDINGS OF NOMINAL VALUE		SHAREHOLDERS		SHARE AMOUNT	
Rs.	Rs.	Number	% to TOTAL	Rs.	% to TOTAL
5	5000	4836	93.14	4861860	10.60
5001	10000	189	3.64	1450765	3.16
10001	20000	86	1.67	1246025	2.72
20001	30000	35	0.67	875115	1.91
30001	40000	11	0.21	380065	0.83
40001	50000	13	0.25	594400	1.30
50001	100000	15	0.29	1132325	2.47
100001	And above	7	0.13	35317930	77.01
TOTAL		5192	100.00	45858485	100.00

(b) SHAREHOLDING PATTERN

CATEGORY	NO.OF HOLDERS	TOTAL SHARES	% to EQUITY
Resident	4875	1889072	20.60
Foreign National	2	107000	1.17
NRI	118	88336	0.96
Corporate Body	169	194849	2.12
Clearing Member	16	4314	0.05
Mutual Funds	4	9100	0.10
Trusts	1	200	0.00
Bank	2	500	0.01
Promoters	5	6878326	74.99
TOTAL	5192	9171697	100.00

DETAILS OF UNCLAIMED SHARE CERTIFICATES

In terms of Clause 5A of the Listing Agreement, the Company had sent the reminders vide letters dated 27.01.2011, 05.03.2011 and 30.03.2011 to all the Shareholders whose Share Certificates have been returned undelivered. The Company will transfer the Shares comprised in the Share Certificates, which are still remaining undelivered into one Folio in the name of Unclaimed Suspense Account (Demat Account). The Company is in the process of opening an Unclaimed Suspense Account and further disclosure under Clause 5A(II)(h) will be made in due course.

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 dematerialisation of the shares held by the Members.

As on 31.03.2015, 95.88% of shares have been dematerialised.

OUTSTANDING GDR/ADR WARRANTS OR CONVERTIBLE BONDS

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

PLANT LOCATION

CHLOR ALKALI PLANT	'Gnanananda Place', Kalapet, Puducherry 605 014
SALT FIELD	Kanthadu Village, Marakanam Post, Villupuram District Tamil Nadu

ADDRESS FOR CORRESPONDENCE

The Company Secretary Chemfab Alkalis Limited Team House, GST Salai, Vandalur, Chennai – 600 048	Phone: +91-44-22750323 Fax : +91-44-22750860 Email : cosecy@drroaholdings.com website: www.chemfabalkalis.com
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For and behalf of the Board of Directors of
CHEMFAB ALKALIS LIMITED

Place : Chennai
Dated : 27th April 2015

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Declaration

As stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, the Board Members and the Senior management Personnel have confirmed compliance with the Code of Conduct.

V.M. Srinivasan
Chief Executive Officer

Nitin S Cowlagi
Chief Financial Officer

Place : Chennai
Dated : 27th April 2015

Annexure 1 to Corporate Governance Report

NOMINATION AND REMUNERATION POLICY

Introduction:

This Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors. Details of the Committee and of the Policy are as under:

Objectives of the Committee:

The Committee shall:

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

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

- a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
 - b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals vide Section 178 of Companies Act, 2013
3. Formulation of criteria for evaluation of Independent Directors and the Board;
 4. Devising a policy on Board diversity;
 5. To undertake process of due diligence to determine the suitability of Directors, based upon qualification, track record, integrity and other fit and proper criteria;
 6. To recommend the Director's appointment/continuing to hold appointment as a Director on the Board;
 7. To ensure that such persons meet the relevant criteria prescribed under applicable laws;
 8. To review the said criteria from time to time;
 9. To fix / re-fix the remuneration of the Executive Directors (Whole-Time Directors) of the Company, if any;
 10. The Committee shall approve the remuneration / any change therein of the managerial personnel of the Company when there are no profits / inadequate profits / negative effective capital as per Schedule V to the Companies Act, 2013.
 11. The Committee while approving the overall remuneration of the Executive Directors of the Company shall:
 - a. take into account, financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration, employee stock options granted by the Board, etc.

b. be in a position to bring about objectivity in determining the remuneration package while striking a balance between the interest of the company and the shareholders.

12. The Committee shall have no authority to delegate its powers and duties.

13. Any other matter delegated by the Board from time to time.

Effective Date: The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 10th February 2015. This policy shall be operational with immediate effect.

Definitions:

- **“Board”**:- Board means Board of Directors of the Company.
- **“Director”**:- Director means Director of the Company.
- **“Committee”**:- Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- **“Company”**:- Company means Chemfab Alkalis Limited.
- **“Independent Director”**:- As provided under clause 49 of the Listing Agreement and under the Companies Act, 2013,
- **“Key Managerial Personnel”**:- Key Managerial Personnel (KMP) means-
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the applicable statutory provisions / regulations

• **“Senior Management”**:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this Policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Applicability:-

The Policy is applicable to

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

Constitution of the Nomination and Remuneration Committee:

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

1. Mr. T. Ramabdran - Chairman (Independent- Non executive)
2. Mr. C.S. Ramesh - Member (Non Independent- Non executive)
3. Mr. N.Ganga Ram - Member (Independent- Non executive)

General Appointment Criteria:

- i. The Company is required to appoint a MD/Manager/CEO and in their absence a WTD as one of the KMPs. The Company is also required to appoint a Company Secretary and a Chief Financial Officer. The Company may also appoint a Chief Executive Officer who may or may not be a Director.
- ii. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- iii. The Company shall ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder, Listing Agreement or any other enactment for the time being in force.
- iv. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, Listing Agreement or any other enactment for the time being in force.
- v. The appointees in various designations shall be qualified for the post.
- vi. Letters of Appointment - Each Director/KMP/Senior Officials is required to sign the letter of appointment with the Company containing the terms of appointment and the role assigned in the Company

Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications and appointment for Independent Directors as per the provisions of clause 49 of the Listing Agreement and the Companies Act, 2013.

Term / Tenure:

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

Termination:

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

Removal:

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

Criteria for Evaluation of Independent Director and the Board:

The evaluation/assessment of the Directors, KMPs and the senior officials of the Company is to be conducted on an annual basis and to satisfy the requirements of the Listing Agreement

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

2. Non Executive Director:

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence;
- (f) inform the Board immediately when they lose their independence;
- (g) assist the company in implementing the best corporate governance practices;
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders' interest.
- (n) abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading guidelines etc.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

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

- (i) leadership & stewardship abilities;
- (ii) contributing to clearly define corporate objectives & plans;
- (iii) communication of expectations & concerns clearly with subordinates;
- (iv) obtain adequate, relevant & timely information from external sources;
- (v) review & approval of achievement of strategic and operational plans, objectives, budgets;
- (vi) regular monitoring of corporate results against projections;
- (vii) identify, monitor & mitigate significant corporate risks;
- (viii) assess policies, structures & procedures and
- (ix) review of corporation's ethical conduct;

Policy on Board diversity:

The Board of Directors shall have the optimum combination

of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

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

Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-Time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay wherever considered reasonable reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Payment of bonus, contribution to Provident and other Funds, ESI etc. shall be in accordance with the regulations.

1. Director/ Managing Director

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

2. Non executive / Independent Directors

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

3. KMPs / Senior Management Personnel etc

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

4. Directors and Officers' Insurance

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

Deviations and Changes to the Policy:

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

**INDEPENDENT AUDITORS' CERTIFICATE ON
CORPORATE GOVERNANCE**

To the Members of Chemfab Alkalys Limited

We have examined the compliance of conditions of corporate governance by **Chemfab Alkalys Limited** ("the Company"), for the year ended 31 March 2015, as stipulated in Clause 49 of the Listing Agreements of the said company entered into with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

We state that such compliance 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.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.008072S)
Sriraman Parthasarathy
Partner
Membership No. 206834

CHENNAI, April 27, 2015

INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF CHEMFAB ALKALIS LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of CHEMFAB ALKALIS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud

or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

Basis for Qualified Opinion

As stated in Note 33 to the financial statements, an amount of Rs. 14,70,45,171 is outstanding towards Inter Corporate Deposits (ICD) provided to Teamec Chlorates Limited (TCL) as at 31 March 2015. Whilst the net worth of TCL has been fully eroded as per its latest audited financial statements and it has made an application to the Board for Industrial and Financial Reconstruction (BIFR), the Management of the Company, based on the discussions with TCL / and considering certain other developments, believes that no provisioning is required to be made for the outstanding ICDs at this stage.

However, considering the aforesaid financial condition of TCL and in the absence of sufficient and appropriate audit evidence, we are unable to comment on the recoverability of the outstanding ICDs amounting to Rs. 14,70,45,171 from TCL and the consequential effects thereof on the financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and, except for the absence of sufficient and appropriate audit evidence for the matter described in

the basis of qualified opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) The matter described in Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- (f) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (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, 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 financial statements – Refer Note 29(b)(iii) to the 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.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 008072S)

Sriraman Parthasarathy
Partner

CHENNAI, 27 April 2015

Membership No. 206834

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) In respect of its fixed assets:
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventories:
- (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, considering the nature of the products and the industry practice, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) In respect of loans secured or unsecured granted by the Company to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013, according to the information and explanations given to us and except for our comments in the basis for qualified opinion paragraph:
- (a) The receipts of principal amounts and interest have been as per stipulations, as amended and applicable. Also refer Note 33 to the financial statements.
- (b) As per the amended / applicable terms of the loan, there are no overdue amounts above Rs 1 lakh as at the Balance Sheet date.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of

the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

- (v) The Company has not accepted any deposits during the financial year.
- (vi) 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. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Value Added Tax, Service Tax, Duty of Customs, Duty of Excise, Cess and other material statutory dues in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
- (c) Details of dues of Sales Tax, Duty of Excise and Service Tax which have not been deposited as at 31 March 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount involved (Rs.)
The Central Sales Tax Act, 1956	Sales Tax	CTO Chengalpet	F.Y 2003-04	57,939
The Central Excise Act, 1944	Duty of Excise	Commissioner (Appeals), Chennai	April 2006 to June 2012	45,97,626
The Finance Act, 1994	Service Tax	Commissioner (Appeals), Chennai	January 2005 to March 2013	3,56,627

- (d) The Company has been regular in transferring amounts, required to be transferred, to the Investor

Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

- (viii) Without considering the possible effects of our audit qualification reported in Basis for Qualified Opinion of our Audit Report which is not quantifiable, the Company does not have accumulated losses as the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loans from financial institutions or issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks and financial institutions.
- (xi) The Company has not taken any term loans during the current year.
- (xii) 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 has been noticed or reported during the year.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 008072S)

Sriraman Parthasarathy
Partner
Membership No. 206834

CHENNAI, 27 April 2015

BALANCE SHEET AS AT 31 MARCH 2015

Particulars	Note No.	As at 31 March 2015 Rs.	As at 31 March 2014 Rs.
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	2	4,58,58,485	4,58,58,485
(b) Reserves and Surplus	3	124,98,61,890	116,53,13,372
(2) Non-Current Liabilities			
(a) Deferred Tax Liabilities (Net)	4	13,83,24,922	11,37,81,301
(b) Other Long-term Liabilities	5	91,90,671	63,30,522
(c) Long-Term Provisions	6	34,97,425	29,58,496
(3) Current Liabilities			
(a) Short Term Borrowings	7	23,81,12,981	24,18,93,015
(b) Trade Payables	8	10,06,84,199	12,67,95,716
(c) Other Current Liabilities	9	7,23,93,948	8,73,91,256
(d) Short-Term Provisions	10	1,42,52,823	1,37,16,043
TOTAL		<u>187,21,77,344</u>	<u>180,40,38,206</u>
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	11		
(i) Tangible Assets		110,91,85,963	71,68,46,213
(ii) Intangible Assets		75,64,571	10,15,493
(iii) Capital work-in-progress		20,74,62,622	58,71,43,054
(iv) Intangible assets under development		-	81,20,780
(b) Non-current Investments	12	32,148	32,148
(c) Long-term Loans and Advances	13	23,83,30,566	18,90,04,160
(d) Other Non Current Assets	14	1,53,77,327	-
(2) Current Assets			
(a) Current Investments	15	10,96,05,228	7,17,95,852
(b) Inventories	16	2,56,21,826	2,79,16,014
(c) Trade Receivables	17	10,50,62,268	10,59,09,762
(d) Cash and Cash Equivalents	18	2,38,34,482	1,90,31,007
(e) Short-term Loans and Advances	19	2,88,91,704	7,51,43,429
(f) Other Current Assets	20	12,08,639	20,80,294
TOTAL		<u>187,21,77,344</u>	<u>180,40,38,206</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For and on behalf of Board of Directors

**For Deloitte Haskins & Sells
Chartered Accountants**

**C.S. Ramesh
Director**

**Suresh Krishnamurthi Rao
Chairman**

**Sriraman Parthasarathy
Partner**

**Nitin S. Cowlagi
Chief Financial Officer**

**Place : Chennai
Date : 27 April 2015**

**Place : Chennai
Date : 27 April 2015**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Note No.	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
		Rs.	Rs.
I Revenue from Operations (Gross)	21	123,15,01,429	125,86,72,243
Less : Excise Duty		12,75,93,265	13,20,22,851
Revenue from Operations (Net)		<u>110,39,08,164</u>	<u>112,66,49,392</u>
II Other Income	22	<u>4,95,99,456</u>	<u>4,73,09,533</u>
III Total Revenue (I+II)		<u>115,35,07,620</u>	<u>117,39,58,925</u>
IV Expenses			
Cost of Materials Consumed	23 A	5,13,39,961	5,81,35,972
Purchases of Stock in Trade	23 B	51,90,686	20,603
Changes in Inventories of Finished Goods and Work in Progress	24	(42,038)	(1,56,121)
Other Direct Manufacturing Expenses	25	57,12,21,396	56,11,62,338
Employee Benefits Expense	26	9,70,83,454	9,00,18,113
Finance Cost	27	71,03,349	83,30,154
Depreciation and Amortisation Expenses	11	10,15,46,459	6,26,90,230
Other Expenses	28	16,14,44,987	14,62,34,922
Total Expenses		<u>99,48,88,254</u>	<u>92,64,36,211</u>
V Profit before tax (III - IV)		15,86,19,366	24,75,22,714
VI Less: Tax expenses			
- Current Tax	34	3,22,23,442	7,36,10,767
- MAT Credit entitlement		(24,37,259)	-
- Deferred Tax	4 & 44	<u>2,65,63,478</u>	<u>94,37,285</u>
VII Profit for the Year (V - VI)		<u>10,22,69,705</u>	<u>16,44,74,662</u>
VIII Earnings per share (of Rs 5/- each)			
Basic	49	11.15	17.93
Diluted		11.15	17.93

See accompanying notes forming part of the financial statements

In terms of our report attached

**For Deloitte Haskins & Sells
Chartered Accountants**

**Sriraman Parthasarathy
Partner**

Place : Chennai
Date : 27 April 2015

For and on behalf of Board of Directors

**C.S. Ramesh
Director**

**Nitin S. Cowlagi
Chief Financial Officer**

Place : Chennai
Date : 27 April 2015

**Suresh Krishnamurthi Rao
Chairman**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

Particulars	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
A. Cash flow from Operating Activities	Rs.	Rs.
Net Profit Before Tax	15,86,19,366	24,75,22,714
Adjustment for:		
Depreciation and Amortisation Expenses	10,15,46,459	6,26,90,230
Dividend from Non-current Investments	(2,675)	(4,175)
Dividend from Current Investments	(56,09,376)	(1,75,48,639)
Interest from Fixed Deposit	(26,55,394)	(16,64,404)
Interest from Inter Corporate Deposit	(1,18,26,116)	(1,15,99,640)
Interest Expenses	24,17,105	13,71,337
Provision for compensated absences	6,90,194	3,04,881
Profit from sale of fixed assets (Net)	(11,18,037)	(4,93,491)
Loss on assets discarded	45,50,759	-
Excess provision reversed - Directors' Commission	(27,00,000)	(25,00,000)
Provision for Doubtful Receivables	1,63,617	5,69,733
Unrealised Exchange Variation (Net)	(28,39,520)	(49,65,992)
Operating Profit before Working Capital and Other changes	24,12,36,382	27,36,82,554
(Increase) / Decrease in Trade Receivables	(1,59,55,254)	3,68,87,665
Decrease / (Increase) in Other Receivables	2,64,22,213	(3,97,14,423)
Decrease in Inventories	22,94,188	16,90,333
(Decrease) / Increase in Trade Payables and Other Current and Non-current liabilities	(1,26,91,259)	1,25,90,442
Changes in Working Capital and Other changes	69,888	1,14,54,017
Cash generated from Operations	24,13,06,270	28,51,36,571
Direct Taxes Paid (net)	(4,10,94,225)	(12,25,86,676)
Net cash generated from Operating Activities (A)	20,02,12,045	16,25,49,895
B. Cash flow from Investing Activities		
Capital Expenditure	(13,74,11,505)	(62,31,13,670)
Proceeds from Sale of Fixed Assets	31,80,613	24,08,220
Sale Proceeds of current investments	-	500
Increase in Bank balances not considered as Cash and cash equivalents	77,24,681	(87,50,575)
Inter Corporate Deposit	-	(2,00,00,000)
Decrease / (Increase) in Bank balances included in Other Non-Current Assets	(1,53,77,327)	77,63,118
Dividend Received from Non-current Investments	2,675	4,175
Dividend Received from Current Investments	56,09,376	1,75,48,639
Interest Received on Fixed Deposit	37,44,816	10,79,337
Interest Received on Inter Corporate Deposit	26,16,651	1,04,26,215
Net Cash used in Investing Activities (B)	(12,99,10,020)	(61,26,34,041)
C. Cash flow from Financing Activities		
Dividend Paid / remitted, including Dividend Tax	(1,34,13,033)	-
(Repayment of) / Proceeds from Short Term Borrowings (net)	(38,24,223)	24,18,93,015
Interest paid on Borrowings	(24,63,325)	(5,55,025)
Net Cash (used in) / generated from Financing Activities (C)	(1,97,00,581)	24,13,37,990
D. Net Increase / (Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	5,06,01,444	(20,87,46,156)
E. Cash and Cash Equivalents (Opening) as on 1st April 2014 / 1st April 2013	7,85,10,752	28,72,56,908
F. Cash and Cash Equivalents (Closing)	12,91,12,196	7,85,10,752
(i) Reconciliation of Cash and cash equivalents		
Cash and Cash Equivalents as per Note 18	1,95,06,968	67,14,900
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note 15)	10,96,05,228	7,17,95,852
Cash and cash equivalents at the end of the Year	12,91,12,196	7,85,10,752
(ii) Disclosure of significant non-cash transaction		
Conversion of Trade and other receivables into Inter Corporate Deposits (Refer Note 33)	2,70,45,171	-
See accompanying notes forming part of the financial statements		
In terms of our report attached	For and on behalf of Board of Directors	
For Deloitte Haskins & Sells	C. S. Ramesh	Suresh Krishnamurthi Rao
Chartered Accountants	Director	Chairman
Sriraman Parthasarathy	Nitin S. Cowlagi	
Partner	Chief Financial Officer	
Place : Chennai	Place : Chennai	
Date : 27 April 2015	Date : 27 April 2015	

1. SIGNIFICANT ACCOUNTING POLICIES

a. BASIS OF ACCOUNTING

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year. Also refer Note 44.

b. USE OF ESTIMATES

The preparation of the financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities and the disclosures relating to contingent assets and liabilities as on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from these estimates.

c. OPERATING CYCLE

Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and 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.

d. INVENTORIES

Inventories are valued at the lower of cost (net of Cenvat where applicable) 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 credit under Cenvat Scheme and VAT 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.

Excise duty payable on manufactured finished goods held in the factory is included in the value of closing stock wherever applicable.

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

e. CASH AND CASH EQUIVALENTS (FOR PURPOSES OF CASH FLOW STATEMENT)

Cash comprises 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 and which are subject to insignificant risk of changes in value.

f. 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.

g. FIXED ASSETS, DEPRECIATION AND BORROWING COSTS

Fixed Assets:

Fixed Assets are recorded at cost less accumulated depreciation. The Company capitalizes all costs relating to acquisition and installation of fixed assets. The cost of fixed assets 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 fixed assets up to the date the asset is ready for its intended use.

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

Any part or components of fixed assets 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 fixed assets outstanding at each balance sheet date are disclosed as "Capital Advances" under Long Term Loans and Advances and the cost of fixed assets not ready to use before such date is disclosed under "Capital Work- in- Progress".

Depreciation:

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

Depreciation on tangible and intangible fixed assets 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 17.99 years based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

Also refer Note 44.

Borrowing Costs:

Eligible borrowing costs are capitalized as part of qualifying fixed assets. Other borrowing costs are expensed.

h. IMPAIRMENT OF ASSETS

The Company determines whether there is any indication of impairment of the carrying amount of its assets. If there is any indication, the recoverable amount of such assets is estimated and impairment loss is recognized wherever the carrying amount of the assets exceeds its recoverable amount.

i. RESEARCH AND DEVELOPMENT

Revenue expenditure incurred on research and development activities is expensed. Fixed assets, relating to research and development are capitalized and depreciation provided thereon.

j. REVENUE RECOGNITION

Domestic sale of products is recognised when the products are despatched to the customer and it is at this point that the risks and rewards of ownership are transferred as per the terms of sale / understanding with the customers. Sales are inclusive of excise duty but excluding other taxes and are net of rebates and discounts.

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

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

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in the receiving the claims.

Interest income is recognized using time proportion method.

Dividend Income is accounted when the right to receive is established.

Revenues are recognised when collectability of resulting receivables is reasonably assured and is net of estimated allowances for uncertainty.

k. FOREIGN EXCHANGE TRANSACTIONS AND TRANSLATIONS

Transactions in foreign currencies are accounted at the exchange rates prevailing on the date of the transactions and the realized exchange loss/gain are dealt with in the Statement of Profit and Loss.

Monetary assets and liabilities denominated in foreign currency are restated at the rates of exchange as on the Balance Sheet date and the exchange gain / loss is suitably dealt with in the Statement of Profit and Loss.

l. DERIVATIVE INSTRUMENTS

The Company enters into derivative contracts in the nature of forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency.

The premium or discount arising at the inception of a forward exchange contract (other than for a firm commitment or a highly probable forecast transaction) or similar instrument is amortized as expense or income over the life of the contract.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated above. All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

m. INVESTMENTS

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. Current Investments are stated at lower of cost and fair value. Long Term Investments are stated at cost of acquisition. Provision for diminution is made when such diminution is considered other than temporary in nature. Valuation is determined on the basis of each category of investment.

n. GOVERNMENT GRANTS, SUBSIDIES AND EXPORT BENEFITS

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. The amounts of Government grants with the primary condition that the Company should purchase, construct or otherwise acquire capital assets out of such grants are deducted from the carrying value of the assets and shown. The grants are recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. 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.

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.

o. EMPLOYEE BENEFITS

1. DEFINED CONTRIBUTION PLAN

- a. Fixed contributions to Provident Fund are recognized in the accounts at actual cost to the Company.
- b. Superannuation Fund: The Company makes contribution to a scheme administered by the insurer to discharge its liabilities towards super annuation to the employees. The Company has no other liability other than its annual contribution.

2. DEFINED BENEFIT PLAN

- a. Gratuity: The Company makes contribution to a scheme administered by the insurer to discharge gratuity liabilities to the employees. The Company records its gratuity liability based on independent actuarial valuation as at the Balance Sheet date using the Projected Unit Credit Method. Actuarial gains and losses are immediately recognized in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

- b. Accumulated compensated absence: The Company records its Compensated absence liability based on actuarial valuation as at the Balance Sheet date by an independent actuary using the Projected Unit Credit Method.

3. OTHER EMPLOYEE BENEFITS

Other employee benefits are estimated and accounted as per the Company's policy and the terms of the employment contract.

p. TAXATION

- a. Current tax is determined on the profit for the Year in accordance with the applicable tax rates and the provisions of the Income-Tax Act, 1961 and other applicable tax laws.
- b. Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.
- c. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.
- d. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

q. SEGMENT REPORTING

- i. The Company identifies primary segments 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 Executive Management in deciding how to allocate resources and in assessing performance.
- ii. The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

iii. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which, relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under unallocated on a net basis.

iv. Inter-segment revenue, if any, is accounted on the basis of transactions which are primarily market led.

r. LEASES:

Leases are classified as finance or operating leases depending upon the terms of the lease agreements.

Finance leases

Finance leases, which effectively transfer substantially all the risks and benefits incidental to the ownership of the leased item, are capitalised at the lower of the fair value or present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability based on the implicit rate of return.

Operating leases

Leases of assets under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

s. 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.

t. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent Liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

u. SERVICE TAX INPUT CREDIT

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
2. Share Capital	Rs	Rs
AUTHORISED		
4,22,00,000 (P.Y 4,22,00,000) Equity Shares of Rs 5/- each	21,10,00,000	21,10,00,000
4,000 (P.Y.4,000) 11% Redeemable Cumulative Preference Shares of Rs 100/-each	4,00,000	4,00,000
	<u>21,14,00,000</u>	<u>21,14,00,000</u>
ISSUED SUBSCRIBED AND FULLY PAID-UP		
91,71,697 (P.Y.91,71,697) Equity Shares of Rs.5/- each	4,58,58,485	4,58,58,485
Total	<u>4,58,58,485</u>	<u>4,58,58,485</u>
Notes:		
(a) Reconciliation of Number of Shares		
Shares outstanding as at 1 April 2014 / 1 April 2013	91,71,697	91,71,697
Shares outstanding as at 31 March 2015 / 31 March 2014	91,71,697	91,71,697
(b) List of shareholders holding more than 5% of the total number of shares issued by the Company :		
Name of the shareholder (Class of Shares, % Holding)		
Dr. Rao Holdings Pte Ltd (Equity Shares 49.84% (P.Y 49.84%))	45,71,468	45,71,468
Titanium Equipment and Anode Manufacturing Company Limited (Equity Shares 9.60%, (P.Y 9.60%))	8,80,458	8,80,458
Shrimati K.M. Padma (Equity Shares 5.96%, (PY 5.96%))	5,46,556	5,46,556
Shri Suresh Krishnamurthi Rao (Equity Shares 9.59%, (PY 9.59%))	8,79,804	8,79,804
(c) Disclosure of Rights		
<p>The Company has issued only one class of equity shares having a par value of Rs.5 per share. Each holder of Equity Share is entitled to one vote per share. The Company declares dividends in Indian rupees. Dividend when proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting, except in the case of interim dividend, if any.</p> <p>In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
	Rs	Rs
3. Reserves and Surplus		
Capital Reserve	40,66,650	40,66,650
Capital Redemption Reserve	6,000	6,000
General Reserve		
Opening Balance	23,37,88,211	21,72,88,211
Add: Transferred from surplus in the Statement of Profit and Loss	-	1,65,00,000
Closing Balance	23,37,88,211	23,37,88,211
Surplus in Statement of Profit and Loss		
Opening Balance	92,74,52,511	79,28,90,882
Less: Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with Nil remaining useful life (Net of deferred tax) (Refer Note 44)	(39,22,639)	-
	92,35,29,872	79,28,90,882
Add: Profit for the year	10,22,69,705	16,44,74,662
	102,57,99,577	95,73,65,544
Less: Appropriations		
- Transferred to General Reserve	-	1,65,00,000
- Proposed Final Dividend on Equity shares (Rate per share - C.Y- Rs.1.25/- per share (P.Y Rs. 1.25))	1,14,64,621	1,14,64,621
- Tax on Dividend	23,33,927	19,48,412
Closing Balance	101,20,01,029	92,74,52,511
Total	124,98,61,890	116,53,13,372
Note :		
The Board of Directors in their meeting held on 27 April 2015 has recommended a final dividend of Rs 1.25 per equity share.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
4. Deferred Tax Liabilities (Net) (Also refer Note 44)	Rs	Rs
Deferred Tax Liabilities		
On difference between balance of fixed assets as per Books of Account and as per Income Tax Act, 1961	15,06,85,341	12,69,91,235
Deferred Tax Assets		
Employee benefits	24,40,381	11,08,586
Others - (Provisions/Others)	99,20,038	1,21,01,348
Total	13,83,24,922	11,37,81,301
5. Other Long term Liabilities		
Trade / security deposits received	54,42,050	53,75,214
Gratuity Payable	37,48,621	9,55,308
Total	91,90,671	63,30,522
6. Long-term Provisions		
Provision for Employee Benefits		
- Provision for compensated absences	34,97,425	29,58,496
Total	34,97,425	29,58,496
7. Short-term Borrowings		
From Banks		
- Secured loan - Buyers Credit (Refer Note below)	23,81,12,981	24,18,93,015
Total	23,81,12,981	24,18,93,015
Note:		
The Company has availed Buyers Credit from State Bank of India. It is secured by way of a first charge over the fixed assets created from the said facility. The tenure of the facility is 180 days. Rate of interest varies from 0.91% to 1.03%		
8. Trade Payables		
Trade Payables - other than acceptances (Refer Notes 32 and 36)	10,06,84,199	12,67,95,716
Total	10,06,84,199	12,67,95,716
9. Other Current Liabilities		
Interest Accrued but not due on borrowings	7,70,092	8,16,312
Unpaid Dividends (Refer Note (i) below)	13,16,100	15,80,012
Other payables (Refer Note (ii) below)	7,03,07,756	8,49,94,932
Total	7,23,93,948	8,73,91,256
Notes:		
(i) Amounts to be credited to Investor Education and Protection Fund towards:		
-Unpaid Dividends	-	-
(ii) Other payables pertains to:		
- Statutory liabilities	43,18,636	40,93,612
- Creditors for Capital Goods	5,31,52,889	7,28,39,616
- Advance from Customers	39,58,675	39,26,593
- Gratuity Payable	25,00,000	20,00,000
- Forward Contract Liability (Net)	63,77,556	21,35,111
10. Short-term Provisions		
Provision for Employee Benefits		
- Provision for compensated absences	4,54,275	3,03,010
Provision for proposed equity dividend	1,14,64,621	1,14,64,621
Provision for tax on proposed dividend	23,33,927	19,48,412
Total	1,42,52,823	1,37,16,043

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Gross Block				Accumulated Depreciation/ Amortisation				Net Block	
	As at 01 April 2014	Additions during the year	Deletions during the year	As at 31 March 2015	As at 01 April 2014	For the year (Refer Note 44)	Transition adjustment (Refer Note 44)	Deletions during the year	As at 31 March 2015	As at 31 March 2014
TANGIBLE ASSETS - OWNED										
Land (Refer Note 4 below) (Previous year)	12,61,66,960 (9,27,13,088)	1,05,45,962 (3,34,53,872)	-	13,67,12,922 (12,61,66,960)	-	-	-	-	13,67,12,922 (12,61,66,960)	12,61,66,960 (9,27,13,088)
Buildings (Previous year)	9,14,12,326 (9,10,20,392)	5,04,740 (24,78,489)	(20,86,555)	9,19,17,066 (9,14,12,326)	3,19,52,372 (3,09,69,073)	24,85,315 (30,69,853)	20,60,491	(20,86,554)	5,54,18,888 (5,94,59,954)	5,94,59,954 (6,00,51,319)
Plant and Equipments (Previous year)	129,09,11,317 (122,55,46,466)	49,09,19,169 (8,24,13,097)	9,22,75,353 (1,70,48,246)	168,95,55,133 (1,29,09,11,317)	77,44,66,952 (7,33,56,617)	9,29,32,567 (5,74,12,241)	17,14,364	8,63,72,460 (1,65,13,406)	90,68,13,710 (51,64,44,365)	51,64,44,365 (49,19,78,349)
Furniture and Fixtures (Previous year)	81,54,147 (77,44,633)	5,45,539 (4,28,104)	4,62,474 (18,590)	82,37,212 (81,54,147)	42,21,822 (37,39,269)	10,91,976 (5,01,143)	6,23,587	4,12,802 (18,590)	27,12,629 (9,32,325)	39,32,325 (40,05,364)
Vehicles (Previous year)	38,70,925 (44,76,751)	2,93,349 (12,37,420)	8,93,189 (18,43,246)	32,71,085 (38,70,925)	843,059 (9,18,118)	4,60,534 (4,09,956)	17	2,66,993 (4,85,015)	22,34,468 (30,27,866)	30,27,866 (35,58,633)
Office Equipments (Previous year)	1,42,35,521 (1,22,07,519)	22,11,106 (22,19,557)	3,85,115 (1,91,555)	1,60,61,512 (1,42,35,521)	64,20,778 (53,28,146)	31,53,892 (12,62,530)	15,44,037	3,50,541 (1,69,898)	52,93,346 (78,14,743)	78,14,743 (68,79,373)
TOTAL	153,47,51,196 (143,37,08,849)	50,50,19,865 (12,22,30,539)	9,40,16,131 (2,11,88,192)	194,57,54,930 (1,53,47,51,196)	81,79,04,983 (77,45,22,723)	10,01,24,284 (6,26,35,723)	59,42,496	8,74,02,796 (1,92,73,463)	110,91,85,963 (71,68,46,213)	71,68,46,213 (65,91,86,126)
INTANGIBLE ASSETS - OWNED AND ACQUIRED										
Computer Software (Previous year)	10,50,000	79,71,253 (10,50,000)	-	90,21,253 (10,50,000)	34,507	14,22,175 (34,507)	-	-	75,64,571 (10,15,493)	10,15,493
TOTAL	10,50,000	79,71,253 (10,50,000)	-	90,21,253 (10,50,000)	34,507	14,22,175 (34,507)	-	-	75,64,571 (10,15,493)	10,15,493
TOTAL	153,58,01,196 (143,37,08,849)	51,29,91,118 (12,32,80,539)	9,40,16,131 (2,11,88,192)	195,47,76,183 (1,53,58,01,196)	81,79,39,490 (77,45,22,723)	10,15,46,459 (6,26,30,230)	59,42,496	8,74,02,796 (1,92,73,463)	111,67,50,534 (71,78,61,706)	71,78,61,706 (65,91,86,126)

Notes:

(1) During the year, the Company has retired the following assets which have been fully depreciated:

Particulars	Cost As at 31 March 2015	Cost As at 31 March 2014
Buildings	-	20,86,555
Plant and Equipments	4,16,91,052	1,45,77,699
Furniture and Fixtures	-	18,590
Office Equipments	-	1,47,964
Total	4,16,91,052	1,68,30,808

(2) Depreciation for the year includes Rs 1,96,61,935 (Previous year Rs. 14,76,148) towards accelerated depreciation charged on certain assets, based on technical assessment.

(3) Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 44,00,684/- as at 31 March 2015 (As at 31 March 2014 Rs. 50,04,629/-). Also refer Note 51.

(4) The Company is in the process of developing 632 acres of salt fields and the production of salt is expected to commence post completion of the development activities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
12. Non-Current Investments	Rs	Rs
Non trade, Quoted - At cost - Fully paid-up		
Investment in Equity Instruments of Other entities		
281 (P.Y.281) Equity Shares of Rs.10/- each of Summit Securities Ltd.	20,700	20,700
500 (P.Y.500) Equity Shares of Rs.10/- each of De Nora India Ltd.	6,850	6,850
300 (P.Y.300) Equity Shares of Rs.10/- each of Sree Rayalaseema Alkalis & Allied Chemicals Ltd	1,095	1,095
450 (P.Y.450) Equity Shares of Rs.5/- each of Kanoria Chemicals Ltd.	2,408	2,408
Investment in Preference Shares of Other entities		
300 (P.Y.300) 0.01% Cumulative Preference Shares of Rs.10/- each of Sree Rayalaseema Alkalis & Allied Chemicals Ltd.	1,095	1,095
Total	32,148	32,148
Aggregate Cost of quoted Non-Current Investments	32,148	32,148
Aggregate market value of listed and quoted Non-Current Investments	1,53,073	1,20,489
13. Long-Term Loans and Advances		
(Unsecured, considered good)		
Capital advances	79,98,527	1,54,63,655
Deposits (Refer Note 47)		
- Inter Corporate Deposit (Refer Note 33)	14,70,45,171	10,00,00,000
- Rental Deposit	3,00,00,000	3,00,00,000
Deposits with others	1,35,90,797	1,27,15,217
Advance Income Tax and Tax Deducted at Source (Net of provision for tax Rs. 26,44,19,717/-) (PY Rs. 40,48,79,233) (Also Refer Note 30)	3,96,96,071	3,08,25,288
Total	23,83,30,566	18,90,04,160
14. Other Non-Current Assets		
Balances held as margin money (Refer Note below)	1,53,77,327	-
Total	1,53,77,327	-
Note:		
Represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
15. Current Investments	Rs	Rs
(Lower of cost and fair value)		
<u>Investments in Mutual Funds (quoted, fully paid-up)</u>		
67,682 units of Rs. 1,000 each (P.Y. 41,302 units of Rs 1,000 each) SBI Premier Liquid Fund - Dividend	6,79,01,568	4,14,36,640
37,981 units of Rs. 1,000 each (P.Y. 27,649 units of Rs 1,000 each) LIC Nomura Liquid Fund	4,17,03,660	3,03,59,212
Total	10,96,05,228	7,17,95,852
Aggregate amount of Current Investments in Mutual Funds		
- Cost	10,96,05,228	7,17,95,852
- Net Asset Value	10,96,05,228	7,17,95,852
Current investments include investments in the nature of "Cash and Cash Equivalents" (as defined in AS 3 Cash Flow Statements) considered as part of Cash and Cash Equivalents in the Cash Flow Statement	10,96,05,228	7,17,95,852
16. Inventories (at lower of cost or net realisable value)		
Raw Materials	37,74,931	41,40,710
Work in Progress - Caustic Soda Lye	4,67,851	4,87,937
Finished Goods (other than those acquired for trading)	1,01,50,896	1,00,88,772
Fuel	4,09,234	9,66,424
Stores and Spares	1,08,18,914	1,22,32,171
Total	2,56,21,826	2,79,16,014
17. Trade Receivables		
Trade Receivables outstanding for a period exceeding six months from the date they were due for payment		
- Unsecured, considered good	2,74,000	71,30,167
- Doubtful	7,33,350	5,69,733
	10,07,350	76,99,900
Less: Provision for doubtful Trade Receivables	(7,33,350)	(5,69,733)
	2,74,000	71,30,167
Other Trade Receivables		
- Unsecured, considered good	10,47,88,268	9,87,79,595
Total	10,50,62,268	10,59,09,762

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	As at 31 March 2015	As at 31 March 2014
18. Cash and Cash Equivalents	Rs	Rs
Cash and Cash Equivalents (as per AS 3 Cash Flow Statements)		
Cash on hand	22,275	31,127
Balance with Banks - Current Accounts	1,94,84,693	66,83,773
Total - Cash and Cash Equivalents (as per AS 3 Cash Flow Statements) (A)	1,95,06,968	67,14,900
Other Bank Balances		
In earmarked accounts		
- Margin Money Accounts for bank guarantees and letters of credit	30,11,414	1,07,36,095
- Unpaid Dividend Accounts	13,16,100	15,80,012
Total - Other Bank Balances (B)	43,27,514	1,23,16,107
Total (A)+(B)	2,38,34,482	1,90,31,007
19. Short Term Loans and Advances (Unsecured, considered good)		
Deposits		
- Inter Corporate Deposit (Refer Notes 33 & 47)	-	2,00,00,000
- Others	30,76,769	14,40,818
Others		
(i) Advance to employees	2,83,925	5,09,490
(ii) Prepaid expenses	80,83,883	21,63,931
(iii) Balance with Central Excise Authorities	88,84,242	4,71,04,082
(iv) MAT Credit entitlement	24,37,259	-
(v) Others	61,25,626	39,25,108
Total	2,88,91,704	7,51,43,429
20. Other Current Assets		
Interest accrued on fixed deposits	9,90,872	20,80,294
Interest accrued on trade receivables	2,17,767	-
Total	12,08,639	20,80,294

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
	Rs	Rs
21. Revenue from Operations		
Sale of Products		
<u>Manufactured goods (Refer Note (i) below)</u>		
- Caustic Soda Lye	98,72,91,359	101,63,07,661
- Chlorine	5,77,95,525	6,75,55,971
- Others	17,58,23,645	16,87,79,964
Total - Sale of Manufactured goods	122,09,10,529	125,26,43,596
<u>Traded Goods (Refer Note (ii) below)</u>		
- Caustic Soda Lye, Chlorine, etc	51,75,925	17,806
Total - Sale of Traded goods	51,75,925	17,806
Other Operating Income		
- Testing Charges (Refer Note (iii) below)	30,87,344	13,74,350
- Scrap sales	23,27,631	46,36,491
Total - Other Operating Income	54,14,975	60,10,841
Total	123,15,01,429	125,86,72,243
Note:		
(i) Sale of Manufactured good comprises:		
Domestic sales	121,68,16,061	124,91,53,673
Export sales	40,94,468	34,89,923
(ii) Sale of Traded goods comprises:		
Domestic sales	5,90,670	17,806
Export sales	45,85,255	-
(iii) Testing Charges comprises:		
Domestic	10,33,633	9,40,338
Export	20,53,711	4,34,012
22. Other Income		
Interest Income:		
- Interest from Fixed Deposits	26,55,394	16,64,404
- Interest from Inter Corporate Deposit (Refer Note (ii) below)	1,18,26,116	1,15,99,640
- Interest on Trade Receivables	2,17,767	-
Dividend Income (Refer Note (i) below)	56,12,051	1,75,52,814
Insurance Claims	13,00,000	2,89,343
Profit on Sale of fixed assets (Net)	11,18,037	4,93,491
Excess provision reversed - Directors' Commission	27,00,000	25,00,000
Exchange variation(Net)	2,04,72,834	67,55,703
Miscellaneous Income	36,97,257	64,54,138
Total	4,95,99,456	4,73,09,533
Notes:		
(i) Dividend income includes:		
a. Dividend from Non Current Investments	2,675	4,175
b. Dividend from Current Investments	56,09,376	1,75,48,639
	56,12,051	1,75,52,814
(ii) An amount of Rs.11,95,957 (PY - Rs. Nil) has not been recognised in line with the accounting policy.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
23 A. Cost of Materials Consumed	Rs	Rs
Opening Stock	41,40,710	35,49,163
Add: Purchases	5,09,74,182	5,87,27,519
	5,51,14,892	6,22,76,682
Less: Closing Stock	37,74,931	41,40,710
Cost of Materials consumed	5,13,39,961	5,81,35,972
Materials Consumed Comprises of:		
Salt	3,20,42,172	4,55,90,868
Soda Ash	1,09,86,114	54,69,130
Sulphuric acid	28,65,621	26,64,925
Sodium Sulphite	14,56,467	13,92,110
Barium chloride solution	8,24,290	7,51,505
Others (Refer Note (i) below)	31,65,297	22,67,434
Total	5,13,39,961	5,81,35,972
Note:		
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.		
23 B. Purchase of Traded Goods (Refer Note (i) below)		
Domestic	51,90,686	20,603
Import	-	-
Total	51,90,686	20,603
Note:		
(i) Caustic soda lye, chlorine, etc.		
24. Changes in Inventories of Finished Goods and Work in Progress		
Opening Stock		
Work-in-Progress	4,87,937	4,18,176
Finished goods	1,00,88,772	1,00,02,412
	1,05,76,709	1,04,20,588
Closing Stock		
Work-in-Progress	4,67,851	4,87,937
Finished goods	1,01,50,896	1,00,88,772
	1,06,18,747	1,05,76,709
Total	(42,038)	(1,56,121)
25. Other Direct Manufacturing Expenses		
Power and Fuel (Refer Note 32)	54,39,42,929	53,46,16,328
Labour Charges	2,72,78,467	2,65,46,010
Total	57,12,21,396	56,11,62,338

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	For the Year Ended 31 March 2015	For the Year Ended 31 March 2014
	Rs	Rs
26. Employee Benefits Expense (Refer Note 51)		
Salaries and Wages	7,98,10,362	7,55,53,114
Contribution to Provident and other Funds (Refer Note 45 I)	1,15,78,172	86,27,211
Staff Welfare Expenses	56,94,920	58,37,788
Total	9,70,83,454	9,00,18,113
27. Finance Cost		
Interest on Short Term Borrowings	24,17,105	13,71,337
Bank Charges	46,86,244	69,58,817
Total	71,03,349	83,30,154
28. Other Expenses (Refer Note 51)		
Consumption of Stores and spares	2,83,11,513	2,66,57,486
Rent - Vehicle	-	38,02,355
- Others	16,36,833	16,78,925
Repairs and Maintenance - Machinery	2,25,90,646	2,00,97,452
- Buildings	67,34,471	53,06,449
Insurance	45,10,312	54,22,017
Rates and Taxes	26,35,710	20,41,283
Travelling Expenses	70,00,742	68,67,628
Auditor's Remuneration (net of service tax input credit)		
- Statutory Audit	9,50,000	7,50,000
- Limited Review	4,50,000	4,50,000
- Other Services	3,50,000	-
- Expenses	82,169	92,750
Commission to Directors	37,00,000	70,00,000
Sitting fees	7,58,430	4,20,000
Sales Commission	-	74,41,733
Expenditure on Corporate Social Responsibility	13,68,765	-
Premium on Forward Contract (Refer Note 50(b))	73,92,206	12,44,709
Legal and Professional Fees	1,11,50,755	90,51,086
Freight (Net)	28,75,297	54,25,306
Advertisement	5,79,927	3,91,850
Provision for Doubtful Trade Receivables	1,63,617	5,69,733
Loss on Assets Discarded	45,50,759	-
Miscellaneous Expenses (Refer Note (i) and (ii) below)	5,36,52,835	4,15,24,160
Total	16,14,44,987	14,62,34,922
Note:		
(i) Includes Excise Duty relating to the difference between closing stock and opening stock amounting to Rs. 92,476/- (P.Y Rs. 1,96,028/-)		
(ii) Includes Donations amounting to Rs. 40,10,000/- (P.Y Rs. 30,06,000/-). Also refer Note 47.		

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Amount in Rs.	
	As at 31 March 2015	As at 31 March 2014
29. 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	9,13,49,384	20,48,31,068
- Intangible assets	-	24,36,000
b. Contingent liabilities in respect of		
(i) Guarantees given by the Company to the Customs Department on behalf of Titanium Equipment and Anode Manufacturing Company Limited (Refer Note 47)	1,15,00,000	80,00,000
(ii) Outstanding letters of credit	2,23,08,367	2,26,54,655
(iii) Sales tax, Excise, Service Tax and other demands against which the Company has filed appeals and for which no provision is considered required as the Company is hopeful of successful outcome in the appeals.	35,31,107	2,41,52,812

Sl No.	Name of the Statute	Nature of Dues	Disputed Amount Rs.	Period (F.Y)	Forum where dispute is pending
1	The Central Sales Tax Act, 1956	Sales Tax	57,939 (57,939)	F.Y. 2003-2004	CTO, Chengalpet
2	The Finance Act, 1994	Service tax	3,56,627 (51,06,841)	January 2005 to March 2013	Commissioner (Appeals), Chennai
3	The Central Excise Act, 1944	Cenvat on Excise and Service Tax availment	31,16,541 (55,35,015)	April 2006 to June 2012	Commissioner (Appeals), Chennai
4	The Income-tax Act, 1961	Income Tax (Refer Note 30)	- (1,34,53,017)	F.Y 2009-2010	Income Tax Appellate Tribunal, Chennai

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.

30. Income Tax Demands

A. Orders Relating To Financial Year 2011-12 and 2012-13

During the year, the Company received orders from the Income Tax Department for the financial years 2011-12 and 2012-13 primarily disallowing a portion of the Sales Commission expenditure aggregating Rs. 53,40,174/- and Rs. 39,13,140/- respectively. The tax demanded on account of the disallowances are Rs. 19,32,743/- and Rs. 18,42,597/- for the financial years 2011-12 and 2012-13 respectively. The aforesaid disallowance was made on technical grounds in the absence of confirmation letters from some commission agents. The Management duly considering the order received on the similar matter in the earlier years, the amounts involved and the significant time /cost involved in continuing to litigate this matter has decided not to prefer any further appeals and has paid and accounted for the tax demand as a charge in the financial statements for the year ended 31 March 2015. Also refer Note 34 below.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

B. Appellate Order relating to the Financial Year 2009-10

During the year, the Income Tax Department has appealed before the Income Tax Appellate Tribunal (ITAT) against the Order passed by the Commissioner of Income Tax (Appeals) for the Assessment Year 2010-11 relating to the disallowance of sales commission paid to various commission agents. The Company has filed its cross objections challenging the Department's contentions and it is hopeful of a favorable outcome. The amount involved in this appeal is estimated at Rs. 1,34,53,017. Based on professional advice obtained in the matter, the Company is hopeful of a favorable outcome in the Appeal. (Also refer Note 34 below).

C. The Income Tax Department has issued show cause notice for the financial years 2005-06 to 2012-13 for initiating penal proceedings under section 271(1)(c). The Company has requested the department to drop the penal proceedings which is pending disposal. The Company is hopeful of a favorable outcome.

31. The National Green Tribunal, in an appeal filed by a party, granted an *ex parte* stay, restraining the construction activities pertaining to the expansion and operation of the Plant without valid consent order. The Company strongly objected the averments of the complainant and filed its counter for vacating the stay which was granted. Further, the Company's petition seeking directions to the authorities concerned for the grant of Consent to Establish (NOC) for the expansion is also pending before the Hon'ble Forum.

32. Power and fuel for the year ended 31 March 2015 includes charge towards the Fuel and Power Purchase Cost Adjustment (FPPCA) amounting to Rs 94,47,120/- (net of provision no longer written back during the year Rs. 1,53,42,129 (P.Y - Nil)). FPPCA charge for the year includes a provision of Rs. 2,15,12,205/- determined by the management pending receipt of demand notices. Further, the Company has filed a joint appeal along with certain other applicants against the increase in power tariff fixed by the Electricity Department, Puducherry, with effect from 1 April 2013, which is pending disposal.

33. The Company had given Inter Corporate deposits (ICD) to Teamec Chlorates Limited (TCL), at their request to meet their working capital requirements. The principal amount outstanding on account of these ICDs as at 31 March 2015 is Rs. 14,70,45,171 (As at 31 March 2014 Rs. 12,00,00,000) which also includes an amount of Rs. 2,70,45,171 that has been converted into ICD during the year from the balance of Trade /Other Receivables outstanding from TCL.

Further, due to various developments, TCL could not repay an amount of Rs 2,00,00,000 which became due for repayment on 8 February 2015 as per the original terms of sanction of the ICD and requested for an extension. Hence, at the request of TCL, the Board of Directors, duly considering professional advice, extended the tenure of the ICD to February 2017.

Whilst the net worth of TCL has been fully eroded as per the latest audited financial statements and during the year it has made an application to the Board for Industrial and Financial Reconstruction (BIFR), the Management of the Company, based on the discussions with TCL and considering certain other developments believes that no provisioning is required to be made for the outstanding ICDs as at this stage.

34. Provision for current tax for the year has been determined based on the total income of the Company for the year ended 31 March 2015 and in accordance with the Income Tax Act, 1961, duly considering the deduction / exemption proposed to be claimed by the Company in the Return of Income. The tax charge for the current year amounting to Rs. 3,22,23,442/- (P.Y Rs. 7,36,10,767/-) includes a net adjustment of Rs. 2,13,817/- (P.Y. Rs. 77,89,233/-) towards prior periods based on the reassessment of tax claims made in the past with respect to various matters considering the developments including completion of tax assessments. Also refer Note 30 above.

35. Cash Credit facilities are secured by exclusive first charge on all current assets of the Company, exclusive first equitable mortgage of factory land and building, second charge on the fixed assets of the Company and pledge of other assets of the Company. The Company has not utilised these Cash Credit facilities during the current period and in the previous year.

36. As on 31 March 2015, based on and to the extent of information available with the Company regarding registration of suppliers as Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts outstanding in respect of these vendors.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

37. Disclosure as per Clause 32 of the Listing Agreements with the Stock Exchanges

Loans and advances in the nature of inter corporate deposits given to companies in which Directors are interested:

Amount in Rs.

Name of the party	Relationship	Amount outstanding as at 31 March, 2015	Maximum balance outstanding during the year
Teamec Chlorates Limited	Companies in which Directors are interested	14,70,45,171	14,70,45,171
		(12,00,00,000)	(12,71,14,984)

Figures in the bracket indicate previous year figures.
Also Refer Note 33.

38. Disclosure as per Section 186 (4) of Companies Act, 2013

Particulars	Name of the Party	Amount as at 31 March, 2015	Purpose	Remarks
Loans given	Teamec Chlorates Limited	14,70,45,171	For meeting the working capital requirements	Refer Notes 33 & 47
Investments made	Not applicable			
Guarantees given	Titanium Equipment and Anode Manufacturing Company Limited	1,15,00,000	Surety Bond given to Customs department	Refer Note 29 (b) (i)
Securities Given	Not applicable			

39. Value of Raw materials and Stores and Spares consumed

Amount in Rs.

Particulars	2014-15		2013-14	
	Value	%	Value	%
Raw Materials				
Imported	-	-	-	-
Indigenous	5,13,39,961	100	5,81,35,972	100
Total	5,13,39,961	100	5,81,35,972	100
Stores and Spares				
Imported	33,20,557	12	24,02,480	9
Indigenous	2,49,90,956	88	2,42,55,006	91
Total	2,83,11,513	100	2,66,57,486	100

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

		Amount in Rs.	
	Particulars	2014-15	2013-14
40.	Value of Imports on CIF basis		
	Stores and Spares	26,60,870	18,88,452
	Capital goods (including items in Capital Work in Progress)	1,64,52,719	30,98,95,210
	Total	1,91,13,589	31,17,83,662
41.	Expenditure in Foreign Currency (Gross of withholding of tax where applicable)		
	Travelling expenses	48,800	2,18,395
	Subscription / Membership Fee	1,23,315	6,90,169
	Total	1,72,115	9,08,564
42.	Dividend Remitted in Foreign Currency (on payment basis)		
	Number of Non- Resident Shareholders	2	-
	Number of Shares held	46,58,868	-
	Amount remitted	58,23,585	-
	Financial Year to which relates	2013-14	-
	Nature of dividend	Final	-
43.	Earnings in Foreign Exchange		
	Export of goods calculated on FOB basis	86,79,723	34,89,923
	Testing Charges	20,53,711	4,34,012
	Freight Collected	57,26,526	41,30,504
	Total	1,64,59,960	80,54,439

44. Fixed Assets and Depreciation - Adoption of Schedule II to the Companies Act, 2013

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company has revised the estimated useful life of its assets to align the useful life with those specified in Schedule II except for Continuous Process Plant (CPP) assets in whose case the life of the assets has been assessed as 17.99 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.

Further, any part or components of fixed assets which are separately identifiable and expected to have a useful life which is different from that of the main assets are capitalized and depreciated separately, based on the technical assessment of the Management.

Further, assets individually costing Rs. 5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation rates / useful life are as follows:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Asset	Previous Depreciation rate / useful life	Revised useful life based on SLM	Basis
Factory Buildings	1.63% to 3.34% - 28 to 61 Years	5 to 30 Years	Schedule II
Computers and Data Processing Equipment	16.21% - 5.86 Years	3 Years	Schedule II
Plant and Machinery - Continuous Process Plant	5.28% - 17.99 Years	17.99 Years	Technical Assessment
Plant and Machinery - General	4.75% to 20% 5 to 21 .05 Years	15 Years	Schedule II
Furniture and Fixtures	6.33% - 15 Years	10 Years	Schedule II
Vehicles	9.5% - 10.53 Years	10 Years	Schedule II
Office Equipments	4.75% to 16.21% 6 to 21 .05 Years	3 to 30 Years	Schedule II

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has adjusted an amount of Rs. 39,22,639/- (net of deferred tax of Rs. 20,19,857/-) against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus where the remaining useful life of the asset was determined to be Nil as on April 1, 2014.

The depreciation expense in the Statement of Profit and Loss for the year is higher by Rs. 92,78,283/- consequent to the change in the useful life of the assets in compliance with the Schedule II to the Companies Act, 2013. Also refer Note 11 (2).

45. Employee benefit plans

I. Defined contribution plans

a. The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs. 54,93,334 (Year ended 31 March, 2014 Rs. 51,18,636) for Provident Fund contributions, Rs. 13,58,936 (Year ended 31 March, 2014 Rs. 13,39,212) for Superannuation Fund contributions, Rs. 2,39,034 (Year ended 31 March, 2014 Rs. 2,43,430) for Employee State Insurance Scheme contributions and Rs 2,69,201 (Year ended 31 March, 2014 Rs 2,80,626) for Employee Deposit Linked Insurance Scheme in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

b. The Company offers the following employee benefit schemes to its employees:

- i. Gratuity (included as part of (Contribution to Provident and other Funds) in Note 26 Employee benefits expense)

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Year ended 31 March, 2015	Year ended 31 March, 2014
	Amount in Rs	Amount in Rs
Components of employer's expense		
Current service cost	41,69,331	36,85,972
Interest cost	18,60,722	17,76,071
Expected return on plan assets (including interest adjustments)	(35,32,519)	(33,27,368)
Actuarial losses/(gains)	17,95,779	(5,20,182)
Total expense recognised in the Statement of Profit and Loss	42,93,313	16,14,493
Actual contribution and benefit payments for the year		
Actual benefit payments	20,82,866	14,75,189
Actual contributions	10,00,000	18,64,203
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	(2,67,80,408)	(2,28,28,666)
Fair value of plan assets	2,05,31,787	1,98,73,358
Net asset / (liability) recognised in the Balance Sheet	(62,48,621)	(29,55,308)
Current portion of the liability included under Note 9	25,00,000	20,00,000
Non-Current portion of the liability included under Note 5	37,48,621	9,55,308
Change in defined benefit obligations (DBO) during the year		
Present value of DBO at beginning of the year	2,28,28,666	2,10,28,925
Current service cost	41,69,331	36,85,972
Interest cost	18,60,722	17,76,071
Actuarial losses / (gains)	4,555	(21,87,113)
Benefits paid	(20,82,866)	(14,75,189)
Present value of DBO at the end of the year	2,67,80,408	2,28,28,666
Change in fair value of assets during the year		
Plan assets at beginning of the year	1,98,73,358	1,78,23,907
Acquisition adjustment	17,41,295	16,60,437
Expected return on plan assets	17,91,224	16,66,931
Actual company contributions	10,00,000	18,64,203
Actuarial gain / (loss)	(17,91,224)	(16,66,931)
Benefits paid	(20,82,866)	(14,75,189)
Plan assets at the end of the year	2,05,31,787	1,98,73,358
Actual return on plan assets	17,41,295	16,60,437
Actuarial assumptions		
Discount rate	7.80%	8.50%
Expected return on plan assets	8.50%	8.50%
Salary escalation	8.00%	8.00%
Attrition	3.00%	3.00%
Mortality tables	India Assured Life (2006-08)	India Assured Life (2006-08)
Estimate of amount of contribution in the immediate next year	25,00,000	20,00,000

Notes

a. The estimate of future salary increases takes into account inflation, seniority, promotion and other relevant factors.

b. Discount rate is based on the prevailing market yields of Indian Government Bonds as at the Balance Sheet date for the estimated life of the obligation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

c.	Experience adjustments				
	Gratuity	2014-15	2013-14	2012-13	2011-12
	Present value of DBO	2,67,80,408	2,28,28,666	2,10,28,925	1,90,83,739
	Fair value of plan assets	2,05,31,787	1,98,73,358	1,78,23,907	1,49,76,737
	Experience gain / (loss) adjustments on plan liabilities	(4,555)	21,87,113	35,22,663	15,04,558
	Experience gain / (loss) adjustments on plan assets	(17,95,779)	5,20,182	(14,50,320)	(11,39,975)

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

d. The plan assets comprise insurer managed funds for which details of portfolio are not available.

II. Long Term Compensated absences

The key assumptions used in the computation of provision for long term compensated absences as provided by the independent actuary are given below.

	Year ended 31 March, 2015	Year ended 31 March, 2014
Actuarial assumptions for long-term compensated absences		
Discount rate	7.80%	8.50%
Expected return on plan assets	8.50%	8.50%
Salary escalation	8.00%	8.00%
Attrition	3.00%	3.00%

46. Segment Information

The Company has identified business segments as its primary segment and geographical segments as its secondary segment.

a) Primary segment:

Effective 1 April 2014, the Company has reviewed its business oversight mechanism and has realigned all its operations under single business segment (i.e.) "Dealing with Chlor Alkali and Related Products / Services", based on the assessment of the overall risks and rewards.

b) Information on geographic segments:

Geographical Segment	Revenues for the year ended 31 March 2015	Segment assets as at 31 March 2015	Capital expenditure incurred during the year ended 31 Mar 2015
	Rs	Rs	Rs
India	109,31,74,730	187,07,88,645	12,51,89,906
	(112,27,25,457)	(180,32,97,125)	(69,84,73,095)
Others	1,07,33,434	13,88,699	-
	(39,23,935)	(7,41,081)	-

Note: 1) Figures in bracket relate to the previous year

2) Also Refer Note 1(q)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

47. Related party disclosures

- a) List of Related parties and description of relationship
- (i) Individuals exercising Significant influence Mr. Suresh Krishnamurthi Rao - Chairman
- (ii) Relatives of above Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
Mrs. Meenakshi Ratnam (Wife of Mr. Suresh Krishnamurthi Rao)
- (iii) Entities in which persons listed in (i) and
(ii) above exercise significant influence CHKR Foundation
Dr Rao Holdings Pte Ltd
Titanium Equipment and Anode Manufacturing Company Limited (TEAM)
Teamec Chlorates Limited (TCL)
- (iv) Key Management Personnel (KMP) Mr. Nitin S Cowlagi - Chief Financial Officer
Mr. K Mohamed Ibrahim - Company Secretary (upto 14 November 2014)

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

b) Transactions with related parties :

(Amount in Rs.)

Nature of Transactions	Individuals exercising Significant influence and their relatives	Entities in which persons listed in (a) (i) and (ii) above exercise significant influence				KMP
		CHKR Foundation	Dr Rao Holdings Pte Ltd	TEAM	TCL	
I. Transactions during the year						
a) Income						
Sale of Products	-	-	-	111,626	17,16,317	-
	-	-	-	(1,21,340)	(1,55,98,402)	-
Interest on Inter Corporate Deposit (Also refer Note 22(ii))	-	-	-	-	1,11,70,412	-
	-	-	-	-	(1,13,11,287)	-
Penal Interest on Inter Corporate Deposit (Also refer Note 22(ii))	-	-	-	-	6,55,704	-
	-	-	-	-	(2,88,353)	-
b) Expenditure						
Purchase of Materials	-	-	-	1,06,11,400	2,50,531	-
	-	-	-	(22,26,031)	-	-
Annual Maintenance Charges	-	-	-	67,41,600	-	-
	-	-	-	(67,41,600)	-	-
Royalty Expenses	-	-	-	5,05,673	-	-
	-	-	-	(4,18,471)	-	-
Lease Rent	-	-	-	67,416	-	-
	-	-	-	(67,416)	-	-
Commission (paid out of the provision made during the previous year)						
- Mr. Suresh Krishnamurthi Rao	25,00,000	-	-	-	-	-
	(50,00,000)	-	-	-	-	-
Donation	-	-	-	-	-	-
	-	(5,00,000)	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Salaries and Perquisites						
- Mr. Nitin S Cowlagi	-	-	-	-	-	23,85,459
	-	-	-	-	-	(19,89,092)
- Mr. K Mohamed Ibrahim (upto 14 November 2014)	-	-	-	-	-	3,91,035
	-	-	-	-	-	(5,99,175)
c) Others						
Sale of Fixed Assets	-	-	-	3,38,818	2,08,910	-
	-	-	-	-	-	-
Purchase of Fixed Assets	-	-	-	2,93,349	-	-
	-	-	-	(4,77,18,801)	-	-
Inter Corporate Deposit (Also refer Note 33)	-	-	-	-	2,70,45,171	-
	-	-	-	-	(2,00,00,000)	-
Others Advances (given and refunded)	-	-	-	-	-	-
	-	-	-	-	(2,54,914)	-
Guarantee given to Customs (Also refer Note 29)	-	-	-	1,15,00,000	-	-
	-	-	-	(80,00,000)	-	-
Guarantees expired during the year	-	-	-	80,00,000	-	-
	-	-	-	(75,00,000)	-	-
Final Dividend paid	-	-	57,14,335	11,00,573	-	-
- Mr. Suresh Krishnamurthi Rao	10,99,755	-	-	-	-	-
	-	-	-	-	-	-
- Mrs. K.M. Padma	6,83,195	-	-	-	-	-
	-	-	-	-	-	-
II. Balances Outstanding at the end of the year						
Trade Receivables	-	-	-	-	-	-
	-	-	-	-	(1,58,20,357)	-
Payables	-	-	-	53,10,652	-	-
	-	-	-	(1,27,00,802)	-	-
Rental Deposit	-	-	-	3,00,00,000	-	-
	-	-	-	(3,00,00,000)	-	-
Inter Corporate Deposit (Also refer Note 33)	-	-	-	-	14,70,45,171	-
	-	-	-	-	(12,00,00,000)	-
Guarantee given to Customs (Also refer Note 29)	-	-	-	1,15,00,000	-	-
	-	-	-	(80,00,000)	-	-

Figures in the bracket indicate previous year figures.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

48. Operating Leases

The Company has taken on lease certain vehicles during the prior years under non-cancellable operating lease agreements. There were no non-cancellable operating lease arrangements as at 31 March 2015. The rental expense under such operating leases was Rs. Nil /- (Previous Year Rs. 38,02,355/-).

49. 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.

(Amount in Rs.)

Particulars	2014-15	2013-14
Face Value Per Share	5	5
Net Profit after Tax	10,22,69,705	16,44,74,662
Weighted average Number of Shares	91,71,697	91,71,697
Basic Earnings per Share	11.15	17.93
Diluted Earnings per Share	11.15	17.93

50. Details on derivatives instruments and unhedged foreign currency exposures

- (a) The following forward exchange contracts were open as at 31 March 2015. These forward exchange contracts are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain payables outstanding as at 31 March 2015.

Currency	Amount	Buy / Sell	Cross currency
JPY	18,30,79,200	Buy	Rupees
(Previous year)	-	-	-
CHF	21,96,900	Buy	Rupees
(Previous year)	(5,49,225)	Buy	Rupees

- (b) Premium on Forward Contract

(Amount in Rs.)

Particulars	2014-15	2013-14
Charge to the Statement of Profit and Loss in respect of premium on Forward Exchange Contracts	73,92,206	12,44,709
Charge deferred to be recognised in subsequent accounting periods	30,60,863	2,80,762

- (c) The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Particulars	Currency	As at 31 March 2015		As at 31 March 2014	
		Amount in Foreign Currency	Amount in Rs	Amount in Foreign Currency	Amount in Rs
Capital Creditors	EURO	2,32,347	1,57,63,738	2,22,163	1,82,57,327
	GBP	5,676	5,26,490	-	-
	SEK	6,14,250	44,63,632	-	-
	JPY	1,71,800	89,783	2,15,00,000	1,24,95,800
Capital Advances	USD	-	-	2,050	1,22,508
Short Term Borrowings	JPY	-	-	16,15,79,200	9,39,09,831
	CHF	-	-	16,47,675	11,09,87,388
Interest accrued but not due on Short term borrowings	JPY	3,43,541	1,79,535	3,62,868	2,10,899
	CHF	9,109	5,90,557	8,994	6,05,818
Trade Receivables	USD	22,208	13,88,699	12,401	7,41,081

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

(Amount in Rs.)

Particulars	2014-15	2013-14
Employee Benefits expense	59,90,887	61,43,829
Professional fees	12,86,300	6,50,000
Consumption of Stores and spares	27,81,932	13,20,719
Travelling expenses	1,26,779	1,40,993
Depreciation	6,03,944	5,53,652
Total	1,07,89,842	88,09,193

52. Subsequent to the resignation of the Company Secretary with effect from 14 November 2014, the Company is in the process of appointing a qualified Whole-time Company Secretary as stipulated under the Companies Act 2013.

53. Previous year figures have been regrouped or reclassified wherever necessary to conform to current year's classification.

54. The Board of Directors has reviewed the realisable value of all current assets of the Company 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 recognised 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 27 April 2015.

For and on behalf of Board of Directors

C.S. Ramesh
Director

Suresh Krishnamurthi Rao
Chairman

Place : Chennai
Date : 27 April 2015

Nitin S. Cowlagi
Chief Financial Officer

CAL SOCIAL INITIATIVES



Village welfare - Annual cash assistance extended to Kuppam Panchayat (Kanapathichetty Kulam) for medical relief during fish ban period.

CASH AWARDS TO VILLAGE TOPPERS



FREE EYE CAMP



Free Eye Camp was organised with Arvind Eye Hospital, at Villipakkam Government Middle School.

HEALTH AWARENESS PROGRAMME



BLOOD DONATION CAMP



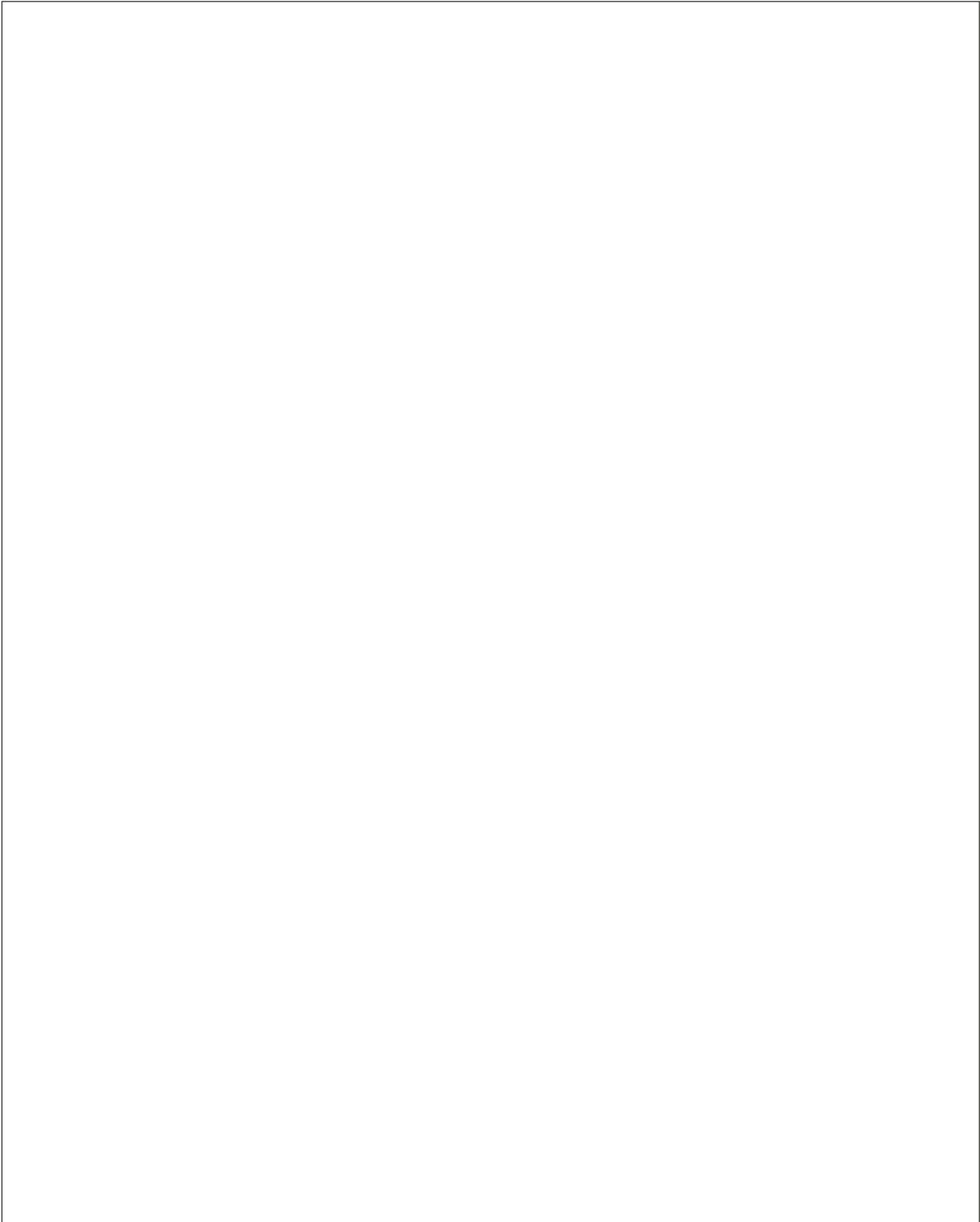
CAL organised Blood Donation Camp on the 3rd Remembrance day of our beloved Founder Chairman, on 19.01.2015. 61 CALmates donated blood.



To improve the employability of adults with special needs and improve their acceptance, livelihood and social Status And quality of life in Puducherry.

HERBAL GARDEN





CCAL
CHEMFAB ALKALIS LIMITED

Regd. Office : 'Team House', GST Salai, Vandalur, Chennai-600 048.
CIN No. L24297TN1983PLC072409

PROXY

Folio No. / DP, Client ID

I/We*
ofbeing a Member/
Members* of Chemfab Alkalis Limited hereby appoint
of.....or failing him/her.....
.....ofas my/our* Proxy
in my/our* absence to attend and vote for me/us* and on my/our* behalf at the 32nd Annual General Meeting of the
Company, to be held at 10.15 AM on 30th July, 2015 and at any adjournment thereof.
As Witness set my/our hand/hands* this day of2015

Signature (s).....

1 Rupee
Revenue
Stamp

Note : The Proxy must be deposited at the Registered Office of the Company 48 hours before the time fixed for holding
the meeting. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

* Delete if not applicable



CAL SOCIAL INITIATIVES



Innovative Village Education Centres to ensure children from the poorest families get quality education and reach their full potential - 3 villages in Pudhucherry and 5 villages near Marakkanam covered. Many Tuition Centres also have been started in the villages.





CHEMFAB ALKALIS LIMITED

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Email: chemfabalkalis@drroaholdings.com, URL: www.chemfabalkalis.com

Member - Dr. Rao's Group of Companies