

# TCL

## TEAMEC CHLORATES LIMITED

TCL / SECL / 2017-18

May 30, 2017

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

Dear Sir/ Madam,

**Sub: Audited Financial Results for the Year ended 31/03/2017 & Outcome of Board Meeting – Reg.**

**Ref: 1) Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Further to our letter dated May 23, 2017 –

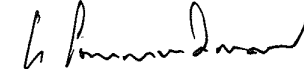
1. We wish to inform you that at the Board Meeting held today, the Audited Financial Results of the Company for the year ended 31<sup>st</sup> March, 2017 of the Company-- (after the Amalgamation of Chemfab Alkalies Ltd. (Listed) with the Company vide NCLT Order dated 30.03.2017) were approved by the Board of Directors of the Company and the Independent Auditors' Review Report thereon was taken note of. The same are enclosed in the prescribed format.
2. The Board of Directors at their meeting held today have recommended a payment of final Dividend of Rs.1.25 per Equity Share subject to the approval of Shareholders at their ensuing Annual General Meeting.

Kindly take the above information on record.

Thanking You,

Yours faithfully,

For **TEAMEC CHLORATES LIMITED**

  
**G Somasundaram**  
Company Secretary

CIN No.: U24290TN2009PLC071563

Member - Dr. Rao's Group of Companies

Regd. Off: 'TEAM House', GST Road, Vandalur, Chennai - 600 048, India.

Ph: +91 44 22750323 / 24 Fax: +91 44 22750771 E-mail: teamecplant@draaholdings.com, info@teamecchlorates.com

Plant: Plots 558 & 559, APIIC Growth Centre, Gundlapalli (V), Maddipadu (M), Prakasam (Dt), Ongole - 523211, Andhra Pradesh, Ph: 08593-202352 / 356, [www.teamecchlorates.com](http://www.teamecchlorates.com)

**Teamec Chlorates Limited**  
**CIN:U24290TN2009PLC071563**  
 Regd. Office: Team House, Vandalur, Chennai 600 048.  
 Phone No: +91 44 22750323 Fax No: +91 44 22750860

(Amount in Rs.)

**STATEMENT OF SPECIAL PURPOSE FINANCIAL RESULTS FOR THE YEAR ENDED 31/03/2017**

Sl. No.	Particulars	Current Year ended 31/03/2017 (Refer Note 7)	Previous Year ended 31/03/2016
		Audited (1)	Audited (2)
1	<b>Income</b>		
	(a) Income from operations (Net of excise duty)	140,43,30,809	24,81,13,436
	(b) Other Income (Refer Note 5)	1,83,50,570	21,67,741
	<b>Total Income (net)</b>	<b>142,26,81,379</b>	<b>25,02,81,177</b>
2	<b>Expenses</b>		
	(a) Cost of Materials Consumed (Refer Note 3)	6,95,52,170	2,53,38,340
	(b) Purchases of Stock-in-Trade	60,51,925	-
	(c) Changes in Inventories of Finished goods and Work-in-Progress	(67,53,391)	46,88,407
	(d) Other Direct Manufacturing Expenses	67,02,64,242	20,48,25,158
	(e) Employee Benefits Expense	14,31,93,402	1,62,59,506
	(f) Finance Cost	2,67,90,924	2,92,74,754
	(g) Depreciation and Amortisation Expense	13,04,82,984	3,58,50,287
	(h) Prior Period Items	2,88,46,529	-
	(i) Other Expenses (Refer Note 5)	19,95,04,918	2,04,03,273
	<b>Total Expenses</b>	<b>126,79,33,703</b>	<b>33,66,39,725</b>
3	<b>Profit/(Loss) before Exceptional and Extraordinary Items and Tax (1-2)</b>	<b>15,47,47,676</b>	<b>(8,63,58,548)</b>
4	Exceptional Items	-	9,07,72,312
5	<b>Profit before Extraordinary Items and Tax (3-4)</b>	<b>15,47,47,676</b>	<b>44,13,764</b>
6	Extraordinary Items	-	-
7	<b>Profit before Tax (5-6)</b>	<b>15,47,47,676</b>	<b>44,13,764</b>
8	Tax Expense		
	- Current Tax	2,88,31,525	-
	- Minimum Alternate Tax Credit	(2,88,31,525)	-
	- Deferred Tax	-	-
9	<b>Profit for the Year (7-8)</b>	<b>15,47,47,676</b>	<b>44,13,764</b>
10	Paid-up Equity Share Capital (Face Value of Rs.10 per share) (Refer Note 7)	23,43,05,040	9,88,08,040
11	Reserves excluding Revaluation Reserves	141,33,00,051	(17,35,06,719)
12	Earning per Share (Face Value of Rs 10 each) :		
	(a) Basic	10.32	0.87
	(b) Diluted	10.23	0.87



*Jm*

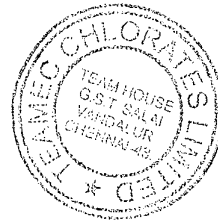
TEAMEC CHLORATES LIMITED

NOTES TO SPECIAL PURPOSE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

- 1 The above audited special purpose financial results were reviewed by the Audit Committee at its meeting held on 30 May 2017 and approved by the Board of Directors of the Company at their meeting held on that date.
- 2 The Company has identified business segment which is "Dealing with Chlor Alkali and Related Products/Services" as its primary segment and geographical segment as its secondary segment. The amounts appearing in the statement relate to this primary segment.
- 3 Cost of materials consumed depends on the availability/usage of the captive salt which is seasonal in nature and the market price/usage of the salt procured from external sources.
- 4 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 Puducherry plant of the Company 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.
- 5 The Net Exchange (Gain) and Net Loss on sale / discarding of Fixed Assets included under other income/other expenses, respectively is as under:

Particulars	(Amount in Rs.)	
	Current Year ended 31/03/2017	Previous Year ended 31/03/2016
Net Exchange Gain	(29,65,662)	-
Net Loss on sale / discarding of Fixed Assets	49,62,281	1,21,288

- 6 The Board of Directors at its meeting held on 30 May 2017 have recommended a final dividend of Rs.1.25 per equity share for the year ended 31 March 2017 subject to the approval of the shareholders.
- 7 The Scheme of amalgamation and arrangement ("the Scheme") between the Company and Chemfab Alkalis Limited (CAL) was approved with an appointed date of 1 April 2014 vide the order of the National Company Law Tribunal (NCLT) dated 30 March 2017 ('the order'). The merger has been accounted under the purchase method referred to in Accounting Standard 14 "Accounting for Amalgamation". Pursuant to the above:
  - (a) As on the Appointed date of 1 April 2014, the paid up share capital of the Company of Rs. 7,28,08,040 divided into 72,80,804 equity shares of Rs. 10 each, without any application or deed, were reduced to 7,28,080 equity shares of Rs. 10 each amounting to Rs. 72,80,800 and the credit arising on such cancellation of capital was adjusted against the debit balance in the Statement of Profit and Loss as per the Scheme.
  - (b) The Company has acquired net assets aggregating Rs. 120,71,05,208 as on the appointed date, for which the Company proposes to issue 1,31,02,424 Equity Shares of Rs. 10 each at a premium of Rs. 252 each aggregating Rs. 343,28,35,088. The resultant goodwill arising on account of the above amounting to Rs. 213,77,55,180 (net of deferred tax adjustments of Rs. 8,79,74,700) was amortized over a period of 2 years from the appointed date of merger. Also Refer Note 9.



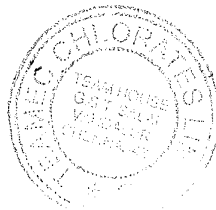
*[Handwritten signature]*

TEAMEC CHLORATES LIMITED  
NOTES TO SPECIAL PURPOSE FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2017

8 Details of Assets and Liabilities are given below:

(Amount in Rs.)			
Sl. No.	Particulars	As at Current year ended 31/03/2017 (Refer Note 7)	As at Previous year ended 31/03/2016
		Audited (1)	Audited (2)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Shareholders' Funds :</b>		
(a)	Share Capital	23,43,05,040	9,88,08,040
(b)	Reserves and Surplus	141,33,00,051	(17,35,06,719)
	<b>Total Shareholders' Funds</b>	<b>164,76,05,091</b>	<b>(7,46,98,679)</b>
	<b>Non-Current liabilities :</b>		
(a)	Long Term Borrowings	20,45,78,399	47,56,58,159
(b)	Other Long-Term Liabilities	1,43,73,356	-
(c)	Long-Term Provisions	1,12,06,802	-
	<b>Total Non-Current Liabilities</b>	<b>23,01,58,557</b>	<b>47,56,58,159</b>
	<b>Current Liabilities :</b>		
(a)	Short-Term Borrowings	31,95,799	-
(b)	Trade Payables	12,89,61,201	4,48,39,399
(c)	Other Current Liabilities	13,30,85,001	25,39,00,712
(d)	Short-Term Provisions	1,77,69,448	3,21,200
	<b>Total Current Liabilities</b>	<b>28,30,11,449</b>	<b>29,90,61,311</b>
	<b>Total - Equity and Liabilities</b>	<b>216,07,75,097</b>	<b>70,00,20,791</b>
<b>B</b>	<b>ASSETS</b>		
	<b>Non-Current Assets :</b>		
(a)	Fixed Assets (including Capital Work-in-Progress)	175,70,15,247	58,28,64,426
(b)	Non-Current Investments	18,46,928	-
(c)	Long-Term Loans and Advances	11,96,75,637	4,07,11,992
(d)	Other Non-Current Assets	7,76,09,243	-
	<b>Total Non-Current Assets</b>	<b>195,61,47,055</b>	<b>62,35,76,418</b>
	<b>Current Assets :</b>		
(a)	Current Investments	7,94,022	1,91,148
(b)	Inventories	4,30,70,556	1,66,83,680
(c)	Trade Receivables	8,54,30,362	61,72,872
(d)	Cash and Bank Balances	1,85,54,878	8,23,914
(e)	Short-Term Loans and Advances	2,50,37,883	38,17,508
(f)	Other Current Assets	3,17,40,341	4,87,55,251
	<b>Total Current Assets</b>	<b>20,46,28,042</b>	<b>7,64,44,373</b>
	<b>Total - Assets</b>	<b>216,07,75,097</b>	<b>70,00,20,791</b>

9 In view of the matter referred to in Note 7 above, the current year figures are strictly not comparable with the previous year figures. Previous year figures have been regrouped/reclassified wherever necessary.



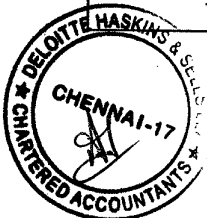
For TEAMEC CHLORATES LIMITED

*Suresh Krishnamurthi Rao*

SURESH KRISHNAMURTHI RAO  
CHAIRMAN

DIN No: 00127809

Place : Chennai  
Date : 30 May 2017



## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF TEAMEC CHLORATES LIMITED**

### **Introduction**

We have audited the accompanying Statement of Special Purpose Financial Results of **TEAMEC CHLORATES LIMITED** ("the Company") for the year ended March 31, 2017 ("the Statement"), duly stamped and initialled by us for identification. The Statement is a special purpose statement prepared by the Management and approved by the Board of Directors for submission to the Stock Exchanges.

### **Management's Responsibility for the Special Purpose Financial Results**

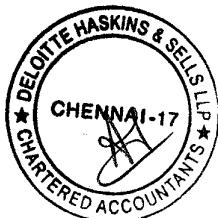
This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the audited financial statements of the Company which has been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Statement based on our audit of such financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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



**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid statement read with notes thereon, is prepared, in all material aspects, in accordance with the accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**Emphasis of Matter**

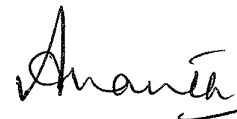
Attention is invited to Note 7 to the Statement relating to the Scheme of Amalgamation and Arrangement sanctioned by the National Company Law Tribunal on 30 March 2017 and the accounting treatment thereof given effect to in the Statement.

Our Opinion is not modified in respect of this matter.

**Restriction on Distribution**

This Special Purpose Statement has been prepared by the Management for submitting it to the Stock Exchanges. Our report is intended solely for the above purpose and is not intended to be and should not be used by anyone other than Management without our proper written consent.

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



**Ananthi Amarnath**  
Partner

(Membership No. 209252)

CHENNAI, 30 May 2017

