CHEMFAB/SEC/2021-22 **June 30, 2021**

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

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

BSE – Security Code: 541269

NSE Symbol: CHEMFAB

Dear Sir/ Madam,

Sub: Notice of the 12th Annual General Meeting and Annual Report 2020 -2021 – reg.
Ref. Regulation 34(1) of the Securities Exchange Board of India (LODR) Regulations – 2015

In pursuant to Reg.34(1) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, a copy of the annual report sent to the shareholders along with the notice of annual general meeting to be held on August 04, 2021, is enclosed herewith for your reference and record.

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

The Schedule of AGM is as set out below.

EVENT	DATE	TIME
Relevant Cut-off date to vote on AGM Resolutions	28.07.2021	NA
Commencement of E-Voting	01.08.2021	9.00 A.M
End of E-Voting	03.08.2021	5.00 P.M
Annual General Meeting	04.08.2021	10.00 A.M

Kindly take the above information on record.

Thanking You,

Yours faithfully,
For **CHEMFAB ALKALIS LIMITED**

CHEMFAB ALKALIS LTD. CHENNAI 600 048

Dr. V. Rajesh
Company Secretary and Compliance Officer

CCAL
CHEMFAB ALKALIS LIMITED

ANNUAL REPORT
2020-21

Technological dynamism with environmental commitment

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

Dr C H KrishnamurthiRao

7.11.1940-19.1.2012

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

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

CHEMFAB ALKALIS LIMITED

DIRECTORS

Mr. Suresh Krishnamurthi Rao	Chairman, Non-ExecutiveDirector
Mr. C.S. Ramesh	Non-Executive Director
Mr. R. Mahendran	Non-Executive Director
Mr. Nitin S Cowlagi (from 04.06.2020)	Non-Executive Director
Mrs. Sujatha Jayarajan	Independent Director
Mr. A. Janakiraman	Independent Director
Mrs. Drushti Desai	Independent Director
Mr. T. Ramabadhran	Independent Director

CHIEF EXECUTIVE OFFICER
Mr.V.M.Srinivasan

CHIEF FINANCIAL OFFICER
Mr.S. Prasath

COMPANY SECRETARY
Dr.V. Rajesh

AUDITOR
M/s Deloitte Haskins & Sells LLP
ASVN Ramana Tower,
#52, Venkatanarayana Road,
T. Nagar, Chennai-600017

BANKERS TO THE COMPANY
Axis Bank Limited,
6, St. Ange Street, Puducherry Branch,
Puducherry-605001

HDFC Bank Ltd
16, Centigo Bldg, 100 Feet Rd, Ellaipillaichavady,
Puducherry - 605005

REGISTERED OFFICE
"TEAM House", GST Salai, Vandalur, Chennai-600048
Phone : +91-44-22750323/24, Fax:+91-44-22750860
Email : chemfabalkalis@drraoholdings.com
Website : www.chemfabalkalis.com
CIN No : L24290TN2009PLC071563

FACTORIES

PUDUCHERRY
'Gnanananda Place', Kalapet, Puducherry-605014
Phone : +91-413-2655111, Fax: +91-413-2655125
Email : chemfabalkalis@drraoholdings.com
Website : www.chemfabalkalis.com

SRI CITY
No.650, Chigurapalem Road
Sri City, Tada, Andhra Pradesh 517646

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

MARKETING OFFICE
1A, Jeyam Kondar Towers, First floor
12/40, Murray's Gate Road, Alwarpet, Chennai - 600018
Phone : +91-44-42031444 / +91-44-24987874
Email :chemfabmktg@drraoholdings.com
Website : www.chemfabalkalis.com

REGISTRAR AND SHARE TRANSFER AGENT
M/s Cameo Corporate Services Ltd.
Subramanian Building, 1 Club House Road, Chennai-600002
Phone: +91-44-28460390 / 28460395, Fax:+91-44-28460129
Email : cameo@cameoindia.com,
Website:www.cameoonline.net

CCAL
CHEMFAB ALKALIS LIMITED

Suresh Krishnamurthi Rao
Chairman

CHAIRMAN's STATEMENT - FY - 2020 - 2021

Dear Shareowners,

The Financial Year 2020-21 has been challenging for each one of us. The COVID-19 pandemic has had a significant impact on livelihood and the business. Faced with COVID-19 pandemic and market headwinds that were mounting even before the pandemic, your company has focused on maintaining financial discipline, strengthening of its businesses, and setting up foundation for its growth plans.

Chlor-Alkali Segment

During the year, the domestic caustic soda prices remained at multi-year lows. This was due to drop in international prices during the previous year. Further the demand slowdown in the domestic market coupled with increase in domestic capacities has led to significant pricing pressures in the domestic market. We expect the prices to stabilize from here and positive momentum in domestic prices is expected to be seen from second half of next financial year.

The company has increased its production capacity from 125 TPD to 155 TPD during April 2021 and is closely following up with the government authorities to further scale up the operations to 200 TPD.

The company has commissioned the State-of-the-art RO Plant with Treated Sewage Water as feed in March 2021. This RO Plant has a capacity to produce 1 MLD of process water from either the Treated Sewage Water or from Seawater. This has enhanced strong commitment of your company towards preservation of natural resources and at the same time will help your company to scale up the operations to 200 TPD.

Further the business plans are firmed up for the green field project expansion at Karaikal location through wholly owned subsidiary company, viz., Chemfab Alkalis Karaikal Limited and the development activities are expected to be well under way by the end of next financial year.

PVCO-Segment

The Financial year 2020-21 was second full year operation of the PVCO unit. The business in this segment was impacted during the year due to minimal activity in the government sector and slow down in installation process at various sites. Due to the impact of COVID-19 the growth expected in the business was delayed.

The company has however focused on establishing PVCO pipes as a distinguished product in the segment of our operations. This has led to increased enquiries on the product and provided good order book visibility. Further the focus of the Government on irrigation and water transportation projects has provided an optimistic business outlook in the coming years.

During March 2021, The company has successfully commissioned the second production line at the PVCO plant. We are very proud of our production team for commissioning the second line without the Onsite presence of OEM manufacturers, due to global travel restrictions in place.

I express my sincere gratitude to the government and all our stakeholders for their continued support. My Special thanks to all our CCAL mates for their efforts and commitment for the progress of your company especially during these challenging times.

I thank the Directors on the Board for their continued guidance and valuable inputs.

Our thoughts are always with those directly affected by the pandemic and we are focused to do our bit to fight this pandemic. As a Socially responsible organization we have undertaken various measures to counter COVID 19 during the year supporting the Government, CCALmates and their families as well as the local community. We will continue these measures until we are able to overcome the pandemic.

Wishing you the best of health and abundance of all things good.

Sd/-
Suresh Krishnamurthi Rao
Chairman
Chemfab Alkalis Limited

CHEMFAB ALKALIS LIMITED

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

NOTICE OF THE 12th ANNUAL GENERAL MEETING

Notice is hereby given that the 12th Annual General Meeting of the Company will be held on Wednesday, 4th August 2021 through Video Conference (VC)/ Other Audio Visual Means (OAVM) at 10.00 A.M. IST to transact the following business:

ORDINARY BUSINESS:

1. ADOPTION OF FINANCIAL STATEMENTS:

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

"**RESOLVED THAT** the Audited Standalone and Consolidated Financial Statements of the Company i.e., Balance Sheet of the Company as at 31st March 2021 and the Statement of Profit and Loss A/c (incl. Comprehensive income), Statement of Cash Flow and Statement of Changes in Equity for the year ended on that date, together with the Reports of the Board of Directors ("the Board")and the Auditors there on as presented to this Annual General Meeting, be and are hereby approved and adopted".

2. RETIREMENT BY ROTATION:

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

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

SPECIAL BUSINESS:

3. RATIFICATION OF COST AUDITOR'S REMUNERATION

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

"RESOLVED THAT the decision to pay a Remuneration of Rs.1,70,000/- to M/s. Madhavan, Mohan & Associates, the Cost Auditors of the Company for the year 2021 – 22, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified".

4. SALE OF UNDERTAKING UNDER SECTION 180 (1)(a) OF THE COMPANIES ACT, 2013

To consider and, if thought fit, to pass with or without modifications, the following resolutions as Special Resolution:

"RESOLVED THAT pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the relevant Rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and the enabling provisions in the Memorandum of Association and Articles of Association of the Company, consent of the Company be and is hereby accorded, including confirmation of actions taken hitherto, to the Board of Directors of the Company to sell the fixed assets including land, building, plant & machinery & other assets at Ongole Plant, located at Plot No.558 & 559, APIIC Growth Centre, Gundlapalli (Village), Maddipadu (Mandal), Prakasam (District), Andhra Pradesh – Pincode-523211.

RESOLVED FURTHER THAT Mr. V.M. Srinivasan, Chief Executive Officer of the Company and Mr. S. Prasath, Chief Financial Officer of the Company be and are hereby authorized jointly to perform all such acts, deeds, matters and things, as may be necessary, to execute, deliver and perform such agreements, contracts, deeds and other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including government/semi-government/quasi-government authorities, lenders, financial institutions, legislative bodies, regulatory or administrative authorities, statutory bodies, in this regard, and deal with any matters, take necessary steps in the matter as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions were taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified, and confirmed in all respects."

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

Sd/-

Place: Chennai **Dr.V.Rajesh,**
Date: 21.05.2021 **CompanySecretary**

NOTES:

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

2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Businesses set out in the Notice is annexed hereto.

3. Pursuant to the provisions of Sections 107 and 108, read with the Companies (Management and Administration) Rules, 2014 read with notification GSR 207(E) dated 19th March 2015, and as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, and Circular No. 20/2020 dated May 05, 2020, the Company is pleased to offer the option of remote and AGM E-Voting facility to all the Members of the Company. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL). The Members can vote electronically either in advance during the e-voting period ("remote e-voting") or on the day of AGM. The Company has appointed S.A Inbavadivu, Advocate in Practice, as Scrutinizer.

CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETING

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

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, and May 05, 2020, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

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

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

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

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

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

No. 20/2020 dated May 05,2020 and Cirular No. 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars').

THE INSTRUCTIONS TO THE SHAREHOLDERS FOR E-VOTING AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

(i) The e-voting period begins on Sunday 01.08.2021 from 09.00 A.M and ends on Tuesday 03.08.2021 at 05.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 28.07.2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company providing a remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access the e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL**	1) Users who have opted for CDSL's (Electronic Access to Securities information) Easi / Easiest facility can login through their existing user id and password. The option will be made available to reach the e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, an option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration 4) Alternatively, the user can directly access the e-Voting page by providing Demat Account Number and PAN No. from a e-voting link on the www.cdslindia.com home page or click on https://evoting.cdslindia.com. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, the user will be provided links to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in Demat mode with **NSDL**	1) If you are already registered for the NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under the 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on the company name or e-Voting service provider name and you will be re-directed to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, an option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit Demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
Individual Shareholders (holding securities in Demat mode) login through their Depository Participants	You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. After successful login, you will be able to see the e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on the company name or e-Voting service provider name and you will be redirected to the e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at the above mentioned website.

<u>Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e., CDSL and NSDL</u>

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact the CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30

(V) LOGIN METHOD FOR E-VOTING AND JOINING THE VIRTUAL MEETING FOR PHYSICAL SHAREHOLDERS AND SHAREHOLDERS OTHER THAN INDIVIDUAL HOLDING SHARES IN DEMAT FORM.

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

2) Click on the "Shareholders" module.

3) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

For physical shareholders and other than individual shareholders holding shares in DEMAT.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) •Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or the company records to login. • If both the details are not recorded with the depository or company, please enter the member id/folio number in the Dividend Bank details field..

(vi) After entering these details appropriately, click on the "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach the 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that the company opts for e-voting through the 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) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN number: 210607001 on which you choose to vote.

(x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. Option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

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

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

(xvi) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI, etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) on which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter, etc. together with attested specimen signature of the duly authorized signatory who is authorized to vote, to inbacs@gmail.com scrutinizer of the Company and to the Company at the email address viz;ccaldcs@drraoholdings.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meetings & e-Voting on the day of the AGM is the same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend a meeting will be available where the EVSN of the Company will be displayed after a successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for a better experience.
5. Further shareholders will be required to allow Camera and use the Internet at a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **seven days before the meeting** (i.e., on or before 28.07.2021) mentioning their name, Demat account number/folio number, email id, mobile number at ccaldcs@drraoholdings.com. The shareholders who do not wish to speak during the AGM but have only queries also may send their queries in **advance seven days prior to the meeting** (i.e., on or before 28.07.2021) mentioning their name, Demat account number/ folio number, email id, mobile number at ccaldcs@ drraoholdings.com.These queries will be replied by the company suitably by email.
8. **Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.**

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

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

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to jessy@cameoindia.com / ccaldcs@drraoholdings.com on or before 31.07.2021.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

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

ITEM: NO: 3- RATIFICATION OF REMUNERATION TO THE COST AUDITOR

At the Board Meeting held on May 21, 2021, after considering the recommendation of the Audit Committee, the Directors appointed M/s. Madhavan, Mohan & Associates, Cost Accountant, as the Cost Auditor of the Company for the year 2021 – 2022 on the remuneration of Rs.1,70,000/- including out-of-pocket expenses. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

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

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

ITEM NO: 4 SALE OF UNDERTAKING

During the period 2016 – 17, the erstwhile ‘Chemfab Alkalis Limited’ (‘Transferor’) was amalgamated with Teamec Chlorates Ltd (‘Transferee’), and subsequently the name of the resultant entity was changed to Chemfab Alkalis Ltd. Since then, the company continues to show both the units under a single segment in the Financial Statement.

Prior to this amalgamation, the transferor company (i.e., Teamec Chlorates Ltd) had manufactured Sodium Chlorate (lye and crystal) with an installed capacity of 31.57 MT per day and Hydrogen whose capacity is linked to Sodium Chlorate Production at the plant situated at Ongole Plant, located at Plot No.558 & 559, APIIC Growth Centre, Gundlapalli (Village), Maddipadu (Mandal), Prakasam (District), Andhra Pradesh – Pincode-523211.

During the past years, the company undertook various measures to improve the operations of the Ongole unit. Due to various external hardships in running the plant, the management had suspended operations of the plant from 10th July 2018.

The Management, considering the expansion plans in the existing units offering better business prospects and after assessing the current business dynamics of product realization and demand, competition, commercial viability, investment of time and resources required to restart the plant and operate viably has decided to sell the Ongole Plant.

Members of the Company are further requested to note that Section 180 (1)(a) of the Companies Act, 2013 mandates that the Board of Directors of a company shall exercise the power to sell, lease or otherwise sell of the whole or substantially the whole of any undertaking(s) of the company, only with the approval of the members of the Company by way of a special resolution.

Accordingly, members of the Company are further requested to note that their consent to the Board is being sought by way of a Special Resolution to sell the Fixed assets including land, Building, Plant & Machinery & other assets at Ongole Plant.

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

The Board commends the passing of the resolution as set out in Item no.4 of the Notice for approval of the members as a Special Resolution.

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

Sd/-

Place: Chennai **Dr.V.Rajesh,**

Date: 21.05.2021 **Company Secretary**

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

Your Directors have the pleasure of in presenting the 12th Annual Report of Chemfab Alkalis Limited along with the Audited Standalone and Consolidated financial statements for the financial year ended 31st March 2021.

The summarized financial results are as under:

Financial Summary:

Particulars	Consolidated (Rs. In Lakhs)		Standalone (Rs. In Lakhs)	
	Year ended. 31 March 2021	Year ended. 31 March 2020	Year ended. 31 March 2021	Year ended. 31 March 2020
Summary of Profit and Loss Statement:				
Total Revenue	18081.13	20452.32	18081.13	20452.32
Profit before Finance Cost and Depreciation	2469.77	5815.99	2478.89	5830.32
Less: Finance Cost	245.17	315.00	245.17	315.00
Profit before Depreciation	2224.60	5500.99	2233.72	5515.32
Less: Depreciation and amortization	2022.02	2508.76	2022.02	2508.76
Profit Before Exceptional Items	202.58	2992.23	211.70	3006.56
Exceptional Items	-	-321.03	-	-321.03
Profit before Tax	202.58	2671.20	211.70	2685.53
Less: Tax including Deferred Tax	1015.73	126.59	1015.65	126.59
Profit/(Loss) after Tax	-813.15	2544.61	-803.95	2558.94
Other Comprehensive Income/(Loss)	53.66	71.58	53.66	71.58
Total Comprehensive Income/(Loss)	-759.49	2616.19	-750.29	2630.52
Summary of Retained Earnings Movement:				
Balance brought forward from last year	-9519.03	-11918.64	-9504.70	-11918.64
Add: Profit/(Loss) after Tax	-813.15	2544.61	-803.95	2558.94
Add: Other Comprehensive Income	51.98	73.53	51.98	73.53
Less: Impact of adoption of Ind AS 116	-	8.62	-	8.62
Less: Appropriations				
Final Dividend	174.85	174.12	174.85	174.12
Tax on Dividend	-	35.79	-	35.79
Balance Carried to Balance Sheet	-10455.05	-9519.03	-10431.52	-9504.70

Performance and State of Affairs of the Company:

During the year, the product realization for the Chemical Division had decreased substantially which resulted in decrease in revenue and profitability of the company. Also, COVID-19 pandemic impacted the Pipes business with intermittent Government lockdown measures and delay in Project approvals delaying the project installations leading to plant operating at lesser capacity.

Further the sharp rise in the PVC Resin prices, major raw material for pipes led to margin contraction in the PVCO pipes segment.

During the year under review, the group achieved a total revenue of Rs. 18081.13 Lakhs and loss of (Rs. 813.15) Lakhs.

Dividend:

The Board of Directors of the Company did not declare the dividend for the year ended 31st March 2021 in view of loss.

Transfer of profit to reserves:

Not applicable as the Company has a loss during the year.

Material Changes during the reporting period:

No material changes have occurred, or any commitments made between the financial period ended March 31, 2021 and the date of this report, which would adversely affect the financial position of the company.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. Composition of the Board of Directors

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

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

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

The Registration details are as below:

Sl. No	Name of the Director	Registration number
01.	T. Ramabadhran	IDDB DI-202002-007333
02.	A. Janakiraman	IDDB-DI-202002-007989
03.	J. Sujatha Jayarajan	IDDB-DI-201912-001692
04.	R. Drushti Desai	IDDB-DI-202002-015500

Board Composition:

The Board is well balanced with a composition of four Non- Independent Directors and four Independent Directors (including two Women Independent directors).

Category	Name of Directors
Non – Independent Directors	Mr. Suresh Krishnamurthi Rao Mr. C S Ramesh Mr. R Mahendran Mr. Nitin S Cowlagi (with effect from 04.06.2020)
Independent Directors	Mr. A Janakiraman Mrs. Drushti Desai Mrs. Sujatha Jayarajan Mr. T Ramabadhran

Thus, the composition of the Board is in line with the terms of Section 149 of the Companies Act 2013 and Regulations 17(1)(b) of the SEBI (LODR) Regulations, 2015.

B. Meetings

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

During the Financial Year 2020 - 2021, the Board of Chemfab Alkalis Limited met five times as under:

Sl. No	Dates of meetings of the Board	Quarter	No. of Directors on the date of Meeting	Total No. of Directors attended
1	04.06.2020	First	7	7
2	30.07.2020	Second	8	8
3	29.10.2020	Third	8	7
4	29.01.2021	Fourth	8	8
5	31.03.2021	Fourth	8	8

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

C. Re-appointment of Directors Retiring by Rotation

In terms of Section 152 of the Companies Act, 2013, Mr. C.S. Ramesh (DIN - 00019178) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The Board of Directors based on the recommendation of the Nomination and Remuneration Committee, has recommended the re-appointment of Mr. C.S. Ramesh (DIN - 00019178) retiring by rotation.

D. Committees of the Board

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

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

E. Performance Evaluation

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

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

F. Directors' Responsibility Statement

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

(a) in the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable Accounting Standards and Schedule III of the Act have been followed and there are no material departures.

(b) 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 affairs of the Company at the end of the financial year and of the loss of the Company for the financial year 2020-2021.

(c) the Directors had taken proper and sufficient care for 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.

(d) the Directors had prepared the annual accounts on a going-concern basis.

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

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

G. Changes in Directors and Key Managerial Personnel

Mr. Nitin S Cowlagi, Chief Financial Officer of the Company retired w.e.f., 07.04.2020, and upon the recommendation of the Nomination and Remuneration Committee, the Board has appointed Mr. S. Prasath, an associate member of ICAI as the Chief Financial Officer of the Company w.e.f., 07.04.2020.

Subsequently, Mr. Nitin S. Cowlagi, was appointed as an Additional Director of the Company in the meeting of the Board held on 04.06.2020 and his appointment was regularized as Non - Executive – Non – Independent Director in the Annual General Meeting held on 29.07.2020.

H. Changes in Subsidiaries, Joint Ventures and Associates

Your Company had incorporated, a wholly owned subsidiary namely 'Chemfab Alkalis Karaikal Limited' on 19.12.2019 for manufacture of Caustic Soda Lye and downstream products in all forms and kinds.

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

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

Apart from the above there are no any changes in the Subsidiaries, Joint ventures and Associates during the year 2020-2021. Refer the extract of the financial statement in **Annexure - B**.

I. Significant or Material Orders Passed by Regulators / Courts

There were no significant or material orders passed by any regulator/ court during the reporting period.

J. Declaration by Independent Directors

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

K. Details in respect of Frauds

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

L. Fixed Deposits:

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

M. Details of contracts or arrangements with related parties:

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

N. Code of Conduct for prevention of Insider Trading:

The Company has a policy viz., "Code of Conduct for prevention of Insider Trading" and the same has been posted on its website www.chemfabalkalis.com. The Company also monitors insider trading activities through vigilant software in accordance with the Regulation 5(3) of SEBI (LODR) (Amendment) Regulations 2020.

O. Development and implementation of a Risk Management Policy:

The main objective of Risk Management is risk reduction and avoidance, as also identification of the risks faced by the business and optimizing of the risk management strategies. The Company has put in place a well-defined Risk Management framework. The Company has constituted a Risk Management Committee even though the constitution of the same is NOT applicable to the Company since it is mandatory only for the top 1000 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring and reviewing the Risk Management Plan. The Committee lays down the Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through properly defined framework.

The Company has also obtained certification for ISO 14001 and OHSAS 18001 systems to take care of critical operational areas. The Company has also implemented Process Safety Management (PSM). Indeed, we are the first company in our industry to implement the same.

We are continuing with the publishing of sustainability report, enhancing our commitment to sustainable development.

P. Technology absorption, Conservation of energy and Research and development:

The Company has an in-house Research and Development Department, where the main areas of focus are Energy Conservation, Process Up-gradation and Environmental Preservation. The Ministry of Science and Technology, Department of Scientific and Industrial Research, Government of India, has recognized the Company's in-house R&D facilities.

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

Awards received during the year (2020 – 21):

1. "INNOVATIVE ENVIRONMENTAL PROJECT" for the conversion of non-hazardous brine sludge to bricks for use in civil construction.

2. FICCI – CHEMICAL AND PETROCHEMICAL AWARDS – 2021

Two awards:

a) Award for "SUSTAINABILITY – BEST GREEN PROCESS" for the production of soda ash from flue gas.

b) Award for "SUSTAINABILITY – BEST GREEN PRODUCT" for the conversion of non-hazardous brine sludge to bricks for use in civil construction.

   Award presented by Mr. Mansukh Mandaviya, Hon'ble Minister of State for Ports, Shipping and Waterways (IC) & Minister of State for Chemicals and Fertilizers, GOI on 17.03.21 at Hotel Taj Palace, New Delhi.

The Company continues to take all possible steps to conserve energy in every area of its operations. A brief write up on Conservation of Energy and Technology Absorption is given in **Annexure D**.

Q. Cost Records

Your Company is maintaining cost records and reports pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub – section (1) of Section 148 of the Companies Act, 2013.

AUDIT RELATED MATTERS:

A. Statutory Auditors

As per the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit and Auditors) Rules, 2014, the Auditors, M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) were appointed as Statutory Auditors of the Company at the Annual General Meeting held on 04.09.2017 for a period of Five (5) consecutive Financial Years from 2017-18 to 2021-2022.

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

B. Cost Auditor:

As per Sec. 148 (6) of Companies Act 2013 and rule 6(6) of the Companies (Cost records and audit) Rules, 2014, the applicability of Cost audit is based on the overall annual turnover of the company, from all its products and services during the immediately preceding financial year, being rupees one hundred crore or more. Under Rule 3 of the same Regulations, the maintenance of cost records is applicable to companies whose aggregate turnover of the individual product or products or service or services is Rupees thirty-five crores or more.

In conformity with the said provisions of the Companies Act, 2013, the Company has appointed M/s. Madhavan, Mohan & Associates, Cost Auditors, as the Cost Auditor, for the audit of cost accounts for your Company for the year ending 31st March 2022. The remuneration to be paid to him is being ratified at this Annual General meeting.

C. Secretarial Audit Report:

Pursuant to Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. M.R. Thiagarajan, Company Secretary-in-Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report in Form No.MR.3 for financial year 2020-2021, is annexed herewith, as **Annexure - H**

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

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

D. Internal Financial Controls:

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

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

The Audit committee at its meeting held on May 21, 2021 has evaluated the internal financial controls and risk management system.

E. Internal Auditor:

The Board appointed, M/s. Mukesh, Manish & Kalpesh, Chartered Accountants as internal auditor for the Financial Year 2021-2022 based on the recommendation of the Audit Committee.

BOARD COMMITTEE COMPOSITION

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

A. Audit Committee

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

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

Consequent to the Appointment of Mr. Nitin S Cowlagi, the Board reconstituted the committee w.e.f., 30th July 2020 in terms of Section 177 of the Companies Act, 2013 and in terms of Regulation 18 of SEBI (LODR) Regulations, 2015.

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

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

B. Nomination and Remuneration Committee:

According to Section 178 of the Companies Act, 2013 and in terms of Regulation 19 of SEBI (LODR) Regulations, 2015, the Company has set up a Nomination and Remuneration Committee which has formulated the criteria for determining the qualifications, positive attributes and independence of a Director and ensures that:

1. The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate Directors having the quality required to run the Company successfully.
2. The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
3. The remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and variable pay, reflecting short-term and long-term performance, objectives appropriate to the working of the Company and its goals.

The Nomination and Remuneration Policy of your Company is set out and available in your company website www.chemfabalkalis.com. A detailed note on the Nomination and Remuneration Committee is given in the Corporate Governance Report forming part of the Annual Report.

C. Stakeholders' Relationship Committee:

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

D. Risk Management Committee:

The Company has constituted a Risk Management Committee even though the constitution of Risk Management Committee is NOT applicable to the Company since it is mandatory only for the top 1000 listed Companies as per the listing regulations. The Risk Management Committee assists the Board in drawing up, implementing, monitoring and reviewing the Risk Management Plan. The Committee lays down Risk Assessment and Minimization Procedures and it reviews the Procedures periodically to ensure that the Executive Management controls the risks through properly defined framework.

E. Corporate Social Responsibility (CSR) Committee:

The Board has constituted the Corporate Social Responsibility Committee in accordance with Section 135 of the Companies Act, 2013. The Company is committed to operate in a socially responsible manner in terms of protecting the environment and conserving water resources and energy. Details of the CSR Policy drawn up by the Company and the CSR expenditure and initiatives taken during the year 2020 – 21 are given in **Annexure – E** to this Report.

OTHER MATTERS

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

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

However, your company had incorporated a wholly owned subsidiary during the year 2019 in the name and style 'Chemfab Alkalis Karaikal Limited' and invested a sum of Rs. 8,00,00,000 (Rupees Eight Crores only), in the form of 53,20,000 equity shares of Rs. 10/- each aggregating 5,32,00,000 (Rupees Five Crore Thirty-Two Lakhs only) and 26,80,000 shares of Rs.10/- each in the form of 0.01% Cumulative Convertible Preference Shares amounting to Rs. 2,68,00,000 (Rupees Two Crore Sixty-Eight Lakhs only).

B. Remuneration details of Directors and Employees

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

C. Debentures

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

D. Bonus Shares

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

E. Borrowings

The Company has outstanding borrowings including IND AS accounting adjustment entries and interest accrued of Rs.3084.02 Lakhs during the financial year ended March 31, 2021.

F. Deposits

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

G. Transfer to Investor Education and Protection Fund

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

H. Credit Ratings

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

I. Code of Corporate Governance

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

J. Code of conduct for Directors and Senior Management:

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

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

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

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

K. Management Discussion and Analysis Report

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

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

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

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

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

a. Number of complaints filed during the financial year - NIL

b. Number of complaints disposed off during the financial year – NIL

c. Number of complaints pending as on end of financial year – NIL

M. Vigil Mechanism:

The Company has established a vigil mechanism, also called the Whistle Blower Policy, which has been adopted by the Board, applicable to Directors and employees, to report concerns about unethical behaviour, 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 available in our Company's website.

N. Annual Return – MGT – 7

As per the Companies (Amendment) Act, 2017, the company's annual return is placed in the company's website. Kindly refer the annual return for the FY 2019 – 2020 in the company's website www.chemfabalkalis.com/investors.

The company will also place the annual return for the FY 2020 – 21 in the company's website post – AGM.

O. Employees' Stock Option Scheme 2015

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

The purpose of the Scheme is:

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

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

As per the approval given by the Shareholders of Chemfab Alkalis Limited, the Options granted to the employees of the amalgamated Company Chemfab Alkalis Limited also carry the eligibility of application of the Swap ratio of 10:7 (i.e., 10 shares of Rs.10 each for every 7 shares of Rs.5 each held) mentioned in the Scheme of Amalgamation of erstwhile Chemfab Alkalis Limited to the Company approved by the NCLT vide its Order dated 30.03.2017. Shares allotted during the reporting period under employee stock option scheme are as provided below:

Particulars	No. of shares allotted
During the FY 2018 – 19	60,000
During the FY 2019 – 20	59,000
During the FY 2020 – 21	1,19,999
Total shares allotted under CAESOS – 2015	**2,38,999**

Price at which shares were issued: Rs.52.43

Diluted EPS – (Rs.5.74/-) (Standalone),
Diluted EPS – (Rs. 5.81/-) (Consolidated)

Equity Shares with differential voting rights: NA; Sweat Equity Shares: NA

Details of voting rights not exercised: NA.

P. Employees' Stock Option Scheme 2020

Your Company has launched another Employees Stock Option Plan i.e., Employees Stock Option Scheme, 2020 ('ESOP Scheme') in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, with the approval of the shareholders in the annual general meeting held on 29.07.2020 for issuing 4,00,000 equity shares.

The Company also obtained in-principle approval from BSE and NSE dt: 22.09.2020 and 24.09.2020 respectively.

During the year under review, your Company has granted the stock options to the eligible employees. The disclosure required under the said Regulations is forming part of the Annual report.

Q. Green initiatives

Pursuant to the Ministry of Corporate Affairs (MCA) circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. Electronic copies of the Annual Report 2020 – 21 and Notice of the Twelfth (12^{th}) Annual General Meeting are sent to all the members whose email addresses are registered with the Company/Depository Participant(s). Further, the soft copy of the Annual Report (in pdf format) is also available on our website https://chemfabalkalis.com/investors/

Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, and Listing Regulations, the Company is providing e-voting facility to all members to enable them or their nominees to cast their votes electronically on all resolutions set forth in the notice. The instructions for e-voting are provided in the notice.

R. Statement on Secretarial Standards

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

S. Human Resources

Employee relation continues to be cordial and harmonious at all levels and in all the division of the Company.

The Board of Directors would like to express their sincere appreciation to all the employees for their continued hard work and dedication.

The number of Direct employees as on March 31, 2021 was 188. The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure - F** to the Board's Report.

Acknowledgement

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

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

Sd/-
Suresh Krishnamurthi Rao,
Chairman
DIN: 00127809

Place: Chennai
Date: 21.05.2021

Annexure – A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The company operates in Two segments viz Chlor- alkali segment and Oriented PVC Pipes segment.

CHLOR-ALKALI INDUSTRY

During the last year, the Global Caustic Soda Lye prices dropped substantially and were operating between US$ 200 – 300 and have been range-bound for the entire year. On the domestic front, the additional capacities which have been added in the West have brought in an imbalance in the Supply-demand situation, thereby impacting negatively prices of the Chlor-Alkali products.

The year 2020-21, also saw a "Demand Slowdown" across verticals due to COVID 19 which impacted the realizations and the volumes. The capacity utilization in the Chlor-Alkali industry in 2020-21 is expected to be lower at around 71% compared to 79% in the previous year.

During the first quarter of FY 2021-22, we have increased our capacity from 125 TPD (Tons per day) to 155 TPD. We further expect to increase our Caustic plant capacity to 200 TPD during FY 2021-22.

ORIENTED PVC PIPES (PVC-O PIPES)

In FY 2020-21, there was minimal activity in the Government sector for the first six months of the financial year due to COVID-19. In the non-Government sector, the progress in terms of order booking was good but offtake was slow.

In the irrigation segment, PVC-O Pipes are getting established as a product option. The query base has increased in FY 20-21 both in Government and non-Government sectors. The visibility of the product has improved considerably during the year and we are hopeful FY 2021-22 will better.

As we are visualizing good demand in both private as well as Government segments, we have commissioned our Second Machine during Q4 of FY 2020-21. This effectively doubles our capacity from 3000 TPA (Tons per annum) to 6000 TPA. This will help us maintain our Market Leadership position.

OPPORTUNITIES AND THREATS

COVID -19 had a huge impact on the economy with the GDP plummeting to all-time lows during 2020-21. Revival is now seen in the economy, the prices and the demand for all the Chlor-Alkali products are likely to improve during 2021-22. Further, the build-up of additional capacity in the domestic industry in 2021-22 is likely to slow down leading to stability in domestic prices. Also the international prices of Caustic Soda has bottomed out and we are expecting bounce back in prices from Q1/FY 2021-2022.

In the PVCO business, with Central Government's focus on water connectivity as well as many State Government schemes, demand is expected to be robust. The Central Government has launched water supply projects both in rural and urban areas. A few State Governments are also proposing new water supply projects in FY 21-22. Also, with the lift irrigation projects in the Non-Government sector expected to increase, the business opportunities are encouraging.

OUTLOOK

With the expected growth in the country's GDP in FY 2021-22 as compared to the last fiscal, demand growth in the Chlor-Alkali segment is also expected to do well. The growth in Realisation and Demand is expected to commence moderately in the 1st half of FY 21-22 and expected to improve further during the 2nd Half of FY 21-22, as the commodity cycle for Caustic is expected to turn around.

PVCO Pipe industry is looking optimistic due to the focus of both the Central as well as State Governments on water connectivity and distribution. Now PVC-O Pipes have been accepted both in the Government and non-Government projects and with the proven track record, we expect good growth in market demand.

However, the impact of COVID-19 needs to be monitored as the extended impact would have an adverse effect both on volumes as well as prices in both segments.

RISKS AND CONCERNS

For the Chlor-Alkali business dependence on grid power continues to be a risk though the Puducherry power scenario remains reasonably stable but the possibility of the increase in the cost of power is a concern in the long run. For the PVCO Pipes business, we see the high cost of the main raw material PVC resin proving to be a risk that could impact the margins of the segment.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

During the year, the realization for the Chemical Division decreased sharply which resulted in a decrease in sales turnover and profitability of the company. Also, the offtake of pipes in the PVCO segment remained dull leading to decreased operational capacity. Further, the sharp rise in the PVC Resin prices led to margin contraction in the PVCO pipes segment.

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

During the year under review, Industrial Relations continued to be cordial. The Company had 188 direct employees on the payroll as of 31.03.2021 and had provided indirect employment to 171 persons on an average during the FY 2020-21.

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

S. No.	Ratio Analysis	FY 20-21	FY 19-20	Variance	Variance %	Remarks
(i)	Debtors Turnover Ratio (Times) (Revenue from operations / Average Trade Receivables)	14.64	15.80	-1.17	-7%	Decrease due to decrease in Revenue from Operations and increase in Trade Receivables
(ii)	Inventory Turnover Ratio (Times) (Revenue from operations / Average Inventories)	20.33	24.44	-4.12	-17%	Decrease due to decrease in Revenue from Operations
(iii)	Interest Coverage Ratio (Times) (EBIT / Finance Cost)	1.86	10.54	-8.68	-82%	Decrease due to reduction in EBIT
(iv)	Current Ratio (Times) (Current Assets/ Current Liabilities)	1.82	1.03	0.79	76%	Increase due to increase in Current Assets
(v)	Debt Equity Ratio (Times) (Current + non current borrowing / total equally)	0.12	0.15	-0.04	-25%	Decrease due to Decrease in Borrowings
(vi)	Operating Profit Margin (%) (Profit before exceptional items - Other Income / Revenue from Operations)	0.41%	13.18%	-13%	-97%	Decrease due to decrease in Revenue and Margins
(vii)	Net Profit Margin (Profit before exceptional Items / Revenue from Operations)	1.17%	14.70%	-14%	-92%	Decrease due to decrease in Revenue and Margins

The above comparison is on standalone financial statements.

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

		FY 20-21	FY 19-20	Variance
Return on Net worth				
(Profit after Tax/ Total Equity)	%	-3.00%	9.28%	-12.29%

Return on net worth is computed as a ratio of Profit after tax to total equity. The negative variance is mainly due to lower profit after tax in the current year compared to the previous year.

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 the future for reasons beyond its control.

ANNEXURE – B

FORM NO. AOC.1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARY (PURSUANT TO THE FIRST PROVISO TO SUB-SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014)

Part "A": Subsidiary

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

Name of the Subsidiary	Chemfab Alkalis Karaikal Limited
The reporting period for the subsidiary concerned, if different from the holding company's reporting period	2020 – 2021
Reporting Currency and Exchange rate as of the last date of the relevant financial year in the case of foreign subsidiaries	NA
Equity Share capital	532.00
Other Equity	(23.53)
Total Assets	784.09
Total Liabilities	275.62
Investment	51.50
Turnover	-
Profit before taxation	(9.12)
Provision for taxation	0.08
Profit after taxation	(9.20)
Proposed Dividend	-
% of shareholding	100%

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

Part "B": Associates and Joint Ventures

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

In terms of our report attached

For and on behalf of the Board of Directors

Sd/-
Suresh Krishnamurthi Rao
Chairman
DIN: 00127809

Place: Chennai
Date: 21.05.2021

Sd/-
V M Srinivasan
Chief Executive Officer

Sd/-
S Prasath
Chief Financial Officer

Sd/-
V Rajesh
Company Secretary

ANNEXURE – C

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 arm's length transactions under third proviso thereto:

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

There were no contracts or arrangements, or transactions entered during the year ended March 31, 2021, which were not at arm's length basis.

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

There were no material contracts or arrangements, or transactions entered during the year ended March 31, 2021.

For and on behalf of Board of Directors of

Sd/-

Suresh Krishnamurthi Rao

CHAIRMAN

DIN No: 00127809

Date: 21.05.2021

Place: Chennai

ANNEXURE – D

STATEMENT OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

A. Conservation of Energy

Particulars	Details
(i) The steps are taken or impact on the conservation of energy	VFD operation, LED Conversion and other operational controls have resulted in savings of 1047408 Units during FY 2020-21
(ii) The steps were taken by the company for utilizing alternate sources of energy	1. Existing 220KWp Roof Top Solar has resulted in the Generation of 309633 Units. 2. CCAL has entered into LTOA 10 MW Solar power procurement through the PED grid. Supply commenced from 24.03.2021 with 132187 Units supplied in March 2021
(iii) The capital investment in energy conservation equipment	Capital investment on Energy conservation initiatives was Rs. 7.96 Lakhs during FY 2020-21

B. Technology Absorption

Particulars	Details
(i) The efforts made towards technology absorption	-
(ii) The benefits derived like product improvement, cost reduction, product development, or import substitution	-
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
a) the details of technology imported	a) License to use of Technology, Know-how, and IP Rights to manufacture Oriented PVC ("PVC-O") from Molecor Tecnologia, S.L., Spain
b) the year of import;	b) 2018, 2019
c) whether the technology been fully absorbed;	c) Yes
d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	d) N.A.

C. Foreign exchange earnings and Outgo-

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

Particulars	Amount
Foreign exchange earnings	Rs. 70.42 Lakhs
Foreign Exchange outgo	Rs. 345.43 Lakhs

ANNEXURE - E

REPORT ON CSR ACTIVITIES FOR THE FY 2020 - 21

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2021, as amended]

1. A brief outline on CSR Policy of the Company:

A brief outline of the company's CSR Policy, including an overview of projects or programs proposed to be undertaken and a reference to the Web-link to the CSR Policy and Projects or Programs.

The Company will take up community and socially focused activities, with Particular emphasis on the following activities, hereinafter referred to as "CSR activities"

I. Promoting preventive and general health care, sanitation including contribution to the Swach Bharat Kosh set up by the Central Government for the promotion of sanitation and provision of safe drinking water.

II. Promoting education by providing financial assistance to deserving educational institutions, meritorious students, including special education and employment enhancing vocation skills especially among children, women, elderly, and differently-abled, promoting livelihood enhancement projects and road safety projects with special emphasis on driver training programmes.

III. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centers, and such other facilities for senior citizens.

IV. Ensuring environmental sustainability, ecological balance, protection of Flora and Fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of the Ganga.

VII. Contributing to rural development projects; and

VIII. Such other activities and projects are covered in Schedule VII to the Companies Act, 2013 and notifications made by the Ministry from time to time.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr.C.S.Ramesh	Chairperson and Non –Independent Director	2	2
2	Mr.T.Ramabadhran	Member –Independent Director	2	2
3	Mr.A.Janakiraman	Member –Independent Director	2	2
4	Mrs.Sujatha Jeyarajan	Member –Independent Director	2	2
5	Mr. R. Mahendran	Member –Non Independent Director	2	2
6	Mr.Nitin S Cowlagi	Member –Non Independent Director	2	1

3. Web link where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the company - https://chemfabalkalis.com/community-outreach/

4. Details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not applicable.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any – Nil

6. Average net profit of the company as per section 135(5) - Rs. 39,00,66,168

7. (a) Two percent of average net profit of the company as per section 135(5) Rs. 78,01,323

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL

(c) Amount required to be set off for the financial year if any: NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c). Rs. 78,01,323

8. (a) CSR amount spent or unspent for the financial year:

	Amount Unspent (in Rs.)				
Total Amount Spent for the Financial Year.	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
78,57,834	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				state	District						Name	CSR Registration number
NIL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	The item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency.	
				state	District			Name	CSR Registration number
01.	Cyclone Disaster Relief Management	Schedule VII (xii)	Yes	Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	4,32,874	Yes	-	-
02.	Education and Training	Schedule VII (ii)	Yes	Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	7,34,948	Yes	-	-
03.	Employment enhancing vocational skills	Schedule VII (ii)	Yes	Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	97,441	Yes	-	-
04.	Ensuring Environment Sustainability	Schedule VII (iv)	Yes	Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	5.98.121	Yes	-	-

05.	Healthcare	Schedule VII (i)	Yes	Local Area, Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	11,200	Yes	-	-
06.	Safe Drinking water	Schedule VII (i)	Yes	Local Area, Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	4,44,734	Yes	-	-
07.	COVID 19 Disaster Relief Management	Schedule VII (xii)	Yes	Local Area, Puducherry/ Tamil Nadu	Puducherry/ Tamil Nadu	55,38,516	Yes	-	-
	TOTAL					**78,57,834**			

(d)Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f)Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 78,57,834

(g) Excess amount for set-off, if any Rs. 56,511

Sl. No	**Particular**	**Amount (in Rs.)**
(i)	Two percent of average net profit of the company as per section 135(5)	39,00,66,168
(ii)	Total amount spent for the Financial Year	78,57,834
(iii)	Excess amount spent for the financial year [(ii)-(i)]	56,511
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	The amount available for set off in succeeding financial years	56,511

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	**Preceding Financial Year.**	**Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)**	**Amount spent in the reporting Financial Year (in Rs.).**	**Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.**			**Amount remaining to be spent in succeeding financial years. (in Rs.)**
				Name of the Fund	**Amount (in Rs).**	**Date of transfer**	
NIL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

10. In case of creation or acquisition of the capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

(Asset-wise details).

S. No.	(a) Date of creation of asset	(b) amount of CSR spend (Rs.)	(c) details of beneficiary	(d) details of capatial assets
1	30.04.2020	1,30,130	Dr. Ambedkar Government Law college, Kalapet, Puducherry	4 Nos HP desktop
2	12.05.2020	46,600	Dr. Ambedkar Government Law college, Kalapet, Puducherry	Projector
3	16.09.2020	1,37,000	Chunampet Village, Chunampet Panchayat, Chengalpattu District, Tamil Nadu.	Drinking water facilities with piling & borewell
4	12.11.2020	3,06,533	Villivakkam Village, Chunampet Panchayat, Chengalpattu District, Tamil Nadu.	30,000 liters Overhead tank

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5) - NA

Sd/-
MR. V. M. SRINIVASAN
Chief Executive Officer

Sd/-
C.S. RAMESH).
Chairperson CSR Committee

ANNEXURE – F

REMUNERATION DETAILS

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

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

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

Amount Rs. in Lakhs

Sl. No.	Director Name	Remuneration FY 2020-21	Median Remuneration of Employees FY 2020-21	Ratio
1	Mr. Suresh Krishnamurthi Rao	210.00	5.37	39.11
2	Mr. C. S. Ramesh	7.10	5.37	1.32
3	Mrs. Drushti Desai	7.03	5.37	1.31
4	Mr. Janakiraman A	6.88	5.37	1.28
5	Mr. Mahendran R	6.03	5.37	1.12
6	Mrs. Sujatha Jayarajan	6.73	5.37	1.25
7	Mr. T. Ramabadhran	7.18	5.37	1.34
8	Mr. Nitin S Cowlagi	1.18	5.37	0.22

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

Sl. No.	Director Name	Remuneration FY 2020-21	Remuneration FY 2019-20	% Increase/(Decrease)
1	Mr. Suresh Krishnamurthi Rao	210.00	272.00	-23%
2	Mr. C.S. Ramesh	7.10	7.42	-4%
3	Mrs. Drushti Desai	7.03	7.35	-4%
4	Mr. Janakiraman A	6.88	7.12	-3%
5	Mr. Mahendran R	6.03	6.58	-8%
6	Mrs. Sujatha Jayarajan	6.73	6.75	0%
7	Mr. T. Ramabadhran	7.18	7.23	-1%
8	Mr. Nitin S Cowlagi (from 04.06.2020)	1.18	NA	N.A.
9	Mr. V.M Srinivasan, CEO	175.96	156.98	12%
10	Mr. Nitin S Cowlagi, CFO (Upto 07.04.2020)	55.23	59.15	N.A.
11	Mr. Prasath S, CFO (from 07.04.2020)	31.79	NA	N.A.
12	Dr. V Rajesh, CS	15.09	14.10	7%

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

Median Remuneration FY 2020-21	Median Remuneration FY 2019-20	% Increase/(Decrease)
5.37	5.74	-7%

(iv) Number of permanent employees on the rolls of company – 188

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

Particulars	FY 2020-21	FY 2019-20	% Increase/ (Decrease)
Employees Salary	1834.55	1807.35	1.50%
Managerial Remuneration	252.13	314.47	-20%

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

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

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Employee Name	Designation & Nature of Employment	Qualification and Experience (in years)	Age	Date of Joining & Previous Employment details	Remuneration (Rs. In lakhs)	Percentage of equity shares held	whether the employee is a relative of any director or manager of the company
Mr. V.M. Srinivasan	C.E.O (Permanent Employee)	B.Sc, MBA Experience – 30 Years	54	26/04/2017 Previous Employment – CEO, the erstwhile amalgamated Company Chemfab Alkalis Limited and Floking Pipes	175.96	0.97%	No

TOP 10 EMPLOYEES IN TERMS OF REMUNERATION DRAWN

Statement pursuant to Section 134 of the Companies Act 2013, read with rule 5(2) and 5(3) of the Companies Act (Appointment and Remuneration of Managerial Personnel) Rules 2014 and Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules 2016 Statement as per rule 5(2) of the above-said rule.

REMUNERATION:

As prescribed under Section 197(12) of the Companies Act, 2013 (“Act”) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the details are given in **Annexure F**. In terms of provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing names of the employees, age, designation, drawing remuneration, nature of employment, qualification, experience, date of commencement of employment, last employment, and other particulars in terms of the said Rules is available for inspection at the Registered Office of the Company during working hours and any member who is interested in obtaining these particulars may write to the Company Secretary of the Company via email: ccalcosecy@drraoholdings.com.

ANNEXURE- G

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED MARCH 31, 2021

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

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

2. BOARD OF DIRECTORS

The Company's Board consists of Eight Directors, all are Non-Executive Directors.

SI. No	Name of Directors	Category	Date of appointment
1	Mr. Suresh Krishnamurthi Rao	Promoter, Non - Independent Director	26.04.2017
2	Mr. C.S. Ramesh	Non – Independent Director	26.04.2017
3	Mr. R. Mahendran	Non - Independent Director	14.03.2016
4	Mr.Nitin S Cowlagi	Non – Independent Director	04.06.2020
5	Mr. A. Janakiraman	Independent Director	26.04.2017
6	Mrs. Drushti Desai	Independent Director	26.04.2017
7	Mrs. Sujatha Jayarajan	Independent Director	26.04.2017
8	Mr. T. Ramabadhran	Independent Director	27.06.2019

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

The Key Managerial Personnel of the Company

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

The composition of the Board, the categorization of Directors, the number of Board meetings held during the Financial Year, 2020-21, attendance at the Board meetings and 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 2021 are given below:

A. I) INFORMATION ON BOARD OF DIRECTORS AND ATTENDANCE

Sl No	Name of Directors (Mr./Mrs.)	Category of Directorship	No. of Equity Shares held	No. of Board Meetings		No. of Other Director -ship *	No. of other Committee*		Attendance of last AGM
				Held	Attended		Member	Chairman	
1	Suresh Krishnamurthi Rao	Non - Independent	1424423	5	5	2	0	0	YES
2	C. S. Ramesh	Non - Independent	58	5	5	1	0	0	YES
3	R. Mahendran	Non - Independent	0	5	4	0	0	0	YES
4	Nitin S Cowlagi**	Non - Independent	56142	5	4	0	0	0	YES
5	Sujatha Jayarajan	Independent	0	5	5	2	2	0	YES
6	Drushti Desai	Independent	0	5	5	2	4	0	YES
7	A. Janakiraman	Independent	0	5	5	0	0	0	YES
8	T. Ramabadhran	Independent	142	5	5	1	0	0	YES

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

**Mr. Nitin S Cowlagi was appointed as Non- Independent Director w.e.f. 04.06.2020.

Please refer to https://chemfabalkalis.com/wp-content/uploads/2021/04/Familiarization-Programme-for-Independent-Directors-.pdf for familiarization program imparted to Independent Directors.

Appointment of Independent Directors

The Independent Directors meeting held on 29.01.2021 reviewed the performance of Non – Independent Directors and the Board as a whole and the performance of the Chairperson – considering the view of other Non – Independent Director(s) and assessed the quality, quantity, and timeliness of the flow of information between the company management and the Board. Refer the terms of appointment of Independent Director in the company's website.

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

Details of Meeting of Independent Directors are as follows:

The Independent Directors met on 29.01.2021 and reviewed the performance of non – independent Directors and the Board of directors as a whole. They reviewed the performance of the Chairperson – considering of view of other Non – Independent Directors and assessed the quality, quantity, and timeliness of the flow of information between the company management and the Board.

Sl. No	Name of the Director	Number of Meeting	Attended
1.	T. Ramabadhran	1	1
2.	A. Janakiraman	1	1
3.	Sujatha Jayarajan	1	1
4.	Drushti Desai	1	1

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

Sl. No	Name of the Director	No. of the Directorship in other listed Companies	Name of the listed entities in which he/she is director	Category of Directorship
1.	Suresh Krishnamurthi Rao	-	-	-
2.	C. S. Ramesh	-	-	-
3.	R. Mahendran	-	-	-
4.	Nitin S Cowlagi	-	-	-
5.	Sujatha Jayarajan	1	1. Thejo Engineering Limited	1. Independent Director
6.	Drushti Desai	2	1. Kewal Kiran Clothing Limited 2. Narmada Gelatines Limited	1. Independent Director 2. Director
7.	A. Janakiraman	-	-	-
8.	T. Ramabadhran	-	-	-

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

During the Financial Year 2020-21, five meetings of the Board of Directors were held as under:

Sl. No.	Date of Meeting
1.	04th June 2020
2.	30th July 2020
3.	29th October 2020
4.	29th January 2021
5	31st March 2021

C. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE

There are no inter-se relationships between Directors.

D. NUMBER OF SHARES HELD BY NON – EXECUTIVE DIRECTORS

Sl. No	Name of the Director	Number of Shares holding by the NED
1.	Suresh Krishnamurthi Rao	1424423
2.	C. S. Ramesh	58
3.	R. Mahendran	0
4	Nitin S Cowlagi	56142
5.	Sujatha Jayarajan	0
6.	Drushti Desai	0
7.	A. Janakiraman	0
8.	T. Ramabadhran	142

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

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

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

i) Technical competencies and

ii) Behavioural competencies.

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

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

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

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets, and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and investments.
2. Monitoring the effectiveness of governance practices and making changes as needed.
3. Selecting, compensating, monitoring, and, when necessary, replacing key managerial personnel and overseeing succession planning.
4. Aligning key managerial personnel and remuneration of the Board of directors with the longer-term interests of the company and its shareholders.
5. Ensuring a transparent nomination process to the Board of directors ensuring diversity of thought, experience, knowledge, perspective, and gender in the Board of directors.
6. Monitoring and managing potential conflicts of interest between the management, members of the Board of directors, and shareholders, including misuse of corporate assets and abuse in related party transactions.
7. Ensuring the integrity of the company's accounting and financial reporting systems, including independent audit, and those appropriate systems of control are in place viz., systems for risk management, financial and operational control, and compliance with the law and relevant standards.
8. Overseeing the process of disclosure and communications.
9. Monitoring and reviewing Board of director's evaluation framework.

The following matrix table details the skills/expertise/competencies identified by the Board of Directors.

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

3. AUDIT COMMITTEE

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

Out of the total six Members of the Audit Committee, four are Independent Directors and all the members have relevant finance exposure. The Committee is chaired by an Independent Director.

Consequent to the Appointment of Mr. Nitin S Cowlagi, the Board reconstituted the committee w.e.f., 30th July 2020 in terms of Section 177 of the Companies Act, 2013 and terms of Regulation 18 of SEBI (LODR) Regulations, 2015 and the Reconstituted Committee is as under:

S. No	Name of the Member	Description
1	Mrs. Drushti Desai	Chairperson, Independent Director
2	Mr. A. Janakiraman	Member, Independent Director
3	Mr. T. Ramabadhran	Member, Independent Director
4.	Mrs. Sujatha Jayarajan	Member, Independent Director
5.	Mr. C.S. Ramesh	Member, Non-Independent Director
6	Mr. Nitin S Cowlagi	Member, Non-Independent Director

The Statutory Auditors, Internal Auditors, Chief Executive Officer, Chief Financial Officer, and 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, performance, and effectiveness of audit process, to examine the financial statements and auditor’s report thereon, scrutiny of inter-corporate loans and investments;

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

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

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

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

The Audit Committee also abides by the terms of reference as specified under Part C of Schedule II of the SEBI (LODR) Regulations, 2015 including amendment of SEBI (LODR) Regulation 2018. The Audit Committee of the Company met five times during the year under review as indicated below:

Sl No.	Date of Meeting
1.	04th June 2020
2.	30th July 2020
3.	29th October 2020
4.	29th January 2021
5	31st March 2021

During the Financial Year 2020-21, the Composition and attendance of the Members at the meetings of the Audit Committee are as follows: -

Name of the Member	Status	Director Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	5
Mr. T. Ramabadhran	Member	Independent Director	5
Mrs. Sujatha Jayarajan	Member	Independent Director	5
Mr. A. Janakiraman	Member	Independent Director	5
Mr. C.S. Ramesh	Member	Non -Independent Director	5
Mr. Nitin S Cowlagi	Member	Non -Independent Director	5

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

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Board of Directors of the Company were reconstituted in compliance with provisions of Section 178 of the Companies Act, 2013 (“the Act”) and terms of Regulation 19 of SEBI (LODR) Regulations, 2015.

The terms of reference of the Committee include:

1. Formulation of the criteria for determining the 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 the criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of an independent director, based on the report of the evaluation of the performance of the independent directors.

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

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

During the Financial Year 2020-2021, the Nomination and Remuneration Committee of the Company met four times as indicated below:

Sl No.	Date of Meeting
1.	04th June 2020
2.	30th July 2020
3.	29th October 2020
4.	29th January 2021

The attendance of the members are as follows:

Name of the Member	Status	Directors Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	4
Mr. A. Janakiraman	Member	Independent Director	4
Mr. T. Ramabadhran	Member	Independent Director	4
Mr. C.S. Ramesh	Member	Non - Independent Director	4

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

NON-EXECUTIVE DIRECTORS' COMPENSATION AND DISCLOSURES

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

(Rs. in Lakhs)

Sl. No	Name of the Director	Sitting Fees	Commission	Total
1.	Suresh Krishnamurthi Rao	-	210.00	210.00
2.	C. S. Ramesh	2.10	5.00	7.10
3.	R. Mahendran	1.03	5.00	6.03
4.	Sujatha Jayarajan	1.73	5.00	6.73
5.	Drushti Desai	2.03	5.00	7.03
6.	A. Janakiraman	1.88	5.00	6.88
7.	T. Ramabadhran	2.18	5.00	7.18
8.	Nitin S. Cowlagi	1.18	-	1.18

DISCLOSURE OF REMUNERATION

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

Performance evaluation criteria for Independent Directors:

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

Criteria for making payments to Non-Executive Directors:

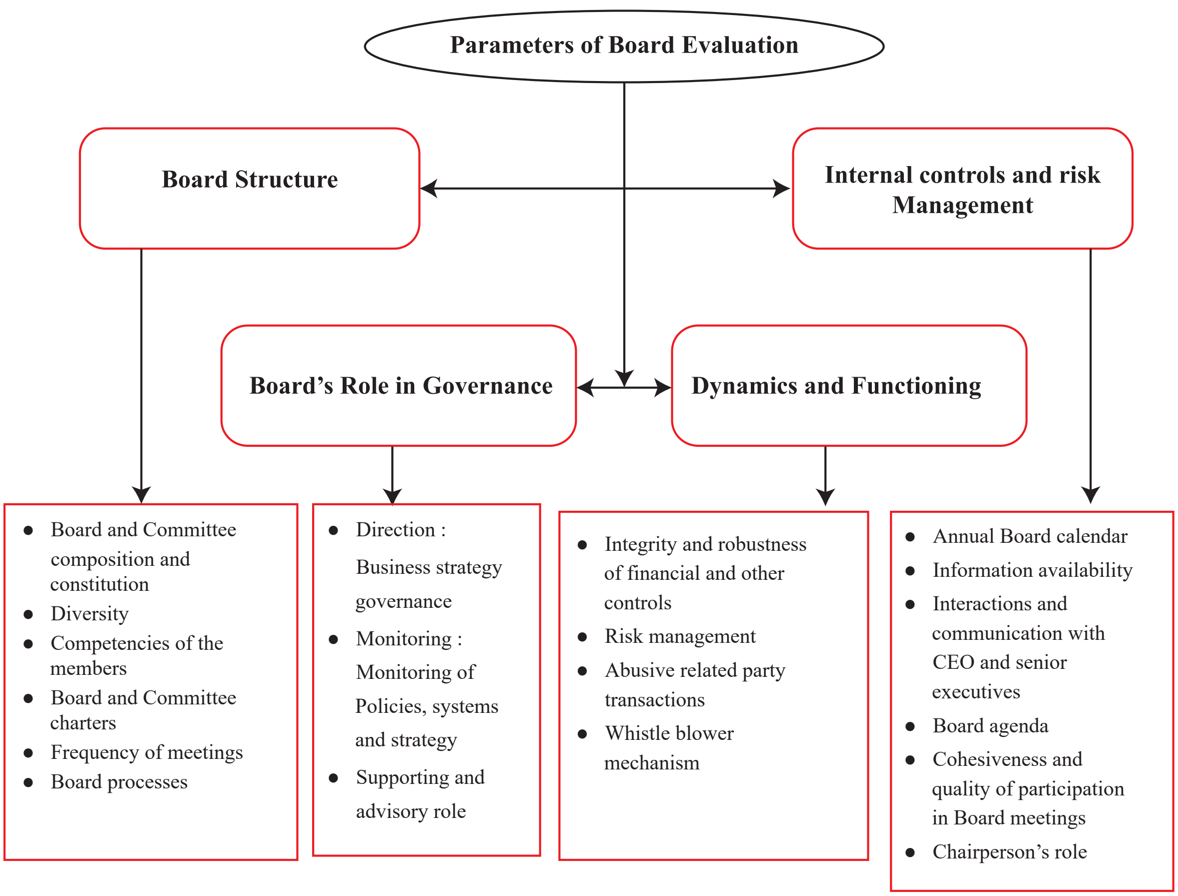
Payments are made based on the performance and contributions of the Non-Executive Directors as per the details provided under the Nomination & Remuneration Policy of the Company.

Overall Board Evaluation

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

Thus, an evaluation will:

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



Your company had evaluated the Board of Directors in the following major areas:

1. Evaluation of the Board as a Whole
2. Evaluation of the Committees
3. Evaluation of Individual Directors/Self -Assessment
   - Independent Directors
   - Non-executive Directors
4. Evaluation of the Chairperson

The Nomination and Remuneration Committee of the Board evaluated the Directors by a method of collecting data through questionnaires distributed to the Directors on 29.10.2021.

The following five–based ranking scale was used against each question and the directors were asked to rate each parameter.

Poor	Needs improvement	Meets Expectation	Exceed Expectation	Outstanding
1	2	3	4	5

The questionnaire broadly covered the following areas:

Evaluation of the Board as a Whole	Evaluation of the Board Committees	Evaluation of Individual Directors/Self-Assessment	Non-Executive Director And Independent Director	Evaluation of the Chairperson
• Structure of the Board and the quality • Board Meetings and Procedures • Board Development • Board Strategy and Risk Management • Governance and Compliance • Board and Management Relations • Succession Planning • Stakeholder value and responsibility	• Functions and Duties • Managing Relationship • Committee Meeting and Procedures	• Knowledgeable • Diligence & Participation • Leadership Team	• Participation at the Board/ committee meeting • Managing Relationship • Knowledge and skill • Personal attribute	• Managing Relationship • Leadership

The committee obtained responses from the individual directors, collated them, and reported the same to the Chairperson to analyze the results. The outcome of the evaluation was discussed at the meeting held on 29.01.2021.

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

The Board also evaluated the performance of the following committees.

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

Thus, your company has in place a system for the formal evaluation by the Board of its performance and that of its committees and individual directors.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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 the Registrars & Transfer Agents, and recommends measures for overall improvements in the quality of investor services and investor relations.

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

As of 31st March 2021, there were no Shareholders' complaints pending.

During the Financial Year 2020-21, the Committee met two times on 04.06.2020 and 29.01.2021.

The attendances of the members are as follows:

Name of the Member	Status	Directors' Category	No. of meetings attended
Mrs. Drushti Desai	Chairperson	Independent Director	2
Mr. C.S. Ramesh	Member	Non - Independent Director	2
Mr. T. Ramabadhran	Member	Independent Director	2
Mr. Suresh Krishnamurthi Rao	Member	Non - Independent Director	2

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Consequent to the appointment of Mr. Nitin S Cowlagi, the Board reconstituted Corporate Social Responsibility Committee on 30th July 2020 as under:

S. No	Name of the Member	Designation	No. of meetings attended
1	Mr. C.S. Ramesh	Chairperson, Non-Independent Director	2
2	Mr. R. Mahendran	Member, Non-Independent Director	2
3	Mr. Nitin S Cowlagi	Member, Non-Independent Director	1
4.	Mr. A. Janakiraman	Member, Independent Director	2
5.	Mrs. Sujatha Jayarajan	Member, Independent Director	2
6	Mr. T. Ramabadhran	Member, Independent Director	2

During the Financial Year 2020-21, the Committee met two times on:

Sl No.	Date of Meeting
1.	4th June 2020
2.	29th January 2021

7. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted a Risk Management Committee on 26.04.2017 pursuant to the amalgamation of erstwhile Chemfab Alkalis Limited, though the constitution of such Committee applies only to the top 1000 listed companies in terms of market capitalization.

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

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

8. ANNUAL GENERAL MEETINGS:

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

Year	Location	Date	Time	Number of Special Resolutions passed
2017-18	Kalyan Hometel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai – 600048	05.07.2018	10.30 A.M	---
2018-19	Kalyan Hometel – A Sarovar Hotel, No. 247, GST Road, Vandalur, Chennai – 600048	27.06.2019	09.30 A.M	Three
2019-20	Through VC/OVAM	29.07.2020	10.00 A.M	Four

9. MEANS OF COMMUNICATION

Quarterly Results	Publish in the Stock Exchanges website, as well as Newspaper having wide circulation and Company's website
Newspapers wherein results normally published	1. Business Line / Business Standard 2. Makkal Kural
Website, where displayed	www.chemfabalkalis.com
Whether it also displays official news releases	Yes
Presentations made to institutional investors or the analysts	No such presentation made in the reporting period

10. GENERAL SHAREHOLDERS INFORMATION:

REGISTERED OFFICE	Team House, GST Salai Vandalur, Chennai – 600 048 Phone: +91-44-22750323/324 Fax: +91-44-22750860 Email: cosecy@drraoholdings.com website: www.chemfabalkalis.com
ANNUAL GENERAL MEETING	Annual General Meeting has been fixed on 4th August 2021.

FINANCIAL CALENDAR (TENTATIVE)

Covering the period from 01st April 2021 to 31st March 2022

1st QTR Results	30th July 2021
2nd QTR Results	30th October 2021
3rd QTR Results	31st January 2022
4th QTR (Annual Results)	30th May 2022

LISTING EQUITY SHARES ON THE STOCK EXCHANGES:

STOCK EXCHANGE WHERE SHARES ARE LISTED	SCRIP CODE / No.'s
DEMAT ISIN IN NSDL AND CDSL FOR EQUITY SHARES	**INE783X01023**
BSE LTD **(BSE)**	**541269**
NATIONAL STOCK EXCHANGE OF INDIA LIMITED **(NSE)**	**CHEMFAB**
REGISTRAR AND SHARE TRANSFER AGENT	Cameo Corporate Services Ltd, Subramanian Building, 1 Club House Road, Chennai - 600 002. Phone No.044 2846 0390 / 2846 0395 Fax: 044 2846 0129 Email: cameo@cameoindia.com Website: www.cameoonline.net

MARKET PRICE DATA

Month	BSE		NSE		BSE -Sensex		NSE –Nifty 50	
	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)	High Price (Rs.)	Low Price (Rs.)
April 2020	159.90	91.25	144.75	107.90	33,887.25	27,500.79	9889.05	8055.80
May 2020	150.85	113.70	144.70	124.80	32,845.48	29,968.45	9598.85	8806.75
June 2020	155.70	118.30	154.80	122.60	35,706.55	32,348.10	10553.15	9544.35
July 2020	157.20	125.00	153.80	132.50	38,617.03	34,927.20	11341.40	10299.60
August 2020	172.50	118.15	173.65	127.20	40,010.17	36,911.23	11794.25	10882.25
September 2020	156.75	126.40	155.30	131.95	39,359.51	36,495.98	11618.10	10790.20
October 2020	146.35	125.00	146.90	124.05	41,048.05	38,410.20	12025.50	11347.10
November 2020	142.00	115.00	143.50	115.10	44,825.37	39,334.92	13145.85	11557.40
December2020	151.00	121.00	148.75	116.65	47,896.97	44,118.10	14024.90	12962.80
January 2021	158.90	130.00	159.00	128.65	50,184.01	46,160.46	14753.60	13596.80
February 2021	139.45	123.65	139.80	125.75	52,516.76	46,433.65	15431.80	13661.80
March 2021	135.50	120.00	136.70	120.85	51,821.84	48236.35	15336.30	14264.40

Performance In Comparison With BSE Sensex with NSE Nifty

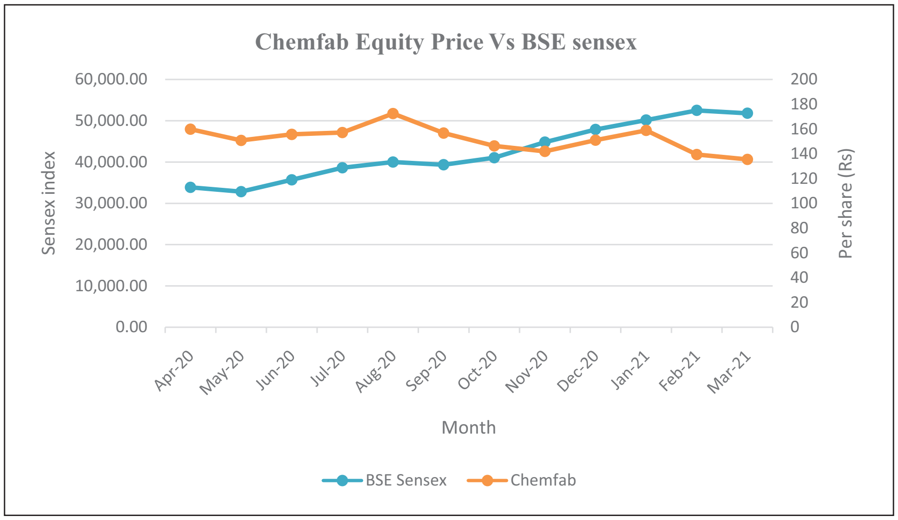


Chart 1: Performance of CHEMFAB share price in comparison with BSE Sensex

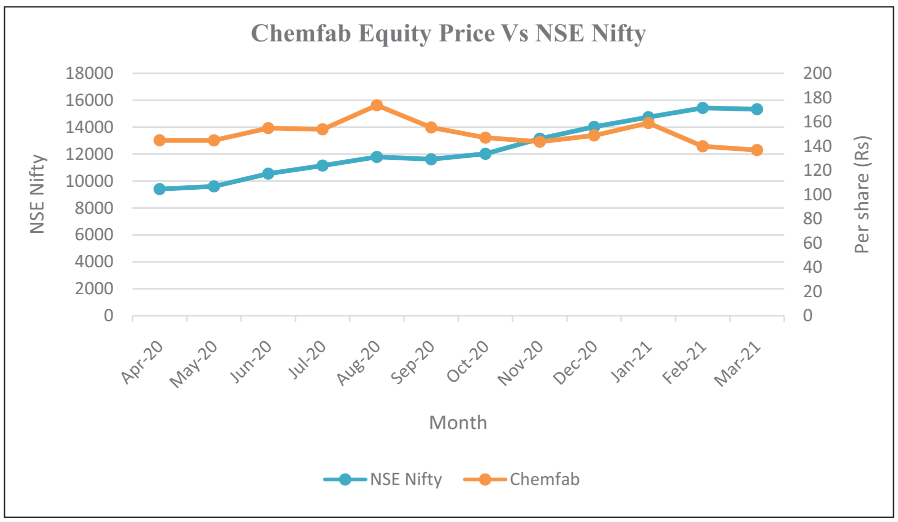


Chart 2: Performance of CHEMFAB share Price in comparison with NSE Nifty

DISTRIBUTION OF SHAREHOLDING - DISTRIBUTION OF HOLDINGS - AS ON 31.3.2021

Category	No. of Shareholders	%	Shares holding	%	Amount (in Rs.)
1 - 5000	5344	84.81	666421	4.74	6664210
5001 - 10000	469	7.44	342055	2.43	3420550
10001 - 20000	246	3.90	353973	2.52	3539730
20001 - 30000	94	1.49	240790	1.71	2407900
30001 - 40000	26	0.41	90026	0.64	900260
40001 - 50000	31	0.49	140991	1.00	1409910
50001 - 100000	46	0.73	312030	2.22	3120300
100001 - And Above	45	0.71	11914216	84.74	119142160
Total :	**6301**	**100.00**	**14060502**	**100.00**	**140605020**

SHARE TRANSFER SYSTEM

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

11. DETAILS OF UNCLAIMED SHARES

The erstwhile Listed Company Chemfab Alkalis Limited which was amalgamated with the Teamec Chlorates Ltd. Post amalgamation, the Company had sent the reminders to all the Shareholders whose Share Certificates were returned undelivered. The Company transferred the Shares comprised in the Share Certificates, which were remaining undelivered into one Folio in the name of Chemfab Alkalis Limited Unclaimed Suspense Account.

Further, the Company opened a demat account viz., Chemfab Alkalis Limited Unclaimed Suspense Account (Demat account) and dematerialized the shares to that account. The details of Unclaimed shares are given below:

(a) the aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year -185 shareholders having 70641 Equity Shares
(b) the number of shareholders who approached the listed entity for transfer of shares from suspense account during the year – Nil.
(c) number of shareholders to whom shares were transferred from suspense account during the year - Nil
(d) the aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year - 185 shareholders having 70641 Equity Shares

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

DETAILS OF UNCLAIMED DIVIDEND AND THE SHARES TRANSFERRED TO IEPF

Pursuant to the provisions of Sec. 124(5) of the Companies Act 2013, the unclaimed dividends pertaining to the dividend paid for the financial year 2013 - 2014, which remains as unclaimed for seven years from the date of such transfer in "Unpaid-Unclaimed Dividend Account" will be credited to the Fund established under sub-section (1) of section 125 (i.e., Investor Education and Protection Fund).

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

DEMATERIALISATION OF SHARES:

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

As of 31.03.2021, 97.34 % of Equity Shares have been dematerialized.

OUTSTANDING GDR/ADR WARRANTS OR CONVERTIBLE BONDS

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

PLANT LOCATION

CHLOR ALKALI PLANT	'Gnanananda Place', Kalapet, Puducherry 605 014
SALT FIELD	1.Kanthadu Village, Marakanam Post, Villupuram District, Tamil Nadu 2.Mariyur Salai, Sayalkudi, Ramnad District, Tamil Nadu
SODIUM CHLORATE PLANT	Plot No.558 & 559, APIIC Growth Centre, Gundlapalli (Village) Maddipadu (Mandal), Prakasam (District), Andhra Pradesh 523 211
PVC-O PLANT	650, Chigurupalem Road, Sri City, Andhra Pradesh 517 646

CREDIT RATING DISCLOSURE

CARE	2020-2021	2019 – 2020
Long term Bank Facilities	CARE A - Stable	CARE A - Stable
Short term Bank Facilities	CARE A2+	CARE A2+

12. OTHER DISCLOSURES:

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

Please refer to the weblink for related to policy for materiality of related party transactions. https://chemfabalkalis.com/wp-content/uploads/2019/04/policies-Policy-for-Materiality-of-Related-Parties-Transaction.pdf of the Company.

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

c. Quarterly Compliance report:

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

d. Sexual Harassment Policy

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

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

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

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

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

There is any such incidence occurred to the company were the penalties, stricter non – compliance imposed to the company by SEBI or any statutory authority.

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

g. Accounting Treatment

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

h. Board Disclosures - Risk Management

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

i. Code of Conduct

The Company has adopted a Code of Conduct for the Members of the Board of Directors and the Senior Management Personnel of the Company. The said Code of Conduct is available in the below Company's Website.

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

A Compliance Report on the Code of Conduct given by the CEO, authorized on this behalf by the Board, is given at the end of this Report.

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

The Company has not adopted non-mandatory requirements as per the Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

The senior management personnel gives disclosure on annual basis to the Board for all material financial and commercial transactions, where they have personal interests that may have a potential conflict with the interest of the Company at large. As per the disclosures received, no such transactions have taken place during the financial year 2020 – 2021.

k. Recommendation of the Committee

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

l. Details of Auditor's Remuneration

	Particulars	Standalone Rs. in lakhs	Consolidated Rs. in lakhs
1.	Statutory Audit Fees	19.50	24.50
2.	Limited Review Fees	4.50	4.50
3.	Other Certificates	1.75	1.75
4.	Out of Pocket Expenses	0.75	0.83
	Total	**26.50**	**31.58**

m. Subsidiary details

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

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

13. CEO/CFO CERTIFICATION

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

ADDRESS FOR CORRESPONDENCE

Dr. V. Rajesh Company Secretary and Compliance Officer Chemfab Alkalis Limited Team House, GST Salai, Vandalur, Chennai – 600 048 Phone: +91-44-22750323 Email: cosecy@drraoholdings.com website: www.chemfabalkalis.com	**Mr. S Prasath** Chief Financial Officer Chemfab Alkalis Limited 'Gnananada Place' Puducherry – 605014 Email: prasath@drraoholdings.com website: www.chemfabalkalis.com

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

Sd/-
Suresh Krishnamurthi Rao
Chairman
DIN No: 0012780

Place: Chennai
Dated: 21.05.2021

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that:

The company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended 31st March 2021.

Sd/-
V.M. Srinivasan
Chief Executive Officer

Date: 21.05.2021
Place: Chennai

ANNEXURE – H

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2021

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

To:

The Members
Chemfab Alkalis Limited
[formerly known as TEAMEC CHLORATES LIMITED]
CIN: L24290TN2009PLC071563
Team House, GST Salai,
Vandalur, Chennai- 600048

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the Company has, during the period covered by my audit, that is to say-1st April 2020 to 31st March 2021 (hereinafter referred to as '*Audit Period'*) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

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

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018;

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

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

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

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

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

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

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the Industry-specific laws [as stated in **Annexure** to this report] as applicable to the Company.

I further report that

The Board of Directors of the Company is duly constituted with the proper balance of Independent Directors and Non – Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice of meetings of the Board of Directors were given to all directors and agenda and detailed notes on agenda in respect of such meetings were sent at least seven days in advance, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the Audit Period:

- **ISSUE OF SHARES UNDER ESOS**: 125998 Equity Shares of Rs.10/- each (Distinctive No(s) from 13934505 to 14060502) were allotted to employees who exercised their option granted under the CAESOS-2015. These equity shares allotted under the CAESOS-2015 were also listed in BSE and NSE

Place: Coimbatore	Signature:
Date: 21st May 2021	Name: M R THIAGARAJAN
UDIN:A005327C000351772	Company Secretary in Practice
	ACS 5327
	CP No 6487

ANNEXURE

(Annexure Referred to in my Secretarial Audit Report)

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

1. The Water (Prevention and Control of Pollution) Act, 1974 and rules framed thereunder.
2. The Water (Prevention and Control of Pollution) Cess Act,1977 and rules framed thereunder
3. The Air (Prevention and Control of Pollution) Act, 1981and rules framed thereunder
4. The Environmental (Protection) Act, 1986 and rules framed thereunder
5. Manufacture Storage and Import of Hazardous Chemical Rules, 1989
6. The Public Liability Insurance Act, 1991 and rules framed thereunder
7. The National Environmental Tribunal Act, 1995
8. Environmental Impact Assessment (Environmental Clearance Rules),1997-Public Hearing
9. The Atomic Energy Act, 1962
10. Radiation Protection Rules,2004
11. Prevention and Control of Pollution (Uniform Consent Procedure) Rules, 1999
12. Hazardous Wastes (Management, Handling, and Transboundary) Rules, 2008
13. Batteries (Management and Handling) Rules, 2001
14. Ozone Depleting Substances (Regulation), Rules 2000
15. The Coastal Zone Regulation Rules,1991
16. Pondicherry Groundwater (Control and Regulation) Act, 2002 and rules framed thereunder
17. EIA Notification for Environmental Clearance, 2006
18. The Chemical Accidents (Emergency Planning, Preparedness, and Response) Rules, 1996
19. Noise pollution (Regulation and Control) Rules, 2000
20. E-waste (Management and Handling) Rules, 2011
21. Petroleum Act, 1934 and rules framed thereunder
22. Explosives Act, 1884 and rules framed thereunder
23. Gas Cylinder Rules, 2004
24. Static and Mobile Pressure Vessels (Unfired) Rules, 1981
25. The Electricity Act, 2003 and rules framed thereunder
26. The Legal Metrology Act, 2009
27. The Boilers Act, 1923
28. The Factories Act, 1948 and rules framed thereunder

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2021

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

To:
The Members
Chemfab Alkalis Limited
[Formerly known as TEAMEC CHLORATES LIMITED]
CIN: L24290TN2009PLC071563
Team House, GST Salai
Vandalur, Chennai- 600048.

<u>My Report of even date is to be read along with this letter.</u>

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

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

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

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

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

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

NOTE: I have conducted online verification & examination of records as facilitated by the listed entity due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Report

Place: Coimbatore
Date: 21st May 2021
UDIN:A005327C000351772

Signature:
Name: M R THIAGARAJAN
Company Secretary in Practice
ACS 5327/CoP No 6487

ANNEXURE - I

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To:

The Members
Chemfab Alkalis Limited
[formerly known as TEAMEC CHLORATES LIMITED]
Team House, GST Salai
Vandalur, Chennai- 600048

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal **www.mca.gov.in**) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority :

Sr No.	Name of Director	DIN	Date of Appointment in Company
1	CITTUR SUNDAR RAO RAMESH	00019178	26/04/2017
2	SURESH KRISHNAMURTHI RAO	00127809	26/04/2017
3	DRUSHTI RAHUL DESAI	00294249	26/04/2017
4	SUJATHA JAYARAJAN	00633989	26/04/2017
5	TYAGARAJAN RAMABADHRAN	00701503	27/06/2019
6	ANANTHANARAYANAN JANAKIRAMAN	01831854	26/04/2017
7	NITIN COWLAGI SESHGIRI	06703283	04/06/2020
8	MAHENDRAN	07451058	14/03/2016

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

Signature:
Name: M R THIAGARAJAN
Company Secretary in Practice
ACS 5327/ CoP No 6487

Place: Coimbatore

Date: 21st May 2021

UDIN:A005327C000351761

NOTE: I have conducted online verification & examination of records as facilitated by the Company due to Covid-19 and subsequent lockdown situation for the purpose of issuing this Certificate.

ANNEXURE - J

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To The Members on Chemfab Alkalis Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 26 October 2020.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Chemfab Alkalis Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

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

Auditor's Responsibility

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

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

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

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

Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2021.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

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

Place: Chennai
Date: 21 May 2021
Ref: PS/BS/KS/2021/8
Unique Document Identification Number:21206834AAAAAH2097

ANNEXURE – K

Auditor's Certificate as per regulation 13 of SEBI (SBEB) regulations 2014

INDEPENDENT AUDITOR'S CERTIFICATE CERTIFYING THAT THE ESOP SCHEME HAS BEEN IMPLEMENTED IN ACCORDANCE WITH THE REGULATIONS

1. This certificate is issued in accordance with the terms of our engagement letter dated May 18, 2021.

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration No: 117366W/ W-100018), have been requested by Chemfab Alkalis Limited with Corporate Identity Number of L24290TN2009PLC071563 ("the Company"), having its Registered Office at Team House, GST Road, Vandalur, Chennai-600048 to certify for the year ended March 31, 2021 that the Chemfab Alkalis Employees Stock Option Scheme 2015 (referred to as the "Scheme") has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and amendments thereto (the "Regulations") and in accordance with the special resolution passed by shareholders of the Company in this regard at the Annual General Meeting held on September 4, 2017 (referred to as the "Resolution") for submission to National Stock Exchange of India Limited and The Bombay Stock Exchange Limited (together the "Stock Exchanges").

Management's responsibility

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

Auditor's responsibility

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

5. We have conducted our verification in accordance with the Guidance Note on Reports or Certificates for Special Purposes ("Guidance Note") and Standards on Auditing issued by the Institute of Chartered Accountants of India ("ICAI") and Standards on Auditing specified under section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.

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

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

a. the Scheme of the Company;

b. the Regulations;

c. the Resolutions;

d. written representation from the management; and

e. such other information and documents which we considered necessary for the purpose of issuing this certificate.

Opinion

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

Restriction on use

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

Yours faithfully,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)
Sd/-
Sriraman Pathasarathy
Partner
(Membership No. 206834)

Place: Chennai
Date: 21.05.2021
Ref.: PS/BS/KS/2021/9
Unique Document Identification Number: 21206834AAAAAI4250

INDEPENDENT AUDITOR'S REPORT
To the Members of Chemfab Alkalis Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of CHEMFAB ALKALIS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the [Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Valuation and classification of assets held for sale The Management had suspended the operations of its plant in Ongole since July 2018 and was in the process of evaluating future course of action. The Company has in its Board Meeting held on 31 March 2021 decided to dispose off the Ongole Plant (land, building, machinery and other assets situated at Ongole) and directed the CEO to assess the market value of the assets and identify prospective buyers to sell the assets of the Ongole Plant. Based on the management's assessment of the assets held for sale, the net realisable value is higher than the net carrying value of the assets at Ongole Plant as at 31 March 2021. (Refer Note 17 of the Standalone Financial Statements for the year ended 31 March 2021). Due to the multitude of factors, assumptions and significant judgments involved in estimating the net realizable value, any adverse changes to these assumptions could result into such net realisable value becoming lower than the carrying amount.	**Principal audit procedures performed:** We have performed the following procedures: - Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls in relation to the assessment of net realisable value of assets held at Ongole plant. - Read minutes of meetings of Board of Directors of the Company. - Obtained the valuation report of the management's expert and assessed the appropriateness of valuation methodology adopted by the expert and techniques along with the assumptions adopted by the expert and the management. Also, evaluated the independence, objectivity and competency of the expert engaged by the management. - Corroborated the value of Ongole land considered by the management independently with the publicly available information, where applicable. - Tested the management assessment whether the carrying values of disposal group are at least equal or lower to their estimated net realisable value; - Assessed the management representation regarding the likelihood of disposal i.e. Ongole Plant being available for immediate sale in its current state, plans to locate a buyer and whether it is highly probable that the sale will take place; - Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards.

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

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   d. In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

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

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

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

iii. There were no amounts during the current year which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

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

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

Place: Chennai
Date: 21 May 2021
Ref No. PS/BS/KS/2021/6
Unique Document Identification Number: 21206834AAAAAF3357

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of CHEMFAB ALKALIS LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sriraman Parthasarathy
(Partner)
(Membership No. 206834)

Place: Chennai
Date: 21 May 2021
Ref No. PS/BS/KS/2021/6
Unique Document Identification Number: 21206834AAAAAF3357

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

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

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

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

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

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

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

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

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

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine 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 statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Service Tax, Customs Duty, Excise Duty, and other dues which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of the Statute	Nature of Dues (Including interest)	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs. In lakhs)	Amount Unpaid (Rs. In lakhs)
The Finance Act, 1994	Service Tax	Commissioner (Appeals), Chennai	January 2005 to March 2013	8.35	6.38
The Central Excise Act, 1944	Excise Duty	Commissioner of Central Excise, Puducherry	October 2011 to June 2012	1.84	1.84
The Customs Act, 1962	Customs Duty	The Customs Excise and Service Tax Appellate Tribunal	FY 2013-2014	68.46	64.66
Income Tax Act, 1961	Income tax	The High court of Madras	FY 2002-03	108.02	97.98
Employees' State Insurance Act, 1948	Employ-ees' State Insurance	ESI Court, Puducherry	April 2010 to June 2010	0.71	0.71

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

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

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

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

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

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

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

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

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

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

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

Place: Chennai
Date: 21 May 2021
Ref No. PS/BS/KS/2021/
Unique Document Identification Number: 21206834AAAAAF3357

Standalone Balance Sheet as at 31 March 2021			
Particulars	Note No	As at 31 March 2021 Rs. In Lakhs	As at 31 March 2020 Rs. In Lakhs
I. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	2	19,747.50	19,001.57
(b) Right of Use Assets	3	458.17	450.01
(c) Capital Work-In-Progress		332.27	3,527.11
(d) Investment Property	4	-	-
(e) Other Intangible Assets	2	15.31	26.96
(f) Financial Assets			
(i) Investments			
- Subsidiary	5	800.00	800.00
- Other Investments	6	3.26	1.58
(ii) Other Financial Assets	7	237.17	259.23
(g) Tax Assets (Net)	8	38.75	508.72
(h) Deferred Tax Assets (Net)	9	4,278.37	5,186.96
(i) Other Non - Current Assets	10	83.14	39.05
Total Non - Current Assets		**25,993.94**	**29,801.19**
(2) Current Assets			
(a) Inventories	11	928.86	850.26
(b) Financial Assets			
(i) Other Investments	12	2,342.71	-
(ii) Trade Receivables	13	1,516.33	954.24
(iii) Cash and Cash Equivalents	14A	1.49	1.86
(iv) Bank Balances other than (iii) above	14B	268.43	263.86
(v) Other Financial Assets	15	437.69	1,187.56
(c) Current Tax Assets (net)		-	334.94
(d) Other Current Assets	16	907.18	1,450.45
		6,402.69	5,043.17
Asset Held for Sale	17	1,112.11	-
Total Current Assets		**7,514.80**	**5,043.17**
TOTAL ASSETS		**33,508.74**	**34,844.36**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	18	1,406.05	1,393.45
(b) Other Equity	19	25,350.00	26,173.46
Total Equity		**26,756.05**	**27,566.91**
(2) Liabilities			
Non- current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	2,337.52	2,178.03
(ii) Lease Liabilities		43.91	44.90
(iii) Other Financial Liabilities	21	61.34	61.36

Standalone Balance Sheet as at 31 March 2021			
Particulars	**Note No**	**As at 31 March 2021 Rs. In Lakhs**	**As at 31 March 2020 Rs. In Lakhs**
(b) Provisions	22	56.71	98.10
(c) Other Non - Current Liabilities	23	115.00	-
Total Non- current Liabilities		**2,614.48**	**2,382.39**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	744.31	2,042.98
(ii) Lease Liabilities		28.84	14.00
(iii) Trade Payables	25		
- Total Outstanding dues of micro enterprises and small enterprises		16.74	10.46
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		1,792.84	1,647.53
(iv) Other Financial Liabilities	26	552.67	623.62
(b) Provisions	27	255.83	198.19
(c) Current Tax Liabilities (Net)	28	99.71	95.55
(d) Other Current Liabilities	29	647.27	262.73
Total Current Liabilities		**4,138.21**	**4,895.06**
Total Liabilities		**6,752.69**	**7,277.45**
TOTAL EQUITY AND LIABILITIES		**33,508.74**	**34,844.36**

See accompanying notes forming part of the standalone financial statements

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

Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

V Rajesh
Company Secretary
Place : Chennai

S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Statement of Standalone Profit and Loss for the year ended 31 March 2021				
	Particulars	**Note No**	**For the Year Ended 31 March 2021 Rs. In Lakhs**	**For the Year Ended 31 March 2020 Rs. In Lakhs**
I	Revenue from Operations	30	18,081.13	20,452.32
II	Other Income	31	138.35	311.41
III	**Total Income (I+II)**		**18,219.48**	**20,763.73**
IV	**Expenses**			
	Cost of Materials Consumed	32A	2,534.59	3,149.82
	Purchases of Stock - in - Trade	32B	1,814.41	665.75
	Changes in Inventories of Finished Goods and Work-in-Progress	33	(44.48)	(126.45)
	Other Direct Manufacturing Expenses	34	7,307.29	7,075.70
	Employee Benefits Expense	35	1,834.55	1,807.35
	Finance Costs	36	245.17	315.00
	Depreciation and Amortisation Expense	2 & 3	2,022.02	2,508.76
	Other Expenses	37	2,294.23	2,361.24
	Total Expenses (IV)		**18,007.78**	**17,757.17**
V	**Profit before Exceptional Items (III - IV)**		**211.70**	**3,006.56**
VI	**Exceptional Items**	**2.3 & 4.1**	**-**	**(321.03)**
VII	**Profit before tax (V + IV)**		**211.70**	**2,685.53**
VIII	**Tax expense**	**9**		
	- Current Tax			
	Current Year		128.42	651.63
	Prior Years	9C	-	(800.14)
	- Deferred Tax	9B	887.23	275.10
			1,015.65	126.59
IX	**(Loss) / Profit for the Year (VII - VIII)**		**(803.95)**	**2,558.94**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	- Remeasurement of net defined benefit liability		73.34	103.74
	- Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		1.68	(1.95)
	- Income tax relating to items that will not be reclassified to profit or loss	9	(21.36)	(30.21)
	Total Other Comprehensive Income		**53.66**	**71.58**
XI	**Total Comprehensive (Loss) / Income for the Year (IX + X)**		**(750.29)**	**2,630.52**
XII	Earnings per Equity Share (Face Value of Rs 10 each)	40		
	-Basic		(5.74)	18.37
	-Diluted		(5.74)	18.27

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

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

Suresh Krishnamurthi Rao
Chairman
DIN: 00127809
Place : Chennai

V M Srinivasan
Chief Executive Officer
Place : Chennai

V Rajesh
Company Secretary
Place : Chennai

S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Standalone Cash Flow Statement for the year ended 31 March 2021			
Particulars	**Note No.**	**For the Year Ended 31 March 2021 Rs. In Lakhs**	**For the Year Ended 31 March 2020 Rs. In Lakhs**
A. Cash flow from Operating Activities			
(Loss) / Profit for the year		**(803.95)**	**2,558.94**
Adjustment for:			
Income Tax Expense	9	1,015.65	126.59
Impairment loss on property, plant and equipment	2.3	-	706.70
Depreciation of property, plant and equipment	2 & 3	2,022.02	2,508.76
Dividend Income	31(b)	-	(0.01)
Gain on redemption of investments	31(c)	(20.47)	(26.35)
Equity settled share-based payment expense	35 & 47	51.36	13.18
Interest Income	31(a)	(21.98)	(32.08)
Interest Income on Income Tax Refund	31(a)	(19.96)	-
Finance Costs	36	245.17	315.00
Gain on Sale of Investment Property	4	-	(385.67)
Gain on disposal of property, plant and equipment	31(c)	(0.90)	(28.06)
Bad Receivables written off	37	2.20	20.07
Provision for Expected credit loss (Net)	37	469.63	198.94
Liabilities no longer required written back	31(c)	(21.56)	-
Unrealised Exchange Variation (Net)		43.53	52.72
Operating cash flows before movements in working capital		**2,960.74**	**6,028.73**
(Increase) / Decrease in Trade Receivables	13	(564.16)	628.31
(Increase) / Decrease in Other Non Current and Current Financial assets and Non current and Current assets	7,10,15, 16	654.46	(384.13)
(Increase) / Decrease in Inventories	11	(78.60)	(27.05)
Increase / (Decrease) in Trade Payables Other Current liabilities and Non-Current Liabilities and Provisions	20-23, 25-27 & 29	744.95	(181.45)
Changes in Working Capital and Other changes		**756.65**	**35.68**
Cash generated by operations		**3,717.39**	**6,064.41**
Income Taxes (Paid) / Refund and Interest Income Received	9	837.85	(660.26)
Net cash from Operating Activities (A)		**4,555.24**	**5,404.15**
B. Cash flow from Investing Activities			
Purchase of Property, Plant and Equipment	2	(726.28)	(5,503.22)
Proceeds from Sale of Property, Plant and Equipment and Investment Property		18.02	453.69
Net movement in Bank balances not considered as Cash and cash equivalents	7 & 14B	13.59	(4.39)
Dividend Received from Non-current and Current Investments	31(b)	-	0.01
Interest Income	15 & 31	40.83	56.67
Investment in Equity Shares of Subsidiary Company	5	-	(532.00)
Investment in Preference Shares of Subsidiary Company	5	-	(268.00)
Net Cash (used in) Investing Activities (B)		**(653.84)**	**(5,797.24)**

Standalone Cash Flow Statement for the year ended 31 March 2021

Particulars	Note No.	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
C. Cash flow from Financing Activities			
Dividend Paid, including Dividend Distribution Tax	14(b) & 19(f)	(172.48)	(206.52)
Issue of Equity Shares	18 & 19	58.20	23.07
Money received towards allotment of equity shares	19(a)	4.72	7.86
Payment of lease liabilities	3	(25.40)	(21.46)
Finance Cost on Lease Liabilities	36	(7.97)	(6.49)
Repayment of Term Loan made during the year	20	(624.00)	(600.00)
Short term Borrowings (repaid)/taken (net)	20 & 24	(535.76)	1,384.51
Finance Costs paid on Borrowings	26 & 36	(256.37)	(290.47)
Net Cash from/(used in) Financing Activities (C)		**(1,559.06)**	**290.50**
D. Net (Decrease) / Increase in Cash and Cash Equivalents (A) + (B) + (C)		**2,342.34**	**(102.59)**
E. Cash and Cash Equivalents (Opening)	**14 A**	**1.86**	**104.45**
F. Cash and Cash Equivalents (Closing)		**2,344.20**	**1.86**
Notes:			
(i) **Reconciliation of Cash and cash equivalents**			
Cash and Cash Equivalents as per Balance Sheet	14 A	1.49	1.86
Add: Current investments considered as part of Cash and cash equivalents (as defined in INDAS 7 Cash Flow Statements)	12	2,342.71	-
Cash and cash equivalents at the end of the Year		**2,344.20**	**1.86**

See accompanying notes forming part of the standalone financial statements

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

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Statement of Standalone Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital	
Particulars	Amount Rs. In lakhs
Balance at 01 April 2019	**1,389.05**
Changes in equity share capital during the year	
Issue of equity shares under share option plan (Refer Note 47)	4.40
Balance at 31 March 2020	**1,393.45**
Changes in equity share capital during the year	
Issue of equity shares under share option plan (Refer Note 47)	12.60
Balance at 31 March 2021	**1,406.05**

B. Other Equity

Amount Rs. In Lakhs

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance at 1 April 2019	**-**	**15.67**	**960.00**	**34,627.25**	**34.28**	**(11,918.64)**	**3.20**	**23,721.76**
Profit for the year						2558.94		2,558.94
Recognition of Employee stock based compensation					13.18			13.18
Share Application Money Received	30.93							30.93
Shares Allotted	(23.07)				(17.84)			(40.91)
Securities Premium on issue of Equity Shares				36.51				36.51
Payment of Dividend on equity shares						(174.12)		(174.12)
Payment of Dividend Distribution Tax on equity shares						(35.79)		(35.79)
Equity Instruments through Other Comprehensive Income (net of taxes)							(1.95)	(1.95)
Impact of adoption of Ind AS 116						(8.62)		(8.62)
Remeasurement of Defined Benefit Plans (net of taxes)						73.53		73.53
Balance at 31 March 2020	**7.86**	**15.67**	**960.00**	**34,663.76**	**29.62**	**(9,504.70)**	**1.25**	**26,173.46**
(Loss) for the year						(803.95)		(803.95)
Recognition of Employee stock based compensation					51.36			51.36
Share Application Money Received	62.92							62.92
Shares Allotted	(66.06)				(28.31)			(94.37)
Securities Premium on issue of Equity Shares				81.77				81.77
Payment of Dividend on equity shares						(174.85)		(174.85)
Equity Instruments through Other Comprehensive Income (net of taxes)							1.68	1.68
Remeasurement of Defined Benefit Plans (net of taxes)						51.98		51.98
Balance at 31 March 2021	**4.72**	**15.67**	**960.00**	**34,745.53**	**52.67**	**(10,431.52)**	**2.93**	**25,350.00**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarthy
Partner

Place : Chennai

Date : 21 May 2021

For and on behalf of Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai
Date : 21 May 2021

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

1 General Information

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

Significant Accounting Policies

Impact of the initial application of new and amended Ind ASs that are effective for the current year:

Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
(c) There is no substantive change to other terms and conditions of the lease.

The Company has evaluated the effect of this amendment and concluded that the amendment did not have any material impact on the financial statements of the Company.

Amendments to Ind AS 103 - Definition of a business

The amendments clarify that while businesses usually haveoutputs, outputs are not required for an integrated set of activities andassets to qualify as a business. To be considered a business, an acquired set ofactivities and assets must include, at a minimum, an input and a substantiveprocess that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants arecapable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits asimplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group ofsimilar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The Company has evaluated the effect of this amendment on financial statements.

Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"

The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'couldinfluence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The Company has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

1.1 Basis Of Accounting

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

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

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Basis of preparation of financial statements

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

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability

1.3 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Revisions to accounting estimates are recoginized prospectively in the year in which the estimate is revised and / or in future years, as applicable.

1.4 Operating Cycle

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

1.5 Revenue recognition

(I) Sale of Goods/Services:

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

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

a) Sale of products:

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

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

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

(II) Other Income:

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

1.6 Inventories

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

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.

- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

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

Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

1.8 Cash Flow Statement

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

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

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

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

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

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

Depreciation:

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

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

Depreciation is also accelerated on Property,Plant & Equipment, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

Intangible Assets:

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

Research and Development:

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

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

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

Derecognition of Property, Plant and Equipment:

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

1.10 Borrowing Cost

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

1.11 Government Grants, Subsidies and Export Incentives

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

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

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

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

1.12 Foreign Currency Transactions

Initial Recognition:

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

Subsequent Recognition:

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

Treatment of Exchange Differences:

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

1.13 Employee Benefits

Retirement benefit costs and termination benefits:

i) Defined Benefit Plans:

Employee defined benefit plans include gratuity.

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

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

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

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

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

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

Short-term employee benefits:

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

ii) Defined Contribution Plans

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

Provident Fund and Employee State Insurance :

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

Super Annuation Fund:

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

1.14 Employee Share Based Payments

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

Equity-settled transactions:

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

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

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

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

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

1.15 Taxation

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

Current Tax and Prior Period Tax:

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

Deferred Tax:

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

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

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

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

Minimum Alternate Tax (MAT):

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

1.16 Segment Reporting

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

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

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

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

1.17 Leases

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

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

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

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

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

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

1.18 Earnings per share

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

1.19 Provisions and contingent liabilities

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

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

1.20 Provision for warranty

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

1.21 Insurance Claims

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

1.22 Financial Instruments

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

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

1.23 Financial assets

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

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

Classification of financial assets:

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

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company may make the following irrevocable election / designation at initial recognition of a financial asset:

• the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

• the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).All other financial assets are subsequently measured at fair value.

(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the 'Other income' line item.

(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item in profit or loss.

The Company designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

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

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

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

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

• Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading (see (iii) above).

• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item ;

• for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;

• for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and

• for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

De-recognition of financial assets:

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

1.24 Financial liabilities and equity instruments

Classification as debt or equity:

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

Equity instruments:

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

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Company, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

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

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

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

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

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Company that are designated by the Company as at FVTPL are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities.

Derecognition of financial liabilities:

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within 'other income'.

1.25 Impairment of Tangible and Intangible Assets

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

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

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

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

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

1.26 Investment in subsidiary

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

1.27 Dividend

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

1.28 Asset held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

1.29 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

(i) Useful lives of Property, Plant and Equipment.
(ii) Carrying values of Property, Plant and Equipment
(iii) Employee Benefits
(iv) Employee Share Based Payments
(v) Taxation
(vi) Asset held for sale

Determination of functional currency:

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

1.30 On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The company is evaluating the effect of the amendments on its financial statements.

2. Property Plant and Equipment and Other Intangible Assets

I - Current year ended 31 March 2021

(Amount Rs. In Lakhs)

Particulars	Gross Block					Accumulated Depreciation / Amortisation/Impairment					Net Block
	As at 01 April 2020	Additions during the year	Deletions/ Adjustment during the year	Reclassified as held for sale (Refer Note 2.3 and Note 17)	As at 31 March 2021	As at 01 April 2020	For the year	Deletions during the year	Reclassified as held for sale (Refer Note 2.3 and Note 17)	As at 31 March 2021	As at 31 March 2021
A. Property Plant and Equipment											
Land - Freehold (Refer Note 2.2 and 20)	2,544.94	9.24	55.20	336.91	2,162.07	-	-	-	-	-	2,162.07
Buildings (Refer Note 20)	3,411.73	32.15	-	1,292.56	2,151.32	1,555.52	114.81	-	1,255.54	414.78	1,736.54
Plant and Equipment (Refer Note 20)	21,694.66	3,763.59	20.87	3,394.14	22,043.24	7,257.71	1,833.01	10.09	2,679.74	6,400.90	15,642.34
Furniture and Fixtures	72.45	9.67	-	20.13	61.99	43.04	2.07	-	20.13	24.98	37.01
Vehicles	109.54	22.58	20.15	-	111.97	24.70	14.23	13.81	-	25.12	86.85
Office Equipments	149.33	47.47	1.81	7.10	187.89	100.11	14.00	1.81	7.10	105.20	82.69
TOTAL (A)	**27,982.65**	**3,884.70**	**98.03**	**5,050.84**	**26,718.48**	**8,981.08**	**1,978.12**	**25.71**	**3,962.51**	**6,970.98**	**19,747.50**
B. Other Intangible Assets											
Computer Software	170.20	1.58	-	-	171.78	143.24	13.23	-	-	156.47	15.31
TOTAL (B)	**170.20**	**1.58**	**-**	**-**	**171.78**	**143.24**	**13.23**	**-**	**-**	**156.47**	**15.31**
TOTAL (A + B)	**28,152.85**	**3,886.28**	**98.03**	**5,050.84**	**26,890.26**	**9,124.32**	**1,991.35**	**25.71**	**3,962.51**	**7,127.45**	**19,762.81**

2. Property Plant and Equipment and Other Intangible Assets (Cont..)

II - Previous year ended 31 March 2020

(Amount Rs. In Lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation/Impairment					Net Block
	As at 01 April 2019	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2020	As at 01 April 2019	For the year	Deletions/ Adjustment during the year	Impairment recognised (Refer Note 2.3)	As at 31 March 2020	As at 31 March 2020
A. Property Plant and Equipment										
Land - Freehold (Refer Note 2.2 and 20)	1,821.94	723.00	-	2,544.94	-	-	-	-	-	2,544.94
Buildings (Refer Note 20)	3,258.15	160.78	7.20	3,411.73	1,360.01	172.77	7.20	29.94	1,555.52	1,856.21
“Plant and Equipment (Refer Note 20)”	19,824.91	1,903.99	34.24	21,694.66	4,326.06	2,254.89	-	676.76	7,257.71	14,436.95
Furniture and Fixtures	66.95	6.78	1.28	72.45	35.73	8.46	1.15	-	43.04	29.41
Vehicles	69.99	67.44	27.89	109.54	27.83	13.08	16.21	-	24.70	84.84
Office Equipments	132.66	16.67	-	149.33	74.63	25.48	-	-	100.11	49.22
TOTAL (A)	**25,174.60**	**2,878.66**	**70.61**	**27,982.65**	**5,824.26**	**2,474.68**	**24.56**	**706.70**	**8,981.08**	**19,001.57**
B. Other Intangible Assets										
Computer Software	159.85	10.35	-	170.20	128.87	14.37	-	-	143.24	26.96
TOTAL (B)	**159.85**	**10.35**	**-**	**170.20**	**128.87**	**14.37**	**-**	**-**	**143.24**	**26.96**
TOTAL (A + B)	**25,334.45**	**2,889.01**	**70.61**	**28,152.85**	**5,953.13**	**2,489.05**	**24.56**	**706.70**	**9,124.32**	**19,028.53**

Notes:

2.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 52.03 Lakhs as at 31 March 2021 (Rs. 41.35 Lakhs as at 31 March 2020)

2.2 The Company is currently using about 75 acres (PY: 170 acres) of land for production of salt this season. Further it is in the process of developing the balance 623.932 acres (PY: 524.17 acres) of salt fields. The production of salt on these lands is expected to commence post completion of the development activities.

2.3 The Company had suspended the operations at its Ongole plant on 10 July 2018 in order to dispose excess accumulated inventory, post which the Management was evaluating various options of running the Plant profitably. Subsequently, the management had carried out a detailed impairment evaluation and recognised an impairment of Rs. 706.70 lakhs and disclosed the same as Exceptional item under Statement of Profit & Loss during the year ended 31 March 2020 resulting in its carrying value of the property, plant and equipment at Ongole (“”Ongole Plant””) being Rs. 1,275.00 Lakhs (net of impairment as at 31 March 2020 amounting to Rs. 2,669.95 Lakhs) as at 31 March 2020. The net carrying value of the property, plant and equipment at Ongole Plant as at 31 March 2021 is Rs. 1,088.33 Lakhs. Also Refer Note 17.

3 Leases

Right of Use Assets :

Particulars	Land (Refer Note 20) Amount Rs. In lakhs	Equipment Amount Rs. In lakhs
Cost		
As at 01 April 2019	434.56	35.16
Additions	-	-
As at 31 March 2020	**434.56**	**35.16**
Add: Additions	38.83	-
As at 31 March 2021	**473.39**	**35.16**
Accumulated Amortisation		
As at 01 April 2019	-	-
Charge for the Year	9.42	10.29
As at 31 March 2020	**9.42**	**10.29**
Charge for the Year	20.38	10.29
As at 31 March 2021	**29.80**	**20.58**
Carrying Amount		
As at 31 March 2020	425.14	24.87
As at 31 March 2021	**443.59**	**14.58**

The Company has considered the OCC interest rate at the time of adoption of lease for the purpose of determination of discount rate for leases. The Company has leases for Land and certain equipment. The leases have remaining lease terms of 1 year upto 22 years with option to terminate or extend the lease.

Particulars	For the Year Ended 31 March 2021 Amount Rs. In lakhs	For the Year Ended 31 March 2020 Amount Rs. In lakhs
Amounts recognised in Statement of Profit and Loss were as follows:		
Amortisation Expense on right-of-use assets	30.67	19.71
Interest Expense on lease Liabilities	7.97	6.49
Expense relating to short-term lease	7.51	14.58
Expense relating to variable lease payments not included in the measurement of the lease liability	-	-
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	(25.40)	(21.46)
Additions to right of use assets	38.83	-
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	**112.03**	**100.90**
Not later than 1 year	34.43	19.07
Later than 1 year and not later than 5 years	31.17	32.50
Later than 5 years	46.43	49.33

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
4	**Investment Property**		
	Cost or Deemed Cost		
	Opening Balance	-	19.61
	Transferred from Property, Plant & Equipment	-	-
	Additions / Deletions	-	(19.61)
	Closing Balance	-	-
	Accumulated Depreciation & Impairment		
	Opening Balance	-	-
	Transferred from Property, Plant & Equipment	-	-
	Closing Balance	-	-
	Carrying Amount		
	Opening Balance	-	19.61
	Additions / Deletions	-	(19.61)
	Depreciation	-	-
	Closing Balance	-	-
4.1	During the previous year the Company has sold its investment property for Rs. 405.28 Lakhs whose carrying amount in books was Rs. 19.61 Lakhs. The gain on sale of Investment property of Rs. 385.67 Lakhs was disclosed as an exceptional item in the Statement of Profit and Loss account for the year ended 31 March 2020.		
5	**Investments - Non Current (Refer Note 39)**		
	Unquoted - Fully paid-up		
	Investment in Equity Shares of wholly-owned subsidiary, at Cost		
	53,20,000 Equity Shares of Rs.10/- each of Chemfab Alkalis Karaikal Limited	532.00	532.00
	Investment in Preference Shares of wholly-owned subsidiary, at Cost		
	26,80,000 0.01% Convertible Preference Shares of Chemfab Alkalis Karaikal Limited	268.00	268.00
	Total	**800.00**	**800.00**
6	**Other Investments - Non Current**		
	Investment carried at fair value through Other Comprehensive Income		
	Quoted Investments (fully paid)		
	Investment in Equity Instruments of Other entities		
	281 (P.Y. 281) Equity Shares of Rs.10/- each of Summit Securities Limited	1.52	0.77
	500 (P.Y. 500) Equity Shares of Rs.10/- each of De Nora India Limited	1.26	0.66
	300 (P.Y. 300) Equity Shares of Rs.10/- each of TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalis & Allied Chemicals Limited)	0.07	0.04
	450 (P.Y. 450) Equity Shares of Rs.5/- each of Kanoria Chemicals Limited	0.41	0.11
	Total	**3.26**	**1.58**
	Aggregate Book value of Quoted Investment	**3.26**	**1.58**
	Aggregate Market value of Quoted Investment	**3.26**	**1.58**
	Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	3.26	1.58

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
7	**Other Financial Assets - Non Current**		
	Deposits with others	194.95	198.85
	Receivable from Government	695.70	226.49
	Balances held as margin money (Refer Note 7.1 below)	42.22	60.38
	Total (Gross)	**932.87**	**485.72**
	Less: Provision for Expected Credit Loss	(695.70)	(226.49)
	Total (Net)	**237.17**	**259.23**
	Note :		
7.1	Represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.		
8	**Tax Assets (Net) - Non Current**		
	Income Tax paid / TDS Receivable (Net of provision for tax of Rs. 2,986.50 Lakhs (PY Rs. 1,324.29 Lakhs))	38.75	508.72
	Total	**38.75**	**508.72**

9 Current Taxes and Deferred Taxes

(Amount Rs. In lakhs)

	Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.1	**Income Tax recognised in Statement of Profit and Loss**		
(i)	Current Tax:		
	- in respect of current year	128.42	651.63
	Total (A)	128.42	651.63
(ii)	Deferred Tax:		
	- in respect of current year	887.23	275.10
	Total (B)	887.23	275.10
	Total income tax expense recognised in Statement of Profit and Loss (A+B)	**1,015.65**	**926.73**
A.2	**Income tax recognised in other Comprehensive income**		
	Deferred tax related to items recognised in other comprehensive income during the year:		
	- Remeasurement of defined benefit obligations & Others	(21.36)	(30.21)
	Total	**(21.36)**	**(30.21)**
	Classification of income tax recognised in other comprehensive income		
	- Income taxes related to items that will not be reclassified to profit or loss	(21.36)	(30.21)
	Total	**(21.36)**	**(30.21)**
A.3	**Reconciliation of income tax expense and the accounting profit multiplied by Company’s domestic tax rate:**		
	Profit before tax	211.70	2,685.53
	Income Tax using the Company’s domestic Tax rate	61.65	782.03
	Tax Effect of :		
	- Effect of expenses that are non-deductible in determining taxable profit	27.65	(2.90)
	- Deductible allowances	(88.82)	(1.79)
	- Gain on sale of Investment Property	-	95.46
	- Changes in recognised temporary differences	(112.87)	9.22
	- Changes on account of change in tax laws (Refer note D below)	1,153.54	-
	- Others	(25.50)	44.71
	Income Tax expense recognised in Statement of Profit or Loss	**1,015.65**	**926.73**

The tax rate used for the year ended March 31, 2021 and March 31, 2020 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense / (reversal) relating to prior years.

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

Particulars	As at March 31, 2020	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2021
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets (Refer note D below)	(1273.75)	1,323.24		(2,596.99)
Financial assets at amortised cost	66.21	(139.60)		205.81
Employee Benefits	51.37	(12.89)		64.26
Provisions for Expenses, impairment and Doubtful trade receivables	800.67	(0.12)		800.79
Remeasurement of defined benefit obligations	36.02	(31.90)	(21.36)	46.56
Carryforward of Tax Loss	2649.62	(125.05)		2,774.67
Others	3.92	1.97	-	1.95
	2,334.06	1,015.65	(21.36)	1,297.05
MAT	2,852.90	128.42	-	2,981.32
Net Tax Asset /(Liabilities)	**5,186.96**	**887.23**	**(21.36)**	**4,278.37**

B2 Movement in Deferred Tax Balances **(Amount Rs. In lakhs)**

Particulars	As at March 31, 2019	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2020
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets	(852.41)	421.34	-	(1,273.75)
Financial assets at amortised cost	17.53	(48.68)	-	66.21
Employee Benefits	53.95	2.58	-	51.37
Provisions for Expenses, impairment and Doubtful trade receivables	591.16	(209.51)	-	800.67
Remeasurement of defined benefit obligations	49.07	(17.16)	(30.21)	36.02
Carryforward of Tax Loss	3,425.14	775.52	-	2,649.62
Others	6.56	2.64	-	3.92
	3,291.00	926.73	(30.21)	2,334.06
MAT	2,201.27	651.63	-	2,852.90
Net Tax Asset /(Liabilities)	**5,492.27**	**275.10**	**(30.21)**	**5,186.96**

C Prior Years - Provision no longer required written back

During the preivous year, based on the completion of the tax assessments for various prior years, the Company had written back, provision made for taxation in prior years, which were no longer required amounting to Rs. 800.14 lakhs.

D The Company has carried out necessary adjustments to the deferred tax balances as at 31 March 2021 based on applicable tax laws.

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

	Particulars	As at March 31, 2021 Amount Rs. in Lakhs	As at March 31, 2020 Amount Rs. in Lakhs
10	**Other Non-Current Assets**		
	Capital Advances	78.42	39.01
	Balance with Government Authorities	3.98	-
	Prepaid Rent	0.74	0.04
	Total	**83.14**	**39.05**
11	**Inventories (at lower of cost and net realisable value)**		
	(a) Raw Materials	237.77	290.45
	(including Goods in Transit amounting to Rs. 1.76 Lakhs (PY - Rs. Nil))		
	(b) Work in Progress	113.15	10.54
	(c) Finished Goods (other than those acquired for trading)	334.80	392.93
	(d) Fuel (including Goods in Transit amounting to Rs. 5.80 Lakhs (PY - Rs. Nil))	13.69	5.97
	(e) Stores and Spares	139.90	150.37
	(f) Traded Goods	89.55	0.00
	Total	**928.86**	**850.26**
	Notes:		
1	The cost of inventories recognised as an expenses during the year	4,705.25	4,127.25
2	The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	15.78	32.73
3	The method of valuation of inventories has been stated in Note 1.6		
12	**Other Investments - Current**		
	Investments carried at Fair Value through Profit & Loss		
	Investments in Mutual Funds (quoted)		
	LIC Liquid Fund - 59199.257 units of Rs. 3736.8776 each (P.Y. Nil)	2,212.20	-
	LIC BPSU Fund - 451438.43 units of Rs.28.9096 each (P.Y. Nil)	130.51	-
	Total	**2,342.71**	**-**
13	**Trade Receivables**		
	(a) Considered good, Secured (Refer Note 13.01)	725.93	158.35
	(b) Considered good, Unsecured	790.40	795.89
	(c) Receivables which have significant increase in credit risk	80.02	79.60
		1,596.35	1,033.84
	Less: Provision for Expected Credit Loss (Refer Note 13.06)	(80.02)	(79.60)
	Total	**1,516.33**	**954.24**

Notes:

13.01 Secured Trade Receivables are secured by way of irrevocable Letter of Credits and Bank Guarantees

13.02 The Company had entered into a factoring arrangement on a recourse basis for certain receivables. The amount of such factored receivables as at 31 March 2021 was Rs. Nil (PY : Rs. 24.50 Lakhs).

13.03 Trade Receivables includes receivables outstanding from customers constituing individually 5% or more of the total trade receivables as at 31 March 2021 of Rs. 776.77 lakhs (PY : Rs. 350.62 lakhs)

13.04 The Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

13.05 The age of the receivables is as under:

Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
Age of receivables		
within the credit period	1,196.50	569.21
upto 180 days past due	380.49	443.63
more than 180 days past due	19.36	21.00
Total	**1,596.35**	**1,033.84**

		Year ended 31 March 2021 Amount Rs. In lakhs	Year ended 31 March 2020 Amount Rs. In lakhs
13.06	**Movement in Expected credit loss**		
	Balance at the beginning of the year	79.60	46.91
	Movement in expected credit loss allowance on trade receivables	0.42	32.69
	Balance at the end of the year	**80.02**	**79.60**
14A	**Cash and Cash Equivalents**		
	Balance with Banks - Current Accounts	1.09	1.27
	Cash on hand	0.40	0.59
	Total	**1.49**	**1.86**
14B	**Bank balances other than Cash and Cash Equivalents**		
	In Earmarked accounts		
	- Margin Money Accounts for bank guarantees and letters of credit	251.27	249.07
	- Unpaid Dividend Accounts (Refer Note 26 (i))	17.16	14.79
	Total	**268.43**	**263.86**
15	**Other Financial Assets - Current**		
	Deposits	19.23	15.56
	Advance to employees	0.41	0.65
	Interest accrued on Deposits	11.64	10.02
	Receivable from Government	-	469.18
	Interest accrued on Income tax refund	-	137.24
	Receivables against sale of raw materials	-	148.50
	Other Receivables	406.41	406.41
	Total	**437.69**	**1,187.56**
16	**Other Current Assets**		
	Advances to Vendors	210.36	518.70
	Advances to Related Parties (Refer Note 39)	6.91	0.67
	Balance with Government Authorities	503.64	729.09
	Prepaid expenses	184.00	197.47
	Other Receivables	2.27	4.52
	Total	**907.18**	**1,450.45**

17 Asset Held for Sale

(Also refer accounting policy in note 1.28 and 1.29)

Rs. In Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Property Plant and Equipment	1,088.33	-
Stores and Spares	23.78	-
Assets held for sale	**1,112.11**	**-**

During the year, the Board of Directors of the Company at their meeting held on 31 March 2021, considering the expansion plans in the existing units offering better business prospects and also the current business dynamics of product realisation and demand, competition, commercial viability, investment of time and resources required to restart the plant and operate viably, has decided to sell the Ongole Plant (land, building, machinery and other assets situated at Ongole) and directed the CEO to assess the market value of the assets and identify prospective buyers to sell the assets of the Plant subject to the approval of the shareholders.

The Company has assessed and concluded that no further adjustments are required to the carrying value of assets held for sale.

Particulars	As at 31 March 2021		As at 31 March 2020	
18 Share Capital	**Number of shares**	**Amount Rs. In lakhs**	**Number of shares**	**Amount Rs. In lakhs**
(a) Authorised Share Capital				
Equity shares of Rs. 10 each (with voting rights)	2,85,00,000	2,850.00	2,85,00,000	2,850.00
11% Redeemable Cumulative Preference shares of Rs. 100 each	2,64,000	264.00	2,64,000	264.00
12% Redeemable Cumulative Preference shares of Rs. 100 each	8,00,000	800.00	8,00,000	800.00
		3,914.00		3,914.00
(b) Issued, Subscribed and Paid up [refer (a) to (e) below]				
Equity shares of Rs. 10 each (with voting rights) fully paid up	1,40,60,502	1,406.05	1,39,34,504	1,393.45
Total		**1,406.05**		**1,393.45**

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

Particulars	Equity Share Capital			
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**Amount Rs. In lakhs**	**Number of shares**	**Amount Rs. In lakhs**
Issued, Subscribed and Paid up equity shares				
Shares and Share Capital outstanding at the beginning of the year	1,39,34,504	1,393.45	1,38,90,504	1,389.05
Add: Shares and Share Capital issued during the year (Refer Note 47)	1,25,998	12.60	44,000	4.40
Shares and Share Capital outstanding at the end of the year	**1,40,60,502**	**1,406.05**	**1,39,34,504**	**1,393.45**

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

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

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

Particulars	Equity Share Capital			
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**% held**	**Number of shares**	**% held**
Dr. Rao Holdings Pte Ltd	67,61,068	48.09%	67,61,068	48.52%
Titanium Equipment and Anode Manufacturing Company Private Limited	10,72,182	7.63%	10,72,182	7.69%
Shrimati K.M. Padma	11,10,712	7.90%	11,10,712	7.97%
Shri Suresh Krishnamurthi Rao	14,24,423	10.13%	14,24,423	10.22%

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

Particulars	Equity Share Capital			
	Year	**Number of shares**	**Amount**	**%**
Shares allotted pursuant to the scheme of amalgamations during last 5 years	31 March 2021			
	31 March 2020			
	31 March 2019			
	31 March 2018	1,31,02,424	1,310.24	94.74%
	31 March 2017			

(e) Refer Note 47 for details regarding employee stock option scheme.

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
19	**Other Equity**		
(a)	**Share Application Money Pending Allotment** (Refer Note 1 below)		
	Opening Balance	7.86	-
	Share Application Money Received	62.92	30.93
	Less: Shares Allotted during the year	(66.06)	(23.07)
	Closing balance	**4.72**	**7.86**
(b)	**Capital Reserve** (Refer Note 2 below)	**15.67**	**15.67**
(c)	**Capital Redemption Reserve** (Refer Note 3 below)		
	Opening Balance	960.00	960.00
	Add: On account of Redemption of Preference Shares	-	-
	Closing balance	**960.00**	**960.00**
(d)	**Securities Premium Reserve** (Refer Note 4 below)		
	Opening Balance	34,663.76	34,627.25
	Add: Securities Premium on issue of Equity Shares	81.77	36.51
	Closing balance	**34,745.53**	**34,663.76**
(e)	**Share Based Payment Reserve** (Refer Note 5 below)		
	Opening Balance	29.62	34.28
	Add: Employee compensation expense for the year	51.36	13.18
	Less: Transfer to Securities Premium for the shares allotted during the year	(28.31)	(17.84)
	Closing balance	**52.67**	**29.62**
(f)	**Retained Earnings** (Refer Note 6 below)		
	Opening Balance	(9,504.70)	(11,918.64)
	Add: Profit/(Loss) for the year	(803.95)	2,558.94
	Add: Other Comprehensive income for the year (Remeasurement of the defined benefit plans, net of taxes)	51.98	73.53
		(10,256.67)	(9,286.17)
	Less: Impact of adoption of Ind AS 116	-	8.62
	Less: Appropriations		
	- Dividend on Equity Shares	174.85	174.12
	- Tax on Equity Dividend	-	35.79
	Closing Balance	**(10,431.52)**	**(9,504.70)**
(g)	**Other Comprehensive Income** (Refer Note 7 below)		
	Opening Balance	1.25	3.20
	Add/(Less): Current Year	1.68	(1.95)
	Closing Balance	**2.93**	**1.25**
	Total	**25,350.00**	**26,173.46**

Notes

1.This represents Share Application Money received from employees under the ESOP scheme titled "CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]. Also Refer Note 47.

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

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

4.Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

5.Shares based payment reserve relates to the share options granted by the company to its employees under its share option plan. Refer Note 47 for further details.

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

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

Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
20 Borrowings		
(i) Secured - at amortised cost		
- Term Loan from Bank (Refer Note (i) and (ii) below)	1,478.87	2,178.03
(ii) Secured - at amortised cost - Buyer's Credit (Note (iii) below)	858.65	-
Total	**2,337.52**	**2,178.03**

Note:

Details in respect of Borrowings are as under :-

(i) Term Loan carrying an interest rate of 8.25% p.a (9.35% as at 31.03.2020) was availed for PVCO plant from Axis Bank Limited. The borrowings are secured by way of Equitable Mortgage over

(a) leasehold land (taken under 99 years lease by the Company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittor District, Andhra Pradesh - Exclusive Charge.

(b) fixed assets (Building, Plant and Machineries with estimated cost of Rs. 5,000 lakhs), created out of the proposed term loan of Rs. 3,500 lakhs - Exclusive Charge.

(c) fixed assets (Plant and Machineries / civil structures with estimated cost of Rs. 2,500 lakhs), created out of the proposed term loan of Rs. 1,500 lakhs - Exclusive Charge.

(d) collateral common for all bank sanction facilities including equitable mortgage over land and building comprising of 9.56 acres, 2.79 acres and 19.87 acres belonging to the company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry.

(ii) Repayment Summary

Term Loan Tranche 1 of Rs. 1,509.87 lakhs (net of Rs. 5.13 lakhs Ind AS EIR adjustment) as at 31 March 2021:

Repayable in 12 monthly instalments of Rs. 40 lakhs each, 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 30 lakhs each, 12 monthly instalments of Rs. 20 lakhs each, and 1 monthly instalment of Rs. 15 lakhs respectively.

Term Loan Tranche 2 of Rs. 671 lakhs as at 31 March 2021:

Repayable in 12 monthly instalments of Rs. 18.50 lakhs each, 12 monthly instalments of Rs. 15 lakhs each, 12 monthly instalments of Rs. 12.25 lakhs each, 12 monthly instalments of Rs. 9.40 lakhs each, 1 monthly instalments of Rs. 9.20 lakhs respectively.

Out of the above term loans, Rs. 702.00 lakhs have been classified as current maturities of long-term debt (secured) under Borrowings - Current.

There were no delays in repayments made by the Company towards the borrowings from banks during the current year and previous year.

(iii) Buyers Credit :

Buyer's credit, relating to acquisition of Plant and Equipment, is secured by way of Standby Letter of Credit (SBLC) attributable to non fund based credit limits with an option to convert to fund based Term Loan at the time of maturity. During the current year, the buyer's credit has been further extended to a period of 2 years upto December 2022. Collateral are common as given above [Refer Note (i)]. Buyers credit carry an interest rate of 0.01% per annum in Euros.

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
21	**Other Financial Liabilities - Non Current**		
	Trade/security deposits received	61.34	61.36
	Total	**61.34**	**61.36**
22	**Provisions - Non Current**		
	Provision for Gratuity (Refer Note 41)	56.71	98.10
	Total	**56.71**	**98.10**
23	**Other Non - Current Liabilities**		
	Advance from Customers	115.00	-
	Total	**115.00**	**-**
24	**Borrowings - Current**		
	From Banks		
	- Cash Credit - Secured (Note (i) and (ii) below)	42.31	553.57
	- Current maturities of long-term debt (Refer Note 20(ii))	702.00	624.00
	- Buyer's Credit (Note 20(iii))	-	840.91
	- Others (Refer Note 13.2)	-	24.50
	Total	**744.31**	**2,042.98**

Note:

Details in respect of Current Borrowings are as under :-

(i) Cash Credit facilities are secured by way of first charge over the entire current assets of the Company. The cash credits are repayable on demand.

(ii) The Cash Credit facilities are sanctioned by HDFC Bank upto Rs. 1,000 Lakhs (PY Nil) and by Axis Bank upto Rs. 1,500 Lakhs (PY Rs. 1,500 Lakhs).

25	**Trade Payables - Current** (Refer Note 39 and 42)		
	Total Outstanding dues of micro enterprises and small enterprises	16.74	10.46
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,792.84	1,647.53
	Total	**1,809.58**	**1,657.99**

Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
26	**Other Financial Liabilities - Current**		
	Creditors for Capital Goods	533.32	584.64
	Unpaid Dividends (Refer Note (i) and (ii) below)	17.16	14.79
	Interest accrued but not due	2.19	24.19
	Total	**552.67**	**623.62**
	Note:		
	(i) Amounts remitted to Investor Education and Protection Fund during the year	-	6.16
	(ii) The Company had transferred the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund during the previous year.		
27	**Provisions - Current**		
	Provision for compensated absences	205.66	159.50
	Provision for Warranty (Refer Note 1.20 and Note below)	20.34	13.11
	Provision for Gratuity (Refer Note 41)	29.83	25.58
	Total	**255.83**	**198.19**
	Note :		
	The Company carries a provision for warranty, the details of which are as under :		
	Opening Balance	**13.11**	**-**
	Provision made during the year	7.23	13.11
	Amounts Utilised / Paid during the year	-	-
	Closing Balance	**20.34**	**13.11**
28	**Current tax liabilities (Net)**		
	Provision for Tax (Net of Income Tax paid / TDS of Rs. 10.04 lakhs (As at 31 March 2020 of Rs. 2,701.42 lakhs))	99.71	95.55
	Total	**99.71**	**95.55**
29	**Other Current Liabilities**		
	Statutory liabilities	255.85	173.98
	Advance from Customers	391.42	88.75
	Total	**647.27**	**262.73**

30 Revenue from operations

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
a Sales of Products (Refer note below)	18,058.23	20,418.94
b Other operating revenues		
- Testing charges	22.90	33.38
Total	**18,081.13**	**20,452.32**

Note:

Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31 March 2021 amounting to Rs. 61.56 Lakhs (previous year Rs. 21.09 Lakhs).

30.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
Revenue by Geography		
India	18,016.32	20,346.69
Outside India	64.81	105.63
Total revenue from contracts with customers	**18,081.13**	**20,452.32**
Revenue by offerings		
Manufactured goods		
Chemicals & Related Products / Services		
- Caustic Soda Lye	8,288.42	10,815.66
- Caustic Soda Flakes	931.16	1,405.20
- Chlorine	1,297.15	820.00
- Hydrogen	766.29	803.63
- Others	2,105.81	1,690.15
PVCO-Pipes		
- PVC-O Pipes	2,582.33	4,031.67
- Others	116.43	75.68
Traded Goods		
PVCO-Pipes		
- PVC-O Pipes	1,330.79	776.95
- Resin	639.85	-
Other Operating Income		
Chemicals & Related Products / Services		
- Testing Charges	22.90	33.38
Total revenue from contracts with customers	**18,081.13**	**20,452.32**
Timing of recognition		
Goods & Services transferred at a point in time	18,081.13	20,452.32
Total revenue from contracts with customers	**18,081.13**	**20,452.32**

30.2 Trade Receivables and Contract Balances

The Company classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

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

30.3 Transaction price allocated to the remaining performance obligations

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
Contract Liabilities		
Advance received from customers	506.42	88.75

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

30.4 Information about major customers

The Company is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, pvco pipes and other products. Revenues arising from direct sales above includes revenues of approximately Rs. 1,899.95 lakhs which arose from sales to the company's single large customer (Previous Year Rs. 2,751 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the finanical year 2020-2021 and 2019-20.

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
31	**Other Income**		
(a)	Interest Income:		
	- Interest on fixed deposits with banks	21.98	32.08
	- Interest income on Income Tax refund	19.96	137.24
	- Other Interest income	0.68	7.82
(b)	Dividend income (Refer note (i) below)	-	0.01
(c)	Other Non Operating Income:		
	- Other Financial Assets (at Fair Value through Profit & Loss) (Refer note (ii) below)	27.04	26.35
	- Profit on Sale of Property, Plant & Equipment (Net)	0.90	28.06
	- Liabilities no longer required written back	21.56	-
	- Miscellaneous Income	46.23	79.85
	Total	**138.35**	**311.41**
	Notes:		
(i)	Dividend income includes:		
	a. Dividend from Non Current Investments	-	0.01
	b. Dividend from Current Investments	-	-
		-	**0.01**

(ii) Note :
The amount represents a net gain on investments in Mutual Funds (Refer Note 12) comprising of an increase in fair value of Rs. 6.57 Lakhs (2019-20: Rs. Nil) and gain on redemption of investments of Rs. 20.47 Lakhs received during the year (2019-20: Rs. 26.35 Lakhs).

32A	**Cost of Materials Consumed**		
	Opening Stock	290.45	262.12
	Add: Purchases	3,091.72	3,438.93
		3,382.17	3,701.05
	Less: Sale of Raw Materials	609.81	260.78
	Less: Closing Stock	237.77	290.45
	Cost of Materials consumed	2,534.59	3,149.82
	Materials Consumed Comprises of:		
	Salt	1,141.03	1,041.32
	Soda Ash	9.40	56.61
	PVC Resin	1,219.22	1,718.99
	Others (Refer Note (i) below)	164.94	332.90
	Total	**2,534.59**	**3,149.82**

Note:
(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
32B	**Purchase of Stock in Trade**		
	Domestic		
	- PVCO-Pipes	1,194.34	665.75
	- PVC Resin	620.07	-
		1,814.41	**665.75**
33	**Changes in Inventories of Finished Goods and Work in Progress**		
	Opening Stock		
	Finished goods	392.93	194.63
	Work-in-Progress	10.54	82.39
		403.47	277.02
	Closing Stock		
	Finished goods	334.80	392.93
	Work-in-Progress	113.15	10.54
		447.95	403.47
	Net (Increase)/decrease	**(44.48)**	**(126.45)**
34	**Other Direct Manufacturing Expenses**		
	Power and Fuel	7,140.64	6,903.89
	Labour Charges	166.65	171.81
	Total	**7,307.29**	**7,075.70**
35	**Employee Benefits Expense**		
	Salaries and Wages	1,473.21	1,458.01
	Contribution to Provident and other Funds (Refer Note 41)	220.41	244.54
	Expense on employee stock based compensation (Refer Note 47)	51.36	13.18
	Staff Welfare Expenses	89.57	91.62
	Total	**1,834.55**	**1,807.35**
36	**Finance Cost**		
	Interest on Borrowings	237.20	308.51
	Interest on Lease Liability (Refer Note 3)	7.97	6.49
	Total	**245.17**	**315.00**

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
37	**Other Expenses**		
	Stores and Spare parts consumed	400.73	438.13
	Rent	7.51	27.95
	Repairs and Maintenance - Plant and Equipment	177.74	187.49
	- Buildings	46.98	66.23
	Insurance	121.01	80.43
	Rates and Taxes	29.31	66.38
	Travelling Expenses	82.07	154.53
	Auditor's Remuneration (net of GST input credit)		
	- Statutory Audit	19.50	19.50
	- Limited Review	4.50	4.50
	- Other Certificates	1.75	1.00
	- Out of Pocket Expenses	0.75	0.75
	Commission to Directors (Refer Note 39)	22.00	240.00
	Sitting Fees (Refer Note 39)	12.10	8.45
	Expenditure on Corporate Social Responsibility (Refer Note 43)	78.58	72.68
	Legal and Professional Fees	98.58	79.31
	Freight (Net)	239.78	152.84
	Advertisement	10.64	12.31
	Exchange variation (Net)	45.18	27.50
	Bad receivables / Other Deposits written off	2.20	20.07
	Provision for Expected credit Loss on Other Financial assets	469.21	166.25
	Provision for Expected credit Loss on Trade Receivables	0.42	32.69
	Bank Charges	31.80	40.10
	Miscellaneous Expenses	391.89	462.15
	Total	**2,294.23**	**2,361.24**
	Note:		
	(i) Miscellaneous Expenses includes:		
	- Donations	16.35	22.72

Particulars		Amount Rs. In lakhs As at 31 March 2021	As at 31 March 2020
38	**a. Commitments**		
	(i) Estimated amount of contracts remaining to be executed and not provided for in these accounts (net of advances) in respect of purchase of :		
	- Tangible assets	595.56	1226.28
	b. Contingent liabilities in respect of		
	(i) Claims against the Company not Acknowledged as debt	10.11	13.00
	(ii) Show cause Notices received under GST Act	7.35	-
	(iii) Sales tax, Excise, Service Tax, Customs Duty and other demands against which the Company has filed appeals and for which no provision is considered required as the Company is hopeful of successful outcome in the appeals.	85.72	70.69

Sl No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) Rs. In lakhs	Period (F.Y)	Forum where dispute is pending
1	The Central Sales Tax Act, 1956	Sales Tax	- (0.58)	F.Y 2003-2004	CTO, Chengalpet
2	The Finance Act, 1994	Service Tax	6.38 (6.02)	June 2005 to January 2008	Commissioner (Appeals), Chennai
3	The Central Excise Act, 1944	Excise Duty	1.85 (1.72)	October 2011 to June 2012	Commissioner of Central Excise, Puducherry
4	Employees' State Insurance Act, 1948	Employees' State Insurance	0.71 (0.71)	April 2010 to June 2010	ESI Court, Puducherry
5	The Customs Act, 1962	Customs Duty	68.46 (61.66)	F.Y. 2013-14	CESTAT
6	The Income Act, 1961	Income Tax	8.32	F.Y. 2002-03	The High Court of Madras

Notes:

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

(ii) Figures in bracket indicate previous year figures.

39 Related party disclosures

a) List of Related parties and description of relationship

(i) Individuals exercising Significant influence	Mr. Suresh Krishnamurthi Rao - Chairman
(ii) Relatives of above	Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
(iii) Entities exercising significant influence over the Company	Dr Rao Holdings Pte Ltd
(iv) Entities in which persons listed in (i) and (ii) above exercise significant influence	Titanium Equipment and Anode Manufacturing Company Private Limited (TEAM)
(v) Wholly owned Subsidiary	Chemfab Alkalis Karaikal Limited
(vi) Key Management Personnel (KMP)	Mr. V.M. Srinivasan - Chief Executive Officer Mr. S Prasath - Chief Financial Officer (Refer Note 2 below) Mr. Nitin S Cowlagi - Chief Financial Officer until 07.04.2020 and Director from 04.06.2020 (Refer Note 2 below) Mr. C.S.Ramesh - Non Executive Director Mrs. Drushti Desai - Non Executive Director Mr. Janakiraman A - Non Executive Director Mr. Mahendran R - Non Executive Director Mrs. Sujatha Jayarajan - Non Executive Director Mr. T.Ramabadran - Non Executive Director
(vii) Other related party	Chemfab Alkalis Limited Employee's Group Gratuity Trust

Note 1. The list above includes only parties with transactions during the year.
Note 2. Mr. Nitin S Cowlagi retired from the company as Chief Financial Officer and Mr. S. Prasath was appointed as Chief Financial Officer WEF 7.4.2020. Mr. Nitin S Cowlagi was appointed as on additional director as the board meetting dated 4.6.2020 and Non-Executive director at Annual General Meeting dated 29.07.2020

b) Transactions with related parties :

Nature of Transaction	Related Party	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
1. Transactions during the year			
a) Income			
Sale of Products	Titanium Equipment and Anode Manufacturing Company Private Limited	1.06	13.42
b) Expenditure			
Purchase of Goods and Services	Titanium Equipment and Anode Manufacturing Company Private Limited	-	0.88
Lease Rent	Titanium Equipment and Anode Manufacturing Company Private Limited	6.44	22.13
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	175.96	156.98
	Mr. Nitin S Cowlagi	55.23	59.15
	Mr. S Prasath	31.79	-
c) Others			
Investment in Equity Share Capital	Chemfab Alkalis Karaikal Limited	-	532.00
Investment in Preference Share Capital	Chemfab Alkalis Karaikal Limited	-	268.00
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	210.00	272.00
Commission (paid out of the provision made during the previous year) and Sitting Fees (accrued during the year)	Mr. C.S.Ramesh	7.10	7.42
	Mrs. Drushti Desai	7.03	7.35
	Mr. Janakiraman A	6.88	7.12
	Mr. Mahendran R	6.03	6.58
	Mrs. Sujatha Jayarajan	6.73	6.75
	Mr. T.Ramabadran	7.18	7.23
	Mr. Nitin S Cowlagi	1.18	-
Purchase of Property, Plant & Equipment	Titanium Equipment and Anode Manufacturing Company Private Limited	-	589.68
Contractually reimbursable expenses	Titanium Equipment and Anode Manufacturing Company Private Limited	5.95	5.53

	Chemfab Alkalis Karaikal Limited	0.29	7.92
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	10.00	-
Dividend paid (Including TDS)	Mr. Suresh Krishnamurthi Rao	17.81	17.81
	Mrs. K.M. Padma	13.88	13.88
	Dr Rao Holdings Pte Ltd	84.51	84.51
	Titanium Equipment and Anode Manufacturing Company Private Limited	13.40	13.40
	Mr. V.M. Srinivasan	1.02	0.89
	Mr. Nitin S Cowlagi	0.70	0.22

Note:
1) Purchases, Sales and Services above are inclusive of taxes
2) The above excludes Provision for Commission to Directors of Rs.22 lakhs (PY - Rs. 240 lakhs) made during the year.

Nature of Transaction	Related Party	As at 31 March 2021 Rs. In Lakhs	As at 31 March 2020 Rs. In Lakhs
II. Balances Outstanding at the end of the year			
Payables	Titanium Equipment and Anode Manufacturing Company Private Limited	13.15	6.78
Other Current Assets	Titanium Equipment and Anode Manufacturing Company Private Limited	6.55	0.59
Investment in Subsidiary - Equity Share Capital	Chemfab Alkalis Karaikal Limited	532.00	532.00
Investment in Subsidiary - Preference Share Capital	Chemfab Alkalis Karaikal Limited	268.00	268.00
Receivables - Other Current Assets	Chemfab Alkalis Karaikal Limited	0.36	0.08
Other employment benefits	Mr. V.M. Srinivasan	49.36	32.25
	Mr. Nitin S Cowlagi	-	2.62
	Mr. Prasath S	7.60	-
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	402.09	373.88

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

Particulars	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
Mr. V.M. Srinivasan		
Salary	111.58	100.86
Share-based payment transactions perquisite	54.59	34.24
Post employment benefits	9.79	21.88
Total	**175.96**	**156.98**
Mr. Nitin S Cowlagi		
Salary and perquisite	40.13	38.11
Share-based payment transactions perquisite	15.03	13.15
Post employment benefits	0.07	7.89
Total	**55.23**	**59.15**
Mr. Prasath S		
Salary and perquisite	25.85	NA
Share-based payment transactions perquisite	-	NA
Post employment benefits	5.94	NA
Total	**31.79**	**NA**

40 Earnings Per Share

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

Particulars	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
Face Value Per Share - Rs.	10	10
Net (Loss) / Profit attributable to the Equity shareholders (A) - Rs. In Lakhs	(803.95)	**2,558.94**
Weighted average Number of Shares (B)	1,40,07,448	**1,39,26,408**
Add: Effects of ESOP which are dilutive in nature	96,335	82,811
Weighted average Number of Shares for Diluted EPS (C)	1,41,03,783	**1,40,09,219**
Basic Earnings per Share (A/B) - Rs.	(5.74)	18.37
DilutedEarningsperShareCY(A/B),PY(A/C)-Rs. (Also Refer Note below)	(5.74)	18.27

Note :
Since the Company has incurred loss during the current year ended 31 March 2021, the potential equity shares have not been considered for the purpose of computation of diluted earnings per share as the same is anti-dilutive.

41 Employee benefit plans

I Defined contribution plans

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

Amount Rs. In lakhs

Particulars	For the Year Ended	
	31 March 2021	**31 March 2020**
Employer's Contribution to Provident Fund/Pension Scheme	100.87	106.04
Employer's Contribution to Superannuation Fund	23.47	26.23
Employer's Contribution to Employee Deposit Linked Insurance scheme	1.61	1.68
	125.95	**133.95**

II Defined benefit plans

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

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Amount Rs. In lakhs	**Amount Rs. In lakhs**
Recognised in Statement of Profit and Loss		
Current service cost	86.94	98.00
Net interest expense	7.52	12.59
Components of defined benefit costs recognised in the Statement of Profit and Loss	**94.46**	**110.59**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	**(3.00)**	**(1.81)**
Actuarial gains and loss arising from changes in financial assumptions	(70.34)	(101.93)
Components of defined benefit costs recognised in Other Comprehensive Income	**(73.34)**	**(103.74)**
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	**21.12**	**6.85**

(i) The current service cost and interest expense for the year are included in the "Employee Benefit Expenses" in the statement of profit & loss under the line item "Contribution to Provident and Other Funds"
(ii) The remeasurement of the net defined benefit liability is included in other comprehensive income.

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

Particulars	As at 31 March 2021	As at 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Net asset / (liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	(488.63)	(497.56)
2. Fair value of plan assets	402.09	373.88
Net asset / (liability) recognised in the Balance Sheet	**(86.54)**	**(123.68)**
Current portion of the liability included under Note 27	29.83	25.58
Non-Current portion of the liability included under Note 22	56.71	98.10
	86.54	**123.68**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Present value of defined benefit obligation at the beginning of the year	497.56	521.07
Expenses Recognised in Statement of Profit and Loss:		
-Current service cost	86.94	98.00
-Interest cost	32.07	38.54
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses):		
-Actuarial gains and loss arising from changes in financial assumptions	(70.34)	(101.93)
Benefits paid	(57.60)	(58.12)
Present value of defined benefit obligation at the end of the year	**488.63**	**497.56**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	373.88	348.62
Expenses Recognised in Statement of Profit and Loss:		
Expected return on plan assets	24.55	25.95
Recognised in Other Comprehensive Income:		
Return on plan assets (excluding amount included in net interest expense)	3.00	1.81
Contributions by employer	58.26	55.62
Benefits paid	(57.60)	(58.12)
Fair value of plan assets at the end of the year	**402.09**	**373.88**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Investment Funds with Insurance Company		
-Aditya Birla Sun Life Insurance Company Limited	11.55%	10.35%
-Life Insurance Corporation of India	88.45%	89.65%

The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity

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

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.75%	6.56%
Expected return on plan assets	6.57%	7.44%
Salary escalation	8.00%	8.00%
Attrition	5.00%	5.00%
Mortality tables	India Assured Life (2012-14)	India Assured Life (2012-14)

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

Amount Rs. In lakhs

Impact on the Defined benefit Obligation	Increase As at 31 March 2021	Increase As at 31 March 2020
Change in the discount rate by 50 basis point	14.21	15.13
Change in Attrition rate by 50 basis point	0.79	0.94
Change in Expected rate of salary increase by 50 basis point	(15.17)	(16.14)
Impact on the Defined benefit Obligation	**Decrease As at 31 March 2021**	**Decrease As at 31 March 2020**
Change in the discount rate by 50 basis point	(15.02)	(16.01)
Change in Attrition rate by 50 basis point	(0.81)	(0.97)
Change in Expected rate of salary by 50 basis point	14.49	15.40

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

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

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

Experience adjustments

Gratuity	Year ended 31 March 2021	Year ended 31 March 2020
Present value of DBO	488.63	497.56
Fair value of plan assets	402.09	373.88
Experience gain / (loss) adjustments on plan liabilities	70.34	101.93
Experience gain / (loss) adjustments on plan assets	3.00	1.81

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

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

(Amount Rs. In lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
a) Dues remaining unpaid		
- Principal	16.74	10.46
- Interest	-	-
b) (i) Amounts paid to suppliers beyond the appointed day	-	-
(ii) Interest paid in terms of Sec.16 of the Act	-	-
c) Interest due and payable for the period of delay in payments made beyond the appointed day during the year	-	-
d) Interest accrued and remaining unpaid	-	-
e) Interest due and payable even in the succeeding years until actually paid	-	-

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

43 Corporate Social Responsiblity (CSR) :

During the year, the Company incurred an aggregate amount of Rs. 78.58 Lakhs (PY- Rs. 72.68 lakhs) towards corporate social responsibility in compliance of Section 135 of the Companies Act 2013 read with relevant schedule and rules made thereunder. The details of the CSR spend are given below: -

(i) Gross amount required to be spent by the Company during the year Rs. 78.01 lakhs (PY - Rs. 68.80 lakhs)

(ii) Amount spent by the Company during the year on:

(Amount Rs. In lakhs)

Particulars	Mode of Payment	Amount Paid	Yet to be paid	Total
i) Construction / Acquisition of any asset	Cheque / Electronic Fund Transfer	5.80	0.09	5.89
	Cash	0.01	-	0.01
ii) On purposes other than (i) above	Cheque / Electronic Fund Transfer/ Transfer of goods	69.16	3.48	72.64
	Cash	0.04	-	0.04
Total		**75.01**	**3.57**	**78.58**

44 Financial Instruments

(I) Capital Management

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

Gearing Ratio :

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	3,081.83	4,221.01
Short Term Investments	(2,342.71)	-
Cash and Bank Balances	(269.92)	(265.72)
Net Debt (A)	**469.20**	**3,955.29**
Total Equity (B)	**26,756.05**	**27,566.91**
Net Debt to equity ratio (A/B)	**0.02**	**0.14**

(II) Categories of Financial Instruments

(a) Financial Assets

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Other Investments	3.26	1.58
Measured at fair value through P&L (FVTPL)		
- Investments	2,342.71	-
Measured at amortised cost		
- Investments in Subsidiaries	800.00	800.00
- Trade receivables	1,516.33	954.24
- Cash and Cash Equivalents	1.49	1.86
- Bank Balances other than above	268.43	263.86
- Other Financial Assets	674.86	1,446.79
Total	**5,607.08**	**3,468.33**

(b) Financial Liabilities :

(Amount Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at amortised cost		
- Borrowings	3,081.83	4,221.01
- Trade Payables	1,809.58	1,657.99
- Lease Liabilities	72.75	58.90
- Other financial liabilities	614.01	684.98
Total	**5,578.17**	**6,622.88**

(III) Financial Risk Management Framework

The Company manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management :

The Company undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Company has not entered into any derivate contracts during the year ended 31 March 2021 and there are no outstanding contracts as at 31 March 2021.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

		As at 31 March 2021		As at 31 March 2020	
Particulars	**Currency**	**Amount in Foreign Currency**	**Amount - Rs. In lakhs**	**Amount in Foreign Currency**	**Amount - Rs. In lakhs**
Capital Creditors	EURO	421,369.75	362.79	420,472.55	353.91
Trade Payables	USD	-	-	122,661.00	91.43
Trade Receivables	USD	24,201.41	17.11	31,222.45	24.27
Borrowings	EURO	1,016,054.90	858.65	1,016,054.90	840.91

All of the above exposures have not been hedged

(V) Foreign Currency sensitivity analysis:

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period **(Amount Rs. In Lakhs)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	0.01	(0.01)	(0.55)	0.55
EURO	(0.72)	0.72	(0.72)	0.72

Impact on total equity as at the end of the reporting period **(Amount Rs. In Lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	0.01	(0.01)	(0.55)	0.55
EURO	(0.72)	0.72	(0.72)	0.72

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Company at the end of the reporting period.

(VI) Forward foreign exchange contracts : There are no forward foreign exchange contracts outstanding as at 31 March 2021.

(VII) Liquidity Risk Management :

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Company.

Liquidity and Interest Risk Tables :

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

(Amount Rs. In Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2021					
Interest bearing	775.34	1,985.15	373.05	23.23	3,156.77
Non-interest bearing	2,360.06	11.39	-	49.95	2,421.40
Total	**3,135.40**	**1,996.54**	**373.05**	**73.18**	**5,578.17**

March 31, 2020					
Interest bearing	2,081.17	1,317.12	882.15	23.66	4,304.10
Non-interest bearing	2,257.42	11.41	-	49.95	2,318.78
Total	4,338.59	1,328.53	882.15	73.61	6,622.88

Interest Rate risk

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

Interest rate sensitivity analysis

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

Impact on Profit and Loss for the reporting period **(Amount Rs. In Lakhs)**

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Impact on Profit and Loss for the reporting period	(23.21)	23.21	(31.43)	31.43

Impact on Total Equity as at end of the reporting period

Particulars	As at 31 March 2021		As at 31 March 2020	
	Increase by 100 bps	Decrease by 100 bps	Increase by 100 bps	Decrease by 100 bps
Impact on Total Equity as at end of the reporting period	(23.21)	23.21	(31.43)	31.43

The following tables detail the Company's remaining contractual maturity for its non-derivative financial assets with agreed repayment periods. The Company does not hold any derivative financial instrument.

(Amount Rs. In Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above	Total
March 31, 2021					
Interest bearing	2,605.62	1.87	40.35	169.03	2,816.87
Non-interest bearing	1,961.03	7.00	-	822.18	2,790.21
Total	**4,566.65**	**8.87**	**40.35**	**991.21**	**5,607.08**
March 31, 2020					
Interest bearing	396.33	1.28	21.17	206.28	625.06
Non-interest bearing	2,011.19	6.97	-	825.11	2,843.27
Total	**2,407.52**	**8.25**	**21.17**	**1,031.39**	**3,468.33**

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

(VIII) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(IX) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(X) Offsetting of financial assets and financial liabilities

The Company has not offset financial assets and financial liabilities.

45 Fair Value Hierarchy

This note provides information about how the Company determines fair value of various financial assets and liabilities

(I) Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

(Amount Rs. In lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy Valuation techniques and key inputs	
	31 March 2021	31 March 2020		
Financial Assets				
-Investment in quoted Equity Instruments at FVTOCI	3.26	1.58	Level 1	Quoted bid prices in an active market
-Other Investments at FVTPL	2,342.71	-	Level 1	Based on fund statement
Total	**2,345.97**	**1.58**		

(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring) :

(Amount Rs. In lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
-Investments in Subsidiaries	800.00	800.00	800.00	800.00
- Trade receivables	1,516.33	1,516.33	954.24	954.24
- Cash and Cash Equivalents	1.49	1.49	1.86	1.86
- Bank Balances other than above	268.43	268.43	263.86	263.86
- Other financial assets	674.86	674.86	1,446.79	1,446.79
Total	**3,261.11**	**3,261.11**	**3,466.75**	**3,466.75**

Financial liabilities held at amortised cost :				
- Borrowings	3,081.83	3,081.83	4,221.01	4,221.01
- Trade Payables	1,809.58	1,809.58	1,657.99	1,657.99
- Lease Liabilities	72.75	72.75	58.90	58.90
- Other financial liabilities	614.01	614.01	684.98	684.98
Total	**5,578.17**	**5,578.17**	**6,622.88**	**6,622.88**

Fair value hierarchy as at 31 March 2021

(Amount Rs. In lakhs)

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at amortised cost:				
-Investments in Subsidiaries		-	800.00	800.00
- Cash and Cash Equivalents	1.49	-	-	1.49
- Bank Balances other than above	268.43	-	-	268.43
- Trade receivables	-	-	1,516.33	1,516.33
- Other financial assets	42.22	-	632.64	674.86
	312.14	-	2,948.97	3,261.11
Financial liabilities held at amortised cost :				
- Borrowings	-	-	3,081.83	3,081.83
- Trade Payables	-	-	1,809.58	1,809.58
- Lease Liabilities	-	-	72.75	72.75
- Other financial liabilities	-	-	614.01	614.01
	-	-	5,578.17	5,578.17

Fair value hierarchy as at 31 March 2020

(Amount Rs. In lakhs)

Particulars	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at amortised cost:				
-Investments in Subsidiaries		-	800.00	800.00
- Cash and Cash Equivalents	1.86	-	-	1.86
- Bank Balances other than above	263.86	-	-	263.86
- Trade receivables	-	-	954.24	954.24
- Other financial assets	60.38	-	1,386.41	1,446.79
	326.10	-	3,140.65	3,466.75
Financial liabilities held at amortised cost :				
- Borrowings	-	-	4,221.01	4,221.01
- Trade Payables	-	-	1,657.99	1,657.99
- Lease Liabilities	-	-	58.90	58.90
- Other financial liabilities	-	-	684.98	684.98
	-	**-**	**6,622.88**	**6,622.88**

46 Segment Information

Description of segments and principal activities

The company identifies its operating segment based on the nature and class of product and services, nature of production process and assessment of differential risks and returns and financial reporting results reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS. For financial statements presentation purposes, individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors.

Specifically, the Company's reportable segments under Ind AS are as follows:

1) Chemicals and related Products/Services
2) PVC-O Pipes

Geographical segments
The geographical segments considered for disclosure are based on markets, broadly as India and Others

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1.16, the accounting policies in relation to segment accounting are as under:

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Inter segment sales are eliminated in consolidation

Other income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.

The total assets disclosed for each segment include all operating assets used by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude, deferred tax assets and income tax etc.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities etc.

(Amount Rs. In lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/ Services	PVC-O Pipes	
Revenue			
- Current Year	13,411.73	4,671.31	18,083.04
- Previous Year	15,568.02	4,884.30	20,452.32
Less: Inter-segment revenue			
- Current Year	-	1.91	1.91
- Previous Year	-	-	-
Total			
- Current Year	13,411.73	4,669.40	18,081.13
- Previous Year	15,568.02	4,884.30	20,452.32
Segment result before exceptional item			
- Current Year	5.51	313.01	318.52
- Previous Year	2,083.07	927.08	3,010.15
Less: Exceptional Item			
- Current Year	-	-	-
- Previous Year	321.03	-	321.03
Segment result after exceptional item			

- Current Year	5.51	313.01	318.52
- Previous Year	1,762.04	927.08	2,689.12
Finance Cost			
- Current Year			245.17
- Previous Year			315.00
Operating income			
- Current Year			73.35
- Previous Year			2,374.12
Other income			
- Current Year			138.35
- Previous Year			311.41
Profit before taxes			
- Current Year			211.70
- Previous Year			2,685.53

Particulars	Business segments		Total
	Chemicals and related Products/ Services	PVC-O Pipes	
Tax expense			
- Current Year			1,015.65
- Previous Year			126.59
Profit / (Loss) for the year			
- Current Year			(803.95)
- Previous Year			2,558.94

II. Segment Assets and Liabilities

(Amount Rs. In lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/ Services	PVC-O Pipes	
Segment assets			
- Current Year	17,872.84	8,138.85	26,011.69
- Previous Year	19,092.91	8,875.64	27,968.55
Unallocable assets			
- Current Year			7,497.05
- Previous Year			6,875.81
Total assets			
- Current Year			33,508.74
- Previous Year			34,844.36

Segment liabilities			
- Current Year	2,622.95	928.85	3,551.80
- Previous Year	2,364.88	557.03	2,921.91
Unallocable liabilities			
- Current Year			3,200.89
- Previous Year			4,355.54
Total liabilities			
- Current Year			6,752.69
- Previous Year			7,277.45
Other information			
Capital expenditure			
- Current Year	625.17	101.11	726.28
- Previous Year	3,411.43	2,091.79	5,503.22
Depreciation and amortisation			
- Current Year	1,517.76	504.26	2,022.02
- Previous Year	1,958.22	550.54	2,508.76

Information on geographic segments:

(Amount Rs. In lakhs)

Geographical Segment	Revenues for the year ended 31 March 2021	Non - Current Assets as at 31 March 2021 (Refer Note 2 below)
India		
- Current Year	18,016.32	21,676.82
- Previous Year	20,346.69	24,105.51
Others		
- Current Year	64.81	-
- Previous Year	105.63	-

Note:

1) Also Refer Note 1.16

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

47 Employee Stock Option Scheme

a) The details of the Employee stock option schemes approved by the shareholders are as below:

Option Plan	Number	Grant Date	Exercise price in Rs.	Fair value on the date of grant in Rs.
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	2,40,000	24-Mar-16	52.43	74.90
"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020]	3,22,000	29-Oct-20	97.83	139.75

The options may be exercised within a period of 12 months from the date of vesting and the vesting plan of the stock option schemes are as below:

CAESOS 2015	CAESOS 2020
25% of the Options - Two years from the date of grant.	25% of the Options - One year from the date of grant.
25% of the Options - Three years from the date of grant.	25% of the Options - Two years from the date of grant.
50% of the Options - Four years from the date of grant.	25% of the Options - Three years from the date of grant.
	25% of the Options - Four years from the date of grant.

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

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]				
Option outstanding at the beginning of the year:	1,20,000	52.43	1,80,000	52.43
Add: Granted during the year:			-	-
Less: Exercised during the year: *	(119,998)	52.43	(59,000)	52.43
Less: Lapsed during the year:	(2)	-	(1,000)	-
Options outstanding at the end of the year:	-	-	1,20,000	52.43
The exercise price has been determined on the basis of the weighted average share price of erstwhile Chemfab Alkalis Limited as at the grant date.		52.43	NA	52.43
Weighted average remaining contractual life for options outstanding as at 31 March 2021 - Nil (As at 31 March 2020 - 0.5 Years).				
"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020]				
Option outstanding at the beginning of the year:	-	-	NA	NA
Add: Granted during the year:	322,000	97.83	NA	NA
Less: Exercised during the year:	-	-	NA	NA

Less: Lapsed during the year:	-	-	NA	NA
Options outstanding at the end of the year:	322,000	97.83	NA	NA
The exercise price has been determined on the basis of the weighted average share price of Chemfab Alkalis Limited as at the grant date.		97.83		
Weighted average remaining contractual life for options outstanding as at 31 March 2021 - 4 Years				

* Out of the above, shares relating to 9,000 options are pending allotment as at 31 March 2021 (PY 15,000)

c) The assumptions used in this model for calculating fair value on date of grant are as below:

"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015] (Using Black-Scholes model)

Assumptions	25 % options	25 % options	50 % options
Risk Free Interest Rate	7.44%	7.49%	7.53%
Expected Life	3.5	4	4.5
Expected Annual Volatility of Shares	45%	44%	44%
Expected Dividend Yield	25%	25%	25%

"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020] (Using Black-Scholes model)

Assumptions	**25 % options**	**25 % options**	**25 % options**	**25 % options**
Risk Free Interest Rate	7.50%	7.50%	7.50%	7.50%
Expected Life	1	2	3	4
Expected Annual Volatility of Shares	64.78%	55.79%	57.14%	55.92%
Expected Dividend Yield	12.50%	12.50%	12.50%	12.50%

d) Stock Options exercised during the year

Option Plan	**Number Exercised**	**Exercise date**	**Exercise price in Rs.**
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	7,000	2-Apr-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	21,570	3-Apr-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	21-May-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	30-Jun-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	22-Sep-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	12,000	24-Sep-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	24-Sep-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	6,428	15-Oct-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	16-Oct-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	2,000	22-Oct-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	2-Nov-20	52.43

"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	9-Nov-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	4,000	9-Nov-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,000	10-Nov-20	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	500	11-Feb-21	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	1,500	11-Feb-21	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,500	16-Feb-21	52.43
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,500	18-Feb-21	52.43

e) Total expense accounted for by the Company on account of the above are given below:

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
ESOP cost accounted by the Company (Refer Note 35)	51.36	13.18
Total	**51.36**	**13.18**

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

(Amount Rs. in lakhs)

Particulars	2020-21	2019-20
Employee Benefits expense	41.95	39.83
Professional fees	3.06	12.65
Consumption of Stores and spares	9.51	4.28
Travelling expenses	0.10	1.59
Depreciation	8.57	7.71
Total	**63.19**	**66.05**

49 The Code on Wages, 2019 and Code of Social Security, 2020 (“the Codes”) relating to employee compensation and post employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Company will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

50 The Company has taken into account potential impacts of COVID-19 in the preparation of the standalone financial statements. Based on the information currently available, there is no material impact on carrying amounts of inventories, trade and other receivables, investments and other financial assets though management continues to monitor changes in future economic conditions.

51 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these standalone financial statements in its meeting held on 21 May 2021.

For and on behalf of Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

INDEPENDENT AUDITOR'S REPORT
To The Members of CHEMFAB ALKALIS LIMITED

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of CHEMFAB ALKALIS LIMITED ("the Parent"/ "the Holding Company") and its subsidiary, (the Parent/ Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Key Audit Matter	Auditor's Response
Valuation and classification of assets held for sale The Management had suspended the operations of its plant in Ongole since July 2018 and was in the process of evaluating future course of action. The Parent Company has in its Board Meeting held on 31 March 2021 decided to dispose off the Ongole Plant (land, building, machinery and other assets situated at Ongole) and directed the CEO to assess the market value of the assets and identify prospective buyers to sell the assets of the Ongole Plant. Based on the management's assessment of the assets held for sale, the net realisable value is higher than the net carrying value of the assets at Ongole Plant as at 31 March 2021. (Refer Note 16 of the Consolidated Financial Statements for the year ended 31 March 2021). Due to the multitude of factors, assumptions and significant judgments involved in estimating the net realizable value, any adverse changes to these assumptions could result into such net realisable value becoming lower than the carrying amount.	**Principal audit procedures performed:** We have performed the following procedures: - Evaluated the design and implementation of the relevant controls and the operating effectiveness of such internal controls in relation to the assessment of net realisable value of assets held at Ongole plant. - Read minutes of meetings of Board of Directors of the Parent Company. - Obtained the valuation report of the management's expert and assessed the appropriateness of valuation methodology adopted by the expert and techniques along with the assumptions adopted by the expert and the management. Also, evaluated the independence, objectivity and competency of the expert engaged by the management. - Corroborated the value of Ongole land considered by the management independently with the publicly available information, where applicable. - Tested the management assessment whether the carrying values of disposal group are at least equal or lower to their estimated net realisable value; - Assessed the management representation regarding the likelihood of disposal i.e. Ongole Plant being available for immediate sale in its current state, plans to locate a buyer and whether it is highly probable that the sale will take place; - Evaluated the appropriateness and adequacy of the disclosures made in the financial statements in accordance with the applicable accounting standards.

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

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

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's/ Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Ind AS financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

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

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

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

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

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

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

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

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

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in the Consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the Parent and Subsidiary company incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent/ Holding company and the subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

i. The Consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no amounts during the current year which were required to be transferred, to the Investor Education and Protection Fund by the Parent/ Holding Company and its subsidiary company incorporated in India.

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

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

Place: Chennai
Date: 21 May 2021
Ref No. PS/BS/KS/2021/7
Unique Document Identification Number: 21206834AAAAAG4756

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

In conjunction with our audit of the Consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls over financial reporting of **CHEMFAB ALKALIS LIMITED** (hereinafter referred to as the Holding Company) and its subsidiary company as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company/ Parent and its subsidiary company, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company/ Parent, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: Chennai
Date: 21 May 2021
Ref No. PS/BS/KS/2021/7
Unique Document Identification Number: 21206834AAAAAG4756

Consolidated Balance Sheet as at 31 March 2021			
Particulars	**Note No**	**As at 31 March 2021 Rs. In Lakhs**	**As at 31 March 2020 Rs. In Lakhs**
I. ASSETS			
(1) Non - Current Assets			
(a) Property, Plant and Equipment	2	19,747.50	19,001.57
(b) Right of Use Assets	3	458.17	450.01
(c) Capital Work-In-Progress		339.58	3,527.11
(d) Investment Property	4	-	-
(e) Other Intangible Assets	2	15.31	26.96
(f) Financial Assets			
(i) Investments	5	3.26	1.58
(ii) Other Financial Assets	6	237.62	259.23
(g) Tax Assets (Net)	7	38.75	508.72
(h) Deferred Tax Assets (Net)	8	4,278.37	5,186.96
(i) Other Non - Current Assets	9	807.68	762.45
Total Non - Current Assets		**25,926.24**	**29,724.59**
(2) Current Assets			
(a) Inventories	10	928.86	850.26
(b) Financial Assets			
(i) Other Investments	11	2,394.21	67.22
(ii) Trade Receivables	12	1,516.33	954.24
(iii) Cash and Cash Equivalents	13A	1.78	3.59
(iv) Bank Balances other than (iii) above	13B	268.43	263.86
(v) Other Financial Assets	14	437.69	1,187.56
(c) Current Tax Assets (net)	8	-	334.94
(d) Other Current Assets	15	906.82	1,450.38
		6,454.12	5,112.05
Asset Held for Sale	16	1,112.11	-
Total Current Assets		**7,566.23**	**5,112.05**
TOTAL ASSETS		**33,492.47**	**34,836.64**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	**17**	**1,406.05**	**1,393.45**
(b) Other Equity	**18**	**25,326.47**	**26,159.13**
Equity attributable to Shareholders of the Company		**26,732.52**	**27,552.58**
Non-controlling interests		**-**	**-**
Total Equity		**26,732.52**	**27,552.58**
(2) Liabilities			
Non- current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	2,337.52	2,178.03
(ii) Lease Liabilities		43.91	44.90
(iii) Other Financial Liabilities	20	61.34	61.36
(b) Provisions	21	56.71	98.10
(c) Other Non - Current Liabilities	22	115.00	-
Total Non- current Liabilities		**2,614.48**	**2,382.39**

Consolidated Balance Sheet as at 31 March 2021			
Particulars	**Note No**	**As at 31 March 2021 Rs. In Lakhs**	**As at 31 March 2020 Rs. In Lakhs**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	23	744.31	2,042.98
(ii) Lease Liabilities		28.84	14.00
(iii) Trade Payables	24		
- Total Outstanding dues of micro enterprises and small enterprises		16.74	10.46
- Total Outstanding dues of creditors other than micro enterprises and small enterprises		1,799.57	1,653.64
(iv) Other Financial Liabilities	25	552.67	623.62
(b) Provisions	26	255.83	198.19
(c) Current Tax Liabilities (Net)	27	99.79	95.55
(d) Other Current Liabilities	28	647.72	263.23
Total Current Liabilities		**4,145.47**	**4,901.67**
Total Liabilities		**6,759.95**	**7,284.06**
TOTAL EQUITY AND LIABILITIES		**33,492.47**	**34,836.64**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Statement of Consolidated Profit and Loss for the year ended 31 March 2021				
	Particulars	Note No	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
I	Revenue from Operations	29	18,081.13	20,452.32
II	Other Income	30	141.54	311.41
III	**Total Income (I+II)**		**18,222.67**	**20,763.73**
IV	**Expenses**			
	Cost of Materials Consumed	31A	2,534.59	3,149.82
	Purchases of Stock - in - Trade	31B	1,814.41	665.75
	Changes in Inventories of Finished Goods and Work-in-Progress	32	(44.48)	(126.45)
	Other Direct Manufacturing Expenses	33	7,307.29	7,075.70
	Employee Benefits Expense	34	1,834.55	1,807.35
	Finance Costs	35	245.17	315.00
	Depreciation and Amortisation Expense	2 & 3	2,022.02	2,508.76
	Other Expenses	36	2,306.54	2,375.57
	Total Expenses (IV)		**18,020.09**	**17,771.50**
V	**Profit before Exceptional Items (III - IV)**		**202.58**	**2,992.23**
VI	**Exceptional Items**	2.3 & 4.1	**-**	**(321.03)**
VII	**Profit before tax (V + IV)**		**202.58**	**2,671.20**
VIII	**Tax expense**	**8**		
	- Current Tax			
	Current Year		128.50	651.63
	Prior Years	8C	-	(800.14)
	- Deferred Tax		887.23	275.10
			1,015.73	**126.59**
IX	**(Loss) / Profit for the Year (VII - VIII)**		**(813.15)**	**2,544.61**
X	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	- Remeasurement of net defined benefit liability		73.34	103.74
	- Fair value gain/(loss) on investments in equity instruments designated as at FVTOCI		1.68	(1.95)
	- Income tax relating to items that will not be reclassified to profit or loss	8	(21.36)	(30.21)
	Total Other Comprehensive Income		**53.66**	**71.58**

Statement of Consolidated Profit and Loss for the year ended 31 March 2021				
	Particulars	**Note No**	**For the Year Ended 31 March 2021 Rs. In Lakhs**	**For the Year Ended 31 March 2020 Rs. In Lakhs**
XI	**Total Comprehensive (Loss) / Income for the Year (IX + X)**		**(759.49)**	**2,616.19**
	Profit/(Loss) for the year Attributable to:			
	Owners of the Company		(813.15)	2,544.61
	Non-Controlling Interests		-	-
	Other Comprehensive Income for the year Attributable to:			
	Owners of the Company		53.66	71.58
	Non-Controlling Interests		-	-
	Total Compehensive (Loss) / Income for the year Attributable to:			
	Owners of the Company		(759.49)	2,616.19
	Non-Controlling Interests		-	-
XII	**Earnings per Equity Share (Face Value of Rs 10 each)**	39		
	-Basic		(5.81)	18.27
	-Diluted		(5.81)	18.16

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Consolidated Cash Flow Statement for the year ended 31 March 2021				
	Particulars	**Note No.**	**For the Year Ended 31 March 2021 Rs. In Lakhs**	**For the Year Ended 31 March 2020 Rs. In Lakhs**
A.	**Cash flow from Operating Activities**			
	(Loss) / Profit for the year		**(813.15)**	**2,544.61**
	Adjustment for:			
	Income Tax Expense	8	1,015.73	126.59
	Impairment loss on property, plant and equipment	2.3	-	706.70
	Depreciation of property, plant and equipment	2 & 3	2,022.02	2,508.76
	Dividend Income	30(b)	-	(0.01)
	Gain on redemption of investments	30(c)	(22.65)	-
	Equity settled share-based payment expense	34 & 44	51.36	13.18
	Interest Income	30(a)	(21.98)	(32.08)
	Interest Income on Income Tax Refund	30(a)	(19.96)	-
	Finance Costs	35	245.17	315.00
	Gain on Sale of Investment Property	4	-	(385.67)
	Gain on disposal of property, plant and equipment	30(c)	(0.90)	(28.06)
	Bad Receivables written off	36	2.20	20.07
	Provision for Expected credit loss (Net)	36	469.63	198.94
	Liabilities no longer required written back	30(c)	(21.56)	-
	Unrealised Exchange Variation (Net)		43.53	52.72
	Operating cash flows before movements in working capital		**2,949.44**	**6,040.74**
	(Increase) / Decrease in Trade Receivables	12	(564.16)	628.31
	(Increase) / Decrease in Other Non Current and Current Financial assets and Non current and Current assets	6,9,14,15	652.87	(384.06)
	(Increase) / Decrease in Inventories	10	(78.60)	(27.05)
	Increase / (Decrease) in Trade Payables Other Current liabilities and Non-Current Liabilities and Provisions	19-22, 24-26 & 28	745.81	(174.85)
	Changes in Working Capital and Other changes		**755.92**	**42.36**
	Cash generated by operations		**3,705.36**	**6,083.10**
	Income Taxes (Paid) / Refund and Interest Income Received	8	837.85	(660.26)
	Net cash from Operating Activities (A)		**4,543.21**	**5,422.84**
B.	**Cash flow from Investing Activities**			
	Purchase of Property, Plant and Equipment	2	(733.59)	(6,226.62)
	Proceeds from Sale of Property, Plant and Equipment and Investment Property		18.02	453.69
	Redemption/(Investment) in Mutual Funds (Net)		17.90	(67.22)
	Net movement in Bank balances not considered as Cash and cash equivalents	6&13B	13.59	(4.39)
	Dividend Received from Non-current and Current Investments	30(b)	-	0.01
	Interest Income	14&30	40.83	30.32
	Net Cash (used in) Investing Activities (B)		**(643.25)**	**(5,814.20)**

	Particulars	Note No.	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
C.	**Cash flow from Financing Activities**			
	Dividend Paid, including Dividend Distribution Tax	13B & 18(f)	(172.48)	(206.52)
	Issue of Equity Shares	17 & 18	58.20	23.07
	Money received towards allotment of equity shares	18(a)	4.72	7.86
	Payment of lease liabilities	3	(25.40)	(21.46)
	Finance Cost on Lease Liabilities	35	(7.97)	-
	Repayment of Term Loan made during the year	19	(624.00)	(600.00)
	Short term Borrowings (repaid)/taken (net)	19 & 23	(535.76)	1,384.51
	Finance Costs paid on Borrowings	25 & 35	(256.37)	(296.96)
	Net Cash from/(used in) Financing Activities (C)		**(1,559.06)**	**290.50**
D.	**Net (Decrease) / Increase in Cash and Cash Equivalents (A) + (B) + (C)**		**2,340.90**	**(100.86)**
E.	**Cash and Cash Equivalents (Opening)**	**13A**	**3.59**	**104.45**
F.	**Cash and Cash Equivalents (Closing)**		**2,344.49**	**3.59**
	Notes:			
(i)	**Reconciliation of Cash and cash equivalents**			
	Cash and Cash Equivalents as per Balance Sheet	13A	1.78	3.59
	Add: Current investments considered as part of Cash and cash equivalents (as defined in INDAS 7 Cash Flow Statements)	11	2,342.71	-
	Cash and cash equivalents at the end of the Year		**2,344.49**	**3.59**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of the Board of Directors

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

Sd/-
V M Srinivasan
Chief Executive Officer

Place : Chennai

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

Statement of Consolidated Changes in Equity for the year ended 31 March 2021

A. Equity Share Capital

Particulars	Amount Rs. In lakhs
Balance at 01 April 2019	**1,389.05**
Changes in equity share capital during the year	
Issue of equity shares under share option plan (Refer Note 44)	4.40
Balance at 31 March 2020	**1,393.45**
Changes in equity share capital during the year	
Issue of equity shares under share option plan (Refer Note 44)	12.60
Balance at 31 March 2021	**1,406.05**

B. Other Equity

Amount Rs. In Lakhs

Particulars	Share Application Money Pending Allotment	Capital Reserve	Capital Redemption Reserve	Securities Premium Account	Share Based Payment Reserve	Retained Earnings	Other Comprehensive Income	Total Other Equity
Balance at 1 April 2019	**-**	**15.67**	**960.00**	**34,627.25**	**34.28**	**(11,918.64)**	**3.20**	**23,721.76**
Profit for the year						2,544.61		2,544.61
Recognition of Employee stock based compensation					13.18			13.18
Share Application Money Received	30.93							30.93
Shares Allotted	(23.07)				(17.84)			(40.91)
Securities Premium on issue of Equity Shares				36.51				36.51
Payment of Dividend on equity shares						(174.12)		(174.12)
Payment of Dividend Distribution Tax on equity shares						(35.79)		(35.79)
Equity Instruments through Other Comprehensive Income (net of taxes)							(1.95)	(1.95)
Impact of adoption of Ind AS 116						(8.62)		(8.62)
Remeasurement of Defined Benefit Plans (net of taxes)						73.53		73.53
Balance at 31 March 2020	**7.86**	**15.67**	**960.00**	**34,663.76**	**29.62**	**(9,519.03)**	**1.25**	**26,159.13**
(Loss) for the year						(813.15)		(813.15)
Recognition of Employee stock based compensation					51.36			51.36
Share Application Money Received	62.92							62.92
Shares Allotted	(66.06)				(28.31)			(94.37)
Securities Premium on issue of Equity Shares				81.77				81.77
Payment of Dividend on equity shares						(174.85)		(174.85)
Equity Instruments through Other Comprehensive Income (net of taxes)							1.68	1.68
Impact of adoption of Ind AS 116						-		-
Remeasurement of Defined Benefit Plans (net of taxes)						51.98		51.98
Balance at 31 March 2021	**4.72**	**15.67**	**960.00**	**34,745.53**	**52.67**	**(10,455.05)**	**2.93**	**25,326.47**

See accompanying notes forming part of the consolidated financial statements
In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Sd/-
Sriraman Parthasarathy
Partner

Place : Chennai
Date : 21 May 2021

For and on behalf of Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

1 General Information

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

The name of the Parent Company was changed from Teamec Chlorates Limited to Chemfab Alkalis Limited on July 21, 2017, vide revised certificate of incorporation issued by the Registrar of Companies pursuant to the scheme of amalgamation (‘scheme’) approved by the National Company Law Tribunal (NCLT) Chennai vide its order dated 30 March 2017. Erstwhile Chemfab Alkalis Limited a listed entity, had merged with the Parent Company pursuant to the scheme and consequently the Parent Company’s equity shares have been listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) with effect from 25 April 2018.

During the previous year ended 31 March 2020, Chemfab Alkalis Limited (‘CAL’) has incorporated a wholly owned subsidiary, Chemfab Alkalis Karaikal Limited (‘CAKL ‘) which is yet to commence operations.

Significant Accounting Policies

Impact of the initial application of new and amended Ind ASs that are effective for the current year:

Amendments to Ind AS 116 - Covid-19 Related Rent Concessions

The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:
(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and
(c) There is no substantive change to other terms and conditions of the lease.

The Group has evaluated the effect of this amendment and concluded that the amendment did not have any material impact on the financial statements of the Group.

Amendments to Ind AS 103 - Definition of a business

The amendments clarify that while businesses usually haveoutputs, outputs are not required for an integrated set of activities andassets to qualify as a business. To be considered a business, an acquired set ofactivities and assets must include, at a minimum, an input and a substantiveprocess that together significantly contribute to the ability to create outputs.

The amendments remove the assessment of whether market participants arecapable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits asimplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group ofsimilar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 April 2020.

The Group has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

Amendments to Ind AS 1 and Ind AS 8 - Definition of "material"

The amendments make the definition of material in Ind AS 1 easier to understand and are not intended to alter the underlying concept of materiality in Ind ASs. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'couldinfluence' to 'could reasonably be expected to influence'. The definition of material in Ind AS 8 has been replaced by a reference to the definition of material in Ind AS 1. In addition, the MCA amended other Standards that contain the definition of 'material' or refer to the term 'material' to ensure consistency.

The adoption of the amendments has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to Ind AS 109 and 107 - Interest Rate Benchmark Reform

These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the on-going interest rate benchmark reforms.

The Group has evaluated the effect of this amendment on financial statements and concluded that it is currently not applicable.

1.1 Principles of Consolidation:

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

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

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

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

Name : Chemfab Alkalis Karaikal Limited; Country of Incorporation : India; Relationship: Wholly Owned Subsidiary; Effective Ownership Interest as at 31 March 2021 : 100% (As at 31 March 2020 - 100%)

1.2 Basis Of Accounting

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

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

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

Going concern

The directors have, at the time of approving the financial statements, a reasonable expectation that the Group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of preparation of financial statements

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

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

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

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

1.4 Use of Estimates:

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Revisions to accounting estimates are recoginized prospectively in the year in which the estimate is revised and / or in future years, as applicable.

1.5 Operating Cycle

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

1.6 Revenue recognition

(I) Sale of Goods/Services:

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

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

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

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

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

(II) Other Income:

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

1.7 Inventories

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

- Raw Materials, Fuel and Stores and Spares – On weighted average basis.

- Finished goods and Work in Progress at lower of Cost, which includes appropriate production overheads and Net Realizable Value, the cost being determined on weighted average basis.

Due allowance is estimated and made by the Management for slow moving / non-moving items of inventory, where ever necessary, based on the technical assessment and such allowances are adjusted against the closing inventory value. Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and cost necessary to make the sale.

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

Cash comprises of cash on hand and demand deposits with banks. Cash Equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value. Bank balances other than the balance included in cash and cash equivalents represents balance on account of unpaid dividend and margin money deposit with banks.

1.9 Cash Flow Statement

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

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

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

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

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

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

Depreciation:

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

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

Depreciation is also accelerated on Property,Plant & Equipment, based on their condition, usability etc. as per the technical estimates of the Management, where necessary.

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

Research and Development:

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

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

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

Derecognition of Property, Plant and Equipment:

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

1.11 Borrowing Cost

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

1.12 Government Grants, Subsidies and Export Incentives

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

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

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

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

1.13 Foreign Currency Transactions

Initial Recognition:

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

Subsequent Recognition:

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

Treatment of Exchange Differences:

Foreign exchange gains and losses resulting from the settlement/restatement of monetary assets and liabilities of The Group are recognised as income or expense in the statement of profit and loss.

1.14 Employee Benefits

Retirement benefit costs and termination benefits:

i) Defined Benefit Plans:

Employee defined benefit plans include gratuity.

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

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

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

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

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

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

Short-term employee benefits:

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

ii) Defined Contribution Plans

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

Provident Fund and Employee State Insurance :

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

Super Annuation Fund:

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

1.15 Employee Share Based Payments

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

Equity-settled transactions:

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

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

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

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

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

1.16 Taxation

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

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

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

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

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

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

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

1.17 Segment Reporting

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

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

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

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

1.18 Leases

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

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

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

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

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

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

1.19 Earnings per share

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

1.20 Provisions and contingent liabilities

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

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

1.21 Provision for warranty

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

1.22 Insurance Claims

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

1.23 Financial Instruments

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

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

1.24 Financial assets

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

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

Classification of financial assets:

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

• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

• the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, The Group may make the following irrevocable election / designation at initial recognition of a financial asset:

• The Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below); and

• The Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below).All other financial assets are subsequently measured at fair value.

(i) Amortised cost and effective interest method:

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, The Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the ‘Other income’ line item.

(ii) Debt instruments classified as at FVTOCI:

The debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated in a separate component of equity. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Equity instruments designated as at FVTOCI:

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading:

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in a separate component of equity. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with Ind AS 109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'Other income' line item in profit or loss.

The Group designates all investments in equity instruments that are not held for trading as at FVTOCI on initial recognition.

A financial asset is held for trading if:

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

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

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

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

• Investments in equity instruments are classified as at FVTPL, unless The Group designates an equity investment that is neither held for trading (see (iii) above).

• Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'other income' line item.

Foreign exchange gains and losses:

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

• for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item ;

• for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the 'other income' line item. As the foreign currency element recognised in profit or loss is the same as if it was measured at amortised cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognised in other comprehensive income in a separate component of equity;

• for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the 'other income' line item as part of the fair value gain or loss; and

• for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in a separate component of equity.

Impairment of financial assets:

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, financial guarantee contracts, and certain other financial assets measured at amortised cost such as deferred consideration receivable on disposal of subsidiaries. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

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

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

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

De-recognition of financial assets:

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

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is reclassified to profit or loss. In contrast, on derecognition of an investment in an equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in a separate component of equity is not reclassified to profit or loss, but is transferred to retained earnings.

1.25 Financial liabilities and equity instruments

Classification as debt or equity:

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

Equity instruments:

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

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is (i) held for trading or (ii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

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

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

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

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

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

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other income' line item in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are recognised in retained earnings. Gains or losses on financial guarantee contracts issued by the Group that are designated by The Group as at FVTPL are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost:

Financial liabilities that are not held-for-trading or designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses:

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'other income' line item in profit or loss for financial liabilities

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

Derecognition of financial liabilities:

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within 'other income'.

1.26 Impairment of Tangible and Intangible Assets

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

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

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

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

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

1.27 Dividend

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

1.28 Asset held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether The Group will retain a non-controlling interest in its former subsidiary after the sale.

1.29 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

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

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

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

(i) Useful lives of Property, Plant and Equipment.

(ii) Carrying values of Property, Plant and Equipment

(iii) Employee Benefits

(iv) Employee Share Based Payments

(v) Taxation

(vi) Asset held for sale

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

1.30 On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. The Group is evaluating the effect of the amendments on its financial statements.

2. Property Plant and Equipment and Other Intangible Assets

I - Current year ended 31 March 2021

(Amount Rs. In Lakhs)

Particulars	Gross Block					Accumulated Depreciation / Amortisation/Impairment					Net Block
	As at 01 April 2020	Additions during the year	Deletions/ Adjustment during the year	Reclassified as held for sale(Refer Note 2.3 & Note 16)	As at 31 March 2021	As at 01 April 2020	For the year	Deletions during the year	Reclassified as held for sale(Refer Note 2.3 & Note 16)	As at 31 March 2021	As at 31 March 2021
A. Property Plant and Equipment											
Land - Freehold (Refer Note 2.2 and 19)	2,544.94	9.24	55.20	336.91	2,162.07	-	-	-	-	-	2,162.07
Buildings (Refer Note 19)	3,411.73	32.15	-	1,292.56	2,151.32	1,555.52	114.81	-	1,255.54	414.79	1,736.53
Plant and Equipment (Refer Note 19)	21,694.66	3,763.59	20.87	3,394.14	22,043.24	7,257.71	1,833.01	10.09	2,679.74	6,400.89	15,642.35
Furniture and Fixtures	72.45	9.67	-	20.13	61.99	43.04	2.07	-	20.13	24.98	37.01
Vehicles	109.54	22.58	20.15	-	111.97	24.70	14.23	13.81	-	25.12	86.85
Office Equipments	149.33	47.47	1.81	7.10	187.89	100.11	14.00	1.81	7.10	105.20	82.69
TOTAL (A)	27,982.65	3,884.70	98.03	5,050.84	26,718.48	8,981.08	1,978.12	25.71	3,962.51	6,970.98	19,747.50
B. Other Intangible Assets											
Computer Software	170.20	1.58	-	-	171.78	143.24	13.23	-	-	156.47	15.31
TOTAL (B)	**170.20**	**1.58**	**-**	**-**	**171.78**	**143.24**	**13.23**	**-**	**-**	**156.47**	**15.31**
TOTAL (A + B)	**28,152.85**	**3,886.28**	**98.03**	**5,050.84**	**26,890.26**	**9,124.32**	**1,991.35**	**25.71**	**3,962.51**	**7,127.45**	**19,762.81**

2. Property Plant and Equipment and Other Intangible Assets (Cont..)

II - Previous year ended 31 March 2020

(Amount Rs. In Lakhs)

Particulars	Gross Block				Accumulated Depreciation / Amortisation/Impairment					Net Block
	As at 01 April 2019	Additions during the year	Deletions/ Adjustment during the year	As at 31 March 2020	As at 01 April 2019	For the year	Deletions/ Adjustment during the year	Impairment recognised (Refer Note 2.3)	As at 31 March 2020	As at 31 March 2020
A. Property Plant and Equipment										
“Land - Freehold (Refer Note 2.2 and 19)”	1,821.94	723.00	-	2,544.94	-	-	-	-	-	2,544.94
Buildings (Refer Note 19)	3,258.15	160.78	7.20	3,411.73	1,360.01	172.77	7.20	29.94	1,555.52	1,856.21
“Plant and Equipment (Refer Note 19)”	19,824.91	1,903.99	34.24	21,694.66	4,326.06	2,254.89	-	676.76	7,257.71	14,436.95
Furniture and Fixtures	66.95	6.78	1.28	72.45	35.73	8.46	1.15	-	43.04	29.41
Vehicles	69.99	67.44	27.89	109.54	27.83	13.08	16.21	-	24.70	84.84
Office Equipments	132.66	16.67	-	149.33	74.63	25.48	-	-	100.11	49.22
TOTAL (A)	25,174.60	2,878.66	70.61	27,982.65	5,824.26	2,474.68	24.56	706.70	8,981.08	19,001.57
B. Other Intangible Assets										
Computer Software	159.85	10.35	-	170.20	128.87	14.37	-	-	143.24	26.96
TOTAL (B)	**159.85**	**10.35**	**-**	**170.20**	**128.87**	**14.37**	**-**	**-**	**143.24**	**26.96**
TOTAL (A + B)	**25,334.45**	**2,889.01**	**70.61**	**28,152.85**	**5,953.13**	**2,489.05**	**24.56**	**706.70**	**9,124.32**	**19,028.53**

Notes:

2.1 Plant and Equipments include written down value of assets used for Research and Development purposes amounting to Rs. 52.03 Lakhs as at 31 March 2021 (Rs. 41.35 Lakhs as at 31 March 2020)

2.2 The Parent Company is currently using about 75 acres (PY: 170 acres) of land for production of salt this season. Further it is in the process of developing the balance 623.932 acres (PY: 524.17 acres) of salt fields. The production of salt on these lands is expected to commence post completion of the development activities.

2.3 The Parent Company had suspended the operations at its Ongole plant on 10 July 2018 in order to dispose excess accumulated inventory, post which the Management was evaluating various options of running the unit profitably. Subsequently, the management had carried out a detailed impairment evaluation and recognised an impairment of Rs. 706.70 lakhs and disclosed the same as Exceptional item under Statement of Profit & Loss during the year ended 31 March 2020 resulting in its carrying value of the property, plant and equipment at Ongole (“Ongole Plant”) being Rs. 1,275.00 Lakhs (net of impairment as at 31 March 2020 amounting to Rs. 2,669.95 Lakhs) as at 31 March 2020. The net carrying value of the property, plant and equipment at Ongole Plant as at 31 March 2021 is Rs. 1,088.33 Lakhs. Also Refer Note 16.

3 Leases

Right of Use Assets :

Particulars	Land (Refer Note 20) Amount Rs. In lakhs	Equipment Amount Rs. In lakhs
Cost		
As at 01 April 2019	434.56	35.16
Additions	-	-
As at 31 March 2020	434.56	35.16
Add: Additions	38.83	-
As at 31 March 2021	**473.39**	**35.16**
Accumulated Amortisation		
As at 01 April 2019	-	-
Charge for the Year	9.42	10.29
As at 31 March 2020	9.42	10.29
Charge for the Year	20.38	10.29
As at 31 March 2021	**29.80**	**20.58**
Carrying Amount		
As at 31 March 2020	425.14	24.87
As at 31 March 2021	**443.59**	**14.58**

The Group has considered the OCC interest rate at the time of adoption of lease for the purpose of determination of discount rate for leases. The Group has leases for Land and certain equipment. The leases have remaining lease terms of 1 year upto 22 years with option to terminate or extend the lease.

Particulars	For the Year Ended 31 March 2021 Amount Rs. In lakhs	For the Year Ended 31 March 2020 Amount Rs. In lakhs
Amounts recognised in Statement of Profit and Loss were as follows:		
Amortisation Expense on right-of-use assets	30.67	19.71
Interest Expense on lease Liabilities	7.97	6.49
Expense relating to short-term lease	7.51	14.58
Expense relating to variable lease payments not included in the measurement of the lease liability	-	-
Supplemental cash flow information related to leases was as follows:		
Total cash outflow for leases	(25.40)	(21.46)
Additions to right of use assets	**38.83**	**-**
Maturities of Lease Liabilities were as follows		
Undiscounted Lease Payments to be made	**112.03**	**100.90**
Not later than 1 year	34.43	19.07
Later than 1 year and not later than 5 years	31.17	32.50
Later than 5 years	46.43	49.33

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
4	**Investment Property**		
	Completed Investment Property		
	Cost or Deemed Cost		
	Opening Balance	-	19.61
	Transferred from Property, Plant & Equipment	-	-
	Additions / Deletions	-	(19.61)
	Closing Balance	-	-
	Accumulated Depreciation & Impairment		
	Opening Balance	-	-
	Transferred from Property, Plant & Equipment	-	-
	Closing Balance	-	-
	Carrying Amount		
	Opening Balance	-	19.61
	Additions / Deletions	-	(19.61)
	Depreciation	-	-
	Closing Balance	-	-
4.1	During the previous year the Parent Company has sold its investment property for Rs. 405.28 Lakhs whose carrying amount in books was Rs. 19.61 Lakhs. The gain on sale of Investment property of Rs. 385.67 Lakhs was disclosed as an exceptional item in the Statement of Profit and Loss account for the year ended 31 March 2020		
5	**Investments - Non Current**		
	Investment carried at fair value through Other Comprehensive Income		
	Quoted Investments (fully paid)		
	Investment in Equity Instruments of Other entities		
	281 (P.Y. 281) Equity Shares of Rs.10/- each of Summit Securities Limited	1.52	0.77
	500 (P.Y. 500) Equity Shares of Rs.10/- each of De Nora India Limited	1.26	0.66
	300 (P.Y. 300) Equity Shares of Rs.10/- each of TGV SRAAC Limited (formerly known as Sree Rayalaseema Alkalis & Allied Chemicals Limited)	0.07	0.04
	450 (P.Y. 450) Equity Shares of Rs.5/- each of Kanoria Chemicals Limited	0.41	0.11
	Total	**3.26**	**1.58**
	Aggregate Book value of Quoted Investment	**3.26**	**1.58**
	Aggregate Market value of Quoted Investment	**3.26**	**1.58**
	Financial Assets carried at Fair value through Other Comprehensive Income (FVTOCI)	**3.26**	**1.58**

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
6	**Other Financial Assets - Non Current**		
	Deposits with others	195.40	198.85
	Receivable from Government	695.70	226.49
	Balances held as margin money (Refer Note 6.1 below)	42.22	60.38
	Total (Gross)	**933.32**	**485.72**
	Less: Provision for Expected Credit Loss	(695.70)	(226.49)
	Total (Net)	**237.62**	**259.23**
	Note :		
6.1	Represents balances with banks that are restricted from being exchanged or used to settle a liability for more than 12 months from the Balance Sheet date.		
7	**Tax Assets (Net) - Non-Current**		
	Income Tax paid / TDS Receivable (Net of provision for tax of Rs. 2,986.50 Lakhs (PY Rs. 1,324.29 Lakhs))	38.75	508.72
	Total	**38.75**	**508.72**

8	Current Taxes and Deferred Taxes		
			(Amount Rs. In lakhs)
	Particulars	**For the year ended 31 March 2021**	**For the year ended 31 March 2020**
A.1	**Income Tax recognised in Statement of Profit and Loss**		
(i)	Current Tax:		
	- in respect of current year	128.50	651.63
	Total (A)	128.50	651.63
(ii)	Deferred Tax:		
	- in respect of current year	887.23	275.10
	Total (B)	887.23	275.10
	Total income tax expense recognised in Statement of Profit and Loss (A+B)	**1,015.73**	**926.73**
A.2	**Income tax recognised in other Comprehensive income**		
	Deferred tax related to items recognised in other comprehensive income during the year:		
	- Remeasurement of defined benefit obligations & Others	(21.36)	(30.21)
	Total	**(21.36)**	**(30.21)**
	Classification of income tax recognised in other comprehensive income		
	- Income taxes related to items that will not be reclassified to profit or loss	(21.36)	(30.21)
	Total	**(21.36)**	**(30.21)**
A.3	**Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate:**		
	Profit before tax	202.58	2,671.20
	Income Tax using the Company's domestic Tax rate	58.99	777.85
	Tax Effect of :		
	- Effect of expenses that are non-deductible in determining taxable profit	27.65	1.28
	- Deductible allowances	(88.82)	(1.79)
	- Gain on sale of Investment Property	-	95.46
	- Changes in recognised temporary differences	(111.23)	9.22
	- Changes on account of change in tax laws (Refer note D Below)	1,153.54	0.00
	- Others	(24.40)	44.71
	Income Tax expense recognised in Statement of Profit or Loss	**1,015.73**	**926.73**

The tax rate used for the year ended March 31, 2021 and March 31, 2020 reconciliations above is the corporate tax rate of 29.12% payable by corporate entities in India on taxable profits under Indian Income Tax Laws. The above amount excludes tax expense / (reversal) relating to prior years.

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

Particulars	As at March 31, 2020	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2021
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets (Refer note D below)	(1273.75)	1,323.24		(2,596.99)
Financial assets at amortised cost	66.21	(139.60)		205.81
Employee Benefits	51.37	(12.89)		64.26
Provisions for Expenses, impairment and Doubtful trade receivables	800.67	(0.12)		800.79
Remeasurement of defined benefit obligations	36.02	(31.90)	(21.36)	46.56
Carryforward of Tax Loss	2649.62	(125.05)		2,774.67
Others	3.92	2.05	-	1.87
	2,334.06	1,015.73	(21.36)	1,296.97
MAT	2,852.90	128.50		2,981.40
Net Tax Asset /(Liabilities)	**5,186.96**	**887.23**	**(21.36)**	**4,278.37**

B2 Movement in Deferred Tax Balances **(Amount Rs. In lakhs)**

Particulars	As at March 31, 2019	Recognised in profit and loss account	Recognised in OCI	As at March 31, 2020
Tax effect of items constituting (deferred tax liabilities)/ deferred tax assets				
Property, Plant and Equipment and Other Intangible Assets	(852.41)	421.34	-	(1,273.75)
Financial assets at amortised cost	17.53	(48.68)	-	66.21
Employee Benefits	53.95	2.58	-	51.37
Provisions for Expenses, impairment and Doubtful trade receivables	591.16	(209.51)	-	800.67
Remeasurement of defined benefit obligations	49.07	(17.16)	(30.21)	36.02
Carryforward of Tax Loss	3,425.14	775.52	-	2,649.62
Others	6.56	2.64	-	3.92
	3,291.00	926.73	(30.21)	2,334.06
MAT	2,201.27	651.63	-	2,852.90
Net Tax Asset /(Liabilities)	**5,492.27**	**275.10**	**(30.21)**	**5,186.96**

C Prior Years - Provision no longer required written back

During the preivous year, based on the completion of the tax assessments for various prior years, the Parent Company had written back, provision made for taxation in prior years, which were no longer required amounting to Rs. 800.14 lakhs.

D The Parent Company has carried out necessary adjustments to the deferred tax balances as at 31 March 2021 based on applicable tax laws.

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

Notes forming part of the Consolidated financial statements for the year ended 31 March 2021

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
9	**Other Non-Current Assets**		
	Capital Advances (Refer Note below)	801.82	762.41
	Balance with Government Authorities	5.12	-
	Prepaid Rent	0.74	0.04
	Total	**807.68**	**762.45**

Note: The Subsidiary has paid an amount of Rs. 723.40 lakhs (100% advance) to Pondicherry Industrial Promotion Development and Investment Corporation Limited (PIPDIC) towards allotment of leasehold land, for setting up of unit for the manufacture of basic inorganic chemicals .

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
10	**Inventories (at lower of cost and net realisable value)**		
	(a) Raw Materials (including Goods in Transit amounting to Rs. 1.76 Lakhs (PY - Rs. Nil))	237.77	290.45
	(b) Work in Progress	113.15	10.54
	(c) Finished Goods (other than those acquired for trading)	334.80	392.93
	(d) Fuel (including Goods in Transit amounting to Rs. 5.80 Lakhs (PY - Rs. Nil))	13.69	5.97
	(e) Stores and Spares	139.90	150.37
	(f) Traded Goods	89.55	0.00
	Total	**928.86**	**850.26**
	Notes:		
1	The cost of inventories recognised as an expenses during the year	4,705.25	4,127.25
2	The cost of inventories recognised as an expense in respect of write downs of inventory to net realisable value.	15.78	32.73
3	The method of valuation of inventories has been stated in Note 1.7		
11	**Other Investments - Current**		
	Investments carried at Fair Value through Profit & Loss		
	Investments in Mutual Funds (quoted)		
	SBI Liquid Fund Direct Growth - 1598.643 of Rs. 3221.61 each (PY - 2162.136 of Rs. 3109.02 each)	51.50	67.22
	LIC Liquid Fund - 59199.257 units of Rs. 3736.8776 each (P.Y. Nil)	2,212.20	-
	LIC BPSU Fund - 451438.43 units of Rs.28.9096 each (P.Y. Nil)	130.51	-
	Total	**2,394.21**	**67.22**
12	**Trade Receivables**		
	(a) Considered good, Secured (Refer Note 12.01)	725.93	158.35
	(b) Considered good, Unsecured	790.40	795.89
	(c) Receivables which have significant increase in credit risk	80.02	79.60

		1,596.35	**1,033.84**
	Less: Provision for Expected Credit Loss (Refer Note 12.06)	(80.02)	(79.60)
	Total	**1,516.33**	**954.24**

Notes:

12.01 Secured Trade Receivables are secured by way of irrevocable Letter of Credits and Bank Guarantees

12.02 The Parent Company had entered into a factoring arrangement on a recourse basis for certain receivables. The amount of such factored receivables as at 31 March 2021 was Rs. Nil (PY : Rs. 24.50 Lakhs).

12.03 Trade Receivables includes receivables outstanding from customers constituing individually 5% or more of the total trade receivables as at 31 March 2021 of Rs. 776.77 lakhs (31 March 2020 Rs. 350.62 lakhs)

12.04 The Parent Company has used a practical expedient by computing the expected loss allowance for trade receivables based on provision matrix. The provision matrix takes into account the historical credit loss experience and adjustments for forward looking information. Trade receivables are non-interest bearing and are generally on terms of upto 90 days.

12.05 The age of the receivables is as under:

	Particulars	As at 31 March 2021Amount Rs. In lakhs	As at 31 March 2020Amount Rs. In lakhs
	Age of receivables		
	within the credit period	1,196.50	569.21
	upto 180 days past due	380.49	443.63
	more than 180 days past due	19.36	21.00
	Total	**1,596.35**	**1,033.84**

12.06	**Movement in Expected credit loss**	**Year ended 31 March 2021 Amount Rs. In lakhs**	**Year ended 31 March 2020 Amount Rs. In lakhs**
	Balance at the beginning of the year	79.60	46.91
	Movement in expected credit loss allowance on trade receivables	0.42	32.69
	Balance at the end of the year	80.02	79.60
13A	**Cash and Cash Equivalents**		
	Balance with Banks - Current Accounts	1.38	3.00
	Cash on hand	0.40	0.59
	Total	**1.78**	**3.59**
13B	**Bank balances other than Cash and Cash Equivalents**		
	In Earmarked accounts		
	- Margin Money Accounts for bank guarantees and letters of credit	251.27	249.07
	- Unpaid Dividend Accounts (Refer Note 25 (i))	17.16	14.79
	Total	**268.43**	**263.86**

		Year ended 31 March 2021 Amount Rs. In lakhs	Year ended 31 March 2020 Amount Rs. In lakhs
14	**Other Financial Assets - Current**		
	Deposits	19.23	15.56
	Advance to employees	0.41	0.65
	Interest accrued on Deposits	11.64	10.02
	Receivable from Government	-	469.18
	Interest accrued on Income tax refund	-	137.24
	Receivables against sale of raw materials	-	148.50
	Other Receivables	406.41	406.41
	Total	**437.69**	**1,187.56**

15	**Other Current Assets**		
	Advances to Vendors	210.36	518.71
	Advances to Related Parties (Refer Note 38)	6.55	0.59
	Balance with Government Authorities	503.64	729.09
	Prepaid expenses	184.00	197.47
	Other Receivables	2.27	4.52
	Total	**906.82**	**1,450.38**

16 Asset Held for Sale

(Also refer accounting policy in note 1.29 and 1.30)

Rs. In Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Property Plant and Equipment	1,088.33	-
Stores and Spares	23.78	-
Assets held for sale	**1,112.11**	**-**

During the year, the Board of Directors of the Parent Company at their meeting held on 31 March 2021, considering the expansion plans in the existing units offering better business prospects and also the current business dynamics of product realisation and demand, competition, commercial viability, investment of time and resources required to restart the plant and operate viably, has decided to sell the Ongole Plant (land, building, machinery and other assets situated at Ongole) and directed the CEO to assess the market value of the assets and identify prospective buyers to sell the assets of the Plant subject to the approval of the shareholders.

The Parent Company has assessed and concluded that no further adjustments are required to the carrying value of assets held for sale.

	Particulars	As at 31 March 2021		As at 31 March 2020	
17	**Share Capital**	**Number of shares**	**Amount Rs. In lakhs**	**Number of shares**	**Amount Rs. In lakhs**
(a)	Authorised Share Capital				
	Equity shares of Rs. 10 each (with voting rights)	2,85,00,000	2,850.00	2,85,00,000	2,850.00
	11% Redeemable Cumulative Preference shares of Rs. 100 each	2,64,000	264.00	2,64,000	264.00
	12% Redeemable Cumulative Preference shares of Rs. 100 each	8,00,000	800.00	8,00,000	800.00
			3,914.00		**3,914.00**
(b)	Issued, Subscribed and Paid up [refer (a) to (e) below]				
	Equity shares of Rs. 10 each (with voting rights) fully paid up	1,40,60,502	1,406.05	1,39,34,504	1,393.45
	Total		**1,406.05**		**1,393.45**

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

Particulars	Equity Share Capital			
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	**Amount Rs. In lakhs**	**Number of shares**	**Amount Rs. In lakhs**
Issued, Subscribed and Paid up equity shares				
Shares and Share Capital outstanding at the beginning of the year	1,39,34,504	1,393.45	1,38,90,504	1,389.05
Add: Shares and Share Capital issued during the year (Refer Note 44)	1,25,998	12.60	44,000	4.40
Shares and Share Capital outstanding at the end of the year	**1,40,60,502**	**1,406.05**	**1,39,34,504**	**1,393.45**

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

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

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

Particulars	Equity Share Capital			
	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% held	Number of shares	% held
Dr. Rao Holdings Pte Ltd	67,61,068	48.09%	67,61,068	48.52%
Titanium Equipment and Anode Manufacturing Company Private Limited	10,72,182	7.63%	10,72,182	7.69%
Shrimati K.M. Padma	11,10,712	7.90%	11,10,712	7.97%
Shri Suresh Krishnamurthi Rao	14,24,423	10.13%	14,24,423	10.22%

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

Particulars	Equity Share Capital			
	Year	Number of shares	Amount	%
Shares allotted pursuant to the scheme of amalgamations during last 5 years	31 March 2021			
	31 March 2020			
	31 March 2019			
	31 March 2018	1,31,02,424	1,310.24	94.74%
	31 March 2017			

(e) Refer Note 44 for details regarding employee stock option scheme.

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
18	**Other Equity**		
(a)	**Share Application Money Pending Allotment (Refer Note 1 below)**		
	Opening Balance	7.86	-
	Share Application Money Received	62.92	30.93
	Less: Shares Allotted during the year	(66.06)	(23.07)
	Closing balance	**4.72**	**7.86**
(b)	**Capital Reserve** (Refer Note 2 below)	**15.67**	**15.67**
(c)	**Capital Redemption Reserve** (Refer Note 3 below)		
	Opening Balance	960.00	960.00
	Add: On account of Redemption of Preference Shares		
	Closing balance	**960.00**	**960.00**
(d)	**Securities Premium Reserve** (Refer Note 4 below)		
	Opening Balance	34,663.76	34,627.25
	Add: Securities Premium on issue of Equity Shares	81.77	36.51
	Closing balance	**34,745.53**	**34,663.76**
(e)	**Share Based Payment Reserve** (Refer Note 5 below)		
	Opening Balance	29.62	34.28
	Add: Employee compensation expense for the year	51.36	13.18
	Less: Transfer to Securities Premium for the shares allotted during the year	(28.31)	(17.84)
	Closing balance	**52.67**	**29.62**
(f)	**Retained Earnings** (Refer Note 6 below)		
	Opening Balance	(9,519.03)	(11,918.64)
	Add: Profit/(Loss) for the year	(813.15)	2,544.61
	Add: Other Comprehensive income for the year (Remeasurement of the defined benefit plans, net of taxes)	51.98	73.53
		(10,280.20)	(9,300.50)
	Less: Impact of adoption of Ind AS 116	-	8.62
	Less: Appropriations		
	- Dividend on Equity Shares	174.85	174.12
	- Tax on Equity Dividend	-	35.79
	Closing Balance	**(10,455.05)**	**(9,519.03)**
(g)	Other Comprehensive Income (Refer Note 7 below)		
	Opening Balance	1.25	3.20
	Add/(Less): Current Year	1.68	(1.95)
	Closing Balance	**2.93**	**1.25**
	Total	**25,326.47**	**26,159.13**

Notes

1.This represents Share Application Money received from employees under the ESOP scheme titled “CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]. Also Refer Note 44.

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

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

4.Securities premium reserve represents amount of premium recognised on issue of shares to shareholders at a price more than its face value.

5.Shares based payment reserve relates to the share options granted by the Parent company to its employees under its share option plan. Refer Note 44 for further details.

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

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

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
19	Borrowings		
	(i) Secured - at amortised cost		
	- Term Loan from Bank (Refer Note (i) and (ii) below)	1,478.87	2,178.03
	(ii) Secured - at amortised cost - Buyer's Credit (Note (iii) below)	858.65	-
	Total	**2,337.52**	**2,178.03**

Note:

Details in respect of Borrowings are as under :-

(i) Term Loan carrying an interest rate of 8.25% p.a (9.35% as at 31.03.2020) was availed for PVCO plant from Axis Bank Limited. The borrowings are secured by way of Equitable Mortgage over

(a) leasehold land (taken under 99 years lease by the Company) comprising of 5 acres located in Domestic Tarrif Zone (DTZ) situated in Irugulam Village, Satyavedu Mandal, Chittor District, Andhra Pradesh - Exclusive Charge.

(b) fixed assets (Building, Plant and Machineries with estimated cost of Rs. 5,000 lakhs), created out of the proposed term loan of Rs. 3,500 lakhs - Exclusive Charge.

(c) fixed assets (Plant and Machineries / civil structures with estimated cost of Rs. 2,500 lakhs), created out of the proposed term loan of Rs. 1,500 lakhs - Exclusive Charge.

(d) collateral common for all bank sanction facilities including equitable mortgage over land and building comprising of 9.56 acres, 2.79 acres and 19.87 acres belonging to the company situated at East Coast road, Gnanananda Place, Kalapet, Pondicherry.

(ii) Repayment Summary

<u>Term Loan Tranche 1 of Rs. 1,509.87 lakhs (net of Rs. 5.13 lakhs Ind AS EIR adjustment) as at 31 March 2021:</u>

Repayable in 12 monthly instalments of Rs. 40 lakhs each, 12 monthly instalments of Rs. 35 lakhs each, 12 monthly instalments of Rs. 30 lakhs each, 12 monthly instalments of Rs. 20 lakhs each, and 1 monthly instalment of Rs. 15 lakhs respectively.

<u>Term Loan Tranche 2 of Rs. 671 lakhs as at 31 March 2021:</u>

Repayable in 12 monthly instalments of Rs. 18.50 lakhs each, 12 monthly instalments of Rs. 15 lakhs each, 12 monthly instalments of Rs. 12.25 lakhs each, 12 monthly instalments of Rs. 9.40 lakhs each, 1 monthly instalments of Rs. 9.20 lakhs respectively.

Out of the above term loans, Rs. 702.00 lakhs have been classified as Current maturities of long-term debt (Secured) under Borrowings - Current.

There were no delays in repayments made by the Company towards the borrowings from banks during the current year and previous year.

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
	(iii) Buyers Credit : Buyer's credit, relating to acquisition of Plant and Equipment, is secured by way of Standby Letter of Credit (SBLC) attributable to non fund based credit limits with an option to convert to fund based Term Loan at the time of maturity. During the current year, the buyer's credit has been further extended to a period of 2 years upto December 2022. Collateral are common as given above. [Refer Note (i)]. Buyers credit carry an interest rate of 0.01% per annum in Euros.		
20	**Other Financial Liabilities - Non Current**		
	Trade/security deposits received	61.34	61.36
	Total	**61.34**	**61.36**
21	**Provisions - Non Current**		
	Provision for Gratuity (Refer Note 40)	56.71	98.10
	Total	**56.71**	**98.10**
22	**Other Non - Current Liabilities**		
	Advance from Customers	115.00	-
	Total	**115.00**	**-**
23	**Borrowings - Current**		
	From Banks		
	- Cash Credit - Secured (Note (i) and (ii) below)	42.31	553.57
	- Current maturities of long-term debt (Refer Note 19(ii))	702.00	624.00
	- Buyer's Credit (Note 19(iii))	-	840.91
	- Others (Refer Note 12.2)	-	24.50
	Total	**744.31**	**2,042.98**

Note:

Details in respect of Current Borrowings are as under :-

(i) Cash Credit facilities are secured by way of first charge over the entire current assets of the Parent Company. The cash credits are repayable on demand.

(ii) The Cash Credit facilities are sanctioned by HDFC Bank upto Rs. 1,000 Lakhs (PY Nil) and by Axis Bank upto Rs. 1,500 Lakhs (PY Rs. 1,500 Lakhs).

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
24	**Trade Payables - Current (Refer Note 38)**		
	Total Outstanding dues of micro enterprises and small enterprises	16.74	10.46
	Total Outstanding dues of creditors other than micro enterprises and small enterprises	1,799.57	1,653.64
	Total	**1,816.31**	**1,664.10**
	Trade payables are non-interest bearing and are normally settled on upto 90 days terms as per terms of the contract.		
25	**Other Financial Liabilities - Current**		
	Creditors for Capital Goods	533.32	584.64
	Unpaid Dividends (Refer Note (i) and (ii) below)	17.16	14.79
	Interest accrued but not due	2.19	24.19
	Total	**552.67**	**623.62**
	Note:		
	(i) Amounts remitted to Investor Education and Protection Fund during the year	-	6.16
	(ii) The Parent Company had transferred the underlying shares, relevant to the amounts transferred, to the Investor Education and Protection Fund during the previous year.		
26	**Provisions - Current**		
	Provision for compensated absences	205.66	159.50
	Provision for Warranty (Refer Note 1.21 and Note below)	20.34	13.11
	Provision for Gratuity (Refer Note 40)	29.83	25.58
	Total	**255.83**	**198.19**
	Note :		
	The Parent Company carries a provision for warranty, the details of which are as under :		
	Opening Balance	**13.11**	**-**
	Provision made during the year	7.23	13.11
	Amounts Utilised / Paid during the year	-	-
	Closing Balance	**20.34**	**13.11**

	Particulars	As at 31 March 2021 Amount Rs. In lakhs	As at 31 March 2020 Amount Rs. In lakhs
27	**Current tax liabilities (Net)**		
	Provision for Tax (Net of Income Tax paid / TDS of Rs. 10.04 lakh (As at 31 March 2020 of Rs. 2,701.42 lakhs))	99.79	95.55
	Total	**99.79**	**95.55**
28	**Other Current Liabilities**		
	Statutory liabilities	256.30	174.48
	Advance from Customers	391.42	88.75
	Total	**647.72**	**263.23**

29 Revenue from operations

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
a Sales of Products (Refer Note below)	18,058.23	20,418.94
b Other operating revenues		
- Testing charges	22.90	33.38
Total	**18,081.13**	**20,452.32**

Note:
Revenue for sale of products is net of rebates/incentives/discounts for the year ended 31 March 2021 amounting to Rs. 61.56 Lakhs (previous year Rs. 21.09 Lakhs).

29.1 Disaggregation of the revenue Information

The table below presents disaggregated revenues from contracts with customers by geography, offerings and contract-type for each of our business segments.

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
Revenue by Geography		
India	18,016.32	20,346.69
Outside India	64.81	105.63
Total revenue from contracts with customers	**18,081.13**	**20,452.32**
Revenue by offerings		
Manufactured goods		
Chemicals & Related Products / Services		
- Caustic Soda Lye	8,288.42	10,815.66
- Caustic Soda Flakes	931.16	1,405.20
- Chlorine	1,297.15	820.00
- Hydrogen	766.29	803.63
- Others	2,105.81	1,690.15
PVCO-Pipes		
- PVC-O Pipes	2,582.33	4,031.67
- Others	116.43	75.68
Traded Goods		
PVCO-Pipes		
- PVC-O Pipes	1,330.79	776.95
- Resin	639.85	-
Other Operating Income		
Chemicals & Related Products / Services		
- Testing Charges	22.90	33.38
Total revenue from contracts with customers	**18,081.13**	**20,452.32**
Timing of recognition		
Goods & Services transferred at a point in time	18,081.13	20,452.32
Total revenue from contracts with customers	**18,081.13**	**20,452.32**

29.2 Trade Receivables and Contract Balances

The Group classifies the right to consideration in exchange for deliverables as receivable. A receivable is a right to consideration that is unconditional upon passage of time. Revenue is recognized as and when the related goods are delivered to the customer. Trade receivable are presented net of impairment in the Balance Sheet.

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

29.3 Transaction price allocated to the remaining performance obligations

Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
Contract Liabilities		
Advance received from customers	506.42	88.75

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

29.4 Information about major customers

The Group is a manufacturer of caustic soda lye, flakes, liquid chlorine, hydrogen gas, pvco pipes and other products. Revenues arising from direct sales above includes revenues of approximately Rs. 1,899.95 lakhs which arose from sales to the company's single large customer (Previous Year Rs. 2,751 Lakhs). No other single customers contributed 10% or more to the Company's revenue during the finanical year 2020-2021 and 2019-20.

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
30	**Other Income**		
(a)	Interest Income:		
	- Interest on fixed deposits with banks	21.98	32.08
	- Interest income on Income Tax refund	19.96	137.24
	- Other Interest income	0.68	7.82
(b)	Dividend income (Refer note (i) below)	-	0.01
(c)	Other Non Operating Income:		
	- Other Financial Assets (at Fair Value through Profit & Loss) (Refer note (ii) below)	29.22	26.35
	- Profit on Sale of Property, Plant & Equipment (Net)	0.90	28.06
	- Liabilities no longer required written back	21.56	-
	- Miscellaneous Income	47.24	79.85
	Total	**141.54**	**311.41**
	Notes:		
(i)	Dividend income includes:		
	a. Dividend from Non Current Investments	-	0.01
	b. Dividend from Current Investments	-	-
		-	**0.01**

(ii) Note : The amount represents a net gain on investments in Mutual Funds (Refer Note 11) comprising of an increase in fair value of Rs. 8.31 Lakhs (2019-20: Rs. Nil) and gain on redemption of investments of Rs. 20.91 Lakhs received during the year (2019-20: Rs. 26.35 Lakhs)

31A	**Cost of Materials Consumed**		
	Opening Stock	290.45	262.12
	Add: Purchases	3,091.72	3,438.93
		3,382.17	3,701.05
	Less: Sale of Raw Materials	609.81	260.78
	Less: Closing Stock	237.77	290.45
	Cost of Materials consumed	2,534.59	3,149.82
	Materials Consumed Comprises of:		
	Salt	1,141.03	1,041.32
	Soda Ash	9.40	56.61
	PVC Resin	1,219.22	1,718.99
	Others (Refer Note (i) below)	164.94	332.90
	Total	**2,534.59**	**3,149.82**

Note:

(i) Others include raw materials none of which individually accounts for more than 10 % of the total consumption.

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
31B	**Purchase of Stock in Trade**		
	Domestic		
	- PVCO-Pipes	1,194.34	665.75
	- PVC Resin	620.07	-
		1,814.41	665.75
32	**Changes in Inventories of Finished Goods and Work in Progress**		
	Opening Stock		
	Finished goods	392.93	194.63
	Work-in-Progress	10.54	82.39
		403.47	277.02
	Closing Stock		
	Finished goods	334.80	392.93
	Work-in-Progress	113.15	10.54
		447.95	403.47
	Net (Increase)/decrease	**(44.48)**	**(126.45)**
33	**Other Direct Manufacturing Expenses**		
	Power and Fuel	7,140.64	6,903.89
	Labour Charges	166.65	171.81
	Total	**7,307.29**	**7,075.70**
34	**Employee Benefits Expense**		
	Salaries and Wages	1,473.21	1,458.01
	Contribution to Provident and other Funds (Refer Note 40)	220.41	244.54
	Expense on employee stock based compensation (Refer Note 44)	51.36	13.18
	Staff Welfare Expenses	89.57	91.62
	Total	**1,834.55**	**1,807.35**

	Particulars	For the Year ended 31 March 2021 Amount Rs. In Lakhs	For the Year ended 31 March 2020 Amount Rs. In Lakhs
35	**Finance Cost**		
	Interest on Borrowings	237.20	308.51
	Interest on Lease Liability (Refer Note 3)	7.97	6.49
	Total	**245.17**	**315.00**
36	**Other Expenses**		
	Stores and Spare parts consumed	400.73	438.13
	Rent	7.51	27.95
	Repairs and Maintenance - Plant and Equipment	177.74	187.49
	- Buildings	46.98	66.23
	Insurance	121.01	80.43
	Rates and Taxes	34.92	73.19
	Travelling Expenses	82.08	154.57
	Auditor's Remuneration (net of GST input credit)		
	- Statutory Audit	24.50	25.40
	- Limited Review	4.50	4.50
	- Other Certificates	1.75	1.00
	- Out of Pocket Expenses	0.83	0.75
	Commission to Directors (Refer Note 38)	22.00	240.00
	Sitting Fees (Refer Note 38)	12.10	8.45
	Expenditure on Corporate Social Responsibility	78.58	72.68
	Legal and Professional Fees	99.46	80.87
	Freight (Net)	239.78	152.84
	Advertisement	10.64	12.31
	Exchange variation (Net)	45.18	27.50
	Bad receivables / Other Deposits written off	2.20	20.07
	Provision for Expected credit Loss on Other Financial assets	469.21	166.25
	Provision for Expected credit Loss on Trade Receivables	0.42	32.69
	Bank Charges	31.81	40.12
	Miscellaneous Expenses	392.61	462.15
	Total	**2,306.54**	**2,375.57**

Note:

(i) Miscellaneous Expenses includes:

- Donations	16.35	22.72

	Particulars	Amount Rs. In lakhs	
		As at 31 March 2021	As at 31 March 2020
37	**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	598.69	1226.28
	b. Contingent liabilities in respect of		
	(i) Claims against the Group not Acknowledged as debt	10.11	13.00
	(ii) Show cause Notices received under GST Act	7.35	-
	(iii) Sales tax, Excise, Service Tax, Customs Duty and other demands against which the Parent Company has filed appeals and for which no provision is considered required as the Parent Company is hopeful of successful outcome in the appeals.	85.72	70.69

Sl No.	Name of the Statute	Nature of Dues (Including Interest)	Disputed Amount (Net of Provision) Rs. In lakhs	Period (F.Y)	Forum where dispute is pending
1	The Central Sales Tax Act, 1956	Sales Tax	- (0.58)	F.Y 2003-2004	CTO, Chengalpet
2	The Finance Act, 1994	Service Tax	6.38 (6.02)	June 2005 to January 2008	Commissioner (Appeals), Chennai
3	The Central Excise Act, 1944	Excise Duty	1.85 (1.72)	October 2011 to June 2012	Commissioner of Central Excise, Puducherry
4	Employees' State Insurance Act, 1948	Employees' State Insurance	0.71 (0.71)	April 2010 to June 2010	ESI Court, Puducherry
5	The Customs Act, 1962	Customs Duty	68.46 (61.66)	F.Y. 2013-14	CESTAT
6	The Income Act, 1961	Income Tax	8.32	F.Y. 2002-03	The High Court of Madras

Notes:

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

(ii) Figures in bracket indicate previous year figures.

38 Related party disclosures

a) List of Related parties and description of relationship

(i) Individuals exercising Significant influence	Mr. Suresh Krishnamurthi Rao - Chairman
(ii) Relatives of above	Mrs. K.M. Padma (Mother of Mr. Suresh Krishnamurthi Rao)
(iii) Entities exercising significant influence over the Group	Dr Rao Holdings Pte Ltd
iv) Entities in which persons listed in (i) and (ii) above exercise significant influence	Titanium Equipment and Anode Manufacturing Company Private Limited (TEAM)
(v) Key Management Personnel (KMP) of the Group	Mr. V.M. Srinivasan - Chief Executive Officer
	Mr. S Prasath - Chief Financial Officer (Refer Note 2 below)
	Mr. Nitin S Cowlagi - Chief Financial Officer until 07.04.2020 and Director from 04.06.2020 (Refer Note 2 below)
	Mr. C.S.Ramesh - Non Executive Director
	Mrs. Drushti Desai - Non Executive Director
	Mr. Janakiraman A - Non Executive Director
	Mr. Mahendran R - Non Executive Director
	Mrs. Sujatha Jayarajan - Non Executive Director
	Mr. T.Ramabadran - Non Executive Director
(vi) Other related party	Chemfab Alkalis Limited Employee's Group Gratuity Trust

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

b) Transactions with related parties :

Nature of Transaction	Related Party	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
1. Transactions during the year			
a) Income			
Sale of Products	Titanium Equipment and Anode Manufacturing Company Private Limited	1.06	13.42
b) Expenditure			
Purchase of Goods and Services	Titanium Equipment and Anode Manufacturing Company Private Limited	-	0.88
Lease Rent	Titanium Equipment and Anode Manufacturing Company Private Limited	6.44	22.13
Salaries, Perquisites and post employment benefits	Mr. V.M. Srinivasan	175.96	156.98
	Mr. Nitin S Cowlagi	55.23	59.15
	Mr. S Prasath	31.79	-
c) Others			
Commission (paid out of the provision made during the previous year)	Mr. Suresh Krishnamurthi Rao	210.00	272.00
	Mr. C.S.Ramesh	7.10	7.42
	Mrs. Drushti Desai	7.03	7.35
Commission (paid out of the provision made during the previous year) and Sitting Fees (accrued during the year)	Mr. Janakiraman A	6.88	7.12
	Mr. Mahendran R	6.03	6.58
	Mrs. Sujatha Jayarajan	6.73	6.75
	Mr. T.Ramabadran	7.18	7.23
	Mr. Nitin S Cowlagi	1.18	-
Purchase of Property, Plant & Equipment	Titanium Equipment and Anode Manufacturing Company Private Limited	-	589.68
Contractually reimbursable expenses	Titanium Equipment and Anode Manufacturing Company Private Limited	5.95	5.53
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	10.00	-
Dividend paid (Including TDS)	Mr. Suresh Krishnamurthi Rao	17.81	17.81
	Mrs. K.M. Padma	13.88	13.88
	Dr Rao Holdings Pte Ltd	84.51	84.51
	Titanium Equipment and Anode Manufacturing Company Private Limited	13.40	13.40
	Mr. V.M. Srinivasan	1.02	0.89
	Mr. Nitin S Cowlagi	0.70	0.22

Note:
1) Purchases, Sales and Services above are inclusive of taxes
2) The above excludes Provision for Commission to Directors of Rs.22 lakhs (PY - Rs. 240 lakhs) made during the year.

Nature of Transaction	Related Party	As at 31 March 2021 Rs. In Lakhs	As at 31 March 2020 Rs. In Lakhs
II. Balances Outstanding at the end of the year			
Payables	Titanium Equipment and Anode Manufacturing Company Private Limited	13.15	6.78
Other Current Assets	Titanium Equipment and Anode Manufacturing Company Private Limited	6.55	0.59
Other employment benefits	Mr. V.M. Srinivasan	49.36	32.25
	Mr. Nitin S Cowlagi	-	2.62
	Mr. Prasath S	7.60	-
Contribution to employees post employment benefit plans	Chemfab Alkalis Limited Employee's Group Gratuity Trust	402.09	373.88

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

Particulars	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
Mr. V.M. Srinivasan		
Salary	111.58	100.86
Share-based payment transactions perquisite	54.59	34.24
Post employment benefits	9.79	21.88
Total	**175.96**	**156.98**
Mr. Nitin S Cowlagi		
Salary and perquisite	40.13	38.11
Share-based payment transactions perquisite	15.03	13.15
Post employment benefits	0.07	7.89
Total	**55.23**	**59.15**
Mr. Prasath S		
Salary and perquisite	25.85	NA
Share-based payment transactions perquisite	-	NA
Post employment benefits	5.94	NA
Total	**31.79**	**NA**

39 Earnings Per Share

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

Particulars	For the Year Ended 31 March 2021 Rs. In Lakhs	For the Year Ended 31 March 2020 Rs. In Lakhs
Face Value Per Share - Rs.	10	10
Net (Loss) / Profit attributable to the Equity shareholders (A) - Rs. In Lakhs	(813.15)	2,544.61
Weighted average Number of Shares (B)	1,40,07,448	1,39,26,408
Add: Effects of ESOP which are dilutive in nature	96,335	82,811
Weighted average Number of Shares for Diluted EPS (C)	1,41,03,783	1,40,09,219
Basic Earnings per Share (A/B) - Rs.	(5.81)	18.27
Diluted Earnings per Share CY (A/B), PY (A/C)- Rs. (Also Refer Note below)	(5.81)	18.16

Note :
Since the Group has incurred loss during the current year ended 31 March 2021, the potential equity shares have not been considered for the purpose of computation of diluted earnings per share as the same is anti-dilutive.

40 Employee benefit plans

I Defined contribution plans

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

Amount Rs. In lakhs

Particulars	For the Year Ended	
	31 March 2021	31 March 2020
Employer's Contribution to Provident Fund/Pension Scheme	100.87	106.04
Employer's Contribution to Superannuation Fund	23.47	26.23
Employer's Contribution to Employee Deposit Linked Insurance scheme	1.61	1.68
	125.95	**133.95**

II Defined benefit plans

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

There were no employees in the rolls of the Chemfab Alkalis Karaikal Limited as at 31 March 2021.

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

Particulars	Year ended 31 March 2021 Amount Rs. In lakhs	Year ended 31 March 2020 Amount Rs. In lakhs
Recognised in Statement of Profit and Loss		
Current service cost	86.94	98.00
Net interest expense	7.52	12.59
Components of defined benefit costs recognised in the Statement of Profit and Loss	**94.46**	**110.59**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amount included in net interest expense)	(3.00)	(1.81)
Actuarial gains and loss arising from changes in financial assumptions	(70.34)	(101.93)
Components of defined benefit costs recognised in Other Comprehensive Income	(73.34)	(103.74)
Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income	**21.12**	**6.85**

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

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

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

Particulars	As at 31 March 2021	As at 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Net asset / (liability) recognised in the Balance Sheet		
1. Present value of defined benefit obligation	(488.63)	(497.56)
2. Fair value of plan assets	402.09	373.88
Net asset / (liability) recognised in the Balance Sheet	**(86.54)**	**(123.68)**
Current portion of the liability included under Note 26	29.83	25.58
Non-Current portion of the liability included under Note 21	56.71	98.10
	86.54	**123.68**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Present value of defined benefit obligation at the beginning of the year	497.56	521.07
Expenses Recognised in Statement of Profit and Loss:		
-Current service cost	86.94	98.00
-Interest cost	32.07	38.54
Recognised in Other Comprehensive Income:		
Remeasurement gains / (losses):		
-Actuarial gains and loss arising from changes in financial assumptions	(70.34)	(101.93)
Benefits paid	(57.60)	(58.12)
Present value of defined benefit obligation at the end of the year	**488.63**	**497.56**

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

Particulars	Year ended 31 March 2021	Year ended 31 March 2020
	Amount Rs. In lakhs	Amount Rs. In lakhs
Change in fair value of assets during the year		
Fair value of plan assets at the beginning of the year	373.88	348.62
Expenses Recognised in Statement of Profit and Loss:		

Expected return on plan assets	24.55	25.95
Recognised in Other Comprehensive Income:		
Return on plan assets (excluding amount included in net interest expense)	3.00	1.81
Contributions by employer	58.26	55.62
Benefits paid	(57.60)	(58.12)
Fair value of plan assets at the end of the year	**402.09**	**373.88**

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

Particulars	As at 31 March 2021	As at 31 March 2020
Investment Funds with Insurance Company		
-Aditya Birla Sun Life Insurance Company Limited	11.55%	10.35%
-Life Insurance Corporation of India	88.45%	89.65%

The plan assets comprise insurer managed funds. None of the assets carry a quoted market price in active market or represent the entity's own transferable financial instruments or property occupied by the entity

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

Particulars	As at 31 March 2021	As at 31 March 2020
Discount rate	6.75%	6.56%
Expected return on plan assets	6.57%	7.44%
Salary escalation	8.00%	8.00%
Attrition	5.00%	5.00%
Mortality tables	India Assured Life (2012-14)	India Assured Life (2012-14)

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

Amount Rs. In lakhs

Impact on the Defined benefit Obligation	**Increase As at 31 March 2021**	**Increase As at 31 March 2020**
Change in the discount rate by 50 basis point	14.21	15.13
Change in Attrition rate by 50 basis point	0.79	0.94
Change in Expected rate of salary increase by 50 basis point	(15.17)	(16.14)

Impact on the Defined benefit Obligation	Decrease As at 31 March 2021	Decrease As at 31 March 2020
Change in the discount rate by 50 basis point	(15.02)	(16.01)
Change in Attrition rate by 50 basis point	(0.81)	(0.97)
Change in Expected rate of salary by 50 basis point	14.49	15.40

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

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

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

Experience adjustments

Gratuity	**Year ended 31 March 2021**	**Year ended 31 March 2020**
Present value of DBO	488.63	497.56
Fair value of plan assets	402.09	373.88
Experience gain / (loss) adjustments on plan liabilities	70.34	101.93
Experience gain / (loss) adjustments on plan assets	3.00	1.81
Details relating to the experience adjustments are provided to the extent information is available.		

41 Financial Instruments

(I) Capital Management

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

Gearing Ratio :

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Borrowings	3,081.83	4,221.01
Short Term Investments	(2,394.21)	67.22
Cash and Bank Balances	(270.21)	(267.45)
Net Debt (A)	**417.41**	**4,020.78**
Total Equity (B)	**26,732.52**	**27,552.58**
Net Debt to equity ratio (A/B)	**0.02**	**0.15**

(II) Categories of Financial Instruments

(a) Financial Assets

(Amount Rs. In Lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at fair value through Other Comprehensive Income (FVTOCI)		
- Investments	3.26	1.58
Measured at fair value through P&L (FVTPL)		
- Investments	2,394.21	67.22

Measured at amortised cost		
- Trade receivables	1,516.33	954.24
- Cash and Cash Equivalents	1.78	3.59
- Bank Balances other than above	268.43	263.86
- Other Financial Assets	675.31	1,446.79
Total	**4,859.32**	**2,737.28**

(b) Financial Liabilities :

(Amount Rs. in lakhs)

Particulars	As at 31 March 2021	As at 31 March 2020
Measured at amortised cost		
- Borrowings	3,081.83	4,221.01
- Trade Payables	1,816.31	1,664.10
- Lease Liabilities	72.75	58.90
- Other financial liabilities	614.01	684.98
Total	**5,584.90**	**6,628.99**

(III) Financial Risk Management Framework

The Group manages financial risk relating to the operations through internal risk reports which analyse exposure by degree and magnitude of risk. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group does not enter into or trade financial instruments including derivative financial instruments for speculative purpose.

(IV) Foreign Currency Risk Management :

The Group undertakes transactions denominated in foreign currencies and consequently, exposures to exchange rate fluctuations arises. The Group has not entered into any derivate contracts during the year ended 31 March 2021 and there are no outstanding contracts as at 31 March 2021.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period are as follows :

Particulars	Currency	As at 31 March 2021		As at 31 March 2020	
		Amount in Foreign Currency	Amount - Rs. In lakhs	Amount in Foreign Currency	Amount - Rs. In lakhs
Capital Creditors	EURO	4,21,369.75	362.79	4,20,472.55	353.91
Trade Payables	USD	-	-	1,22,661.00	91.43
Trade Receivables	USD	24,201.41	17.11	31,222.45	24.27
Borrowings	EURO	10,16,054.90	858.65	10,16,054.90	840.91

All of the above exposures have not been hedged

(V) Foreign Currency sensitivity analysis:

The following table details the Group's sensitivity to a 5% increase and decrease in INR against the relevant foreign currencies. 5% is the rate used in order to determine the sensitivity analysis considering the past trends and expectation of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates a increase in profit / decrease in loss and increase in equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or loss and equity and balance below would be negative.

Impact on Profit and loss for the reporting period **(Amount Rs. In Lakhs)**

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	0.01	(0.01)	(0.55)	0.55
EURO	(0.72)	0.72	(0.72)	0.72

Impact on total equity as at the end of the reporting period **(Amount Rs. In Lakhs)**

Particulars	As at 31 March 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2020
	Increase by 5%	Decrease by 5%	Increase by 5%	Decrease by 5%
USD	0.01	(0.01)	(0.55)	0.55
EURO	(0.72)	0.72	(0.72)	0.72

Note :

This is mainly attributable to the exposure of receivable and payable outstanding in the above mentioned currencies to the Group at the end of the reporting period.

(VI) Forward foreign exchange contracts : There are no forward foreign exchange contracts outstanding as at 31.03.2021

(VII) Liquidity Risk Management :

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and by matching maturing profiles of financial assets and financial liabilities in accordance with the approved risk management policy of the Group.

Liquidity and Interest Risk Tables :

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables include both interest and principal cash flows.
To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

(Amount Rs. In Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above
March 31, 2021				
Interest bearing	775.34	1,985.15	373.05	23.23
Non-interest bearing	2,366.79	11.39	-	49.95
Total	3,142.13	1,996.54	373.05	73.18
March 31, 2020				
Interest bearing	2,081.17	1,317.12	882.15	23.66
Non-interest bearing	2,263.53	11.41	-	49.95
Total	4,344.70	1,328.53	882.15	73.61

Interest Rate risk

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

Interest rate sensitivity analysis

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

Impact on Profit and Loss for the reporting period

Particulars	As at 31 March 2021	
	Increase by	Decrease by
	100 bps	100 bps
Impact on Profit and Loss for the reporting period	(23.21)	23.21

Impact on Total Equity as at end of the reporting period

Particulars	As at 31 March 2021	
	Increase by	Decrease by
	100 bps	100 bps
Impact on Total Equity as at end of the reporting period	(23.21)	23.21

The following tables detail the Group's remaining contractual maturity for its non-derivative financial Assets with agreed repayment periods. The Group does not hold any derivative financial instrument.

(Amount Rs. In Lakhs)

Particulars	Upto 1 Year	1-3 Years	3-5 Years	5 years and above
March 31, 2021				
Interest bearing	2,657.12	1.87	40.35	169.03
Non-interest bearing	1,961.77	7.00		22.18
Total	**4,618.89**	**8.87**	**40.35**	**191.21**
March 31, 2020				
Interest bearing	463.55	1.28	21.17	206.28
Non-interest bearing	2,012.92	6.97	-	25.11
Total	**2,476.47**	**8.25**	**21.17**	**231.39**

Non-interest rate bearing financial assets disclosed above includes Trade Receivable, Cash, Balances with banks held in current accounts and Other Financial Assets.

Fixed interest rate instruments disclosed above represents balances with banks held in deposit accounts and discounted financial assets.

(VIII) Credit Risk:

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The carrying amount of the financial assets recorded in these financial statements, grossed up for any allowance for losses, represents the maximum exposures to credit risk.

(IX) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

The Management considers that the carrying amount of financial assets and financial liabilities recognized in the financial statements approximate their fair values.

(X) Offsetting of financial assets and financial liabilities

The Group has not offset financial assets and financial liabilities.

42 Fair Value Hierarchy

This note provides information about how the Group determines fair value of various financial assets and liabilities

(I) Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

(Amount Rs. In lakhs)

Particulars	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs
	31 March 2021	31 March 2020		
Financial Assets				
-Investment in quoted Equity Instruments at FVTOCI	3.26	1.58	Level 1	Quoted bid prices in an active market
-Other Investments at FVTPL	2,394.21	67.22	Level 1	Based on fund statement
Total	**2,397.47**	**68.80**		

(II) Fair value of financial assets and financial liabilities that are not measured at fair value (Non-recurring) :

(Amount Rs. In lakhs)

Particulars	As at 31 March 2021		As at 31 March 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets at amortised cost:				
- Trade receivables	1,516.33	1,516.33	954.24	954.24
- Cash and Cash Equivalents	1.78	1.78	3.59	3.59
- Bank Balances other than above	268.43	268.43	263.86	263.86
- Other financial assets	675.31	675.31	1,446.79	1,446.79
Total	**2,461.85**	**2,461.85**	**2,668.48**	**2,668.48**

Financial liabilities held at amortised cost :

- Borrowings	3,081.83	3,081.83	4,221.01	4,221.01
- Trade Payables	1,816.31	1,816.31	1,664.10	1,664.10
- Lease Liabilities	72.75	72.75	58.90	58.90
- Other financial liabilities	614.01	614.01	684.98	684.98
Total	**5,584.90**	**5,584.90**	**6,628.99**	**6,628.99**

Fair value hierarchy as at 31 March 2021

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	1.78	-	-	1.78
- Bank Balances other than above	268.43	-	-	268.43
- Trade receivables	-	-	1,516.33	1,516.33
- Other financial assets	42.22	-	633.09	675.31
	312.43	**-**	**2,149.42**	**2,461.85**

Financial liabilities held at amortised cost :

Particulars	Level 1	Level 2	Level 3	Total
- Borrowings	-	-	3,081.83	3,081.83
- Trade Payables	-	-	1,816.31	1,816.31
- Lease Liabilities	-	-	72.75	72.75
- Other financial liabilities	-	-	614.01	614.01
	-	-	5,584.90	5,584.90

Fair value hierarchy as at 31 March 2020

(Amount Rs. In lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost:				
- Cash and Cash Equivalents	3.59	-	-	3.59
- Bank Balances other than above	263.86	-	-	263.86
- Trade receivables	-	-	954.24	954.24
- Other financial assets	60.38	-	1,386.41	1,446.79
	327.83	**-**	**2,340.65**	**2,668.48**

Financial liabilities held at amortised cost :

Particulars	Level 1	Level 2	Level 3	Total
- Borrowings	-	-	4,221.01	4,221.01
- Trade Payables	-	-	1,664.10	1,664.10
- Lease Liabilities	-	-	58.90	58.90
- Other financial liabilities	-	-	684.98	684.98
			6,628.99	**6,628.99**

43 Segment Information

Description of segments and principal activities

The Group identifies its operating segment based on the nature and class of product and services, nature of production process and assessment of differential risks and returns and financial reporting results reviewed by the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of performance. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS. For financial statements presentation purposes, individual operating segments have been aggregated into a single operating segment after taking into consideration the similar nature of the products, production processes and other risk factors.

Specifically, the Group's reportable segments under Ind AS are as follows:

1) Chemicals and related Products/Services
2) PVC-O Pipes

Geographical segments

The geographical segments considered for disclosure are based on markets, broadly as India and Others

Segment accounting policies

In addition to the significant accounting policies applicable to the business segment as set out in note 1.17, the accounting policies in relation to segment accounting are as under:

Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment. Inter segment sales are eliminated in consolidation

Other income earned and finance expense incurred are not allocated to individual segment and the same has been reflected at the Group level for segment reporting.

The total assets disclosed for each segment include all operating assets used by each segment, and primarily include receivables, property, plant and equipment, intangibles, inventories, operating cash and bank balances, inter-segment assets and exclude, deferred tax assets and income tax etc.

Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities etc.

I. Segment revenues and results **(Amount Rs. In lakhs)**

Particulars	Business segments		Total
	Chemicals and related Products/ Services	PVC-O Pipes	
Revenue			
- Current Year	13,411.73	4,671.31	18,083.04
- Previous Year	15,568.02	4,884.30	20,452.32
Less: Inter-segment revenue			
- Current Year	-	1.91	1.91
- Previous Year	-	-	-
Total			
- Current Year	13,411.73	4,669.40	18,081.13
- Previous Year	15,568.02	4,884.30	20,452.32
Segment result before exceptional item			
- Current Year	(6.80)	313.01	306.21
- Previous Year	2,068.74	927.08	2,995.82
Less: Exceptional Item			
- Current Year	-	-	-

- Previous Year	321.03	-	321.03
Segment result after exceptional item			
- Current Year	(6.80)	313.01	306.21
- Previous Year	1,747.71	927.08	2,674.79
Finance Cost			
- Current Year			245.17
- Previous Year			315.00
Operating income			
- Current Year			61.04
- Previous Year			2,359.79
Other income			
- Current Year			141.54
- Previous Year			311.41
Profit before taxes			
- Current Year			202.58
- Previous Year			2,671.20
Tax expense			
- Current Year			1,015.73
- Previous Year			126.59
Profit for the year			
- Current Year			(813.15)
- Previous Year			2,544.61

II. Segment Assets and Liabilities

(Amount Rs. In lakhs)

Particulars	Business segments		Total
	Chemicals and related Products/ Services	PVC-O Pipes	
Segment assets			
- Current Year	18,604.78	8,138.85	26,743.63
- Previous Year	19,846.79	8,875.64	28,722.43
Unallocable assets			
- Current Year			6,748.84
- Previous Year			6,114.21
Total assets			
- Current Year			33,492.47
- Previous Year			34,836.64
Segment liabilities			
- Current Year	2,630.13	928.85	3,558.98

- Previous Year	2,371.49	557.03	2,928.52
Unallocable liabilities			
- Current Year			3,200.97
- Previous Year			4,355.54
Total liabilities			
- Current Year			6,759.95
- Previous Year			7,284.06
Other information			
Capital expenditure			
- Current Year	632.48	101.11	733.59
- Previous Year	4,134.83	2,091.79	6,226.62
Depreciation and amortisation			
- Current Year	1,517.76	504.26	2,022.02
- Previous Year	1,958.22	550.54	2,508.76

Information on geographic segments:

(Amount Rs. In lakhs)

Geographical Segment	**Revenues for the year ended 31 March 2021**	**Non - Current Assets as at 31 March 2021 (Refer Note 2 below)**
India		
- Current Year	18,016.32	21,609.12
- Previous Year	20,346.69	24,028.91
Others		
- Current Year	64.81	-
- Previous Year	105.63	-

Note:

1) Also Refer Note 1.17.

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

44 Employee Stock Option Scheme

a) The details of the Employee stock option schemes approved by the shareholders are as below:

	Option Plan	Number	Grant Date	Exercise price in Rs.	Fair value on the date of grant in Rs.
	"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]	2,40,000	24-Mar-16	52.43	74.90
	"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020]	3,22,000	29-Oct-20	97.83	139.75

The options may be exercised within a period of 12 months from the date of vesting and the vesting plan of the stock option schemes are as below:

CAESOS 2015	CAESOS 2020
25% of the Options - Two years from the date of grant. 25% of the Options - Three years from the date of grant. 50% of the Options - Four years from the date of grant.	25% of the Options - One year from the date of grant. 25% of the Options - Two years from the date of grant. 25% of the Options - Three years from the date of grant. 25% of the Options - Four years from the date of grant.

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

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	Options (Numbers)	Weighted average exercise price per option (Rs.)	Options (Numbers)	Weighted average exercise price per option (Rs.)
"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015]				
Option outstanding at the beginning of the year:	1,20,000	52.43	1,80,000	52.43
Add: Granted during the year:			-	-
Less: Exercised during the year: *	(119,998)	52.43	(59,000)	52.43
Less: Lapsed during the year:	(2)	-	(1,000)	-
Options outstanding at the end of the year:	-	-	1,20,000	52.43
The exercise price has been determined on the basis of the weighted average share price of erstwhile Chemfab Alkalis Limited as at the grant date.		52.43	NA	52.43

Weighted average remaining contractual life for options outstanding as at 31 March 2021 - Nil (As at 31 March 2020 - 0.5 Years).

"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020]

Option outstanding at the beginning of the year:	-	-	NA	NA
Add: Granted during the year:	322,000	97.83	NA	NA
Less: Exercised during the year:	-	-	NA	NA
Less: Lapsed during the year:	-	-	NA	NA
Options outstanding at the end of the year:	322,000	97.83	NA	NA
The exercise price has been determined on the basis of the weighted average share price of Chemfab Alkalis Limited as at the grant date.		97.83		
Weighted average remaining contractual life for options outstanding as at 31 March 2021 - 4 Years				

* Out of the above, shares relating to 9,000 options are pending allotment as at 31 March 2021 (PY 15,000)

c) The assumptions used in this model for calculating fair value on date of grant are as below:

"CAESOS 2015" [Chemfab Alkalis Employees Stock Option Scheme 2015] (Using Black-Scholes model)

Assumptions	25 % options	25 % options	50 % options
Risk Free Interest Rate	7.44%	7.49%	7.53%
Expected Life	3.5	4	4.5
Expected Annual Volatility of Shares	45%	44%	44%
Expected Dividend Yield	25%	25%	25%

44 Employee Stock Option Scheme (Cont..)

"CAESOS 2020" [Chemfab Alkalis Employees Stock Option Scheme 2020] (Using Black-Scholes model)

Assumptions	25 % options	25 % options	25 % options	25 % options
Risk Free Interest Rate	7.50%	7.50%	7.50%	7.50%
Expected Life	1	2	3	4
Expected Annual Volatility of Shares	64.78%	55.79%	57.14%	55.92%
Expected Dividend Yield	12.50%	12.50%	12.50%	12.50%

d) Stock Options exercised during the year

Option Plan	Number Exercised	Exercise date	Exercise price in Rs.
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	7,000	2-Apr-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	21,570	3-Apr-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	21-May-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	30-Jun-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	22-Sep-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	12,000	24-Sep-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	10,000	24-Sep-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	6,428	15-Oct-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	16-Oct-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	2,000	22-Oct-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	2-Nov-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	5,000	9-Nov-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	4,000	9-Nov-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,000	10-Nov-20	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	500	11-Feb-21	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	1,500	11-Feb-21	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,500	16-Feb-21	52.43
“CAESOS 2015” [Chemfab Alkalis Employees Stock Option Scheme 2015]	3,500	18-Feb-21	52.43

e) Total expense accounted for by the Parent Company on account of the above are given below:

(Amount Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
ESOP cost accounted by the Company (Refer Note 34)	51.36	13.18
Total	**51.36**	**13.18**

45 Statement of Net assets and Profit or loss attributable to owners :

Name of the Entities in the group	Net Assets (Total Assets minus Total Liabilities) as at 31 March 2021		Share in Profit or (Loss) for the year ended 31 March 2021		Share in Other Comprehensive Income for the year ended 31 March 2021		Share in Total Comprehensive Income for the year ended 31 March 2021	
	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)
A. Parent								
Chemfab Alkalis Limited	97.09%	25,955.68	98.87%	(803.95)	100.00%	53.66	98.79%	(750.29)
B. Wholly Owned Subsidiary								
Chemfab Alkalis Karaikal Limited	2.91%	776.84	1.13%	(9.20)	0.00%	-	1.21%	(9.20)
Total	**100.00%**	**26,732.52**	**100.00%**	**(813.15)**	**100.00%**	**53.66**	**100.00%**	**(759.49)**

Name of the Entities in the group	Net Assets (Total Assets minus Total Liabilities) as at 31 March 2020		Share in Profit or (Loss) for the year ended 31 March 2020		Share in Other Comprehensive Income for the year ended 31 March 2020		Share in Total Comprehensive Income for the year ended 31 March 2020	
	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)	As a % of consolidated	Amount (Rs. In Lakhs)
A. Parent								
Chemfab Alkalis Limited	97.15%	26,766.83	100.56%	2,558.94	100.00%	71.58	100.55%	2,630.52
B. Wholly Owned Subsidiary								
Chemfab Alkalis Karaikal Limited	2.85%	785.75	(0.56%)	(14.33)	0.00%	-	(0.55%)	(14.33)
Total	**100.00%**	**27,552.58**	**100.00%**	**2,544.61**	**100.00%**	**71.58**	**100.00%**	**2,616.19**

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

(Amount Rs. in lakhs)

Particulars	**2020-21**	**2019-20**
Employee Benefits expense	41.95	39.83
Professional fees	3.06	12.65
Consumption of Stores and spares	9.51	4.28
Travelling expenses	0.10	1.59
Depreciation	8.57	7.71
Total	**63.19**	**66.05**

47 The Code on Wages, 2019 and Code of Social Security, 2020 ("the Codes") relating to employee compensation and post employment benefits that received Presidential assent and the related rules thereof for quantifying the financial impact have not been notified. The Group will assess the impact of the Codes when the rules are notified and will record any related impact in the period the Codes become effective.

48 The Group has taken into account potential impacts of COVID-19 in the preparation of the consolidated financial statements. Based on the information currently available, there is no material impact on carrying amounts of inventories, trade and other receivables, investments and other financial assets though management continues to monitor changes in future economic conditions.

49 The Board of Directors of the Parent Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements. In addition, the Board has also confirmed the carrying value of the non-current assets in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these consolidated financial statements in its meeting held on 21 May 2021.

For and on behalf of Board of Directors

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

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

Sd/-
V Rajesh
Company Secretary
Place : Chennai

Sd/-
S Prasath
Chief Financial Officer
Place : Puducherry

Date : 21 May 2021

PVCO Pipes laying at Morepalayam Lift Irrigation Project and Sree Sivashakthi Lift Irrigation Project

PVCO Pipes laying at Sri Arthanareeswarer Lift Irrigation Project and Sri Ponkaliamman Lift Irrigation Project

PVCO Pipes Iaying at Morepalayam Lift Irrigation Project and Sree Sivashakthi Lift Irrigation Project

Customer Visit to Manufacturing Facility

Trial Run at Anthiyur Vattara Vivasaigal project

PVCO Plant Production line

Confederation of Indian Industry
125 Years - Since 1895

7th CII Environmental
Best Practices Award 2020

This is to certify that

Chemfab Alkalis Limited, Puducherry

is a "Innovative Environmental Project"
This is being given on completion of the National Competition for
CII Environmental Best Practices Award
held on 29 - 31 July 2020 over Virtual Platform.

K S Venkatagiri
Executive Director
CII - Godrej GBC

Pradeep Bhargava
Chairman
GreenCo & Environmental Council
CII - Godrej GBC

L S Ganapati
Chairman
CII Environmental Best Practices Award
CII - Godrej GBC

CII environmental best practices award

CII environmental best practices award

FICCI Sustainability award

FICCI Sustainability award

Women Empowerment Programs

COVID-19 Relief Material to Primary Health Centre Kalapet

Certificate of appreciation by Oulgaret commune panchayat for supply of disinfectant under CSR project

Miyawaki Plantation Project at KV School

COVID-19 Relief Assistance to Locals

COVID-19 Relief Assistance to Locals

COVID-19 Relief Material Provided to CM Office

COVID-19 Relief Material Provided to Revenue Division Officer Maduranthakam

Ambulance Service Provided to Health Department as COVID-19 Relief Assistance

RO Plant

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Email : chemfabalkalis@drraoholdings.com Website: www.chemfabalkalis.com

Member - Dr.Rao's Group of Companies