



ANNUAL REPORT 2021-22

Technological dynamism with environmental commitment

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



Dr C H Krishnamurthi Rao

7.11.1940-19.1.2012

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



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

CCAL

CHEMFAB ALKALIS LIMITED

DIRECTORS

Mr. Suresh Krishnamurthi Rao
Mr. C.S. Ramesh
Mr. R. Mahendran
Mr. Nitin S Cowlagi
Mrs. Sujatha Jayarajan
Mr. A. Janakiraman
Mrs. Drushti Desai
Mr. T. Ramabadhran

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

CHIEF EXECUTIVE OFFICER

Mr.V.M.Srinivasan

CHIEF FINANCIAL OFFICER

Mr.S. Prasath

COMPANY SECRETARY

Dr.V. Rajesh (Till 31.01.2022)
Mr.B.Vignesh Ram (From 31.01.2022)

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@draoholdings.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@draoholdings.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@draoholdings.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



Suresh Krishnamurthi Rao
Chairman

CHAIRMAN'S STATEMENT - FY - 2021 - 2022

Dear Shareowners,

The entire globe was impacted by successive waves of the pandemic during the last couple of years. In recent history, this pandemic has been unprecedented in terms of the magnitude of impact across the world. Millions lost their lives and livelihoods world over. The Financial Year 2021 -22 saw new variants of the Covid-19 virus which fuelled additional waves of the pandemic. In addition, there were challenges posed to your Company as a result of geopolitical tensions, supply chain disruptions, commodity inflation, and repeated lockdowns.

In the thick of the extremely volatile circumstances arising out of both national and international disruptions, your company stayed resilient.

Chlor-Alkali Segment

During the second half of FY 21-22, there was a welcome turnaround in domestic caustic soda prices following the increase in international prices. However, this also coincided with a sharp increase in raw material prices especially that of salt. Salt production, across the country, was affected by unseasonal rains thereby limiting its availability. I am extremely glad to note here that your Company closed the year with considerable improvement in both its Top Line and Bottom Line, making it a satisfactory year.

The company continues its commitment to identifying and adopting environmentally friendly products and processes. Towards this end, your company is in the process of setting up an LNG plant which will help in replacing Furnace Oil with the cleaner alternative of LNG. The project is expected to be commissioned during the ensuing Financial Year.

Your Company has also been working on converting non-hazardous sludge to bricks, thereby working towards a circular economy in this industry. I am happy to share that we have successfully commissioned this project this year. Once the operations of the plant are stabilized and the product finds acceptance in the market, we hope to reuse the full quantity of sludge internally. This will lead to zero solid waste from the plant, thus earning Chemfab the distinction of being the first Chlor-Alkali plant in India to do so. It is also creditable that the process has been internally developed by your Company's R & D team, earning us another First within the Industry.

During the year, your Company has also been conferred with awards by FICCI for Excellence in the Chlor-Alkali sector and for Excellence in Sustainability in the Chemicals segment. We also received the award for Excellence in Management of Environment from the Indian Chemical Council.

Your Company's Wholly owned subsidiary, Chemfab Alkalies Karaikal Limited, will commence construction activities in the coming year for its greenfield project at Karaikal, Puducherry where the pre-construction activities for a 250 TPD Caustic Soda plant along with a 10000 TPA Aluminium Chloride plant are progressing.

PVCO Pipes-Segment

The company has completed three years of operation in the PVCO pipes business. This segment was significantly impacted by the pandemic during the last two years, which were crucial years in the stabilization of the division. There was a sharp increase in raw material prices during this period which led to strained margins. The pandemic significantly impacted developmental activities in the government sector, who is our major buyer, thus leading to delays in the installation process at various sites as well as resultant delays in releasing new orders.

During these difficult times, your Company remained focused on establishing PVCO pipes in both the Government as well as the Non-Government segments, as an alternative to the conventional metal and plastic pipes in use. Our efforts have been successful to a large extent and PVCO pipes, as a product, are now finding increasing acceptance. Aided by the inherent advantages of the product and the proven track record in Global as well as Indian markets, as also the untiring efforts of our marketing team in driving home the benefits of the product, we are confident of establishing a strong market for the product. During the ensuing year we expect significant improvement in order inflows especially during the second half. The Company has created enough capacity to be able to cater to the enhanced demand.

The company expects PVCO pipes as a segment to show substantial growth in the coming years.

Against the background of the positive outlook in both businesses as detailed above, we are optimistic about the Company's future growth.

I express my sincere gratitude to the governments, CCAL mates, and all our stakeholders for their continued support and patronage and for reposing confidence in the Company.

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

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

Suresh Krishnamurthi Rao
Chairman

CCAL

CHEMFAB ALKALIS LIMITED

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

NOTICE OF THE 13th ANNUAL GENERAL MEETING

Notice is hereby given that the Thirteenth Annual General Meeting of the Company will be held on Thursday, the 15th September 2022 at 10:00 AM (IST), through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") 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 2022 and the Statement of Profit and Loss A/c (incl. Comprehensive income), Statement of Cash Flow and Statement of Changes in Equity along with the notes forming part of the accounts for the year ended on that date, together with the Reports of the Board of Directors ("the Board") and the Auditors along with the notes thereon 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. Suresh Krishnamurthi Rao (DIN: 00127809), Director, who retires by rotation and being eligible, offers himself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3. RE-APPOINTMENT OF STATUTORY AUDITOR:

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

"RESOLVED THAT pursuant to provisions of Section 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013 & Rules framed there under and as amended from time to time or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), M/s. Deloitte Haskins & Sells LLP (Firm Registration No 117366W /W-100018) be and are hereby re-appointed as the Statutory Auditors of the company for the Second term of four years from the conclusion of this Annual General Meeting till the conclusion of the 17th Annual General Meeting at a remuneration as may be fixed by the Board of Directors as recommended by the Audit Committee in consultation with them.

4. DIVIDEND:

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

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

SPECIAL BUSINESS:

5. RATIFICATION OF COST AUDITOR'S REMUNERATION

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

RESOLVED THAT pursuant to the provisions of Section 148 and read with Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), the decision to pay a Remuneration of Rs.1,90,000/- to M/s. A. Madhavan, Mohan & Associates (Firm Registration No. ICAI Firm No - 003483), the Cost Auditors of the Company for the year 2022 - 23, as recommended by the Audit Committee and as approved by the Board of Directors, be and is hereby ratified".

6. APPROVAL FOR ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION OF THE COMPANY:

To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 13, 14, 15 and 16 of Companies Act, 2013 (including the statutory modification(s) and including the rules framed thereunder and any other applicable provisions of the Companies Act, 2013 or any other regulations as amended from time to time the consent of the members be and is hereby accorded to adopt the new set of Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company, as available for inspection in the registered office of the Company, a copy of which is placed before the meeting/hosted in the website of the Company and duly initialed by the Chairman for the purpose of identification, in substitution of the existing Memorandum of Association ("MOA") and Articles of Association ("AOA") of the Company."

"RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to do or cause to do all such acts, deeds, matters and things and to execute all such deeds, documents, instruments and writings as may deem necessary in relation thereto, and to file all the necessary documents with the Registrar of Companies, for the purpose of giving effect to this resolution."

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

Sd/-

Place: Chennai
Date: 11th August, 2022

B. Vignesh Ram
Company Secretary and
Compliance Officer

NOTES:

1. In view of the ongoing pandemic, the 13th (Thirteenth) AGM of the Company is being conducted through Video Conference ("VC") / Other Audio-Visual Means ("OAVM"). In accordance with the provisions of the Companies Act, 2013 ("Act"), read with the Rules made thereunder and General Circular No. 2/2022 dated May 5, 2022, and other circulars issued by the Ministry of Corporate Affairs ("MCA Circulars") read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and other circulars issued by SEBI from time to time ("SEBI Circulars") companies are allowed to hold Annual General Meeting (AGM) through VC or OAVM up to December, 31, 2022, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC/OAVM. In terms of the Secretarial Standards on General Meetings (SS-2) issued by The Institute of Company Secretaries of India, the venue of the 13th (Thirteenth) AGM shall be deemed to be the Registered Office of the Company situated at "TEAM House", GST Salai, Vandalur, Chennai – 600048. A route map to reach the venue of the Meeting to be attached along with this Notice in accordance with Clause No. 1.2.4 of the Secretarial Standard-2 on "General Meetings" is not attached since the Meeting will be conducted through VC/OAVM.
2. The MCA Circulars read with the Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated 13th May 2022 ("SEBI Circular"), has dispensed with the requirement of sending the physical copies of the AGM Notice and Annual Report to the members. In compliance with the above circulars the Annual Report for the Financial Year 2021 -22 along with the Notice of the Annual General Meeting of the Company are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories. .
3. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through "VC". Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/ JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through "VC" / "OAVM" and vote on its behalf. The said Resolution/Authorization can be sent to the Company at ccalcosecy@draaholdings.com not before the 48 hours of the meeting. 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.
4. The facility to appoint a proxy to attend and cast vote for the members is not available for this AGM. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names in the Register of Members will be entitled to vote.
5. 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.
6. The attendance of the Members attending the AGM through "VC"/"OAVM" will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013. .
7. 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 8th April, 2020, Circular No.17/2020 dated 13th April, 2020, and Circular No. 20/2020 dated 05th May 2020, Circular No.20/2020 dated 13th January, 2021 & Circular No.2/2022 dated 5th May, 2022 and in terms of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") the Company is providing 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 Mr. S.A Inbavadivu, Advocate in Practice, as Scrutinizer.
8. The details as required under Regulation 26(4) and 36(3) of the Listing Regulations and Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, in respect to brief resume of Directors proposed to be reappointed, nature of their expertise in specific functional areas, names of listed companies in which they hold directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
 - a. For shares held in electronic form: to their Depository Participants (DPs)
 - b. For shares held in physical form: to the Company/Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated 3rd November, 2021. The Company has sent letters for furnishing the required details.