



ANNUAL REPORT

2014 -15



Technological dynamism with environmental commitment

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



Dr C H Krishnamurthi Rao

7.11.1940 – 19.1.2012

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



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

CCAL

CHEMFAB ALKALIS LIMITED

DIRECTORS

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

Chairman
Director
Independent Director
Independent Director
Independent Director

CHIEF EXECUTIVE OFFICER

Mr. V.M.Srinivasan

CHIEF FINANCIAL OFFICER

Mr. Nitin. S. Cowlagi

COMPANY SECRETARY

Mr. G. Somasundaram

AUDITORS

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

BANKER TO THE COMPANY

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

REGISTERED OFFICE

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

FACTORY

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

SALT DIVISION

Kanthadu Village, Tindivanam Taluk, Villupuram District

MARKETING OFFICE

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

REGISTRAR AND SHARE TRANSFER AGENT

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



Suresh Krishnamurthi Rao
Chairman

CHAIRMAN'S STATEMENT – 2014 - 15

Dear Shareowners,

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

MILESTONE

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

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

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

COMPANY'S PERFORMANCE

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

EXPANSION

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

PROCESS SAFETY MANAGEMENT

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

CARBON FOOTPRINT STUDY

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

DIVIDEND

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

ACKNOWLEDGEMENT

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

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

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

Thank you all for attending this meeting.

Place : Chennai
Date : 27th April 2015

Suresh Krishnamurthi Rao
Chairman



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CHEMFAB ALKALIS LIMITED

S. No.	Contents	Page No.
1.	Notice of the Annual General Meeting	6
2.	Board of Directors' Report	10
3.	Secretarial Audit Report	28
4.	Management Discussion and Analysis	32
5.	Report on Corporate Governance	33
6.	Independent Auditors' Certificate on Corporate Governance	41
7.	Independent Auditors' Report	41
8.	Balance Sheet	45
9.	Statement of Profit and Loss	46
10.	Notes to Accounts	48

CHEMFAB ALKALIS LIMITED

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

CIN No:L24297TN1983PLC072409

NOTICE OF THE ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

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

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

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

"RESOLVED THAT a Dividend at the rate of Rs. 1.25 per Equity Share (25%) be and is hereby declared, on the fully paid-up Equity Shares of Rs. 5/- each in the Paid-up Capital of the Company, to those Members whose names appear in the Register of Members of the Company as on the date of the Book Closure".

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

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

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

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

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any,

of the Companies Act, 2013 ("the Act"), and the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mrs. Sujatha Jayarajan (DIN: 00633989) as a Non-Executive Independent Woman Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013, from a member proposing her candidature for the Office of Director, for a term of five consecutive years with effect from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of The Companies Act, 2013 ("the Act"), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and General Circular No.14/2014 dated 9th June 2014 of the Ministry of Corporate Affairs and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mr. Tyagarajan Ramabadrana (DIN : 00701503) as a Non – Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013 from a member proposing his candidature for the Office of Director, for a term of five consecutive years from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of The Companies Act, 2013 ("the Act"), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and General Circular No.14/2014 dated 9th June 2014 of the Ministry of Corporate Affairs and Clause 49 of the Listing Agreement with the Stock Exchanges, the appointment of Mr. Ganga Ram Nilacanta Iyer (DIN: 00001246) as a Non – Executive Independent Director of the Company, as recommended by the Nomination and Remuneration Committee and in respect of whom the Company has received a notice in writing u/s 160 of The Companies Act, 2013 from a member proposing his candidature for the Office of Director, for a term of five consecutive years from 30th March, 2015, whose office shall not be liable to retire by rotation, be and is hereby approved."

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

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

By Order of the Board of Directors

Place: Chennai
Date: 29th May 2015

G. Somasundaram
Company Secretary

NOTES:

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

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

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

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

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

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

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

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

Item Nos. 5, 6 and 7

Mrs. Sujatha Jayarajan

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

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

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

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

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

Mr. Ramabadran and Mr. Ganga Ram

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

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

Company Name	Category
Pharmed Medicare Pvt Ltd.	Director

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

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

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