



(Formerly known as TEAMEC CHLORATES LIMITED)

ANNUAL REPORT 2018 - 19

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.*



CHEMFAB ALKALIS LIMITED
(Formerly known as Teamec Chlorates Limited)

DIRECTORS

Mr. Suresh Krishnamurthi Rao
Mr. C.S. Ramesh
Mr. R. Mahendran
Mrs. Sujatha Jayarajan
Mr. A. Janakiraman
Mrs. Drushti Desai
Mr. T. Ramabadran (up to 28.03.2019)

Chairman, 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. Nitin.S.Cowlagi

COMPANY SECRETARY

Mr. G. Somasundaram (up to 28.02.2019)
Dr. V. Rajesh (from 28.03.2019)

AUDITORS

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

BANKER TO THE COMPANY

Axis Bank Limited,
6, St. Ange Street, Puducherry Branch,
Puducherry - 605 001

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: L24290TN2009PLC071563

FACTORIES

PUDUCHERRY

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

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 - 600 018
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 - 600 002
Phone : +91-44-2846 0390 / 2846 0395, Fax: +91-44-2846 0129
Email : cameo@cameoindia.com, Website : www.cameoonline.net

ONGOLE

Plot No.558 & 559, APIIC Growth Centre,
Gundlapalli (Village)
Maddipadu (Mandal), Prakasam (District)
Andhra Pradesh – Pin: 523211.

SRI CITY

No. 650, Chigurapalem Road
SriCity,Tada, Andhra Pradesh 517646



Suresh Krishnamurthi Rao
Chairman

CHAIRMAN'S STATEMENT - 2018 - 2019

Dear Shareowners,

It gives me great pleasure to present to you the Annual Report of your Company for Financial Year 2018-19. This year marks the entry of the company into a completely new line of business, Oriented PVC Pipes, with the commissioning of the new plant in Tada, Andhra Pradesh. Our Chlor-Alkali business overall has been stable and the company has firm plans at growing its capacities to take advantage of the growing market demand for Chlor-Alkali products.

International Caustic market

The sharp increase in the international Caustic prices was followed by a fall due to various Geopolitical issues which affected the Global demand. Prices are now recovering and consolidating. China's environmental restrictions continue. Sustained demand pulls from the Alumina sectors continue to drive the demand and the growth.

Domestic Caustic market

Domestic prices moved in Tandem with the international prices. Market demand and growth has been fairly robust. The BIS Standard Implementation had forced the local alumina manufactures to buy more product from domestic suppliers which had positive effect on the Caustic Soda Lye (CSL) business. Caustic Soda being a major inorganic building block, its growth has moved in line with the growth of other segments. The Growth of both Caustic and Hydrochloric Acid (HCL) has been between 5- 6 % .

Foray into the PVC O segment

Last year I had mentioned on our entering into the Oriented PVC pipes business. PVC O segment. I am happy to inform that the Plant set up for the manufacture of the PVC O pipes, at Sri City, Tada, Andhra Pradesh, was commissioned during the year, and is now fully operational. The operations and initial results of this Plant are encouraging and I believe in the coming years, this would be one of our key focus area as this business has potential for growth. Further, during the year under review, your Company entered into a strategic exclusive marketing arrangement, with a Co-producer of PVC O Pipes, for marketing their products which will give us the competitive edge, for better market coverage and penetration.

Company's performance

The Company has come out with a good performance during the year under review. Along with the PVC O plant coming into the stream, there has been an improvement in the overall performance during the year under review.

The numbers achieved, stand testimony to the sustained performance achieved by your Company during the year. Net Revenue from Operations rose by 7.56% from Rs. 179.61 Crore in FY 2017-18 (excluding excise duty of Rs 4.57 Crores) to Rs. 193.19 Crore in FY 2018-19. PBT before exceptional item also went up commensurately, posting a growth of 20.97% to increase from Rs. 39.78 Crore in FY 2017-18 to Rs. 48.12 Crore in FY 2018-19.

Exceptional Item :

During the year under review, the operations at the Ongole Plant were suspended, due to continuing negative cash generation. Your Company is pursuing various options for running the unit profitably. Pending the final decision on the viability of the Unit, the Operation of the Ongole Plant remain suspended till further notice. A detailed Impairment evaluation was carried out, and an Impairment loss of Rs.1,963.25 Lakhs has been recognised towards the carrying value of the Property including the Plant & machinery. The same has been shown as an Exceptional item in the Statement of Profit & Loss for the year under review. This is a tough decision the company had to take for the long term benefit.

On the Horizon

I had mentioned in my last year message, on the setting up of a Desalination Plant. Some of the final approvals are expected shortly, after which the setting up of the Desalination Plant is expected to be completed during the forthcoming Financial year. Your Company is also trying to make use of the water from the Sewage Treatment Plant of the Puducherry Government. Both these measures will set the tone of the strong commitment of your Company towards preservation of the natural resources, and at the same time will help your Company to scale up the operations to 200 TPD.

Overall I am confident that the company is now well placed to achieve significant growth.

On behalf of all your Board of Directors, and also on my own behalf, I express my sincere gratitude to the Government of Puducherry, Government of Andhra Pradesh and all our Stake holders for their continued support. I also thank all the CCAL mates for their efforts, commitment and their contribution to the progress of your Company.

I also take this opportunity to thank all the Directors on the Board, for their valuable inputs.

I am confident that together, we shall continue to grow and create more value to all the stakeholders.

Place : Chennai
Date : 07.05.2019

Suresh Krishnamurthi Rao
Chairman


CHEMFAB ALKALIS LIMITED
 (Formerly known as Teamec Chlorates Limited)

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

NOTICE OF THE 10th ANNUAL GENERAL MEETING

Notice is hereby given that the Tenth Annual General Meeting of the Company will be held on Thursday, the 27th June, 2019 at Kalyan Hometel – A Sarovar Hotel, No.247, GST Road, Vandalur, Chennai – 600 048 at 09.30 A.M 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 Financial Statements i.e., Balance Sheet of the Company as at 31st March, 2019 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 (“the Board”) and the Auditors thereon as presented to this Annual General meeting, be and are hereby approved and adopted”.

2. 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.”

3. 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.”

SPECIAL BUSINESS:

4.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.1,50,000/- to Mr. A. Madhavan, the Cost Auditor of the Company for the year 2019 – 20, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified”.

5. RE - APPOINTMENT OF MR. T. RAMABADRAN (HOLDING DIN: 00701503) AS AN INDEPENDENT DIRECTOR

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 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 as per regulation 17(1A) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) Amendment Regulations 2018, Mr. T. Ramabadrana (holding DIN: 00701503) be and is hereby appointed as Independent Director of the Company as recommended by the Nomination and Remuneration Committee at its meeting held on 07.05.2019 for a second term consists of five years from 2019-2024, irrespective of his age, whose office shall not be liable to retire by rotation, be and is hereby approved.”

6. REGULARIZATION OF APPOINTMENT MR.A.JANAKIRAMAN (HOLDING DIN: 01831854)

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 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 as per SEBI (LODR) Regulations, 2015,

Mr. A. Janakiraman, (holding DIN:01831854) who was appointed as an Non Executive - Independent Director during the year 2017 - 18 for a term of five years which extends up to 2021 - 22 and as per regulation 17(1A) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) (Amendment) Regulations 2018, be and is hereby approved to continue his office as a Non - Executive - Independent Director for a full term which extends up to 2021 – 22 irrespective of his age.

**7. REGULARIZATION OF APPOINTMENT
 MR. C.S. RAMESH (HOLDING DIN: 00019178)**

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

“RESOLVED THAT pursuant to the provisions of Sections 149,152 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) and as per SEBI (LODR) Regulations, 2015, Mr. C.S. Ramesh, (holding DIN:00019178) who was appointed as an Non Executive - Non Independent Director in the Board Meeting held on 26th April 2017 subsequently regularised at the Annual General Meeting held on 04th September 2017 and pursuant to regulation 17(1A) of Securities Exchange Board of India (Listing Obligation and Disclosure Requirement) (Amendment) Regulations 2018, be and is hereby approved to continue his office as a Non – Executive - Non Independent Director, irrespective of his age, whose term of office is liable to retire by rotation.

By Order of the Board of Directors
 for **Chemfab Alkalys Limited**
 (formerly known as Teamec Chlorates Limited)

Place: Chennai
 Date: 07.05.2019

Sd/-
 Dr.V.Rajesh,
 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 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 set out in the Notice is annexed hereto.

4. 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, 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 S.A Inbavadivu, Advocate in Practice, as Scrutinizer.

5. The facility for voting, either through ballot or polling paper shall also be made available at the meeting and members attending the meeting who have already not cast their votes by remote e-voting shall be able to exercise their right at the meeting.

6. Members who have cast their votes 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.

7. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights.

8. Members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days written notice is given to the Company in advance.

9. The members are requested to bring their copy of Annual Report and duly filled attendance slips for attending the meeting.

The instructions for shareholders voting electronically are as under:

The voting period begins on 24.06.2019 from 09.00 A.M and ends on 26.06.2019 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 (record date) of 20.06.2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

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

Click on Shareholders.

Now Enter your User ID

For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

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 in the company records in order 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.
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After entering these details appropriately, click on "SUBMIT" tab.

Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach '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 used by the demat holders for voting for resolutions of any other company also on which they are eligible to vote, if 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.

For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

Click on the EVSN for Chemfab Alkalys Limited on which you choose to vote.

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. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

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

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.

Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

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

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.

Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 14.06.2019. Please follow the instructions as prompted by the mobile app while voting on your mobile.

Note for Non – Individual Shareholders and Custodians

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.

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) for 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.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

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

In case you have any queries or issues regarding e-voting, please contact helpdesk.evoting@cdslindia.com.

10. 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.

11. 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.

12. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.06.2019 to 27.06.2019 (both days inclusive).

13. 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 the AGM.

14. 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, Cameo Corporate Services Limited, "Subramanian Building", No.1, Club House Road, Chennai – 600 002.

15. 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.

16. Members are requested to note that any dividend which remains un-encashed 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 124/125 of the Companies Act, 2013.

17. Members who have not encashed their dividend warrants in respect of Dividend declared for the year ended 31st March, 2013 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 OF THE COMPANIES ACT, 2013

Item No. 4

At the Board Meeting held on the May 07, 2019, after considering the recommendation of the Audit Committee, the Directors appointed Mr. A. Madhavan, Cost Accountant, as the Cost Auditor of the Company for the year 2019 – 2020 on a remuneration of Rs.1,50,000/-. Pursuant to the provisions of Section 148 read with the Companies (Audit and Auditors) Rules, 2014, the aforesaid remuneration approved by the Board of Directors is required to be ratified by the Shareholders.

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