

## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF SPECIAL PURPOSE FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF CHEMFAB ALKALIS LIMITED (formerly known as Teamec Chlorates Limited)

#### Introduction

We have reviewed the accompanying Statement of Unaudited Special Purpose Financial Results of **CHEMFAB ALKALIS LIMITED** (formerly known as Teamec Chlorates Limited) ("the Company") for the quarter and nine months ended 31 December 2017 ("the Statement"), duly stamped and initialed by us for identification. The Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, which has been approved by the Board of Directors for submission to the Stock Exchanges on a *suo moto* basis. Our responsibility is to express a conclusion on the Statement based on our review.

#### Scope of Review

We conducted our review of the Statement in accordance with Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim special purpose financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Statement, read with the notes thereon, is not prepared, in all material respects, in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.



# Deloitte Haskins & Sells LLP

## Restriction on Distribution

This Special Purpose Statement has been prepared by the Management and approved by the Board of Directors for submission to the Stock Exchanges on a *suo moto* basis. Our report is intended solely for the above purpose and is not intended to be and should not be used by anyone other than Management without our proper written consent.

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



**V. Balaji**  
Partner  
(Membership No. 203685)

BENGALURU, 31 January 2018

VB/EKP/



**Chemfab Alkalis Limited**  
 ( formerly known as Teamec Chlorates Limited )  
 CIN:U24290TN2009PLC071563  
 Regd. Office: Team House, GST Road, Vandalur, Chennai 600 048.  
 Phone No: +91 44 22750323 Fax No: +91 44 22750860

(Amount in Rs. In Lakhs)

**STATEMENT OF UNAUDITED SPECIAL PURPOSE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2017**

Sl. No.	Particulars	Current Quarter ended 31/12/2017 (Unaudited)	Previous Quarter ended 30/09/2017 (Unaudited)	Nine Months ended 31/12/2017 (Unaudited)
1	<b>Income</b>			
	Revenue from Operations (Refer Note 4)	4,625.89	4,469.14	13,438.44
	Other Income	77.85	58.49	249.11
	<b>Total Income</b>	<b>4,703.74</b>	<b>4,527.63</b>	<b>13,687.55</b>
2	<b>Expenses</b>			
	(a) Cost of Materials Consumed	97.59	79.55	300.19
	(b) Changes in Inventories of Finished goods and Work-in -Progress	85.13	58.42	(82.39)
	(c) Excise Duty (Refer Note 4)	-	-	457.21
	(d) Employee Benefits Expense	370.16	368.66	1,133.08
	(e) Finance Cost	65.91	64.71	199.06
	(f) Depreciation and Amortisation Expense	285.59	283.50	848.77
	(g) Power & Fuel	2,076.15	2,095.95	6,030.68
	(h) Other Expenses	576.47	692.50	2,133.37
	<b>Total Expenses</b>	<b>3,557.00</b>	<b>3,643.29</b>	<b>11,019.97</b>
3	<b>Profit before Exceptional Items (1-2)</b>	<b>1,146.74</b>	<b>884.34</b>	<b>2,667.58</b>
4	Exceptional Items	-	-	-
5	<b>Profit before Tax (3-4)</b>	<b>1,146.74</b>	<b>884.34</b>	<b>2,667.58</b>
6	Tax Expense (Net)	443.70	248.55	906.12
7	<b>Net Profit after Tax (5-6)</b>	<b>703.04</b>	<b>635.79</b>	<b>1,761.46</b>
8	<b>Other Comprehensive Income</b>			
	(a) Items that will not be reclassified to the Statement of Profit and Loss			
	- Effect of Measuring investment at fairvalue	2.04	0.25	2.74
	- Actuarial gain on defined benefit obligation	20.64	11.77	1.32
	- Deferred tax on Adjustments	3.07	(6.69)	7.14
	(b) Items that will be reclassified to the Statement of Profit and Loss	-	-	-
	<b>Total Other Comprehensive Income Net of Tax</b>	<b>25.75</b>	<b>5.33</b>	<b>11.20</b>
9	<b>Total Comprehensive Income (7+8)</b>	<b>728.79</b>	<b>641.12</b>	<b>1,772.66</b>
10	Paid-up Equity Share Capital (Face Value of Rs. 10 per share)	1,383.05	1,383.05	1,383.05
11	Earning per Share (Face Value of Rs. 10 per share) (not annualised)			
	(a) Basic	5.08	4.60	12.74
	(b) Diluted	5.01	4.53	12.56



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**NOTES:**

- 1 The above unaudited special purpose financial results were reviewed by the Audit Committee at its meeting held on 31 January 2018 and approved by the Board of Directors of the Company at their meeting held on that date. This Special Purpose Statement have been prepared by the Management for submission to the Stock Exchanges on a *sua moto* basis, pending the listing of the equity shares of the Company in the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). Also Refer Note 6.
- 2 The Company has adopted Ind AS from 1 April 2017 with a transition date from 1 April 2016 and accordingly these special purpose financial results has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 The Company operates in a single segment i.e. Dealing with Chlor Alkali and Related Products/Services and hence, does not have any additional disclosures to be made under IND AS 108 - Operating Segments.
- 4 Revenues from Operations for the quarter ended 31 December 2017 and 30 September 2017 are net of Goods and Service Tax (GST) whereas Revenues from Operations for the quarter ended 30 June 2017 is gross of Excise Duty.
- 5 The National Green Tribunal, in an application filed by a party (NGO), had granted an *ex parte* stay, restraining the construction activities pertaining to the expansion and operation of the Company's Plant without valid consent order. The Company strongly objected the averments of the complainant and filed its counter for vacating the stay which was granted however the matter is pending with the Honourable forum for final disposal. Also Refer Note 7 below.
- 6 The name of the Company has been changed to Chemfab Alkalis Limited, vide the revised certificate of incorporation issued by the Registrar of Companies (ROC) dated 21 July 2017 pursuant to the Scheme of Amalgamation approved by the National Company Law Tribunal (NCLT) on 30 March 2017.
- 7 The Puducherry Pollution Control Committee has granted In-principle clearance for the enhancement of the production capacity of Caustic Soda from 125 TPD to 200 TPD vide order dated 28 November 2017 subject to other approvals/conditions and outcome of the National Green Tribunal Case . Subsequent to the receipt of in-principle approval, the company has withdrawn its appeals filed against the denial of expansion. (Refer Note 5 above)
- 8 During the nine months ended 31 December 2017, the Company has redeemed 3,00,000 12% Redeemable Cumulative Preference Shares of Rs. 100 each aggregating to Rs. 300 Lakhs and 2,60,000 11% Redeemable Cumulative Preference Shares of Rs. 100 each amounting to Rs.260 lakhs in accordance with the applicable terms of redemption.

For Chemfab Alkalis Limited



Suresh Krishnamurthi Rao  
Chairman  
DIN No: 00127809

Place: Chennai  
Date: 31 January 2018

