

**CCAL**  
**CHEMFAB ALKALIS LIMITED**

CAL / SECL / 2015 – 16

January 29, 2016

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

Dear Sir / Madam,

**Sub: Un-Audited Financial Results of the Company for the Quarter ended  
31<sup>st</sup> December, 2015.**

**Ref: NSE Symbol – CHEMFALKAL**

We wish to inform you that the Un-Audited Financial Results of the Company for the Quarter ended 31<sup>st</sup> December, 2015 were approved by the Board of Directors at their meeting held today.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We enclose herewith the Un-Audited Financial Results of the Company for the Quarter ended 31<sup>st</sup> December, 2015 along with Limited Review Report issued by M/s. Deloitte Haskins & Sells, the Independent Auditors of the Company

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,  
for **CHEMFAB ALKALIS LIMITED**



**G Somasundaram**  
**Company Secretary.**

CIN No.: L24297TN1983PLC072409

**Member - Dr. Rao's Group of Companies**

Regd. Off: 'TEAM House', GST Road, Vandalur, Chennai - 600 048, India.  
Ph : +91 44 22750323 / 24 Fax: +91 44 22750860 E-mail: chemfabalkalis@drroaholdings.com

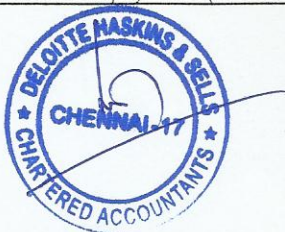
**Chennai Office** : No. 1A, Jayamkondar Towers, 12/40, Murray s' Gate Road,  
Alwarpet, Chennai - 600 018. Tel : 044 - 42031 444 / 2498 7874

**Plant** : "Gnanananda Place", Kalapet, Puducherry - 605 014, India Ph : +91 413 2655111



Regn. No. OHS 66228  
OHSAS 18001 and ISO 14001

| STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31/12/2015 |                                                                                                      |                           |                                     |                                                              |                                                          |                                                               | (Rs. in Lakhs)                 |
|-------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------|
| Sl. No.                                                                                   | Particulars                                                                                          | 3 Months ended 31/12/2015 | Preceding 3 Months ended 30/09/2015 | Corresponding 3 months ended 31/12/2014 in the previous year | Year to date figures for current period ended 31/12/2015 | Year to date figures for the previous period ended 31/12/2014 | Previous Year ended 31/03/2015 |
|                                                                                           |                                                                                                      | Unaudited                 | Unaudited                           | Unaudited                                                    | Unaudited                                                | Unaudited                                                     | Audited                        |
|                                                                                           |                                                                                                      | (1)                       | (2)                                 | (3)                                                          | (4)                                                      | (5)                                                           | (6)                            |
| 1                                                                                         | <b>Income from Operations</b>                                                                        |                           |                                     |                                                              |                                                          |                                                               |                                |
|                                                                                           | (a) Net Sales / Income from operations (Net of excise duty)                                          | 2,384                     | 2,508                               | 2,782                                                        | 7,182                                                    | 8,425                                                         | 10,985                         |
|                                                                                           | (b) Other operating income                                                                           | 9                         | 8                                   | 16                                                           | 21                                                       | 34                                                            | 54                             |
|                                                                                           | <b>Total Income from operations (net)</b>                                                            | <b>2,393</b>              | <b>2,516</b>                        | <b>2,798</b>                                                 | <b>7,203</b>                                             | <b>8,459</b>                                                  | <b>11,039</b>                  |
| 2                                                                                         | <b>Expenses</b>                                                                                      |                           |                                     |                                                              |                                                          |                                                               |                                |
|                                                                                           | (a) Cost of Materials Consumed (Refer Note 3)                                                        | 52                        | 54                                  | 194                                                          | 171                                                      | 355                                                           | 513                            |
|                                                                                           | (b) Purchases of Stock-in-Trade                                                                      | -                         | -                                   | -                                                            | -                                                        | 5                                                             | 52                             |
|                                                                                           | (c) Changes in Inventories of Finished goods and Work-in-Progress                                    | 66                        | (81)                                | 45                                                           | (109)                                                    | (19)                                                          | -                              |
|                                                                                           | (d) Employee Benefits Expense                                                                        | 273                       | 262                                 | 233                                                          | 817                                                      | 720                                                           | 971                            |
|                                                                                           | (e) Depreciation and Amortisation Expense                                                            | 279                       | 375                                 | 238                                                          | 852                                                      | 802                                                           | 1,015                          |
|                                                                                           | (f) Power & Fuel                                                                                     | 1,043                     | 1,068                               | 1,393                                                        | 3,103                                                    | 4,302                                                         | 5,439                          |
|                                                                                           | (g) Other Expenses (Refer Note 6)                                                                    | 365                       | 509                                 | 356                                                          | 1,492                                                    | 1,377                                                         | 1,888                          |
|                                                                                           | <b>Total Expenses</b>                                                                                | <b>2,078</b>              | <b>2,187</b>                        | <b>2,459</b>                                                 | <b>6,326</b>                                             | <b>7,542</b>                                                  | <b>9,878</b>                   |
| 3                                                                                         | <b>Profit from Operations before Other Income, Finance Costs and Exceptional Items (1-2)</b>         | <b>315</b>                | <b>329</b>                          | <b>339</b>                                                   | <b>877</b>                                               | <b>917</b>                                                    | <b>1,161</b>                   |
| 4                                                                                         | Other Income (Refer Note 6)                                                                          | 24                        | 35                                  | 137                                                          | 86                                                       | 392                                                           | 496                            |
| 5                                                                                         | <b>Profit from Ordinary Activities before Finance costs and Exceptional Items (3+4)</b>              | <b>339</b>                | <b>364</b>                          | <b>476</b>                                                   | <b>963</b>                                               | <b>1,309</b>                                                  | <b>1,657</b>                   |
| 6                                                                                         | Finance Costs                                                                                        | 49                        | 35                                  | 20                                                           | 105                                                      | 53                                                            | 71                             |
| 7                                                                                         | <b>Profit from Ordinary Activities after Finance Costs but before Exceptional Items (5-6)</b>        | <b>290</b>                | <b>329</b>                          | <b>456</b>                                                   | <b>858</b>                                               | <b>1,256</b>                                                  | <b>1,586</b>                   |
| 8                                                                                         | Exceptional Items (Refer Note 4)                                                                     | (83)                      | -                                   | -                                                            | (83)                                                     | -                                                             | -                              |
| 9                                                                                         | <b>Profit from Ordinary Activities before Tax (7+8)</b>                                              | <b>207</b>                | <b>329</b>                          | <b>456</b>                                                   | <b>775</b>                                               | <b>1,256</b>                                                  | <b>1,586</b>                   |
| 10                                                                                        | Tax Expense                                                                                          | 74                        | 118                                 | 108                                                          | 274                                                      | 372                                                           | 563                            |
| 11                                                                                        | <b>Net Profit from Ordinary Activities after Tax (9-10)</b>                                          | <b>133</b>                | <b>211</b>                          | <b>348</b>                                                   | <b>501</b>                                               | <b>884</b>                                                    | <b>1,023</b>                   |
| 12                                                                                        | Extraordinary Items                                                                                  | -                         | -                                   | -                                                            | -                                                        | -                                                             | -                              |
| 13                                                                                        | <b>Net Profit for the Period (11-12)</b>                                                             | <b>133</b>                | <b>211</b>                          | <b>348</b>                                                   | <b>501</b>                                               | <b>884</b>                                                    | <b>1,023</b>                   |
| 14                                                                                        | Paid-up Equity Share Capital (Face Value of Rs.5/- per share)                                        | 459                       | 459                                 | 459                                                          | 459                                                      | 459                                                           | 459                            |
| 15                                                                                        | Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year             | N.A.                      | N.A.                                | N.A.                                                         | N.A.                                                     | N.A.                                                          | 12,499                         |
| 16 i                                                                                      | Earning per Share (before extraordinary items) (Face Value of Rs 5 each) (not annualised) :          |                           |                                     |                                                              |                                                          |                                                               |                                |
|                                                                                           | (a) Basic                                                                                            | 1.45                      | 2.29                                | 3.79                                                         | 5.46                                                     | 9.63                                                          | 11.15                          |
|                                                                                           | (b) Diluted                                                                                          | 1.45                      | 2.29                                | 3.79                                                         | 5.46                                                     | 9.63                                                          | 11.15                          |
| 16 ii                                                                                     | Earning per Share (after extraordinary items) (Face Value of Rs 5 each) (not annualised) :           |                           |                                     |                                                              |                                                          |                                                               |                                |
|                                                                                           | (a) Basic                                                                                            | 1.45                      | 2.29                                | 3.79                                                         | 5.46                                                     | 9.63                                                          | 11.15                          |
|                                                                                           | (b) Diluted                                                                                          | 1.45                      | 2.29                                | 3.79                                                         | 5.46                                                     | 9.63                                                          | 11.15                          |
| 17                                                                                        | Dividend per Share (Face Value of Rs.5 each)<br>- Final Dividend on equity shares (In Rs. Per share) | -                         | -                                   | -                                                            | -                                                        | -                                                             | 1.25                           |



**NOTES:**

- 1 The above results, subjected to Limited Review by the Statutory Auditors of the Company, were reviewed by the Audit Committee at its meeting held on 29 January 2016 and approved by the Board of Directors of the Company at their meeting held on that date.
- 2 The Company has identified business segment which is "Dealing with Chlor Alkali and Related Products / Services" as its primary segment and geographical segment as its secondary segment. The amounts appearing in the results relate to this primary segment.
- 3 Cost of materials consumed depends on the availability/usage of the captive salt which is seasonal in nature and the market price / usage of the salt procured from external sources.
- 4 Exceptional item represents the Net Loss arising from washout of stock of salt in the salt fields and damage to certain fixed assets due to unusual heavy rains and floods during the quarter.
- 5 The National Green Tribunal, in an appeal filed by a party, granted an *ex parte* stay, restraining the construction activities pertaining to the expansion and operation of the 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. Further, the Company's petition seeking directions to the authorities concerned for the grant of Consent to Establish (NOC) for the expansion is pending before the Hon'ble Forum.
- 6 The Net Exchange Loss / (Gain) and Net Loss / (Profit) on sale / discarding of Fixed Assets included under other expenses or other income, respectively is as under:

| (Rs. In Lakhs)                                         |                           |                                     |                                                              |                                                          |                                                               |                                |
|--------------------------------------------------------|---------------------------|-------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------|--------------------------------|
| Particulars                                            | 3 Months ended 31/12/2015 | Preceding 3 Months ended 30/09/2015 | Corresponding 3 months ended 31/12/2014 in the previous year | Year to date figures for current period ended 31/12/2015 | Year to date figures for the previous period ended 31/12/2014 | Previous Year ended 31/03/2015 |
| Net Exchange Loss / (Gain)                             | (3)                       | 6                                   | (82)                                                         | 94                                                       | (180)                                                         | (205)                          |
| Net Loss / (Profit) on sale/discarding of Fixed Assets | 11                        | 54                                  | (2)                                                          | 65                                                       | 41                                                            | 35                             |

- 7 The Income Tax Department has appealed before the Income Tax Appellate Tribunal (ITAT) against the Order passed by the Commissioner of Income Tax (Appeals) for the Assessment Year 2010-11 relating to the disallowance of sales commission paid to various commission agents. The Company has filed its cross objections, challenging the Department's contentions and it is hopeful of a favorable outcome. The contingent liability to the Company on account of this appeal is estimated at Rs. 134 lakhs.
- 8 The outstanding Inter Corporate Deposit of Rs 1,461 lakhs provided to Teamec Chlorates Limited (TCL) as at 31 December 2015 is considered as good for recovery based on discussion with TCL and considering certain other developments. This has been qualified by the Statutory Auditors in their Limited Review Report for the quarter ended 31 December 2015, 30 September 2015, 30 June 2015 and also in their audit report for the year ended 31 March 2015.
- 9 The Board of Directors, at their meeting held on 29 October 2015, approved the Chemfab Alkalies Employees Stock Option Scheme 2015 (CAESOS - 2015) which provides for issue of 400,000 options to eligible employees convertible into equivalent number of equity shares of Rs 5 each. The Scheme will come into effect from the date of approval of the Shareholders of the Company and the process of obtaining Shareholders' approval is underway.
- 10 Previous period / year figures have been regrouped wherever necessary, to conform to the current period presentation.

For CHEMFAB ALKALIS LIMITED

*Suresh Krishnamurthi Rao*

SURESH KRISHNAMURTHI RAO  
CHAIRMAN

Place: Chennai  
Date : 29 January 2016



## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

### TO THE BOARD OF DIRECTORS OF CHEMFAB ALKALIS LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **CHEMFAB ALKALIS LIMITED** ("the Company") for the Quarter and Nine Months ended December 31, 2015 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review of the Statement in accordance with the 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. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. As stated in Note 8 to the Statement, an amount of Rs. 1,461 lakhs is outstanding towards Inter Corporate Deposits (ICD) provided to Teamec Chlorates Limited (TCL) as at December 31, 2015. Whilst the net worth of TCL has been fully eroded as per its latest audited financial statements and the possession of its factory land has been taken over by the secured creditor due to non-payment of dues, the Management of the Company, based on discussions with TCL/ and considering certain other developments, believes that no provisioning is required to be made for the outstanding ICDs provided by the Company at this stage.

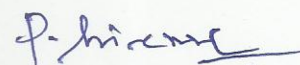
However, considering the financial condition of TCL and in the absence of sufficient and appropriate audit evidence, we are unable to comment on the recoverability of the outstanding ICDs amounting to Rs. 1,461 lakhs from TCL and its consequential impact on the financial results.

Our audit report on the financial statements for the year ended March 31, 2015, limited review report for the Quarter ended June 30, 2015 and Half Year ended September 30, 2015 was also qualified in respect of this matter.



4. Based on our review conducted as stated above, except for the possible effects of the matter described in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Deloitte Haskins & Sells  
Chartered Accountants  
(Firm's Registration No. 008072S)



Sriraman Parthasarathy  
Partner  
(Membership No. 206834)

CHENNAI, January 29, 2016  
PS/RS/2015-16

