



ALUFLUORIDE LIMITED

MULAGADA, MINDI, VISAKHAPATNAM - 530 012. INDIA

PHONE : 2548567, 2577077

E-mail : contact@alufluoride.com Web : <http://www.alufluoride.com>

CIN - L24110AP1984PLC005096



Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, PJ Towers
Dalal Street
Mumbai 400 001

01 October, 2018

Dear Sir,

Sub: Annual Report – 2017-18 AGM held on 30 September, 2018
Ref: Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements)
Regulations 2015.

In terms of Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 the Annual Report of the Company for the Financial Year 2017-18 is enclosed.

Thanking you,

Yours faithfully,
For ALUFLUORIDE LIMITED

K.PURUSHOTHAM NAIDU
Compliance Officer



Alufluoride Limited

An ISO 9001, 14001, OHSAS 18001

&

Make in India Company

Annual Report

2017 - 2018



BOARD OF DIRECTORS

Sri Grandhi Sreeramakrishna	- Independent & Non-Executive
Sri A.V.V.S.S.Ch.B. SekharBabu	- Independent & Non-Executive
Sri Ashok Vemulapalli	- Non-Independent & Non-Executive
Sri K. Purushotham Naidu	- Director (Finance & Admin)
Smt. Jyothsana Akkineni	- Executive Director
Sri Venkat Akkineni	- Managing Director

COMPANY SECRETARY

Sri Viswanadham Bhaskara Rama Sarma

STATUTORY AUDITORS

M/s. Brahmayya & Co., Chartered Accountants, Visakhapatnam 530 017

INTERNAL AUDITORS

Sri G. Krishna Mohan, Chartered Accountant, Kakinada 533 003

SECRETARIAL AUDITORS

M/s. GMVDR & Associates, Company Secretaries, Hyderabad 500 020

BANKERS

State Bank of India
IDBI Bank Ltd
HDFC Bank Ltd
Punjab National Bank
Axis Bank Ltd
ICICI Bank Ltd

REGISTRARS & SHARE TRANSFER AGENTS

XL Softech Systems Ltd.
3, Sagar Society, Road No.2, Banjara Hills
Hyderabad 500 034
Phone: (91 40) 2354 5913
Fax: (91 40) 2355 3214
Email: xlfield@gmail.com

REGISTERED OFFICE

Alufluoride Limited
Mulagada, Mindi
Visakhapatnam 530 012, AP
Phone: (91 891) 2548567, 2577077
Fax : (91 891) 2548567
Email: contact@alufluoride.com
CIN- L24110AP1984PLC005096

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of Alufluoride Limited will be held at the Registered Office of the Company situated at Mulagada, Mindi, Visakhapatnam 530 012 at 11.00 AM on the Sunday, 30 September, 2018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2018 and Profit and Loss Account for the year ended 31st March, 2018 together with the reports of Directors' and Auditors' thereon.
2. To elect Director in place of Sri Ashok Vemulapalli, Director who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS:

3. 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 196, 197 and 198 read with Schedule V and other applicable provisions if any of the Companies Act, 2013, the Committee be and is hereby recommends for the reappointment of Sri Venkat Akkineni as the Managing Director of the Company for a further period of five years with effect from 1st August, 2018 to 31st July, 2023, at a remuneration aggregating 5% of the Net Profits of the Company. However, in case of inadequate or absence of Profits, he shall be entitled to the following remuneration:

1. Remuneration:

- i) Salary - Rs. 3,50,000/- per month.
- ii) Commission not exceeding 3.5% on the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013.

2. Perquisites:

In addition to the Salary and Commission, the Managing Director shall be entitled to the

Perquisites, classified under Category A, B, and C, as per statement annexed, provided that the Perquisites in the said Category 'A' shall be restricted to an amount equivalent to the annual salary.

"RESOLVED FURTHER THAT the Salary and perquisites aforesaid be paid and allowed, as minimum remuneration to the Managing Director during the remaining period of his tenure, in the event of loss of inadequacy of profits in any financial year.

STATEMENT OF PERQUISITES REFERRED TO IN THE RESOLUTIONS RELATING TO THE REMUNERATION OF THE MANAGING DIRECTOR**CATEGORY 'A'****i) Housing:**

- a) The expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of salary.
- b) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary. Wherever the Company does not provide accommodation, House rent allowance shall be paid in accordance with (a) above, and
- c) The expenditure incurred by the Company on gas, electricity, water and furnishing will be evaluated as per Income-Tax rules, 1962. This will, however, be subject to a ceiling of 10% of the salary paid to him.

ii) Medical benefits for self and family:

Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year or three months' salary over a period of three years.

iii) Leave Travel concession:

For self and family, once in a year, incurred in accordance with the rules of the company.



iv) Club fees:

Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

v) Personal accident insurance:

Of an amount, the annual premium of which, does not exceed Rs. 4,000/-.

The perquisites, under this category, shall be restricted to an amount equivalent to the annual salary proposed to the Managing Director.

CATEGORY 'B'

Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company, to the extent, these are not taxable, under the Income-Tax Act, either singly or put together. Gratuity payable, shall not exceed, half a month's salary, for each completed year of service. The Perquisites, under this Category, shall not be included in the computation of the ceiling on remuneration specified in the resolution.

CATEGORY 'C'

- a. Free use of Company's car with driver for the business of the Company. Use of car for private purposes shall be billed by the Company.
- b. Free telephone facility at residence. All personal long distance calls shall be billed by the Company.
- c. Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month's salary for every 11 months service;
- d. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company; and
- e. Any other Perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The Perquisites, under this Category, shall not be included in the computation of the ceiling on remuneration specified in the Resolution."

"RESOLVED FURTHER THAT the Managing Director will be eligible for double the limits of aforesaid Salary and Perquisites if the resolution for reappointment & revisions in remuneration is approved by the Shareholders by way of Special Resolution and this will be paid with effect from the date of passing of Special Resolution in the General Meeting."

"RESOLVED FURTHER THAT the Salary and perquisites aforesaid be paid and allowed, as minimum remuneration to the Managing Director during the remaining period of his tenure, in the event of loss of inadequacy of profits in any financial year".

FURTHER RESOLVED THAT any Director of the Company be and is hereby authorized to make necessary intimation to the Registrar of Companies in this regard.

For and on behalf of the Board
For ALUFLUORIDE LIMITED

VENKAT AKKINENI
Managing Director
DIN: 00013996

Hyderabad
1 August, 2018

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and such proxy or proxies need not be a member or members of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General

Meeting. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.

3. Members who hold shares in dematerialized form are requested to write their Client ID and DPID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
5. The Share Transfer Register and Register of Members of the Company will remain closed from 28 September, 2018 to 30 September, 2018 both days inclusive.
6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s XL Softech Systems Ltd, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.
7. Shareholders may inspect the documents / certificates referred to in the notice and / or explanatory statement at the Registered office of the company during the business hours on any working day up to the date of AGM.
8. E-Voting: Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and SEBI LODR, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 21 September, 2018 (Cut-off date fixed for this purpose). The e-voting period will commence at 10.00 AM on Thursday, 27 September, 2018 and will end at 5 PM on Saturday, 29 September, 2018. The Company has appointed Mr. G.M.V. Dhanunjaya Rao, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing

e-voting facility are being sent separately as a part of this Notice.

9. Members are requested to avail the e-communication facility for receiving the Annual Reports, other communications from the Company, by updating their email IDs with the RTA so as to save paper & the Mother Nature.

Explanatory Statement:

Sri Venkat Akkineni, Managing Director's reappointment for a period of three years, from 16.06.2016 to 15.06.2019, was approved by a special resolution in the Annual General Meeting of the Company held on 30th September, 2016. As the provisions of Managerial Remuneration were revised and considering his contribution to ongoing projects, it is proposed to revise the Managerial Remuneration and revise the terms of his office by reappointing him for a further period of five years with effect from 1st August, 2018 to 31st July, 2023. The Remuneration Committee has recommended for the reappointment of Sri Venkat Akkineni as Managing Director for a further period of five years, i.e. from 1st August, 2018 to 31st July, 2023 and recommended the remuneration package as detailed in the resolution. The recommendations of the Remuneration Committee were also approved by the Board of Directors of the Company.

In accordance with the provisions of the section 196, 197 & 198 and Schedule V of the Companies Act, 2013, the reappointment of Sri Venkat Akkineni as Managing Director of the Company requires the approval of the shareholders by way of a Special Resolution. None of the Directors except Sri Venkat Akkineni, Smt. Jyothsana Akkineni and Sri Ashok Vemulapalli are interested in the proposed special resolution.

This explanatory statement together with the terms of re-appointment mentioned in the accompanying notice should be treated as an abstract under section 190 of the Companies Act, 2013, in the respect of the contract, if any, proposed to be entered into between the Company and Sri Venkat Akkineni, Managing Director.

Details as required under Schedule V of the Companies Act, 2013:

Background details, Recognition or awards, Job profile and his suitability	Sri Venkat Akkineni completed MBA from University of Wisconsin. He has vast experience in the chemical industry.
Remuneration proposed	Detail of remuneration are mentioned in the resolution.
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Alufluoride Limited is the only company in India which is exclusively and stand-alone company, engaged in the production of Aluminium Fluoride. Hence, comparative remuneration profile is not available.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Sri Venkat Akkineni is a Founder Director & Managing Director. He doesn't have any other material pecuniary relationship with the Company. He is the husband of Smt. Jyothsana Akkineni, Executive Director.

Your Directors recommend the resolution for your approval by way of Special Resolution. All Directors are concerned or interested in the above resolution.

DISCLOSURES OF THE DETAILS OF DIRECTORS WHO ARE PROPOSED FOR REAPPOINTMENT

	Sri Venkat Akkineni	Sri Ashok Vemulapalli
Date of Birth	22.09.1954	01.03.1961
Date of Appointment	14.08.1991	16.07.2002
Qualifications	MBA (USA)	MBA (USA)
Expertise in specific functional areas	38	33
Chairmanships / Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	Annapurna Apex Chemicals (P) Ltd. Annapurna Cine Technik (P) Ltd. Heart Animation Academy (P) Ltd. Annapurna Studios (P) Ltd.	NILE Limited, Anar Enterprises (P) Ltd. Shivalik Energy (P) Ltd. Trigeo Technologies (P) Ltd. Visakha Finance Ltd.
Chairmanships / Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)	- NIL -	- NIL -
Number of shares held in the Company	---	8,300

DIRECTORS' REPORT

To
The Members of
Alufluoride Limited

Your Directors have pleasure in presenting the Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31st March, 2018. The Report also includes the Management Discussion and Analysis Report in accordance with the Guidelines on Corporate Governance and consolidated Financial Statements.

FINANCIAL RESULTS

The Financial results of the Company for the period under review are as follows:

	(Rs. in lakhs)	
	31-03-2018	31-03-2017
Sales and other revenue	4,966.90	3,875.10
Profit before Finance charges,	984.09	515.80
Depreciation, Tax & other adj's		
Less: Finance charges	4.85	4.21
Profit before Depreciation,	979.24	511.59
Tax & other adj's		
Less: Depreciation	72.16	55.43
Profit before Tax & other adj's	907.08	456.16
Less: Provision for current tax	213.07	115.81
Taxes of earlier years	(2.85)	0.75
Deferred Tax Asset/	51.19	(5.33)
Liability adj's		
Profit before appropriations and	645.67	344.93
carried to Balance Sheet		
Add/Less: Other Comprehensive	76.66	62.96
Income (INDAS adj's)		
Profit before appropriations and	722.33	407.89
carried to Balance Sheet		

COMPANY'S PERFORMANCE

Your Directors report that the Company made an ALL-TIME RECORD Aluminium Fluoride production and correspondingly an ALL-TIME RECORD Aluminium Fluoride Sales during the year under review. The Company produced 8,206 MT and sold 8,162 MT Aluminium Fluoride, as against 6,201 MT Production and 6,326 MT sold during 2016-17. With the increased Production and Sales volume, the Sales and Other Revenue reported at

Rs.4,966.90 lakhs as against Rs.3,875.10 lakhs during 2016-17. With improved consumption norms, increased production, better sales realization, efficient working capital management, increase in other income and effective cost control measures, the Company posted a RECORD net profit (before INDAS adjustments) of Rs. 645.67 lakhs for the year as against a net profit (before INDAS adjustments) of Rs. 344.93 lakhs in 2016-17.

OUT LOOK FOR THE CURRENT YEAR

The sale price of Aluminium Fluoride for the current year has improved. The Company is planning to maintain the 2017-18 year's Production and Sales volume during 2018-19. The Company is hoping to post better returns in the current year.

The Company received order for Consent for Establishment of increased Aluminium Fluoride production facilities from Andhra Pradesh Pollution Control Board and has started project expansion works with modern and efficient technology. The Company is expected to complete the project expansion by mid of October, 2019 and will start commercial production from November, 2019 onwards with increased production capacities.

EXPORTS

During the year under review, the Company has not registered any Export sales.

INSURANCE

All the properties of the Company including Buildings, Plant and Machinery and Stocks have been adequately insured.

DIVIDEND

Your Directors wish to record that, the Company has taken up ALUMINIUM FLUORIDE and related products project expansion at Visakhapatnam based on the long term Hydrofluosilicic Acid agreements with the adjacent Fertilizer complex and with IFFCO Limited, Paradeep. In view of the proposed expansion, your Directors are not recommending any Dividend.

CORPORATE GOVERNANCE

As per chapter IV of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 a separate section on Corporate Governance is enclosed which forms part of the Annual Report.



A certificate from the Auditors of the Company on compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section of the Management Discussion and Analysis for the period under review as required under SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 is given as a separate statement forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (5) of the Companies Act, 2013 with respect to the Director's Responsibility Statement, it is hereby confirmed:

- i. In the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the accounts for the financial year ended 31st March, 2018 on a 'going concern' basis; and
- v. The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Directors

Dr. T.R. Ramachandran, Director resigned as Director from the Board in view of his superannuation. The Board takes the opportunity to place on record its appreciation of the services rendered, support and guidance extended by Dr. T.R. Ramachandran during his tenure as Director of the Board. Dr. P. Mitra, Director was appointed as an alternate Director to Sri Grandhi Sreeramakrishna, Director.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Sri A.V.V.S.S.Ch.B. Sekhar Babu, Director and Sri Ashok Vemulapalli, Director, will be retiring at the ensuing Annual General Meeting. The members are informed that Sri A.V.V.S.S.Ch.B. Sekhar Babu, Director and Sri Ashok Vemulapalli, Director have expressed their willingness for reappointment.

Key Managerial Personnel

The company has designated the Managing Director, Director Finance (as CFO) and Company Secretary as its Key Managerial Personnel in accordance with the provisions of Section.203 of the Companies Act, 2013.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

Sri Grandhi Sreeramakrishna and Sri A.V.V.S.S. Ch.B. Sekhar Babu are the Independent Directors of the Company. The terms and conditions of appointment of Independent Directors are as per Schedule IV of the Act. They have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as Independent Director during the year.

NUMBER OF MEETINGS OF THE BOARD

Seven Meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees

and Individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015. The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, Etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Remuneration Committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the Individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and Individual Directors was also discussed.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Directors' report.

DISCLOSURE AS REQUIRED UNDER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Disclosure as required under Rule 5 of Companies (Appointment and Remuneration of

Managerial Personnel) Rules, 2014 is given in Annexure - A to the Board Report.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED IN SUB - SECTION (1) OF SECTION 188

Details of transactions with related parties falling under the scope of Section 188(1) of the Act & Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 (Form No. AOC.2) is given in Annexure - B to the Board Report.

AUDITORS

M/s Brahmayya & Co., Chartered Accountants, Visakhapatnam, the Statutory Auditors of the Company will be retiring at the conclusion of this Annual General Meeting and have conveyed their consent for reappointment.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 205 of the Act and the rules framed there under Mr. G.M.V. Dhanunjaya Rao of GMVDR & Associates, Company Secretaries was appointed as Secretarial Auditor of the Company and the Secretarial Audit Report issued by them for the financial year 2017-18 is made a part of this Report.

COST AUDIT

Cost Audit for financial year 2017-18 is not applicable in view of the Cost Audit Amendment Rules, 2014, Government of India, Ministry of Corporate Affairs, Notification, New Delhi, dated 31.12.2014.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure -C in the prescribed Form MGT-9, which forms part of this report.

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The Auditors' Report and Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.



PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company from the date of closure of financial year to the date of Board Report.

CHARGES

The Company has not availed loans from any Bank/ Financial Institutions during the financial year under review.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year under review. As such no amount of principal or interest was outstanding on the date of the Balance Sheet.

CHANGES IN SHARE CAPITAL

In the Extra Ordinary General Meeting of the shareholders held on 17th November 2017, the Shareholders have consented for the issue of 8,20,082 convertible warrants of Rs.10/- each on preferential basis in one or more tranches, convertible into 8,20,082 equity shares (one Equity Share for one warrant issued) of the Company of the face value of Rs.10/- each, to the Promoters of the company, for cash. The company has obtained necessary approvals from BSE for the issue of Warrants at a price of Rs. 86.60 per warrant (including Rs. 76.60 towards securities premium per warrant). On 4th December 2017, the Board of Directors have allotted 8,20,082 convertible warrants to Promoters of the Company.

UNPAID / UNCLAIMED DIVIDEND

Dividend which are unclaimed for a period of 7 years have been transferred to Investor Education & Protection Fund (IEPF).

INTERNAL CONTROL

The Company has a proper and adequate system of internal control to ensure all the assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, regarded and reported correctly. The internal control is supplemented by an extensive program of internal audits, review by management and procedures. The internal control is designed to ensure that the financial and other records are reliable for preparing financial statements and other data, and for maintaining accountability of assets.

The Company's Internal Audit Department is regularly carrying out the Audit in all areas. Additionally, the Audit committee is reviewing all Audit Reports with significant control, all issues raised by internal and external auditing regularly, reports on the business development, all the past and the future plans are given to the Board of Directors, Internal Auditor's reports are regularly circulated to all the senior management to comply with the findings.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 134(3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is given in Annexure - D and forms part of this report.



EMPLOYEE RELATIONS

During the year under review, the Company has enjoyed cordial relationship with all section of employees. The Company believes that the employees play a vital role in increasing the turnover and profitability of the Company and the strength of the Company lie in harnessing the manpower in achieving sustained long-term growth in all spheres.

ENVIRONMENT & SAFETY MEASURES

Following the ISO Certifications of 9001, 14001 and OHSAS 18001 the Company will continue taking all the necessary measures to maintain high standards of Environment, Clean and Green Belt, Water Harvesting, Pollution Control, Health and Safety Precautions.

ACKNOWLEDGEMENT

Your Directors take this opportunity in expressing their gratitude to the Government of India, the State Government. The Board is also thankful to all its Bankers, Contractors, Customers and Shareholders for their unstinted support to the Company.

For and on behalf of the Board
For ALUFLUORIDE LIMITED

VENKAT AKKINENI

Managing Director
DIN: 00013996

A.V.V.S.S.CH.B. SEKHAR BABU

Hyderabad
1 August, 2018

Director
DIN:00692448

ANNEXURE - A
DISCLOSURES AS REQUIRED UNDER RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Sl. No.	Name of the Director / KMP & Designation	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
1	Sri Venkat Akkineni, Managing Director	344 : 1	36.6
2	Sri K. Purushotham Naidu, Director Finance & CFO	108 : 1	4.4
3	Sri Ashok Vemulapalli, Non Executive & Non Independent Director	(*)	(*)
4	Smt. Jyothsana Akkineni, Executive & Non Independent Director	—	—
5	Dr. T.R. Ramachandran, Non Executive & Independent Director	(*)	(*)
6	Sri A.V.V.S.S.Ch.B. Sekhar Babu, Non Executive & Independent Director	(*)	(*)
7	Sri Grandhi Sreeramakrishna, Non Executive & Independent Director	(*)	(*)
8	Sri Viswanadham Bhaskara Rama Sarma, Company Secretary	15 : 1	2.5

(*) Non Executive Directors have been paid remuneration by way of sitting fees.

Percentage increase in the median remuneration of employees in the financial year	6.7%
Number of permanent employees on the rolls of Company	81
Explanation on the relationship between average increase in remuneration and Company performance	Average increment in the remuneration of employees is decided on various parameters like individual performance and various other parameters.
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Increment in Company's profits - 77.1% Increment in KMP's remuneration - 38.8%

Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Particulars	March 31, 2018	March 31, 2017	% change
	Market Capitalisation (Rs.lakhs)	6,769.39	4,837.28	39.94%
	Price Earnings Ratio	10.49	13.50	(22.30)%
	Market Price (BSE)	96.70	69.10	39.94%
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the remuneration of employees (other than managerial personnel) was 6.7% in the Financial Year 2017-18.			
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company.	Details are given in the above table			
Key parameters for any variable component of remuneration availed by the directors.	Managing Director is paid a commission of 1% on the net profits of the Company, in accordance with the provisions of the Act.			
Ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Nil			
Affirmation	The remuneration is as per the remuneration policy of the Company			

Details of Top 10 Employees in terms of remuneration drawn are as below:

Name	Remuneration	Nature of Employment	Qualification & Experience	Date of Joining	Age (Years)	% of shares held in the Company	Whether relative to any Director or Manager	Last Employment
Mr. Venkat Akkineni	66,02,138	Contractual	MBA(USA), (40Yrs)	14.08.1991	64	—	Yes	Annapurna Studios (P) Ltd.
Mr. K.Purushotham Naidu	20,68,586	Contractual	M.Com.(CA),BL(37 Yrs)	22.08.1989	63	0.01	No	BSR & sons, Vijayawada
Mr. S.V.N.G.S.S.S. Rao	18,28,154	As per Co.'s rules	M.Tech(Ch.)35 Yrs)	18.06.2015	60	—	No	Vasant Chemicals, Vizag
Mr. G.Sreenu Babu	13,55,641	As per co.'s rules	B.Sc.(Ch.)BE(Mech)(24 Yrs)	08.02.1993	53	0.01	No	Deccan Sugars, Samalkot
Mr. B.V.Ramana	11,66,286	As per co.'s rules	L.M.E.(41 Yrs)	12.06.2014	64	—	No	ICS, Senagal, W.Africa
Mr. R.K.Das Mahapatra	5,96,723	As per co.'s rules	B.Tech (Chem)(8Yrs)	30.09.2016	32	—	No	Abanathi Group
Mr. Chandan Bagh	5,48,564	As per co.'s rules	I.T.I.(Fitter)(23 Yrs)	23.12.2009	53	—	No	—
Mr. D.L.Narasimha Rao	5,04,119	As per co.'s rules	M.Com (23 Yrs)	17.10.1994	50	—	No	—
Mr. B. Abilash	4,63,177	As per co.'s rules	M.Com (23 Yrs)	17.10.1994	29	—	No	—
Mr. K.Nageswara Rao	4,50,387	As per co.'s rules	M.Com(28 Yrs)	27.03.1989	54	—	No	—

Details of employees who are drawing remuneration of Rs. 102.00 lakhs per annum (or) Rs. 8.50 lakhs per month (or) in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company: - NIL -



ANNEXURE - B

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of contracts or arrangements or transactions at arm's length basis.

Sl.No.	Particulars	Details
A	Name(s) of the related party & nature of relationship	M/s. Akkineni Procure. Related to Managing Director
B	Nature of contracts / arrangements / transaction	Purchase of Car
C	Duration of the contracts / arrangements / transaction	No specific period
D	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs.31,50,000 (Date of purchase 05.02.2018)
E	Date of approval by the Board	04.12.2017
F	Amount paid as advances, if any	NIL

ANNEXURE - C

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31.03.2017 [Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L24110AP1984PLC005096
ii	Registration Date	09.11.1984
iii	Name of the Company	ALUFLUORIDE LTD.
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	Mulagada, Mindi Post, Visakhapatnam-530 012, Andhra Pradesh
vi	Whether listed Company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited 3, Sagar Society, Road # 2, Banjara Hills Hyderabad 500 034. Phone : (91 40) 2354 5913 Fax : (91 40) 2355 3214 Email : xlfield@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	ALUMINIUM FLUORIDE	2010	98%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : - Nil -

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	28,43,470	6,300	28,49,770	40.71	28,59,688	—	28,59,688	40.85	0.14
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt (s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	8,56,300	—	8,56,300	12.23	8,56,300	—	8,56,300	12.23	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any Other..	—	—	—	—	—	—	—	—	—
Sub-total (A) (1):-	36,99,770	6,300	37,06,070	52.94	37,15,988	—	37,15,988	53.08	0.14
(2) Foreign									
a) NRIs - Individuals	—	—	—	—	—	—	—	—	—
b) Other - Individuals	—	—	—	—	—	—	—	—	—
c) Bodies Corp.	—	—	—	—	—	—	—	—	—
d) Banks / FI	—	—	—	—	—	—	—	—	—
e) Any Other....	—	—	—	—	—	—	—	—	—
Sub-total (A) (2):-	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter	36,99,770	6,300	37,06,070	52.94	37,15,988	—	37,15,988	53.08	0.14
(A) = (A) (1) + (A) (2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks/FI	1,00,100	—	1,00,100	1.43	1,00,100	—	1,00,100	1.43	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	1,00,100	—	1,00,100	1.43	1,00,100	—	1,00,100	1.43	—
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	1,85,010	1,08,900	2,93,910	4.20	1,49,779	1,08,900	2,58,679	3.70	(0.50)
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	18,64,492	5,28,652	23,93,144	34.19	20,60,854	5,00,052	25,60,906	36.58	2.39



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	3,26,107	—	3,26,107	4.66	2,05,744	—	2,05,744	2.94	(1.72)
c) Others (NRIs Bodies (clearing mem)	65,944 59,765	55,360 —	1,21,304 59,765	1.73 0.85	1,01,557 2,066	55,360 —	1,56,917 2,066	2.24 0.01	(1.47) (0.84)
Sub-total (B) (2) :-	25,01,318	6,92,912	31,94,230	45.63	25,20,000	6,64,312	31,84,312	45.48	(0.15)
Total Public Shareholding (B) = (B) (1) + (B) (2)	26,01,418	6,92,912	32,94,330	47.06	26,02,100	6,64,312	32,84,412	46.92	(2.14)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	63,01,188	6,99,212	70,00,400	100.00	63,36,088	6,64,312	70,00,400	100.00	—

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	SUNITHA VEMULAPALLI	14,13,195	20.19	—	14,13,195	20.19	—	—
2	SAROJINI VEERAMACHANENI	8,41,885	12.03	—	8,41,885	12.03	—	—
3	JYOTHSANA AKKINENI	51,070	0.73	—	51,070	0.73	—	—
4	ANNAPURNA AKKINENI	1,57,320	2.25	—	1,62,462	2.32	—	0.07
5	ADITYA AKKINENI	3,32,500	4.75	—	3,37,276	4.82	—	0.07
6	ROHIT VEMULAPALLI	47,500	0.68	—	47,500	0.68	—	—
7	ASHOK VEMULAPALLI	6,300	0.08	—	6,300	0.08	—	—
8	KAISER FINANCE & LEASING PVT LTD	7,86,975	11.24	—	7,86,975	11.24	—	—
9	ANAR ENTERPRISES PRIVATE LTD	55,100	0.79	—	55,100	0.79	—	—
10	VISAKHA FINANCE LIMITED	14,225	0.20	—	14,225	0.20	—	—
	Total	37,06,070	52.94	—	37,15,988	53.08	—	0.14



(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No.		No. of shares	% of total shares of the company
1	At the beginning of the year	37,06,070	52.94
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	9,918	0.14
3	At the end of the year	37,15,988	53.08

Note: Date wise details of increase / decrease in Promoters shareholding during the year will be provided to any shareholder if specifically requested.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	A.P. I.D.C. Ltd	1,00,000	1.43	—	—	1,00,000	1.43
2	Mukesh Babu Financial Services Ltd	97,000	1.39	—	—	97,000	1.39
3	Varsha Sharad Shah	75,000	1.07	—	—	—	—
4	Dheeraj Kumar Lohia	70,010	1.00	—	—	—	—
5	Gyan Chand Mutha	47,087	0.67	—	—	—	—
6	Anumolu Jayashree	43,278	0.62	—	—	43,278	0.62
7	Shashi Rani Gupta	39,333	0.56	—	—	39,333	0.56
8	Anitha Gupta	31,308	0.45	—	—	—	—
9	Jitendra Prasad Katneni	25,000	0.36	—	—	25,000	0.36
10	Sunny Gupta	20,091	0.29	—	—	20,091	0.29
11	Paul Asset	—	—	44,667	0.64	44,667	0.64
12	Dr. Ramesh Chimallal Shah	—	—	30,000	0.43	30,000	0.43
13	Jagapathi Rao Veeramachaneni	—	—	29,367	0.42	29,367	0.42
14	Pravinkumar Premjibhai Patel	614	0.01	21,894	0.31	22,508	0.32

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Smt. A. Jyothsana	51,070	0.73	—	—	51,070	0.73
2	Sri Ashok Vemulapalli	6,300	0.09	—	—	6,300	0.09
3	Sri K. Purushotham Naidu	375	0.01	—	—	375	0.01



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	NIL	NIL	NIL	NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Smt. Jyothsana Akkineni (Executive Director)	Total Amount
		Sri Venkat N.R. Akkineni (MD)	Sri K. Purushotham Naidu (Director Finance & CFO)		
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48,00,000	15,96,420	—	63,96,420
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,41,329	4,00,934	—	10,42,263
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2.	Stock Option	—	—	—	—
3.	Sweat Equity	—	—	—	—
4.	Commission				
	— as % of profit	10,10,809	—	—	10,10,809
	— others, specify...				
5.	Others, please specify Employer's PF Contribution, etc.	1,50,000	71,232	—	2,21,232
	Total(A)	66,02,138	20,68,586	—	86,70,724
	Ceiling as per the Act	84,00,000	42,00,000	—	1,26,00,000

B. Remuneration to other Directors:

(Amount in Rs.)

Particulars of Remuneration	Name of Directors					Total Amount
	Sri Ashok Vemulapalli	Dr. T.R. Ramachandran	Sri A.V.S.S. Ch.B. Sekhar Babu	Sri G. Sree ramakrishna	Dr. P. Mitra	
1. Independent Directors						
• Fee for attending board committee meetings	N.A.	3,000	7,000	4,000	3,000	17,000
• Commission	—	—	—	—	—	—
• Others, please specify	—	9,000	21,000	12,000	9,000	51,000
Total (1)		12,000	28,000	16,000	12,000	68,000
2. Other Non-Executive Directors						
• Fee for attending board committee meetings	7,000	N.A.	N.A.	N.A.	N.A.	7,000
• Commission	—	—	—	—	—	—
• Others, please specify	21,000	—	—	—	—	21,000
Total (2)	28,000	N.A.	N.A.	N.A.	N.A.	28,000
Total (B) = (1 + 2)	28,000	12,000	28,000	16,000	12,000	96,000
Total Managerial Remuneration	28,000	12,000	28,000	16,000	12,000	96,000
Overall Ceiling as per the Act	Non-executive Directors are entitled for a sitting fee upto a maximum of Rs.1,00,000/- per every meeting attended by them.					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTB

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Sri V.B.R. SARMA	Total
1.	Gross salary		
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,79,720	2,79,720
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission – as % of profit – others, specify.	— —	— —
5.	Others, please specify	—	—
	Total	2,79,720	2,79,720

Details of remunerations of CEO & CFO are not given as their details were already mentioned in point VI (A) above.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : – NIL –



ANNEXURE - D

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended 31st March, 2018.

A. CONSERVATION OF ENERGY:

The Company continues to adopt various steps to conserve energy and has taken several measures including regular monitoring of consumption and improved maintenance of operations and modification of equipment for reduction in Power consumption. Total energy consumption and consumption per ton of production as prescribed in Form-A are given below:

I. Power and Fuel Consumption

	01-04-2017 to 31-03-2018	01-04-2016 to 31-03-2017
1. Electricity		
(a) Purchased Unit (KWH)	26,11,452	25,33,260
Total Amount Rs.	1,91,68,204	1,80,69,583
Average Rate / Unit (Rs.)	6.65	7.13
(b) Own Generation –		
Through Diesel Generator – 380 + 125 KVA - Unit (KWH)	41,436	53,006
Average Unit Per litre of Diesel Oil	3.09	3.62
Cost of Diesel per KWH (Rs.)	21.07	19.08
(c) Solar Generation, consumed (KWH)	2,69,347	—
2. Furnace Oil & Coal		
(a) Furnace oil:		
Quantity (Kilo Liters)	2,215	1,791
Total Amount (Rupees)	5,70,60,620	4,38,67,739
Average Rate (Rupees)	25,761	24,493
(b) Coal:		
Quantity MT	—	—
Total Amount	—	—
Average Rate (Rupees)	—	—

II. Consumption per ton of Production

Aluminium Fluoride:

(a) Electricity (KWH)	356	417
(b) Furnace Oil (Kilo Liters)	0.270	0.289
(c) Coal (MT)	—	—
(Furnace oil & Coal consumptions = Quantity of Furnace oil / Coal consumed / quantity of Aluminium Fluoride produced)		

B. TECHNOLOGY ABSORPTION

Your Company always tries to identify & implement recent changes in technologies.

C. FOREIGN EXCHANGE EARNINGS

(a) Foreign Exchange – F.O.B. (Rs.)	—	—
(b) Foreign Exchange out go:	—	—
(c) Other Components, spare parts & foreign travel etc (Rs.)	1,21,70,510	21,39,000

AUDITORS' CERTIFICATE

To
The Members
Alufluoride Ltd.
Visakhapatnam.

We have examined the compliance of conditions of Corporate Governance by M/s Alufluoride Limited, Visakhapatnam for the year ended 31st March, 2018 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the "Listing Agreement" of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Regn No.000513S

(C.V. Ramana Rao)
Partner
M.No.018545

Camp: Hyderabad
Date : 17.05.2018

SECRETARIAL AUDIT REPORT

To,
The Members,
Alufluoride Limited
Visakhapatnam

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Alufluoride Limited** (hereinafter referred as “the company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial records. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on **31.03.2018** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records

maintained by the Company for the financial year ended on 31.03.2018, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. The Company has not made any Overseas Direct Investment and not availed External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable as the Company has not formulated any such scheme during the Audit Period);**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable as the Company doesn't has any listed debt security (ies))**
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable as the Company has not delisted its equity shares from any Stock exchange during the Audit Period);** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable as the Company has not bought back any of its securities during the Audit Period);**
- (vi) Other laws applicable to the Company as per the representation made by the Management. (Refer Annexure – 1)

We have also examined compliance with the applicable clauses of the Listing Agreement entered into by the Company with BSE Limited & Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

We have also examined compliance with the Secretarial Standards issued by the Company Secretaries of India and the Company has complied with the Secretarial Standards.

We have **not examined** compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals

During the period under review and as per the explanations and clarifications given to us and their presentations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least

seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- a) the Company had issued 8,20,082 convertible warrants on a preferential basis to promoters. 'In-principle approval' for the issue of said warrants was obtained from BSE on 20.11.2017.

For **GMVDR & Associates**
Company Secretaries

Place: Hyderabad (G.M.V.Dhanunjaya Rao)
Date: 12.07.2018 Proprietor
FCS # 9120 C.P # 5250

Annexure-1

List of applicable laws to our company:

- The Factories Act, 1948
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees Provident Fund And Misc. Provisions Act, 1952
- Employers State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (Protection) Act, 1986
- Electricity Act 2003
- Payment of Gratuity Act, 1972
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
- Industries (Development and Regulation) Act, 1951
- Environment Protection Act, 1986
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Alufluoride Ltd (AL) is the only Company in Andhra Pradesh producing high purity Aluminium Fluoride (AlF₃) with technology developed by Alusuisse, Switzerland. This technology facilitates conversion of Fluorine effluents from Phosphatic Fertilizer Complex into Hydrofluosilicic Acid and then to Aluminium Fluoride. The project ensures pollution abatement, import substitution, conservation of natural resources like Fluorspar & Sulphur, cost effective production, conversion of waste into wealth and earning valuable foreign exchange to the Nation. AlF₃ is used as flux in reducing the melting point of Alumina during the electrolytic process of producing Aluminium. Many Aluminium Smelters in India and abroad are using the Company's product with repeat orders for increased quantities due to its quality and service.

FUTURE OUTLOOK, OPPORTUNITIES, THREATS, RISKS & CONCERNS

Alufluoride Ltd (AL) set up the project in 1995 to produce AlF₃ and related products, based on an agreement between AL and Coromandel International Limited (Erstwhile Coromandel Fertilizers Ltd, Visakhapatnam (CIL)). As per the agreement, CIL is to supply 4,000 TPA of Hydrofluosilicic Acid (Acid) exclusively to AL. However, since inception CIL was unable to supply the contracted quantity and the supplies from them were deteriorating. Consequently, AL's financial results were adversely affected. It is reported that, all the Aluminium smelters in India and abroad are increasing their Aluminium production capacities and new Aluminium smelters are coming up with high capacities, resulting in an increased demand for AlF₃. The only risk & concern for the Company is availability of Acid. When the acid is procured from other sources that are long distance, the landed cost increases significantly due to transport cost. As the Company is Debt-free, with efficient working capital management, improved AlF₃ sales realization, etc., your Directors are hopeful of improved financial results.

In view of increase and demand for Phosphoric Acid, CIL expanding their Phosphoric Acid production facilities which facilitates increased generation of Acid. The Company signed a long-term acid supply contract with CIL and with a Fertilizer complex at Paradeep, Odisha. Relying on these contracts, the Company is expanding

Aluminium Fluoride production facilities at Visakhapatnam and expect to commence increased AlF₃ production in FY 2019-20. To reduce the power cost, the Company has established a 0.6 MW Solar plant at Visakhapatnam during FY 2017-18 and are in the process of setting up another 2.4 MW Solar plants, in a phased manner, outside Visakhapatnam by purchasing land.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system which provides for:

- Efficient use and safeguarding of resources
- Accurate recording and custody of assets
- Compliance with prevalent statutes, policies, procedures, listing requirements, management guidelines and circulars
- Transactions being accurately recorded, cross verified and promptly reported
- Adherence to applicable accounting standards and policies
- IT systems, which include controls for facilitating the above

The internal control system provides for well-documented policies, guidelines, authorizations and approval procedures. The internal audit reports are laid before the Audit Committee and discussions were held periodically by the Audit Committee at its meetings. The observations arising out of audit are subject to periodic review, compliance and monitoring. The significant findings/observations made in internal audit reports, along with the status of action thereon, are reviewed by the Audit Committee of the Board of Directors on a regular basis for further appropriate action, if and as deemed necessary.

HUMAN RESOURCE DEVELOPMENT

The continued Certification of Quality and Environmental Management System adopted by the Company to ISO 9001, 14001 and OHSAS 18001 manifests to the commitment of all the employees to excellence, committed human resources is principal core strength of your Company and is attribute to the extremely cordial atmosphere prevailing in the Company. The total number of employees stood at 90 as on 31 March, 2018.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 MARCH, 2018

CORPORATE GOVERNANCE:

In terms of IV Securities and Exchange Board of India (Listing Obligations & Discloser Requirements Regulations, 2015, compliance with the requirements of Corporate Governance is mandatory for your Company from the financial year 2001- 02 and your Company is following the same.

COMPANY'S PHILOSOPHY:

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equality, in all facets of its operations, and in all its inter-actions with stakeholders, including shareholders, employees, Government, lenders, customers, etc. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value.

BOARD OF DIRECTORS:

Dr. T.R. Ramachandran retired as Independent Director with effect from 26th February, 2018 in view of his superannuation. Dr. P. Mitra has been appointed as an alternate Director to Sri Grandhi Sreeramakrishna.

Composition of Directors and their Attendances at the Board Meetings during the year and the last Annual General Meeting and outside Directorships are:

Director	No. of Board Meetings attended	Attendance at the previous AGM held on 29 September, 2017	No. of outside Directorships held	Executive/ Non Executive Independent
Sri Venkat Akkineni	7	Present	5	Executive
Sri Ashok Vemulapalli	7	Present	5	Non-Executive
Mrs. Jyothsana Akkineni	7	Present	5	Executive
Dr. T.R. Ramachandran	3	Present	1	Independent
Sri K. Purushotham Naidu	7	Present	–	Executive
Sri A.V.S.S.Ch.B. Sekhar Babu	7	Present	1	Independent
Sri Grandhi Sreeramakrishna	4	Present	4	Independent
Dr. P. Mitra	3	Present	2	Independent

BOARD MEETINGS HELD DURING THE YEAR 2017-18

During the Financial year 2017-18, Seven Board Meetings were held on 6 May, 2017, 17 August, 2017, 23 August, 2017, 18 October, 2017, 23 November, 2017, 4 December, 2017, and 29 January, 2018.

BOARD COMMITTEES:

Audit Committee:

The Audit Committee comprises of three Independent Directors and one Non-Executive Director. The Audit Committee met on 6th May, 2017, 23 August, 2017, 4 December, 2017 and 29 January, 2018. The Company Secretary acts as the Secretary of the Committee.

The terms of reference of the Audit Committee mandated by your Board of Directors, which are also in line with the Statutory and regulatory requirements, are;

- Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payments of any other services.
- Reviewing with management the annual financial statements before submission to the Board.
- Reviewing with management, external and internal auditors, the adequacy of internal control system.

- e) Reviewing the adequacy of internal audit reporting structure, coverage and frequency of internal audit.
- f) Discussions with internal auditors on any significant findings and follow-up thereon;
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board;
- h) Discussion with external auditors before the audit commences - nature and scope of audit as well as has post audit discussions to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Shareholders' Grievances Committee :

The Share Transfer Committee comprising of Sri Venkat Akkineni, Sri Ashok Vemulapalli and Smt. Jyothsana Akkineni deals with share transfers, complaints/grievances of the shareholders on a regular basis. All the complaints/grievances have generally been resolved to the satisfaction of the members concerned.

Remuneration Committee:

The Committee comprises of three Independent Directors. The remuneration policy of the Company is based on the principle of attracting best available talent and is in line with the industry standards.

Details of remuneration and payments to Directors during the financial year 2017-18 are given below

Name of the Director	Sitting Fee - Board Committee (Rs.)	Salary & Perks (Rs.)	Other Transaction (Rs.)
Sri Venkat Akkineni	—	62,02,138	—
Sri Ashok Vemulapalli	7,000	—	21,000
Mrs. Jyothsana Akkineni	—	—	—
Dr. T.R. Ramachandran	3,000	—	9,000
Sri K. Purushotham Naidu	—	20,68,586	—
Sri A.V.S.S.Ch.B. Sekhar Babu	7,000	—	21,000
Sri G. Sreeramakrishna	4,000	—	12,000
Dr. P. Mitra	3,000	—	9,000

GENERAL BODY MEETINGS :

Location and time of last three Annual General Meetings are as under:

Year	Venue	Date	Time
2017	Registered Office	29 September, 2017	11.00 A.M.
2016	Registered Office	30 September, 2016	11.00 A.M.
2015	Registered Office	29 December, 2015	11.00 A.M.

The Company has complied with the requirements of listing agreement/regulations/guidelines/rules of the Stock Exchanges/ SEBI/Other Statutory Authorities. The Company was not imposed with any penalties or issued any strictures on any capital market related matters during the last three years.

C.E.O/C.F.O. Certification :

The C.E.O. (Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under chapter IV of Securities and Exchange Board of India (Listing Obligations & Discloser Requirements Regulations, 2015, and the said Certificate was considered by the Board at its meeting held on 17 May, 2018.

MEANS OF COMMUNICATION :

The Quarterly, Half-yearly and Annual results are published by the Company in the Newspapers. Official news items are sent to Bombay Stock Exchange Ltd, Mumbai.

LISTING ON STOCK EXCHANGES :

The securities of the Company are listed in Bombay Stock Exchange Ltd, Mumbai. The listing fee for this Stock Exchange had been paid.

REGISTRARS AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM :

XL Softech Systems Ltd, 3, Sagar Society, Road No. 2, Banjara Hills, Hyderabad 500 034 are the Registrars of the Company. Share Transfers are registered and returned in the normal course within a period of 15 days from the date of receipt, if the documents are clear in all respects. Request for dematerialization of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

MARKET PRICE DATA :

High/Low prices during the financial year 2017-18 on Bombay Stock Exchange Ltd, Mumbai.

Month	High Rs. Ps.	Low Rs. Ps.
April, 2017	72.90	63.00
May, 2017	69.85	56.20
June, 2017	64.00	52.00
July, 2017	67.90	54.00
August, 2017	72.10	46.00
September, 2017	93.85	65.10

Month	High Rs. Ps.	Low Rs. Ps.
October, 2017	144.80	76.00
November, 2017	150.80	111.10
December, 2017	145.75	121.10
January, 2018	150.35	122.80
February, 2018	126.45	106.05
March, 2018	116.75	95.75

**CATEGORIES OF SHARE HOLDING AS ON
31ST MARCH, 2018**

Sl. No.	Category	No. of shares	%
1.	Promoters, Directors, relatives and associated companies	37,15,988	53.08
2.	Financial Institutions	1,00,100	1.43
3.	Mutual Funds	—	—
4.	Banks	—	—
5.	Foreign Institutional Investors	—	—
6.	Non- Resident Indians	1,56,917	2.24
7.	Private Bodies corporate	2,58,679	3.70
8.	Public	27,66,650	39.52
9.	Others	2,066	0.03
Total		70,00,400	100.00

**DISTRIBUTION OF SHAREHOLDINGS AS ON
31ST MARCH, 2018**

No. of shares	No. of shareholders	No. of shares	%
Upto 500	7844	10,09,477	14.42
501 to 1,000	414	3,42,180	4.89
1,001 to 2,000	242	3,67,052	5.24
2,001 to 3,000	83	2,09,051	2.99
3,001 to 4,000	33	1,15,395	1.65
4,001 to 5,000	46	2,15,047	3.07
5,001 to 10,000	48	3,37,846	4.83
10,001 and above	36	44,04,352	62.91
Total	8,746	70,00,400	100.00

**DEMATERIALISATION OF SHARES AND LIQUIDITY :**

Equity Shares of the Company have been dematerialized and are identified under ISIN-INE058F01019.

Factory, Registered Office and address for correspondence

The Compliance Officer
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam 530 012 A.P.

Annual General Meeting

Time : 11.00 A.M.
Date : 30 September, 2018
Venue : Mulagada, Mindi
Visakhapatnam 530 012.

BOOK CLOSURE DATES : 28 September, 2018 to
30 September, 2018
(Both days inclusive)

INDEPENDENT AUDITOR'S REPORT

TO

**The Members of
Alufluoride Limited
Visakhapatnam, A.P.**

Report on the Ind AS Financial Statements :

We have audited the accompanying Ind AS financial statements of **Alufluoride Limited**, Visakhapatnam, which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including Other Comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements:

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's' Responsibility

1. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
2. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statement.

Opinion :

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity



with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board

of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **BRAHMAYYA & CO.**,
Chartered Accountants
Firm Regn No. 000513S

(**C.V. Ramana Rao**)
Partner
M No: 018545

Camp: Hyderabad
Date : 17.05.2018

Annexure A to the Independent Auditor's Report:

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of THE ALUFLUORIDE LIMITED, VISAKHAPATNAM, for the year ended 31 March 2018. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- c) The title deeds in respect of all immovable properties are held in the name of the company.
- ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.
- iii) The Company has not granted any loans, secured or unsecured, to Companies, Firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Consequently, clauses 3 (iii) (a), (b) and (c) of the Order are not applicable.
- iv) The company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investment made by the company in an earlier year does not exceed the limits prescribed under section 186 of the Companies Act, 2013.
- v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.
- vi) Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- b) As at 31st March 2018, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, and duty of excise, value added tax and Cess, except the following:

Name of the Statute	Nature of the due	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Department	Tax Collected at Source (TCS) demand	56,020	F.Y 2012-13	Deputy Commissioner of Income Tax
Central Excise	Demanding for payment of differential duty on sale of coal fines	17,09,118	April, 2012 to March, 2016	Deputy Commissioner of Central Excise



- viii) According to the records of the Company examined by us and the information and explanation given to us, the company does not have any loans or borrowings from a financial institution, bank, Government or debenture holders, consequently the clause 3(viii) of the order is not applicable.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). No term loans were raised during the financial year under report. Consequently the clause 3(ix) of the order is not applicable
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the company is not a Nidhi Company. Consequently the clause 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 187 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the financial statements.
- xiv) During the year the company has issued fully convertible warrants on receipt of 25% of the consideration as the subscription money. These warrants were issued on preferential basis. These warrants were not due to be convertible as on 31.03.2018 and the equity Shares will be allotted when the warrants were exercised by the proposed allottees. Except for the above, the company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Amount received from the share warrants was used for purpose for which it was received.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently the clause 3(xvi) of the order is not applicable.

For BRAHMAYYA & CO
Chartered Accountants
FRN : 000513S

(C.V.RAMANA RAO)
Partner
M.No : 018545

Camp : Hyderabad
Date : 17.05.2018

BALANCE SHEET AS AT 31ST MARCH, 2018

Sl. No	Particulars	Note No	Figures at the end of Current Reporting year 31 March, 2018	Figures as at the end of Previous Reporting year 31 March, 2017	Figures as at date of transition to Ind-As 01 April, 2016
			Rs.	Rs.	Rs.
ASSETS					
1 Non-current assets					
(a) Property, plant and equipment	5.01		5,30,81,581	2,86,35,750	2,82,56,783
(b) Capital work-in-progress			1,88,53,366	26,82,906	5,43,906
(c) Financial assets					
(i) Investments	5.02		17,45,20,677	12,53,46,636	6,70,28,501
(ii) Others	5.03		66,80,374	64,33,157	61,32,457
(d) Deferred tax Asset (Net)	5.04		—	44,33,787	37,71,077
(e) Other Non-current assets	5.05		52,690	52,690	52,690
2 Current assets					
(a) Inventories	5.06		5,54,79,901	5,13,22,444	5,81,42,341
(b) Financial assets					
(i) Trade receivables	5.07		4,05,60,816	3,95,78,710	3,60,05,384
(ii) Cash and cash equivalents	5.08		2,01,58,269	87,48,326	88,65,503
(iii) Bank balances other than above	5.09		1,99,03,636	1,86,99,136	1,91,08,750
(iv) Others	5.10		64,25,056	41,02,619	33,48,120
(c) Current Tax Assets (Net)	5.11		24,03,793	6,09,643	—
(d) Other current assets	5.12		31,12,816	1,62,73,441	1,06,02,443
Total Assets			40,12,32,975	30,69,19,245	24,18,57,955
EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	5.13		7,00,04,000	7,00,04,000	7,00,04,000
(b) Other Equity	5.14		25,69,28,271	16,69,40,081	12,61,51,026
LIABILITIES					
1. Non-Current Liabilities					
(a) Provisions	5.15		1,20,47,840	1,10,90,088	1,02,18,608
(b) Deferred tax Liability (Net)	5.04		8,70,539	—	—
2. Current Liabilities					
(a) Financial liabilities					
(i) Trade payables	5.16		3,41,63,377	3,40,86,724	1,89,47,016
(ii) Other financial liabilities	5.17		1,61,55,747	1,07,56,354	36,20,816
(b) Other current liabilities	5.18		85,59,210	1,16,98,929	1,02,90,028
(c) Provisions	5.19		25,03,991	23,43,069	21,99,348
(d) Current Tax Liabilities (Net)	5.20		—	—	4,27,113
Total Equity and Liabilities			40,12,32,975	30,69,19,245	24,18,57,955

Significant accounting policies and other accompanying notes (1 to 7) form an integral part of the financial statements.
Per our report of even date For and on behalf of the Board

For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

VENKAT AKKINENI
Managing Director
DIN:00013996

A.V.V.S.S.Ch.B. SEKHAR BABU
Director
DIN:00692448

C V RAMANA RAO
Partner
M.No. 018545

V.B.RAMA SHARMA
Company Secretary
Ms No.ACS22066

K.PURUSHOTHAM NAIDU
Director & Chief Financial Officer
DIN:01883663

Hyderabad
17 May, 2018


STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Sl. No	Particulars	Note No	Figures for the Current Reporting year 31 March, 2018	Figures for the Previous Reporting year 31 March, 2017
			Rs.	Rs.
I	Revenue from operations	5.21	51,49,79,532	40,87,45,510
II	Other Income	5.22	81,86,470	2,47,26,737
III	Total Income (I + II)		52,31,66,002	43,34,72,247
IV	Expenses:			
	Cost of materials consumed	5.23	31,74,29,212	24,51,57,605
	Changes in inventories of finished goods and work in progress	5.24	45,11,050	90,54,939
	Employee benefit expense	5.25	3,67,35,086	3,36,21,824
	Finance cost	5.26	4,84,750	4,21,201
	Depreciation	5.01	72,15,961	55,42,833
	Other expense	5.27	6,60,81,992	9,40,57,351
	Total expenses (IV)		43,24,58,051	38,78,55,753
V	Profit/ (loss) before exceptional items and tax (III-IV)		9,07,07,951	4,56,16,494
VI	Exceptional items		—	—
VII	Profit/ (loss) before tax (V-VI)		9,07,07,951	4,56,16,494
VIII	Tax expense	5.28		
	(1) Current Tax		2,13,07,000	1,15,81,000
	(2) Adjustment of Tax expense for earlier years		(2,84,625)	75,387
	(3) Deferred Tax		51,18,915	(5,32,692)
IX	Profit/ (loss) for the period from continuing operations (VII-VIII)		6,45,66,661	3,44,92,799
X	Profit/ (loss) from discontinued operations		—	—
XI	Tax expense of discontinued operations		—	—
XII	Profit/ (loss) from discontinuing operations (after tax)		—	—
XIII	Profit/ (loss) for the period (IX+XII)		6,45,66,661	3,44,92,799
XIV	Other Comprehensive Income			
A	Items that will not be reclassified to profit or loss			
	(i) Remeasurement gains/(losses) on the defined benefit plans		6,19,425	3,93,245
	(ii) Income tax effect on the above		1,70,667	1,30,019
	(iii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI		72,32,739	57,72,992
	Income tax effect on above		(3,56,077)	—
B	Items that may be reclassified to profit or loss		—	—
	Income tax relating to items that will be reclassified to profit or loss		—	—



Alufluoride Limited

Sl. No	Particulars	Note No.	Figures for the Current Reporting year 31 March, 2018 Rs.	Figures for the Previous Reporting year 31 March, 2017 Rs.
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/ (loss) and other comprehensive income for the period)		7,22,33,415	4,07,89,055
XVI	Earnings per equity share (for continuing operations)	5.28		
	a) Basic		9.22	4.93
	b) Diluted		8.88	4.93
XVII	Earnings per equity share (for discontinued operations)			
	a) Basic		---	---
	b) Diluted		---	---
XVIII	Earnings per equity share (for discontinued & continuing operations)			
	a) Basic		9.22	4.93
	b) Diluted		8.88	4.93

Significant accounting policies and other accompanying notes (1 to 7) form an integral part of the financial statements

Per our report of even date

For and on behalf of the Board

For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

VENKAT AKKINENI
Managing Director
DIN:00013996

A.V.V.S.S.Ch.B. SEKHAR BABU
Director
DIN:00692448

C V RAMANA RAO
Partner
M.No. 018545

V.B.RAMA SHARMA
Company Secretary
Ms No.ACS22066

K.PURUSHOTHAM NAIDU
Director & Chief Financial Officer
DIN:01883663

Hyderabad
17 May, 2018


STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2018

Sl. No	Particulars	Figures as at the end of Current Reporting year 31 March, 2018	Figures as at the end of Previous Reporting year 31 March, 2017
		Rs.	Rs.
A) Cash Flow from Operating Activities:			
	Profit/(Loss) for the year before Tax		
	Profit/(Loss) from continuing operations	9,07,07,951	4,56,16,494
	Profit/(Loss) from discontinued operations	—	—
	Profit before tax	9,07,07,951	4,56,16,494
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation of property, plant and equipment	72,15,961	55,42,833
	Finance costs	4,84,750	4,21,201
	Income from investments	(61,43,706)	(39,19,927)
	Gain /Loss on disposal of property, plant and equipment	—	76,654
	Gain on sale of investments	(25,083)	(1,45,45,895)
	Operating Profit before Working Capital changes	9,22,39,873	3,31,91,360
	Movement in Working capital:		
	(Increase) /Decrease in Trade receivables	(9,82,106)	(35,73,326)
	(Increase) /Decrease in financial and non-financial assets	75,92,322	(73,53,339)
	(Increase) /Decrease in inventories	(41,57,457)	68,19,897
	Increase /(Decrease) in provisions	17,38,099	14,08,446
	Increase /(Decrease) in trade and other payables	23,36,326	2,36,84,147
	Cash generated from operations	9,87,67,057	5,41,77,185
	Income Tax (paid)/refund	(2,10,22,375)	(1,16,56,387)
	Net Cash generated in operations	7,77,44,682	4,25,20,798
B) Cash Flow from Investing Activities:			
	Purchase of property, plant and equipments	(3,16,61,792)	(59,21,801)
	Assets Written back	—	(76,654)
	Increase in Work in progress	(1,61,70,460)	(21,39,000)
	Purchase of financial instruments	(6,65,97,874)	(19,92,07,024)
	Proceeds from sale of financial instruments	2,46,56,573	14,66,61,880
	Gain on sale of investments	25,083	1,45,45,895
	Interest /Dividend received	61,43,706	39,19,927
	Intangible asset under development	—	0
	Net cash flows used in investing activities	(8,36,04,764)	(4,22,16,777)
C) Cash Flow from Financing Activities:			
	Finance Costs	(4,84,750)	(4,21,201)
	Proceeds from share warrents	1,77,54,776	0
	Net Cash flows/(used in) Financing Activities	1,72,70,026	(4,21,201)
	Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	1,14,09,944	(1,17,180)
	Opening balance of Cash & Cash equivalents	87,48,326	88,65,503
	Closing balance of Cash & Cash equivalents	2,01,58,270	87,48,326

Reconciliation of cash and cash equivalents as per cash flow statement with Balance sheet:

Sl. No	Particulars	Figures as at the end of Current Reporting year 31 March, 2018	Figures as at the end of Previous Reporting year 31 March, 2017
		Rs.	Rs.
	Closing Cash and cash equivalents as per Balance sheet	2,01,58,270	87,48,326
	Closing Cash and cash equivalents as per statement of cash flows	2,01,58,270	87,48,326
	Difference	--	--

Note:

- 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.
- 2) Cash and cash equivalents as at 31st March, 2018 include bank balance of Rs.61,776/- , being the amounts received from share warrents (see note No. 5.14(D)). The amount has to be spent for the proposed plant expansion at Visakhapatnam.
- 3) Fixed deposits with original maturity of more than 3 months are grouped under "other bank balances" and is not considered as part of cash and cash equivalents in the statement of cash flows.
- 4) Components of cash and cash equivalents are as per Note-5.08.

Significant accounting policies and other accompanying notes (1 to 7) form an integral part of the financial statements

Per our report of even date

For and on behalf of the Board

For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

VENKAT AKKINENI
Managing Director
DIN:00013996

A.V.V.S.S.Ch.B. SEKHAR BABU
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C V RAMANA RAO
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M.No. 018545

V.B.RAMA SHARMA
Company Secretary
Ms No.ACS22066

K.PURUSHOTHAM NAIDU
Director & Chief Financial Officer
DIN:01883663

Hyderabad
17 May, 2018

Statement of Changes in Equity for the year ended 31st March, 2018

A	Equity Share Capital	As at 31 March, 2018	As at 31 March, 2017	As at 1 April, 2016
		Rs.	Rs.	Rs.
	Balance at the beginning of the reporting period	7,00,04,000	7,00,04,000	7,00,04,000
	Changes in equity share capital during the year	—	—	—
	Balance at the end of the reporting period	7,00,04,000	7,00,04,000	7,00,04,000

B Other Equity as at 31st March, 2018

Particulars	Balance as on 01.04.2017	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Receipts during the year	Balance as on 31.03.2018
	Rs	Rs.	Rs.	Rs.	Rs.	Rs.
Share application money pending allotment	—	—	—	—	—	—
Equity component of compound financial instruments	—	—	—	—	—	—
Reserves and surplus						
Capital Reserve	—	—	—	—	—	—
Securities Premium Reserve	—	—	—	—	—	—
General Reserve	6,00,000	—	—	—	—	6,00,000
Retained Earnings	15,75,97,680	6,45,66,661	—	—	—	22,21,64,341
Debt instruments through Other Comprehensive Income	—	—	—	—	—	—
Equity Instruments through Other Comprehensive Income *	81,12,103	68,76,662	—	—	—	1,49,88,765
Effective portion of Cash Flow Hedges	—	—	—	—	—	—
Revaluation Surplus	—	—	—	—	—	—
Exchange differences on translating the financial statements of a foreign operation	—	—	—	—	—	—
Remeasurement gains/(losses) on the defined benefit obligations	6,30,298	7,90,092	—	—	—	14,20,390
Money received against share warrants	—	—	—	—	1,77,54,776	1,77,54,776
Total	16,69,40,081	7,22,33,415	—	—	1,77,54,776	25,69,28,272

Other Equity as at 31st March,2017

Particulars	Balance as on 01-04-2016	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Receipts during the year	Balance as on 31-03-2017
	Rs	Rs.	Rs.	Rs.	Rs.	Rs.
Share application money pending allotment	—	—	—	—	—	—
Equity component of compound financial instruments	—	—	—	—	—	—
Reserves and surplus						
Capital Reserve	—	—	—	—	—	—
Securities Premium Reserve	—	—	—	—	—	—
General Reserve	6,00,000	—	—	—	—	6,00,000
Retained Earnings	12,31,04,881	3,44,92,799	—	—	—	15,75,97,680
Debt instruments through Other Comprehensive Income	—	—	—	—	—	—
Equity Instruments through Other Comprehensive Income *	23,39,111	57,72,992	—	—	—	81,12,103
Effective portion of Cash Flow Hedges	—	—	—	—	—	—
Revaluation Surplus	—	—	—	—	—	—
Exchange differences on translating the financial statements of a foreign operation	—	—	—	—	—	—
Remeasurement gains/(losses) on the defined benefit obligations	1,07,034	5,23,264	—	—	—	6,30,298
Money received against share warrants	—	—	—	—	—	—
Total	12,61,51,026	4,07,89,055	—	—	—	16,69,40,081

* Net off amounts adjusted on sale of Investments

Significant accounting policies and other accompanying notes (1 to 7) form an integral part of the financial statements

Per our report of even date

For and on behalf of the Board

For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

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K.PURUSHOTHAM NAIDU
Director & Chief Financial Officer
DIN:01883663

Hyderabad
17 May, 2018

Notes to the Ind As Financial Statements for the year ended 31st March 2018

1. Company Information

Alufluoride limited ("the company") is a leading manufacturer of Aluminum Fluoride was formed in the year 1984. The annual capacity of production is 7500 MTs. The Company is a public limited company incorporated and domiciled in India and has its registered office at Mulagada, Mindi Visakhapatnam, Andhra Pradesh. The Company's shares are listed on Bombay stock exchange (BSE Limited). The company does not have any parent, subsidiary or associate companies.

2. Statement of compliance, Recent accounting pronouncements and basis of preparation and presentation

2.1. Statement of compliance with Ind As

These financial statements are the standalone financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements and guidelines issued by the Securities and Exchange Board of India (SEBI).

These are the Company's first Ind AS Financial Statements and the date of transition to Ind AS, as required has been considered to be April 1, 2016.

Upto the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of Accounting Standards notified under the Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). These are the Company's first Ind AS financial statements. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 – "First

Time adoption of Indian Accounting Standard". Figures for previous period in the Financial Statements have been recasted /restated to make them comparable with current year's figures. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. Refer Note No -7 for the details of mandatory exceptions and optional exemptions on first-time adoption availed by the Company.

2.2 Recent accounting pronouncements

A. Applicable for Accounting year 2017-18

In March 2017, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to the Ind AS 7 "Statement of Cash flows" and Ind AS 102 "Share – Based Payment" which are applicable w. e. f. 1st April, 2017.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirements. As the company does not have any liabilities arising from financing activities; the aforesaid disclosures have not been made in the financial statements for the year ended 31st march, 2018.

Amendment to Ind AS 102:

The amendment to Ind AS 102 "Share Based Payment" provides specific guidance to measurement of cash-settled share based payment transactions and share based payment transactions with a net settlement feature for withholding tax obligations. As the Company has not issued any stock option plans, this amendment does not have any

impact on the financial statements of the Company.

B. Standards issued but not yet effective and are applicable for Accounting year 2018-19

On 28th March, 2018, Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2018, notifying major amendments to the

- Ind AS 40 “Investment property”,
- Ind As 21 “The effect of changes in foreign exchange rates”,
- Ind As 12 “Income Taxes”,
- Ind As 28 “Investments in Associates and Joint ventures” and
- Ind AS 112 “Disclosure of interests in other entities”

A new Ind As accounting standard Ind AS 115 “Revenue from contracts with customers” is introduced; however Ind AS 11 “Construction contracts” and Ind AS 18 “Revenue” are omitted,

These are applicable w. e. f. 1st April, 2018

Amendment to Ind AS 40:

The amendment lays down the principles regarding when a company should transfer asset to, or from, investment property. As the Company does not have any investment property this amendment does not have any impact on the financial statements of the Company.

Amendment to Ind AS 21:

The amendment provides specific guidance regarding the exchange rate for transaction when foreign currency consideration is paid or received in advance for the item relating to an asset, an expense or income. The effect of this amendment on the financial statements of the Company will be evaluated.

Amendment to Ind AS 12:

The amendment provides explanation and guidance that determination of temporary differences and estimation of probable futures taxable profit against which, deductible temporary differences will be assessed for utilisation are two separate steps and provides guidance for determining temporary differences. The effect of

this amendment on the financial statements of the Company will be evaluated.

Amendment to Ind AS 28:

The amendment provides clarification requiring to measure investments separately for each associate or joint venture. As the Company does not have any investments in associates and joint ventures, this amendment does not have any impact on the financial statements of the Company.

Amendment to Ind AS 112:

The amendment clarifies that disclosure requirement for interests in other entities also apply to interests that are classified as held for sale or as discontinued operations in accordance with Ind AS 105 “Non-current Assets held for sale and Discontinued operations”. As the Company does not have any interests in other entities this amendment does not have any impact on the financial statements of the Company.

The Company will adopt these amendments from their applicability date.

2.3 Basis of measurement, functional currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest Rupees, unless otherwise indicated.

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or

liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date

2.4 Basis for preparation and presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at 1st April, 2016 being the 'date of transition to Ind AS'.

Any asset or liability is classified as current if it satisfies any of the following conditions:

- the asset/liability is expected to be realized/settled in the Company's normal operating cycle;
- the asset is intended for sale or consumption;
- the asset/liability is held primarily for the purpose of trading;
- the asset/liability is expected to be realized/settled within twelve months after the reporting period
- the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;
- in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of products and services and the time between the acquisition of assets or inventories for processing and their realization in cash and cash equivalents.

These financial statements were authorized for issue by the Company's Board of Directors on 17th May, 2018.

3. Significant Accounting Policies

3.1 Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise and duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

3.2 Property, Plant and Equipment:

All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced.

Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.

Depreciation and Amortization

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation on all the assets is charged under straight line method. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate. Scrap value is taken as 5% of the cost of the asset for calculation of depreciation

De-recognition of Tangible assets

An item of property, plant and equipment and any significant part initially recognized is derecognized

upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

3.3 Inventories:

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value (except by-products, waste and scrap which are valued at estimated net realisable value). Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- **Raw materials:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on FIFO basis.
- **Finished goods and work in progress:** Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis.
- **Stores and spares:** Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

In the opinion of the management, no value is attributable to Silica and the same is considered as a process waste and has no guaranteed market value (net realisable value), except for the quantities which are disposed off to parties with irregular quantities and prices. The excess Silica is disposed off and corresponding expenditure is charges to Profit & loss.

3.4 Non-Derivative Financial Instruments:

The Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are

initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

A. Financial Assets

3.4.1 Initial Recognition:

All financial assets are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular purchase and sale of financial assets are accounted for on trade date.

3.4.2 Subsequent measurement:

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost.
- Financial assets measured at fair value through other comprehensive income (FVTOCI).
- Financial assets at fair value through profit or loss (FVTPL).

I. Financial assets at amortized cost

A financial instrument is subsequently measured at amortised cost if it is

- a. Held within a business model whose objective is to hold the asset in order to collect contractual cash flows and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortization of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on de-recognition are recognized in the profit or loss.

II. Equity assets measured at fair value through other comprehensive income.

Financial asset is measured at FVTOCI if both of the following conditions are met:

- a. The Company's business model objective for managing the financial asset is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognized in the Profit & Loss.

III. Financial assets at fair value through profit or loss

Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

3.4.3 Reclassification of financial assets;

The company reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

3.4.4 De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's Balance Sheet) when any of the following occurs:

- a. The contractual rights to cash flows from the financial asset expires;
- b. The Company transfers its contractual rights to receive cash flows of the financial asset and has substantially transferred all the risks and rewards of ownership of the financial asset;
- c. The Company retains the contractual rights to receive cash flows but assumes a contractual obligation to pay the cash flows without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risks and rewards of ownership of the financial asset);
- d. The Company neither transfers nor retains substantially all risk and rewards of ownership and does not retain control over the financial asset.

In cases where Company has neither transferred nor retained substantially all of the risks and rewards of the financial asset, but retains control of the financial asset, the Company continues to recognize such financial asset to the extent of its continuing involvement in the financial asset. In that case, the Company also recognizes an associated liability.

The financial asset and the associated liability are measured on the basis that reflects the rights and obligations that the Company has retained control.

On de-recognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

3.4.5 Impairment of financial assets:

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- a. Trade receivables
- b. Financial assets measured at amortized cost (other than trade receivables)
- c. Financial assets measured at fair value through other comprehensive income (FVTOCI)

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

B. Financial liabilities and equity instruments:

Debt and equity instruments issued by a Company entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

i. Equity instruments:-

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received net of direct issue costs.

ii. Financial Liabilities:-

a. Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

b. Subsequent measurement:

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss

c. De-recognition of financial liabilities:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the De-recognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

C. Offsetting of financial instruments:-

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention either to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

3.5 Leases:

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line



with expected general inflation to compensate for the lessor expected inflationary cost increases.

3.6 Employee Benefits include:

i. Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The company recognizes a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Long term employee benefits-

Liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post employment benefits-

The company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity: and
- b) Defined contribution plans such as provident and pension funds.

a) **Defined Benefit Plans** - The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

b) **Defined Contribution Plans**- The Company pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

3.7 Foreign currency Transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, as finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income

3.8 Provisions and Contingencies:

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be reasonably estimated, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably.

When there is a possible obligation or a present obligation in respect of which, in the likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

3.9 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash

flows. The cash flows from operating, investing and financing activities of the Company are segregated.

3.10 Cash and Cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions/banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts, if any.

3.11 Impairment of assets:

The company assesses, at each reporting date, whether there is an indication that an asset may have to be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3.12 Taxes on Income:

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.



Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.13 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

3.14 Segment Reporting:

Operating segments are identified and reported taking into account the different risk and return, organization structure and internal reporting system.

3.15 Borrowing Costs:

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property

Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

4. Critical accounting judgments, assumptions and key sources of estimation and uncertainty

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

Following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

4.1 Depreciation and impairment on property, plant and equipment:

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The company reviews

its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rates which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realizations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Arrangements containing leases and classification of leases:

The Company determines lease arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset. The company's land on which building is constructed is taken on lease and the lease payments are not pre-fixed as on the date of balance sheet, the lease payments are charged by the lessor based on the yearly market rates and accordingly the company Considering the terms and conditions of the leases in respect of leasehold land, particularly the transfer of the significant risks and rewards, it is concluded that they are in the nature of operating leases. Since the lease payments are not pre-fixed and dependent on market conditions the various disclosures as required by Ind AS 17 "Leases" has not been given.

4.3 Impairment allowances on trade receivables:

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

4.4 Income taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

4.5 Defined benefit obligation (DBO):

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.6 Provision for de-commissioning:

The company has recognised a provision for decommissioning obligations associated with the leased premises on which the plant is super structured. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

4.7 Provisions and Contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of



cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/

litigations/against the Company as it is not possible to predict the outcome of pending matters with accuracy.

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

Per our report of even date

For and on behalf of the Board

For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

VENKAT AKKINENI
Managing Director
DIN:00013996

A.V.V.S.S.Ch.B. SEKHAR BABU
Director
DIN:00692448

C V RAMANA RAO
Partner
M.No. 018545

V.B.RAMA SHARMA
Company Secretary
Ms No.ACS22066

K.PURUSHOTHAM NAIDU
Director & Chief Financial Officer
DIN:01883663

Hyderabad
17 May, 2018



Note 5.01 Property, Plant and Equipment as at March 31, 2018

SI No.	Fixed Assets	Gross Block			Depreciation			Net Block	
		Balance as at 01.04.2017	Additions	(Disposals)	Balance as at 31.03.2018	Upto 01.04.2017	For the year	On disposals	Total upto 31.03.2018
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	TANGIBLE ASSETS:								
1.	Buildings	1,85,89,893	—	—	1,85,89,893	1,27,54,558	5,16,961	—	1,32,71,519
2.	Plant & Machinery	16,89,23,286	2,83,56,234	—	19,2,79,520	14,89,71,963	61,99,987	—	15,51,71,950
3.	Furniture, Fixtures & Air Conditioners	6,91,921	—	—	6,91,921	3,99,439	42,339	—	4,41,778
4.	Office Vehicles	37,32,380	31,50,000	—	68,82,380	13,47,512	3,47,426	—	16,94,938
5.	Computers	4,87,191	1,55,558	—	6,42,749	3,15,449	1,09,248	—	4,24,697
	GRAND TOTAL	19,24,24,671	3,16,61,792	—	22,40,86,463	16,37,88,921	72,15,961	—	17,10,04,882
									2,86,35,750

As at March 31, 2017

SI No.	Fixed Assets	Gross Block			Depreciation			Net Block	
		Balance as at 01.04.2016	Additions	(Disposals)	Balance as at 31.03.2017	Upto 01.04.2016	For the year	On disposals	Total upto 31.03.2017
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	TANGIBLE ASSETS:								
1.	Buildings*	1,84,11,143	1,78,750	—	1,85,89,893	1,20,53,783	7,00,775	—	1,27,54,558
2.	Plant & Machinery	16,71,62,322	31,45,973	13,85,009	16,89,23,286	14,57,74,308	45,13,413	13,15,758	14,89,71,963
3.	Furniture, Fixtures & Air Conditioners	7,21,646	92,713	1,22,438	6,91,921	4,68,711	45,763	1,15,035	3,99,439
4.	Office Vehicles	12,85,830	24,46,550	—	37,32,380	11,29,407	2,18,105	—	13,47,512
5.	Computers	3,52,722	1,34,469	—	4,87,191	2,50,672	64,777	—	3,15,449
	Total	18,79,33,663	59,98,455	15,07,447	19,24,24,671	15,96,76,881	55,42,833	14,30,793	16,37,88,921
									2,86,35,750
									2,82,56,783

Note No 5.01 (A) : * Buildings of the cost of Rs.1,85,89,893 (2016-17 Rs. 1,85,89,893) Constructed on lease hold land

Notes to Financial Statements for the year ended 31st March, 2018

Note 5.02 Non-Current Investments (Fully paid up except otherwise stated)

Particulars	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
Investments designated at Fair Value through Other Comprehensive Income :			
A) Investments in Quoted Equity instruments	1,72,32,273	1,78,37,268	1,78,37,268
B) Investments in Mutual Funds:	15,72,88,404	10,75,09,368	4,91,91,233
Total	17,45,20,677	12,53,46,636	6,70,28,501

Note 5.02 (A) Details of Quoted investments in equity shares

Sl. No.	Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.
1.	Alphageo India (Face Value of Rs.10/- each)	—	—	—	—	3,674	18,97,254
2.	BPL Ltd (Face Value of Rs.10/- each)	—	—	—	—	2,279	59,254
3.	Coromandel International Ltd (Face Value of Rs.1/- each)	—	—	—	—	17,500	33,30,250
4.	Dishman Pharma (Face Value of Rs.2/- each)	—	—	—	—	6,800	22,76,980
5.	Edelweiss Financial Services Ltd (Face Value of Rs.1/- each)	—	—	—	—	2,000	1,12,700
6.	Indiabulls Housing Finance Ltd (Face Value of Rs.2/- each)	—	—	—	—	8,777	57,04,172
7.	Indiabulls Real Estate Ltd (Face Value of Rs.2/- each)	—	—	—	—	9,700	5,45,140
8.	Reliance Capital Ltd (Face Value of Rs.10/- each)	—	—	—	—	9,050	33,33,568
9.	Suvenlife Sciences Ltd(Face Value of Rs.1/- each)	—	—	—	—	3,000	5,77,950
10.	Aurobindo Pharma (Face Value of Rs.1/- each)	1,069	5,96,342	1,069	7,21,735	—	—
11.	Dewan Housing Finance (Face Value of Rs.10/- each)	1,950	9,94,793	1,950	7,15,650	—	—
12.	Federal Bank (Face Value of Rs.2/- each)	13,725	12,24,270	13,725	12,53,779	—	—
13.	Granules India Ltd. (Face Value of Rs.1/- each)	2,220	2,29,215	2,220	3,57,581	—	—
14.	IDFC Bank (Face Value of Rs.10/- each)	12,251	5,80,085	12,251	7,26,484	—	—
15.	India Cements (Face Value of Rs.10/- each)	19,220	27,24,435	19,220	31,24,211	—	—
16.	Jkumar Infra (Face Value of Rs.5/- each)	66	17,912	3,366	9,25,328	—	—
17.	Karnataka Bank (Face Value of Rs.10/- each)	10,573	12,14,838	10,573	14,87,092	—	—
18.	L&T Finance Holdings (Face Value of Rs.10/- each)	8,050	12,64,655	8,050	9,93,773	—	—
19.	Laurus Labs (Face Value of Rs.10/- each)	1,032	5,18,941	1,032	5,31,790	—	—
20.	M & M Finance (Face Value of Rs.2/- each)	1,790	8,29,218	1,790	5,63,761	—	—
21.	N.C.C. Ltd. (Face Value of Rs.2/- each)	1,200	9,04,380	1,200	10,66,400	—	—
22.	Natco Pharma (Face Value of Rs.2/- each)	7,094	13,50,507	7,094	12,20,877	—	—
23.	N.B.C.C. India Ltd (Face Value of Rs.2/- each)	11,729	13,78,744	11,729	9,59,432	—	—
24.	R.B.L. Bank Ltd (Face Value of Rs.10/- each)	1,220	8,82,975	1,220	8,79,981	—	—
25.	The Ramco Cements (Face Value of Rs.1/- each)	3,382	16,22,853	3,382	16,71,384	—	—
26.	Vikas Ecotech (Face Value of Rs.1/- each)	30,600	8,98,110	30,600	6,38,010	—	—
Total			1,72,32,273		1,78,37,268		1,78,37,268

Note 5.02 (B) Details of investments in Mutual Funds

Sl. No.	Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
		No. of Units	Fair Value Rs.	No. of Units	Fair Value Rs.	No. of Units	Fair Value Rs.
1.	Birla Sunlife Medium Term R Gr (Face Value of Rs.10/- each)	1,48,954	32,71,468	3,86,071	30,38,653	3,86,071	71,77,453
2.	Birla Sunlife Equity Fund (Face Value of Rs.10/- each)	—	—	—	—	26,781	21,65,506
3.	Birla Sunlife Short Term Opp.Fund (Face Value of Rs.10/- each)	—	—	—	—	1,49,816	36,99,550
4.	Birla Sunlife Monthly Inc. p Growth (Face Value of Rs.10/- each)	56,427	25,87,725	56,427	24,68,665	—	—
5.	DSP Black Rock Top 100 Fund Face Value of Rs.10/- each)	—	—	—	—	21,708	31,47,147
6.	DSP BR Opportunity Fund (Face Value of Rs.10/- each)	—	—	—	—	46,520	66,74,735
7.	HDFC Equity Saving Fund -Growth (Face Value of Rs.10/- each)	6,81,537	2,35,48,460	6,25,922	72,91,989	—	—
8.	HDFC Equity Saving Fund-Dividend (Face Value of Rs.10/- each)	6,25,922	71,37,387	2,02,241	65,58,679	—	—
9.	HDFC Equity Fund (Face Value of Rs.10/- each)	5,176	30,61,848	—	—	—	—
10.	HDFC Midcap Opp. Fund (Face Value of Rs.10/- each)	1,03,159	57,20,873	1,03,159	50,92,946	—	—
11.	ICICI Pru Banking & Fin.ser (Face Value of Rs.10/- each)	1,15,860	66,10,997	1,15,860	59,84,192	—	—
12.	ICICI Prudential MIP - 25 (Face Value of Rs.10/- each)	1,29,129	50,84,502	1,29,129	47,10,622	1,29,129	40,53,356
13.	IDFC Bal.Fund -Reg Div-pay (Face Value of Rs.10/- each)	5,68,383	58,02,333	5,68,383	59,68,017	—	—
14.	IDFC Dynamic Equity Fund (Face Value of Rs.10/- each)	3,59,012	45,24,408	3,59,012	41,17,864	—	—
15.	IDFC Monthly Income Plan (Face Value of Rs.10/- each)	6,73,347	1,36,51,368	6,73,347	1,30,83,131	4,13,271	70,46,278
16.	IDFC Premier Equity Fund (Face Value of Rs.10/- each)	—	—	—	—	1,50,645	43,28,937
17.	IDFC Sterling Equity Fund (Face Value of Rs.10/- each)	2,34,315	1,27,53,534	1,16,812	51,01,194	—	—
18.	IPRU Equity Arbitrage Fund (Face Value of Rs.10/- each)	5,11,281	69,73,357	15,97,812	2,20,67,239	—	—
19.	Kotak Equity Arbitrage Fund MDP (Face Value of Rs.10/- each)	—	—	8,34,006	89,57,229	—	—
20.	Kotak Income Opp. Fund (Face Value of Rs.10/- each)	7,28,887	1,39,32,388	7,28,887	1,30,68,948	—	—
21.	Kotak Low Duration Fund (Face Value of Rs.10/- each)	3,987	84,58,492	—	—	—	—
22.	Kotak Opportunities Fund (Face Value of Rs.10/- each)	—	—	—	—	52,880	11,42,894
23.	Kotak Select Focus Fund (Face Value of Rs.10/- each)	—	—	—	—	2,45,436	43,58,212
24.	Reliance Equity Opportunity Fund (Face Value of Rs.10/- each)	—	—	—	—	73,772	21,88,802
25.	Reliance Equity Saving Fund (Face Value of Rs.10/- each)	24,63,024	3,05,17,602	—	—	—	—
26.	Reliance Top 200 Fund (Face Value of Rs.10/- each)	1,17,707	36,51,662	—	—	—	—
27.	Reliance Vision Fund (Face Value of Rs.10/- each)	—	—	—	—	82,703	32,08,363
Total			15,72,88,404		10,75,09,368		4,91,91,233

Note 5.02 (C) Reasons for Investments designated to measure at FVTOCI:

The company has made an irrevocable decision to consider equity instruments and mutual funds not held for trading to be recognised at fair value through other comprehensive income

Note 5.03 Other Non-Current Financial Assets

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Details	Rs.	Details	Rs.	Details	Rs.
Unsecured, considered good						
Deposits Recoverable:		66,80,374		64,33,157		61,32,457
Total		66,80,374		64,33,157		61,32,457

Note 5.04 Deferred Tax Asset / (Liability) (Net)

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Details	Rs.	Details	Rs.	Details	Rs.
Deferred Tax Assets		40,09,393		44,41,404		41,05,748
Deferred Tax Liabilities		(48,79,932)		(7,617)		(3,34,671)
Net Deferred Tax Assets / (Liabilities)		(8,70,539)		44,33,787		37,71,077

Note 5.04 (A): Components of Deferred Tax Assets/(Liabilities) as at 31st March, 2018 are given below

Particulars	As at 01.04.2017	(Charge)/ Credit Recognised in Profit or loss	Charge/ (Credit) Recognised in other comprehensive Income	As at 31.03.2018
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Assets:				
Provision for Post retirement and other employee benefits:				
Provision for Gratuity	20,13,849	(2,81,110)	(1,23,469)	18,56,208
Provision - Leave encashment	6,23,508	(1,43,119)	(47,198)	5,27,588
Provision for De-commissioning liability	18,04,047	(1,78,450)	—	16,25,596
Deferred Tax (Laibilities):				
Timing difference with respect to depreciation on Property, Plant & Equipment:	(7,617)	(45,16,236)	—	(45,23,853)
Timing difference with respect of Investments designated at FVTOCI	—	—	3,56,077	(3,56,077)
Net Deferred Tax Assets/(Liabilities)	44,33,787	(51,18,915)	1,85,410	(8,70,538)

Note 5.04 (B): Components of Deferred Tax Assets/(Liabilities) as at 31st March, 2017 are given below

Particulars	As at 01.04.2016	(Charge)/ Credit Recognised in Profit or loss	Charge/ (Credit) Recognised in other comprehensive Income	As at 31.03.2017
	Rs.	Rs.	Rs.	Rs.
Deferred Tax Assets:				
Provision for Post retirement and other employee benefits:				
Provision for Gratuity	18,72,697	(34,815)	(1,06,338)	20,13,849
Provision for Leave encashment	5,64,604	(35,223)	(23,681)	6,23,508
Provision for De-commissioning liability	16,68,447	(1,35,600)	—	18,04,047
Deferred Tax (Laibilities):				
Timing difference with respect to depreciation on Property, Plant & Equipment:	(3,34,671)	(3,27,054)	—	(7,617)
Net Deferred Tax Assets/(Liabilities)	37,71,077	(5,32,692)	(1,30,019)	44,33,787

Note 5.04 (C): The company has adequate profits in the past and the management is of the view that there will be taxable profits in the future. In view of the above the company has recognised deferred tax asset in the books of account.

Note 5.05 Other Non Current Assets

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Deposits Recoverable (Unsecured, considered good)	—	52,690	—	52,690	—	52,690
Total	—	52,690	—	52,690	—	52,690

Note 5.06 Inventories

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a. Stock of Raw Material and components	—	1,08,10,658	—	79,42,412	—	64,44,614
b. Stock of Finished Goods	—	3,56,96,884	—	4,02,07,934	—	4,92,62,873
c. Stock of stores and spares	69,15,415		31,01,151		23,12,266	
Stock of stores and spares in transit	19,85,998	89,01,413	—	31,01,151	51,641	23,63,907
d. Others	—	70,946	—	70,946	—	70,946
Total		5,54,79,901	—	5,13,22,443	—	5,81,42,340

Note 5.06 (A) The method of valuation of inventories has been stated in Note No.3.3

Note 5.07 Trade Receivables

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Trade receivables less than Six Months Unsecured, considered good	—	4,05,60,816	—	3,95,78,710	—	3,60,05,384
Total	—	4,05,60,816	—	3,95,78,710	—	3,60,05,384


Note 5.08 Components of Cash and Cash Equivalents

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a. Balances with Scheduled banks:						
In Current Accounts	—	49,20,657	—	41,91,306	—	39,86,164
In short term deposits	—	1,52,33,270	—	45,47,445	—	48,69,093
b. Cash on hand	—	4,342	—	9,575	—	10,246
Total	—	2,01,58,269	—	87,48,326	—	88,65,503

Note 5.09 Bank balances other than cash and cash Equivalents

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Fixed deposits with banks (Having original maturity period of more than 3 months)	—	1,99,03,636	—	1,86,99,136	—	1,91,08,750
Total	—	1,99,03,636	—	1,86,99,136	—	1,91,08,750

Note 5.10 Other Current Financial Assets

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Interest receivable	—	64,25,056	—	41,02,619	—	33,48,120
Total	—	64,25,056	—	41,02,619	—	33,48,120

Note 5.11 Current Tax Assets (Net)

Income Tax paid (Net of provisions)	—	24,03,793	—	6,09,643	—	—
Total	—	24,03,793	—	6,09,643	—	—

Note 5.12 Other Current Assets

Unsecured, considered good						
Prepaid Expenses	—	2,38,657	—	3,17,597	—	1,30,616
Advances for supply of goods	—	21,54,052	—	63,36,622	—	39,28,595
Balances with Government Authorities	—	7,20,107	—	96,19,222	—	65,43,232
Total	—	31,12,816	—	1,62,73,441	—	1,06,02,443

Note 5.13 : Equity Share Capital

	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Number	Rs.	Number	Rs.	Number	Rs.
Authorised						
Equity Shares of Rs.10 par value	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued						
Equity Shares of Rs.10 par value	70,00,400	7,00,04,000	70,00,400	7,00,04,000	70,00,400	7,00,04,000
Subscribed & Paid up						
Equity Shares of Rs.10 each fully paid	70,00,400	7,00,04,000	70,00,400	7,00,04,000	70,00,400	7,00,04,000
Total	70,00,400	7,00,04,000	70,00,400	7,00,04,000	70,00,400	7,00,04,000

5.13 (A) Rights, Preferences and restrictions attached to equity shares

Equity shares have a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholdings.



5.13 (B) Reconciliation of the number of equity shares Outstanding

No. of shares

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Balance at the beginning of the reporting period	70,00,400	70,00,400	70,00,400
Changes in equity shares during the year	—	—	—
Balance at the end of the reporting period	70,00,400	70,00,400	70,00,400

5.13 (C) Details of Share holders holding More than 5% Equity Shares in the Company

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PROMOTER'S HOLDING:						
a) V. Sunitha	14,13,195	20.19	14,13,195	20.19	14,13,195	20.19
b) V. Sarojini	8,41,885	12.03	8,41,885	12.03	8,41,885	12.03
c) Kaiser Finance & Leasing (P) Ltd	7,86,975	11.24	7,86,975	11.24	7,86,975	11.24
Total	30,42,055	43.46	30,42,055	43.46	30,42,055	43.46

Note 5.14 Other Equity

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) General Reserve	—	6,00,000	—	6,00,000	—	6,00,000
b) Retained Earnings	—	22,21,64,341	—	15,75,97,680	—	12,31,04,881
c) Money received against share warrents	—	1,77,54,776	—	—	—	—
d) Other Comprehensive Income Equity Instruments through Other Comprehensive Income	—	1,49,88,764	—	81,12,103	—	23,39,111
Re-measurement of Defined benefit plans	—	14,20,390	—	6,30,298	—	1,07,034
Total	—	25,69,28,271	—	16,69,40,081	—	12,61,51,026

Note 5.14 (A) Refer Statement of changes in Equity for Movement in balances of reserves

Note 5.14 (B) General Reserve

The General Reserve is created from time to time by appropriating profits from retained earnings. The general reserve is created by transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

Note 5.14 (C) Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

Note 5.14 (D) Money received against share warrents

- The company at the Extrordinary General Meeting held on 17th November, 2017 has issued 8,20,082 number of share warrents convertible into 8,20,082 equity shares of the Company of the face value of Rs.10/- each.

- b. Each warrant be convertible into one equity share, which can be exercised at any time within a period of 18 months from the date of issue of such Warrants. 25% of the consideration is paid by the proposed allottees to the Company upon issue and allotment of the warrants. The amount paid will be forfeited if the warrants are not exercised within a period of 18 months from the date of issue of warrants.
- c. As on the balance sheet date, none of the allottees has exercised the right of converting the share warrants into equity shares. The amount received against the share warrants are utilised for the proposed plant expansion at Visakhapatnam. 8,20,082 Equity shares were reserved for issue of share warrants.
- d. Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants, shall rank pari-passu in all respects with the then existing fully paid-up Equity Shares of the Company.

Note 5.14 (E) Other Comprehensive Income

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of: items that will not be reclassified to profit and loss.

- a. The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.
- b. The actuarial gains and losses along with tax effects arising on defined benefit obligations have been recognised in OCI.

Note 5.15 Non Current Provisions

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Provision for employee benefits:						
Gratuity	48,86,631	—	43,93,617	—	40,63,986	—
Compensated Absences	12,61,209	61,47,840	12,40,076	56,33,693	11,08,355	51,72,341
(b) Provision for De-commissioning Liability	—	59,00,000	—	54,56,395	—	50,46,267
Total		1,20,47,840		1,10,90,088		1,02,18,608

Note 5.16 Trade Payables

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a) Total outstanding dues of Micro and Small Enterprises	—	—	—	—	—	—
b) Total outstanding dues other than Micro & Small Enterprises	—	3,41,63,377	—	3,40,86,724	—	1,89,47,016
Total		3,41,63,377		3,40,86,724		1,89,47,016

Note 5.16 (A) Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers.

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
(a) Principal amount and interest due thereon remaining unpaid but not due as at year end	NIL	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year not due as at year end	NIL	NIL	NIL
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	NIL	NIL	NIL
(d) Interest accrued and remaining unpaid at the end of the year	NIL	NIL	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL	NIL

Note 5.17 Other Current Financial Liabilities

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Outstanding expenses	---	1,61,55,747	---	1,07,56,354	---	36,20,816
Total	---	1,61,55,747	---	1,07,56,354	---	36,20,816

Note 5.18 Other Current Liabilities

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
(a) Advances received against sales	---	2,10,408	---	1,76,879	---	1,90,794
(b) Amounts payable to employees and others	---	43,57,559	---	49,62,868	---	33,55,732
(c) Statutory Dues and Taxes payable	---	39,91,244	---	20,91,634	---	12,69,849
(d) Excise Duty on Stock	---	---	---	44,67,548	---	54,73,653
Total		85,59,211		1,16,98,929		1,02,90,028

Note 5.19 Current Provisions

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for employee benefits:						
Gratuity	---	18,50,353	---	16,97,327	---	16,00,041
Compensated Absences	---	6,53,637	---	6,45,742	---	5,99,305
Total		25,03,990		23,43,069		21,99,346

Note 5.20 Current Tax Liabilities (Net)

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Provision for Income Tax (Net of Prepaid Taxes)	---	---	---	---	---	4,27,113
Total		---		---		4,27,113

Note 5.21 Revenue From Operations

Particulars	As at 31-03-2018		As at 31-03-2017	
	Rs.	Rs.	Rs.	Rs.
Sale of products (Aluminium Fluoride) including excise duty upto 30th June 2017 and exclusive of GST from 1st July, 2017 onwards	---	51,49,79,532	---	40,87,45,510
Total		51,49,79,532		40,87,45,510

Note 5.22 Other Income

Particulars	As at 31-03-2018		As at 31-03-2017	
	Rs.	Rs.	Rs.	Rs.
a) Interest Income:				
Financial assets at amortised cost	19,21,506	---	15,48,639	---
Financial assets measured at fair value	20,70,480	39,91,986	5,97,497	21,46,136
b) Dividend Income	---	21,51,720	---	17,73,791
c) Other non operating income:				
Sale of silica	---	19,76,156	---	49,16,243
Net gain/(loss) on sale / redemption of investments (net)	---	25,083	---	1,45,45,895
Excess provisions made in earlier years written back	---	---		13,26,583
Exchange rate variation	---	10,437	---	---
Miscellaneous receipts	---	31,088	---	18,089
Total		81,86,470		2,47,26,737

Note 5.23 Cost of Materials Consumed

Particulars	As at 31-03-2018		As at 31-03-2017	
	Rs.	Rs.	Rs.	Rs.
Raw Materials, Packing Materials Consumed				
Opening Stock	---	78,96,438	---	63,98,640
Add: Purchases	---	32,03,43,432	---	24,66,55,403
Total	---	32,82,39,870	---	25,30,54,043
Less: Closing Stock	---	1,08,10,658	---	78,96,438
Total		31,74,29,212		24,51,57,605

Note 5.23 (A) Details of Raw materials consumed

Hydrofluosilicic Acid	---	10,25,05,494	---	8,06,70,973
Alumina Hydrate	---	15,32,25,264	---	11,68,91,778
Hydrated Lime	---	12,33,460	---	10,71,556
Packing Materials	---	34,04,374	---	26,55,559
Furance oil	---	5,70,60,620	---	4,38,67,739
Total		31,74,29,212		24,51,57,605

Note 5.24 Change in Inventories of Finished Goods

A) Closing Stock				
Finished Goods	---	3,56,96,884	---	4,02,07,934
Total (A)	---	3,56,96,884	---	4,02,07,934
B) Opening Stock				
Finished Goods	---	4,02,07,934	---	4,92,62,873
Total (B)	---	4,02,07,934	---	4,92,62,873
(Increase)/Decrease in stocks (B-A)	---	45,11,050	---	90,54,939
Total		45,11,050		90,54,939

Note 5.25 Employee Benefit Expense

Payment & Benefits to Employees:				
Salaries & Wages	---	2,43,88,339	---	2,32,86,658
Remuneration to Whole Time Directors	---	74,07,249	---	56,44,690
Company's Contribution to PF and				
Other Funds	---	38,59,866	---	35,93,177
Staff welfare	---	10,79,632	---	10,97,299
Total		3,67,35,086		3,36,21,824

Note 5.25 (A) Employee benefit plans:

The disclosures of Employee Benefits as per Indian Accounting Standard 19 “Employees’ Benefits” are given hereunder:

a) Defined Contributions Plans:

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

	2017-18	2016-17
	Rs.	Rs.
Employer’s Contributions to Provident and Pension Funds	38,59,866	35,93,177

b) Defined Benefit Plans:

General Description of the Post Employment defined Benefit Plans;

i) **Gratuity:** The company provides for gratuity to the employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/resignation. The gratuity plan is a Unfunded plan and the company provides liability in the books of account based on actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method.

ii) **Compensated Absence:** The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur. Encashment of accumulated earned leave, subject to maximum permissible limits as per the terms of appointment, will be paid to the employee on separation.

Note 5.25 (B) Statement showing Reconciliation of opening and closing balances of Defined Benefit obligations, Plan assets

Particulars	Gratuity (Unfunded)			Compensated absences (Unfunded)		
	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.	As at 31-03-2018 Rs.	As at 31-03-2017 Rs.	As at 01-04-2016 Rs.
A) Change in Fair value of the defined benefit obligation:						
Liability at the beginning of the year	60,90,944	56,64,027	45,57,865	18,85,818	17,07,660	16,54,628
Interest Cost	4,45,046	4,50,423	3,55,513	1,37,567	1,37,500	1,29,061
Current Service Cost	8,02,750	7,20,052	4,73,646	1,16,363	1,98,307	96,760
Benefits paid	(1,53,635)	(4,21,937)	—	(53,598)	(86,025)	(2,818)
Actuarial loss/(gain) on obligation	(4,48,121)	(3,21,621)	2,77,003	(1,71,304)	(71,624)	(1,69,971)
Liability at the end of the year	67,36,984	60,90,944	56,64,027	19,14,846	18,85,818	17,07,660
B) Change in Fair value of plan asset						
Fair value of plan assets at the beginning of the year	—	—	—	—	—	—
changes during the year	—	—	—	—	—	—
Fair value of plan assets at the end of the year	—	—	—	—	—	—
(C) Net Defined Benefit obligation at year end (A-B)	67,36,984	60,90,944	56,64,027	19,14,846	18,85,818	17,07,660

Note 5.25 (C). Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2017-18 Rs.	For the Year 2016-17 Rs.	For the Year 2017-18 Rs.	For the Year 2016-17 Rs.
Interest Cost	4,45,046	4,50,423	1,37,567	1,37,500
Current Service Cost	8,02,750	7,20,052	1,16,363	1,98,307
Expected return on plan assets	—	—	—	—
Expenses recognized in the statement of Profit & Loss	12,47,796	11,70,475	2,53,930	3,35,807

Note 5.25 (D) Amount to be recognized in statement of other comprehensive income

Remeasurements of the net defined benefit liability/ (asset)				
Actuarial (gains) / losses	(4,48,121)	(3,21,621)	(1,71,304)	(71,624)

Note 5.25 (E) Actuarial (Gain)/Loss arising from;

Change in Demographic assumptions	—	—	—	—
Change in Financial assumptions	(4,48,121)	(3,21,621)	(1,71,304)	(71,624)

Note 5.25 (F) Significant estimates: Actuarial assumptions

Particulars	As at 31 March, 2018	As at 31 March, 2017	As at 01 April, 2016
Discount Rate:			
Gratuity (Unfunded)	7.71%	7.40%	8.26%
Compensated absences (Unfunded)	7.71%	7.40%	8.26%
Salary Escalation Rate:			
Gratuity (Unfunded)	10.00%	10.00%	10.00%
Compensated absences (Unfunded)	10.00%	10.00%	10.00%
Employee Attrition Rate:			
Gratuity (Unfunded)	8.00%	8.00%	10.00%
Compensated absences (Unfunded)	8.00%	8.00%	10.00%
Mortality rate during employment:			
Gratuity (Unfunded)	Indian Assured Lives Mortality (2006-08) Ultimate		
Compensated absences(Unfunded)	58 Years		



Note 5.25 (G) Significant estimates : Sensitivity analysis

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (projected unit credit method) has been applied as when calculating the defined benefit obligation recognised within the Balance Sheet.

Particulars	Change of assumption (+increase/- decrease)	Effect on gratuity valuation (Rs.)	Effect on Compensated absences (Rs.)
Projected benefits obligation on current assumptions as on 31-03-2018			
Impact on present value of defined benefit obligation if discount rate increase by	+1%	64,72,337	18,38,694
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	70,32,110	20,00,865
Impact on present value of defined benefit obligation if salary increase by	+1%	70,22,875	19,98,156
Impact on present value of defined benefit obligation if salary decrease by	-1%	64,75,310	18,39,154
Impact on present value of defined benefit obligation if employees attrition is	+1%	67,05,583	19,04,747
Impact on present value of defined benefit obligation if employees attrition is	-1%	67,71,747	19,26,153
Projected benefits obligation on current assumptions as on 31-03-2017			
Impact on present value of defined benefit obligation if discount rate increase by	+1%	58,36,487	18,04,664
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	63,75,131	19,77,964
Impact on present value of defined benefit obligation if salary increase by	+1%	63,65,398	19,74,781
Impact on present value of defined benefit obligation if salary decrease by	-1%	58,40,029	18,05,786
Impact on present value of defined benefit obligation if employees attrition is	+1%	60,56,941	18,73,414
Impact on present value of defined benefit obligation if employees attrition is	-1%	61,28,524	18,99,749

Note 5.25 (H) Expected contribution to the defined benefit plan in future years

Particulars	Gratuity		Compensated absences	
	31 st March, 2018 Rs.	31 st March, 2017 Rs.	31 st March, 2018 Rs.	31 st March, 2017 Rs.
Expected outflow in 1st year	18,50,353	16,97,327	6,53,637	6,45,742
Expected outflow in 2nd year	1,98,765	1,76,879	35,670	25,698
Expected outflow in 3rd year	1,49,894	1,73,493	41,935	43,165
Expected outflow from 4th year onwards	45,37,972	40,43,245	11,83,604	11,71,213

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The above information is certified by the Actuary.

Note 5.26 Finance Charges

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rs.	Rs.	Rs.	Rs.
Unwinding of discount on provisions	---	4,43,605	---	4,10,128
Bank charges	---	41,145	---	11,073
Total		4,84,750		4,21,201

Note 5.27 Other Expenses

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rs.	Rs.	Rs.	Rs.
Rent	---	51,70,867	---	69,31,127
Power, Coal & Water	---	2,58,28,483	---	2,38,55,343
Repairs & Maintenance				
Plant & Machinery	1,09,39,053	---	1,10,75,052	
Others	7,94,130	1,17,33,183	5,79,873	1,16,54,925
Excise duty paid	---	1,82,90,100	---	4,59,62,417
Adjustment in excise duty for change in closing stock	---	(44,67,548)	---	(10,06,105)
Other Manufacturing Expenses	---	13,03,413	---	2,71,090
Rates and Taxes	---	9,61,741	---	7,24,782
Insurance	---	2,52,131	---	2,32,112
Postage & Telephone expenses	---	4,72,903	---	3,33,158
Auditors' Remuneration				
for Audit Fees	1,00,000		75,000	
for Taxation Matters	---	1,00,000	35,000	1,10,000
Selling expenses	---	7,13,476	---	5,52,802
Donations	---	---	---	27,200
Fixed Assets Written off	---	---	---	76,654
Miscellaneous Expenses	---	57,23,243	---	43,31,846
Total		6,60,81,992		9,40,57,351

Note 5.28 Components of Tax Expense recognised in profit and loss account

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Rs.	Rs.	Rs.	Rs.
Current Tax:				
Current tax on profit for the year	---	2,13,07,000	---	1,15,81,000
Deferred tax				
Decrease / (increase) in deferred tax assets	---	6,02,679	---	(2,05,638)
(decrease) / increase in deferred tax liabilities	---	45,16,236	---	(3,27,054)
Total deferred tax expenses/(benefit)	---	51,18,915	---	(5,32,692)
Tax for earlier year				
Tax pertaining to previous years	---	(2,84,625)	---	75,387
Total Tax expense recognised in the current year		2,61,41,290	---	1,11,23,695



Note 5.28 (A) Reconciliation of Income tax expense for the year with accounting profit;

Particulars	For the year ended March 31, 2018 Rs.	For the year ended March 31, 2017 Rs.
Profit before tax	9,07,07,951	4,56,16,494
Income tax expense @ 27.55 % (2016-17: 33.06%)	2,49,90,040	1,50,82,181
Less : Effect of income Exempt from taxation		
Dividend	(5,92,799)	5,86,469
Long term Capital gain	—	(46,61,953)
Depreciation as per IT rules	(56,02,790)	(13,25,992)
Add: Effect of expenses that are not deductible in determining taxable profit		
Depreciation as per Companies Act, 2013	19,87,997	18,32,627
Effect of deferred tax, other adjustments	54,72,814	5,77,894
Actuarial gains recognised in OCI	1,70,652	1,30,019
Taxation pertaining to earlier years	(2,84,625)	75,387
Tax expense as per the Statement of Profit and Loss	2,61,41,290	1,11,23,695

- i) The tax rate used for the years ended 31st March, 2018 and 31st March, 2017 in reconciliations above is the corporate tax rate of 27.55% (Previous year 33.06 %) payable by corporate entities in India on taxable profits under the Indian tax law.
- ii) There is a decrease in tax rate by 5.51% during the year as compared to previous year due to compliance of certain conditions as specified under Income Tax Act, 1961 by the company.

Note 5.28 (B) Tax Expense recognised in other comprehensive income

Particulars	As at 31-03-2018		As at 31-03-2017	
	Details	Rs.	Details	Rs.
On remeasurement of defined benefits plan	---	-3,56,077	---	---
On Fair valuation of financial assets and financial liabilities	---	3,56,077	---	---
Total		---		---

Note 5.29 Calculation of Earnings Per Share (EPS) is as follows:

Earnings per share is calculated by dividing:

- the profit attributable equity share holders of the company
- by the weighted average number of equity shares outstanding during the financial year.

A) Profit attributable to equity holders is as follows:

Particulars	2017-18	2016-17
	Rs.	Rs.
Net Profit attributable to equity holders:		
Continuing operations	6,45,66,661	3,44,92,799
Discontinued operation	---	---
Net Profit attributable to equity holders adjusted for the effect of dilution	6,45,66,661	3,44,92,799

B) Weighted average number of equity shares is as follows:

Particulars	2017-18	2016-17
	Rs.	Rs.
Weighted average number of Equity shares for calculating basic EPS	70,00,400	70,00,400
Equity shares allocated for Share warrents	8,20,082	—
Weighted average number of Equity shares for calculation of diluted EPS	72,73,761	70,00,400

- C) The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.
- D) Refer Note No 5.14 (D) for information regarding share warrant. As on the balance sheet date, none of the allottees has exercised the right of converting the share warrents into equity shares, hence the same is considered for calculating diluted EPS.

E) Calculation of EPS

Particulars	2017-18 Rs.	2016-17 Rs.
Earnings per equity share (for continuing operations)		
a) Basic	9.22	4.93
b) Diluted	8.88	4.93
Earnings per equity share (for discontinuing operations)		
a) Basic	—	—
b) Diluted	—	—

Note 5.30: Segment information

Segmental reporting as per Ind AS-108 as notified by MCA is not applicable, as the Company is engaged in manufacture of a single line of product.

Note 5.31: Impairment of Assets

According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment of Assets.'

Note 5.32 Contingent Liabilities not provided for in respect of:

(Amount in Rs.)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A) Claims against the company not acknowledged as debt			
(a) Disputed Tax Collected at Source (TCS) demand with the income tax department which is unpaid	56,020	56,020	56,020
(b) Order from the Deputy Commissioner of Central Excise demanding for payment of differential duty on sale of coal fines for the period from April 2012 to March 2016 (Including penalty)	30,09,690	30,09,690	30,09,690
B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):	1,75,24,226	—	—

Note 5.32 (A) Others

During the year the company has entered into a vendor finance Agreement usually termed as “Trade Credit”. In this case, the transaction is between ALUFLUORIDE LIMITED (the company) and VEDANTA LIMITED (Vedanta Group) in which, ICICI Bank Ltd., acts as Vendor Financer to Vedanta for Rs.8.50 Crores.

In the above arrangement, the company will supply Aluminum Fluoride to Vedanta Group, for which, based on the above Vendor Financing scheme, at the advice of Vedanta, ICICI Bank Ltd., will pay invoice payments to the company on behalf of Vedanta. The company will not pay any interest on these transactions to ICICI and all the payments due to ICICI Bank Ltd., is being paid by Vedanta as per its due dates. The company has not created any charge on the assets of the company.

As on 31st of March, 2018, the company owes to ICICI Bank Ltd an amount of Rs.7,19,03,064/- (March 31, 2017: Nil and April 1, 2016: Nil) and these amounts will be paid to ICICI Bank Ltd by Vedanta group. In case of default by Vedanta group, the company may liable for the same and the company can sue Vedanta group for recovery of the liable amount.

Note 5.32 (B) Disputed cases

1. Legal notice issued by a supplier for capital goods against the Company for which the Company is disputing and had already provided sufficient liability in the books of account to the tune of Rs.12,35,756/- (March 31, 2017: Rs.12,35,756 and April 1, 2016: Rs.12,35,756).
2. The company has a dispute with the Visakhapatnam Port Trust (VPT) regarding excessive lease rentals and will be paid to VPT on settlement amounting to Rs.1,37,73,918 (March 31, 2017: Rs.81,89,382 and April 1, 2016: Rs.7,80,587) grouped under other current financial liabilities.

Note 5.33 Earnings & Expenditure in foreign currency on account of:

Particulars	2017-18 Rs.	2016-17 Rs.
A) Earnings in foreign currency:	---	---
B) Expenditure:		
Technical Consultant's fee including, in respect of the proposed expansion plant, grouped under Capital works in progress	1,21,70,510	21,39,000

Note 5.34 Movements in provisions

Particulars	Provision for decommissioning liability Rs.
As at 01-04-2016	50,46,267
Charged/ (credited) to profit/loss account	4,10,128
Unused amounts reversed	---
Amounts used during the year	---
As at 31-03-2017	54,56,395
Charged/ (credited) to profit/loss account	4,43,605
Unused amounts reversed	---
Amounts used during the year	---
As at 31-03-2018	59,00,000

Provision for decommissioning liability:

This provision has been created for estimated costs of dismantling and removing the debris and restoring the site in respect of leased premises on which the plant is super structured. The initial lease agreement is for a period of 20 years which is valid upto 31.12.2014, since then the company is follow-up with Visakhapatnam Port Trust for extension of lease. Accordingly the extended period of lease is still uncertain as on the reporting date. As the company is in advanced stage of planning to set up a new expansion plant at the same leased site at Visakhapatnam, the estimated life of the new plant, which is estimated to be 20 years and accordingly the company is expected to enter into lease extension agreement for atleast 20 years; Accordingly the de-commissioning provision has been estimated based on the above facts.

Note 5.35 As per Indian Accounting Standard 24 “Related parties disclosure” the disclosure of Related parties as defined in the Standard are given hereunder:

A) List of Related Parties:

Name of the Related Party	Relationship
1) M/s. Anar Enterprises Private Ltd, 2) M/s. Kaiser Finance & Leasing Private Ltd, 3) M/s. Visakha Finance Ltd, 4) M/s. Akkineni Procure	Entities in which Key management personnel and/or Close relatives have significant interest
5) Sri Venkat Akkineni	Key management personnel - Managing Director
6) Smt. Jyothsana Akkineni	Key management personnel - Executive Director
7) Sri K. Purushotham Naidu 8) Mr. Aditya Akkineni	Key management personnel - Director (Finance & Admn). Son of Managing Director
9) Ms. Annapurna Akkineni	Daughter of Managing Director

B) Transactions with the Related Parties and outstanding balances: (Amount in Rs.)

Particulars	Name of the related party	Transactions total during		Balance outstanding as on		
		2017-18	2016-17	31.03.2018	31.03.2017	01.04.2016
1. Purchase of a motor car	M/s. Akkineni Procure	31,50,000	—	—	—	—
2. Remuneration paid/payable	Sri Aditya Akkineni	—	3,72,637	—	—	—
	Sri Venkat Akkineni	66,02,138	48,34,790	5,00,829	12,95,460	2,73,981
	Sri K. Purushotham Naidu	20,68,586	19,81,201	2,83,247	3,95,927	1,48,287
3. Issue of Share warrents	Mr. Venkat Akkineni	49,79,500	—	—	—	—
	Ms. Annapurna Akkineni	20,53,676	—	—	—	—
	Mr. Aditya Akkineni	20,61,600	—	—	—	—

C) Transactions with management personnel (Amount in Rs)

Particulars	2017-18	2016-17
Salaries and Commission	74,07,229	56,44,690
Perquisites and Contributions	12,63,495	11,71,301
Director's Sitting fees	24,000	11,000
Director's Travelling Expenses	11,75,796	4,60,982
Total amount paid to management personnel	98,70,520	72,87,973

* There are no significant transactions except for the above mentioned above which are carried at arm's length transaction

D) Compensation to Key management personnel

The remuneration and other benefits to key management personnel during the year was as follows

(Amount in Rs.)

Particulars	2017-18	2016-17
i) Short-Term employee benefits	86,70,724	68,15,991
ii) Post employment benefits (As per Actuary report)	20,65,346	19,64,690
iii) Other long term benefits	---	---
iv) Share based payments	---	---
v) Termination benefits	---	---
Total	1,07,36,070	87,80,681

Note: 5.36 Details of imported and indigeneous raw materials and spares consumed

Particulars	2017-18		2016-17	
	Rs.	%	Rs.	%
Raw Materials				
Imported	---	---	---	---
Indigenous	31,74,29,212	100	24,51,57,605	100
Stores & Spares				
Imported	---	---	---	---
Indigenous	3,37,85,107	100	4,10,12,807	100

Note 5.37 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

Note No. 6 Financial Instruments:
Note No. 6.1 Capital Management

A) The primary objective of the company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder's value. The company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stake holders. The company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings, if required without where the risk profile of the company.

B) Capital Structure of the company is as follows:

(Amount In Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Equity Share Capital	7,00,04,000	7,00,04,000	7,00,04,000
Long Term Debt	---	---	---

C) Since the company is has a "zero" borrowings as on reporting date and previous reporting date and as on the date of transition into Ind As the gearing ratio i.e net debt to equity ratio is mathematically calculated to be "Zero".

Note No. 6.2 Categories of Financial Instruments
(Amount In Rs.)

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial asstes (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Trade receivables	4,05,60,816	4,05,60,816	3,95,78,710	3,95,78,710	3,60,05,384	3,60,05,384
Bank balances other than above	1,99,03,636	1,99,03,636	1,86,99,136	1,86,99,136	1,91,08,750	1,91,08,750
Other current and non-current financial assets	64,25,056	64,25,056	41,02,619	41,02,619	33,48,120	33,48,120

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.	Carrying amount Rs.	Fair value Rs.
Financial Assets measured at Fair Value through Profit and Loss Account (FVTPL)						
Other Non-Current Financial Assets	66,80,374	66,80,374	64,33,157	64,33,157	61,32,457	61,32,457
Cash and cash equivalents	2,01,58,269	2,01,58,269	87,48,326	87,48,326	88,65,503	88,65,503
Designated Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)						
Investment in Equity Instruments and mutual funds	17,45,20,677	17,45,20,677	12,53,46,636	12,53,46,636	6,70,28,501	6,70,28,501
Financial Liabilities (Current and Non-Current)						
Financial Assets measured at Amortised Cost						
Trade payables	3,41,63,377	3,41,63,377	3,40,86,724	3,40,86,724	1,89,47,016	1,89,47,016
Other financial liabilities	1,61,55,747	1,61,55,747	1,07,56,354	1,07,56,354	36,20,816	36,20,816

Note No. 6.3 Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A) The following methods and assumptions were used to estimate the fair values

The fair value of cash and cash equivalents, trade receivables and payables, financial liabilities and assets approximate their carrying amount largely due to the short-term nature of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. The investments are designated and recognised through Other Comprehensive Income and the fair value is measured at the quoted market value.

B) Fair value hierarchy

Level 1: Level 1 hierarchy includes inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly for the asset or liability.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2018:

Amount in Rs.

Particulars	As at 31st March, 2018	Fair value measurement at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Trade receivables	4,05,60,816 (3,95,78,710) [3,60,05,384]	— — —	4,05,60,816 (3,95,78,710) [3,60,05,384]	— — —
Other current & Non-current financial assets	1,31,05,430 (1,05,35,776) [94,80,577]	— — —	1,31,05,430 (1,05,35,776) [94,80,577]	— — —
Investment in Equity Instruments and mutual funds	17,45,20,677 (12,53,46,636) [6,70,28,501]	17,45,20,677 (12,53,46,636) [6,70,28,501]	— — —	— — —
Financial Liabilities				
Trade payables	3,41,63,377 (3,40,86,724) [1,89,47,016]	— — —	3,41,63,377 (3,40,86,724) [1,89,47,016]	— — —
Other financial liabilities	1,61,55,747 (1,07,56,354) [36,20,816]	— — —	1,61,55,747 (1,07,56,354) [36,20,816]	— — —

Note: Figures in round brackets () indicate figures as at March 31, 2017 and in brackets [] indicate figures as at April 01, 2016.

During the above periods, there were no transfers between Level 1 and Level 2

Note No-6.4 Financial risk management framework

A) The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management framework aims at,

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks

- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

B) The company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

This note explains the sources of company's risk from financial instruments and the method adopted to overcome the risk:

Nature of Risk	Exposure arising from	Measurement	Risk Management
a) Credit risk	Cash and cash equivalents, trade receivables, deposits, investments in securities & mutual funds	Aging analysis/ credit ratings, expected credit loss	Lower credit period & diversification of bank deposits
b) Liquidity risk	Trade payables, Other liabilities	Rolling cash flows forecasts	Committed credit periods for payments
c) Market risk-Commercial risk	Price variations of raw materials, sales	Sensitivity analysis	Fixed contracts on selling and purchases
d) Market risk-Security investments prices	Price variations of investments in securities	Sensitivity analysis	Portfolio diversification

a) Credit risk:

i) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from cash and cash equivalents, deposits with banks. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

ii) Financial assets that are neither past due nor impaired

Cash and cash equivalents, deposits with banks, security deposits, investments in securities & mutual funds are neither past due nor impaired. Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible. Investments in investments in securities & mutual funds are actively traded in the stock markets and there is no collateral held against these because the counterparties are entities with high credit ratings assigned by the various credit rating agencies. Hence the expected credit loss is negligible

iii) Financial assets that are past due but not impaired

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 30 days. All trade receivables are reviewed and assessed for default on a quarterly basis. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
Less than 3 Months	0%
3 Months to 6 Months	1%
6 Months to 1 Year	2%
1 Year to 3 Years	5%
More than 3 Years	100%

Age of receivables for calculating expected credit loss under simplified approach (Amount in Rs.)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Less than 3 Months	4,05,60,816	3,95,78,710	3,60,05,384
3 Months to 6 Months	—	—	—
6 Months to 1 Year	—	—	—
1 Year to 3 Years	—	—	—
More than 3 Years	—	—	—
(Expected Credit losses)	(—)	(—)	(—)
Net carrying amount	4,05,60,816	3,95,78,710	3,60,05,384

Note: Since all the receivables are within the credit period; there is no risk and the expected credit loss is negligible

b) Liquidity risk

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit line to meet obligations. Due to the dynamic nature of underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines.

ii) Maturities of financial liabilities

The following table shows the estimated maturity analysis for non-derivative financial liabilities

(Amount in Rs.)

Particulars	As at 31st Marh, 2018	As at 31st Marh, 2017	As at 01st April, 2016
Trade payables			
Less than 3 Months	2,48,58,542	3,23,51,913	1,73,65,316
3 Months to 6 Months	93,04,835	17,34,811	15,81,700
6 months to 1 Year	—	—	—
More than 1 Year	—	—	—
Other financial liabilities			
On Demand payable	1,61,55,747	1,07,56,354	36,20,816
Less than 3 Months	—	—	—
3 Months to 6 Months	—	—	—
6 months to 1 Year	—	—	—
More than 1 Year	—	—	—

c) Market risk-Commercial risk
i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure/liability will fluctuate because of changes in foreign exchange rates. Since Company's operations are being carried out in India and since all the material balances are denominated in its functional currency and there are no foreign currency borrowings, liabilities, the Company does not carry any material exposure to currency fluctuation risk. The Company's exposure to foreign currencies is immaterial and hence no sensitivity analysis is presented.

ii) Commercial risk

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%.

1) Selling price risk
(Amount in Rs)

Particulars	Impact on profit	
	F Y 2017-18	F Y 2016-17
Increase in Selling Prices @ 5%		
Aluminium flouride	2,48,38,933	1,81,66,467
Total	2,48,38,933	1,81,66,467
Decrease in Selling Prices @ 5%		
Aluminium flouride	(2,48,38,933)	(1,81,66,467)
Total	(2,48,38,933)	(1,81,66,467)
2) Raw material risk		
Increase in RM Cost @ 5%		
Hydrofluosilicic Acid	(11,31,203)	(8,77,405)
Alumina Hydrate	(70,23,705)	(53,77,611)
Hydrated Lime	(61,673)	(53,578)
Packing Materials	(1,64,787)	(1,28,640)
Furance oil	(28,20,546)	(21,69,251)
Decrease in RM Cost @ 5%		
Hydrofluosilicic Acid	11,31,203	8,77,405
Alumina Hydrate	70,23,705	53,77,611
Hydrated Lime	61,673	53,578
Packing Materials	1,64,787	1,28,640
Furance oil	28,20,546	21,69,251

d) Market risk-Security investments prices

i) The price risk arises from the investments held by the company which has been classified in the financial statements as financial assets through other comprehensive income and the same are held for receiving contractual cash flows and for sale. The company has adopted a policy of diversification of portfolio for mitigating the price risk.

ii) Equity Price Sensitivity Analysis:

The sensitivity analysis below have been determined based on the exposure to equity price risks for Investments in equity shares (including investments in equity oriented mutual funds) of companies.

If equity prices had been 5% higher/lower, profit for the year ended 31st March, 2018 would increase/decrease by Rs.87,26,034 (for the year ended 31st March, 2017: increase / decrease by Rs.62,67,330) as a result of the change in fair value of equity investments which are designated as FVTOCI.

Note No: 7 First time adoption of Ind As - Disclosures, Reconciliations etc.

These are the company's first financial statements prepared in accordance with Ind AS. For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 - "First Time adoption of Indian Accounting Standards". The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles.

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain mandatory exceptions and optional exemptions allowed by the Company as detailed below:

Note No- 7.1
Optional Exemptions from retrospective application:
a) Deemed cost for property, plant and equipment:

The company may elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has opted this exemption for all of its property, plant and equipment.

b) De-commissioning Liability included in the cost of property, plant and equipment

Under Ind AS 16 Property, Plant and Equipment, the cost of an item of property, plant and equipment in costs of dismantling and removing the item and restoring the site on which is located the obligation for which item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. An entity shall account for

changes in decommissioning liability in accordance with Appendix A to Ind AS 16, which requires specified changes in a decommissioning, restoration or similar liability to be added or deducted from the cost of the asset to which it relates. Ind AS 101 provides an exemption whereby a first time adopter need not comply with requirements for changes in decommissioning liabilities that occurred before the date of transition to Ind AS and prescribes an alternative treatment if the exemption is used.

Accordingly, the company has opted this exemption and applied the following procedure:

- i) A decommissioning liability is measured in accordance with Ind AS 37 at the date of transition to Ind AS.
- ii) To the extent the liability is within the scope of Appendix A of Ind AS 16, estimated the liability that would have been included in the cost of related asset when the liability first arose and discounted by using best estimate of the historical risk adjusted discount rate over the intervening period, and
- iii) calculated the accumulated depreciation on that amount, as at the date of transition to Ind ASs, on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the entity in accordance with Ind AS.

c) Designation of previously recognised financial instruments

Under Ind AS 109, at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in the fair value of an investment in an equity instrument in other comprehensive income. Ind AS 101 allows such designation of previously recognized financial assets, as fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS. Accordingly, the Company has designated its investments in quoted equity instruments at fair value through other comprehensive income on the basis of the facts and circumstances that existed at the date of transition to Ind AS.

Note No- 7.2 Mandatory Exceptions from retrospective application:**a) Estimates**

On assessment of the estimates made under the previous GAAP financial statements, the Company has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Company for the relevant reporting dates reflecting conditions existing as at that date.

b) Fair value measurement of financial instruments at initial recognition

Under Ind AS 109, at initial recognition of financial instruments, an entity shall measure a financial instrument at its fair value i.e the transaction price. Ind AS 101 allows to apply such requirements prospectively to transactions

entered into on or after the date of transition to Ind AS. Accordingly, the company has opted this exemption. Therefore, transactions that occurred prior to the date of transition to Ind AS have not been retrospectively restated.

c) Impairment of financial assets:

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.



Note No- 7.3 Reconciliations as per Ind AS 101 “First time adoption of Indian Accounting Standards”

(A) Effect of Ind As adoption on the Balance sheet as at 31st March, 2017 and 1st April, 2016 (Amounts in Rs.)

Sl. No.	Particulars	Refer Note No. F (Under Note 7.3 (E))	As at 31st March, 2017 (End of the last reporting period presented as per Previous GAAP)		As at 1st April, 2016 (Date of transition)	
			*Previous GAAP	Effect of Transition to Ind As	Ind AS	Ind AS
1. ASSETS						
1. Non-current assets						
(a) Property, plant and equipment	b		2,52,83,948	33,51,802	2,86,35,750	2,82,56,783
(b) Capital work-in-progress			26,82,906	—	26,82,906	5,43,906
(c) Financial assets						
(i) Investments	a		11,72,34,533	81,12,103	12,53,46,636	6,70,28,501
(ii) Others			64,33,157	—	64,33,157	61,32,457
(d) Deferred tax Asset (Net)	g		26,29,739	18,04,047	44,33,786	37,71,077
(e) Other non-current assets			52,690	—	52,690	52,690
2. Current assets						
(a) Inventories			5,13,22,444	—	5,13,22,444	5,81,42,341
(b) Financial assets						
(i) Trade receivables			3,95,78,710	—	3,95,78,710	3,60,05,384
(ii) Cash and cash equivalents			87,48,326	—	87,48,326	88,65,503
(iii) Bank balances other than above			1,86,99,136	—	1,86,99,136	1,91,08,750
(iv) Others			41,02,619	—	41,02,619	33,48,120
(c) Current Tax Assets (Net)			6,09,643	—	6,09,643	—
(d) Other current assets			1,62,73,441	—	1,62,73,441	1,06,02,443
Total Assets			29,36,51,292	1,32,67,953	30,69,19,245	23,39,55,445
					79,02,510	24,18,57,955



Alufluoride Limited

(Amounts in Rs.)

Sl. No.	Particulars	Refer Note No. F (Under Note 7.3 (E))	As at 31st March, 2017 (End of the last reporting period presented as per Previous GAAP)			As at 1st April, 2016 (Date of transition)		
			*Previous GAAP	Effect of Transition to Ind As	Ind AS	*Previous GAAP	Effect of Transition to Ind As	Ind AS
	EQUITY AND LIABILITIES							
	Equity							
	(a) Equity Share capital		7,00,04,000	--	7,00,04,000	7,00,04,000	--	7,00,04,000
	(b) Other equity	a to g	15,91,28,522	78,11,558	16,69,40,081	12,32,94,783	28,56,243	12,61,51,026
	LIABILITIES							
1.	Non-current liabilities							
	(a) Provisions	c	56,33,693	54,56,395	1,10,90,088	51,72,341	50,46,267	1,02,18,608
2.	Current liabilities							
	(a) Financial liabilities							
	(i) Trade payables		3,40,86,724	--	3,40,86,724	1,89,47,016	--	1,89,47,016
	(ii) Other financial liabilities		1,07,56,354	--	1,07,56,354	36,20,816	--	36,20,816
	(b) Other current liabilities		1,16,98,929	--	1,16,98,929	1,02,90,029	--	10,29,0,029
	(c) Provisions		23,43,069	--	23,43,069	21,99,347	--	21,99,347
	(d) Current Tax Liabilities (Net)			--	--	4,27,113		4,27,113
	Total Equity and Liabilities		29,36,51,292	1,32,67,953	30,69,19,245	23,39,55,445	79,02,510	24,18,57,955

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(B) Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016
(Amounts in Rs.)

Particulars	Refer Note No. F (Under Note 7.3 (E))	As at 31st March, 2017	As at 1st April, 2016
Total equity as per previous GAAP		15,91,28,522	12,32,94,783
Adjustments:			
Fair value measurement of equity instruments	a	81,12,103	23,39,111
Provision for decommissioning costs as per Ind AS 37 and Depreciation	b & c	(21,04,592)	(11,51,316)
Adjustment of Deferred tax impact on the above adjustments.	g	18,04,047	16,68,447
Total Adjustment to Equity		78,11,558	28,56,243
Total equity as per Ind AS		16,69,40,080	12,61,51,026

(C) Effect of Ind As adoption on the statement of profit and loss for the year ended 31st March, 2017
(Amounts in Rs.)

SI No.	Particulars	Refer Note No. F (Under Note 7.3 (E))	As per GAAP for the year ending 31-03-2017	Effect of Transition to Ind AS	As per IND AS for the year ending 31-03-2017
I.	Revenue from operations	d	36,33,29,341	4,54,16,169	40,87,45,510
II	Other income	d	2,41,80,489	5,46,248	2,47,26,737
III	Total Income (I + II)		38,75,09,830	4,59,62,417	43,34,72,247
IV	Expenses				
	Cost of materials consumed		24,51,57,605	—	24,51,57,605
	Changes in inventories of finished goods and work in progress		90,54,939	—	90,54,939
	Employee benefit expense	e & f	3,32,28,579	3,93,245	3,36,21,824
	Finance cost	c	11,073	4,10,128	4,21,201
	Depreciation and amortisation expense	ab	49,99,684	5,43,149	55,42,833
	Other expense	d	4,80,94,934	4,59,62,417	9,40,57,351
	Total expenses (IV)		34,05,46,814	4,73,08,939	38,78,55,753
V	Profit/ (loss) before exceptional items and tax (III-IV)		4,69,63,016	(13,46,522)	4,56,16,494
VI	Exceptional items		—	—	—
VII	Profit/ (loss) before tax (V-VI)		4,69,63,016	(13,46,522)	4,56,16,494
VIII	Tax expense				
	(1) Current Tax		1,15,81,000	—	1,15,81,000
	(2) Adjustment of Tax expense for earlier years		75,387	—	75,387
	(3) Deferred tax		(5,27,110)	5,581	(5,32,692)



(Amounts in Rs.)

Particulars	Refer Note No. F (Under Note 7.3 (E))	As per GAAP for the year ending 31-03-2017	Effect of Transition to Ind AS	As per IND AS for the year ending 31-03-2017
IX Profit/ (loss) for the period from continuing operations (VII-VIII)		3,58,33,739	---	3,44,92,799
X Profit/ (loss) from discontinued operations		---	---	---
XI Tax expense of discontinued operations	---	---	---	---
XII Profit/ (loss) from discontinuing operations (after tax)	---	---	---	---
XIII Profit/ (loss) for the period		3,58,33,739	---	3,44,92,799
XIV Other comprehensive income				
A Items that will not be reclassified to profit or loss				
(i) Remeasurement gains/(losses) on the defined benefit plans	e & f	---	3,93,245	3,93,245
Income tax effect on the above	f	---	1,30,019	1,30,018
(ii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI	a & e	---	57,72,992	57,72,992
Income tax effect on above				
B Items that will be reclassified to profit or loss	---	---	---	---
Income tax relating to items that will be reclassified to profit or loss				
XV Total comprehensive income for the period (XIII+XIV) (Comprising Profit/ loss + other comprehensive income for the period)		3,58,33,739	62,96,256	4,07,89,055

(D) Reconciliation of Total comprehensive income for the year ended 31st March, 2017

Particulars	Refer Note No. F (Under Note 7.3 (E))	For the year ending 31.03.2017 Rs.
Net Profit after tax as per previous GAAP		3,58,33,739
Adjustments:		
Periodic unwinding of discount on decommissioning liability	c	(4,10,128)
Depreciation on decommissioning costs	b	(5,43,149)
Remeasurement gain/loss on defined benefit obligations, net of tax effects	e & f	(3,93,245)
Deferred tax impact on above adjustments	g	5,581
Net Profit after tax as per Ind AS		3,44,92,799
Gains/(losses) on restatement of equity instruments measured at FVTOCI	a & e	57,72,992
Remeasurement gain/loss on defined benefit obligations, net of tax effects	e & f	3,93,245
Deferred tax impact on above adjustments	g	1,30,019
Total Comprehensive income as per Ind AS		4,07,89,055

(E) Effect of Ind As adoption on the cash flows for the year ended 31st March, 2017
(Amounts in Rs.)

Particulars	Refer Note No. F (Under Note 7.3 (E))	As per GAAP for the year ending 31-03-2017	Effect of Transition to Ind AS	As per IND AS for the year ending 31-03-2017
Net cash flows as per operating activities		4,25,20,798	---	4,25,20,798
Net cash flows as per investing activities		(4,22,16,777)	---	(4,22,16,777)
Net cash flows as per financing activities	c	(4,21,201)	---	(4,21,201)
Net increase / (decrease) in cash and cash equivalents		(9,37,364)	---	(1,17,179)
Cash and cash equivalents at the beginning of the period	h	2,79,74,253	(1,91,08,750)	88,65,503
Cash and cash equivalents at the end of the period	h	2,74,47,462	(1,86,99,136)	87,48,326

(F) Explanatory Notes to reconciliation between Previous GAAP and Ind AS
a. Investments in quoted equity instruments and other quoted instruments designated at FVTOCI

As per Ind AS 109, equity instruments designated at FVTOCI has to be measured at fair value and the gains/losses on restatement has to be recognised in the Other Comprehensive Income net of related taxes, as a separate component of equity. At the date of transition to Ind AS, difference between the instruments fair value and Indian GAAP carrying amount has been recognised in retained earnings.

(Amounts in Rs.)

Particulars	01-04-2016	During 16-17	31-03-2017
Recognised in retained earnings	23,39,111	---	---
Gains/(losses) on restatement adjusted in OCI	---	57,72,992	---
Increase/(decrease) in Investments	23,39,111	57,72,992	81,12,103

b. Property, Plant and Equipment

As per Ind AS 16, the cost of PPE shall include the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located. Accordingly, the company recognised the estimated decommissioning costs of the leased premises on which the plant is super structured as part of its Plant & Machinery. For discounting the estimated dismantling cost, the company has taken total leased premises life based on the estimated lease period which the company expects to enter into agreement with Visakhapatnam Port trust for its new proposed expansion project at Visakhapatnam.

(Amounts in Rs.)

Particulars	01-04-2016	During 16-17	31-03-2017
Increase in PPE	45,73,888	---	---
Accumulated depreciation recognised against retained earnings	6,78,937	---	---
Increase in depreciation charged to Profit & Loss	---	5,43,149	---
Net increase in PPE	38,94,952	5,43,149	33,51,802

c. Provision for Decommissioning liability

As per Ind AS 37, a provision has to be recognised when an entity has a present obligation arising from past events and the settlement of which is expected to result in an outflow of resources. Further, the same has to be measured at present value of the expenditure expected to be required to settle the

obligation. Accordingly, the company has recognised a provision for decommissioning liability equivalent to the discounted value of the estimated decommissioning costs as at the date of transition to Ind As. The differential amount of asset recognised and provision created has been adjusted in retained earnings.

(Amounts in Rs.)

Particulars	01-04-2016	During 16-17	31-03-2017
Increase in Decommissioning liability by adjusting to retained earnings	50,46,267	—	—
Periodic unwinding of discount costs charged to Profit & Loss	—	4,10,128	—
Increase in provision	50,46,267	4,10,128	54,56,395

d. Excise Duty

Under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue by Rs.4,59,62,417/- with a corresponding increase in excise duty expenses in other expenses for the year ended 31 March, 2017. However, there is no impact on the total equity and profit.

e. Other Comprehensive Income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income, accordingly actuarial gains and losses on remeasurement of defunded benefit obligations and Equity instruments at FVTOCI and its tax effects are recognised in this

f. Remeasurement of Defined Benefit Plan

Under previous GAAP and Ind AS, the Company recognizes cost related to its post-employment defined benefit plan on an actuarial basis. Under previous GAAP, the entire cost, including re-measurement, are charged to Statement of profit and loss.

Consequently, the tax effect on the same has also been recognised in OCI instead of statement of profit and loss.

Under Ind AS, the entity is permitted to transfer amounts recognized in the Other Comprehensive Income within equity. The Company has taken recourse of the said provision and has transferred all re-measurement costs recognized relating prior to the transition date from Retained earnings as on the date of transition as permitted under Ind AS.

On transition, this has resulted in reclassification of re-measurement losses on defined benefit plans of Rs.3,93,245/- for the year ended March 31, 2017 from Statement of profit and loss to OCI.

g. Taxation

Deferred tax has been recognized in respect of on accounting differences between previous GAAP and Ind AS. These adjustments have resulted in net total increase in deferred tax asset and increase in equity by Rs.16,68,447 as on March 31, 2017 and by Rs.18,04,047 April,1, 2016 respectively. Deferred tax asset has been recognised for Provision for de-commissioning liability and adjustments has been made for defined benefit obligations.

h. Cash and cash equivalents

Under previous GAAP, bank fixed deposits whose original maturity of more than 3 months are considered as part of cash and cash equivalents. Under Ind AS these fixed deposits are not considered as component of cash and cash equivalents and accordingly these fixed deposits are not considered in opening and closing cash equivalents. This change does not affect total equity as at date of transition to Ind AS and as at 31st March, 2017.

INSTRUCTIONS ON ELECTRONIC VOTING

The procedure and instructions for Members for e-voting are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab
- (iii) Now, select the Company name “ALUFLUORIDE LIMITED” from the drop down menu and click on “SUBMIT”.
- (iv) Now enter your User ID :-
 - (a) For CDSL - 16 digits beneficiary ID,
 - (b) For NSDL - 8 Characters DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Captcha Code (Image Verification Code) as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).
- (viii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in 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)	
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

* 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 sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) 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. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen.
- (xi) 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 also used by the demat holders for voting for resolutions 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.

- (xii) You can also update your mobile number and E-mail ID in the user profile details of the folio, which may be used for future Communication(s).
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (xiv) Click on the EVSN (Electronic Voting Sequence Number) of “ALUFLUORIDE LIMITED” to vote.
- (xv) 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.
- (xvi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolutions
- (xvii) 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.
- (xviii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xx) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code (Image Verification Code) and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a User ID to able to link the account(s) which they wish to vote and then cast their vote on
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Once the vote on the Resolution is cast by the Shareholders, they shall not be allowed to change it subsequently.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQ”) and e-voting manual available at www.evotingindia.co.in under help section or Write an email to helpdesk.evoting@cdslindia.com.
- (xxiii) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman/Director of the Company
- (xxiv) The Results on Resolutions shall be declared on or after the AGM of the Company by the Chairman of the Company or by any other persons duly authorized in this regard. The Resolutions will be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes. The Results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.alufluoride.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.



Alufluoride Limited

Regd.Off: Mulagada, Mindi, Visakhapatnam - 530 012, AP, India.

FORM No. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN No. : L24110AP1984PLC005096

Registered Folio No./Client ID

Name of the Company :

Registered Office:

Name of the member(s) :

Registered address:

E-mail Id:

Folio No./Client Id:

DP ID:

I/We, being the member(s) of shares of the above named Company, hereby appoint

1. Name:
Address:
E-mail Id:
Signature:, or failing him
2. Name:
Address:
E-mail Id:
Signature:, or failing him
3. Name:
Address:
E-mail Id:
Signature:

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Sunday, 30th September, 2018 at 11.00 A.M. at the Registered Office of the Company, situated at Mulagada, Mindi, Visakhapatnam-530 012 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2018 and Profit and Loss Account for the year ended 31st March, 2018 together with the reports of Directors' and Auditors' thereon.
2. To reappoint Sri Ashok Vemulapalli, Director who retires by rotation.
3. To reappoint Sri Venkat Akkineni as the Managing Director for a further period of five years.

Signed this _____ day of _____ 2018

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
revenue
stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



Alufluoride Limited
Regd.Off : Mulagada, Mindi
Visakhapatnam - 530 012, AP, India

ATTENDANCE SLIP

Registered Folio No.	DP ID*/ Client ID*
----------------------	--------------------

Number of equity shares held

Name of the Member/Proxy

I/We hereby accord my/our presence at the as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Sunday, 30th September, 2018 at 11.00 A.M. at the Registered Office of the Company, situated at Mulagada, Mindi, Visakhapatnam-530 012.

Signature of the Member/Proxy attending the Meeting

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting

**applicable for members holding shares in Demat mode*

FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS / NOTICES BY ELECTRONIC MODE

To

Alufluoride Limited
Mulagada, Mindi
Visakhapatnam 530 012, AP, India

I agree to receive all documents / notices including the Annual Report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

Name of Sole / First Holder :

DP ID / Client ID / Regd. Folio No. :

PAN No. :

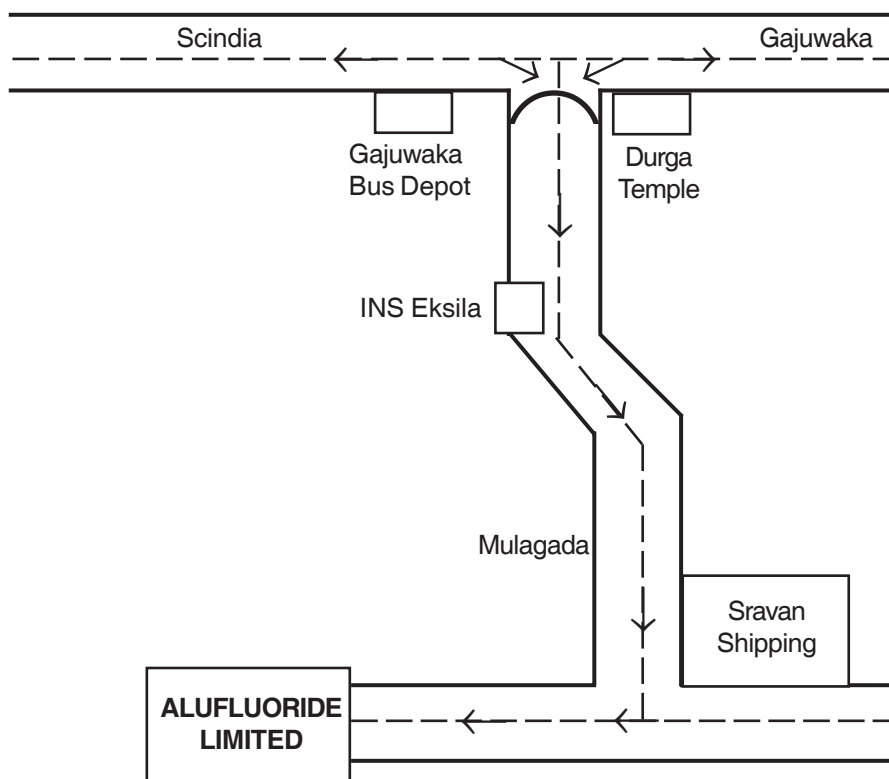
E-mail Address :

Date:

Place:

(Signature of Member)

Route Map to AGM Venue



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PRINTED MATTER

To

If undelivered, Please return to:

ALUFLUORIDE LIMITED
MULAGADA, MINDI,
VISA KHAPATNAM 530 012, INDIA

Phone : (91 891) 254 8567
Fax : (91 891) 254 8567
Email : contact@alufuoride.com
Web : www.alufuoride.com