ALUFLUORIDE LIMITED
MULAGADA, MINDI, VISAKHAPATNAM - 530 012, INDIA
PHONE : 2548567, 2577077
E-mail : contact@alufluoride.com Web : http://www.alufluoride.com
CIN - L24110AP1984PLC005096

DNV Accredited by the RvA
ISO - 9001 REGISTERED FIRM
ISO 14001
OHSAS 18001

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

03 September, 2019

Dear Sir,

Sub: Submission of Annual Report along with Notice of Annual General Meeting (AGM) of the Company for FY 2018-19.

Purusant to regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015, please find enclosed copy of Annual Report of the Company for the Financial Year 2018-19, together with Notice for the AGM to be held on Monday, 30th September, 2019 at 11 AM at the Registered Office, Mulagada, Mindi, Visakhapatnam 530 012.

Kindly take the same on record and acknowledge the receipt.

Thanking you,

Yours faithfully,
For ALUFLUORIDE LIMITED

V.B.RAMA SARMA
Company Secretary
MS No.ACS22066

Alufluoride Limited

An ISO 9001, 14001, OHSAS 18001
&
Make in India Company

Annual Report
2018 - 2019

Free Eye Screening Camp at Mulagada, Visakhapatnam

Free Eye Screening Camp at Mulagada, Visakhapatnam

BOARD OF DIRECTORS

Sri Grandhi Sreeramakrishna	- Chairman & Independent & Non-Executive
Sri Yugandhar Meka	- Independent & Non-Executive
Sri A.V.V.S.S.Ch.B. Sekhar Babu	- Independent & Non-Executive
Sri Ashok Vemulapalli	- Non-Independent & Non-Executive
Sri K. Purushotham Naidu	- Director (Finance & Commercial)
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
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 AM on the Monday, 30th September, 2019 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2019 and Profit and Loss Account for the year ended 31st March, 2019 together with the reports of Directors' and Auditors' thereon.

SPECIAL BUSINESS:

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

   Reappointment of Smt.Jyothsana Akkineni as Executive Director.

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and the rules made there under, consent be and is hereby accorded for the reappointment of Smt. Jyothsana Akkineni (DIN: 00150047) as the Executive Director of the Company for a further period of three years W.E.F. 06.05.2019, without any remuneration."

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

   Reappointment of Sri K.Purushotham Naidu as Director (Finance & Commercial).

"RESOLVED THAT subject to the provisions of Section 196, 197 and 198 of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification (s) or re-enactment thereof for the time being in force) read with Schedule V and other applicable provisions if any of the Companies Act, 2013 and the rules made there under, consent be and is hereby accorded for the reappointment of Sri K.Purushotham Naidu (DIN: 01883663) as Director (Finance & Commercial) for a further period of three years W.E.F. 06.05.2019 at the following remuneration:

   1. Salary & allowances – up to Rs.2,00,000 per month
   2. Perquisites: As per the Company's policy – like Medical, Bonus, LTA, PF, Gratuity Etc.

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri A.V.V.S.S. Ch.B. Sekhar Babu (DIN: 00692448), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st October, 2019 to 30th September, 2024 and whose office shall not be liable to retire by rotation".

"RESOLVED FURTHER THAT any Director and/ or the Company Secretary of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Sreeramakrishna Grandhi (DIN: 06921031), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for reappointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st October, 2019 to 30th September, 2024 and whose office shall not be liable to retire by rotation".

"RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the appointment of Sri Yugandhar Meka (DIN: 00012265) as an Independent Director of the Company, to hold office for a term of five consecutive years, from 31st July, 2019 to 30th July, 2024 be and is hereby approved."

"RESOLVED FURTHER THAT any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto."

For and on behalf of the Board
For **ALUFLUORIDE LIMITED**

VENKAT AKKINENI
Managing Director
DIN: 00013996

Hyderabad
10 August, 2019

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 27th September, 2019 to 30th September, 2019 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 20th September, 2019 (Cut -off date fixed for this purpose). The e-voting period will commence at 10 AM on Friday, 27th September, 2019 and will end at 5 PM on Sunday, 29th September, 2019. 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 and environment.

Explanatory Statement:

Item 2: Reappointment of Smt. Jyothsana Akkineni as Executive Director:

Based on the recommendation of the Nomination & Remuneration Committee, your Board of Directors had in their meeting held on 27th May, 2019 reappointed Smt. Jyothsana Akkineni as Executive Director without Remuneration for a further period of three years I.E., from 6th May, 2019 to 5th May, 2022.In accordance with the provisions of the Section 196 and Schedule V of the Companies Act, 2013, the reappointment of Smt. Jyothsana Akkineni, without remuneration requires the approval of the shareholders.

Excepting Smt. Jyothsana Akkineni, Sri Venkat Akkineni and Sri Ashok Vemulapalli none of the Directors and the Key Managerial Personnel are interested in the proposed resolution.

This explanatory statement together with the terms of reappointment mentioned in the accompanying notice should be treated as an abstract under Section 190 of the Companies Act, 2013, in respect of the contract, if any, proposed to be entered into between the Company and Smt. Jyothsana Akkineni, Executive Director.

Background details, Recognition or awards, Job profile and his/her suitability.	Smt. Jyothsana Akkineni completed MA from Andhra University, Visakhapatnam. She has experience in the chemical industry.
Remuneration proposed	No remuneration is been proposed.
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)	Not applicable, since no remuneration is been proposed.
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	Smt. Jyothsana Akkineni is wife of Sri Venkat Akkineni, Founder Director & Managing Director of the Company.

Your Directors recommend the resolution for your approval.

Item 3: Reappointment of Sri K. Purushotham Naidu as Director (Finance & Commercial):

Based on the recommendation of the Nomination & Remuneration Committee, your Board of Directors had in their meeting held on 27th May, 2019 reappointed Sri K.Purushotham Naidu as Director (Finance & Commercial) for a further period of three years i.e., from 6th May, 2019 to 5th May, 2022 with the following remuneration:

1. Salary & allowances - up to Rs. 2,00,000 Per month
2. Perquisites: As per the Company's policy – like Medical, Bonus, LTA, PF, Gratuity Etc.

In accordance with the provisions of the Section 196 and Schedule V of the Companies Act, 2013, the reappointment of Sri K.Purushotham Naidu, with the above remuneration requires the approval of the shareholders.

This explanatory statement together with the terms of reappointment mentioned in the accompanying notice should be treated as an abstract under Section 190 of the Companies Act, 2013, in respect of the contract, if any, proposed to be entered into between the Company and Sri K.Purushotham Naidu, Director (Finance & Commercial).

Background details, Recognition or awards, Job profile and his suitability	Sri K.Purushotham Naidu, completed M.Com, (CA), BL. He has vast experience in finance and commercial aspects related to chemical industry.
Remuneration proposed	Details 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 stand-alone company in India, 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 K.Purushotham Naidu does not have any pecuniary relationship directly or indirectly with the Company or relationship with the managerial person.

None of the Directors and Key Managerial Personnel excepting Sri K.Purushotham Naidu is interested in the proposed resolution. Your Directors recommend the resolution for your approval.

Item 4: Reappointment of Sri A.V.V.S.S.Ch.B. Sekhar Babu as an Independent Director

Sri A.V.V.S.S.Ch.B. Sekhar Babu was appointed as an Independent Non-Executive Director of the Company on 26th October, 2007. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company. Further, any tenure of an Independent Director on the date of commencement of this Act (I.E 01.04.2014) shall not be counted as a term.

In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri A.V.V.S.S.Ch.B. Sekhar Babu, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st October, 2019 upto 30th September, 2024. The Company has received declaration from him stating that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Sri A.V.V.S.S.Ch.B. Sekhar Babu fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri A.V.V.S.S.Ch.B. Sekhar Babu as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Sri A.V.V.S.S.Ch.B. Sekhar Babu as an Independent Director for another term of five consecutive years for the approval by the shareholders of the Company. Except Sri A.V.V.S.S.Ch.B. Sekhar Babu, none of the Directors and Key Managerial Personnel of the Company are interested in the above resolution.

Item 5: Reappointment of Sri Sreeramakrishna Grandhi as an Independent Director

Sri Sreeramakrishna Grandhi was appointed as an Independent Non-Executive Director of the Company on 20.10.2014. As per Section 149(10) of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing a special resolution by the Company for another term of upto five consecutive years on the Board of a Company.

In terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Sri Sreeramakrishna Grandhi, being eligible for re-appointment as an Independent Director and offering himself for re-appointment, is proposed to be re-appointed as an Independent Director for second term of five consecutive years from 1st October, 2019 upto 30th September, 2024. The Company has received declaration from him stating that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so, appointed by the members.

In the opinion of the Board, Sri Sreeramakrishna Grandhi fulfils the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Sri Sreeramakrishna Grandhi as an Independent Director. Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Sri Sreerama Krishna Grandhi as an Independent Director for another term of five consecutive years for the approval by the shareholders of the Company. Except Sri Sreeramakrishna Grandhi, none of the Directors and Key Managerial Personnel of the Company are interested in the above resolution.

Item 6: Appointment of Sri Yugandhar Meka as an Independent Director

Subject to the approval of members, the Board of Directors has on 31st July, 2019, appointed Sri Yugandhar Meka as Independent Director of the Company considering his rich expertise in the fields of accounts, finance, taxation, administration, etc. being a Fellow Chartered Accountant (FCA). His presence in the Board will enhance the Board performance and efficient decision making and also contribute to the overall growth of the Company. In the opinion of the Board, Sri Yugandhar Meka fulfils the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day and will also be kept open at the venue of the AGM.

The Company has received a declaration from Sri Yugandhar Meka to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16 (1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. ("SEBI Listing Regulations"). Sri Yugandhar Meka is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director and hence said resolution being placed before the Members for their approval. None of the Directors and Key Managerial Personnel except Sri Yugandhar Meka are interested in the resolution. Your Directors recommend the resolution for your approval.

DISCLOSURES OF THE DETAILS OF DIRECTORS WHO ARE PROPOSED FOR APPOINTMENT / REAPPOINTMENT

	Smt. Jyothsana Akkineni	Sri K. Purushotham Naidu	Sri A.V.V.S.S.Ch.B. Sekhar Babu	Sri Sreerama Krishna Grandhi	Sri Yugandhar Meka
Director Identification Number	00150047	01883663	00692448	06921031	00012265
Date of Birth	29.03.1956	15.07.1955	01.06.1963	26.07.1952	10.07.1951
Date of Appointment	16.07.2002	26.10.2007	26.10.2007	20.10.2014	31.07.2019
Qualifications	MA	M.Com, (CA), BL	B.Sc., FCS	M.Sc., CAIIB	FCA
Experience in specific functional areas	39	39	32	42	42
Chairmanships/ Directorships of other Companies (excluding Foreign Companies & Section 25 Companies)	Anar Enterprises (P) Ltd. Kaiser Finance & Leasing (P) Ltd. Visakha Finance Ltd.	- NIL -	- NIL -	Everest Organics Ltd., Ravileela Granites Ltd., Maximus ARC Ltd.	Karvy Consultants Ltd., Karvy Financials Services Ltd., Pokarna Ltd., Pokarna Engineered Stone Ltd., Rainbow Children's Medicare(P) Ltd., Karvy Stock Broking Ltd., Nova Consultants Ltd.
Chairmanships/ Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/Investors Grievance Committee)	- NIL -	- NIL -	- NIL -	- NiL -	Hrudaya Cure and Little Heart Foundation
Number of shares held in the Company	54,545	375	200	- NIL -	- NIL

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, 2019. 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)

	31-03-2019	31-03-2018
Sales and other revenue	**6,551.01**	4,966.90
Profit before Finance charges, Depreciation, Tax & other adj's	**1,179.25**	984.09
Less: Finance charges	**5.54**	4.85
Profit before Depreciation, Tax & other adj's	**1,173.71**	979.24
Less: Depreciation	**82.22**	72.16
Profit before Tax & other adj's	**1,091.49**	907.08
Less: Provision for current tax	**223.00**	213.07
Taxes of earlier years	**—**	(2.85)
Deferred Tax Asset/ Liability adj's	**42.34**	51.19
Profit before appropriations and carried to Balance Sheet	**826.15**	645.67
Add/Less: Other Comprehensive Income (INDAS adj's)	**(99.52)**	76.66
Profit before appropriations and carried to Balance Sheet	**726.63**	722.33

COMPANY'S PERFORMANCE

Your Directors report that the Company made an ALL-TIME RECORD Production and Sales of Aluminium Fluoride during the year under review. The Company produced 8,741 MT and sold 9,136 MT Aluminium Fluoride, as against 8,206 MT Production and 8,162 MT sold during 2017-18.

For reduction of energy cost and to engage with renewable and sustainable green energy, the Company spent Rs. 816.12 lakhs for installing Phase 1 (1.6 MW) of the 3MW solar power generation project. This included purchase of 18.75 acres of land at Polepalli, Visakhapatnam District, AP and shifting the existing 0.6 MW existing Solar plant from Visakhapatnam plant to Polepalli. Installation of an additional 1.4 MW of solar generation capacity has been scheduled by 31st March, 2020. Your Company expects further savings over the near future as energy cost is expected to rise, year on year.

With improved consumption norms, production, sales realization, efficient working capital management and effective cost control measures, though there is steep price increase of raw materials during the year, the Company posted a net profit (before Ind-AS adjustments) of Rs.826.15 lakhs for the year as against a net profit (before Ind-AS adjustments) of Rs.645.67 lakhs in 2017-18.

OUT LOOK FOR THE CURRENT YEAR

Your Directors report that the Company's ALUMINIUM FLUORIDE production capacity expansion works started in FY 2018-19 and it is expected to be completed in FY 2019-20. The Company is planning to install the balance 1.4 MW Solar plant at a project cost of Rs.533.88 lakhs during FY 2019-20 and this will help the Company reduce the power cost to the maximum possible. The plant will be stopped for about four to six weeks, to synchronize the existing plant production facilities to the expanded production facilities. Though, the plant is to run for aboutten months, the Company plans to sustain the 2018-19 year's Production. As sale price of Aluminium Fluoride for the current year has improved,The Company is hoping to post better returns in the current year.

FUTURE PROJECTS

The Company has signed a Non-Binding, Heads of Agreement with Jordan Phosphate Mines Co. (JPMC), Jordan to set up of a Green Field Aluminium Fluoride Project at Eshidiya, Jordan as a Joint Venture.The project is expected to be commissioned in FY 2021-22. A definitive Joint Venture Agreement will be signed by the end of September, 2019.

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 and the project is expected to be completed in FY 2019-20. In view of project 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, 2019, 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, 2019 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. Mitra Puchalapalli, Director was appointed as an alternate Director to Sri Grandhi Sreeramakrishna, Director and he was in the office from 28.02.2018 to 24.09.2018.

Sri A.V.V.S.S.Ch.B. Sekhar Babu and Sri Sreeramakrishna Grandhi, were appointed as Independent Directors of the Company with effect from 26.10.2007 and 20.10.2014 respectively. Your Directors have proposed their reappointment for a further period of 5 years I.E. from 1st October, 2019 to 30th September, 2024.

Sri Yugandhar Meka was appointed as Independent Director of the Company with effect from 31.07.2019.

Key Managerial Personnel

The Company has named the Managing Director, Director Finance & Commercial (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, Sri A.V.V.S.S.Ch.B. Sekhar Babu and Sri Yugandhar Meka 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

Five 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 & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The Disclosure as required under Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is appended 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 2018-19 is made a part of this Report.

COST AUDIT

Cost Audit for financial year 2018-19 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

On 27.05.2019 the Company has allotted 8,20,082 equity shares of Rs.10/- each on conversion of 8,20,082 warrants of Rs.10/- each.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility (CSR) have become applicable to the Company from the financial year 2018-19 as the net profit of the Company for the financial year 2017-18 is in excess of Rs.5 crores.

The Company has constituted a Corporate Social Responsibility (CSR) Committee in terms of Section135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The committee consists of the following:

1. Sri A.V.V.S.S.Ch.B. Sekhar Babu - Chairman
2. Sri V. Ashok - Member
3. Smt. A. Jyothsana - Member
4. Sri K. Purushotham Naidu - Member

The CSR activities, projects and programmes that will be undertaken by the Company shall be those as may be approved by the committee that will be constituted / reconstituted by the Board of Directors of the Company in this regard (CSR Committee).

The CSR Committee will approve the undertaking of such activities, projects and programs as are covered under the following areas set out in Schedule VII of the Companies Act, 2013. Our Company is committed to ensuring the social well being of the society through its Corporate Social Responsibility (CSR) initiatives. Our focus will be on rural development programmes, Swatch Bharat, promoting education, promoting health care including preventive health care and sanitation facilities to weaker sections of society through organizing health camps, meeting operation expenditure of children and poor people.

In accordance with the provisions of Section 135 of the Companies Act, 2013, an abstract of Company's CSR activities is given in Annexure E to this 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.

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.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company always believed in providing an encouraging work environment devoid of discrimination and harassment including sexual harassment and has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The policy covers all employees irrespective of their nature of employment and also applicable in respect of all allegations of sexual harassment made by an outsider against an employee. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on sexual harassment. No complaint was pending at beginning of the year and none has been received during the year.

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 and 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
Director
DIN:00692448

Hyderabad
10 August, 2019

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	376:1	20.9
2	Sri K. Purushotham Naidu, Director Finance & CFO	100:1	2.6
3	Sri Ashok Vemulapalli, Non-Executive & Non-Independent Director	(*)	(*)
4	Smt. Jyothsana Akkineni, Executive & Non-Independent Director	---	---
5	Sri A.V.V.S.S.Ch.B. Sekhar Babu, Non-Executive & Independent Director	(*)	(*)
6	Sri Grandhi Sreeramakrishna Non-Executive & Independent Director	(*)	(*)
7	Sri Viswanadham Bhaskara Rama Sarma, Company Secretary	13:6	3.1

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

Percentage increase in the median remuneration of employees in the financial year	10.5%			
Number of permanent employees on the rolls of Company	76			
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 - 0.6% Increment in KMP's remuneration - 8.9%			
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, 2019**	March 31, 2018	% change
	Market Capitalisation (Rs.lakhs)	**9,387.54**	6,769.39	**38.68%**
	Price Earnings Ratio	**11.36**	10.49	**8.29%**
	Market Price (BSE)	**134.10**	96.70	**38.68%**

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 9.3% in the Financial Year 2018-19.
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 2% 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	79,84,013	Contractual	MBA(USA), (41 Yrs)	14.08.1991	65	—	Yes	Annapurna Studios (P) Ltd.
Mr. K. Purushotham Naidu	21,22,237	Contractual	M.Com,(CA),BL(39 Yrs)	22.08.1989	64	0.01	No	BSR & sons, Vijayawada
Mr. S.V.N.G.S.S.S. Rao	18,99,035	As per Co.'s rules	M.Tech(Ch.)(36 Yrs)	18.06.2015	61	—	No	Vasant Chemicals, Vizag
Mr. G. Sreenu Babu	13,99,741	As per co.'s rules	B.Sc.(Ch.)BE(Mech)(24 Yrs)	08.02.1993	54	0.01	No	Deccan sugars, Samalkot
Mr. B.V. Ramana	12,10,579	As per co.'s rules	L.M.E.(41 Yrs)	12.06.2014	65	—	No	ICS,Senagal, W. Africa
Mr. Aditya Akkineni	9,44,923	As per co.'s rules	B.Sc. Mech. Engineering, USA (6 Yrs)	01-04-2018	30	4.89	Yes	Luminex Corporation, Austin, Texas, USA
Cdr. N. Krupakara Reddy (Retd.)	7,88,774	As per co.'s rules	B.Sc. (32 Yrs)	03-11-2018	54	—	No	Annapurna International School of Film and Media
Mr. Chandan Bagh	5,66,687	As per co.'s rules	I.T.I. (Fitter) (23 Yrs)	23.12.2009	54	—	No	——
Mr. B. Abhilash	5,34,787	As per co.' rules	B. Tech (9 Yrs)	16.08.2016	30	—	No	——
Mr. D.L. Narasimha Rao	5,29,892	As per co.'s rules	M.Com (24 Yrs)	17.10.1994	51	—	No	——

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	NIL
B	Nature of contracts / arrangements / transaction	NIL
C	Duration of the contracts/arrangements / transaction	NIL
D	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
E	Date of approval by the Board	NIL
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 31.03.2019 [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	28,59,688	---	28,59,688	40.85	29,34,237	---	29,34,237	41.92	1.07
b) Central Govt	---	---	---	---	---	---	---	---	---
c) State Govt (s)	---	---	---	---	---	---	---	---	---
d) Bodies Corp.	8,56,300	---	8,56,300	12.23	8,82,389	---	8,82,389	12.60	0.37
e) Banks/FI	---	---	---	---	---	---	---	---	---
f) Any Other..	---	---	---	---	---	---	---	---	---
Sub-total (A) (1):-	**37,15,988**	**---**	**37,15,988**	**53.08**	**38,16,626**	**---**	**38,16,626**	**54.52**	**1.44**
(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 (A) = (A)(1)+(A)(2)	**37,15,988**	**---**	**37,15,988**	**53.08**	**38,16,626**	**---**	**38,16,626**	**54.52**	**1.44**
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) FIIs	---	---	---	---	---	---	---	---	---
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 Corp.									
i) Indian	1,49,779	1,08,900	2,58,679	3.70	94,883	1,08,800	2,03,683	2.91	(0.79)
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	20,60,854	5,00,052	25,60,906	36.58	19,15,564	4,48,152	23,63,716	33.76	(2.82)

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	2,05,744	---	2,05,744	2.94	3,39,603	---	3,39,603	4.85	1.91
c) Others (NRI's) Bodies(clearing mem)	1,01,557 2,066	55,360 —	1,56,917 2,066	2.24 0.01	1,03,088 18,224	55,360 —	1,58,448 18,224	2.26 0.26	0.02 0.25
Sub-total (B)(2):-	**25,20,000**	**6,64,312**	**31,84,312**	**45.48**	**24,71,362**	**6,12,312**	**30,83,674**	**44.05**	**(1.43)**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**26,20,100**	**6,64,312**	**32,84,412**	**46.92**	**25,71,462**	**6,12,312**	**31,83,774**	**45.48**	**(1.44)**
C. Shares held by Custodian for GDRs & ADRs	---	---	---	---	---	---	---	---	---
Grand Total (A+B+C)	**63,36,088**	**6,64,312**	**70,00,400**	**100.00**	**63,88,088**	**6,12,312**	**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	---	14,32,383	20.46	---	0.27
2	SAROJINI VEERAMACHANENI	8,41,885	12.03	---	8,41,885	12.03	---	---
3	JYOTHSANA AKKINENI	51,070	0.73	---	54,545	0.78	---	0.05
4	ANNAPURNA AKKINENI	1,62,462	2.32	---	1,70,959	2.44	---	0.12
5	ADITYA AKKINENI	3,37,276	4.82	---	3,42,004	4.89	---	0.07
6	ROHIT VEMULAPALLI	47,500	0.68	---	56,682	0.81	---	0.13
7	ASHOK VEMULAPALLI	6,300	0.08	---	35,779	0.51	---	0.43
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	---	---
11	TRIGEO TECHNOLOGIES PVT. LTD	---	---	---	26,089	0.37	---	0.37
	Total	**37,15,988**	**53.08**	**---**	**38,16,626**	**54.52**	**---**	**1.44**

(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	37,15,988	53.08
2	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer / bonus / sweat equity etc.):	1,00,638	1.44
3	At the end of the year	38,16,626	54.52

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	Paul Asset	44,667	0.64	---	---	---	--
4	Anumolu Jayashree	43,278	0.62	---	---	43,278	0.62
5	Shashi Rani Gupta	39,333	0.56	---	---	39,333	0.56
6	Dr. Ramesh Chimanlal Shah	30,000	0.43	---	---	---	---
7	Jagapathi Rao Veeramachaneni	29,367	0.42	6,337	0.09	35,704	0.51
8	Jitendra Prasad Katneni	25,000	0.36	---	---	25,000	0.36
9	Pravinkumar Premji Bhai Patel	22,508	0.32	(2,116)	(0.03)	20,392	0.29
10	Sunny Gupta	20,091	0.29	---	---	20,091	0.29
11	Lincolyn P Coelho	---	---	1,60,000	2.29	1,60,000	2.29
12	BharatBhai Premji Bhai Patel	---	---	20,805	0.30	20,805	0.30

(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 Jyothsana Akkineni	51,070	0.73	3,475	0.05	54,545	0.78
2	Sri AshokVemulapalli	6,300	0.09	29,479	0.42	35,779	0.51
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 i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	**NIL**
Change in Indebtedness during the financial year • Addition • Reduction	NIL	NIL	NIL	NIL
Net Change	**NIL**	**NIL**	**NIL**	**NIL**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	NIL	NIL	NIL
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	16,77,420	---	64,77,420
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,14,690	3,73,580	---	9,88,270
	(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	24,19,323	—	—	24,19,323
	– others, specify				
5.	Others, please specify Employer's PF Contribution, etc.	1,50,000	71,237	––	2,21,237
	Total(A)	79,84,013	21,22,237	---	1,01,06,250
	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	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 • Commission • Others, please specify	N.A. —- —-	10,000 —- 41,000	5,000 —- 25,000	5,000 —- 16,000	20,000 —- 82,000
Total (1)		**51,000**	**30,000**	**21,000**	**1,02,000**
2. Other Non-Executive Directors					
• Fee for attending board committee meetings • Commission • Others, please specify	9,000 —- 41,000	N.A. —- —-	N.A. —- —-	N.A. —- —-	9,000 —- 41,000
Total (2)	50,000	N.A.	N.A.	N.A.	50,000
Total (B) = (1 + 2)	50,000	51,000	30,000	21,000	1,52,000
Total Managerial Remuneration	50,000	51,000	30,000	21,000	1,52,000
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/WTD

(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 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	 2,88,360 —- —-	 2,88,360 —- —-
2.	Stock Option	—-	—-
3.	Sweat Equity	—-	—-
4.	Commission – as % of profit – others, specify.	 —- —-	 —- —-
5.	Others, please specify	—-	—-
	Total	**2,88,360**	2,88,360

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, 2019.

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

	01-04-2018 to 31-03-2019	01-04-2017 to 31-03-2018
1. ***Electricity***		
(a) Purchased Unit (KWH)	**24,50,792**	26,11,452
Total Amount Rs.	**1,76,94,743**	1,91,68,204
Average Rate / Unit (Rs.)	**5.79**	6.65
(b) Own Generation –		
Through Diesel Generator – 380 + 125 KVA - Unit (KWH)	**35,064**	41,436
Average Unit Per litre of Diesel Oil	**3.03**	3.09
Cost of Diesel per KWH (Rs.)	**24.39**	21.07
(c) Solar Generation, consumed (KWH)	**6,06,270**	2,69,347
2. ***Furnace Oil***		
Furnace oil:		
Quantity (Kilo Liters)	**2,471**	2,215
Total Amount (Rupees)	**8,66,59,500**	5,70,60,620
Average Rate (Rupees)	**35,067**	25,761
II. Consumption per ton of Production Aluminium Fluoride:		
(a) Electricity (KWH)	**354**	356
(b) Furnace Oil (Kilo Liters)	**0.283**	0.270

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.)	**71,50,992**	1,21,70,510

Annexure - E

Annual Report on CSR Activities for FY 2018-19

(Pursuant to Section 135 of the Companies Act, 2013)

1. A brief outline of the Company's CSR policy, including overview of the projects or programs undertaken and a reference to the web-link to the CSR policy and projects or programs:

We believe that Corporate Social Responsibility ("CSR") is an essential element of core business. The Company derives its inspiration for continued commitment to CSR from the Indian tradition of giving back to community. Towards achieving harmony between business interests and our socio-economic and environmental responsibility, a conscious effort is being made to align ourselves with social development parameters listed in Schedule VII of the Companies Act, 2013

CSR Vision:

a) Projects or programs relating to activities specified in Schedule VII to the Act or;

b) Projects or programs relating to activities undertaken by the Board of Directors of a Company in pursuance of recommendations of the CSR committee of the Board as per declared CSR policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

c) In addition, the Company is committed to contribute towards projects which will benefit society in improving health, sanitation and education and also preserving environment with community-based activities. We endeavor to significantly improve our performance in the areas of energy, fuel and water conservation, green plantation and waste management & recycling.

2. Composition of the CSR Committee:

i. Sri A.V.V.S.S.Ch.B. Sekhar Babu - Chairman
ii. Sri V. Ashok - Member
iii. Smt. A. Jyothsana - Member
iv. Sri K. Purushotham Naidu - Member

3. Financial Details:

Section 135 of the Companies Act, 2013 and the Rules made there under prescribe that every Company having a net worth of Rs.500 Crores or more or a turnover of Rs.1000 Crores or more or a net profit of Rs. 5 Crores or more during any financial year shall ensure that the Company spends, in every financial year, at least 2% of average net profits made during the immediately three preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions relating to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The Financial details as sought by the Companies Act, 2013 are as follows: -

Sl.No.	Particulars	Amount in Rs.
1	Average Net Profits of the Company for the last three financial years	5,73,47,889
2	Prescribed CSR expenditure (2% of the average net profits as computed above) Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year 2018-19:	11,46,958
	b. Total actual amount spent till 31.03.2019	2,20,645
	c. Amount un spent	(*) 9,26,313

(*) Out of this, an amount of Rs. 6,92,949 was spent for CSR expenses till 10th August, 2019 and amount un spent as on the date is Rs. 2,33,364.

4. Manner in which the amount spent during the financial year is detailed below:

Amount in Rs.

S.No	CSR Project or activity identified	Sector in which the project is covered	Projects or programs - Specify the State /UT where the Project/ Program was undertaken	Projects or programs - Specify the district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Exp. Administrative overhead	Mode of Amount Spent
1	Health (Eye) campaign in Mulagada, Mindi village	Promoting Health and preventive health care	Andhra Pradesh	Mulagada and Mindi villages, Visakhapatnam Dist.	2,20,000	2,20,645	---	Direct and through Sankar Eye Foundation
2	Promoting Education	Purchase of utensils etc. for village children mid-day meal	Andhra Pradesh	Mulagada Village, Visakhapatnam Dist	99,449	(*)	---	(*)
3	Purchase of Waste Disposal Machine (WDM)	Sanitation including Swatch Bharat	Telangana	Gandipet Village, RangareddyDist,	5,71,000	--- (**)	---	--- (*)
(*) Spent on 18.05.2019 (**) Spent on 01.08.2019								
TOTAL					8,90,449	2,20,645		

5. Reasons for not spending the CSR amount :

FY 2018-19 being the first year of applicability of CSR provisions, the CSR committee is identifying suitable activities / projects which will qualify under CSR Provisions of Companies Act, 2013 and the CSR Policy of the Company. Mulagada village requested the Company's CSR support for construction of Mulagada Village development center (Rural Development) which will be used for village people's common use as well for undertaking various village development activities. Mulagada village could not get sanction of their required land from Greater Visakhapatnam Municipal Corporation (GVMC) in time I.E., before 31.03.2019 and the proposal got delayed.The Company spent an amount of Rs.2,20,645 in March, 2019 for conducting a Health (eye) camp at Mulagada and Mindi villages, spent an amount of Rs.99,449 on 18.05.2019 to Promote Education by way of purchase of utensils for mid day meal program for Mulagada village school children and spent an amount of Rs.5,71,000 on 01.08.2019 for purchase of a waste disposal machine (WDM) for improving sanitation of Gandipet village, thus total amount of Rs.6,70,449 as against the balance amount to be spent of Rs.9,26,312.

6. Responsibility statement of the CSR Committee:

The CSR Committee of the Board confirms that it has implemented and monitored the CSR activities in accordance with and in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board
For ALUFLUORIDE LIMITED

A.V.V.S.S.CH.B. SEKHAR BABU
Chairman - CSR Committee
DIN:00692448

JYOTHSANA AKKINENI
Member - CSR Committee
DIN: 00150047

Hyderabad
10 August, 2019

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, 2019 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 : 27.05.2019

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 31.03.2019 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 31.03.2019, 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 allotted 8,20,082 Equity Shares of Rs.10/- each on 27.05.2019 (upon conversion of 8,20,082 convertible warrants into 8,20,082 equity shares) on a preferential basis to promoters. 'Listing approval' for the allotment of said equity shares was obtained from BSE on 29.07.2019.

For **GMVDR & Associates**
Company Secretaries

Place: Hyderabad **(G.M.V. Dhanunjaya Rao)**
Date: 30.07.2019 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 ensues 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 use the Company's product with repeat orders due to quality and service.

FUTURE OUTLOOK, OPPORTUNITIES, THREATS, RISKS & CONCERNS

Alufluoride Ltd (AL) set up the project in 1995 to produce AlF3 based on an agreement between AL and Coromandel International Limited (CIL) (Erstwhile Coromandel Fertilizers Ltd, Visakhapatnam (CFL)). 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, the balance acid is being procured from Odisha. Since, the Company is currently Debt-free, with efficient working capital management and improved AlF3 sales realization, the Company is reporting improved financial results year by year. 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. CIL is currently expanding their Phosphoric Acid production capacities which will facilitate availability of additional Acid. CIL assured the Company for increased acid supplies through a long-term acid supply contract. In view of increased AlF3 demand and availability of additional acid, the Company is expanding its AlF3 production facilities and the expansion is expected to be completed by end 2019. The risks and concerns for the Company are availability of Acid, increase in transport costs from Paradeep, Odisha taking on debt for project expansion works and with the usual market risks.

The Company has signed a Non-Binding Heads of Agreement with Jordan Phosphate Mines Co. (JPMC), Jordan to set up of a Green Field Aluminium Fluoride Project at Eshidiya, Jordan as a Joint Venture and the project is expected to be commissioned in FY 2021-22.

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 98 as on 31st March, 2019.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (I.E., CHANGE OF 25% OR MORE OVER THE LAST 12 MONTHS):

Sl. No	Ratio	Year ended 31.03.2019	Year ended 31.03.2018	Change
1.	Debtors turnover ratio	11.32	12.70	(1.38)
2.	Inventory turnover ratio	13.49	9.28	4.21
3.	Current ratio	2.19	2.41	(0.22)
4.	Operating profit ratio(%)	16.12	21.35	(0.05)
5.	Net profit ratio (%)	16.66	17.61	(0.01)

Debt-Equity ratio and Interest coverage ratio are not applicable since the Company is a debt free.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 MARCH, 2019

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:

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

Name of the Director	Category	No. of Board Meetings attended during the FY 2018-2019	Attendance at the Previous AGM held on 30 September, 2018	Number of Directorships in other public companies		Number of Committee positions held in other public companies		Directorship in other listed entity (Category of Directorship)
				Chairman	Member	Chairman	Member	
Sri Venkat Akkineni	Executive	5	Present	—	7	—	—	—
Sri Ashok Vemulapalli	Non-Executive	5	Present	—	5	—	—	1
Smt. Jyothsana Akkineni	Executive	4	Present	—	5	—	—	—
Sri K. Purushotham Naidu	Executive	5	Present	—	—	—	—	—
Sri A.V.S.S.Ch.B. Sekhar Babu	Independent	5	Present	—	1	—	—	—
Sri Grandhi Sreeramakrishna	Independent	3	Absent	—	3	—	—	2
Dr. P Mithra (*)	Independent	2	—	—	—	—	—	—

(*) Resigned from the office of Alternate Director w.e.f. 24.09.2018

THE BOARD HAS IDENTIFIED THE FOLLOWING SKILLS/EXPERTISE / COMPETENCIES FUNDAMENTAL FOR THE EFFECTIVE FUNCTIONING OF THE COMPANY WHICH ARE CURRENTLY AVAILABLE WITH THE BOARD :

Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

BOARD MEETINGS HELD DURING THE YEAR 2018-19

During the Financial year 2018-19, Five Board Meetings were held on 17 May, 2018, 1 August, 2018, 23 October, 2018, 25 January, 2019 and 9 February, 2019.

BOARD COMMITTEES:

Audit Committee:

The Audit Committee comprises of three Independent Directors and one Non-Executive Director. The Audit Committee met on 17 May, 2018, 1 August, 2018, 23 October, 2018 and 25 January, 2019. 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;

a) 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.
b) Recommending the appointment and removal of external auditors, fixation of audit fee and approval for payments of any other services.
c) Reviewing with management the annual financial statements before submission to the Board.
d) 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 2018-19 are given below:

Name of the Director	Sitting Fee - Board Committee (Rs.)	Salary & Perks (Rs.)	Other Transaction (Rs.)
Sri Venkat Akkineni	—	79,84,013	—
Sri Ashok Vemulapalli	9,000	—	41,000
Smt. Jyothsana Akkineni	—	—	—
Sri K. Purushotham Naidu	—	21,22,237	—
Sri A.V.S.S.Ch.B. Sekhar Babu	10,000	—	41,000
Sri G. Sreeramakrishna	5,000	—	25,000
Dr. P. Mitra (*)	5,000	—	16,000

(*) Resigned from the office of Alternate Director w.e.f. 24.09.2018

GENERAL BODY MEETINGS :

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

Year	Venue	Date	Time
2018	Registered Office	30 September, 2018	11.00 A.M.
2017	Registered Office	29 September, 2017	11.00 A.M.
2016	Registered Office	30 December, 2016	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 27 May, 2019.

NO DISQUALIFICATION CERTIFICATE FROM PRACTISING COMPANY SECRETARY

A certificate has been received from GMVDR & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this report.

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 2018-19 on Bombay Stock Exchange Ltd, Mumbai.

Month	High Rs. Ps.	Low Rs. Ps.
April, 2018	130.00	96.25
May, 2018	120.00	98.05
June, 2018	114.95	84.45
July, 2018	109.00	75.60
August, 2018	174.90	100.00
September, 2018	199.00	137.85

Month	High Rs. Ps.	Low Rs. Ps.
October, 2018	157.15	116.00
November, 2018	143.00	123.10
December, 2018	134.90	119.25
January, 2019	125.00	82.60
February, 2019	109.80	82.15
March, 2019	134.10	99.85

CATEGORIES OF SHARE HOLDING AS ON 31ST MARCH, 2019

Sl. No.	Category	No. of shares	%
1.	Promoters, Directors, relatives and associated companies	38,16,626	54.52
2.	Financial Institutions	1,00,100	1.43
3.	Mutual Funds	—	—
4.	Banks	—	—
5.	Foreign Institutional Investors	—	—
6.	Non- Resident Indians	1,58,448	2.26
7.	Private Bodies corporate	2,03,683	2.91
8.	Public	27,03,319	38.62
9.	Others	18,224	0.26
	Total	**70,00,400**	**100.00**

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2019

No. of shares	No. of shareholders	No. of shares	%
Upto 500	7,867	9,74,132	13.92
501 to 1,000	399	3,21,694	4.60
1,001 to 2,000	212	3,22,644	4.61
2,001 to 3,000	73	1,82,354	2.60
3,001 to 4,000	32	1,12,895	1.61
4,001 to 5,000	36	1,71,297	2.45
5,001 to 10,000	46	3,43,552	4.91
10,001 and above	36	45,71,832	65.30
Total	**8,701**	**70,00,400**	**100.00**

DEMATERIALISATION OF SHARES AND LIQUIDITY :

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

OTHER DISCLOSURES

A. RELATED PARTY TRANSACTION (REG. 23 OF SEBI LISTING REGULATIONS)

There are no material related party transactions during the year that have conflict with the interest of the Company. Transactions entered into with related parties during the financial year were in the ordinary course of business and at arms' length basis and were approved by the Audit Committee. The Board's approved policy for related party transactions is uploaded on the website of the Company.

Policy on Related Party Transaction is available at the link http://www.alufluoride.com/images/Website-Regulations.pdf

Disclosures of transactions of the Company with the person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the Company - NIL

B. DETAILS OF NON - COMPLIANCE BY THE COMPANY, PENALTY, STRICTURES IMPOSED ON THE COMPANY BY THE STOCK EXCHANGE, OR SECURITIES AND EXCHANGE BOARD OF INDIA ('SEBI') OR ANY STATUTORY AUTHORITY ON ANY MATTER RELATED TO CAPITAL MARKETS, DURING THE LAST THREE YEARS - (SCHEDULE V (C) 10(b) TO THE SEBI LISTING REGULATIONS)

There were no cases of non-compliance during the last three financial years.

C. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AS SPECIFIED UNDER REGULATION 32(7A) - (SCHEDULE V (C) 10(h) TO THE SEBI LISTING REGULATIONS)

Particulars	Amount (in Rs. Lakhs)
Amount raised by issue of 8,20,082 Share warrants	710.19
Details of utilization: a) Aluminium Fluoride project cost	499.58
Unutilized amount, as on 10th August, 2019 (*)	210.61

(*) The unutilized amount is kept in Bank Fixed deposits

D. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 - (SCHEDULE V (C) 10(l) TO THE SEBI LISTING REGULATIONS)

Number of complaints filed during the financial year	Nil
Number of complaints disposed off during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

Factory, Registered Office and address for correspondence

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

Annual General Meeting

Time : 11 A.M.
Date : 30 September, 2019
Venue : Mulagada, Mindi
Visakhapatnam 530 012.

BOOK CLOSURE DATES : 27 September, 2019 to 30 September, 2019 (Both days inclusive)

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

To,

The Members
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam - 530 012

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Alufluoride Limited having CIN L24110AP1984PLC005096 and having registered office at Mulagada, Mindi, Visakhapatnam – 530 012, Andhra Pradesh (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31st March, 2019, have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Directors	Director Identification Number (DIN)	Date of appointment in the Company
1	Sri Venkat Narayana Rao Akkineni	00013996	14.08.1991
2	Sri Ashok Vemulapalli	00730615	16.07.2002
3	Smt. Jyothsana Akkineni	00150047	16.07.2002
4	Sri K. Purushotham Naidu	01883663	26.10.2007
5	Sri A.V.S.S.Ch.B. Sekhar Babu	00692448	26.10.2007
6	Sri Grandhi Sreeramakrishna	06921031	20.10.2014

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For GMVDR & Associates
Company Secretaries

Place: Hyderabad
Date :10.08.2019

(G.M.V. Dhanunjaya Rao)
Proprietor
FCS # 9120 C.P # 5250

INDEPENDENT AUDITOR'S REPORT

TO

The Members of
Alufluoride Limited
Visakhapatnam, A.P.

Report on the Ind AS Financial Statements:

Opinion

We have audited the accompanying financial statements of ALUFLUORIDE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements"). In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit matter	How the matter was addressed in our audit
1	Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the above new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations in the contract, determination of transaction price of the identified performance obligations, the	We assessed the various Company's processes, contracts entered with various customers to identify the impact of adoption of the new revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: ➢ Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

Sl. No.	Key Audit matter	How the matter was addressed in our audit
	appropriateness of the basis used to measure revenue recognized over a period. Additionally, new revenue accounting standard contains disclosures which involve collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date. Refer Notes 3.1 and 5.22 to the Financial Statements	➢ Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal controls relating to identification of the distinct performance obligations and determina-tion of transaction price. We carried out a combination of procedures involving enquiry and observation, reperformance and inspection of evidence in respect of operation of these controls. ➢ Compared these performance obligations with that identified and recorded by the Company. ➢ Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration. ➢ Performed analytical procedures for reasonableness of revenues disclosed by type and service offerings. ➢ We reviewed the collection of information and the logic of the report generated from the budgeting system used to prepare the disclosure relating to the periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date
	Estimation of decommissioning and restoration provision on leased land The determination and valuation of provision is highly judgmental by its nature, as they are calculated based on assumptions that are impacted by future activities and the legislative environment in which the company operates.	Our audit procedures to assess the decom-missioning provision included the following: • We assessed the valuation methodology • We evaluated the reasonableness of key assumptions applied by the management to calculate new and existing provisions. • We tested the calculation of the provisions with external factors. • We checked the accuracy and relevance of the input data used. • We found the disclosures in the financial statements to be appropriate.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above specified reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the above specified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 in terms of Section 143(11) of the Act, we give in "Annexure- A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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".** Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.

h) 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, as amended 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 delays 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 : 27.05.2019

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 31st March 2019. 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 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 2019 for a period of more than six months from the date they became payable.

b) As at 31st March 2019, 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, duty of excise, value added tax and Cess, except the following:

Name of the Statute	Nature of the dues	Amount * in Rs.	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Tax Collected at Source (TCS) demand	56,020	F.Y 2012-13	Deputy Commissioner of Income Tax
Central Excise Act, 1944	Excise Duty	17,09,118	April, 2012 to March, 2016	Deputy Commissioner of Central Excise

*Net of Pre deposits made.

viii) According to the records of the Company examined by us and the information given to us, the company does not have any loans or borrowings from the Financial Institution, bank, Government or debenture holders; consequently clause 3(viii) of the order does not apply.

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 FY under report. Consequently, the clause 3(ix) of the order does not apply.

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) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. However, the warrants which were preferentially issued by the Company in the previous financial year 2017-18 which shall be allotted when the warrants have been exercised by the proposed allottees.

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 : 27.05.2019

Annexure "B" to the Independent Auditors' Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ALUFLUORIDE LIMITED, VISAKHAPATNAM ("the Company") as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO
Chartered Accountants
FRN : 000513S

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

Camp : Hyderabad
Date : 27.05.2019

BALANCE SHEET AS AT 31ST MARCH, 2019

Sl. No	Particulars	Note No	Figures at the end of Current Reporting year 31 March, 2019	Figures as at the end of Previous Reporting year 31 March, 2018
	ASSETS		**Rs.**	Rs.
1	**Non-current assets**			
	(a) Property, plant and equipment	5.01	**13,59,88,522**	5,30,81,581
	(b) Capital work-in-progress	5.02	**3,62,89,540**	1,88,53,366
	(c) Financial assets			
	(i) Investments	5.03	**12,52,83,160**	17,45,20,677
	(ii) Others	5.04	**73,41,274**	66,80,374
	(d) Deferred tax Asset (Net)	5.16	**---**	---
	(e) Other Non-current assets	5.05	**2,96,15,092**	52,690
2	**Current assets**			
	(a) Inventories	5.06	**4,85,52,364**	5,54,79,901
	(b) Financial assets			
	(i) Trade receivables	5.07	**5,78,47,140**	4,05,60,816
	(ii) Cash and cash equivalents	5.08	**1,39,03,970**	2,01,58,269
	(iii) Bank balances other than above	5.09	**1,60,68,852**	1,99,03,636
	(iv) Others	5.10	**1,08,03,656**	64,25,056
	(c) Current Tax Assets (Net)	5.11	**---**	24,03,793
	(d) Other current assets	5.12	**64,76,272**	31,12,816
		Total Assets	**48,81,69,842**	40,12,32,975
	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity Share Capital	5.13	**7,00,04,000**	7,00,04,000
	(b) Other Equity	5.14	**32,95,91,693**	25,69,28,271
	LIABILITIES			
1.	**Non-Current Liabilities**			
	(a) Provisions	5.15	**1,44,40,483**	1,20,47,840
	(b) Deferred tax Liability (Net)	5.16	**40,96,195**	8,70,539
2.	**Current Liabilities**			
	(a) Financial liabilities			
	(i) Trade payables	5.17	**3,60,62,277**	3,41,63,377
	(ii) Other financial liabilities	5.18	**1,49,98,510**	1,61,55,747
	(b) Other current liabilities	5.19	**1,27,41,464**	85,59,210
	(c) Provisions	5.20	**46,49,114**	25,03,991
	(d) Current Tax Liabilities (Net)	5.21	**15,86,106**	---
	Total Equity and Liabilities		**48,81,69,842**	40,12,32,975

Significant accounting policies and other accompanying notes (1 to 6) 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

G. SREERAMAKRISHNA
Chairman
DIN: 06921031

C V RAMANA RAO
Partner
M.No. 018545

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

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

Place: Hyderabad
Date : 27 May, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

Sl. No	Particulars	Note No	Figures for the Current Reporting year 31 March, 2019	Figures for the Previous Reporting year 31 March, 2018
			Rs.	Rs.
I	**Revenue from operations**	5.22	**65,51,01,000**	51,49,79,532
II	**Other Income**	5.23	**2,03,56,625**	81,86,470
III	**Total Income (I + II)**		**67,54,57,625**	52,31,66,002
IV	**Expenses:**			
	Cost of materials consumed	5.24	**43,50,87,993**	31,74,29,212
	Changes in inventories of finished goods and work	5.25	**1,63,69,235**	45,11,050
	Employee benefit expense	5.26	**4,34,57,505**	3,67,35,086
	Finance cost	5.27	**5,53,748**	4,84,750
	Depreciation	5.01	**82,22,049**	72,15,961
	Other expense	5.28	**6,26,18,382**	6,60,81,992
	Total expenses (IV)		**56,63,08,912**	43,24,58,051
V	**Profit/ before exceptional items and tax (III-IV)**		**10,91,48,713**	9,07,07,951
VI	**Exceptional items**		**---**	---
VII	**Profit before tax (V-VI)**		**10,91,48,713**	9,07,07,951
VIII	**Tax expense**	5.29		
	(1) Current Tax		**2,23,00,000**	2,13,07,000
	(2) Adjustment of Tax expense for earlier years		**---**	(2,84,625)
	(3) Deferred Tax		**42,33,796**	51,18,915
IX	**Profit for the period from continuing operations (VII-VIII)**		**8,26,14,917**	6,45,66,661
X	**Profit/ (loss) from discontinued operations**		**---**	
XI	**Tax expense of discontinued operations**		**---**	
XII	**Profit/ (loss) from discontinuing operations (after tax)**		**---**	
XIII	**Profit for the period (IX+XII)**		**8,26,14,917**	6,45,66,661
XIV	**Other Comprehensive Income**	5.30	**(99,51,496)**	76,66,754
XV	**Total comprehensive income for the period (XIII+XIV)** (Comprising Profit and other comprehensive income for the period)		**7,26,63,421**	7,22,33,415

XVI	**Earnings per equity share** (for continuing operations)	5.31		
	a) Basic		**11.80**	9.22
	b) Diluted		**10.56**	8.88
XVII	**Earnings per equity share** (for discontinued operations)			
	a) Basic		---	---
	b) Diluted		---	---
XVIII	**Earnings per equity share** (for discontinued & continuing operations)			
	a) Basic		**11.80**	9.22
	b) Diluted		**10.56**	8.88

Significant accounting policies and other accompanying notes (1 to 6) 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
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Ms No.ACS22066

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

Place: Hyderabad
Date : 27 May, 2019

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2019

Sl. No	Particulars	Figures as at the end of Current Reporting year 31 March, 2019	Figures as at the end of Previous Reporting year 31 March, 2018
		Rs.	Rs.
A)	**Cash Flow from Operating Activities:**		
	Profit for the year before Tax		
	Profit from contnuing operations	**10,91,48,713**	9,07,07,951
	Profit/(Loss) from discontinued operations	**---**	---
	Profit before tax	**10,91,48,713**	9,07,07,951
	Adjustments to reconcile profit before tax to net cash flows:		
	Depreciation of property, plant and equipment	**82,22,049**	72,15,961
	Finance costs	**5,53,748**	4,84,750
	Excess provisions written back	**(3,86,966)**	---
	Fixed Assets Written off	**3,26,569**	--
	Income from investments	**(57,94,053)**	(61,43,706)
	Gain on sale of investments	**(1,21,11,523)**	(25,083)
	Operating Profit before Working Capital changes	**9,99,58,537**	9,22,39,873
	Movement in Working capital:		
	(Increase) /Decrease in Trade receivables	**(1,72,86,324)**	(9,82,106)
	(Increase) /Decrease in financial and non-financial assets	**(21,64,380)**	75,92,322
	(Increase) /Decrease in inventories	**69,27,537**	(41,57,457)
	Increase /(Decrease) in provisions	**18,53,880**	17,38,099
	Increase /(Decrease) in trade and other payables	**65,10,023**	23,36,326
	Cash generated from operations	**9,57,99,273**	9,87,67,057
	Income Tax (paid)/refund	**(2,23,00,000)**	(2,10,22,375)
	Net Cash generated in operations	**7,34,99,273**	7,77,44,682
B)	**Cash Flow from Investing Activities:**		
	Purchase of property, plant and equipments	**(9,14,73,058)**	(3,16,61,792)
	Proceeds from sale of fixed assets	**17,500**	--
	Increase in Capital Work in progress including capital advance	**(4,69,98,576)**	(1,61,70,460)
	Purchase of financial instruments	**(15,28,25,847)**	(6,65,97,874)
	Proceeds from sale of financial instruments	**20,58,11,514**	2,46,81,656
	Interest /Dividend received	**57,94,053**	61,43,706
	Net cash flows used in investing activities	**(7,96,74,414)**	(8,36,04,764)
C)	**Cash Flow from Financing Activities:**		
	Finance Costs	**(79,159)**	(4,84,750)
	Proceeds from share warrants	**---**	1,77,54,776
	Net Cash flows/(used in) Financing Activities	**(79,159)**	1,72,70,026
	Net increase/(decrease) in Cash & Cash equivalents (A+B+C)	**(62,54,300)**	1,14,09,944
	Opening balance of Cash & Cash equivalents	**2,01,58,270**	87,48,326
	Closing balance of Cash & Cash equivalents	**1,39,03,970**	2,01,58,270

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, 2019	Figures as at the end of Previous Reporting year 31 March, 2018
		Rs.	Rs.
	Closing Cash and cash equivalents as per Balance sheet	**1,39,03,970**	2,01,58,270
	Closing Cash and cash equivalents as per statement of cash flows	**1,39,03,970**	2,01,58,270
	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, 2019 include bank balance of Rs. 62,376/- (PY: Rs. 61,776), being the amounts received on share warrants (see note No. 5.16(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-5.10.

Significant accounting policies and other accompanying notes (1 to 6) 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

G. SREERAMAKRISHNA
Chairman
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C V RAMANA RAO
Partner
M.No. 018545

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

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

Place: Hyderabad
Date : 27 May, 2019

Statement of Changes in Equity for the year ended 31st March, 2019

A	Equity Share Capital	As at 31 March, 2019	As at 31 March, 2018
		Rs.	Rs.
	Balance at the beginning of the reporting period	**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

B Other Equity as at 31st March, 2019

Particulars	Balance as on 01.04.2018	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Receipts during the year	Balance as on 31.03.2019
	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	22,21,64,341	**8,26,14,917**	—	—	––	**30,47,79,258**
Debt instruments through Other Comprehensive Income	––	––	—	—	––	—
Equity Instruments through Other Comprehensive Income* (Net of Deferred Tax Adjustments)	1,49,88,764	**(80,14,267)**	—	—	––	**69,74,497**
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	14,20,390	**(19,37,229)**	—	—	––	**(5,16,839)**
Money received against share warrants	1,77,54,776	––	—	—	––	**1,77,54,776**
Total	25,69,28,271	**7,26,63,421**	—	—	––	**32,95,91,692**

* Net off amounts adjusted on sale of Investments.

Significant accounting policies and other accompanying notes (1 to 6) form an integral part of the financial statements

Per our report of even date
For BRAHMAYYA & Co.,
Chartered Accountants
FRN No: 000513S

C V RAMANA RAO
Partner
M.No. 018545

Place: Hyderabad
Date : 27 May, 2019

For and on behalf of the Board

VENKAT AKKINENI
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DIN: 01883663

Notes to the Ind As Financial Statements for the year ended 31st March 2019

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).

2.2 Recent accounting pronouncements

A. Standards applicable for Accounting year 2019-20

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to Ind ASs. The Company has not applied the same for the FY 2018-19, as they are effective from accounting year beginning on or after April 1, 2019:

1. Ind AS 19 - "Employee Benefits"
2. Ind AS 116 - "Leases"
3. Ind AS 12 - "Income taxes"
4. Ind AS 109 - "Financial Instruments"
5. Ind AS 23 - "Borrowing Costs"
6. Ind AS 111 - "Joint Arrangements"
7. Ind AS 28 - "Investments in Associates and Joint Ventures"
8. Ind AS 103 - "Business Combinations"

Amendment to Ind AS 19:

This amendment relates to effects of plan amendment, curtailment and settlement. When an entity determines the past service cost at the time of plan amendment or curtailment, it shall remeasure the amount of net defined benefit liability/asset using the current value of plan assets and current actuarial assumptions which should reflect the benefits offered under the plan and plan assets before and after the plan amendment, curtailment and settlement.

Amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

The Company does not expect any impact from this amendment.

Amendment to Ind AS 116:

Ind AS 116 will replace the existing leases standard Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees.

The standard permits two possible methods of transition:

a) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8

Accounting Policies, Changes in Accounting Estimates and Errors.

b) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as

 - Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application (or)

 - An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On preliminary assessment, for leases other than short-term leases and leases of low value assets, the Company will recognise a right-of-use asset and a corresponding lease liability, the amounts of which are not presently determinable, with the cumulative effect of applying the standard by adjusting retained earnings.

Amendment to Ind AS 12:

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in statement of profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It clarifies the following:

A. The entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty.

B. The entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount.

C. Entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Company does not expect any significant impact of the amendment on its financial statements.

Amendment to Ind AS 109:

The amendments notified to Ind AS 109 pertain to classification of financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permits the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments. According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied.

The Company does not expect this amendment to have any impact on its financial statements

Amendment to Ind AS 23:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

Amendment to Ind AS 111:

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not expect any impact from this amendment.

Amendment to Ind AS 28:

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures and accordingly will not have any impact.

Amendment to Ind AS 103:

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The Company does not expect any impact from this amendment.

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.

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 27th May, 2019.

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, if any, 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.

The Company earns revenue primarily from sale of "Aluminium Fluoride".

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognized at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated – I.E. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- In respect of fixed-price material contracts, revenue is recognized using percentage-of-completion method ('POC method'). When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
- Other income is comprised primarily of interest income, dividend income, gain/ loss on investments.
  - Interest income is recognized using the effective interest method.
  - Dividend income is recognized when the right to receive payment is established.

Contract asset and contract liability

- Contract assets are recognized when there is excess of revenue earned over billings on contracts. "Contract assets" the Company classifies as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- Advances received from customers ("contract liability") is recognized when there is billings or receipts in excess of revenues.

Incremental costs of obtaining a contract are recognized as assets and amortized over the term of the contract

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The Company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

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 charged 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 amortized 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 liabeilities :

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 Derecognition 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 can be offset and the net amount can be 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 reassess-ment 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	**G. SREERAMAKRISHNA** Chairman DIN : 06921031
C V RAMANA RAO Partner M.No. 018545	**V.B.RAMA SARMA** Company Secretary Ms No.ACS22066	**K.PURUSHOTHAM NAIDU** Director & Chief Financial Officer DIN: 01883663

Hyderabad
27 May, 2019

Note 5.01 Property, Plant and Equipment as at March 31, 2019

Sl No.	Fixed Assets	Gross Block				Depreciation				Net Block	
		Balance as at 01.04.2018	Additions	(Disposals)	Balance as at 31.03.2019	Upto 01.04.2018	For the year	On disposals	Total upto 31.03.2019	Balance as at 31.03.2019	Balance as at 01.04.2018
	TANGIBLE ASSETS:	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1.	Land	—	2,78,21,080	—	2,78,21,080	—	—	—	—	2,78,21,080	—
2.	Buildings	1,85,89,893	77,83,818	9,79,228	2,53,94,483	1,32,71,519	8,00,115	7,54,409	1,33,17,226	1,20,77,258	53,18,374
3.	Plant & Machinery	19,72,79,521	5,51,57,405	1,93,809	25,22,43,117	15,51,71,950	65,88,194	92,059	16,16,68,085	9,05,75,032	4,21,07,570
4.	Furniture, Fixtures & Air Conditioners	6,91,922	4,49,747	—	11,41,669	4,41,779	53,281	—	4,95,059	6,46,609	2,50,143
5.	Office Vehicles	68,82,380	—	3,50,000	65,32,380	16,94,938	6,64,591	3,32,500	20,27,029	45,05,351	51,87,442
6.	Computers	6,42,749	2,61,008	—	9,03,757	4,24,697	1,15,868	—	5,40,565	3,63,192	2,18,052
	GRAND TOTAL	**22,40,86,465**	**9,14,73,058**	**15,23,037**	**31,40,36,486**	**17,10,04,883**	**82,22,049**	**11,78,968**	**17,80,47,964**	**13,59,88,522**	**5,30,81,581**

As at March 31, 2018

Sl 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	Balance as at 31.03.2018	Balance as at 01.04.2017
		Rs.	Rs.	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	53,18,374	58,35,335
2.	Plant & Machinery	16,89,23,286	2,83,56,234	—	19,72,79,521	14,89,71,963	61,99,987	—	15,51,71,950	4,21,07,570	1,99,51,323
3.	Furniture, Fixtures & Air Conditioners	6,91,921	—	—	6,91,922	3,99,439	42,339	—	4,41,779	2,50,143	2,92,482
4.	Office Vehicles	37,32,380	31,50,000	—	68,82,380	13,47,512	3,47,426	—	16,94,938	51,87,442	23,84,868
5.	Computers	4,87,191	1,55,558	—	6,42,749	3,15,449	1,09,248	—	4,24,697	2,18,052	1,71,742
	GRAND TOTAL	19,24,24,671	3,16,61,792	—	22,40,86,465	16,37,88,921	72,15,961	—	17,10,04,883	5,30,81,581	2,86,35,750

Notes to Financial Statements for the year ended 31st March, 2019

Note 5.02 : Capital Work in Progress

Particulars	As at 31-03-2019		As at 31-03-2018	
	Rs.	Rs.	Rs.	Rs.
Capital Work In Progress	––	73,24,930		––
Expenditure Incidental to Construction awaiting allocation to Fixed Assets	––	2,89,64,610		1,88,53,366
Total		**3,62,89,540**		1,88,53,366

Note 5.02 (A) Expenditure Incidental to Construction awaiting allocation to Fixed Assets

Particulars	As at 31-03-2019		As at 31-03-2018	
	Rs.	Rs.	Rs.	Rs.
a) Balance at the beginning of the year	––	1,88,53,366	––	26,82,906
b) Net expenditure incurred during the year				
Rates and Taxes	2,86,000		––	––
Professional and Consultancy Charges	88,66,300		1,50,81,109	
Administrative and Other expenses	9,58,944		10,89,351	
	1,01,11,244		1,61,70,460	
Less: Miscellaneous Receipts	––	1,01,11,244	––	1,61,70,460
Less: Allocated to Fixed Assets Capitaliased during the Year		––		––
c) Expenditure Awaiting allocation for Fixed assets		**2,89,64,610**		1,88,53,366

Note 5.03 : Non-Current Investments (Fully paid up except otherwise stated)

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Investments designated at Fair Value through Other Comprehensive Income :				
A) Investments in Quoted Equity instruments		1,46,01,024		1,72,32,273
B) Investments in Mutual Funds:		11,06,82,136		15,72,88,404
Total		**12,52,83,160**		17,45,20,677

Note 5.03 (A) Details of Quoted investments in equity shares

Sl. No.	Particulars	As at 31-03-2019		As at 31-03-2018	
		No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.
1.	Aurobindo Pharma (Face Value of Rs.1/- each)	1,069	8,38,363	1,069	5,96,342
2.	Dewan Housing Finance (Face Value of Rs.10/- each)	1,950	2,92,988	1,950	9,94,793
3.	Federal Bank (Face Value of Rs.2/- each)	8,784	8,47,217	13,725	12,24,270
4.	Granules India Ltd. (Face Value of Rs.1/- each)	2,220	2,54,079	2,220	2,29,215
5.	IDFC Bank (Face Value of Rs.10/- each)	9,801	5,43,955	12,251	5,80,085
6.	India Cements (Face Value of Rs.10/- each)	19,220	20,81,526	19,220	27,24,435
7.	Jkumar Infra (Face Value of Rs.5/- each)	––	––	66	17,912

Sl. No.	Particulars	As at 31-03-2019		As at 31-03-2018	
		No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.
8.	Karnataka Bank (Face Value of Rs.10/- each)	8,458	11,30,412	10,573	12,14,838
9.	L&T Finance Holdings (Face Value of Rs.10/- each)	8,050	12,28,028	8,050	12,64,655
10.	Laurus Labs (Face Value of Rs.10/- each)	629	2,51,317	1,032	5,18,941
11.	M & M Finance Ser (Face Value of Rs.2/- each)	1,790	7,53,948	1,790	8,29,218
12.	N.C.C Ltd (Face Value of Rs.2/- each)	11,729	13,23,618	1,200	9,04,380
13.	Natco Pharma (Face Value of Rs.2/- each)	1,200	6,88,140	7,094	13,50,507
14.	NBCC Ltd (Face Value of Rs.2/- each)	14,186	9,40,532	11,729	13,78,744
15.	RBL Bank Ltd (Face Value of Rs.10/- each)	3,382	23,00,945	1,220	8,82,975
16.	The Ramco Cement (Face Value of Rs.1/- each)	1,220	8,97,798	3,382	16,22,853
17.	Vikas Ecotech (Face Value of Rs.1/- each)	18,400	2,09,760	30,600	8,98,110
18.	Vikas Multicorp Limited (Face Value of Rs.1/- each)	18,400	18,400	––	––
	Total		**1,46,01,024**		1,72,32,273

Note 5.03 (B) Details of investments in Mutual Funds

Sl. No.	Particulars	As at 31-03-2019		As at 31-03-2018	
		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
2.	Birla Sunlife Monthly Inc. p Growth (Face Value of Rs.10/- each)	––	––	56,427	25,87,725
3.	HDFC Equity Saving -Growth (Face Value of Rs.10/- each)	––	––	6,81,537	2,35,48,460
4.	HDFC Equity Saving Fund-Dividend (Face Value of Rs.10/- each)	––	––	6,25,922	71,37,387
5.	HDFC Equity Fund (Face Value of Rs.10/- each)	––	––	5,176	30,61,848
6.	HDFC midcap Opp. Fund (Face Value of Rs.10/- each)	––	––	1,03,159	57,20,873
7.	ICICI Pru Banking & Fin.ser (Face Value of Rs.10/- each)	––	––	1,15,860	66,10,997
8.	ICICI Prudential MIP - 25 (Face Value of Rs.10/- each)	1,29,129	55,01,395	1,29,129	50,84,502
9.	IDFC Bal.Fund -Reg Div-pay (Face Value of Rs.10/- each)	––	––	5,68,383	58,02,333
10.	IDFC Dynamic Equity Fund (Face Value of Rs.10/- each)	––	––	3,59,012	45,24,408
11.	IDFC Monthly Income Plan (Face Value of Rs.10/- each)	6,73,347	1,44,59,385	6,73,347	1,36,51,368
12.	IDFC Sterling Equity Fund (Face Value of Rs.10/- each)	––	––	2,34,315	1,27,53,534
13.	IPRU equity Arbitrage Fund (Face Value of Rs.10/- each)	––	––	5,11,281	69,73,357
14.	Kotak Income Opp. Fund (Face Value of Rs.10/- each)	2,73,898	55,71,898	7,28,887	1,39,32,388
15.	Kotak Equity Arbitrage fund (Face Value of Rs.10/- each)	15,03,495	1,61,00,030	––	––
16.	Kotak Low Duration Fund (Face Value of Rs.10/- each)	––	––	3,987	84,58,492
17.	Reliance Equity S.Fund (Face Value of Rs.10/- each)	––	––	24,63,024	3,05,17,602
18.	Birla Sunlife regular S.Fund (Face Value of Rs.10/- each)	66,744	25,97,662	––	––
19.	IDFC Sterling Value Fund (Face Value of Rs.10/- each)	46,510	24,22,253	––	––
20.	BSL Arbitrage Fund (Face Value of Rs.10/- each)	12,45,767	1,33,51,133	––	––
21.	Reliance Arbitrage Fund (Face Value of Rs.10/- each)	47,69,146	50,678,380	––	––
22.	Reliance Top 200 Fund (Face Value of Rs.10/- each)	––	––	1,17,707	36,51,662
	Total		**11,06,82,136**		**15,72,88,404**

Note 5.03 (C) Reasons for Investments designated to measure at FVTOCI:

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

Note 5.04 Other Non-Current Financial Assets

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Unsecured, considered good				
Deposits Recoverable:		73,41,274		66,80,374
Total		**73,41,274**		66,80,374

Note 5.05 Other Non Current Assets

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Capital Advances		**2,95,62,402**		---
Deposits Recoverable				
(Unsecured, considered good)		**52,690**		52,690
Total		**2,96,15,092**		52,690

Note 5.06 Inventories

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
a. Stock of Raw Material and components		2,21,48,166		1,08,10,658
b. Stock of Finished Goods		1,93,27,649		3,56,96,884
c. Stock of stores and spares	67,87,111		69,15,415	
d. Stock of stores and spares in transit	2,18,493	70,05,604	19,85,998	89,01,413
e. Others		70,946		70,946
Total		**4,85,52,364**		5,54,79,901

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 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Trade receivables less than Six Months				
Unsecured, considered good		5,78,47,140		4,05,60,816
Total		**5,78,47,140**		4,05,60,816

Note 5.08 Components of Cash and Cash Equivalents

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
a. Balances with Scheduled banks:				
In Current Accounts		1,30,54,380		49,20,657
In short term deposits		8,43,048		1,52,33,271
c. Cash on hand		6,541		4,342
Total		**1,39,03,970**		2,01,58,269

Note 5.09 Bank balances other than cash and cash Equivalents

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Fixed deposits with banks (Having original maturity period of more than 3 months)		1,60,68,852		1,99,03,636
Total		**1,60,68,852**		1,99,03,636

Note 5.10 Other Current Financial Assets

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Interest and other receivables		1,08,03,656		64,25,056
Total		**1,08,03,656**		64,25,056

Note 5.11 Current Tax Assets (Net)

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Income Tax paid (Net of provisions)		––		24,03,793
		––		24,03,793

Note 5.12 Other Current Assets

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Unsecured, considered good				
Prepaid Expenses		3,55,670		2,38,657
Advances for supply of goods		59,13,345		21,54,052
Balances with Government Authorities		2,07,257		7,20,107
Total		**64,76,272**		31,12,816

Note 5.13 Equity Share Capital

Particulars	As at 31-03-2019		As at 31-03-2018	
	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
Issued				
Equity Shares of Rs.10 par value	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
Total	**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 31-03-2019	As at 31-03-2018
Balance at the beginning of the reporting period	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

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

Particulars	As at 31-03-2019		As at 31-03-2018	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
PROMOTER'S HOLDING:				
a) V. Sunitha	14,32,383	20.46	14,13,195	20.19
b) V. Sarojini	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
	30,61,243	**43.73**	**30,42,055**	43.46

Note 5.14 Other Equity

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
a) General Reserve		6,00,000		6,00,000
b) Retained Earnings		30,47,79,259		22,21,64,341
c) Money received against share warrants		1,77,54,776		1,77,54,776
d) Other Comprehensive Income				
Equity Instruments through Other Comprehensive Income		69,74,497		1,49,88,764
Re-measurement of Defined benefit plans		(5,16,839)		14,20,390
Total		**32,95,91,693**		25,69,28,271

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 warrants

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

b. Each warrant will be convertible into one equity share, the said right 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 allottees to the Company upon issue and allotment of the warrants. The amount paid will be forfeited if the allottees of warrants have not exercised their right for conversion within a period of 18 months from the date of issue of warrants.

c. As on the balance sheet date, none of the allotees 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 31-03-2019**		As at 31-03-2018	
	Details	**Rs.**	Details	Rs.
a) Provision for employee benefits:				
Gratuity	68,02,537		48,86,631	
Compensated Absences	15,28,607	**83,31,144**	12,61,209	61,47,840
b) Provision for De-commissioning Liability		**61,09,339**		59,00,000
Total		**1,44,40,483**		1,20,47,840

Note 5.16 Deferred Tax Asset / (Liability) (Net)

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	Details	**Rs.**	Details	Rs.
Deferred Tax Assets		53,10,726		40,09,393
Deferred Tax Liabilities		(94,06,921)		(48,79,932)
Net Deferred Tax Assets/(Liabilities)		**(40,96,195)**		(8,70,539)

Note 5.16(A) : Components, movement of Deferred Tax Assets/(Liabilities) as at 31st March, 2019 are given below

Particulars	As at 31-03-2018	(Charge)/Credit Recognised in Profit or Loss	Charge / (Credit) Recognised in Other Comprehensive Income	As at 31-03-2019
Deferred Tax Assets:				
Provision for Post retirement and other employee benefits:				
Provision for Gratuity	18,56,207	(3,74,506)	(6,12,259)	28,42,971
Provision - Leave encashment	5,27,588	(1,06,150)	(1,34,398)	7,68,136
Provision for De-commissioning liability	16,25,596	(74,020)	––	16,99,617
Deferred Tax (Laibilities) :				
Timing difference with respect to depreciation on Property, Plant & Equipment:	(45,23,853)	47,88,472		(93,12,325)
Timing difference with respect to Investments designated at FVTOCI	(3,56,077)		(2,61,483)	(94,594)
Net Deferred Tax Assets/(Liabilities)	(8,70,539)	**42,33,796**	(10,08,140)	(40,96,195)

Note 5.16 (B) : 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 5.17 Trade Payables

Particulars	**As at 31-03-2019**		As at 31-03-2018	
	Details	**Rs.**	Details	Rs.
A) Total outstanding dues of Micro and Small Enterprises		––		––
B) Total outstanding dues other than Micro and Small Enterprises		3,60,62,277		3,41,63,377
Total		**3,60,62,277**		3,41,63,377

Note 5.17 (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 31-03-2019**	As at 31-03-2018
(a) Principal amount and interest due thereon remaining unpaid but not due as at year end	**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
(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

Particulars	As at 31-03-2019	As at 31-03-2018
(d) Interest accrued and remaining unpaid at the end of the year	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

Note 5.18 Other Current Financial Liabilities

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Capital creditors		1,09,60,974		–––
Outstanding expenses		40,37,536		1,61,55,747
Total		**1,49,98,510**		1,61,55,747

Note 5.19 Other Current Liabilities

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
(a) Advances received against sales		48,515		2,10,407
(b) Amounts payable to employees and others		70,98,101		43,57,559
(c) Statutory Dues and Taxes payable		55,94,848		39,91,244
Total		**1,27,41,464**		85,59,211

Note 5.20 Current Provisions

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Provision for employee benefits:				
Gratuity		34,16,628		18,50,353
Compensated Absences		12,32,486		6,53,637
Total		**46,49,114**		25,03,990

Note 5.21 Current Tax Liabilities (Net)

Particulars	As at 31-03-2019		As at 31-03-2018	
	Details	Rs.	Details	Rs.
Provision for Income Tax (Net of Prepaid Taxes)		15,86,106		––
Total		**15,86,106**		––

Note 5.22 Revenue From Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products (Aluminium Fluoride) (PY: Including excise duty upto 30th June, 2017 and exclusive of GST from 1st July, 2017 onwards)	**65,51,01,000**	51,49,79,532
Total	**65,51,01,000**	51,49,79,532

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognized. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The impact of the adoption of the standard on the financial statements of the Company is insignificant. However, various disclosures prescribed under Ind As 115 are given below.

Note: 5.22 (A) Revenue disaggregation by industry vertical is as follows:

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018 (*)
Fixed price manufacturing contracts	65,51,01,000	49,67,78,650
Total	**65,51,01,000**	49,67,78,650

(*) Excluding excise duty.

Note: 5.22 (B) Revenue disaggregation by geography is as follows:

(Amount in Rs.)

Revenue earned from states in India (*)	For the year ended March 31, 2019	For the year ended March 31, 2018 (**)
Odisha	53,25,28,000	43,04,69,400
Uttar Pradesh	1,74,67,500	1,10,09,250
Madhya Pradesh	10,41,23,000	4,48,39,500
Karnataka	9,82,500	1,04,60,500
Total	**65,51,01,000**	**49,67,78,650**

(*) Company earns revenue only from INDIA & Geographical revenue is allocated based on the goods sent to the location of the customers.

(**) Excluding excise duty.

Note: 5.22 (C) Reconciliation of revenue recognized with the contracted price is as follows

(Amount in Rs.)

Particulars	For the year ended March 31, 2019
Contracted price with customers	65,51,01,000
Less: Amounts adjusted for Discounts, rebates, refunds etc.	––
Revenue recognised in the statement of profit and loss	**65,51,01,000**

Note: 5.22 (D) Changes in advances received from customers (Contract liability) are as follows:

(Amount in Rs.)

Particulars	For the year ended March 31, 2019
Balance at the beginning of the year	**2,10,387**
Amounts received during the year	**7,40,700**
Less:revenue recognised during the year	**9,02,572**
Balance at the end of the year	**48,515**

Note: There are no advances received by the company for sale of Aluminium Fluoride.

Note: 5.22 (E) The details in respect of percentage of revenues generated from top customers are as follows:

Particulars	For the year ended March 31, 2019 (in %)	For the year ended March 31, 2018 (in %)
Revenue from top customer	**45.61**	54.58
Revenue from 2nd top customer	**34.50**	35.21
Total of other customers generating more than 10% revenue	**14.19**	––

The Company deals with largest corporates in India and the company believes 100% reliance of recovery of its receivables.

Note 5.23 Other Income

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
a) **Interest Income:**				
Financial assets at amortized cost	**20,20,784**		19,21,506	
Financial assets measured at fair value	**2,06,949**	**22,27,733**	20,70,480	39,91,986
b) **Dividend Income**		**35,66,320**		21,51,720
c) **Other non operating income:**				
Sale of silica	**20,40,237**		19,76,156	
Gain/(loss) on sale / redemption of investments (net)	**1,21,11,523**		25,083	
Excess provisions made in earlier years written back	**3,86,966**		––	
Exchange rate variation	**13,839**		10,437	
Miscellaneous receipts	**10,007**	**1,45,62,572**	31,088	20,42,764
Total		**2,03,56,625**		81,86,470

Note 5.24 Cost of Materials Consumed

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
Raw Materials, Packing Materials Consumed				
Opening Stock		**1,08,10,658**		78,96,438
Add: Purchases		**44,64,25,501**		32,03,43,432
Total		**45,72,36,159**		32,82,39,870
Less: Closing Stock		**2,21,48,166**		1,08,10,658
Total		**43,50,87,993**		**31,74,29,212**

Note 5.24 (A) Details of Raw materials consumed

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
Hydrofluosilicic Acid		**12,97,64,367**		10,25,05,494
Alumina Hydrate		**20,82,95,672**		15,32,25,264
Hydrated Lime		**62,46,004**		12,33,460
Packing Materials		**41,22,450**		34,04,374
Furnace oil		**8,66,59,500**		5,70,60,620
Total		**43,50,87,993**		31,74,29,212

Note 5.25 Change in Inventories of Finished Goods

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
A) Closing Stock				
Finished Goods		**1,93,27,649**		3,56,96,884
Total (A)		**1,93,27,649**		3,56,96,884
B) Opening Stock				
Finished Goods		**3,56,96,884**		4,02,07,934
Total (B)		**3,56,96,884**		4,02,07,934
(Increase) / Decrease in stocks (B-A)		**1,63,69,235**		45,11,050
Total		**1,63,69,235**		45,11,050

Note 5.26 Employee Benefit Expense

Particulars	For the Year ended March 31, 2019		For the Year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
Payment & Benefits to Employees:				
Salaries & Wages		**2,85,72,793**		2,43,88,339
Remuneration to Whole time Directors		**91,96,213**		74,07,249
Company's Contribution to PF & other Funds		**44,37,965**		38,59,866
Staff Welfare		**12,50,534**		10,79,632
Total		**4,34,57,505**		3,67,35,086

Note 5.26 (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:

Particulars	2018-19 Rs.	2017-18 Rs.
Employer's Contributions to Provident and Pension Funds	**44,37,965**	38,59,866

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 continuos 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 acturial 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 5.26 (B) Statement showing Reconciliation of opening and closing balances of Defined Benefit obligations, Plan assets

Amount in Rs.

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	As at 31st March 2019	As at 31st March 2018	**As at 31st March 2019**	As at 31st March 2018
A) Change in Fair value of the defined benefit obligation:				
Liability at the beginning of the year	67,36,984	60,90,944	19,14,846	18,85,818
Interest Cost	5,11,183	4,45,046	1,45,264	1,37,567
Current Service Cost	9,83,933	8,02,750	2,79,376	1,16,363
Benefits paid	(2,13,721)	(1,53,635)	(61,493)	(53,598)
Actuarial loss / (gain) on obligation	22,00,786	(4,48,121)	4,83,100	(1,71,304)
Liability at the end of the year	**1,02,19,165**	**67,36,984**	27,61,093	19,14,846
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)	**1,02,19,165**	**67,36,984**	27,61,093	19,14,846

Note 5.26 (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 2018-19 Rs.	For the Year 2017-18 Rs.	**For the Year 2018-19 Rs.**	For the Year 2017-18 Rs.
Interest Cost	5,11,183	4,45,046	1,45,264	1,37,567
Current Service Cost	9,83,933	8,02,750	2,79,376	1,16,363
Expected return on plan assets	——	——	——	——
Expenses recognized in the statement of Profit & Loss	**14,95,116**	12,47,796	4,24,640	2,53,930

Note 5.26 (D) Amount to be recognized in statement of other comprehensive income

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2018-19 Rs.	For the Year 2017-18 Rs.	**For the Year 2018-19 Rs.**	For the Year 2017-18 Rs.
Remeasurements of the net defined benefit liability / (asset) Actuarial (gains) / losses	22,00,786	(4,48,121)	4,83,100	(1,71,304)

Note 5.26 (E) Actuarial (Gain) / Loss arising from;

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2018-19 Rs.	For the Year 2017-18 Rs.	**For the Year 2018-19 Rs.**	For the Year 2017-18 Rs.
Change in Demographic assumptions	——	——	——	——
Change in Financial assumptions	22,00,786	(4,48,121)	4,83,100	(1,71,304)

Note 5.26 (F) Significant estimates: Acturial assumptions

Particulars	As at 31-03-2019	As at 31-03-2018
Discount Rate:		
Gratuity(Unfunded)	7.63%	7.71%
Compensated absences (Unfunded)	7.63%	7.71%
Salary Escalation Rate:		
Gratuity (Unfunded)	10.00%	10.00%
Compensated absences (Unfunded)	10.00%	10.00%
Employee Attrition Rate:		
Gratuity (Unfunded)	8.00%	8.00%
Compensated absences (Unfunded)	8.00%	8.00%
Mortality rate during employment:		
Gratuity (Unfunded) Compensated absences (Unfunded)	Indian Assured Lives Mortality (2006-08) Ultimate 58 Years	

Note 5.26 (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 31-03-2019			
Impact on present value of defined benefit obligation if discount rate increase by	+1%	97,90,698	26,91,552
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	1,06,97,914	28,36,452
Impact on present value of defined benefit obligation if salary increase by	+1%	1,07,48,216	28,52,390
Impact on present value of defined benefit obligation if salary decrease by	-1%	97,34,206	26,74,700
Impact on present value of defined benefit obligation if employees attrition is	+1%	1,01,67,961	27,55,285
Impact on present value of defined benefit obligation if employees attrition is	-1%	1,02,75,939	27,67,344
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

Note 5.26 (H) Expected contribution to the defined benefit plan in future years

Particulars	Gratuity		Compensated absences	
	As at 31-03-2019	As at 31-03-2018	**As at 31-03-2019**	As at 31-03-2018
Expected outflow in 1st year	34,16,628	18,50,353	12,32,486	6,53,637
Expected outflow in 2nd year	7,01,491	1,98,765	3,35,636	35,670
Expected outflow in 3rd year	7,83,150	1,49,894	3,06,717	41,935
Expected outflow from 4th year onwards	64,25,865	45,37,972	13,08,699	11,83,604

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 5.27 Finance Charges

Particulars	**For the year ended March 31, 2019**		For the year ended March 31, 2018	
	Rs.	**Rs.**	Rs.	Rs.
Unwinding of discount on provisions		4,74,589		4,43,605
Bank charges		79,159		41,145
Total		**5,53,748**		**4,84,750**

Note 5.28 Other Expenses

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
	Rs.	Rs.	Rs.	Rs.
Rent		60,65,882		51,70,867
Power, Coal & Water		2,50,44,126		2,58,28,483
Repairs & Maintenance				
Plant & Machinery	1,89,15,375		1,09,39,053	
Others	4,94,670	1,94,10,045	7,94,130	1,17,33,183
Excise duty paid		––		1,82,90,100
Adjustment in excise duty for change in closing stock		––		(44,67,548)
Other Manufacturing Expenses		15,98,389		13,03,413
Rates and Taxes		6,11,038		9,61,741
Insurance		3,10,970		2,52,131
Postage & Telephone expenses		5,56,059		4,72,903
Auditors' Remuneration				
for Audit Fees	1,00,000		1,00,000	
for Taxation Matters	––	1,00,000	––	1,00,000
Selling expenses		10,42,022		7,13,476
Corporate Social Responsibility (CSR) Expenses		2,20,645		––
Fixed Assets Written off		3,26,569		––
Miscellaneous Expenses		73,32,637		57,23,243
Total		**6,26,18,382**		6,60,81,992

Note 5.28 A : CSR Expenses

Particulars	For the year ended March 31, 2019 Rs.	For the year ended March 31, 2018 Rs.
a) Gross amount to be spent by the company during the Year	**11,46,958**	––
b) Amount spent during the year on		
i) Construction/Acquisition of an asset	**––**	––
ii) On purpose other than in (i) above	**2,20,645**	––

Description of the CSR Expenses spent under various Heads

Particulars	For the year ended March 31, 2019 Rs.	For the year ended March 31, 2018 Rs.
Promoting Health care, including Preventive health checkup (Clause I of schedule VII of Companies act 2013)	**2,20,645**	––

Note 5.29 Components of Tax Expense recognised in profit and loss account

Particulars	For the year ended March 31, 2019 Rs.	For the year ended March 31, 2018 Rs.
Current Tax:		
Current tax on profit for the year	2,23,00,000	2,13,07,000
Deferred tax		
Decrease/(increase) in deferred tax assets	(5,54,676)	6,02,679
(decrease)/increase in deferred tax liabilities	47,88,472	45,16,236
Total deferred tax expenses/(benefit)	42,33,796	51,18,915
Tax for earlier year		
Tax pertaining to previous years	––	(2,84,625)
Total Tax expense recognised in the current year	2,65,33,796	2,61,41,290

Note 5.29 (A) Reconciliation of Income tax expense for the year with accounting profit;

Particulars	For the year ended 31-03-2019 Rs.	For the year ended 31-03-2018 Rs.
Profit before tax	10,91,48,713	9,07,07,951
Income tax expense @ 27.82 % (2017-18: 27.5525%)	3,03,65,172	2,49,90,040
Less : Effect of income Exempt from taxation		
Dividend	(9,92,150)	(5,92,799)
Long term Capital gain	(47,853)	––
Depreciation as per IT rules	(71,31,739)	(56,02,790)
Add : Effect of expenses that are not deductible in determining taxable profit		
Depreciation as per Companies Act, 2013	22,87,374	19,87,997
Effect of deferred tax, other adjustments	13,06,336	54,72,814
Actuarial gains recognised in OCI	7,46,657	1,70,652
Taxation pertaining to earlier years	—	(2,84,625)
Tax expense as per the Statement of Profit and Loss	**2,65,33,796**	2,61,41,290

i) The tax rate used for the years ended 31st March, 2019 and 31st March, 2018 in reconciliations above is the corporate tax rate of 27.82% (Previous year 27.55 %) payable by corporate entities in India on taxable profits under the Indian tax law.

ii) There is an increase in tax rate by 0.27% during the year as compared to previous year due to increase in the cess rate from 3% to 4% with effect from 01.04.2018.

Note 5.29 (B) Tax Expense recognised in other comprehensive income

Particulars	For the year ended March 31, 2019 Rs.	For the year ended March 31, 2018 Rs.
On remeasurement of defined benefits plan	7,46,657	1,70,667
On Fair valuation of financial assets and financial liabilities	2,61,483	(3,56,077)
Total	**10,08,140**	(1,85,410)

Note 5.30: Other Comprehensive Income for the Year

Particulars	For the year ended March 31, 2019 Rs.	For the year ended March 31, 2018 Rs.
a. Acturial measurement of Defined Benefit Plans	26,83,886	(6,19,425)
b. Restatement of Equity Investments measured through FVTOCI	82,75,750	(72,32,739)
c. Deferred Tax effect On the Above	(10,08,140)	1,85,410
Total (Income)/ Loss	**99,51,496**	(76,66,754)

Note 5.31 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	2018-19 Rs.	2017-18 Rs.
Net Profit attributable to equity holders:		
Continuing operations	8,26,14,917	6,45,66,661
Discontinued operation	––	––
Net Profit attributable to equity holders adjusted for the effect of dilution	8,26,14,917	6,45,66,661

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

Particulars	2018-19	2017-18
Weighted average number of Equity shares for calculating basic EPS	70,00,400	70,00,400
Equity shares allocated for Share warrants	8,20,082	2,73,361
Weighted average number of Equity shares for calculation of diluted EPS	78,20,482	72,73,761

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 warrants. As on the balance sheet date, none of the allotees has exercised the right of converting the share warrants into equity shares, hence the same is considered for calculating diluted EPS.

E) Calculation of EPS

Earnings per equity share (for continuing operations)	2018-19	2017-18
a) Basic b) Diluted	11.80 10.56	9.22 8.88
Earnings per equity share (for discontinuing operations)		
a) Basic b) Diluted	–– ––	–– ––

Note 5.32: 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.

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 (A): The Company has signed a Non-Binding Heads of Agreement with Jordan Phosphate Mines Co. (JPMC), Jordan to set up of a Green Field Aluminium Fluoride Project at Eshidiya, Jordon as a Joint Venture. The Project is expected to be commissioned in FY 2021-22. A definitive Joint Venture Agreement will signed by the end of September, 2019.

Note 5.33 : Contingent Liabilities not provided for in respect of:

Particulars	As at March, 2019	As at March, 2018
A) Claims against the Company not acknowledged as debt	Rs.	Rs.
(a) Disputed Tax Collected at Source (TCS) demand with the income tax department which is unpaid	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)	34,18,236	34,18,236
B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):	7,40,03,384	1,75,24,226
C) Bank guarantees issued by the Company to the APEPDCL as a performance bank guarantee	6,00,00	––

Note 5.33 (A) 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, 2018 : Rs.12,35,756)

Note 5.34 : Earnings & Expenditure in foreign currency on account of :

Amount in Rs.

Particulars	2018-19	2017-18
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	**71,50,992**	1,21,70,510

Note 5.35 : Movements in provisions

Amount in Rs.

Particulars	Provision for decommissioning liability:
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**
Charged/ (credited) to profit/loss account	4,74,589
Unused amounts reversed	
Amounts used during the year	2,65,250
As at 31-03-2019	**61,09,339**

Provision for decommissioning liability :

This provision has been created for estimated costs of dismantling and removing the debries 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 30 years and accordingly the Company is expected to enter into lease extension aggrement for atleast 30 years; Accordingly the de-commissioning provision has been estimated based on the above facts.

Note 5.36 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 Procare	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	Key management personnel - Director (Finance & Commercial)
8) Sri Aditya Akkineni	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	
		2018-19	2017-18	**31.03.2019**	31.03.2018
1. Purchase of a motor car	M/s. Akkineni Procare	––	31,50,000	––	––
2. Remuneration paid/payable	Sri Aditya Akkineni	8,98,578	––	1,03,273	––
	Sri Venkat Akkineni	79,84,013	66,02,138	26,81,823	5,00,829
	Sri K.Purushotham Naidu	21,22,237	20,68,586	3,47,667	2,83,247
3. Issue of Share warrants	Sri Venkat Akkineni	––	49,79,500	––	––
	Ms. Annapurna Akkineni	––	20,53,676	––	––
	Sri Aditya Akkineni	––	20,61,600	––	––

C) Transactions with Management Personnel

Particulars	2018-19 Rs.	2017-18 Rs.
Salaries and Commission	88,96,743	74,07,229
Perquisites and Contributions	12,09,507	12,63,495
Directors, Sitting fees	29,000	24,000
Directors' Travelling Expenses	7,07,331	11,75,796
Total amount paid to management personnel	**1,08,42,581**	**98,70,520**

* There are no significiant 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 (In Rs.)

Particulars	2018-19 Rs.	2017-18 Rs.
i) Short-Term employee benefits	1,01,06,250	86,70,724
ii) Post employment benefits (As per Actuary report)	21,41,392	20,65,346
iii) Other long term benefits	––	––
iv) Share based payments	––	––
v) Termination benefits	––	––
Total	**1,22,47,642**	**1,07,36,070**

Note: 5.37 Details of imported and indigeneous raw materials and spares consumed

Particulars	2018-19		2017-18	
	Rs.	%	Rs.	%
Raw Materials				
Imported	––	––	––	––
Indigenous	43,50,87,993	100	31,74,29,212	100
Stores & Spares				
Imported	––	––	––	––
Indigenous	6,01,92,451	100	4,10,12,807	100

Note 5.38 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 31-03-2019	As at 31-03-2018
Equity Share Capital	7,00,04,000	7,00,04,000
Long Term Debt	––	––

C) Since the Company has "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 31-03-2019		As at 31-03-2018	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial asstes (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Trade receivables	5,78,47,140	5,78,47,140	4,05,60,816	4,05,60,816
Bank balances (other than those in cash and cash equivalents)	1,60,68,852	1,60,68,852	1,99,03,636	1,99,03,636
Other current and non - current financial assets	1,08,03,656	1,08,03,656	64,25,056	64,25,056
Financial Assets measured at Fair Value through Profit and Loss Account (FVTPL)				
Other Non-Current Financial Assets	73,41,274	73,41,274	66,80,374	66,80,374
Cash and cash equivalents	1,39,03,970	1,39,03,970	2,01,58,269	2,01,58,269
Designated Financial Assets measured at Fair Value through Other Comprehensive ss Income (FVTOCI)				
Investment in Equity Instruments and mutual funds	12,52,83,160	12,52,83,160	17,45,20,677	17,45,20,677
Financial Liabilities (Current and Non–Current)				
Financial Assets measured at Amortised Cost				
Trade payables	3,60,62,277	3,60,62,277	3,41,63,377	3,41,63,377
Other financial liabilities	1,49,98,510	1,49,98,510	1,61,55,747	1,61,55,747

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 investements 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, 2019:

Amount in Rs.

Particulars	As at 31st March, 2019	Fair value measurement at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Trade receivables	5,78,47,140	––	5,78,47,140	––
	(4,05,60,816)	––	(4,05,60,816)	––
Other current & Non-current financial assets	1,81,44,930	––	1,81,44,930	––
	(1,31,05,430)		(1,31,05,430)	––
Investment in Equity Instruments and mutual funds	12,52,83,160	12,52,83,160	––	––
	(17,45,20,677)	(17,45,20,677)	––	––
Financial Liabilities				
Trade payables	3,60,62,277	––	3,60,62,277	––
	(3,41,63,377)		(3,41,63,377)	––
Other financial liabilities	1,49,98,510	––	1,49,98,510	––
	(1,61,55,747)	––	(1,61,55,747)	––

Note: Figures in round brackets ( ) indicate figures as at March 31, 2018.
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 counter party 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 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

Particulars	**As at 31-03-2019 Rs.**	As at 31-03-2018 Rs.
Less than 3 Months	**5,78,47,140**	4,05,60,816
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	**5,78,47,140**	4,05,60,816

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 it's 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.

Particulars	**As at 31-03-2019 Rs.**	As at 31-03-2018 Rs.
Trade payables		
Less than 3 Months	**3,38,72,813**	2,48,58,542
3 Months to 6 Months	**4,06,233**	93,04,835
6 months to 1 Year	**17,83,232**	––
More than 1 Year	**––**	––
Other financial liabilities		
On Demand payable	**1,49,98,510**	1,61,55,747
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 though sensitivity analysis by taking variance of 5%.

1) Selling price risk

Amount in Rs.

Particulars	Impact on Profit	
	FY 2018-19	FY 2017-18
Increase in Selling Prices @ 5%		
Aluminium fluoride	**3,27,55,050**	2,48,38,933
	3,27,55,050	2,48,38,933
Decrease in Selling Prices @ 5%		
Aluminium fluoride	**(3,27,55,050)**	(2,48,38,933)
	(3,27,55,050)	(2,48,38,933)

2) Raw material risk

Amount in Rs.

Particulars	Impact on profit	
	FY 2018-19	FY 2017-18
IIncrease in RM Cost @ 5%		
Hydrofluosilicic Acid	**(12,88,919)**	(11,31,203)
Alumina Hydrate	**(96,44,859)**	(70,23,705)
Hydrated Lime	**(3,12,300)**	(61,673)
Packing Materials	**(1,78,638)**	(1,64,787)
Furnace oil	**(42,96,725)**	(28,20,546)
Decrease in RM Cost @ 5%		
Hydrofluosilicic Acid	**12,88,919**	11,31,203
Alumina Hydrate	**96,44,859**	70,23,705
Hydrated Lime	**3,12,300**	61,673
Packing Materials	**1,78,638**	1,64,787
Furnace oil	**42,96,725**	28,20,546

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 asstes 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, 2019 would increase / decrease by Rs. 62,64,157 (for the year ended 31st March, 2018: increase / decrease by Rs. 87,26,034) as a result of the change in fair value of equity investments which are designated as FVTOCI.

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

G. SREERAMAKRISHNA
Chairman
DIN: 06921031

C V RAMANA RAO
Partner
M.No. 018545

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

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

Place: Hyderabad
Date : 27.05.2019

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 Monday, 30th September, 2019 at 11 AM 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, 2019 and Profit and Loss Account for the year ended 31st March, 2019 together with the reports of Directors' and Auditors' thereon.
2. To reappoint Smt. Jyothsana Akkineni, Executive Director.
3. To reappoint Sri K. Purushotham Naidu, as Director (Finance & Commercial).
4. To reappoint Sri A.V.V.S.S.Ch.B. Sekhar Babu, as an Independent Non-Executive Director.
5. To reappoint Sri Sreeramakrishna Grandhi, as an Independent Non-Executive Director.
6. To appoint Sri Yugandhar Meka, as an Independent Director.

Signed this__________________________day of____________________2019

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 Monday, 30th September, 2019 at 11 AM 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. : ____

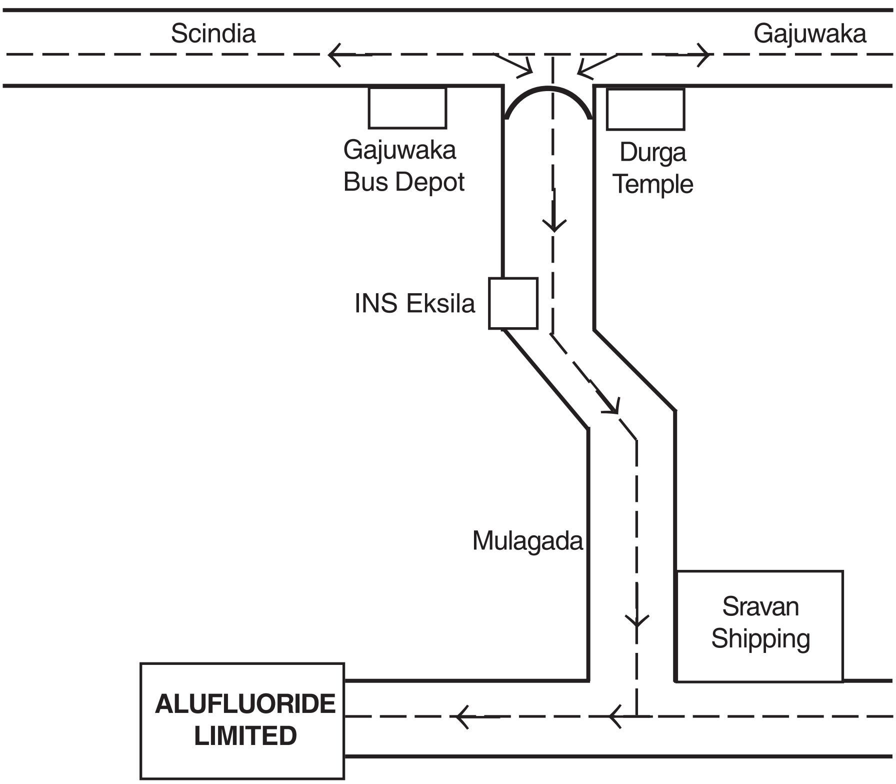
PAN No. : ____

E-mail Address : ____

Date:

Place: (Signature of Member)

Route Map to AGM Venue




Solar Power Generation Plant at Polepalli, Visakhapatnam


Free Eye Screening Camp at Mulagada, Visakhapatnam

PRINTED MATTER

To

If undelivered, Please return to:

ALUFLUORIDE LIMITED
MULAGADA, MINDI,
VISAKHAPATNAM 530 012, INDIA

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