

INDEPENDENT AUDITOR'S REPORT

To the Members of Solvay Vishnu Barium Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Solvay Vishnu Barium Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. 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.



S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- (a) We draw attention to Note 25 to the financial statements regarding payment for transportation services for the year ended March 31, 2006 amounting to Rs. 7,439,060 for which prior approval of the Central Government was obtained only to the extent of Rs. 6,000,000. As represented, the Company has applied to the Central Government for approval in respect of the aforesaid transaction and the approval is still awaited.
- (b) We draw attention to Note 26 to the financial statements, other current liabilities include Rs. 13,809,721 (March 31, 2014 Rs. 13,260,119) and Rs. 2,572,444 (March 31, 2014 Rs. 2,572,444) payable to a foreign company towards advance received and sales commission respectively, which have been outstanding for a period of more than three years. Requisite approvals under the provisions of Foreign Exchange Management Act, 1999 have not yet been obtained from the Reserve Bank of India.

The ultimate outcome of the matters mentioned above, in paragraphs (a) and (b) cannot be presently determined. Pending the final outcome, no adjustments have been made in this regard, in the financial statements. Our opinion is not qualified in respect of the aforesaid matters.

- (c) We draw attention to Note 27 of the financial statements which indicates that the Company has incurred a net loss of Rs. 55,079,797 during the year ended March 31, 2015, and, as of that date, the Company's current liabilities exceeded its current assets by Rs. 114,594,674. These conditions, along with other matters as set forth in Note 27, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

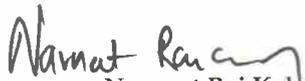


S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) The going concern matter described in sub-paragraph (c) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.V. GHATALIA & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W


per Navneet Rai Kabra
Partner

Membership Number: 102328



Place of Signature: Hyderabad
Date: August 10, 2015

S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

Annexure referred to in paragraph 1 of our report of even date

Re: Solvay Vishnu Barium Private Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (ii) (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (ii) (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the company in respect of these areas.
- (v) The Company has not accepted any deposits from the public.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the products of the Company.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.



S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty demand	Rs. 2,820,515*	Rs. 1,500,000	2002-03	Customs, Excise and Service Tax Appellate Tribunal
ESI Act, 1948	Contribution to ESI	Rs. 2,148,996	Rs. 559,900	2010-12	High Court of Andhra Pradesh

*excluding interest and penalty

(d) According to the information and explanations given to us, the provisions of investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder are not applicable to the company.

- (viii) The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash loss in the current year and the immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.V. GHATALIA & ASSOCIATES LLP

Chartered Accountants

ICAI Firm Registration Number: 103162W


per Navneet Rai Kabra
Partner
Membership Number: 102328



Place of Signature: Hyderabad

Date: August 10, 2015

SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Balance sheet as at March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	863,949,500	863,949,500
Reserves and surplus	4	(722,963,012)	(667,883,130)
		<u>140,986,488</u>	<u>196,066,370</u>
Non-current liabilities			
Long term provisions	5	3,931,406	2,158,158
Trade payables	7.1	231,287	231,287
		<u>4,162,693</u>	<u>2,389,445</u>
Current liabilities			
Short term borrowings	6	106,394,629	108,500,000
Trade payables	7.1	21,847,103	41,183,767
Other current liabilities	7.2	18,080,971	17,423,124
Short term provisions	5	3,162,093	4,136,682
		<u>149,484,796</u>	<u>171,243,573</u>
		<u>294,633,977</u>	<u>369,699,388</u>
ASSETS			
Non-current assets			
Fixed assets	8		
Tangible assets		238,952,062	264,403,141
Capital-work-in-progress		7,799,039	4,495,284
Long term loans and advances	9	12,992,755	12,632,351
		<u>259,743,856</u>	<u>281,530,776</u>
Current Assets			
Inventories	10	19,187,284	43,827,642
Trade receivables	11.1	8,101,418	31,399,408
Cash and bank balances	12	277,505	4,768,998
Short term loans and advances	9	6,554,153	7,399,233
Other current assets	11.2	769,761	773,331
		<u>34,890,121</u>	<u>88,168,612</u>
		<u>294,633,977</u>	<u>369,699,388</u>
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For S.V. GHATALIA & ASSOCIATES LLP
ICAI Firm Registration No. 103162W
Chartered Accountants

Navneet Rai Kabra
per Navneet Rai Kabra

Partner

Membership No.: 102328



Place: *Hyderabad*

Date: *10-Aug-2015*

For and on behalf of the Board of Directors
SOLVAY VISHNU BARIUM PRIVATE LIMITED

Thir
Tirthankar Mitra

DIN-02675454

Managing Director

Place: *Hamburg*

Date: *10-8-2015*



Stephan Ahrens
Stephan Ahrens

DIN-03015068

Chairman

Place: *Hamburg*

Date: *10-8-2015*

SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Statement of profit and loss for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

	Notes	March 31, 2015	March 31, 2014
Income			
Revenue from operations (gross)	13	426,205,629	396,253,023
Less : Excise duty		45,766,362	42,058,654
Revenue from operations (net)		380,439,267	354,194,369
Other income	14	876,769	952,009
		381,316,036	355,146,378
Expenses			
Cost of raw materials consumed	15	183,542,709	155,769,420
Decrease/(increase) in inventories	16	20,387,737	4,110,768
Employee benefits expense	17	46,853,436	39,785,108
Other expenses	18	146,530,334	152,775,499
Depreciation	8	27,504,145	25,833,246
Finance costs	19	11,577,472	12,347,280
		436,395,833	390,621,321
Loss before taxation		(55,079,797)	(35,474,943)
Tax expenses		-	-
Net Loss for the year		(55,079,797)	(35,474,943)

Earnings per share (Refer note 20)

Basic and diluted earnings per share	(1.08)	(0.78)
Nominal value per share	10	10

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements.

As per our report of even date.

For **S.V. GHATALIA & ASSOCIATES LLP**

ICAI Firm Registration No. 103162W

Chartered Accountants

Navneet Rai Kabra
per Navneet Rai Kabra

Partner

Membership No.: 102328



Place: *Hyderabad*

Date: *10-Aug-2015*

For and on behalf of the Board of Directors

SOLVAY VISHNU BARIUM PRIVATE LIMITED

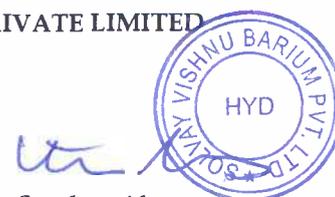
Tirthankar Mitra
Tirthankar Mitra

DIN-02675454

Managing Director

Place: *Hamburg*

Date: *10-8-2015*



Stephan Ahrens
Stephan Ahrens

DIN-03015068

Chairman

Place: *Hamburg*

Date: *10-8-2015*

SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Cash flow statement for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

	March 31, 2015	March 31, 2014
A. Cash flow from operating activities:		
Net loss before taxation:	(55,079,797)	(35,474,943)
Adjustment to reconcile loss before tax to net cash flows		
Depreciation	27,504,145	25,833,246
Unrealised foreign exchange loss	554,054	1,266,052
Liabilities no longer required written back (net)	(59,732)	(120,237)
Receivables/advances written off	407	178,326
Provision for doubtful receivables/advances (net)	213,698	361,155
Interest income	(522,390)	(678,682)
Interest expense	11,446,067	11,883,034
Operating profit before working capital changes	(15,943,548)	3,247,951
Movement in working capital:		
Increase/(decrease) in long term provisions	1,773,248	(2,557,376)
Decrease in long term trade payables	-	(2,460,473)
Increase/(decrease) in trade payables	(18,992,219)	3,176,093
Increase/(decrease) in other current liabilities	108,244	(1,468,802)
Increase/(decrease) in short term provisions	(974,589)	798,302
Decrease/(increase) in trade receivables	23,294,972	(5,645,066)
Decrease in inventories	24,640,358	7,024,640
Increase in long term loans and advances	(603,880)	(2,208,286)
Decrease in short term loans and advances and other current assets	845,080	12,516,250
Cash generated from operations	14,147,666	12,423,233
Tax refund received	(35,083)	9,878
Net cash generated from operating activities	14,112,583	12,433,111
B. Cash flow from investing activities:		
Purchase of fixed assets, including CWIP and capital advances	(5,578,598)	(13,778,748)
Interest received	525,960	509,609
Net cash used in investing activities	(5,052,638)	(13,269,139)
C. Cash flow from financing activities:		
Proceeds/(repayment) from short term borrowings (net)	(2,105,371)	12,500,000
Interest paid	(11,446,067)	(12,857,305)
Net cash generated from/ (used in) financing activities	(13,551,438)	(357,305)
D. Net decrease in cash and cash equivalents	(4,491,493)	(1,193,333)
Cash and cash equivalents at the beginning of the year	4,768,998	5,962,331
Cash and cash equivalents at the end of the year	277,505	4,768,998
Components of cash and cash equivalents		
With banks - on current accounts	277,505	4,768,998
Total cash and cash equivalents (Refer note 12)	277,505	4,768,998

As per our report of even date.

For S.V. GHATALIA & ASSOCIATES LLP
ICAI Firm Registration No. 103162W
Chartered Accountants

Navneet Rai
per Navneet Rai Kabra
Partner
Membership No.: 102328



Place: Hyderabad
Date: 10-Aug-2015

For and on behalf of the Board of Directors
SOLVAY VISHNU BARIUM PRIVATE LIMITED

Tirthankar Mitra
Tirthankar Mitra
DIN-02675454
Managing Director

Place: Hamburg
Date: 10-8-2015

Stephan Ahrens
Stephan Ahrens
DIN-03015068
Chairman

Place: Hamburg
Date: 10-8-2015



Solvay Vishnu Barium Private Limited

Notes to Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

1. Corporate Information

Solvay Vishnu Barium Private Limited ('the Company') is a private limited Company incorporated in India under the provisions of the Companies Act, 1956. It is a subsidiary of Solvay & CPC Barium Strontium International GmbH, Germany. Solvay Vishnu Barium Private Limited is a manufacturer of Barium carbonate powder and granules which are used in television, glass, magnetic material, ceramics, brick, tile, water purifying and caustic soda lye industries etc.

2. Basis of Preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year except as disclosed in (b) below.

2.1 Summary of significant accounting policies

a. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a materials adjustment to the carrying amounts of assets or liabilities in future periods.

b. Change in accounting estimate/policy:

Pursuant to the requirements of Schedule II to the Companies Act, 2013, which allows Companies to use higher/lower useful lives and residual values, the management of the Company had reassessed the useful lives of fixed assets held as at April 1, 2014. Based on such internal technical reassessment the Company has accounted for additional depreciation amounting to Rs. 1,435,525.

c. Fixed Assets and Depreciation:

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable to cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



Solvay Vishnu Barium Private Limited
Notes to Financial Statements for the year ended March 31, 2015
 (All amounts in Indian Rupees except as otherwise stated)

Depreciation is provided on the straight-line method, based on the useful life of the assets as estimated by the Management. The company has estimated the following useful lives to provide depreciation on its fixed assets:

Nature of the assets	Useful life as estimated by the management (in years)	Useful life as stated in the Companies Act, 2013 (in years)
Buildings	30	30
Plant and equipment	10 - 21	10 - 25
Office equipment	5	5
Data processing equipment	3	3
Furniture and fixtures	10	10
Vehicles	8 - 10	8 - 10

Till year ended March 31, 2014, the Company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act 2013, applicable from the current year, does not recognise such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company is depreciating such assets over their useful life as assessed by the management. The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the Company for the current year.

d. 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. The following specific recognition criteria must also be met before revenue is recognized.

Sale of Goods

Revenue from sale of goods is recognized when the significant risks and rewards incidental to the ownership of the goods have passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duties deducted from turnover (gross) are the amounts that are included in the amount of turnover (gross) and not the entire amount of liability that arose during the year. Revenue from export sales is recognised on the date of bill of lading.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

e. Impairment of tangible assets:

The Company assesses at each reporting date whether there is an indication that an asset may 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 an asset's or cash-generating unit's (CGU) net selling price and its value in use. The 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. Where 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.



Solvay Vishnu Barium Private Limited
Notes to Financial Statements for the year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f. Inventories

Raw materials and stores, spares and consumables are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials and consumables is determined on a weighted average basis and the cost of stores and spares is determined on FIFO basis. Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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

g. Foreign currency transactions:

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of transaction.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they are initially recorded during the year or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

h. Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss.

i. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.



Solvay Vishnu Barium Private Limited

Notes to Financial Statements for the year ended March 31, 2015

(All amounts in Indian Rupees except as otherwise stated)

j. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the fund.

The Company operates one defined benefit plan for its employees viz., Gratuity. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at the end of each year using the projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which it occur in the statement of profit and loss.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date.

k. Income taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes - down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

l. Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where the effect is anti-dilutive.

m. Government grants and subsidies

Government grants in the nature of promoters' contribution are credited to reserves and treated as a part of shareholders' funds.



Solvay Vishnu Barium Private Limited
Notes to Financial Statements for the year ended March 31, 2015
(All amounts in Indian Rupees except as otherwise stated)

n. Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

o. Contingent liabilities:

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

p. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and short-term investments with an original maturity of three months or less.



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

3. Share Capital

	March 31, 2015	March 31, 2014
Authorised Shares (Nos)		
70,000,000 (March 31, 2014 : 70,000,000) Equity Shares of Rs 10/- each	700,000,000	700,000,000
20,000,000 (March 31, 2014 : 20,000,000) 7% Cumulative Convertible Preference Shares of Rs.10/- each	200,000,000	200,000,000
Issued, Subscribed and paid up shares (Nos)		
66,394,950 (March 31, 2014 : 66,394,950) Equity Shares of Rs 10/- each fully paid up	663,949,500	663,949,500
20,000,000 (March 31, 2014 : 20,000,000) 7% Cumulative Convertible Preference Shares Rs.10/- each fully paid up	200,000,000	200,000,000
Total Issued, subscribed and fully paid share capital	863,949,500	863,949,500

(a) Reconciliation of the shares outstanding at the beginning and the end of the reporting year

	March 31, 2015		March 31, 2014	
	Nos.	Rs.	Nos.	Rs.
Equity Shares				
At the beginning of the year	66,394,950	663,949,500	66,394,950	663,949,500
Outstanding at the end of the year	66,394,950	663,949,500	66,394,950	663,949,500
Preference Shares				
At the beginning of the year	20,000,000	200,000,000	20,000,000	200,000,000
Outstanding at the end of the year	20,000,000	200,000,000	20,000,000	200,000,000

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion/redemption of Cumulative Convertible Preference Shares (CCPS)

During the year ended March 31, 2004 the Company issued 20,000,000 CCPS of Rs.10 each fully paid up. The CCPS carry cumulative dividend of 7% per annum.

CCPS are convertible into equity shares at the option of the holders. In the event where the holders of CCPS agree not to convert into equity shares, the Company is obliged to redeem the CCPS at 30% premium. CCPS were issued for a term of three years and had fallen due for redemption/ conversion in May 2007. The Preference Shareholders of the Company at the Extra-ordinary General Meeting (EGM) held on April 17, 2007 and other EGM held from time to time until March 20, 2015 have passed resolutions unanimously amending the terms of the preference shares by extending the tenure of the preference shares, the earliest date of which is March 31, 2017. The entire Cumulative Convertible Preference Shares have been converted into equity shares on June 5, 2015.

(d) Shares held by holding company and group company

	March 31, 2015	March 31, 2014
	Nos.	Nos.
Solvay & CPC Barium Strontium International GmbH, Holding Company		
65,712,288 (March 31, 2014 : 65,712,288) Equity Shares of Rs.10/- each fully paid up	65,712,288	65,712,288
9,800,000 (March 31, 2014 : 9,800,000) 7% CCPS of Rs. 10/- each fully paid up	9,800,000	9,800,000
Solvay Infra Bad Hoeningen GmbH, Group Company		
682,662 (March 31, 2014 : 682,662) Equity Shares of Rs. 10/- each fully paid up	682,662	682,662
10,200,000 (March 31, 2014 : 10,200,000) 7% CCPS of Rs. 10/- each fully paid up	10,200,000	10,200,000



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

(e) Details of shareholders holding more than 5% shares in the Company

	March 31, 2015		March 31, 2014	
	Nos.	% holding	Nos.	% holding
Equity Shares				
Equity Shares of Rs. 10 each fully paid				
Solvay & CPC Barium Strontium International GmbH, Holding Company	65,712,288	99	65,712,288	99
Preference Shares				
7% CCPS of Rs.10 each fully paid				
Solvay & CPC Barium Strontium International GmbH, Holding Company	9,800,000	49	9,800,000	49
Solvay Infra Bad Hoeningen GmbH, Group Company	10,200,000	51	10,200,000	51

As per records of the Company, including its register of shareholders/ members, the above shareholding represents both the legal and beneficial ownership of shares.

4. Reserves and surplus

	March 31, 2015	March 31, 2014
Capital Reserve	140,998	140,998
Securities Premium Account	50,977,146	50,977,146
State Investment Subsidy	2,000,000	2,000,000
Deficit in the statement of profit and loss		
Balance as per last financial statements	(721,001,359)	(685,526,331)
Loss for the year	(55,079,797)	(35,474,943)
Net deficit in the statement of profit and loss	(776,081,156)	(721,001,274)
Total reserves and surplus	(722,963,012)	(667,883,130)

Note: The Company was granted an investment subsidy of Rs. 2,000,000 under the 'Target-2000' scheme of the Government of Andhra Pradesh. The subsidy was granted for the purpose of starting a new industrial undertaking in a backward area. The amount of subsidy has been included as a part of the reserves in accordance with Accounting Standard 12 "Government Grants".

5. Provisions

	Long term		Short term	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Provisions for employee benefits				
Provision for gratuity [(Refer note 21(b))]	3,931,406	2,158,158	665,863	1,856,854
Provision for compensated absences	-	-	2,496,230	2,279,828
	3,931,406	2,158,158	3,162,093	4,136,682

6. Short term borrowings

	March 31, 2015	March 31, 2014
Short term loans from bank (unsecured)	106,000,000	108,500,000
Cash credit from bank (unsecured)	394,629	-
	106,394,629	108,500,000

Note:

Short term loan from bank is secured by guarantee given by the Group company, Solvay & CPC Barium Strontium GmbH & Co KG.



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

7. Trade payables and Other current liabilities

7.1 Trade payables

	Non Current		Current	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Trade payable	231,287	231,287	21,847,103	41,183,767

7.2 Other current liabilities

	March 31, 2015	March 31, 2014
Payable for capital goods	-	284,711
Advances from customers	661,463	651,155
Payable to related party (Refer note 23 and note 26)	16,382,165	15,832,563
Statutory liabilities	1,037,343	654,695
	<u>18,080,971</u>	<u>17,423,124</u>

8. Tangible assets

	Free hold land	Buildings	Plant and equipment	Office equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	Total
Cost								
At April 1, 2013	3,651,300	71,204,235	475,403,303	1,932,054	1,812,585	3,069,933	826,162	557,899,572
Additions	-	-	11,695,065	378,206	341,574	35,700	-	12,450,545
March 31, 2014	3,651,300	71,204,235	487,098,368	2,310,260	2,154,159	3,105,633	826,162	570,350,117
Additions	-	-	1,750,893	91,730	111,650	38,400	60,393	2,053,066
March 31, 2015	3,651,300	71,204,235	488,849,261	2,401,990	2,265,809	3,144,033	886,555	572,403,183
Depreciation								
At April 1, 2013	-	30,036,893	244,942,502	872,229	1,313,993	2,879,949	68,164	280,113,730
Charge for the year	-	2,378,221	23,189,163	74,600	99,880	12,896	78,486	25,833,246
At March 31, 2014	-	32,415,114	268,131,665	946,829	1,413,873	2,892,845	146,650	305,946,976
Charge for the year	-	2,366,557	23,564,729	825,074	605,209	25,680	116,896	27,504,145
At March 31, 2015	-	34,781,671	291,696,394	1,771,903	2,019,082	2,918,525	263,546	333,451,121
Net Block								
At March 31, 2014	3,651,300	38,789,121	218,966,703	1,363,431	740,286	212,788	679,512	264,403,141
At March 31, 2015	3,651,300	36,422,564	197,152,867	630,087	246,727	225,508	623,009	238,952,062

Capital work in progress Rs. 7,799,039 (March 31, 2014 : Rs. 4,495,284)



SOLVAY VISHNU BARIUM PRIVATE LIMITED
CIN - U24120TG2001PTC036807
Notes to financial statements for the year ended March 31, 2015
(All amounts in Indian Rupees, except as otherwise stated)

9. Loans and advances (Unsecured)

	March 31, 2015		March 31, 2014	
	Non-Current	Current	Non-Current	Current
Capital advances (considered good)	-	-	63,019	-
Security deposits (considered good)	10,833,032	-	10,934,426	-
Advances recoverable in cash or kind				
Considered good	-	5,013,918	-	4,768,672
Considered doubtful	1,512,892	-	1,297,760	-
Provision for doubtful advances	(1,512,892)	-	(1,297,760)	-
	-	5,013,918	-	4,768,672
Other loans and advances (considered good)				
Advance tax (net of provision)	99,823	-	134,906	-
Balances with statutory/government authorities	2,059,900	1,540,235	1,500,000	2,630,561
	2,159,723	1,540,235	1,634,906	2,630,561
	12,992,755	6,554,153	12,632,351	7,399,233

10. Inventories (valued at lower of cost and net realisable value)

	March 31, 2015	March 31, 2014
Raw Materials	4,012,523	3,466,515
Stores, spares and consumables	13,695,822	18,494,451
Finished goods (Refer note 16 for details)	1,478,939	21,866,676
	19,187,284	43,827,642

11. Trade receivables and other assets

11.1 Trade receivables (Unsecured)

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	76,599	-
- Considered doubtful	98,299	99,733
Provision for doubtful receivables	(98,299)	(99,733)
	76,599	-
Other receivables (Considered good)	8,024,819	31,399,408
	8,101,418	31,399,408

11.2 Other assets

	March 31, 2015	March 31, 2014
Interest accrued on security deposits (unsecured)	470,151	473,721
Assets held for sale	299,610	299,610
	769,761	773,331

12. Cash and bank balances

	March 31, 2015	March 31, 2014
Cash and cash equivalents		
Balances with banks - on Current accounts	277,505	4,768,998
	277,505	4,768,998



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

13. Revenue from operations

	March 31, 2015	March 31, 2014
Sale of goods (refer details below)	423,742,399	394,927,678
Other operating revenue		
Sale of scrap	2,463,230	1,325,345
Revenue from operations (gross)	426,205,629	396,253,023

Details of sale of goods

	March 31, 2015	March 31, 2014
Barium Carbonate - Powder	403,488,922	365,639,695
Others	22,716,707	30,613,328
	426,205,629	396,253,023

14. Other Income

	March 31, 2015	March 31, 2014
Interest income - others	522,390	678,682
Liabilities no longer required written back	59,732	120,237
Miscellaneous income	294,647	153,090
	876,769	952,009

15. Cost of raw materials consumed

	March 31, 2015	March 31, 2014
Raw material at the beginning of the year	3,466,516	8,738,518
Add: Purchases	184,088,716	150,497,417
	187,555,232	159,235,935
Less: Raw material at the end of the year	4,012,523	3,466,515
	183,542,709	155,769,420

Details of raw material consumed

	March 31, 2015	March 31, 2014
Barytes	139,268,991	112,387,622
Pet coke	36,892,209	36,091,063
Liquid carbon dioxide	7,381,508	7,290,735
	183,542,708	155,769,420

16. Decrease/(increase) in inventories

	March 31, 2015	March 31, 2014	Decrease / (Increase) March 31, 2015
Inventories at the end of the year			
Finished goods	1,478,939	21,866,676	20,387,737
	1,478,939	21,866,676	20,387,737
Inventories at the beginning of the year			March 31, 2014
Work in process	-	1,942,597	1,942,597
Finished goods	21,866,676	24,034,847	2,168,171
	21,866,676	25,977,444	4,110,768
	20,387,737	4,110,768	



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

17. Employee benefits expense

	March 31, 2015	March 31, 2014
Salaries, wages, and bonus	38,726,645	33,670,877
Contribution to provident fund [(Refer note 21(a))]	2,113,440	1,634,161
Gratuity expense [(Refer note 21(b))]	630,574	105,581
Staff welfare expenses	5,382,777	4,374,489
	<u>46,853,436</u>	<u>39,785,108</u>

18. Other expenses

	March 31, 2015	March 31, 2014
Consumption of stores, spares and consumables	77,194,638	85,504,599
Packing material consumed	4,215,642	3,855,964
Increase/(Decrease) in excise duty on inventory of finished goods	(2,242,724)	(238,505)
Power and fuel	34,030,065	30,751,227
Repairs and maintenance		
Plant and machinery	10,159,028	11,597,186
Buildings	826,274	1,128,806
Others	1,833,053	1,807,493
Factory maintenance expenses	3,762,718	3,107,030
Lease rent	756,050	456,400
Rates and taxes	1,198,374	872,692
Communication expenses	1,029,474	836,697
Insurance	1,311,065	1,099,376
Sales commission	207,048	241,814
Legal and professional fees	2,204,369	1,533,625
Payment to auditor (refer details below)	1,026,000	898,880
Travelling and conveyance	4,822,179	4,198,600
Provision for doubtful receivables/advances	213,698	361,155
Receivables/advances written off	407	178,326
Foreign exchange fluctuation loss (net)	491,791	1,111,412
Donations	-	42,641
Miscellaneous expenses	3,491,185	3,430,081
	<u>146,530,334</u>	<u>152,775,499</u>

Payment to auditor(including service tax)

	March 31, 2015	March 31, 2014
As auditor:		
Statutory audit fee	883,500	786,520
Tax audit fee	142,500	112,360
	<u>1,026,000</u>	<u>898,880</u>

19. Finance costs

	March 31, 2015	March 31, 2014
Interest	11,446,067	11,883,034
Bank charges	131,405	464,246
	<u>11,577,472</u>	<u>12,347,280</u>



20. Earning per Share (EPS)

The following reflects the loss and share data used in basic and diluted EPS computations

	March 31, 2015	March 31, 2014
Loss after tax	(55,079,797)	(35,474,943)
Less: Dividend on convertible preference shares and tax thereon	(16,850,120)	(16,379,300)
Net loss for calculation of basic EPS	(71,929,917)	(51,854,243)
Net loss as above	(71,929,917)	(51,854,243)
Add: Dividends on convertible preference shares and tax thereon	16,850,120	16,379,300
Net loss for calculation of diluted EPS	(55,079,797)	(35,474,943)
	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	66,394,950	66,394,950
Basic EPS and Diluted EPS (Refer Note below)	(1.08)	(0.78)

Note: Since the convertible preference shares are in the nature of anti dilutive, diluted EPS is restricted to Basic EPS.

21. Retirement and employee benefits**a. Defined contribution plan**

Provident fund contribution recognised as expenses in the statement of profit and loss Rs. 2,113,440 (March 31, 2014: Rs. 1,634,161)

b. Defined benefit plan (Gratuity)

The Company has a defined benefit gratuity plan. Under the plan every employee of the Company who has completed at least five years of service gets a gratuity on departure at 15 days' salary (based on last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefits recognised in the statement of profit and loss, funded status and amounts recognised in the balance sheet for the gratuity plan.

Statement of profit and loss

Net employee benefit expense (included under employee benefits expenses)

	March 31, 2015	March 31, 2014
Current service cost	1,398,578	1,357,813
Interest cost on benefit obligation	641,207	551,477
Expected return on plan assets	(282,030)	(179,866)
Net actuarial gain recognised in the year	(1,127,181)	(1,623,843)
Net benefit expense	630,574	105,581

Changes in the present value of defined benefit obligation:

	March 31, 2015	March 31, 2014
Opening defined benefit obligation	7,124,521	6,893,467
Interest cost on benefit obligation	641,207	551,477
Current service cost	1,398,578	1,357,813
Actuarial gain on obligation	(1,124,804)	(1,678,236)
Closing defined benefit obligation	8,039,502	7,124,521

Changes in fair value of plan assets:

	March 31, 2015	March 31, 2014
Opening fair value of plan assets	3,109,509	1,127,182
Expected return on plan assets	282,030	179,866
Actuarial (gains) / losses	2,377	(54,393)
Contributions by employer	48,317	1,856,854
Closing fair value of plan assets	3,442,233	3,109,509

Amount recognised in the Balance Sheet

	March 31, 2015	March 31, 2014
Defined benefit obligations	(8,039,502)	(7,124,521)
Fair value of plan assets	3,442,233	3,109,509
Plan asset/(liability)	(4,597,269)	(4,015,012)



The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2015	March 31, 2014
Investment with insurer	100%	100%

The principal assumptions used in determining gratuity benefit obligation for the Company's plans are shown below:

	March 31, 2015	March 31, 2014
Discount rate (p.a.) (%)	7.77%	9.00%
Rate of increase in compensation levels	8.00%	10.00%
Employee turnover	5.00%	5.00%
Expected rate of return on plan assets (p.a.) (%)	9.00%	8.75%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Disclosure for gratuity as required by Para 120 (n) (i) of the Accounting Standard 15 is as follows:

	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011
Defined benefit obligation	8,039,502	7,124,521	6,893,467	5,230,356	4,208,975
Fair value of plan assets	3,442,233	3,109,509	1,127,182	-	-
Surplus / (deficit)	4,597,269	(4,015,012)	(5,766,285)	(5,230,356)	(4,208,975)
Experience adjustments on plan liabilities	(1,124,804)	(1,678,246)	(153,043)	(397,377)	935,678
Experience adjustments on plan assets	2,377	(54,393)	(29,147)	-	-

22. Segment information

The Company's operations fall within a single business segment "Manufacture of Barium Carbonate" and single geographical segment. Hence, disclosures as per Accounting Standard 17 'Segment Reporting' issued by Institute of Chartered Accountants of India are not required to be made.

23. Related party disclosures

(a) Names of related parties and related party relationship

Name of the related party	Relationship
Related parties where control exists	
Solvay S.A.	Ultimate Holding Company
Solvay & CPC Barium Strontium International GmbH	Holding Company
Solvay & CPC Barium Strontium GmbH & Co KG	Group Company
Solvay Infra Bad Hoenningen GmbH	Group Company
Solvay & CPC Barium Strontium Monterrys	Group Company
Other related parties	
Solvay Specialites India Private Limited	Fellow subsidiary
Tirthankar Mitra, Managing Director	Key management personnel
Ruchira Mitra, Spouse of Tirthankar Mitra	Relative of Key management personnel

(b) Related party transactions

Name of the related parties	Nature of transaction	Transactions during the year		Amount outstanding as on	
		March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Solvay & CPC Barium Strontium GmbH & Co KG	Guarantee received	-	-	(120,000,000)	(120,000,000)
	Other payables	-	-	(16,382,165)	(15,832,563)
Solvay Specialites India Private Limited	Loan taken	-	17,500,000	-	-
	Loan repaid	-	63,000,000	-	-
	Interest on loan	-	3,675,415	-	-
Tirthankar Mitra	Remuneration	3,082,000	2,842,000	(363,403)	(256,485)
Ruchira Mitra	Vehicle hire charges	-	72,000	-	-

Note : Remuneration to key management personnel does not include provision for gratuity and compensated absences, as they are determined on an actuarial basis for the company as a whole.



24. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. Nil (March 31, 2014 : Rs. 429,068).

25. The Company had entered into an agreement for transportation services in an earlier year with Vasantha Transport Corporation, in which a director of the Company was interested. The Company had taken prior approval from the Central Government towards the services for an amount of Rs. 6,000,000. The Company had paid Rs. 7,439,060 towards the said services up to March 31, 2006. The Company had applied for obtaining the approval for the excess amount paid and for compounding of the offence U/s 621A of the Companies Act, 1956, the approval of which is yet to be received. Management is confident that the penalties, if any, that may arise on account of such compounding of offence, would not be material, hence no adjustments have been made in the financial statements.

26. Other current liabilities include Rs. 13,809,721 (March 31, 2014 : Rs. 13,260,119) and Rs. 2,572,444 (March 31, 2014 : Rs. 2,572,444) payable to foreign company towards advance received and sales commission respectively, which have been outstanding for a period of more than three years. Requisite approvals under the provisions of Foreign Exchange Management Act, 1999 have not been obtained from the RBI for the extension of period. The Company is in the process of seeking permission from RBI for extension of the period. Management is confident that the penalties, if any, that may arise on account of such non-compliance, would not be material. hence no adjustments have been made in the financial statements.

27. Going concern

As at March 31, 2015, the Company has accumulated losses of Rs. 776,081,156 and during the year the Company has incurred losses of Rs. 55,079,797. The accumulated losses at the year-end are more than fifty percent of the net-worth of the Company. The Company is evaluating various strategic options & measures such as optimizing utilization and enforcing cost control measures to increase operational efficiency and achieve profitability. Further, Solvay & CPC Barium Strontium International GmbH (the 'Holding Company') is committed to infuse the required funds to meet any debt repayments as they arise.

In view of the above, the Company will be able to meet the operational and debt repayment requirements as they arise, and the financial statements have been prepared on a going concern basis.

28. Contingent liabilities

a) In the absence of adequate profits, the Company has not provided cumulative dividend on 7% cumulative convertible preference shares (inclusive of taxes) amounting to Rs. 174,929,720 (March 31, 2014: Rs. 158,079,600).

b) The Director, Government of India, Ministry of Micro Small and Medium Enterprises, Hyderabad had filed a case against the Company represented by its Directors under section 190 (1) (C) read with section 200 of Cr. P.C. and under section 24/29 B (2A) (2D) and section 27 of Industries (Development and Regulation) Act, 1951, stating that the Company has violated SSI reservation policy and not fulfilled the export obligation. The amount has not been quantified by the compliant. Based on the legal opinion taken by the company, the outcome of the case will be in favour of the Company. Also the management is confident that the penalties, if any, that may arise on account of such non-compliance would not be material hence no adjustments have been made in the financial statements.

c) The Company has not recognised the fuel surcharge adjustment expense of Rs. 2,738,076 (March 31, 2014: Rs. 2,738,076) pertains to the period from April, 2008 to March, 2010 as the collection of the same was stayed by Honourable High Court of Andhra Pradesh, which is still pending for disposal.

d) Disallowance of CENVAT credit amounting to Rs. 2,820,515 (March 31, 2014: Rs. 2,820,515) plus interest and penalty. The Management, based on the internal assessment and legal advice is contesting the aforesaid matter and strongly believes that the matter will be decided in its favour.

e) The Recovery Officer, Employee State Corporation has raised a demand on the Company to pay arrears of Rs. 1,612,481 (March 31, 2014: Rs. Nil) along with interest of Rs. 536,515 (March 31, 2014: Rs. Nil). The Company has filed a writ petition against the same in the Honourable High Court of Andhra Pradesh and is contesting the aforesaid matter. Based on internal assessment and legal advice, the Management strongly believes that matter will be decided in its favour.

Note: In respect of the above matters, future cash flows are determinable only on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

29. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at March 31, 2015 are detailed below at the exchange rate prevailing at the year end:

Other current liabilities
Trade receivables

	March 31, 2015	March 31, 2014
Other current liabilities	13,809,721	13,260,119
Trade receivables	2,628,814	1,562,595



SOLVAY VISHNU BARIUM PRIVATE LIMITED

CIN - U24120TG2001PTC036807

Notes to financial statements for the year ended March 31, 2015

(All amounts in Indian Rupees, except as otherwise stated)

30. Expenditure in foreign currency (On accrual basis)

Travelling expenses

March 31, 2015	March 31, 2014
355,939	94,545
355,939	94,545

31. On June 8, 2015, the shareholders of the Company, Solvay & CPC Barium Strontium International GmbH and Solvay Infra Bad Hoeningen GmbH have entered into a share sale and purchase agreement with Vishnu Chemicals for sale of the entire shares of the Company, subject to the terms and conditions precedent in the agreement.

32. Value of imports (Stores, spares and consumables) calculated on CIF basis Rs. 1,165,181 (March 31, 2014: Rs. Nil)

33. Deferred tax asset

There is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised, hence no deferred tax asset has been recognized during the current year.

34. Based on information available with the Company, there are no dues to micro and small and medium enterprises, as defined under the provisions of "The Micro, Small and Medium Enterprises Development Act, 2006", as at March 31, 2015 and March 31, 2014.

35. Consumption of indigenous and imported Raw materials, stores and spares, consumables and packing materials.

	%	March 31, 2015	%	March 31, 2014
i) Raw materials				
a) Indigenous	100	183,542,709	100	155,769,420
b) Imported	-	-	-	-
	100	183,542,709	100	155,769,420
ii) Stores, spares and consumables				
a) Indigenous	100	77,194,638	99	84,714,842
b) Imported	-	-	1	789,757
	100	77,194,638	100	85,504,599
iii) Packing materials				
a) Indigenous	100	4,215,642	100	3,855,964
b) Imported	-	-	-	-
	100	4,215,642	100	3,855,964

36. Earning in foreign currency (on accrual basis)

Revenue from operations

March 31, 2015	March 31, 2014
15,143,375	16,754,549
15,143,375	16,754,549

37. As per Section 203 of Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has to appoint whole time Company secretary as the paid up share capital is more than Rs. 50,000,000. The Company is in the process of appointment of whole time Company secretary. The Company based on internal assessment believes that aforesaid noncompliance will not have any material impact on the financial statements.

38. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

As per our report of even date.

For S.V. GHATALIA & ASSOCIATES LLP

ICAI Firm Registration No. 103162W

Chartered Accountants

Navneet Rai
per Navneet Rai Kabra
Partner

Membership No.: 102328



Place: Hyderabad
Date: 10-Aug-2015

For and on behalf of the Board of Directors

SOLVAY VISHNU BARIUM PRIVATE LIMITED

Tirthankar Mitra
Tirthankar Mitra
DIN-02675454
Managing Director

Place: Hamburg
Date: 10-8-2015



Stephan Ahrens
Stephan Ahrens
DIN-03015068
Chairman

Place: Hamburg
Date: 10-8-2015