

INDEPENDENT AUDITOR'S REPORT

To the Members of Vishnu Barium Private Limited
(Formerly Solvay Vishnu Barium Private Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Vishnu Barium Private Limited (formerly Solvay Vishnu Barium Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 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. 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.



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, 2016, its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- (a) We draw attention to Note 28 to the financial statements regarding payment for transportation services for the year ended March 31, 2016 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 29 to the financial statements, other current liabilities include Rs. 14,635,359 (March 31, 2015: Rs. 13,809,721) payable to foreign company towards advance received, 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 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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;
 - (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) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 dated May 02, 2016 in "Annexure 2" to this report;



S.V.GHATALIA & ASSOCIATES LLP

Chartered Accountants

- (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 31 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/E300006


per **Navneet Rai Kabra**

Partner

Membership Number: 102328



Place of Signature: Hyderabad

Date: May 02, 2016

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

Re: Vishnu Barium Private Limited (formerly 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.
- (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, 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. Accordingly, the provisions of clause 3(iii) (a),(b) and (c) 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 are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Barium Carbonate, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (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 not generally been regularly deposited with the appropriate authorities though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, 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.



- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, 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

- (viii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to 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 or government or debenture holders and repayment in the nature of loan to Government.
- (ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management and on an overall examination of the balance sheet, we report that monies raised by way of term loans were applied for the purposes for which those were raised.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by 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. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) in so far as it related to section 177 of the Act is not applicable to the Company and hence not commented upon.



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- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.V. Ghatalia & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 103162W/E300006


per Navneet Rai Kabra

Partner

Membership Number: 102328



Place of Signature: Hyderabad

Date: May 02, 2016

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF VISHNU BARIUM PRIVATE LIMITED (FORMERLY SOLVAY VISHNU BARIUM PRIVATE LIMITED)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Vishnu Barium Private Limited
(Formerly Solvay Vishnu Barium Private Limited)

We have audited the internal financial controls over financial reporting of Vishnu Barium Private Limited (formerly Solvay Vishnu Barium Private Limited) ("the Company") as of March 31, 2016 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 Company's Management 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. 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 the 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 Company's internal financial controls over financial-reporting 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgement, 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 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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and



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expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent 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, 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 March 31, 2016, 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 S.V. Ghatalia & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 103162W/E300006


per Navneet Rai Kabra
Partner

Membership Number: 102328




Place of Signature: Hyderabad
Date: May 02, 2016

VISHNU BARIUM PRIVATE LIMITED
(formerly Solvay Vishnu Barium Private Limited)
CIN - U24120TG2001PTC036807
Balance sheet as at March 31, 2016
(All amounts in Indian Rupees, except as otherwise stated)

	Notes	March 31, 2016	March 31, 2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	863,949,500	863,949,500
Reserves and surplus	4	(805,104,052)	(722,963,012)
		58,845,448	140,986,488
Non-current liabilities			
Long term provisions	5	6,534,644	3,931,406
Long term borrowings	6	98,000,000	-
Trade payables	7	231,287	231,287
		104,765,931	4,162,693
Current liabilities			
Short term borrowings	8	74,994,396	106,394,629
Trade payables	7	-	-
• Total outstanding dues of micro enterprises and small enterprises		-	-
• Total outstanding dues of creditors other than micro enterprises and small enterprises		110,609,531	21,847,103
Other current liabilities	7	87,045,756	18,080,971
Short term provisions	5	3,823,077	3,162,093
		276,472,760	149,484,796
		440,084,139	294,633,977
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	215,037,287	238,952,062
Capital-work-in-progress		44,398,717	7,799,039
Long term loans and advances	10	14,468,354	12,992,755
		273,904,358	259,743,856
Current Assets			
Current investments	11	400,000	-
Inventories	12	92,949,901	19,187,284
Trade receivables	13	55,913,276	8,101,418
Cash and bank balances	14	302,300	277,505
Short term loans and advances	10	15,844,543	6,554,153
Other current assets	15	769,761	769,761
		166,179,781	34,890,121
		440,084,139	294,633,977
Summary of significant accounting policies	2.1		

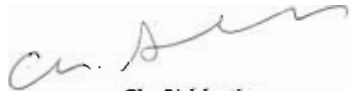
The accompanying notes are an integral part of the financial statements.
As per our report of even date.

For S.V. GHATALIA & ASSOCIATES LLP
ICAI Firm Registration No. 103162W/E300006
Chartered Accountants


per Navneet Rai Kabra
Partner
Membership No.: 102328




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


Ch. Siddartha
DIN - 01250728
Managing Director

Place: Hyderabad
Date: May 02, 2016




Anjaneyulu Padarthi
DIN - 07500898
Director

Place: Hyderabad
Date: May 02, 2016

Place: Hyderabad
Date: May 02, 2016

VISHNU BARIUM PRIVATE LIMITED
(formerly Solvay Vishnu Barium Private Limited)
CIN - U24120TG2001PTC036807


Statement of profit and loss for the year ended March 31, 2016

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

	Notes	March 31, 2016	March 31, 2015
Income			
Revenue from operations (gross)	16	321,927,820	426,205,629
Less : Excise duty		30,837,720	45,766,362
Revenue from operations (net)		291,090,100	380,439,267
Other income	17	800,774	876,769
		291,890,874	381,316,036
Expenses			
Cost of raw materials consumed	18	200,986,274	183,542,708
Decrease/(increase) in inventories	19	(67,649,327)	20,387,737
Employee benefits expense	20	46,118,825	46,853,436
Other expenses	21	146,679,955	146,530,334
Depreciation	9	25,759,088	27,504,145
Finance costs	22	22,137,099	11,577,472
		374,031,914	436,395,833
Loss before taxation		(82,141,040)	(55,079,796)
Tax expenses		-	-
Net Loss for the year		(82,141,040)	(55,079,796)
Earnings per share (Refer note 23)			
Basic and diluted earnings per share		(0.99)	(1.08)
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/E300006
Chartered Accountants

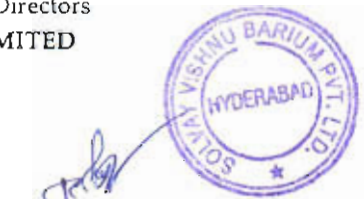

per Navneet Rai Kabra
Partner
Membership No.: 102328




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


Ch. Siddartha
DIN - 01250728
Managing Director

Place: Hyderabad
Date: May 02, 2016




Anjaneyulu Padarathi
DIN - 07500898
Director

Place: Hyderabad
Date: May 02, 2016

Place: Hyderabad
Date: May 02, 2016

VISHNU BARIUM PRIVATE LIMITED
(formerly Solvay Vishnu Barium Private Limited)
CIN - U24120TG2001PTC036807
Cash flow statement for the year ended March 31, 2016
(All amounts in Indian Rupees, except as otherwise stated)

	March 31, 2016	March 31, 2015	
A. Cash flow from operating activities:			
Net loss before taxation:	(82,141,040)	(55,079,797)	
Adjustment to reconcile loss before tax to net cash flows			
Depreciation	25,759,088	27,504,145	
Unrealised foreign exchange loss	1,403,423	554,054	
Liabilities no longer required written back (net)	-	(59,732)	
Loss on sale of plant, property and equipment (net)	436,274	-	
Receivables/advances written off	95,708	407	
Provision for doubtful receivables/advances (net)	896,899	213,698	
Interest income	(522,390)	(522,390)	
Interest expense	20,421,061	11,446,067	
Operating profit before working capital changes	(33,650,977)	(15,943,548)	
Movement in working capital:			
Increase in long term provisions	2,603,238	1,773,248	
Increase/(decrease) in trade payables	88,762,428	(18,992,219)	
Increase in other current liabilities	52,613,724	108,244	
Increase/(decrease) in short term provisions	660,984	(974,589)	
(Increase)/ decrease in trade receivables	(48,442,394)	23,294,972	
(Increase)/ decrease in inventories	(73,762,616)	24,640,358	
(Increase) in long term loans and advances	(894,606)	(603,880)	
Decrease/(Increase) in short term loans and advances and other current assets	(9,290,390)	845,080	
Cash generated from/ (used in) operations	(21,400,609)	14,147,666	
Tax refund received	(20,851)	(35,083)	
Net cash generated from/ (used in) operating activities	A	(21,421,460)	14,112,583
B. Cash flow from investing activities:			
Purchase of fixed assets, including CWIP and capital advances	(42,935,709)	(5,578,598)	
Proceeds from sale of fixed assets	2,555,444	-	
Investment in quoted investments	(400,000)	-	
Interest received	522,390	525,960	
Net cash used in investing activities	B	(40,257,875)	(5,052,638)
C. Cash flow from financing activities:			
Proceeds from Long term borrowings	112,000,000	-	
Repayment of short term borrowings (net)	(31,400,233)	(2,105,371)	
Interest paid	(18,895,637)	(11,446,067)	
Net cash generated from/ (used in) financing activities	C	61,704,130	(13,551,438)
D. Net increase/(decrease) in cash and cash equivalents	A+B+C	24,795	(4,491,493)
Cash and cash equivalents at the beginning of the year		277,505	4,768,998
Cash and cash equivalents at the end of the year		302,300	277,505

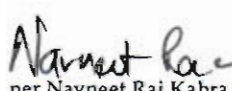



VISHNU BARIUM PRIVATE LIMITED
 (formerly Solvay Vishnu Barium Private Limited)
 CIN - U24120TG2001PTC036807
 Cash flow statement for the year ended March 31, 2016
 (All amounts in Indian Rupees, except as otherwise stated)

	March 31, 2016	March 31, 2015
Components of cash and cash equivalents		
With banks - on current accounts	302,300	277,505
Total cash and cash equivalents (Refer note 12)	302,300	277,505

As per our report of even date.

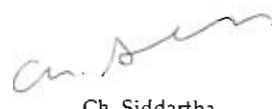
For S.V. GHATALIA & ASSOCIATES LLP
 ICAI Firm Registration No. 103162W/E300006
 Chartered Accountants


 per Navneet Rai Kabra
 Partner
 Membership No.: 102328



Place: Hyderabad
 Date: May 02, 2016

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


 Ch. Siddartha
 DIN - 01250728
 Managing Director

Place: Hyderabad
 Date: May 02, 2016


 Anjaneyulu Padarathi
 DIN - 07500898
 Director



Place: Hyderabad
 Date: May 02, 2016

Vishnu Barium Private Limited
(Formerly Solvay Vishnu Barium Private Limited)
Notes to Financial Statements as at and for the year ended March 31, 2016
(All amounts in Indian Rupees except as otherwise stated)

1. Corporate Information

Vishnu Barium Private Limited ('the Company') is a private limited Company incorporated in India under the provisions of the Companies Act, 1956. 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 financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

2.1 Summary of significant accounting policies

a. Use of estimates:

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, 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. 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 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.

Depreciation on fixed assets is provided on a straight-line basis, 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



c. **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 of ownership of the goods have passed to the buyer, usually on delivery of the goods (in respect of exports on the date of bill of lading or air way bill). 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 revenue (gross) are the amounts that are included in the amount of revenue (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.

d. **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.

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.

e. **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.



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f. 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.

g. 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 on a straight line basis over the lease term.

h. Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

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.

i. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

j. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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 occurs 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 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 timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using 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.

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.

n. Provisions

A provision is recognized when the Company 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.



Vishnu Barium Private Limited
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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 for the purposes of cash flow statement comprise cash at bank and short-term investments with an original maturity of three months or less.



VISHNU BARIUM PRIVATE LIMITED

(formerly Solvay Vishnu Barium Private Limited)

CIN - U24120TG2001PTC036807

Notes to financial statements as at and for the year ended March 31, 2016

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

3. Share Capital

	March 31, 2016	March 31, 2015
Authorised Shares (Nos)		
90,000,000 (March 31, 2015 : 70,000,000) Equity Shares of Rs 10/- each	900,000,000	700,000,000
Nil (March 31, 2015 : 20,000,000) 7% Cumulative Convertible Preference Shares of Rs.10/- each	-	200,000,000
Issued, Subscribed and paid up shares (Nos)		
86,394,950 (March 31, 2015 : 66,394,950) Equity Shares of Rs 10/- each fully paid up	863,949,500	663,949,500
Nil (March 31, 2015 : 20,000,000) 7% Cumulative Convertible Preference Shares Rs.10/- each fully paid up	-	200,000,000
	863,949,500	863,949,500

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

Equity Shares

	March 31, 2016		March 31, 2015	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	66,394,950	663,949,500	66,394,950	663,949,500
Issued during the year	20,000,000	200,000,000	-	-
Outstanding at the end of the year	86,394,950	863,949,500	66,394,950	663,949,500

Preference Shares

	March 31, 2016		March 31, 2015	
	Nos.	Rs.	Nos.	Rs.
At the beginning of the year	20,000,000	200,000,000	20,000,000	200,000,000
Converted into equity shares during the year	(20,000,000)	(200,000,000)	-	-
Outstanding at the end of the year	-	-	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, 2008 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. (Refer note 31)

During the current year, the Company in its Extraordinary General Meeting held on June 5, 2015, approved the conversion of the CCPS into equivalent equity shares at the rate of one equity share per preference share of Rs. 10 each fully paid, ranking pari passu with the existing fully paid equity shares. The preferential shareholders also consented to forego their right of cumulative dividend on the CCPS.

(d) Shares held by holding company and group company

	March 31, 2016	March 31, 2015
	Nos.	Nos.
Holding Company		
Vishnu Chemicals Limited		
86,394,949 (March 31, 2015 : Nil) Equity Shares of Rs.10/- each fully paid up	86,394,949	-
Solvay & CPC Barium Strontium International GmbH		
Nil (March 31, 2015 : 65,712,288) Equity Shares of Rs.10/- each fully paid up	-	65,712,288
Nil (March 31, 2015 : 9,800,000) 7% CCPS of Rs. 10/- each fully paid up	-	9,800,000
Group Company		
Solvay Infra Bad Hoeningen GmbH, Group Company		
Nil (March 31, 2015 : 682,662) Equity Shares of Rs. 10/- each fully paid up	-	682,662
Nil (March 31, 2015 : 10,200,000) 7% CCPS of Rs. 10/- each fully paid up	-	10,200,000



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

	March 31, 2016		March 31, 2015	
	Nos.	% holding	Nos.	% holding
Equity Shares				
Equity Shares of Rs. 10 each fully paid				
Holding Company				
Vishnu Chemicals Limited	86,394,949	99	-	-
Solvay & CPC Barium Strontium International GmbH	-	-	65,712,288	99
Preference Shares				
7% CCPS of Rs.10 each fully paid				
Solvay & CPC Barium Strontium International GmbH, Holding Company				
Solvay Infra Band Hoisington GmbH, Group Company	-	-	9,800,000	49
Solvay Infra Band Hoisington GmbH, Group Company	-	-	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, 2016	March 31, 2015
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	(776,081,156)	(721,001,359)
Loss for the year	(82,141,040)	(55,079,797)
Net deficit in the statement of profit and loss	(858,222,196)	(776,081,156)
Total reserves and surplus	(805,104,052)	(722,963,012)

Note: The Company was granted an investment subsidy of Rs. 2,000,000 under the 'Target-2008' 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, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Provisions for employee benefits				
Provision for gratuity [Refer note 24(b)]	6,534,644	3,931,406	931,600	665,863
Provision for compensated absences	-	-	2,891,477	2,496,230
	6,534,644	3,931,406	3,823,077	3,162,093

6. Long term borrowings

	Non-current portion		Current maturities	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Term loan from Bank (secured)	98,000,000	-	14,000,000	-
	98,000,000	-	14,000,000	-

Secured term loan from bank carry interest @14.5% p.a. The loan is repayable in 14 quarterly installments after moratorium period of 12 months. The loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture and fixtures of the company. The loan has been guaranteed by personal guarantee of Mr. Ch. Siddhartha, director of the Company and, Mr. Ch. Krishna Murthy and Mrs. Ch. Manjula, directors of the Holding company, Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 344,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.



VISHNU DARIUM PRIVATE LIMITED

(formerly Solvay Vishnu Darium Private Limited)

CIN - U24120TC2001PTC036807

Notes to financial statements as at and for the year ended March 31, 2016

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7. Trade payables and Other current liabilities

Trade payables

	Non Current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Dues of micro enterprises and small enterprises	-	-	-	-
Dues of creditors other than micro enterprises and small enterprises	231,287	231,287	110,609,531	21,847,103
	<u>231,287</u>	<u>231,287</u>	<u>110,609,531</u>	<u>21,847,103</u>

Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long term borrowings (Refer note 6)	14,000,000	-
Advances from customers	47,328,533	661,463
[includes advance from Holding Company Rs. 43,876,676 (March 31, 2015 : Rs. Nil)]		
Other payable (Refer note 29)	14,635,359	16,382,165
Statutory liabilities	9,556,441	1,037,243
Interest accrued on borrowings but not due	1,525,423	-
	<u>87,045,756</u>	<u>18,080,971</u>

8. Short term borrowings

	March 31, 2016	March 31, 2015
Short term loans from bank (unsecured)	-	106,000,000
Cash credit from bank (secured)	74,994,396	394,629
	<u>74,994,396</u>	<u>106,394,629</u>

Cash credit from bank as at March 31, 2016 is repayable on demand and carry interest @ 14.5% p.a. The cash credit is secured by hypothecation of all stocks and book debts of the Company, and is guaranteed by personal guarantee of Mr.Ch.Siddhartha, director of the Company and, Mr. Ch. Krishna Murthy and Mrs. Ch. Manjula, directors of the Holding company, Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 344,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishna Murthy.

9. Tangible assets

	Free hold land	Buildings	Plant and equipment	Office equipment	Data Process Equipment	Furniture and Fixtures	Vehicles	Total
Cost								
At April 1, 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
Additions	-	-	-	-	-	22,900	1,821,413	1,844,313
March 31, 2016	3,651,300	71,204,235	488,849,261	2,401,990	2,265,809	3,166,933	2,707,968	574,247,496
Depreciation								
At April 1, 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
Charge for the year	-	2,366,557	22,765,869	145,001	228,485	28,452	224,724	25,759,088
At March 31, 2016	-	37,148,228	314,462,263	1,916,904	2,247,567	2,946,977	488,270	359,210,209
Net Block								
At March 31, 2015	3,651,300	36,422,564	197,152,867	630,087	246,727	225,508	623,009	238,952,062
At March 31, 2016	3,651,300	34,056,007	174,386,998	485,086	18,242	219,956	2,219,698	215,037,287

Capital work in progress Rs 44,398,717 (March 31, 2015 : Rs. 7,799,039)



VISHNU BARIUM PRIVATE LIMITED
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10. Loans and advances (Unsecured)

	March 31, 2016		March 31, 2015	
	Non-Current	Current	Non-Current	Current
Capital advances (considered good)	1,500,000	-	-	-
Security deposits (considered good)	10,829,482	-	10,833,032	-
Advances recoverable in cash or kind				
Considered good	-	7,705,669	-	4,494,367
Considered doubtful	503,813	-	381,012	-
Provision for doubtful advances	(503,813)	-	(381,012)	-
	-	7,705,669	-	4,494,367
Other loans and advances (considered good)				
Advance tax (net of provision)	78,972	-	99,823	-
Balances with statutory/government authorities				
Considered good	2,059,900	8,138,874	2,059,900	2,059,786
Considered doubtful	1,853,227	-	1,131,880	-
Provision for doubtful advances	(1,853,227)	-	(1,131,880)	-
	2,059,900	8,138,874	2,059,900	2,059,786
	14,468,354	15,844,543	12,992,755	6,554,153

11. Current investments (quoted at cost)

33,169.754 Units (March 31, 2015: Nil) in SMFG-Union KBC Small and Midcap Fund Regular Plan - Growth plan

Aggregate amount of quoted investments

	March 31, 2016	March 31, 2015
	400,000	-
	400,000	-
	400,000	-

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

Raw Materials
Stores, spares and consumables
Work in process
Finished goods (Refer note 19 for details)

	March 31, 2016	March 31, 2015
	9,773,481	4,012,523
	14,048,154	13,695,822
	7,377,303	-
	61,750,963	1,478,939
	82,949,901	19,187,284

13. Trade receivables (Unsecured)

Outstanding for a period exceeding six months from the date they are due for payment
- Considered good
- Considered doubtful
Provision for doubtful receivables

Other receivables (Considered good)

	March 31, 2016	March 31, 2015
	-	76,599
	151,050	59,299
	(151,050)	(98,299)
	-	76,599
	55,913,276	8,024,819
	55,913,276	8,101,418

14. Cash and bank balances

Cash and cash equivalents
Balances with banks - on Current accounts

	March 31, 2016	March 31, 2015
	302,300	277,505
	302,300	277,505

15. Other assets

Interest accrued on security deposits
Assets held for sale

	March 31, 2016	March 31, 2015
	470,151	470,151
	299,610	299,610
	769,761	769,761



VISHNU BARIUM PRIVATE LIMITED

(formerly Solvay Vishnu Barium Private Limited)

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Notes to financial statements as at and for the year ended March 31, 2016

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

16. Revenue from operations

	March 31, 2016	March 31, 2015
Sale of goods (refer details below)	320,685,368	423,742,399
Other operating revenue		
Sale of scrap	1,242,452	2,463,230
Revenue from operations (gross)	321,927,820	426,205,629

Details of sale of goods

	March 31, 2016	March 31, 2015
Barium Carbonate - Powder	295,217,920	403,488,922
Others	26,709,900	22,716,707
	321,927,820	426,205,629

17. Other Income

	March 31, 2016	March 31, 2015
Interest income - others	522,390	522,390
Liabilities no longer required written back	-	59,732
Miscellaneous income	278,384	294,647
	800,774	876,769

18. Cost of raw materials consumed

	March 31, 2016	March 31, 2015
Raw material at the beginning of the year	4,012,523	3,466,516
Add: Purchases	206,747,232	184,088,716
	210,759,755	187,555,232
Less: Raw material at the end of the year	9,773,481	4,012,523
	200,986,274	183,542,709

Details of raw material consumed

	March 31, 2016	March 31, 2015
Barytes	161,646,525	139,268,991
Pet coke	32,627,706	36,892,209
Liquid carbon dioxide	6,712,043	7,381,509
	200,986,274	183,542,709

19. Decrease/(increase) in inventories

	March 31, 2016	March 31, 2015	Decrease / (Increase) March 31, 2016
Inventories at the end of the year			
Work in process	7,377,303	-	(7,377,303)
Finished goods	61,750,963	1,478,939	(60,272,024)
	69,128,266	1,478,939	(67,649,327)
Inventories at the beginning of the year			
Work in process	-	-	-
Finished goods	1,478,939	21,866,676	20,387,737
	1,478,939	21,866,676	20,387,737
	(67,649,327)	20,387,737	



VISHNU BARIUM PRIVATE LIMITED
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Notes to financial statements as at and for the year ended March 31, 2016
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20. Employee benefits expense

	March 31, 2016	March 31, 2015
Salaries, wages, and bonus	36,935,446	38,726,645
Contribution to provident fund [Refer note 24(a)]	2,493,229	2,113,440
Gratuity expense [Refer note 24(b)]	3,033,190	630,574
Staff welfare expenses	3,656,960	5,382,777
	<u>46,118,825</u>	<u>46,853,436</u>

21. Other expenses

	March 31, 2016	March 31, 2015
Consumption of stores, spares and consumables	64,288,579	77,194,638
Packing material consumed	4,768,953	4,215,642
Increase/(Decrease) in excise duty on inventory of finished goods	6,698,530	(2,242,724)
Power and fuel	35,706,036	34,030,065
Repairs and maintenance		
Plant and machinery	7,832,029	10,159,028
Buildings	414,365	826,274
Others	1,909,050	1,833,053
Factory maintenance expenses	3,572,347	3,762,718
Lease rent	750,000	756,050
Rates and taxes	1,046,262	1,198,374
Communication expenses	1,003,389	1,029,474
Insurance	1,197,023	1,311,065
Sales commission	609,513	207,048
Legal and professional fees	2,396,110	2,204,369
Payment to auditor (refer details below)	2,290,000	1,026,000
Travelling and conveyance	3,058,353	4,822,179
Carriage outward and clearing charges	4,295,067	1,230,900
Provision for doubtful receivables/advances (net)	896,899	213,698
Receivables/advances written off	95,708	407
Foreign exchange fluctuation loss (net)	1,345,530	491,791
Loss on sale of plant, property and equipment (net)	436,274	-
Miscellaneous expenses	2,069,938	2,260,285
	<u>146,679,955</u>	<u>146,530,334</u>

Payment to auditor(including service tax)

	March 31, 2016	March 31, 2015
As auditor:		
Statutory audit fee	1,774,750	883,500
Tax audit fee	171,750	142,500
Limited review	343,500	-
	<u>2,290,000</u>	<u>1,026,000</u>

22. Finance costs

	March 31, 2016	March 31, 2015
Interest	20,421,061	11,446,067
Bank charges	1,716,038	131,405
	<u>22,137,099</u>	<u>11,577,472</u>



23. Earning per Share (EPS)

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

	March 31, 2016	March 31, 2015
Loss after tax	(82,141,040)	(55,079,797)
Less: Dividend on convertible preference shares and tax thereon	-	(16,850,120)
Net loss for calculation of basic EPS	(82,141,040)	(71,929,917)
Net loss as above	(82,141,040)	(71,929,917)
Add: Dividends on convertible preference shares and tax thereon	-	16,850,120
Net loss for calculation of diluted EPS	(82,141,040)	(55,079,797)

	Nos.	Nos.
Weighted average number of equity shares in calculating basic EPS	82,679,103	66,394,950
Basic EPS and Diluted EPS (Refer Note below)	(0.99)	(1.08)

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

24. Retirement and employee benefits

a. Defined contribution plan

Provident fund contribution recognised as expenses in the statement of profit and loss Rs. 2,493,229 (March 31, 2015: Rs. 2,113,440)

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, 2016	March 31, 2015
Current service cost	966,468	1,398,578
Interest cost on benefit obligation	618,290	641,207
Expected return on plan assets	(301,195)	(282,030)
Net actuarial (gain)/loss recognised in the year	1,749,627	(1,127,181)
Net benefit expense	3,033,190	44,398,717

Changes in the present value of defined benefit obligation:

	March 31, 2016	March 31, 2015
Opening defined benefit obligation	8,039,502	7,124,521
Interest cost on benefit obligation	618,290	641,207
Current service cost	966,468	1,398,578
Benefits paid	(164,215)	-
Actuarial (gains)/losses on obligation	1,448,432	(1,124,804)
Closing defined benefit obligation	10,908,477	8,039,502

Changes in fair value of plan assets:

	March 31, 2016	March 31, 2015
Opening fair value of plan assets	3,442,233	3,109,509
Expected return on plan assets	301,195	282,030
Actuarial gains/(losses)	(301,195)	2,377
Contributions by employer	-	48,317
Closing fair value of plan assets	3,442,233	3,442,233

Amount recognised in the Balance Sheet

	March 31, 2016	March 31, 2015
Defined benefit obligations	(10,908,477)	(8,039,502)
Fair value of plan assets	3,442,233	3,442,233
Plan asset/(liability)	(7,466,244)	(4,597,269)



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

	March 31, 2016	March 31, 2015
Investment with insurer	100%	100%

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

	March 31, 2016	March 31, 2015
Discount rate (p.a.) (%)	7.46%	7.77%
Rate of increase in compensation levels	8.00%	8.00%
Employee turnover	5.00%	5.00%
Expected rate of return on plan assets (p.a.) (%)	8.75%	9.00%

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, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	10,908,477	8,039,502	7,124,521	6,893,467	5,230,356
Fair value of plan assets	3,442,233	3,442,233	3,109,509	1,127,182	-
Surplus / (deficit)	(7,466,244)	(4,597,269)	(4,015,012)	(5,766,285)	(5,230,356)
Experience adjustments on plan liabilities	1,448,432	(1,124,804)	(1,678,246)	(153,043)	(397,377)
Experience adjustments on plan assets	(301,195)	2,377	(54,393)	(29,147)	-

25. 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.

26. Related party disclosures

(a) Names of related parties and related party relationship

Name of the related party	Relationship
Related parties where control exists or under common control	
Solvay S.A. (upto August 12, 2015)	Ultimate Holding Company
Vishnu Chemicals Limited (from August 13, 2015)	Holding Company
Solvay & CPC Barium Strontium International GmbH (upto August 12, 2015)	Holding Company
Solvay & CPC Barium Strontium GmbH & Co KG (upto August 12, 2015)	Fellow subsidiary
Solvay Infra Bad Hoeningen GmbH (upto August 12, 2015)	Fellow subsidiary
Solvay Specialties India Private Limited (upto August 12, 2015)	Fellow subsidiary
Other related parties	
Mr. Tirthankar Mitra, Managing Director	Key managerial personnel
Mr. Ch Siddartha, Director (from August 13, 2015)	Key managerial personnel
Mr. Ch Krishna Murthy	Relative to key managerial personnel
Mrs. Ch Manjula	Relative to key managerial personnel
Vasantha Transport Corporation	Enterprise in which key managerial personnel or their relatives exercise significant influence.

(b) Related party transactions

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Vishnu Chemicals Limited (from August 13, 2015)		
Purchase of goods	29,103,305	-
Sale of goods	12,930,251	-
Purchase of fixed assets	3,830,003	-
Sale of fixed assets	2,833,822	-
Reimbursement of expenses	572,688	-
Short term loan received	15,000,000	-
Short term loan repaid	15,000,000	-
Balance payable	43,878,676	-



VISHNU BARIUM PRIVATE LIMITED
(formerly Solvay Vishnu Barium Private Limited)
CIN - U24120TG2001PTC036807

Notes to financial statements as at and for the year ended March 31, 2016
(All amounts in Indian Rupees, except as otherwise stated)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Solvay & CPC Barium Strontium GmbH & Co KG (*upto August 12, 2015)		
Allotment of equity shares (on conversion of preference shares)	98,000,000	-
Balance payable*	-	16,382,165
Guarantee received (Closed on August 12, 2015)	-	120,000,000
Solvay Infra Bad Hoenningen GmbH (upto August 12, 2015)		
Allotment of equity shares (on conversion of preference shares)	102,000,000	-
Solvay Specialties India Private Limited (upto August 12, 2015)		
Short term loan received	140,000,000	-
Short term loan repaid	140,000,000	-
Interest on loans	2,540,137	-
Mr. Tirthankar Mitra, Managing Director		
Remuneration	3,322,000	3,082,000
Balance payable	318,113	363,403
Mr. Ch Siddhartha, Director (from August 13, 2015)		
Guarantee received*	186,994,396	-
Mr. Ch Krishna Murthy		
Guarantee received*	186,994,396	-
Mr. Ch Manjula		
Guarantee received*	186,994,396	-
Vasantha Transport Corporation		
Purchase of services	5,333,241	-
Balance payable	2,997,111	-

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.

* Represents balance of loans which are secured by guarantee received.

27. Capital and other commitments

Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 12,834,325 (March 31, 2015 : Rs. Nil).

28. 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.

29. Other current liabilities include Rs. 14,635,359 (March 31, 2015 : Rs. 13,809,721) and Rs. Nil (March 31, 2015 : 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.



VISHNU BARIUM PRIVATE LIMITED

(formerly Solvay Vishnu Barium Private Limited)

CIN - U24120TG2001PTC036807

Notes to financial statements as at and for the year ended March 31, 2016

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

30. 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 non-compliance will not have any material impact on the financial statements.

31. Contingent liabilities

a) During the current year the preference shares were converted into equity shares at the option of the preference shareholders at a face value of Rs.10 each. The preference shareholders had given up their right of the accumulated dividend on preferential capital.

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, 2015: Rs. 2,738,076) pertains to the period from April, 2008 to March, 2010 as the collection of the same was stayed by Honorable High Court of Andhra Pradesh, which is still pending for disposal.

d) Disallowance of CENVAT credit amounting to Rs. 2,820,515 (March 31, 2015: 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, 2015: Rs. 1,612,481) along with interest of Rs. 536,515 (March 31, 2015: Rs. 536,515). The Company has filed a writ petition against the same in the Honorable 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.

32. Unhedged foreign currency exposure

Particulars of unhedged foreign currency exposure as at March 31, 2016 are detailed below at the exchange rate prevailing at the year end:

	March 31, 2016	March 31, 2015
Other current liabilities	14,635,359	13,809,721
Trade receivables	33,413,540	2,628,814

33. Expenditure in foreign currency (On accrual basis)

	March 31, 2016	March 31, 2015
Travelling expenses	324,733	355,939
	324,733	355,939

34. Expenditure during construction period pending capitalisation

	March 31, 2016	March 31, 2015
Contract labour wages	10,366,202	-
Salaries, Wages and bonus	4,635,486	-
Materials consumed	2,298,437	-
Power and Fuel	3,860,041	-
Travelling expenditure	931,160	-
Miscellaneous expenses	1,329,478	-
	23,420,804	-



35. 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 Limited for sale of the entire shares of the Company, subject to the terms and conditions precedent in the agreement. Pursuant to such agreement, the entire Cumulative Convertible Preference Shares have been converted into equity shares on June 5, 2015.

Subsequently the entire share capital of the Company was transferred by Solvay & CPC Barium Strontium International GmbH and Solvay Infra Bad Hoeningen GmbH to Vishnu Chemicals Limited. Further, pursuant to the agreement the Company has committed to pay all dues to Group companies of Solvay S.A.

36. Value of imports (Stores, spares and consumables) calculated on CIF basis Rs. Nil (March 31, 2015: Rs. 1,165,181)

37. 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.

38. 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, 2016 and March 31, 2015.

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

	%	March 31, 2016	%	March 31, 2015
i) Raw materials				
a) Indigenous	100	200,986,274	100	183,542,709
b) Imported	-	-	-	-
	100	200,986,274	100	183,542,709
ii) Stores, spares and consumables				
a) Indigenous	100	64,288,579	99	77,194,638
b) Imported	-	-	0	-
	100	64,288,579	99	77,194,638
iii) Packing materials				
a) Indigenous	100	4,768,953	100	4,215,642
b) Imported	-	-	-	-
	100	4,768,953	100	4,215,642

40. Earning in foreign currency (on accrual basis)

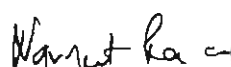
	March 31, 2016	March 31, 2015
Revenue from operations	48,578,173	15,143,375
	48,578,173	15,143,375

41. 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/E300006
Chartered Accountants


per Navneet Rai Kabra
Partner
Membership No.: 102328



Place: Hyderabad
Date: May 02, 2016

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


Ch. Siddartha
DIN - 01250728
Managing Director

Place: Hyderabad
Date: May 02, 2016


Anjan Prulu Padarathi
DIN - 07500898
Director

Place: Hyderabad
Date: May 02, 2016

