INDEPENDENT AUDITOR'S REPORT

To the Members of VISHNU BARIUM PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Vishnu Barium Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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, 2019, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on

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

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

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

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

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

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 Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

(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.

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 Jampani & Associates
Chartered Accountants
(Firm’s Registration No. 016581S)

JAMPANI & ASSOCIATES FRN: 016581S Chartered Accountants

J Ram Sesh Choudary
Partner
(Membership No.202150)

Place: Hyderabad
Date: 04 May 2019

G-5, Srinivasa Towers, Begumpet, Hyderabad - 500016, Telangana, India
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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vishnu Barium Private Limited of even date)

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

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

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's 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 of the Company.

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 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.

Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **Jampani & Associates**
Chartered Accountants
(Firm's Registration No. 016581S)

JAMPANI & ASSOCIATES
FRN: 016581S
Chartered Accountants

J Ram Sesh Choudary
Partner
(Membership No.202150)
Place: Hyderabad
Date: 04 May 2019

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Vishnu Barium Private Limited of even date)

i. In respect of the Company's fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, all the title deeds of the immovable properties are held in the name of the Company.

ii. According to the information and explanations given to us, the inventories have been physically verified at reasonable intervals by the management and no material discrepancies were noticed on such verification.

iii. According the information and explanations given to us, the Company has unsecured loan to its wholly owned subsidiary, covered in the register maintained under section 189 of the Companies Act, 2013. The total loan amount granted and the actual balance outstanding at the end of the year is Rs. 989 lakhs along with accrued interest of Rs. 80.11 lakhs. According to the information and explanations the terms and conditions of the grant of the loan are not prima facie prejudicial to the interests of the company. *However as no specific terms and conditions with regard to the repayment have been specified, we are not able to comment on the compliance with schedule of repayment and overdue amount.*

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. According to the information and explanations provided to us, the Company has not accepted deposits in terms of the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. We have broadly reviewed the cost records maintained by the company pursuant to sub-section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of dues	Amount (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	28,20,515*	15,00,000	2002-03	CESTAT, Hyderabad
Employees' State Insurance Act- Contribution to ESI	21,48,996	5,59,900	2010-12	High Court of Andhra Pradesh.
Telangana Sales Tax Act – Entry Tax	966,110 734,824	120,764 91,853	2013-14 2014-15	The Deputy Commissioner, State Tax, Hyderabad

viii. According to the information and explanations provided to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or banks.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us and based on the audit procedures performed by us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The provisions of section 197 read with Schedule V to the Act are not applicable to the company.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company. However the company made a rights issue by virtue of which 880000 equity shares of Rs.10 each were issued at par to its holding company having 100% of its share capital and all the requisite compliances relating thereof were adhered to.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Jampani & Associates
Chartered Accountants
(Firm's Registration No. 016581S)

JAMPANI & ASSOCIATES FRN: 016581S Chartered Accountants

J Ram Sesh Choudary
Partner
(Membership No.202150)
Place: Hyderabad
Date: 04 May 2019

Significant Accounting Policies:

1. Basis of Preparation of Financial Statements

a) Statement of Compliance

The company is a 100% subsidiary of Vishnu Chemicals Limited which is required to prepare its financial statements in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act").

As required under Consolidation of Financial Statements standards, the financial statements of the company have been prepared in accordance with Ind AS, Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act, as applicable.

b) Basis of Measurement

The financial statements have been prepared on a going concern basis and on an accrual method of accounting. Historical cost is used, in preparation of the financial statements except as otherwise mentioned in the policy.

c) Functional and Presentation currency

The financial statements are prepared in INR, which is the Company's functional currency.

d) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in normal operating cycle,
- it is held primarily for the purpose of trading, - it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

e) **Use of Estimates and Judgments**

The preparation of financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as on the date of the financial statements and the income and expenditure for the reporting year. Though, these estimates and assumptions are based on the information available at that point of time, the actual results could differ from these estimates.

Critical estimates and judgments in applying accounting policies

Estimates and judgments made in applying accounting policies that have significant effect on the amounts recognized in the financial statements are as follows:

i) **Property, Plant and Equipment**
The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by management at the time the asset is acquired and reviewed during each financial year.

ii) **Employee Benefit Plans**

Employee defined benefit plans and long term benefit plans are measured on the basis of actuarial assumptions. However, any changes in these assumptions may have impact on the reported amount of obligation and expenses.

2. Property, Plant and Equipment

Property, plant and equipment are stated in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of reimbursable taxes), attributable expenditure incurred in bringing the asset to its working condition for the intended use and cost of borrowing till the date of capitalization in the case of assets involving material investment and substantial lead time.

Depreciation 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

Depreciation methods, useful lives and residual values are reviewed in each financial year and changes, if any, are accounted for prospectively. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

3. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Intangible assets with finite lives are amortized over the useful economic life, reviewed regularly, and are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Expenditure on research activities, if any, is recognized in profit or loss as incurred. Expenditure on development activities, if any, is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company intends to and has sufficient resources to complete development and to use or sell the asset.

4. Financial Instruments

Financial instruments are classified as:

- Financial assets, measured at (a) amortized cost and (b) fair value through Profit and Loss ("FVTPL")
- Financial liabilities carried at amortized cost.

All financial instruments are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

Subsequently, financial assets are measured as follows:

a) Amortized Cost

A financial asset shall be measured at amortized cost if both of the following conditions are met:

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

Financial assets under this category are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

b) Fair Value Through Profit and Loss Account Category

Financial instruments classified in this category are subsequently carried at fair value with changes recorded in the statement of profit or loss. Directly attributable transaction costs are recognized in P&L as incurred.

Financial liabilities are measured subsequently at amortized cost using effective interest method.

5. Impairment of Assets

a) Non-Financial Assets

The carrying amount of cash generating units is reviewed at each reporting date where there is any indication of impairment. An impairment loss is recognized in the statement of profit and loss where the carrying amount exceeds the recoverable amount of the cash generating units. Recoverable amount is the higher of cash-generating unit's fair value less costs of disposal and its value in use.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

b) Financial Assets

The loss allowance in respect of trade receivables is at an amount equal to lifetime expected credit losses. The loss allowance in respect of all other financial assets is measured at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. Otherwise, the loss allowance is measured at an amount equal to 12- month expected credit losses.

6. Inventories

Inventories are valued at lower of cost, determined on First-in-First-Out (FIFO) basis, or net realizable value. Inventories comprise of raw materials, stores, spares & consumables and finished goods. Cost of Inventories comprises all cost of purchase (net of reimbursable taxes), cost of conversion and other cost incurred in bringing the inventories to their present location and condition.

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

7. Revenue Recognition

Effective April1, 2018, the company adopted Ind AS 115"Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April1, 2018. The core principal of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

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

Other income is comprised primarily of interest income, dividend income, gain/loss on investments and exchange gain/loss on forward and options contracts and on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

8. Provisions

Provisions are recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Where the effect of time value of money is material, provisions are determined and maintained by discounting the expected future cash flows, wherever applicable.

9. Borrowing Costs

Borrowing costs attributable to a qualifying asset are capitalized as a part of the cost of such assets and other borrowing costs are recognized as an expense in the year of incurrence.

10. Leases

At the inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. Upon initial recognition, assets taken on finance lease are capitalized at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease rentals arising under operating leases are recognized in the statement of profit or loss on a straight-line basis over the lease term except where the increment in lease rentals is in line with general rate of inflation.

11. Employee Benefits

The Company's contribution to Provident and Pension fund for the employees is covered under defined contribution plan and is recognized as employee benefit expense in statement of profit and loss in the periods during which services are rendered by employees.
The Company's Gratuity scheme for its employees is a defined benefit retirement benefit plan. The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of

plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Defined benefit costs are categorized as follows:

- service cost
- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit and loss in the line item 'Employee benefits expense'.

Re-measurements comprising actuarial gains and losses as well as the difference between the return on plan assets and the amounts included in net interest on the net defined benefits liability (asset) are recognized in other comprehensive income, net of income tax.

Liability for leave encashment is calculated and provided in the books based on the norms of the company.

12. Foreign Currency Transactions and balances

Transactions in foreign currency are translated into the respective functional currencies using the exchange rates prevailing at the dates of the respective transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the exchange rates prevailing at reporting date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of profit and loss and reported within foreign exchange gains / (losses).

Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

13. Taxes on Income

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

a) Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period.

The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantially enacted by the reporting date and applicable for the period. The Company off sets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

b) Deferred income tax

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred tax is measured using the tax rates and laws enacted or substantially enacted at the reporting date. Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14. Earnings Per Share

Basic earnings per share is computed by dividing the profit or loss after tax by the weighted average number of equity shares outstanding during the year including any potential dilution resulting in issue of additional equity shares based on contractual terms and obligations. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share.

15. Statement of Cash Flows

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. Cash flows for the year are classified by operating, investing and financing activities.

VISHNU BARIUM PRIVATE LIMITED
Balance Sheet as at March 31, 2019

(Rupees in Lakhs)

		Note No.	As at 31-03-2019	As at 31-03-2018
I	**ASSETS**			
(1)	**Non-current assets**			
	(a) Property, Plant and Equipment	1	2,607.60	1,690.91
	(b) Capital work-in-progress	1	340.86	983.96
			2,948.46	**2,674.87**
	(c) Other non-current assets	2	1,147.28	162.43
			4,095.74	**2,837.30**
(2)	**Current assets**			
	(a) Inventories	3	1,644.67	1,678.11
	(b) Financial Assets			
	(i) Investments	4	11.43	121.73
	(ii) Trade receivables	5	1,003.73	717.77
	(iii) Cash and cash equivalents	6	8.37	13.70
	(iv) Bank balances other than (iii) above	7	65.64	54.21
	(v) Other Financial Assets	8	4.96	9.04
	(c) Other current assets	9	1,224.04	2,117.01
			3,962.84	**4,711.57**
	Total Assets		**8,058.58**	**7,548.87**
II	**EQUITY AND LIABILITIES**			
	Equity			
	(a) Equity Share capital	10	8,727.50	8,639.50
	(b) Other Equity	11	(5,548.86)	(6,747.07)
			3,178.64	**1,892.43**
	LIABILITIES			
(1)	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	12	1,232.25	1,259.69
	(b) Provisions	13	120.08	83.67
	(c) Other Non-Current Liabilities	14	-	1,002.92
			1,352.33	**2,346.28**
(2)	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	1,406.79	1,326.27
	(ii) Trade payables	16	1,427.23	1,605.63
	(iii) Other financial liabilities	17	247.65	196.09
	(b) Other current liabilities	18	444.95	179.42
	(c) Provisions	19	0.99	2.76
			3,527.61	**3,310.17**
	Total Equity and Liabilities		**8,058.58**	**7,548.88**

Accompanying Notes form an integral part of the Financial Statements

per our report of even date
For JAMPANI & ASSOCIATES
Chartered Accountants
Firm Registration No. 015681S

JAMPANI ASSOCIATES FRN: 016581S Chartered Accountants

J. Ram Sesh Choudary
Partner
Membership No. 202150

For and on behalf of the Board of Directors

CH. Manjula

Ch. Manjula
Whole Time Director
DIN:01546339

Ch. Siddartha
Managing Director
DIN:01250728

Kishore Kathri
Company Secretary

Place: Hyderabad
Date: 04 May 2019

VISHNU BARIUM PRIVATE LIMITED
Statement of Profit or Loss for the year ended March 31, 2019

(Rupees in Lakhs)

		Note No.	For the year ended	For the year ended
1	**REVENUE**			
	a. Revenue from Operations	20	10,676.94	9,441.34
	b. Other Income	21	95.58	38.82
	Total Revenue		**10,772.52**	**9,480.16**
2	**EXPENSES**			
	a. Cost of Materials Consumed	22	3,937.13	4,125.16
	b. Purchases of Stock-in-Trade		0.00	489.11
	c. Cost of Consumables	23	1,045.83	913.42
	d. Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	24	121.76	(374.53)
	e. Excise Duty on Sale of Goods		-	155.43
	f. Employee Benefit Expenses	25	641.07	536.63
	g. Finance Costs	26	362.63	409.27
	h. Depreciation and Amortisation Expense	1	298.61	253.35
	i. Other Expenses	27	3,148.13	2,265.74
			0.00	0.00
	Total Expenses		**9,555.16**	**8,773.58**
3	**PROFIT BEFORE TAX**		1,217.34	706.56
4	**Tax Expense**			
	Current Tax		-	-
5	Profit/(Loss) For the Period from Continuing Operations		1,217.34	706.56
6	Other Comprehensive Income/ Expense (Net of Taxes)		(19.13)	(0.26)
7	**Total Comprehensive Income for the Period**		**1,198.21**	**706.30**
8	**Earnings Per Share**			
	Basic & Diluted		1.41	0.82

Accompanying Notes form an integral part of the Financial Statements

per our report of even date
For JAMPANI & ASSOCIATES
Chartered Accountants
Firm Registration No. 015681S

JAMPANI & ASSOCIATES FRN: 016581S Chartered Accountants

J. Ram Sesh Choudary
Partner
Membership No. 202150

Place: Hyderabad
Date: 04 May 2019

For and on behalf of the Board of Directors

CH. Manjula

Ch. Manjula
Whole Time Director
DIN:01546339

Ch. Siddartha
Managing Director
DIN:01250728

Kishore Kathri
Company Secretary

VISHNU BARIUM PRIVATE LIMITED
Statement of changes in Equity as at March 31, 2019
a. Equity Share Capital

Equity shares of Rs. 10 each issued, subscribed and fully paid-up	Number of shares		Rupees in Lakhs	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Balance as at the beginning of the year	8,63,94,950	8,63,94,950	8,639.50	8,639.50
Shares issued during the year	8,80,000	-	88.00	-
Balance as at the end of the year	8,72,74,950	8,63,94,950	8,727.50	8,639.50

Note: 12
b. Other Equity
For the year ended March 31, 2019

(Rupees in Lakhs)

	Reserves and surplus					Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserve	State Investment Subsidy	Retained Earnings	Effect of Amortization of Interest free Advance from Holding Company	Remeasurement of Net Defined Benefit Plans	
Balance as at 01.04.2018	1.41	509.77	20.00	(7,706.90)	388.08	40.57	(6,747.07)
Add/(less): Profit for the year (Net of taxes)	-	-	-	1,217.34	-	-	1,217.34
Add/(less): Other comprehensive income for the year	-	-	-		-	(19.13)	(19.13)
Balance as at March 31, 2019	**1.41**	**509.77**	**20.00**	**(6,489.56)**	**388.08**	**21.44**	**(5,548.86)**

For the year ended March 31, 2018

	Reserves and surplus					Items of Other Comprehensive Income	Total Other Equity
	Capital Reserve	General Reserves	State Investment Subsidy	Retained Earnings	Effect of Amortization of Interest free Advance from Holding Company	Remeasurement of Net Defined Benefit Plans	
Balance as at 01.04.2017	1.41	509.77	20.00	(8,413.46)	388.08	40.82	(7,453.37)
Add/(less): Profit for the year (Net of taxes)	-	-	-	706.56	-	-	706.56
Add/(less): Other comprehensive income for the year	-	-	-	-	-	(0.26)	(0.26)
Balance as at March 31, 2018	**1.41**	**509.77**	**20.00**	**(7,706.90)**	**388.08**	**40.56**	**(6,747.07)**

VISHNU BARIUM PRIVATE LIMITED
#REF!
Statement of Cash Flows for year ended March 31, 2019

(Rupees in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	**1,217.34**	**706.56**
Cash flows used in / from operating activities		
Adjustments for :		
Depreciation of property, plant and equipment	298.61	253.35
Provision for doubtful receivables	-	1.05
Profit on sale of investments	(3.03)	-
Interest income	(92.55)	(8.72)
Interest expenses	296.97	409.27
Effect of unwinding of interest on loan from holding company	65.66	57.86
Fair value (gain)/ loss on investments	0.17	0.07
Assets written off	0.21	3.00
Obsolete Stock provision	4.58	-
Other comprehensive income	(19.13)	(0.26)
Operating profit before working capital changes	**1,768.83**	**1,422.18**
Movement in working capital:		
(Increase)/Decrease in inventories	28.87	(667.10)
Increase/(Decrease) in trade receivables	(285.97)	257.62
(Increase) / Decrease on loans & advances & other current assets	(99.21)	(1,197.82)
(Decrease)/ Increase in trade payables	(178.39)	871.92
Increase/(Decrease) in other current liabilities	(706.91)	371.55
Cash generated from operations	527.22	1,058.35
Income tax paid	-	-
Net cash flows used in / from operating activities (A)	**527.22**	**1,058.35**
Cash flows used in / from investing activities		
Purchase of property, plant and equipment, including capital work in progress	(572.41)	(209.82)
Proceeds from equity share capital	88.00	-
Proceeds from investments	110.13	(116.80)
Profit on sale of investments	3.03	-
Interest received	92.55	8.72
Net cash flows used in / from investing activities (B)	**(278.70)**	**-317.90**
Net cash flows used in / from financing activities		
Repayment of long - term borrowings	(187.97)	(230.70)
Increase in bank boorowings working capital	50.73	(89.01)
Interest paid	(296.97)	(411.99)
Proceeds from other borrowings	180.37	-
Net cash flows used in/from financing activities (C)	**(253.84)**	**(731.70)**
Net decrease in cash and cash equivalents (A+B+C)	(5.33)	8.77
Cash and cash equivalents at the beginning of the year	13.70	4.93
Cash and cash equivalents at the year end	**8.37**	**13.70**
Components of cash and cash equivalents:		
Cash on hand	0.90	0.10
Balances with banks		
On current accounts	7.47	13.60
Total cash and cash equivalents	**8.37**	**13.70**

As per our Report of even date

For Jampani & Associates
Chartered Accountants
Firm Regn No: 016581S

JAMPANI & ASSOCIATES FRN: 016581S Chartered Accountants

J. Ram Sesh Choudary
Partner
M No.202150

Place: Hyderabad
Date: 04 May,2019

For and on behalf of the Board of Directors
Vishnu Barium Private Limited

Ch. Siddartha
Managing Director
DIN: 01250728

CH Manjula

Ch. Manjula
Whole-time Director
DIN: 01546339

Kishore Kathri
Company Secretary

Note-1
Property, Plant and Equipment

(Rupees in Lakhs)

	Freehold land	Buildings - Residential	Buildings - Factory	Plant and equipment	Office equipment	Data Processing Equipment	Furniture and Fixtures	Vehicles	Total
Cost									
At April 1, 2017	36.51	-	712.04	4,888.49	25.64	24.16	31.67	27.08	5,745.59
Additions	-	-	0.98	45.64	0.07	0.69	-	0.60	47.98
Disposals/discard	-	-	-	-	-	-	-	-	-
March 31, 2018	36.51	-	713.02	4,934.13	25.71	24.85	31.67	27.68	5,793.57
Additions	11.33	44.25	42.32	965.28	0.44	1.07	1.56	149.27	1,215.52
Disposals/discard	-	-	-	(11.09)	(8.56)	(7.83)	(20.31)	-	(47.79)
March 31, 2019	47.84	44.25	755.34	5,888.32	17.58	18.09	12.92	176.95	6,961.30
Depreciation									
At April 1, 2017	-	-	395.18	3,371.20	21.48	23.64	29.75	8.08	3,849.33
Charge for the year	-	-	23.67	223.14	2.39	0.50	0.30	3.35	253.35
At March 31, 2018	-	-	418.85	3,594.34	23.87	24.14	30.05	11.43	4,102.68
Charge for the year	-	0.59	24.71	255.93	0.95	0.78	0.43	15.21	298.60
Disposals/discarded	-	-	-	(10.88)	(8.56)	(7.83)	(20.31)	-	(47.58)
At March 31, 2019	-	0.59	443.56	3,839.39	16.26	17.09	10.17	26.64	4,353.70
Net Block									
At March 31, 2018	36.51	0.00	294.17	1,339.79	1.84	0.71	1.62	16.25	1,690.89
At March 31, 2019	**47.84**	**43.66**	**311.78**	**2,048.93**	**1.32**	**1.00**	**2.75**	**150.31**	**2,607.60**

Capital work in progress:

	Civil works under construction	Plant & machinery under erection	Total
As at April 1, 2018	42.32	941.64	983.96
Additions	-	340.86	340.86
Capitalised during the year	42.32	941.64	983.96
As at March 31 2019	**-**	**340.86**	**340.86**
As at March 31 2018	**42.32**	**941.64**	**983.96**

Note 2
OTHER NON-CURRENT ASSETS

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Unsecured, Considered Good		
a. Loan to Holding Company	989.00	-
b. Deposits	132.17	132.43
c. Capital Advances	26.11	30.00
	1,147.28	**162.43**

Disclosures:
The loan to holding company is interest bearing @ 9% and is unsecured in nature and there are no specified terms and conditions

Note 3
INVENTORIES

Valued at Cost or Net Realisable Value, whichever is lower		
a. Raw Materials	296.38	376.45
b. Work-in-progress	164.85	196.57
c. Finished Goods	28.82	118.86
d. Stock-in-trade (goods acquired for trading)	489.11	489.11
e. Stores, Spares & Packing	680.14	507.17
Less: Provision for obsolescence of non moving stores	(14.63)	(10.05)
	665.51	497.12
	1,644.67	**1,678.11**

Note 4
CURRENT FINANCIAL ASSETS - INVESTMENTS

Investments in Mutual funds - Quoted		
82542 units of UBI Mutual Fund at fair value	11.43	121.73
	11.43	**121.73**

Disclosures:		
Aggregate amount of quoted investments	11.54	121.80
Aggregate amount of market value of quoted investments	11.43	121.73

Note 5
CURRENT FINANCIAL ASSETS -TRADE RECEIVABLES

a. Unsecured, Considered Good	1,003.73	717.77
b. Unsecured, Considered doubtful	-	2.57
Less: Provision for doubtful debts	-	(2.57)
	-	-
	1,003.73	**717.77**

Note 6
CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

Cash & Cash Equivalents:		
1. Balances with Banks	7.47	13.60
2. Cash on Hand	0.90	0.10
	8.37	**13.70**

Note 7
CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Other Bank Balances		
Margin Money Deposit in Banks against LCs & BGs	65.64	54.21
	65.64	**54.21**

Note 8
CURRENT FINANCIAL ASSETS - OTHER FINANCIAL ASSETS

1. Staff and other advances recoverable in cash or kind	4.49	1.78
2. Other Receivable	0.47	7.26
	4.96	**9.04**

Note 9
OTHER CURRENT ASSETS

1. **Loans and Advances to Related Parties**		
a. Advances to Holding Company against Purchases	616.26	998.21
b. Interest receivable on Loan to holding company	80.11	-
2. **Others**		
a. Advances to Suppliers	255.89	946.98
b. Balances with Government Authorities	192.10	166.20
c. Prepaid Expenses	0.79	4.10
d. Prepaid Taxes	-	1.52
e. Incentives receivable	78.89	-
	1,224.04	**2,117.01**

Note 10
EQUITY SHARE CAPITAL

Authorised Share Capital		
9,00,00,000 Equity Shares of `10/- par value	9,000.00	9,000.00
Issued, Subscribed and Fully Paid-up Capital held by the holding company		
a. At the beginning of the year: 86,394,950,Equity Shares of Rs.10 par value	8,639.50	8,639.50
b. Further Issue During the year: 8,80,000 Equity Shares of Rs.10 par value	88.00	-
c. At the end of the year: 8,72,74,950 (PY 8,63,94,950) equity shares of Rs. 10/- par value	**8,727.50**	**8,639.50**

Disclosures:

1. All the equity shares carry equal rights and obligations with respect to dividend and voting rights

2. Name of the share holders holding more than 5% of the share capital and their shareholding

S.No	Name of the shareholder	As at 31.03.2019	As at 31.03.2018
1	**Shares held by holding company**		
	Vishnu Chemicals Limited	8,72,74,950	8,63,94,950
	% shares held	100.00%	100.00%

Note 12
NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
A. Secured:		
1. Term Loans:		
From Union Bank of India	415.16	600.91
2. Long Term Maturities of Finance Lease Obligations:		
From Kotak Mahindra Prime Ltd	61.28	-
B. Unsecured:		
1. Loans and Advances from Related Parties:		
Loans from Holding Company (At amortised Cost)	722.22	658.78
2. Business loan from HDFC bank	33.59	-
	1,232.25	**1,259.69**

Disclosures:

A. Secured loans:

Term loan from bank:

a) The above secured term loan from Union Bank of India Secunderabad branch, carries interest rate of one year MCLR+4.65%, currently @ 12.85%. The loan is repayable in 24 quarterly equal installments and matures in the year 2022-23. The aggregate amount of installments outstanding (including current maturities presented in note 17 below) as on March 31, 2019 is Rs. 601.83 Lakhs (March 31, 2018 Rs. 787.57 Lakhs). There are no over due installments or interest payable.

b) This loan is secured primarily by equitable mortgage on the fixed assets including land & buildings, plant and machinery and furniture & fittings of the company and the loan has been guaranteed by personal guarantees of Mr. Ch. Siddartha, Managing Director of the company and Mr. Ch. Krishnamurthy and Mrs. Ch. Manjula, Directors of the holding company-Vishnu Chemicals Limited. Further, the loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

c) The hire purchase loans are secured against the assets purchased out of those loans and the net carrying amount of assets acquired on hire purchase as on 31st March, 2019 is Rs. 137.42 Lakhs (31st March, 2018 - Nil). The company had capitalised the assets at their fair value considering that the hire purchase agreements are in nature of finance lease. Installments are apportioned between finance charge and principal which is disclosed under secured loans and the details are as follows -

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Minimum lease payments outstanding		-
Within one year	48.89	-
Later than one year and not later than 5 years	65.18	
Future interest outstanding lease payments		
Within one year	7.43	-
Later than one year and not later than 5 years	3.91	-
Present value of minimum lease payments		
Within one year	41.46	-
Later than one year and not later than 5 years	61.28	-

B. Unsecured loans:

a) **Loan from Holding Company:**
The loan from holding company is non interest bearing and is unsecured in nature. There are no specified terms and conditions. However, the same is amortized using effective interest rate.

b) **Business loan:**
The above unsecured business loan from HDFC bank, carries interest rate of 17.60% p.a. The loan is repayable in 36 monthly equal installments and the last installment of loan is in the month of January 2022. The aggregate amount of installments outstanding (including current maturities presented in note 17 below) as on March 31, 2019 is Rs. 47.86 Lakhs (March 31, 2018-Nil). There are no overdue installments or interest payable.

Note 13
NON-CURRENT PROVISIONS

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Provision for Employee Benefits (Net of Fund Assets)	120.08	83.67
	120.08	**83.67**

Note 14
OTHER NON-CURRENT LIABILITIES

a. Long Term Security Deposits from Customers & Suppliers	-	360.00
b. Advances from Customers	-	642.92
	-	**1,002.92**

Note 15
CURRENT FINANCIAL LIABILITIES - BORROWINGS

A. Secured:		
Loans repayable on demand		
From Banks	1,377.01	1,326.27
B. Unsecured:		
Business loan from Bajaj Finance Limited	29.78	-
	1,406.79	**1,326.27**

Disclosures:
A. Secured loans:
Cash Credit:

a) The above cash credit from Union Bank of India is repayable on demand and carries interest rate of 1 year MCLR+4.15%, currently @ 12.35%.

b) The cash credit is secured by hypothecation of all stocks and book debts of the company and the loan has been guaranteed by personal guarantee of Mr. Ch. Siddartha, Managing Director of the company and Mr. Ch. Krishnamurthy and Mrs Ch. Manjula, Directors of the holding company Vishnu Chemicals Limited. The loan has been secured by pledge of 3,44,000 shares of Vishnu Chemicals Limited held by Mr. Ch. Krishnamurthy.

B. Unsecured loans:
a) **Business loan:**
The above unsecured business loan from Bajaj Finance Limited (NBFC), carries interest rate of 17.60% p.a. The loan is repayable in 12 monthly equal installments and the last installment of loan is due in the month of January 2020. The aggregate amount of installments outstanding as on March 31, 2019 is Rs. 29.78 Lakhs (March 31,2018-Rs. Nil). There are no overdue installments or interest payable.

Note 16
CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

(Rupees in Lakhs)

	As at 31.03.2019	As at 31.03.2018
Trade payables		
a. Due to micro, small and medium enterprises	31.47	16.06
b. Other parties	1,395.76	1,589.57
	1,427.23	**1,605.63**

Disclosure:

a) The principal amount remaining unpaid as at 31 March 2019 in respect of enterprises covered under the "Micro, Small and Medium Enterprises Development Act, 2006" (MSMED) is Rs. 31.47 Lakhs (31 March 2018: 16.06 Lakhs). The interest amount computed based on the provisions under Section 16 of the MSMED is Rs. Nil (31 March 2018 Rs. Nil)

b) The list of undertakings covered under MSMED was determined by the Company on the basis of information available with it.

Note 17
OTHER CURRENT FINANCIAL LIABILITIES

a. Current maturities of long term debt	186.67	186.67
b. Current maturities of finance lease obligations	41.46	-
c. Interest accrued	-	9.42
d. Current maturities of unsecured loan from banks	14.26	-
e. Others	5.26	-
	247.65	**196.09**

Note 18
OTHER CURRENT LIABILITIES

a. Advance from customers	331.53	164.65
b. Advance from others	3.47	5.99
c. Statutory dues payables	109.95	8.78
	444.95	**179.42**

Note 19
CURRENT PROVISIONS

Provision for Employee Benefits	0.99	2.76
	0.99	**2.76**

Note 20
REVENUE FROM OPERATIONS

(Rupees in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
1. Sale of Products (Including excise duty in FY 2017-18)	10,466.32	9,307.11
2. Other Operating Revenues		
a. Miscellaneous sales	34.07	14.15
b. Export Incentives	176.55	120.08
	210.62	134.23
	10,676.94	**9,441.34**

Note 21
OTHER INCOME

Other Non-Operating Income		
a. Profit on sale of investments	3.03	0.00
b. Interest Income Earned	92.55	8.72
c. Net Gain on Foreign Currency Translation and Transactions	-	24.18 -
d. Balances Written Back (Net)	-	5.92
	95.58	**38.82**

Note 22
COST OF MATERIAL CONSUMED

a. Opening Stock	376.45	140.28
b. Add: Purchase	3,857.06	4,361.33
c. Total	4,233.51	4,501.61
d. Less: Closing Stock	296.38	376.45
	3,937.13	**4,125.16**

Note 23
COST OF CONSUMABLES

a. Consumption of Petcoke	287.32	264.92
b. Consumption of Furnace Oil	74.98	62.37
c. Consumption of Husk	129.35	174.95
d. Consumption of Coal	503.13	368.98
e. Consumption of Diesel	51.05	42.20
	1,045.83	**913.42**

Note 24
CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Rupees in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
1. **Finished Goods**		
a. Opening Stock:	118.86	268.02
b. Closing Stock:	28.82	118.86
	90.04	149.16
2. **Work-in-progress**		
a. Opening Stock:	196.57	161.99
b. Closing Stock:	164.85	196.57
	31.72	(34.58)
3 **Stock-in-Trade**		
a. Opening Stock:	489.11	-
b. Closing Stock:	489.11	489.11
	-	(489.11)
Total Decrease / (Increase)	**121.76**	**(374.53)**

Note 25
EMPLOYEE BENEFITS EXPENSES

a. Salaries & Wages	543.89	463.45
b. Contribution to Provident and Other Funds	56.97	44.95
c. Staff Welfare Expenses	40.21	28.23
	641.07	**536.63**

Note 26
FINANCE COSTS

a.	Interest Expense	283.40	329.98
b.	Interest on Others	13.57	18.09
c.	Unwinding of Interest on loan from Holding	63.44	57.86
d.	Company		
e.	Unwinding of Interest on term loan	2.22	2.64
f.	Other borrowing cost	-	0.70
		362.63	**409.27**

Note 27
OTHER EXPENSES

(Rupees in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Consumables - Others	433.77	373.86
b. Power	665.93	711.60
c. Equipment Hire Charges	24.22	23.28
d. Consumption of Stores & Spares	527.59	256.76
e. Repairs & Maintenance - Buildings	19.39	9.82
f. Repairs & Maintenance - Plant & Machinery	113.39	20.34
g. Labour costs	262.38	213.63
h. Factory/Godown Maintenance	5.63	9.35
i. Transportation Charges	27.15	10.59
j. Insurance	30.12	13.25
k. Packing Charges	135.31	120.23
l. Shipping & forwarding Charges	371.15	270.63
m. Other Selling Cost	113.59	72.08
n. Rent	67.96	3.13
o. Repairs & Maintenance - Others	2.28	0.00
p. Rates & Taxes	16.58	18.73
q. CSR Expenses	8.14	0.00
r. Bank charges	26.74	18.94
s. Foreign currency fluctuations (Net)	27.99	0.00
t. Travelling & Conveyance	32.41	17.39
u. Professional & Consultancy Charges	146.00	20.58
v. Security Charges	20.46	19.86
w. Increase / (Decrease) in excise duty on inventory of finished goods	-	(29.78)
x. Miscellaneous Expenses	69.95	91.47
	3,148.13	**2,265.74**
Disclosures:		
The details of payments to auditors included in Professional & consultancy charges above, are given below		
i Audit fee	2.00	2.00
ii For taxation matters	1.00	1.00

28. CONTINGENT LIABILITIES AND COMMITMENTS (To the Extent Not Provided For):

A) Contingent Liabilities:

(Rs. in Lakhs)

Sl	Particulars	31.03.2019	31.03.2018
1	The Company has not recognized the fuel surcharge adjustment expense pertaining 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	27.38	27.38
2	Disallowance of CENVAT Credit. Central Excise department for the financial years 2006-11 has raised a demand for irregular availment of CENVAT credit on account of transfer to joint venture. 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 favor.	28.20	28.20
3	The Recovery Officer, Employee State Insurance Corporation, has raised a demand on the Company to pay arrears along with interest. 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	16.12 (plus interest of Rs.5.36)	16.12 (plus interest of Rs.5.36)
4	Entry Tax (Telangana): Commercial Tax Officer (Audit)- HYD has raised a demand for the period 01.04.2013 to 31.03.2015 for non-payment of entry tax for interstate purchases of furnace oil and electrical items etc. and the case is pending before Appellate Deputy Commissioner (CT) Hyderabad. Based on internal assessment and legal advice, the Management Strongly believes that matter will be decided in its favour.	17.01	17.01
5	Indemnity given by company to the banks for Bank guarantees and Letters of Credit	126.67	-

B) **Commitments:** **(Rs. in Lakhs)**

Sl.no	Particulars	31.03.2019	31.03.2018
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances):	44.83	2.23

29. Segment Reporting:

Operating segment is defined as a component of an entity which earns revenue, whose operating results are regularly reviewed by Chief Operating Decision Maker and for which discrete financial information is available. The Managing Director of the Company, who regularly reviews the entity's operating results to make decisions about allocation of resources and assessment of performance has been identified as the Chief Operating Decision Maker of the Company. As the Company is engaged in manufacture and sale of chemicals, the same constitutes a single reportable business segment as per Ind AS 108.

Details of Revenue from manufacture and sale of chemicals by location of Customers:

(Rs. in Lakhs)

Geographic Location	2018-19	2017-18
Domestic	4,458.47	5,296.54
Overseas	6,007.85	4,010.57

Details of Non-Current Assets*

(Rs. in Lakhs)

Geographic Location	As at 31.03.2019	As at 31.03.2018
Domestic	4,095.72	2,837.30
Overseas	-	-

*Non-current assets exclude financial instruments, deferred tax assets, post-employment benefit assets and rights underinsurance contracts.

Disaggregated Revenue:
As the Company is engaged in manufacture and sale of chemicals with no diversity, no separate disaggregation of revenue is reportable

30. Related Party Disclosures:

a) Details of Related Parties:

Sl No	Name of the Related Party	Nature of Relationship
1	Sri. Ch. Siddartha	Key Managerial Personnel
2	Smt. Ch. Manjula	Key Managerial Personnel
3	Sri. Ch. Krishna Murthy	Relative of Key Managerial Personnel
4	Vishnu Chemicals Limited	Holding Company
5	M/s. Vasantha Transport Corporation	Enterprise in which relative of

		key managerial personnel exercises significant influence
6	K.M.S. Infrastructure Limited	Entity in which Key Management Personnel are interested
7	Vishnu Life Sciences Limited	Entity in which Key Management Personnel are interested
8	Vishnu South Africa Pty Ltd.	Fellow Subsidiary

b) Details of Transactions: **(Rs. in Lakhs)**

Nature of Transaction	Key Management Personnel		Holding Company		Concerns in which Key Management is Interested	
	2018-19	**2017-18**	**2018-19**	**2017-18**	**2018-19**	**2017-18**
Remuneration	40.06	--			--	--
Purchases	--	--	131.30	1053.93	--	--
Sales	--	--	496.95	363.26	--	--
Transportation, Tipper and Crane hire charges	--	--	--	--	58.55	64.23
Loan given to Holding Company and outstanding-interest bearing	--	--	989.00	--	--	--
Interest income on loan given above			89.01		--	-
Loan taken from Holding Company and outstanding (at amortized cost)	--	--	722.22	658.78	-	-
Management service charges paid		--	141.60	--	--	--
Rent paid	--	--	14.16	--	--	--
Interest receivable on loan	--	--	80.11		--	--
Advances against purchases receivable			616.26	998.21	--	--
Receivable/(payables)			--	9.20		
Managerial remuneration payable	12.24	--				
Receivable/(payables)	--	--			9.91	(2.93)

31. Unrecognised Deferred Tax Asset:

The Company has not recognized net deferred tax asset available on its losses, gratuity & compensated absences and provision for non-moving stock as there is a probability that taxable profit may not be available against which such deferred tax asset can be realized.

The details of deferred tax assets and liabilities are as given below –

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Deferred tax asset:		
On account of unabsorbed depreciation	770.02	1,066.57
On account of gratuity & compensated absences	31.48	22.26
On account of non-moving stock	3.80	-
Deferred tax liability:		
On account of fixed assets	315.16	272.24
Deferred tax asset (Net)	**490.14**	**816.59**

32. Earnings Per Share:

Particulars	2018-19	2017-18
Net Profit after Tax (Rs.)	12,17,33,853	7,06,56,073
Weighted Average No. of Shares Basic & Diluted EPS	8,64,88,977	8,63,94,950
Nominal Value of equity share (Rs. per share)	10	10
Earnings per Share - Basic & Diluted (Rs.)	1.41	0.82

33. Employee Benefits:

1. Defined Contribution Plan:

The company makes contributions towards provident fund and employee state insurance regularly at the applicable rates based on the salaries of the eligible employees. The obligation of the Company is limited to making the contributions and there is no further contractual or constructive obligation. The following are the details of contributions made during the year which are debited to Statement of Profit & Loss:

(Rs. in Lakhs)Particulars	2018-19	2017-18
Contribution to Provident Fund	30.14	28.11
Contribution to Employee State Insurance	6.65	7.88

2. Defined Benefit Plan – Gratuity:

The Company has identified the gratuity plan as the Defined Benefit Plan. The plan is funded with Life Insurance Corporation of India in the form of a qualifying group gratuity insurance policy. The details of present value of obligation, fair value of plan assets, expense recognized in Statement of Profit & Loss and Other Comprehensive Income are given below:

(Rs. in Lakhs)

Sl	Particulars	Gratuity (Funded) 2018-19	Gratuity (Funded) 2017-18
1	**Assumptions:**		
	Discount Rate	7.66%	7.68%
	Escalation	5.50%	3.00%
2	**Changes in present value of obligations:**		
	Present value of obligations at beginning of year	70.21	62.50
	Interest Cost	5.28	4.13
	Current Service Cost	5.82	5.78
	Past Service Cost – (vested benefits)	--	--
	Benefits Paid	(2.92)	(1.51)
	Actuarial (gain)/ loss on obligation	30.60	(0.69)
	Present Value of obligation at end of year	108.99	70.21
3	**Fair Value of Plan Assets**		
	Opening fair value of plan asset	13.44	14.95
	Adjustment to opening Fair Value of Plan Asset	-	-
	Return on Plan Assets excl. interest income	0.15	(0.95)
	Interest Income	0.94	0.95
	Contributions by Employer	0.65	-
	Contributions by Employee	-	-
	Benefits paid	(2.92)	(1.51)
	Fair Value of plan Assets at end	12.26	13.44
4	**Amount to be recognized in the balance sheet**		
	PVO at end of period		
	Fair Value of plan Assets at end of period	108.99	70.21
	Funded status	12.26	13.44
	Net Asset/(liability) recognized in the balance	(96.73)	(56.77)
	sheet.	(96.73)	(56.77)
5	**Expenses recognized in the statement of P&L a/c:**		
	Current service cost	5.82	5.78
	Net interest	4.33	3.18
	Expense recognized in the statement of P&L a/c	10.15	8.96
6	**Other Comprehensive Income (OCI):**		
	Actuarial gain/(loss) recognized for the period	30.60	(0.69)
	Asset limit effect	-	-
	Return on plan assets excluding net interest	(0.15)	0.95
	Unrecognised Acturial (Gain)/Loss from previous period	-	-
	Total actuarial (gain)/ loss recognized in (OCI)	30.45	0.26

Sensitivity Analysis: **(Rs. in Lakhs)**

Particulars	Discount Rate		Salary Escalation Rate	
	+1%	-1%	+1%	-1%
Present Value of Obligations	97.20	122.83	122.95	96.91

Categories of Plan Assets: **(Rs. in Lakhs)**

Particulars	31.03.2019	31.03.2018
Gratuity Fund managed by Life Insurance Corporation of India	12.26	13.44

34. Un-hedged Foreign Currency Exposure:

The details of foreign currency exposure at the end of the year which are not hedged by any derivative instruments are given below:

(Rs. in Lakhs)

Particulars	31.03.2019	31.03.2018
Trade Receivables	763.27	265.30

35. Figures for the previous year have been regrouped, rearranged and reclassified, wherever considered necessary, to conform to the classification/ presentation of the current year.

Per our Report of even date
For Jampani & Associates
Chartered Accountants
FRN: 016581S

JAMPANI & ASSOCIATES FRN: 016581S Chartered Accountants

J. Ram Sesh Choudary
Partner
M.No: 202150

For and on behalf of the Board of Directors

CH-Manjula

Ch. Manjula
Whole-time Director
DIN:01546339

Ch. Siddartha
Managing Director
DIN:01250728

Kishore Kathri
Company Secretary

Place: Hyderabad
Date: May 04, 2019