



Wealth from Waste

Alufluoride Ltd.

Mulagada, Mindi, Visakhapatnam 530 012, India
+91 891 254 8567 | Contact@alufluoride.com
www.alufluoride.com

Date: 2nd September, 2021

To
The Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.
Scrip Code: 524634

Sub: Notice of the Annual General Meeting (AGM) along with copy of Annual Report for the year ended 31st March 2021.

This is to inform you that the Annual General Meeting ("AGM") of the Company will be held on Friday, 24th September, 2021 at 10.00 A.M. IST through Video Conference ("VC")/ Other Audio Visual Means ("OAVM").

In accordance with Section 108 of the Companies Act, 2013 and Regulations 30, 34 and 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we are enclosing herewith the following:

1. Notice of the Annual General Meeting (including e-voting instructions)
2. Annual Report for FY 2020-21

The aforesaid documents are available on the Company's website at <http://alufluoride.com> and are being dispatched to all eligible shareholders whose email IDs are registered with the Company / Depositories. The Company is pleased to provide to its members the facility to exercise their right to vote on the resolutions proposed to be passed at the AGM by electronic means. Only those, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, 17th September, 2021, shall be entitled to avail the e-voting facility.

The remote e-voting facility commences on Tuesday, 21st September, 2021 from 10.00 a.m. IST and ends on Thursday, 23rd September, 2021 at 5.00 p.m. IST. The facility for voting through the e-voting system will also be made available during the AGM. Members attending the AGM through VC / OAVM facility who have not cast their vote by remote e-voting will be able to vote during the AGM. The manner of e-voting for members holding shares in dematerialised and physical modes as well as for members who have not registered their email IDs is provided in the notes to the Notice of the AGM.

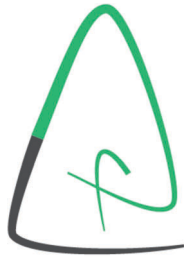
This is for your information and record.

Yours Faithfully
For **Alufluoride Limited**

Vaishali Kohli
Company Secretary and Compliance Officer
Membership No.: ACS 63818

CIN – L24110AP1984PLC005096





Wealth from Waste

Alufluoride Limited

An ISO 9001, 14001, OHSAS 45001

Make in India Company

Annual Report

2020 - 2021

Forbes Asia
BEST UNDER A
BILLION

AWARDS CEREMONY

November 23, 2020

ALUFLUORIDE LIMITED

THE REGION'S TOP 200
SMALL AND MIDSIZED COMPANIES



BOARD OF DIRECTORS

Sri Grandhi Sreeramakrishna	- Chair & Independent & Non-Executive
Sri Yugandhar Meka	- Independent & Non-Executive
Sri A.V.V.S.S.Ch.B. Sekhar Babu	- Independent & Non-Executive
Sri Ashok Vemulapalli	- Non-Independent & Non-Executive
Sri K. Purushotham Naidu	- Director - Finance & Commercial
Smt. Jyothsana Akkineni	- Executive Director
Sri Venkat Akkineni	- Managing Director

COMPANY SECRETARY

Ms. Vaishali Kohli

STATUTORY AUDITORS

Brahmayya & Co, Chartered Accountants, Visakhapatnam 530 003

INTERNAL AUDITORS

Sriramamurthy & Co, Chartered Accountants, Visakhapatnam 530 016

SECRETARIAL AUDITORS

GMVDR & Associates, Company Secretaries, Hyderabad 500 020

BANKERS

ICICI Bank Ltd.

IDBI Bank Ltd.

HDFC Bank Ltd.

REGISTRARS & SHARE TRANSFER AGENTS

XL Softech Systems Ltd.

3, Sagar Society, Road No.2, Banjara Hills

Hyderabad 500 034

Phone: (91 40) 2354 5913

Fax : (91 40) 2355 3214

Email : xlfield@gmail.com

REGISTERED OFFICE

Alufluoride Limited

Mulagada, Mindi

Visakhapatnam 530 012, AP

Phone: (91 891) 254 8567, 257 7077

Email : Contact@alufluoride.com

CIN - L24110AP1984PLC005096



NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of Alufluoride Limited will be held on Friday, the 24th day of September 2021 at 10:00 AM IST through Video Conference (“VC”)/ Other Audio-Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement including Balance Sheet as on 31st March 2021 and Profit and Loss Account for the year ended 31st March 2021 together with the reports of Directors’ and Auditors’ thereon.
2. To elect a Director in place of Smt. Jyothsana Akkineni (DIN: 00150047) who retires by rotation and being eligible offers herself for reappointment.

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

VENKAT AKKINENI

Managing Director

DIN: 00013996

Visakhapatnam
13 August 2021

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, and Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, prescribing the procedures and manner of conducting the Annual General Meeting through VC / OAVM. In terms of the said circulars, the 28th Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through

VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note No. 18 to No. 20 and available at the Company’s website www.alufluoride.com.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, pursuant to Section 113 of the Companies Act, 2013, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM through the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and

Stakeholders Relationship Committee, Auditors, etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The helpline number regarding any query / assistance for participation in the AGM through VC / OAVM is 022-23058542/43.
7. E-Voting: The e-voting rights of the Members / beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 17th September 2021 (Cut-off date fixed for this purpose). The e-voting period will commence at 10:00 AM on Tuesday, 21st September 2021 and will end at 5:00 PM on Thursday, 23rd September 2021. The Company has appointed Sri G.M.V. Dhanunjaya Rao, GMVDR & Associates, Practicing Company Secretary (FCS 9120; C.P No.5250), to act as the Scrutinizer, for conducting the scrutiny of the votes cast.
8. The Scrutinizer shall submit his report to the Chairman of the meeting or any person authorized by him within two working days of the conclusion of the AGM. The results declared along with the report of Scrutinizer shall be placed on the website of the Company and on website of CDSL immediately after declaration of results by the Chairman or person authorized by him in this behalf. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.
9. Detailed instructions for availing e-voting facility and attending VC / OAVM are being given separately as a part of this Notice.
10. Information regarding appointment / re-appointment of Director(s) under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in terms of the Secretarial Standards issued by the Institute of Company Secretaries of India is annexed hereto.
11. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12th, 2020 and January 15th, 2021, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Member may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.alufluoride.com. The Notice can also be accessed from the websites of the Stock Exchange i.e., BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.
12. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.
13. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the Registrar & Share Transfer Agent (RTA) of the Company viz. M/s XL Softech Systems Ltd, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.
14. In terms of Section 72 of the Act, nomination facility is available to individual Members holding shares in the physical mode. The Members who are desirous of availing this facility, may kindly write to Company's RTA for nomination form by quoting their folio number.
15. The Shareholders are requested to claim balance lying in the unpaid/unclaimed dividend account of the Company in respect of dividend declared for the financial year 2019-20. The details of unclaimed dividends are available on the Company's website at www.alufluoride.com.
16. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors



are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.

17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

18. THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

(i) The voting period begins on 21st September, 2021 at 10:00 AM and ends on 23rd September, 2021 at 5:00 PM. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 17th September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09-12-2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL / NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.



Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.:1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (i) After entering these details appropriately, click on “SUBMIT” tab.
- (ii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant “ALUFLUORIDE LIMITED” on which you choose to vote.
- (v) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (vii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (viii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (x) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xi) **Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.



- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address Investors@alufluoride.com (designated email address by the Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

19. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM/EGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM/EGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM/EGM.
4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Investors@alufluoride.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **10 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at Investors@alufluoride.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the EGM/AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the EGM/AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

20. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company/RTA email id: xlfield@gmail.com**
 2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
 3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
- 21.** If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.
- 22.** All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

DISCLOSURES OF THE DETAILS OF DIRECTORS WHO ARE PROPOSED FOR APPOINTMENT / REAPPOINTMENT	
Name	Smt. Jyothsana Akkineni
Director Identification Number	00150047
Date of Birth	29.03.1956
Age in years	65 years
Date of Appointment	16.07.2002
Qualifications	MA
Experience	41 years
Experience in specific functional areas	Chemical Industry
Brief Profile	She is a postgraduate and had experience in Chemical industry business
Terms and conditions of appointment	Office as Whole-time Director up to 5 th May, 2022 without any remuneration
Remuneration last drawn	NIL
Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	Anar Enterprises (P) Ltd, Kaiser Finance & Leasing (P) Limited, Visakha Finance Limited
Chairmanships / Memberships of Committees of other Public Companies (Includes only Audit Committee; and Stakeholders Grievance Committee)	NIL
Number of shares held in the Company as on 31 st March, 2021	54,670
Relationship with other Directors	She is wife of Sri Venkat Akkineni, Managing Director
Number of Board Meetings attended during the year 2020-21 (Out of total 4 Board Meetings held)	4

DIRECTORS' REPORT

To
The Members of
Alufluoride Limited

Your Directors have pleasure in presenting the Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31st March 2021. The Report also includes the Management Discussion and Analysis Report and in accordance with the Guidelines on Corporate Governance.

FINANCIAL RESULTS

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

	(Rs. In lakhs)	
	31-03-2021	31-03-2020
Sales and other revenue	3,849.62	7,572.76
Profit before Finance charges,		
Depreciation, Tax & other adj's	236.29	1,736.85
Less: Finance charges	91.95	88.22
Profit before Depreciation,		
Tax & other Adj's	144.34	1,648.63
Less: Depreciation	250.70	188.89
Profit before Tax & other adj's	(106.36)	1,459.74
Less: Provision for current tax	55.84	410.00
MAT Credit entitlement	(33.46)	—
Taxes of earlier years	(2.70)	14.17
Deferred Tax Asset/ Liability adj's	(71.04)	2.06
Profit before appropriations and carried to Balance Sheet	(55.00)	1,033.51
Add/Less: Other Comprehensive Income (Ind-AS adj's)	8.55	(78.30)
Profit before appropriations and carried to Balance Sheet	(46.45)	955.21

COMPANY'S PERFORMANCE

Your Directors report that during the year under review the Company produced 6,072 MT (includes trial run production of 2,200 MT) and sold 6,440 MT Aluminium Fluoride (includes trial run produced quantity sales of 2,100 MT), as against 8,223 MT Production and 8,569 MT sold during 2019-20. Sales

and other Revenue reported at Rs. 3,849.62 lakhs (excludes trial runs produced quantity sales of Rs.1,869.20 lakhs) as against Rs. 7,572.76 lakhs during 2019-20. In addition to the above results, the Company made a profit of Rs. 429.51 lakhs while operating the new plant on trials and the same was credited to project cost account.

Your Directors are happy to share that your Company was awarded Best Under a Billion by Forbes Asia for Asia's Top 200 Small and Midsized Companies in November, 2020.

For reduction of energy cost and to engage with renewable and sustainable green energy, the Company installed a 3 MW Solar plant at its land at Polepalli, Visakhapatnam District, AP and the total 3 MW Solar project came into operation from 21st August 2020 and adjustment of Solar power to the plant operations/third party sales allowed by Andhra Pradesh State Load Dispatch Centre (APSLDC) from 11th January 2021. Your Company expects future power cost savings as energy cost is expected to rise, year on year.

Due to COVID-19, the Visakhapatnam Aluminium Fluoride expansion project could not be completed as per scheduled time, resulting in lower Aluminium Fluoride production and lower sales during the year under review compared to the previous year which resulted in declaration of adverse financial results and posted a net loss (before Ind-AS adjustments) of Rs. 55.00 lakhs for the year as against a net profit (before Ind-AS adjustments) of Rs.1,033.51 lakhs in 2019-20.

OUTLOOK FOR THE CURRENT YEAR

Your Directors report that the Visakhapatnam Aluminium Fluoride plant expansion was completed behind schedule and trials of the new plant were undertaken from December, 2020 to April, 2021. The Company declared commercial production of the expanded plant with effect from 1st May 2021. Currently, the plant has reached a production capacity of over 80% of the installed capacity of 12,000 tons p.a. and the Company is hoping for increased efficiency going forward. Therefore, based on the availability of adequate raw material and stable sales price, your Directors are hoping for better results in the

current year. The Company's 3 MW Solar project was completed, and the solar power generated from this plant is being adjusted for captive consumption with effect from 11th January 2021 which will indirectly help reduce the cost of power for the plant.

TERM LOAN AND WORKING CAPITAL LIMITS WITH BANKS

Your Directors report that to expand the Company's Aluminium Fluoride plant, the Company has availed a term loan of Rs. 25 crores from ICICI Bank Limited, Visakhapatnam and Rs. 5 crores towards working capital limits. As against these facilities, during the year under review, entire term loan amount of Rs. 25 crores was drawn, and the Company repaid an amount of Rs.78.93 lakhs towards principal and utilized Rs. 121.77 lakhs for non-fund working capital facilities. A charge was created, in favor of the bank, on the assets of the Company to secure the said loan facilities.

FUTURE PROJECTS

The Company has signed on 8th January 2020 at Amman, Jordan, a joint venture (JV) agreement with Jordan Phosphate Mines Company PLC (JPMC) to commission a greenfield Aluminium Fluoride plant at Eshidiya Free Trade Zone, Jordan. The Company is in the process of incorporating a new Company in Singapore, which will be a subsidiary of Alufluoride Limited and a Joint Venture partner with JPMC. Due to Covid-19, incorporation of the new Company was delayed. As soon as the Company is incorporated, it will sign various other project agreements with JPMC and other agencies. Consequently, the commissioning of the new plant in Jordan will commence.

EXPORTS

During the year under review, the Company registered Exports Sales of Rs.1,758.84 lakhs as against Rs.1025.78 lakhs Export Sales during FY 2019-20.

INSURANCE

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

DIVIDEND

Your Directors wish to record that, the Company has taken up and completed the ALUMINIUM

FLUORIDE plant expansion at Visakhapatnam at high Capital cost and are in the process of taking up new projects overseas. In view of upcoming projects, your Directors are not recommending any Dividend.

TRANSFER TO RESERVE

The Company has not transferred any amount to the General Reserve for the financial year 2020-21.

CORPORATE GOVERNANCE

As per Regulation 34 read with chapter IV of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 a separate section on Corporate Governance is enclosed which forms part of the Annual Report. A certificate from the Auditors of the Company on compliance with the conditions of Corporate Governance as stipulated under the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015 is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i. In the preparation of the annual accounts for the financial year ended 31st March 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;



- iii. The Directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors prepared the accounts for the financial year ended 31st March 2021 on a 'going concern' basis; and
- v. The Directors laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Directors

During the year under review, there has been no changes in the constitution of the Board of Directors.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Smt. Jyothsana Akkineni, (DIN: 00150047) will be retiring at the conclusion of this Annual General Meeting and has conveyed her consent for reappointment.

Particulars in pursuance of Regulation 36 of the SEBI LODR Regulations read with Secretarial Standard - 2 on General Meetings relating to Smt. Jyothsana Akkineni (DIN 00150047) is given in Notice of AGM.

Key Managerial Personnel

During the year under review, the Company had its Company Secretary only up to 12th May, 2021 due to the unfortunate demise of Sri Viswanadham Bhaskara Rama Sarma, the Company Secretary of Company. The Board places on record its deep appreciation for the services rendered by Sri Viswanadham Bhaskara Rama Sarma during his term as CS of the Company. Thereafter, on 13th August, 2021, Ms. Vaishali Kohli was appointed as Company Secretary of the Company.

The Company has named the Managing Director, Director - Finance & Commercial as CFO and Company Secretary as its Key Managerial Personnel under the provisions of Section 203 of the Companies Act, 2013.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

NUMBER OF MEETINGS OF THE BOARD

Four meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the corporate governance report, which forms part of this report.

BOARD EVALUATION

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

The Board reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness

on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on key aspects of his role.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

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

The Disclosure as required under Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 is appended in Annexure - A to the Board Report.

RISK MANAGEMENT

The Board of Directors oversee the various strategic, operational and financial risks that the organization faces, along with assessment of risks, their management and mitigation procedures. In the Board's view, there are no material risks, which may threaten the existence of the Company.

SECRETARIAL STANDARDS

The Directors state that applicable Secretarial Standards, i.e. SS-1 relating to 'Meetings of the Board of Directors' and SS-2, relating to 'General Meetings', have been duly followed by the Company.

INTERNAL FINANCIAL CONTROLS

The Company has adequate internal financial controls commensurate with its size and nature of

its business. During the financial year under review, Internal Auditors of the Company have reviewed the effectiveness and efficiency of these systems and procedures. As per the said assessment, the Board is of the view that IFC were adequate and effective during the financial year.

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

Details of transactions with related parties falling under the scope of Section 188(1) of the Act & Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 (Form No. AOC2) is given in Annexure B to the Board Report.

STATUTORY AUDITOR

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Brahmayya & Co. Chartered Accountants, Visakhapatnam as Statutory Auditors of the Company in the Annual General Meeting held on 29th September, 2017 for a term of 5 (five) years. The Statutory Auditors are eligible to hold office as the Auditors of the Company for the current year and are not disqualified from continuing as Statutory Auditors of the Company.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 205 of the Act and the rules framed there under Mr. G.M.V. Dhanunjaya Rao of GMVDR & Associates, Company Secretaries was appointed as Secretarial Auditor of the Company and the Secretarial Audit Report issued by them for the financial year 2020-21 is made a part of this Report.

COST AUDIT

Cost Audit for financial year 2020-21 is not applicable in view of the Cost Audit Amendment Rules, 2014, Government of India, Ministry of Corporate Affairs, Notification, New Delhi, dated 31.12.2014.



ANNUAL RETURN

The Annual Return of the Company in prescribed Form MGT-7 is available on the website of the Company at www.alufluoride.com.

SUBSIDIARIES

As on 31st March, 2021, the Company had one subsidiary, Alufluoride International Private Limited which was incorporated on 21st December, 2020 in Jebel Ali Free Zone, Dubai. The said subsidiary is yet to commence its operation. The Company does not have any joint venture / associate company(ies) within the meaning of Section 2(6) of Companies Act, 2013.

During the year under review, while none of the companies ceased to be a subsidiary of the Company, as stated above one subsidiary was incorporated during the year.

Pursuant to the first proviso to Section 129(3) of the Act and Rule 5 and Rule 8(1) of the Companies (Accounts) Rules, 2014, the salient features of financial statements, performance and financial position of subsidiary is given in Form AOC-1 as Annexure C to this Report.

AUDITOR'S REPORT AND SECRETARIAL AUDITOR'S REPORT

The Auditor's Report and Secretarial Auditor's Report do not contain any qualifications, reservations or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

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

There are no material changes and commitment affecting the financial position of the Company.

CORPORATE SOCIAL RESPONSIBILITY

The provisions of Corporate Social Responsibility (CSR) have become applicable to the Company from the financial year 2020-21 as the net profit of

the company for the financial year 2017-18 is in excess of Rs. 5 crores.

The Company has constituted a Corporate Social Responsibility (CSR) Committee in terms of Section 135(1) of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014. The committee consists of the following:

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

The CSR activities, projects and programs that will be undertaken by the Company shall be those as may be approved by the committee that will be constituted / reconstituted by the Board of Directors of the Company in this regard (CSR Committee). The CSR Committee will approve the undertaking of such activities, projects and programs as are covered under the following areas set out in Schedule VII of the Companies Act, 2013. Our Company is committed to ensuring the social well being of the society through its Corporate Social Responsibility (CSR) initiatives. Our focus will be on rural development programs, Swachh Bharat, promoting education, promoting health care including preventive health care and sanitation facilities to weaker sections of society through organizing health camps, meeting operation expenditure of children and poor people.

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

DEPOSITS

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

UNPAID / UNCLAIMED DIVIDEND

Out of the Interim Dividend amount of Rs. 156.41 lakhs declared by your directors during the FY 2019-20, an amount of Rs. 8.28 lakhs remained unclaimed/unpaid as on 31.03.2021. Further, there is no amount (s) of Dividend which remained unclaimed for a period of 7 years and hence the requirement of transfer of such amount(s) to Investor Education & Protection Fund (IEPF) doesn't arise.

INTERNAL CONTROL

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

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

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

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company always believed in providing an encouraging work environment devoid of discrimination and harassment including sexual harassment and has adopted a policy in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder. The objective of the policy is to prohibit, prevent and address issues of sexual harassment at the workplace. The policy covers all employees irrespective of their nature of employment and also applicable in respect of all allegations of sexual

harassment made by an outsider against an employee. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on sexual harassment. No complaint was pending at beginning of the year and none has been received during the year.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(9) of the Act, the Board of Directors of the Company has framed the Vigil Mechanism / Whistle Blower Policy for Directors and Employees of the Company. Under the said Policy, provisions have been made to safeguard persons who use this mechanism from victimization.

The Policy also provides access to the Chairperson of the Audit Committee under certain circumstances. The Whistle Blower Policy is uploaded on the website of the Company at www.alufluoride.com.

EMPLOYEE RELATIONS

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

The Company has formed rigorous safety procedures and regulations to minimize COVID-19 infections and to mitigate adverse consequences for those infected. Any staff infected were mentored and counselled by one of his/her senior to assure proper, timely and adequate steps were taken to resolve the ill-health expeditiously. All employees were covered for insurance by the Company for COVID-19 and timely vaccinations were facilitated.

ENVIRONMENT & SAFETY MEASURES

Following the ISO Certifications of 9001, 14001 and OHSAS 45001 the Company will continue taking all necessary measures to maintain high standards of Environment, Cleanliness and Green Belt, Water Harvesting, Pollution Control, Health and Safety Precautions.



DISCLOSURES UNDER THE ACT

Change in Nature of Business, if any:

During the financial year 2020-21, there was no change in the nature of business of the Company.

Significant and Material Orders:

The Company has not received any significant or material orders passed by any regulatory authority, court or tribunal which shall impact the going concern status and Company's operations in future.

Reporting of Frauds by Auditors:

During the year under review, there were no frauds reported by Auditors under Section 143(12) of the Act.

Details on Insolvency and Bankruptcy Code:

During the year under review, no application has been made by the Company nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
For ALUFLUORIDE LIMITED

VENKAT AKKINENI

Managing Director
DIN: 00013996

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

Director
DIN: 00692448

Visakhapatnam
13 August 2021



ANNEXURE - A

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

Sl. No.	Name of the Director / KMP & Designation	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
1	Sri Venkat Akkineni, Managing Director	14:1	(53.8)
2	Sri K. Purushotham Naidu, Director Finance & Commercial	7:1	(33.1)
3	Sri Ashok Vemulapalli, Non-Executive & Non-Independent Director	(*)	(*)
4	Smt. Jyothsana Akkineni, Executive & Non-Independent Director	---	---
5	Sri Yugandhar Meka, Non-Executive & Independent Director	(*)	(*)
6	Sri A.V.V.S.S.Ch.B. Sekhar Babu, Non-Executive & Independent Director	(*)	(*)
7	Sri Sreeramakrishna Grandhi, Non-Executive & Independent Director	(*)	(*)
8	Sri Viswanadham Bhaskara Rama Sarma, Company Secretary	1:1	---

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

Percentage increase in the median remuneration of employees in the financial year	NIL
Number of permanent employees on the rolls of Company	99
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in the remuneration of employees (other than managerial personnel) - Nil (no change)
Affirmation	The remuneration is as per the remuneration policy of the Company



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

Name	Remuneration	Nature of Employment	Qualification & Experience	Date of Joining	Age (Years)	% of shares held in the Company	Whether relative to any Director or Manager	Last Employment
Mr. Venkat Akkineni	39,22,124	Contractual	MBA (USA), (43 Yrs.)	14.08.1991	67	2.94	Yes	Annapurna Studios (P) Ltd.
Mr. K. Purushotham Naidu	19,84,399	Contractual	M.Com, (CA), BL (41 Yrs.)	22.08.1989	66	0.01	No	BSR & Sons, Vijayawada
Mr. S.V.N.G.S.S.S. Rao	17,43,815	As per Co.'s rules	M.Tech (Ch.) (38 Yrs.)	18.06.2015	63	0	No	Vasant Chemicals, Vizag
Mr. P. N. Sharma	16,42,639	As per Co.'s rules	M.Tech (Mechanical) (30 Yrs.)	02.04.2019	55	0	No	Vedanta Ltd
Mr. Aditya Akkineni	14,58,657	As per Co.'s rules	B.Sc.(Mechanical Eng.) USA (8 Yrs.)	24.08.2016	32	6.14	Yes	Luminex Corporation, Austin, Texas, USA
Mr. B. V. Ramana	12,83,529	As per Co.'s rules	L.M.E. (43 Yrs.)	12.06.2014	66	0	No	ICS, Senegal, W. Africa
Mr. G. Siva Kumar	7,12,999	As per Co.'s rules	M.Tech (E&I) (8 Yrs.)	04.11.2019	32	0	No	Vishnu Chemicals Ltd
Mr. B. Abhilash	6,82,567	As per Co.' rules	B. Tech (10 Yrs.)	16.08.2016	33	0	No	Core Green Sugar & Fuel Pvt Ltd
Mr. Chandan Bagh	5,94,607	As per Co.'s rules	I.T.I. (Fitter) (25 Yrs.)	23.12.2009	56	0	No	---
Mr. D. L. Narasimha Rao	5,89,279	As per Co.'s rules	M.Com (26 Yrs.)	17.10.1994	53	0	No	---

ANNEXURE - B

FORM NO. AOC -2

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

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

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

Sl.No.	Particulars	Details
A	Name(s) of the related party & nature of relationship	NIL
B	Nature of contracts / arrangements / transaction	NIL
C	Duration of the contracts / arrangements / transaction	NIL
D	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
E	Date of approval by the Board	NIL
F	Amount paid as advances, if any	NIL

**For and on behalf of the Board
For Alufluoride Limited**

Venkat Akkineni
Managing Director
DIN: 00013996

A.V.V.S.Ch.B.Sekhar Babu
Director
DIN: 00692448

Visakhapatnam
13 August 2021

ANNEXURE - C
FORM NO. AOC - 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures
Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.) (Rs. Lakhs)

Sl.No.	Particulars	Details
1.	Name of the subsidiary	Alufluoride International Private Limited (*)
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April to March
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Reporting Currency: AED Exchange Rate: 1 AED = INR 20
4.	Share capital	–
5.	Reserves & surplus	–
6.	Total Assets	–
7.	Total Liabilities	–
8.	Investments	–
9.	Turnover	–
10.	Profit/(loss) before taxation	–
11.	Provision for taxation	–
12.	Profit/(loss) after taxation	–
13.	Proposed Dividend	–
14.	% of shareholding	100%

(*) During the year under review the Company had incorporated a wholly owned subsidiary in the name of "ALUFLUORIDE INTERNATIONAL PRIVATE LIMITED" on 21/12/2020 in Jebel Ali Free Zone, Dubai. However, capital was not infused in the wholly owned subsidiary up to 31/03/2021 and it had not commenced any operations and / or other activity / transaction up to 31/03/2021. The remittance towards the subscribed capital was transferred on 17/05/2021 i.e. post the end of financial year 2020-21. Accordingly, Company has not prepared consolidated financials with the said subsidiary for the financial year 2020-21".

- Names of subsidiaries which are yet to commence operations: Alufluoride International Private Limited.
- Names of subsidiaries which have been liquidated or sold during the year: None

Part "B": Associates and Joint Ventures – Not Applicable

**For and on behalf of the Board
For Alufluoride Limited**

Venkat Akkineni
Managing Director
DIN: 00013996

A.V.V.S.S.Ch.B.Sekhar Babu
Director
DIN: 00692448

Visakhapatnam
13 August 2021



ANNEXURE - D

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended 31 March, 2021.

A. CONSERVATION OF ENERGY:

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

I. Power and Fuel Consumption

	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020
1. Electricity (*)		
(a) Purchased Unit (KWH)	16,87,319	31,62,698
Total Amount Rs.	1,47,49,969	2,17,49,261
Average Rate / Unit (Rs.)	8.74	6.25
(b) Own Generation –		
Through Diesel Generator - 500+380+125 KVA - Unit (KWH)	45,901	45,072
Average Unit Per litre of Diesel	2.92	3.03
Cost of Diesel per KWH (Rs.)	26.39	23.78
(c) Solar Generation, consumed (KWH)	4,55,772	3,17,209
2. Fuel (*)		
(a) Furnace oil:		
Quantity (Kilo Litres)	1,235	2,407
Total Amount (Rupees)	3,18,98,266	7,75,19,391
Average Rate (Rupees)	25,829	32,207
(b) Coal: (*)		
Quantity (MTs)	136	---
Total Amount (Rupees)	1,54,241	---
Average Rate (Rupees)	1,134	---
(*) Excludes trial run production consumption		

II. Consumption per ton of Production

Aluminium Fluoride:

(a) Electricity (KWH) (*)	436	399
(b) Furnace Oil (Kilo Litres) (*)	0.319	0.276

(*) Excludes trial run production consumption

B. TECHNOLOGY ABSORPTION

Your Company always tries to identify & implement recent changes in technologies. The Company makes every effort to reduce the consumption norms of raw materials, utilities and will make ongoing efforts to reduce the power & fuel costs. There are no import of raw materials and utilities are consumed.

C. FOREIGN EXCHANGE EARNINGS

	01-04-2020 to 31-03-2021	01-04-2019 to 31-03-2020
(a) Foreign Exchange Earnings - F.O.B (Rupees) (Includes trial run production export sales)	17,58,84,240	10,25,77,863
(b) Foreign Exchange Out Go (Rupees)	37,71,000	45,12,343
(c) Other Components, Spare Parts & Foreign Travel etc (Rupees)	15,19,439	26,28,932

**For and on behalf of the Board
For Alufluoride Limited**

Venkat Akkineni
Managing Director
DIN: 00013996

A.V.V.S.S.Ch.B.Sekhar Babu
Director
DIN: 00692448

Visakhapatnam
13 August 2021

ANNEXURE - E

The Annual Report on CSR Activities For Financial Year ended 31st March 2021

- Brief outline on CSR Policy of the Company - ALUFLUORIDE LIMITED
- Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
01	Sri A.V.V.S.S.Ch.B. Sekhar Babu	Chairman	1	1
02	Sri Ashok Vemulapalli	Member	1	1
03	Smt. Jyothsana Akkineni	Member	1	1
04	Sri K. Purushotham Naidu	Member	1	1

- Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company - www.alufluoride.com
- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). N.A.



Alufluoride Limited

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1	2018-19	N.A.	N.A.
2	2019-20	N.A.	N.A.
3	2020-21	N.A.	N.A.
	TOTAL	N.A.	N.A.

6. Average net profit of the company as per section 135(5) - Rs.11,52,77,050
7. (a) Two percent of average net profit of the Company as per section 135(5) - Rs.23,05,541
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. NIL
 (c) Amount required to be set off for the financial year, if any – NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c). Rs. 23,05,541
8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
4,75,000	(*) 26,75,870	18.06.2021	--	--	--

- (*) The balance unspent (including previous year balance) amount of Rs.26,75,870 was transferred to "Unspent CSR account" with ICICI Bank Limited, vide account No.110805004534. Out of this account, an amount of Rs.25,00,000 was paid to CONNECT ANDHRA for CSR expenses for support of Primary Health Centre on 3rd July 2021 and the balance amount of Rs.1,75,870 is lying in the Unspent CSR account with ICICI Bank Limited.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes/No)	Location of the Project		Project duration	Amount allotted for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR account for the Project as per Section 135 (6) (In Rs.)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration Number
1	Purchase of Groceries to the 300 villagers of Eduruvanipalem at the time of COVID-19	1(i)	Yes	Andhra Pradesh	Visakhapatnam	N.A.	2,25,000	2,25,000	Nil	Yes	-	-
2	Purchase of Masks & PPE's for Police Department	1(i)	Yes	Andhra Pradesh	Visakhapatnam	N.A.	2,50,000	2,50,000	Nil	Yes	-	-
3	Promoting Health Care	1(i)	Yes	Andhra Pradesh	Visakhapatnam	N.A.	7,50,000	Nil	* 7,50,000	No	ALAI Foundation	-
4	Connect to Andhra for support of Primary Health Centre	1(i)	Yes	Andhra Pradesh	Visakhapatnam	N.A.	26,75,780	Nil	** 26,75,780	No	-	-

b) Details of CSR amount spent against ongoing projects for the financial year:

* Rs.7,50,000 was spent on 10th May 2021 for Oxygen beds.

** Rs.25,00,000 was paid to CONNECT ANDHRA for support of Primary Health Centre on 3rd July 2021 the balance amount of Rs.1,75,870 is lying in the Unspent CSR account with ICICI Bank Limited.

(c) Details of CSR amount spent against other than ongoing projects for the financial year: NIL

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes / No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation Direct (Yes/No).	Mode of implementation Through implementing agency	
				State	District			Name	CSR registration number
	TOTAL								

(d) Amount spent in Administrative Overheads. — NIL —

(e) Amount spent on Impact Assessment, if applicable. — NIL —

(f) Total amount spent for the Financial Year (8b+8c+8d+8e). Rs. 4,75,000

(g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	23,05,541
(ii)	Total amount spent for the Financial Year	4,75,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL



Alufluoride Limited

(a) Details of Unspent CSR amount for the preceding three financial years: NIL

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs)	Date of transfer	
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed / Ongoing
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. --- NIL ---

(asset-wise details)

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). --- NO ---

**For and on behalf of the Board
For Alufluoride Limited**

Venkat Akkineni
Managing Director
DIN: 00013996

A.V.V.S.S.Ch.B.Sekhar Babu
Director
DIN: 00692448

Visakhapatnam
13 August 2021

SECRETARIAL AUDIT REPORT

To,
The Members,
Alufluoride Limited
Visakhapatnam

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on 31.03.2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2021, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
During the year, the company has incorporated “Alufluoride International Private Limited” in Dubai as a Wholly Owned Subsidiary (WOS), and no remittance was made to the WOS towards the Share Capital/subscription till the closure of the financial year. The Company has not availed External Commercial Borrowings during the year.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable as the Company has not formulated any such scheme during the Audit Period);
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company doesn't has any listed debt security (ies))
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;



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

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

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

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

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

We further report that:

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

clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period the company has incorporated “Alufluoride International Private Limited” in Dubai as a Wholly Owned Subsidiary (WOS).

G.M.V. Dhanunjaya Rao

Proprietor

M.No.: F9120 C.P No.:5250

UDIN : F009120C000746967

Place: Hyderabad

Date: 06.08.2021

Annexure-1

List of other applicable laws to the company:

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

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY COMPANY SECRETARY IN
PRACTICE (NON-QUALIFIED)**

To
The Members
Alufluoride Limited
Vishakapatnam

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For GMVDR & Associates
Company Secretaries

Place: Hyderabad
Date : 06.08.2021

G.M.V.Dhanunjaya Rao
Proprietor
M.No.: F9120 C.P No.:5250



MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Alufluoride Ltd. (AL) is the only Company in Andhra Pradesh producing high purity Aluminium Fluoride (AlF_3) with technology developed by Alusuisse, Switzerland. This technology facilitates conversion of Fluorine effluents from a Phosphatic Fertilizer Complex into Hydrofluosilicic Acid and then to Aluminium Fluoride. The project ensures pollution abatement, import substitution, conservation of natural resources like Fluorspar and Sulphur, cost effective production, conversion of waste into wealth and earning valuable foreign exchange to the Nation. AlF_3 is used as a flux in reducing the melting point of Alumina during the electrolytic process of producing Aluminium. Many Aluminium Smelters in India and abroad use the Company's product with repeat orders due to quality and service.

FUTURE OUTLOOK, OPPORTUNITIES, THREATS, RISKS & CONCERNS

Alufluoride Ltd. (AL) commissioned its Aluminium Fluoride Plant in 1995, based on an agreement between AL and Coromandel International Limited (Erstwhile Coromandel Fertilizers Ltd., Visakhapatnam (CIL)). As per the agreement, CIL is to supply 4,000 TPA of Hydrofluosilicic Acid (Acid) exclusively to AL. However, since inception CIL was unable to supply the contracted quantity, and therefore the balance acid is being procured from Orissa. All the Aluminium smelters in India and abroad have been increasing their Aluminium production capacities and new Aluminium smelters are coming up with high capacities, resulting in an increased demand for AlF_3 . CIL expanded its Phosphoric Acid production capacity and assured the Company for supply of additional Acid. The Company signed a long-term acid supply contract with CIL. In view of increased AlF_3 demand and availability of additional acid, the Company expanded its AlF_3 production facilities. The expansion project was completed in April 2021. Commercial production of the new plant was declared with effect from 1st May 2021. The risks and concerns for the Company are availability of Acid, increase in transport costs from Paradeep, Orissa, taking on debt for the expansion, along with the usual market risks.

The Company signed a Joint Venture Agreement, as a majority partner, on 8th January 2020 at Amman, Jordan, with Jordan Phosphate Mines Company PLC (JPMC) to commission a green field Aluminium Fluoride plant at the Eshidiya Free Trade Zone, Jordan. The new manufacturing facility in Eshidiya, Jordan will be designed to produce a minimum of 20,000 TPA of AlF_3 . The Company is incorporating a new Company in Singapore which will be a 100% subsidiary of Alufluoride Limited and will be a Joint Venture partner with JPMC. The new Company will form the JVC and begin implementation of the project.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control system which provides for:

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

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

HUMAN RESOURCE DEVELOPMENT

The continued Certification of Quality and Environmental Management System adopted by the Company to ISO 9001, 14001 and OHSAS 45001 manifests in the commitment of all employees to excellence; committed human resources is a principal core strength of your Company and attributes to the extremely cordial atmosphere prevailing in the Company. The total number of employees stood at 98 as on 31 March 2021.

DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS (i.e., change of 25% or more over the last 12 months):

Sl. No	Ratio	Year ended 31.03.2021	Year ended 31.03.2020	Change
1	Debtors turnover ratio	11.26	24.13	-53.3
2	Inventory turnover ratio	6.43	12.41	-48.2
3	Current ratio	2.06	1.94	5.8
4	Operating profit ratio	1.41%	20.86 %	-93.2
5	Net profit ratio	(2.76)%	19.28 %	-114.3

Debtors Turnover ratio is less due to reduction in sales and receipt of receivables on time, Inventory turnover ratio, Operating Profit ratio and Net Profit ratio are less compared to previous years, due to majority of the period of operations of the plant during the year ran on trials i.e., regular production of the plant stopped from 1st November 2020 to 31st March 2021. The plant declared commercial production with effect from 1st May 2021.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 MARCH 2021

CORPORATE GOVERNANCE:

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

COMPANY'S PHILOSOPHY:

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

BOARD OF DIRECTORS:

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

Name of the Director	Category	No. of Board Meetings attended during the F.Y. 2021	Attendance at the Previous AGM held on 26 Sept, 2020	Number of Directorships in other public companies		Number of Committee positions held in other public companies		Directorship in other listed entity (Category of Directorship)	Skills/ Expertise/Competence
				Chairman	Member	Chairman	Member		
Sri Venkat Akkineni (*)	Executive	4	Present	-	7	-	-	-	Leadership, Finance, Project Execution, Board Service and Governance, Sustainability, Risk expertise & international Business
Sri Ashok Vemulapalli (**)	Non-Executive	4	Present	-	5	-	-	Nile Limited (Independent Director)	Leadership, Finance, Project Execution, Board Service and Governance, Sustainability, Risk expertise and international Business
Smt. Jyothsana Akkineni (***)	Executive	4	Present	-	5	-	-	-	Leadership, Finance, Project Execution, Board Service and Governance, Sustainability, Risk expertise and international Business
Sri K.Purushotham Naidu	Executive	4	Present	-	-	-	-	-	Leadership, Finance, Audit, Board Service, Governance and compliance, Project execution.
Sri. A.V.S.S.Ch.B. Sekhar Babu	Independent	4	Present	-	-	-	-	-	Leadership, Finance, Secretarial, Audit, Board Service, Governance and compliance, mergers & acquisition
Sri Grandhi Sreeramakrishna	Independent	3	Present	-	3	-	-	Ravileela Granites Limited (Independent Director) Everest Organics Limited (Independent Director) Gayatri Projects Limited (Independent Director)	Leadership, Finance, Audit, Board Service, Governance and compliance, mergers & acquisition.
Sri Yugandhar Meka	Independent	4	Present	-	8	-	-	Pokarna Limited (Independent Director)	Leadership, Finance, Audit, Board Service, Governance and compliance, mergers & acquisition, Project execution, International Business

(*) Sri Venkat Akkineni is husband of Smt. Jyothsana Akkineni and brother-in-law of Sri Ashok Vemulapalli.

(**) Sri Ashok Vemulapalli is brother-in-law of Sri Venkat Akkineni.

(***) Smt. Jyothsana Akkineni is wife of Sri Venkat Akkineni



Alufluoride Limited

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

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

None of the Non-Executive / Independent Directors held any Equity Shares of the Company as on 31st March, 2021 except Sri Ashok Vemulapalli having 35,779 Shares, Sri A.V.S.S.Ch.B. Sekhar Babu having 200 Shares.

In the opinion of the Board, the existing Independent Directors fulfil the conditions specified in the SEBI Listing Regulations and are independent of the Management.

There has been no change in the constitution of the Independent Directors of the Company during the financial year 2020-21.

BOARD MEETINGS HELD DURING THE YEAR 2020-21 :

During the Financial year 2020-21, Four Board Meetings were held on 22nd June 2020, 13th August 2020, 9th November 2020 and 1st February 2021.

BOARD COMMITTEES:

Audit Committee:

The Audit Committee comprises of three Independent Directors and one Non-Executive Director as detailed below: The Company Secretary acts as the Secretary of the Committee.

Sl. No.	Name of the Director	Designation	No. of Meetings held during the Member's tenure	No. of Meetings attended
1	Sri Yugandhar Meka	Chairperson (Independent Director)	4	4
2	Sri Sreeramakrishna Grandhi	Member (Independent Director)	4	3
3	Sri Chandrasekhar Babu AVVSS	Member (Independent Director)	4	4
4	Sri Ashok Vemulapalli	Member (Non-Executive & Non-Independent Director)	4	4

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

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

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

During the financial year 2020-21, four meetings of the Audit Committee were held on 22nd June 2020, 13th August 2020, 9th November 2020 and 1st February 2021.

Stakeholders Relationship Committee:

The Stakeholders Relationship Committee comprises of.

S.No.	Name of the Director	Designation
1	Sri Chandrasekhar Babu A.V.V.S.S	Chairperson (Independent Director)
2	Smt. Jyothsana Akkineni	Member (Executive & Non-Independent Director)
3	Sri Ashok Vemulapalli	Member (Non-Executive & Non-Independent Director)

The Share Transfer Committee deals with share transfers, complaints/grievances of the shareholders on a regular basis. All the complaints/grievances have generally been resolved to the satisfaction of the members concerned.

During the year, no Stakeholders Relationship Committee meeting was held.

Sri V.B. Rama Sarma was appointed as a Compliance Officer of the Company under Regulation 6 of SEBI Listing Regulations.

Details of Investor Complaints

Complaints at the beginning of the FY 2020-21	Received during the year	Resolved during the year	Complaints at the end of the FY 2020-21
-Nil -	54	53	1

Nomination and Remuneration Committee:

The Committee comprises of three Independent Directors as detailed below:

S.No.	Name of the Director	Designation
1	Sri Chandrasekhar Babu A.V.V.S.S	Chairperson (Independent Director)
2	Sri Sreeramakrishna Grandhi	Member (Independent Director)
3	Sri Ashok Vemulapalli	Member (Non-Executive & Non-Independent Director)

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

During the year, no Nomination and Remuneration Committee meeting was held.



Performance evaluation criteria for independent directors:

Independent Directors have three key roles governance, control and strategic guidance. Some of the performance indicators, based on which the independent directors are evaluated, are:

- (i) Contribution to and monitoring Corporate Governance practices.
- (ii) Ability to contribute to address top management issues.
- (iii) Active participation in long term strategic planning
- (iv) Commitment to the fulfilment of obligations and responsibilities.

The performance evaluation of Independent Directors is done by the Board annually based on criteria of attendance and contributions at Board/Committee meetings and also the roles played by them other than at meetings.

The NRC had specified criteria for performance evaluation of Directors, Committees, and the Board as a whole and recommend the same to the Board for evaluation.

In line with corporate governance guidelines, evaluation of all members is done on an annual basis. This evaluation is done by the entire Board led by the Chairman of the Board with specific focus on the performance and effective functioning of the Board, Committees of the Board and individual Directors and reported to the Board. The evaluation process also considers the time spent by each of the Board members, core competencies, personal characteristics, accomplishment of specific responsibilities and expertise.

The entire Board of Directors (excluding the Directors being evaluated) held the performance evaluation of Independent Directors and on the basis of performance evaluation, the Board decided to continue the term of appointment of Independent Directors.

Corporate Social Responsibility (CSR) Committee:

During the year one meeting was held (held on 22.06.2020) and all the members of CSR Committee attended the same.

The Committee comprises of 4 Directors as detailed below:

S.No.	Name of the Director	Designation
1	Sri Chandrasekhar Babu A.V.V.S.S.	Chairperson (Independent Director)
2	Smt. Jyothsana Akkineni	Member (Executive & Non-Independent Director)
3	Sri Ashok Vemulapalli	Member (Non-Executive & Non-Independent Director)
4	Sri Purushotham Naidu Kotikalapudi	Member (Executive & Non-Independent Director)

The above committees do not have a "Regular Chairperson" in terms of SEBI LODR.

Criteria of making payments to Non-Executive Directors

Keeping in view the size, scale and complexity of the Company's operations and the level of involvement of the Non-Executive Directors in the supervision and control of the Company and their guidance for the growth of the Company as members of the Board and also as Chairman or Members of the relevant Committees of the Board, the Board and Shareholders decided that such remuneration/commission should be commensurate with their roles which have undergone significant qualitative changes.

Disclosures with respect to remuneration:

- (i) Gross remuneration includes salary, taxable allowances, Commission, value of perquisites as per the Income Tax Rules, 1962 and Company's contribution to Provident Fund.
- (ii) No Director was allowed any fixed or performance linked incentives.
- (iii) There are neither specific contracts nor any severance fees. Terms of appointment are as decided by the Board and the General Body.
- (iv) The Company has no options outstanding as at the beginning of the year and has not granted any stock options during the financial year 2020-21.

Details of remuneration and payments to Directors during the financial year 2020-21 are given below:

Name of the Director	Sitting Fee – Board Committee (Rs.)	Salary & Perks (Rs.)	Other Transaction (Rs.)
Sri Venkat Akkineni	---	39,22,124	---
Sri Ashok Vemulapalli	8,000	---	32,000
Smt. Jyothsana Akkineni	---	---	---
Sri K. Purushotham Naidu	---	19,84,399	---
Sri A.V.S.S.Ch.B. Sekhar Babu	8,000	---	32,000
Sri G. Sreeramakrishna	6,000	---	24,000
Sri Yugandhar Meka	8,000	---	32,000

GENERAL BODY MEETINGS:

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

Year	Venue	Date	Time	Special Resolutions passed
2020	Through Video Conference	26 September 2020	12.30 P.M.	NIL
2019	Registered Office	30 September 2019	11.00 A.M.	1. Reappointment of Sri A.V.V.S.S. Ch.B. Sekhar Babu (DIN: 00692448), Independent Non-Executive Director of the Company
2018	Registered Office	30 September 2018	11.00 A.M.	1. Reappointment of Sri Venkat Akkineni as the Managing Director of the Company

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

The C.E.O. (Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under chapter IV of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements Regulations, 2015, and the said Certificate was considered by the Board at its meeting held on 13th August 2021.



NO DISQUALIFICATION CERTIFICATE FROM PRACTISING COMPANY SECRETARY:

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

MEANS OF COMMUNICATION:

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

LISTING ON STOCK EXCHANGES:

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

REGISTRARS AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM:

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

MARKET PRICE DATA:

High/Low prices during the financial year 2020-21 on Bombay Stock Exchange Ltd, Mumbai.

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
April 2020	102.90		71.00	
May 2020	103.45		74.00	
June 2020	129.90		90.20	
July 2020	192.90		99.00	
August 2020	258.00		142.00	
September 2020	248.00		192.00	

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
October 2020	243.90		200.80	
November 2020	213.00		159.70	
December 2020	248.85		165.10	
January 2021	445.00		247.50	
February 2021	301.75		236.00	
March 2021	270.55		215.00	

COMPARISON TO BROAD – BASED INDICES WITH BSE SENSEX

Month	ALUFLUORIDE LTD.	BSE
	PRICE Rs. Ps.	SENSEX
April 2020	93.60	33,717.62
May 2020	97.95	32,424.10
June 2020	99.70	34,915.80
July 2020	175.70	37,606.89
August 2020	205.05	38,628.29
September 2020	226.85	38,067.93

Month	ALUFLUORIDE LTD.	BSE
	PRICE Rs. Ps.	SENSEX
October 2020	201.95	39,614.07
November 2020	174.25	44,149.72
December 2020	241.70	47,751.33
January 2021	282.50	46,285.77
February 2021	257.70	49,099.99
March 2021	222.25	49,509.15

**CATEGORIES OF SHARE HOLDING AS ON
31 MARCH 2021**

Sl. No.	Category	No. of shares	%
1.	Promoters, Directors, relatives and associated companies	46,80,211	59.84
2.	Financial Institutions	1,00,100	1.28
3.	Mutual Funds	----	----
4.	Banks	----	----
5.	Foreign Institutional Investors	----	----
6.	Non- Resident Indians	1,55,726	1.99
7.	Private Bodies corporate	1,24,471	1.59
8.	Public	27,31,327	34.93
9.	Others	28,647	0.37
Total		78,20,482	100.00

**DISTRIBUTION OF SHAREHOLDINGS AS ON
31 MARCH 2021**

No. of shares	No. of shareholders	No. of shares	%
Upto 500	9,711	10,42,862	13.33
501 to 1,000	432	3,38,456	4.33
1,001 to 2,000	257	3,77,458	4.83
2,001 to 3,000	77	1,92,400	2.46
3,001 to 4,000	30	1,04,143	1.33
4,001 to 5,000	24	1,14,657	1.47
5,001 to 10,000	49	3,36,118	4.30
10,001 and above	30	53,14,388	67.95
Total	10,610	78,20,482	100.00

DEMATERIALISATION OF SHARES AND LIQUIDITY:

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

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

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

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

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

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

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

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

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



D. DETAILS OF ESTABLISHMENT OF VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Whistle Blower Policy has been formulated with a view to provide a mechanism for employees of the company and Directors to approach the Audit Committee of the Company.

Alufluoride Limited and its subsidiaries are committed to complying with the foreign and domestic laws that apply to them assuring that business is conducted with integrity and that the Company's financial information is accurate. If potential violations of Company policies or applicable laws are not recognized and addressed promptly, both the Company and those working for or with the Company could face penalties. In order to promote ethical standards, the company will maintain a workplace that facilitates reporting of potential violations of Company policies and applicable laws. Employees must be able to raise concerns regarding such potential violations easily and without any fear of retaliation.

The policy covers malpractices and events which have taken place/suspected to take place involving.

01. Abuse of authority
02. Breach of Contact
03. Negligence causing substantial and specific danger to public health and safety.
04. Manipulation of Company data/records
05. Financial irregularities, including fraud or suspected fraud
06. Deficiencies in internal control and check.
07. Deliberate error in preparation of financial statements or misrepresentation of financial reports.
08. Any unlawful act whether civil or criminal.
09. Deliberate violation of law/regulation.
10. Perforation of confidential/proprietary information.
11. Wastage/misappropriation of company funds/assets.
12. Breach of company policy or failure to implement or comply with any approved company policy.
13. Leak of unpublished price sensitive information or suspected leak of unpublished price sensitive information.

All protected disclosures concerning financial/accounting matters should be addressed to the Chairman of the Audit Committee of the Company for investigation.

In respect of all other protected disclosures, those concerning the employees at the levels of COO/ Director – Finance & Commercial and above should be addressed to the Chairman of the Audit Committee of the company and those concerning all other employees should be addressed to the authorized officer appointed in this regard, i.e. The Compliance Officer at the Registered Office of the Company.

E. TOTAL FEES FOR ALL SERVICES PAID BY THE LISTED ENTITY AND ITS SUBSIDIARIES, ON A CONSOLIDATED BASIS, TO THE STATUTORY AUDITOR AND ALL ENTITIES IN THE NETWORK FIRM/NETWORK ENTITY OF WHICH THE STATUTORY AUDITOR IS A PART

During the review under review, the Company has paid an amount of Rs. 2,00,000 towards Audit Fees and paid Rs. 50,000 towards professional fee.

F. COMPLIANCE WITH DISCRETIONARY REQUIREMENTS

- i. Company has an Executive Chairperson.
- ii. Quarterly and half yearly financial statements are published in the newspapers and are also posted on the Company's website.
- iii. The Company's financial statement for the financial year ended 31st March, 2021 does not contain any modified audit opinion.
- iv. Internal Auditors directly report to the Audit Committee.

G The Company has complied with the requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46 (2) of the SEBI Listing Regulations.

H. There are no Equity Shares of the Company in the demat suspense or unclaimed suspense account.

Factory, Registered Office and address for correspondence

The Compliance Officer
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam - 530 012 AP

Annual General Meeting

Time : 10.00 A.M.
Date : 24 September 2021
Venue : **Admin**
Through Video Conferencing ("VC") facility / other
audio visual means ("OAVM")

To
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam - 530 012

COMPLIANCE WITH CODE OF BUSINESS CONDUCT AND ETHICS

In accordance with Regulation 26(3) and Schedule V (D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that the Directors and the Senior Management Personnel of the Company have confirmed compliance with the Code of Business Conduct and Ethics as on 31st March 2021.

Alufluoride Limited

Name : **VENKAT AKKINENI**

Designation : **Managing Director**

Date : 13 August 2021

Place : Visakhapatnam



Alufluoride Limited

NO DISQUALIFICATION CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE

To,

The Members
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam - 530 012

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No.	Name of the Directors	Director Identification Number (DIN)	Date of appointment in the Company
1	Sri Venkat Narayana Rao Akkineni	00013996	14.08.1991
2	Sri Ashok Vemulapalli	00730615	16.07.2002
3	Smt. Jyothsana Akkineni	00150047	16.07.2002
4	Sri K. Purushotham Naidu	01883663	25.09.2008
5	Sri A.V.S.S.Ch.B. Sekhar Babu	00692448	26.10.2007
6	Sri Grandhi Sreeramakrishna	06921031	20.10.2014
7	Sri Yugandhar Meka	00012265	31.07.2019

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

For GMVDR & Associates
Company Secretaries

Place: Hyderabad
Date :09.08.2021

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

AUDITORS' CERTIFICATE

To
The Members
Alufluoride Ltd.
Visakhapatnam.

We have examined the compliance of conditions of Corporate Governance by Alufluoride Limited, Visakhapatnam for the year ended 31st March, 2021 as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and paras C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the "Listing Agreement" of the said company with stock exchanges.

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

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

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

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

(C.V. Ramana Rao)
Partner
M.No.018545
UDIN:21018545AAAAE23759

Place: Visakhapatnam
Date : 13 August 2021



INDEPENDENT AUDITOR'S REPORT

TO

**The Members of
Alufluoride Limited
Visakhapatnam, AP**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of ALUFLUORIDE LIMITED (“the Company”), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Sl. No.	Key Audit matter	How the matter was addressed in our audit
1	<p>Verification of expansion project capital work in progress and costs of plant trial runs production & estimation of decommissioning and restoration provision on leased land on implementation of expansion projects by the company.</p> <p>Bifurcation of costs related to capital costs, trial run costs & regular expenses is a challenge. The determination and valuation of decommissioning provision is highly judgmental by its nature, as they are calculated based on assumptions that are impacted by future activities and the legislative environment in which the company operates.</p>	<p>Our audit procedures to verify the capital work in progress and verification of plant test run production included the following:</p> <ul style="list-style-type: none"> ➤ We have verified the supplier bills and bifurcated all the expenses related to trial run production and regular expenses of the company. ➤ We assessed the valuation methodology and evaluated the reasonableness of key assumptions applied by the management to calculate new and existing provisions. ➤ We tested the calculation of the decommissioning provisions with external factors for the expansion projects and checked the accuracy and relevance of the input data used. ➤ We verified the various disclosures of the same in the financial statements to be appropriate.

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

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

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the



Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and

other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure- A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified

- as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:
- The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations that would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delays in transferring amounts, required to be transferred, to the “Investor Education and Protection Fund” by the Company.

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

(C.V. Ramana Rao)
Partner
M No: 018545
UDIN : 21018545AAAADU5734

Place: Visakhapatnam

Date : 26 June 2021



ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of **ALUFLUORIDE LIMITED, VISAKHAPATNAM**, for the year ended 31 March 2021. We report that:

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

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2021 for a period of more than six months from the date they became payable.

- b) As at 31st March 2021, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Sl. No.	Name of the Statute	Nature of the dues	Amount in Rs.	Period to which the amount relates	Forum where dispute is pending
1.	Income Tax Act, 1961	Tax Collected at Source (TCS) demand	56,020	F.Y 2012-13	Deputy Commissioner of Income Tax

- viii) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any delays in repayment of its dues to banks and did not have any outstanding dues to financial institutions. The company has not borrowed any amounts from government or by way of issue of debentures.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Whereas term loans raised during the financial year under report have been applied for the purposes for which they were raised.
- x) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- xi) The managerial remuneration has been paid or provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.
- xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 187 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the financial statements.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review.
- xv) The Company has not entered into any non cash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3(xvi) of the order is not applicable.

For BRAHMAYYA & CO
Chartered Accountants
FRN : 000513S

(C.V. RAMANA RAO)
Partner
M.No : 018545
UDIN : 21018545AAAADU5734

Place : Visakhapatnam

Date : 26 June 2021

Annexure “B” to the Independent Auditors’ Report

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 **ALUFLUORIDE LIMITED, VISAKHAPATNAM** (“the Company”) as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of

management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO
Chartered Accountants
FRN : 000513S

(C.V. RAMANA RAO)
Partner
M.No : 018545
UDIN : 21018545AAAADU5734

Place : Visakhapatnam

Date : 26 June 2021



Alufluoride Limited

BALANCE SHEET AS AT 31ST MARCH, 2021

Sl. No	Particulars	Note No	Figures at the end of Current Reporting year 31 March, 2021	Figures as at the end of Previous Reporting year 31 March, 2020
			Rs.	Rs.
ASSETS				
1	Non-current assets			
(a)	Property, plant and equipment	5.01	19,56,70,825	14,42,45,976
(b)	Capital work-in-progress	5.02	33,91,93,706	34,49,51,123
(c)	Right of use assets	5.03	6,59,67,076	7,00,85,882
(d)	Financial assets			
(i)	Investments	5.04	6,00,54,281	1,04,44,214
(ii)	Others	5.05	1,00,11,374	1,00,31,774
(e)	Other non-current assets	5.06	2,06,33,537	2,63,07,104
(f)	Deferred Tax Asset (Net)	5.17	62,72,677	—
2	Current assets			
(a)	Inventories	5.07	6,80,58,860	6,10,26,074
(b)	Financial assets			
(i)	Trade receivables	5.08	5,07,99,507	3,13,86,923
(ii)	Cash and cash equivalents	5.09	8,32,05,251	5,94,63,394
(iii)	Bank balances other than above	5.10	30,05,676	21,24,921
(iv)	Others	5.11	1,40,73,615	1,13,61,079
(c)	Other current assets	5.12	3,55,69,717	2,83,38,439
(d)	Current Tax Asset (Net)	5.12A	20,84,968	—
	Total Assets		95,46,01,070	79,97,66,903
EQUITY AND LIABILITIES				
Equity				
(a)	Equity Share Capital	5.13	7,82,04,820	7,82,04,820
(b)	Other Equity	5.14	44,05,12,159	44,51,57,092
Liabilities				
1	Non-current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	5.15	19,91,54,317	2,69,25,343
(b)	Lease Liabilities	5.03	6,98,58,718	6,88,00,439
(c)	Provisions	5.16	3,33,81,736	2,87,39,092
(d)	Deferred Tax Liability (Net)	5.17	—	38,56,226
2	Current liabilities			
(a)	Financial Liabilities			
(i)	Borrowings	5.18	—	4,00,00,000
(ii)	Trade payables	5.19	4,12,56,526	3,26,70,762
(iii)	Other financial liabilities	5.20	8,02,85,316	5,38,78,583
(b)	Lease Liabilities	5.03	85,54,447	83,74,381
(c)	Other current liabilities	5.21	18,35,873	35,05,725
(d)	Provisions	5.22	15,57,158	47,83,944
(e)	Current Tax Liabilities (Net)	5.23	—	48,70,496
	Total Equity and Liabilities		95,46,01,070	79,97,66,903

Significant accounting policies and other accompanying notes (1 to 6) form an integral part of the financial statements.
Per our report of even date For and on behalf of the Board

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

VENKAT AKKINENI
Managing Director
DIN:00013996

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

C V RAMANA RAO
Partner
M.No. 018545

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

Place: Visakhapatnam
Date : 26 June, 2021

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021**

Sl. No	Particulars	Note No	Figures for the	Figures for the
			Current Reporting year 31 March, 2021	Previous Reporting year 31 March, 2020
			Rs.	Rs.
I	Revenue from operations	5.24	38,49,62,040	75,72,75,783
II	Other income	5.25	1,07,73,594	1,15,95,902
III	Total Income (I + II)		39,57,35,634	76,88,71,685
IV	Expenses:			
	Cost of materials consumed	5.26	22,52,90,446	48,70,90,973
	Changes in inventories of finished goods and work in progress	5.27	3,31,73,355	(1,38,45,706)
	Employee benefit expense	5.28	5,12,26,212	5,58,07,037
	Finance cost	5.29	91,94,778	88,21,888
	Depreciation and amortization expense	5.01	2,50,70,532	1,88,88,821
	Other expenses	5.30	6,24,16,824	6,61,34,257
	Total expenses (IV)		40,63,72,147	62,28,97,270
V	Profit before exceptional items and tax (III-IV)		(1,06,36,513)	14,59,74,415
VI	Exceptional items		---	---
VII	Profit before tax (V-VI)		(1,06,36,513)	14,59,74,415
VIII	Tax expense	5.31		
	(1) Current Tax		55,84,188	4,10,00,000
	(2) MAT Credit Entitlement		(33,46,243)	---
	(3) Adjustment of Tax expense for earlier years		(2,70,496)	14,17,409
	(4) Deferred tax		(71,03,556)	2,05,962
IX	Profit for the period from continuing operations (VII-VIII)		(55,00,406)	10,33,51,044
X	Profit/ (loss) from discontinued operations		---	---
XI	Tax expense of discontinued operations		---	---
XII	Profit/ (loss) from discontinuing operations (after tax)		---	---
XIII	Profit for the period (IX+XII)		(55,00,406)	10,33,51,044
XIV	Other comprehensive income	5.32	8,55,472	(78,29,673)
XV	Total comprehensive income for the period (XIII+XIV)		(46,44,934)	9,55,21,371
	(Comprising Profit and other comprehensive income for the period)			



Alufluoride Limited

Sl. No	Particulars	Note No	Figures for the Current Reporting year 31 March, 2021	Figures for the Previous Reporting year 31 March, 2020
			Rs.	Rs.
XVI	Earnings per equity share (for continuing operations)	5.33		
	a) Basic		(0.70)	13.43
	b) Diluted		(0.70)	13.43
XVII	Earnings per equity share (for discontinued operations)			
	a) Basic		----	----
	b) Diluted		----	----
XVIII	Earnings per equity share			
	(for discontinued & continuing operations)			
	a) Basic		(0.70)	13.43
	b) Diluted		(0.70)	13.43

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

Per our report of even date

For and on behalf of the Board

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

VENKAT AKKINENI
Managing Director
DIN:00013996

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

C V RAMANA RAO
Partner
M.No. 018545

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

Place : Visakhapatnam
Date : 26 June 2021

STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

Sl. No	Particulars	Figures as at the end of Current Reporting year 31 March, 2021	Figures as at the end of Previous Reporting year 31 March, 2020
		Rs.	Rs.
A)	Cash Flow from Operating Activities:		
	Profit for the year before Tax		
	Profit from continuing operations	(1,06,36,513)	14,59,74,415
	Profit/(Loss) from discontinued operations	-	-
	Profit before tax		
	Adjustments to reconcile profit before tax to net cash flows:	(1,06,36,513)	14,59,74,415
	Depreciation of property, plant and equipment	2,50,70,532	1,88,88,821
	Finance costs	91,94,778	88,21,888
	Excess provisions written off	2,56,732	-
	Income from investments	(12,88,647)	(46,55,151)
	Gain on sale of investments	(1,06,537)	(20,68,859)
	Operating Profit before Working Capital changes	2,24,90,345	16,69,61,114
	Movement in Working capital:		
	(Increase) /Decrease in Trade receivables	(1,96,69,315)	2,64,60,217
	(Increase) /Decrease in financial and non-financial assets	(51,30,603)	(78,58,171)
	(Increase) /Decrease in inventories	(70,32,786)	(1,24,73,710)
	Increase /(Decrease) in provisions	25,55,238	28,89,400
	Increase /(Decrease) in trade and other payables	(1,02,62,247)	6,34,38,712
	Cash generated from operations	(1,70,49,368)	23,94,17,562
	Income Tax (paid)/refund	(53,13,692)	(4,24,17,409)
	Net Cash generated in operations	(2,23,63,060)	19,70,00,153
B)	Cash Flow from Investing Activities:		
	Purchase of property, plant and equipments	(7,23,76,573)	(1,40,46,139)
	(Increase)/Decrease in Capital Work in progress	57,57,417	(30,86,61,583)
	Purchase of financial instruments	(8,04,58,503)	(3,04,00,000)
	Proceeds from sale of financial instruments	3,09,91,959	14,02,60,257
	Interest /Dividend received	12,88,647	46,55,152
	Net cash flows used in investing activities	(11,47,97,053)	(20,81,92,313)
C)	Cash Flow from Financing Activities:		
	Finance Costs including payment of lease liability	(79,56,433)	(1,06,75,623)
	Proceeds from Issue of share capital including share premium	-	5,32,64,326
	Dividend Paid including dividend distribution tax	-	(1,88,56,746)
	Borrowings	21,67,51,779	3,30,50,014
	Repayment of Borrowings	(4,78,93,377)	(30,387)
	Net Cash flows/(used in) Financing Activities	16,09,01,969	5,67,51,584
	Net increase/(decrease) in Cash & Cash equivalents (A + B + C)	2,37,41,856	4,55,59,424
	Opening balance of Cash & Cash equivalents	5,94,63,395	1,39,03,971
	Closing balance of Cash & Cash equivalents	8,32,05,251	5,94,63,395



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

Particulars	31 March, 2021 Rs.	31 March, 2020 Rs.
Closing Cash and cash equivalents as per Balance sheet	8,32,05,251	5,94,63,395
Closing Cash and cash equivalents as per statement of cash flows	8,32,05,251	5,94,63,395
Difference	-	-

Particulars	Term Loans Rs.	Cash Credit Facility Rs.	Unsecured Loans Rs.	Total Rs.
Balance as on 31st March 2020	3,32,48,221	4,00,00,000	-	7,32,48,221
Add: Proceeds from fresh borrowings	21,67,51,779	-	-	21,67,51,779
Amortised interest/transaction costs using EIR	64,73,562	1,52,231	-	66,25,793
Less: Repayments of the borrowings	78,93,377	4,00,85,410	-	4,79,78,787
Interest paid for the period	64,73,562	1,52,231	-	66,25,793
Balance as on 31st March 2021	24,21,06,623	(85,410)	-	24,20,21,213

Note:

- 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind-AS 7, 'Statement of Cash Flows' as noted under Companies Act, 2013.
- 2) Fixed deposits with original maturity of more than 3 months are grouped under "other bank balances" and is not considered as part of cash and cash equivalents in the statement of cash flows.
- 3) Components of cash and cash equivalents are as per Note-5.09
- 4) Cash and Cash equivalents includes earmarked bank balance relating to unpaid dividend of Rs.8,27,816/- in ICICI Dividend account.

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

Per our report of even date

For and on behalf of the Board

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

VENKATAKKINENI
Managing Director
DIN:00013996

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

C V RAMANA RAO
Partner
M.No. 018545

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

Place : Visakhapatnam

Date : 26 June 2021

Statement of Changes in Equity for the year ended 31st March, 2021

A	Equity Share Capital	As at	As at
		31 March, 2021	31 March, 2020
		Rs.	Rs.
	Balance at the beginning of the reporting period	7,82,04,820	7,00,04,000
	Changes in equity share capital during the year	–	82,00,820
	Balance at the end of the reporting period	7,82,04,820	7,82,04,820

B Other Equity as at 31st March, 2021

Particulars		Balance as on 01-04-2020	Total comprehensive income for the year	Dividends paid (Including DDT)	Transfer to retained earnings (**)	Receipts during the year	Any other change(to be specified)	Balance as on 31.03.2021
Share application money pending allotment		–	–	–	–	–	–	–
Equity component of compound financial instruments		–	–	–	–	–	–	–
Reserves and surplus	Capital Reserve	–	–	–	–	–	–	–
	Securities Premium Reserve	6,28,18,282	–	–	–	–	–	6,28,18,282
	General Reserve	6,00,000	–	–	–	–	–	6,00,000
	Retained Earnings	38,30,93,532	(55,00,406)	–	–	–	–	37,75,93,126
Debt instruments through Other Comprehensive Income		–	–	–	–	–	–	–
Equity Instruments through Other Comprehensive Income		17,293	33,067	–	–	–	–	50,360
Effective portion of Cash Flow Hedges		–	–	–	–	–	–	–
Revaluation Surplus		–	–	–	–	–	–	–
Exchange differences on translating the financial statements of a foreign operation		–	–	–	–	–	–	–
Remeasurement gains/(losses) on the defined benefit obligations		(13,72,015)	8,22,405	–	–	–	–	(5,49,610)
Money received against share warrants		–	–	–	–	–	–	–
Total		44,51,57,092	(46,44,933)	–	–	–	–	44,05,12,159

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

Per our report of even date

For and on behalf of the Board

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

VENKAT AKKINENI
Managing Director
DIN:00013996

A.V.V.S.CH.B. SEKHAR BABU
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Partner
M.No. 018545

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

Place : Visakhapatnam
Date : 26 June 2021



Notes to Ind-AS Financial Statements for the year ended 31st March, 2021

1. Company Information

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

2. Statement of compliance and basis of preparation and presentation

2.1 Statement of compliance with Ind As

These financial statements are the standalone financial statements prepared by the Company complying in all material aspects with the Indian Accounting Standards (Ind AS) notified under the provisions of the Companies Act, 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, Companies (Indian Accounting Standards) Amendment Rules, 2017, Companies (Indian Accounting Standards) Amendment Rules, 2018, Companies (Indian Accounting Standards) Second Amendment Rules, 2018, Companies (Indian Accounting Standards) Amendments Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

2.2 Basis of measurement, functional currency

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

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

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

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

2.3 Basis for preparation and presentation

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements.

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

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

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

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

These financial statements were authorized for issue by the Company's Board of Directors on 26.06.2021.

3. Significant Accounting Policies

3.1 Revenue recognition:

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

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

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

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

Contract asset and contract liability

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

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

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

The Company disaggregates revenue from contracts with customers by industry verticals, geography and nature of services.

3.2 Property, Plant and Equipment:

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

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

Depreciation and Amortization

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

Depreciation on all the assets is charged under straight line method. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



Scrap value is taken as 5% of the cost of the asset for calculation of depreciation

De-recognition of Tangible assets

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognized.

3.3 Inventories:

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

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

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

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

3.4 Non-Derivative Financial Instruments:

The Financial assets and financial liabilities are recognised when the Company becomes a party

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

A. Financial Assets

3.4.1 Initial Recognition:

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

3.4.2 Subsequent measurement:

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

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

I. Financial assets at amortized cost

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

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

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

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

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

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

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

III. Financial assets at fair value through profit or loss

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

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

3.4.3 Reclassification of financial assets;

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

3.4.4 De-recognition:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized (i.e. removed

from the Company's Balance Sheet) when any of the following occurs:

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

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

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

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

3.4.5 Impairment of financial assets:

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

- a. Trade receivables
- b. Financial assets measured at amortized cost (other than trade receivables)



- c. Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

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

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

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

B. Financial liabilities and equity instruments:

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

i. Equity instruments: -

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

ii. Financial Liabilities: -

a. Initial recognition and measurement:

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

b. Subsequent measurement:

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

c. De-recognition of financial liabilities:

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

C. Offsetting of financial instruments: -

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

3.5 Leases:

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The accounting policy adopted for lease are given below;

When company is a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether;

- (i) The contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset (“ROU”) and a corresponding lease liability for all lease arrangements in which it is a lessee. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or company’s incremental borrowing rate, if that implicit rate cannot be readily determined. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments comprises of the following for determination lease liability:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is

remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company’s estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When company is a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the leases.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as operating expenses on a straight-line basis over the lease term.

3.6 Employee Benefits include:

i. Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts



expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

ii. Long term employee benefits-

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

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

iii. Post-employment benefits-

The company operates the following post-employment schemes:

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

- a) Defined Benefit Plans** - The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected

unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

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

3.7 Foreign currency Transactions:

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

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

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

the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income

3.8 Provisions and Contingencies:

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

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

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

3.9 Cash flow statement:

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

3.10 Cash and Cash equivalents

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

3.11 Impairment of assets:

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

3.12 Taxes on Income:

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

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

3.13 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares



outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

3.14 Segment Reporting:

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

3.15 Borrowing Costs:

Borrowing cost comprises of interest and other costs incurred in connection with the borrowing of the funds. All borrowing costs are recognised in the Statement of Profit and Loss using the effective interest method except to the extent attributable to qualifying Property Plant and Equipment (PPE) which are capitalized to the cost of the related assets. A qualifying PPE is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing cost also includes exchange differences to the extent considered as an adjustment to the borrowing costs.

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

The preparation of the financial statements in conformity with the measurement principle of Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates

are made as management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the year in which the results are known / materialized and, if material, their effects are disclosed in the notes to the financial statements.

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

4.1 Depreciation and impairment on property, plant and equipment:

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The company reviews its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rates which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realizations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

4.2 Leases:

The Company has taken the commercial properties under contractual agreements for its business operations. Its accounting involves significant management judgment for identification, classification and measurement of lease transactions at the time of lease commencement. The assessment of the lease liability and Right of Use asset under lease

arrangements are based on the assumptions and estimates of the discount rate, lease term including judgment for exercise of options to extend or terminate the contract, dismantling and restoration costs, escalation in rentals etc. Further, these will be continuously monitored at each reporting period to reflect the changes in the agreements and management estimates.

4.3 Impairment allowances on trade receivables:

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

4.4 Income taxes:

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

4.5 Defined benefit obligation (DBO):

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed

for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

4.6 Provision for de-commissioning:

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

4.7 Provisions and Contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgment to existing facts and circumstances, which can be subject to change.

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations/against the Company as it is not possible to predict the outcome of pending matters with accuracy.

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

Per our report of even date

For and on behalf of the Board

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

VENKAT AKKINENI
Managing Director
DIN:00013996

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

C V RAMANA RAO
Partner
M.No. 018545

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

Place : Visakhapatnam
Date : 26 June 2021



Statement of Depreciation for the year ended 31st March, 2021
Note 5.01 Property, Plant and Equipment As at March 31, 2021

(Amounts in Rs.)

Sl No.	Fixed Assets	Gross Block			Depreciation			Net Block			
		Balance as at 01.04.2020	Additions	(Deletions)	Balance as at 31.03.2021	Upto 01.04.2020	For the year	On deletions	Total upto 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS:											
1	Land	2,78,21,080	—	—	2,78,21,080	—	—	—	—	2,78,21,080	2,78,21,080
2	Buildings	2,61,42,250	1,02,040	—	2,62,44,290	1,42,52,993	9,52,899	—	1,52,05,892	1,10,38,398	1,18,89,257
3	Plant and Machinery	27,33,40,686	7,12,86,309	—	34,46,26,995	17,45,53,680	1,87,56,458	—	19,33,10,138	15,13,16,857	9,87,87,006
4	Furniture and Air conditioners	13,36,795	1,58,723	—	14,95,518	5,86,519	99,235	—	6,85,755	8,09,764	7,50,276
5	Computers	18,54,722	8,29,498	—	26,84,220	8,44,729	4,63,756	—	13,08,485	13,75,740	10,09,993
6	Vehicles	66,88,024	—	—	66,88,024	26,99,660	6,79,377	—	33,79,037	33,08,987	39,88,364
	Grand Total	33,71,83,557	7,23,76,570	—	40,95,60,127	19,29,37,581	2,09,51,725	—	21,38,89,307	19,56,70,826	14,42,45,976

INTANGIBLE ASSETS (RIGHT TO USE ASSETS OF NOTE NO.5.03)

1	Leasehold Land	6,97,80,305	—	—	6,97,80,305	26,83,858	26,83,860	—	53,67,718	6,44,12,587	6,70,96,447
2	Office accommodation	43,04,809	—	—	43,04,809	13,15,351	14,34,947	—	27,50,298	15,54,488	29,89,435
	Grand Total	7,40,85,114	—	—	7,40,85,114	39,99,209	41,18,807	—	81,18,916	6,59,67,076	7,00,85,882

Note 5.01 Property, Plant and Equipment as at March 31, 2020

(Amounts in Rs.)

Sl No.	Fixed Assets	Gross Block			Depreciation			Net Block			
		Balance as at 01.04.2019	Additions	(Deletions)	Balance as at 31.03.2020	Upto 01.04.2019	For the year	On deletions	Total upto 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
TANGIBLE ASSETS:											
1	Land	2,78,21,080	—	—	2,78,21,080	—	—	—	—	2,78,21,080	2,78,21,080
2	Buildings	2,53,94,483	7,47,767	—	2,61,42,250	1,33,17,225	9,35,769	—	1,42,52,994	1,18,89,257	1,20,77,258
3	Plant and Machinery	25,22,43,117	2,10,97,563	—	27,33,40,680	16,16,68,085	1,28,85,585	—	17,45,53,670	9,87,87,006	9,05,75,032
4	Furniture and Air conditioners	11,41,669	1,95,127	—	13,36,796	4,95,060	91,462	—	5,86,522	7,50,276	6,46,609
5	Computers	9,03,757	9,50,965	—	18,54,722	5,40,565	3,04,165	—	8,44,730	10,09,993	3,63,192
6	Vehicles	65,32,380	1,55,644	—	66,88,024	20,27,029	6,72,631	—	26,99,660	39,88,364	45,05,351
	Grand Total	31,40,36,486	2,31,47,066	—	33,71,83,552	17,80,47,964	1,48,89,612	—	19,29,37,576	14,42,45,976	13,59,88,522

INTANGIBLE ASSETS (RIGHT TO USE ASSETS OF NOTE NO.5.03)

1	Leasehold Land	6,97,80,305	—	—	6,97,80,305	—	26,83,858	—	26,83,858	6,70,96,447	—
2	Office accommodation	—	43,04,809	—	43,04,809	—	13,15,351	—	13,15,351	29,89,435	—
	Grand Total	6,97,80,305	43,04,809	—	7,40,85,114	—	39,99,209	—	39,99,209	7,00,85,882	—

Note 5.01A: Buildings of the value of Rs. 2,62,44,290 (P.Y Rs. 2,61,42,250) are constructed on Leasehold Land

Note 5.01B: Disclosure about carrying amount of temporarily idle property, plant and equipment

Due to the spread of COVID-19 pandemic throughout the World including India, leading to a Nationwide Lockdown from 24.03.2020 and since the products of the company were not essential goods as specified in Govt's relaxations, all the property, plant & equipment as on 01.04.2020 of the company were temporarily kept idle from 24.03.2020 till 14.04.2020.

Notes to Financial Statements for the year ended 31st March, 2021
Note 5.02 : Capital Work in Progress

Particulars	As at 31-03-2021		As at 31-03-2020	
	Rs.	Rs.	Rs.	Rs.
Capital Work in Progress	33,26,32,021	---	31,10,52,044	
Less: Net income on trial run production capitalised to capital Work in progress	(4,29,51,408)	---	---	
Net Capital Work In Progress	---	28,96,80,614		31,10,52,044
Expenditure Incidental to Construction awaiting allocation to Fixed Assets	---	4,95,13,092		3,38,99,079
Total		33,91,93,706		34,49,51,123

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	Rs.	Rs.	Rs.	Rs.
a) Balance at the beginning of the year	---	3,38,99,079		2,89,64,610
b) Net expenditure incurred during the year				
Rates and Taxes	4,23,900		---	
Travel & Others	34,53,024		14,87,634	
Professional and Consultancy Charges	55,23,375		14,19,600	
Administrative and Other expenses	54,614		10,06,719	
Borrowing costs on Specific Borrowing for expansion project	61,59,100		10,20,516	
		1,56,14,013		49,34,469
c) Expenditure Awaiting allocation for Fixed assets		4,95,13,092		3,38,99,079

Note 5.02A: The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 8.35%.

Note 5.03 Movement in Right of use assets is as follows:

(Amount in Rupees)

Particulars	Balance as at 01-04-2020	Additions	(Disposals)	Amortization	Balance as at 31-03-2021
Leasehold Land	6,70,96,447	---	---	26,83,860	6,44,12,587
Building	29,89,435	---	---	14,34,947	15,54,489
Total	7,00,85,882	---	---	41,18,807	6,59,67,076



Note 5.03A: The weighted average incremental borrowing rate applied to lease liabilities is 9.25%

Note 5.03B: The following is the movement in lease liabilities during the year ended March 31, 2021:

Amount in Rupees

Particulars	2020 - 21	2019 - 20
Lease commitments as at 31 March 2020	7,71,74,820	—
Add/(less): on account of adoption of Ind AS 116	—	7,59,60,325
Lease liabilities as on 1 April 2020	7,71,74,820	7,59,60,325
Add/(less): new lease contracts entered during the year	—	43,04,809
Add: Finance cost accrued during the period	72,94,343	73,04,153
Less: Payment of lease liabilities	(60,55,998)	(1,03,94,466)
Balance at the end as at 31.03.2021	7,84,13,165	7,71,74,820

Note 5.03C: The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Amount in Rupees

Particulars	2020-21	2019-20
Current lease liabilities	85,54,447	83,74,381
Non-current lease liabilities	6,98,58,718	6,88,00,439
Total	7,84,13,165	7,71,74,820

Note 5.03D: The following provides details regarding the contractual maturities of lease liabilities as at March 31, 2021

Amount in Rupees

Particulars	2020-21	2019-20
Less than one year	85,54,447	83,74,381
One year to five years	3,68,14,051	3,74,19,031
More than five years	16,42,60,042	17,19,06,957
Total	20,96,28,540	21,77,00,369

Note 5.04 Non-Current Investments (Fully paid up except otherwise stated)

(Amount in Rupees)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Investments designated at Fair Value through Other Comprehensive Income :				
A) Investments in Quoted Equity instruments		54,281		20,976
B) Investments in Mutual Funds:		6,00,00,000		1,04,23,238
Total		6,00,54,281		1,04,44,214

Note 5.04 (A) Details of Quoted investments in equity shares

(Amount in Rupees)

Particulars	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.
Vikas Multicorp Limited (Face Value of Rs.1/- each)	18,000	54,281	18,000	20,976
Total		54,281		20,976

Note 5.04 (B) Details of investments in Mutual Funds

Particulars	As at 31-03-2021		As at 31-03-2020	
	No. of Shares	Fair Value Rs.	No. of Shares	Fair Value Rs.
1. Kotak Equity Arbitrage fund (Face Value of Rs.10/- each)	10,32,537	3,00,00,000	–	–
2. BSL Arbitrage Fund (Face Value of Rs.10/- each)	–	–	12,45,767	1,04,23,238
3. Nippon India Arbitrage Fund (Face Value of Rs.10/- each)	14,40,269	3,00,00,000	–	–
Total		6,00,00,000		1,04,23,238

Note 5.04 (C) Reasons for Investments designated to measure at FVTOCI:

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

Note 5.05 Other Non-Current Financial Assets

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Unsecured, considered good Deposits Recoverable:		1,00,11,374		1,00,31,774
Total		1,00,11,374		1,00,31,774

Note 5.06 Other Non Current Assets

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Unsecured, considered good Capital Advances	72,54,780			1,29,28,347
Deposits Recoverable	1,33,78,757			1,33,78,757
Total	2,06,33,537			2,63,07,104



Note 5.07 Inventories

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
a. Stock of Raw Material and components		5,41,34,942		2,01,21,403
b. Stock of Finished Goods regular		–		3,31,73,355
b. Stock of Finished Goods Trial Run		82,05,022		–
c. Stock of stores and spares	41,08,970		75,66,663	
d. Stock of stores and spares in transit	14,62,681	55,71,651	85,656	76,52,319
e. Others		1,47,245		78,997
Total		6,80,58,860		6,10,26,074

Note 5.07 (A) The method of valuation of inventories has been stated in Note No.3.3

Note 5.07 (B) Stock of finished goods pertains to trial run production

Note 5.08 Trade Receivables

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Unsecured, considered good				
Trade receivables less than Six Months		5,07,99,507		3,13,86,923
Trade receivables more than Six Months		–		–
Total		5,07,99,507		3,13,86,923

Note 5.09 Cash and Cash Equivalents

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
a. Balances with Scheduled banks:				
In Current Accounts		8,30,88,012		5,82,42,091
In short term deposits		1,02,086		12,15,792
c. Cash on hand		15,153		5,511
Total		8,32,05,251		5,94,63,394

Note 5.10 Bank balances other than cash and cash Equivalents

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Earmarked balances with banks (Unpaid Dividends)		8,27,816		–
Fixed deposits with banks (Having original maturity period of more than 3 months)		21,77,860		21,24,921
Total		30,05,676		21,24,921

Note 5.10A: The above Fixed deposits include Rs. 14,06,068/- (PY Rs. 20,31,000) Bank guarantees issued to suppliers of the company and the said fixed deposits cannot be utilised by the company till redemption of the contracts entered with suppliers.

Note 5.11 Other Current Financial Assets

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Interest and other receivables		1,40,73,615		1,13,61,079
Total		1,40,73,615		1,13,61,079

Note 5.12 Other Current Assets

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Unsecured, considered good				
Prepaid Expenses		8,50,068		6,04,851
Advances for supply of goods		19,90,839		35,64,838
Balances with Government Authorities		3,27,28,810		2,41,68,750
Total		3,55,69,717		2,83,38,439

Note 5.12A Current Tax Asset (Net)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Provision for Income Tax (Net of Prepaid Taxes)		20,84,968		–
Total		20,84,968		–

Note 5.13 : Equity Share Capital

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Authorised				
Equity Shares of Rs.10 par value	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued				
Equity Shares of Rs.10 par value	78,20,482	7,82,04,820	78,20,482	7,82,04,820
Subscribed & Paid up				
Equity Shares of Rs.10 each fully paid	78,20,482	7,82,04,820	78,20,482	7,82,04,820
Total	78,20,482	7,82,04,820	78,20,482	7,82,04,820

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

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



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

No. of shares

Particulars	No. of shares	
	As at 31-03-2021	As at 31-03-2020
Balance at the beginning of the reporting period	78,20,482	70,00,400
Changes in equity shares during the year	–	8,20,082
Balance at the end of the reporting period	78,20,482	78,20,482

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

Particulars	As at 31-03-2021		As at 31-03-2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
PROMOTER'S HOLDING:				
a) Smt. Sunitha Vemulapalli	17,32,383	22.15	17,32,383	22.15
b) Smt. Sarojini Veeramachaneni	8,41,885	10.77	8,41,885	10.77
c) M/s. Kaiser Finance & Leasing (P) Ltd.	7,86,975	10.06	7,86,975	10.06
d) Sri Aditya Akkineni	4,80,506	6.14	4,37,228	5.59
Total	38,41,749	49.12	37,98,471	48.57

Note 5.14 Other Equity

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
a) General Reserve		6,00,000		6,00,000
b) Retained Earnings		37,75,93,127		38,30,93,532
c) Share Premium		6,28,18,282		6,28,18,282
d) Other Comprehensive Income:				
Equity Instruments through Other Comprehensive Income		50,360		17,293
Re-measurement of Defined benefit plans		(5,49,610)		(13,72,015)
Total		44,05,12,159		44,51,57,092

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

Note 5.14 (B) General Reserve

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

Note 5.14 (C) Retained Earnings

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

Note 5.14 (D) Other Comprehensive Income

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:

items that will not be reclassified to profit and loss

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

Note 5.15 Non Current financial Liabilities-Borrowings

Particulars	As at 31-03-2021		As at 31-03-2020	
	Current	Non Current	Current	Non Current
Secured				
a) Term Loans				
ICICI term Loan	4,29,52,306	19,91,54,317	61,24,671	2,69,25,343
Total	4,29,52,306	19,91,54,317	61,24,671	2,69,25,343

Note 5.15A
Security for term loans:

- a) Exclusive charge on unencumbered movable assets, current assets of the Company.
- b) Exclusive charge on Others (Aluminium Fluoride, Visakhapatnam Project Asset).
- c) Unconditional and irrevocable corporate guarantee of: Anar Enterprises Private Limited.

Repayment terms: The loan is repayable in 60 quarterly installments commencing from 31st August, 2020

Note 5.16 Non Current Provisions

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
(a) Provision for employee benefits:				
Gratuity	1,22,44,926		89,75,240	
Compensated Absences	33,52,812	1,55,97,738	33,16,986	1,22,92,226
(b) Provision for De-commissioning Liability		1,77,83,998		1,64,46,866
Total		3,33,81,736		2,87,39,092

Note 5.17 Deferred Tax Assets/ (Liability) (Net)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Deferred Tax Assets		4,68,29,867		97,61,908
Deferred Tax Liabilities		(4,05,57,190)		(1,36,18,134)
Net Deferred Tax Assets/(Liabilities)		62,72,677		(38,56,226)



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Note 5.17 (A) : Components, movement of Deferred Tax Assets/(Liabilities) as at 31st March, 2021 are given below

Particulars	As at 31-03-2020	(Charge)/Credit Recognised in Profit or Loss	Charge / (Credit) Recognised in Other Comprehensive Income	As at 31-03-2021
Deferred Tax Assets:				
Provision for Post retirement and other employee benefits:				
Provision for Gratuity	36,77,945	(1,25,375)	2,84,485	35,18,835
Provision - Leave encashment	12,94,636	8,488	32,491	12,53,657
Provision for De-commissioning liability	47,89,326	(1,58,181)	–	49,47,507
Lease Liabilities (VPT & Hyderabad)	–	(2,18,14,543)	–	2,18,14,543
MAT Credit Entitlement	–	(33,46,242)	–	33,46,242
Adjustment as per ICDS-5	–	(1,19,49,082)	–	1,19,49,082
Deferred Tax (Liabilities):				
Timing difference with respect to depreciation on Property, Plant & Equipment:	(1,36,18,133)	85,83,095	–	(2,22,01,228)
Timing difference with respect to Investments designated at FVTOCI	–	–	3,920	(3,920)
Timing difference with respect to Right To Use Asset	–	1,83,52,040	–	(1,83,52,040)
Net Deferred Tax Assets/(Liabilities)	(38,56,226)	(1,04,49,799)	3,20,896	62,72,677

Note 5.17 (B): The company has adequate profits in the past and the management is of the view that there will be taxable profits in the future. In view of the above the company has recognised deferred tax asset in the books of account.

Note 5.18 Current Financial Liabilities-Borrowings

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Secured				
ICICI cash Credit (Secured by the stocks and book debts of the company)	–	–	4,00,00,000	4,00,00,000
Total	–	–		4,00,00,000

Note 5.19 Trade Payables

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
(A) Total outstanding dues of Micro and Small Enterprises		–		–
(B) Total outstanding dues other than Micro and Small Enterprises		4,12,56,526		3,26,70,762
Total		4,12,56,526		3,26,70,762

Note 5.19 (A) Disclosure of Trade payables as required under section 22 of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, based on the confirmation and information available with the company regarding the status of suppliers

Particulars	As at 31-03-2021	As at 31-03-2020
(a) Principal amount and interest due thereon remaining unpaid but not due as at year end	NIL	NIL
(b) Interest paid in terms of Section 16 of MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year not due as at year end	NIL	NIL
(c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	NIL	NIL
(d) Interest accrued and remaining unpaid at the end of the year	NIL	NIL
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.	NIL	NIL

Note 5.20 Other Current Financial Liabilities

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Capital creditors		2,42,89,933		3,61,24,542
Current maturities of long term borrowing		4,29,52,306		61,24,671
Interest accrued but not due on term loan		–		1,98,207
Amounts payable to employees and others		82,72,252		90,88,165
Unclaimed dividends		8,27,816		–
Outstanding expenses		39,43,009		23,42,998
Total		8,02,85,316		5,38,78,583

Note 5.21 Other Current Liabilities

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Advances received against sales		1,60,783		61,951
Statutory Dues and Taxes payable		16,75,090		34,43,774
Total		18,35,873		35,05,725

Note 5.22 Current Provisions

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Provision for employee benefits:				
Gratuity		4,03,656		36,55,066
Compensated Absences		11,53,502		11,28,878
Total		15,57,158		47,83,944



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Note 5.23 Current Tax Liabilities (Net)

Particulars	As at 31-03-2021		As at 31-03-2020	
	Details	Rs.	Details	Rs.
Provision for Income Tax (Net of Prepaid Taxes)		–		48,70,496
Total		–		48,70,496

Note 5.24 Revenue From Operations

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aluminium Fluoride:		
Sale of total production including trial runs	57,18,81,880	75,72,75,783
Less: Sale of trial run production	(18,69,19,840)	–
Taken to Profit & Loss account	38,49,62,040	75,72,75,783

Note: 5.24 (A) Revenue disaggregation by industry vertical is as follows:

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fixed price manufacturing contracts	57,18,81,880	75,72,75,783
Total	57,18,81,880	75,72,75,783

Note: 5.24 (B) Revenue disaggregation by geography is as follows:

(Amount in Rs.)

Revenue earned from states in India (*)	For the year ended March 31, 2021	For the year ended March 31, 2020
A. Indigeneous Sales		
a. Odisha	24,27,81,640	46,38,86,420
b. Uttar Pradesh	11,86,92,000	4,12,80,000
c. Madhya Pradesh	3,45,24,000	7,21,54,000
d. ChHattisgarh	–	7,73,77,500
B. Export Sales		
Export Sales	17,58,84,240	10,25,77,863
Total	57,18,81,880	75,72,75,783

(*) Company earns revenue from INDIA & United Arab Emirates (exports) and the Geographical revenue is allocated based on the goods sent to the location of the customers.

Note: 5.24 (C) Reconciliation of revenue recognized with the contracted price is as follows

(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contracted price with customers	57,18,81,880	75,72,75,783
Less: Amounts adjusted for Discounts, rebates, refunds etc	–	–
Revenue recognised in the statement of profit and loss	57,18,81,880	75,72,75,783

Note: 5.24 (D) Changes in advances received from customers (Contract liability) are as follows:
(Amount in Rs.)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	61,951	48,515
Amounts received during the year	13,72,101	20,75,505
Less: revenue recognised during the year	12,73,269	20,62,069
Balance at the end of the year	1,60,783	61,951

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

Note: 5.24 (E) The details in respect of percentage of revenues generated from top customers are as follows:

Particulars	(in %) For the year ended March 31, 2021	(in %) For the year ended March 31, 2020
Revenue From Sales		
Revenue from top customer	45.89	38.27
Revenue from 2nd top customer	30.76	34.05
Total of other customers generating more than 10% revenue	16.21	13.55

The Company deals with the largest corporates in India and the Company is confident 100% of its receivables.

Note 5.25 Other Income

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
a) Interest Income:				
Financial assets at amortised cost	3,28,429		11,13,274	
Financial assets measured at fair value	9,60,218	12,88,647	2,23,401	13,36,675
b) Dividend Income		–		33,18,477
c) Other non operating income:				
Sale of silica	18,34,212		17,47,509	
Sale of Scrap	21,48,454		–	–
Sale of Solar Electrical Units	29,57,334		–	–
Gain/(loss) on sale/redemption of investments (net)	1,06,537		20,68,859	
Excess provisions made in earlier years written back	2,56,731		–	
Employee notice pay recovery	28,529		–	
Duty Drawback	17,05,756		11,02,807	
Sale of export License	30,88,143		19,66,362	
Miscellaneous receipts	–		55,213	
Less: Income from trial run production	(26,40,749)	94,84,948	–	69,40,750
Total		1,07,73,594		1,15,95,902



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Note 5.26 Cost of Materials Consumed

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
Raw Materials, Packing Materials Consumed				
Opening Stock		2,01,21,403		2,21,48,166
Add: Purchases		39,53,30,125		48,50,64,210
Total		41,54,51,528		50,72,12,376
Less: Closing stock		5,41,34,943		2,01,21,403
Total consumption including during trial run		36,13,16,585		48,70,90,973
Less: consumption relating to trial run		(13,60,26,140)		–
Taken to Profit & Loss account		22,52,90,446		48,70,90,973
Total Purchases		39,53,30,125		48,50,64,210
Less: Closing Stock		5,41,34,943		2,01,21,403
Total		36,13,16,585		48,70,90,973

Note 5.26 (A) Details of Raw materials consumed

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
Raw materials consumed				
Hydrofluosilicic Acid	10,15,10,289		11,75,06,182	
Alumina Hydrate	18,72,63,919		22,50,56,985	
Hydrated Lime	76,66,596		94,66,782	
Packing Materials	29,72,176		58,48,401	
Coal	1,38,81,001		–	
Furnace oil	4,80,22,604		7,68,09,391	
Aluminium Fluoride for conversion	–		5,24,03,232	
Total		36,13,16,585		48,70,90,973

Note 5.27 Change in Inventories of Finished Goods

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
A) Closing Stock				
Finished Goods		–		3,31,73,355
Total (A)		–		3,31,73,355
B) Opening Stock				
Finished Goods		3,31,73,355		1,93,27,649
Total (B)		3,31,73,355		1,93,27,649
(Increase)/Decrease in stocks (B-A)		3,31,73,355		(1,38,45,706)
Total		3,31,73,355		(1,38,45,706)

Note 5.28 Employee Benefit Expenses

Particulars	For the Year ended March 31, 2021		For the Year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
Payment & Benefits to Employees:				
Salaries & Wages		3,86,50,207		3,75,27,158
Remuneration to Whole-time directors		48,49,020		94,13,951
Company's Contribution to PF and other Funds		54,07,469		71,36,660
Staff welfare		23,19,516		17,29,268
Total		5,12,26,212		5,58,07,037

Note 5.28 (A) Employee benefit plans:

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

a) Defined Contributions Plans:

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

Particulars	2020-21 Rs.	2019-20 Rs.
Employer's Contributions to Provident and Pension Funds	54,07,469	71,36,660

b) Defined Benefit Plans:

General Description of the Post Employment defined Benefit Plans;

i) Gratuity:

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

ii) Compensated Absence:

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



Note 5.28 (B) Statement showing Reconciliation of opening and closing balances of Defined Benefit obligations, Plan assets

Amount in Rs.

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
A) Change in Fair value of the defined benefit obligation:				
Liability at the beginning of the year	1,26,30,306	1,02,19,165	44,45,864	27,61,093
Interest Cost	8,25,914	7,79,722	2,96,218	2,10,671
Current Service Cost	11,83,966	11,80,004	60,450	16,84,771
Benefits paid	(9,69,012)	(8,68,371)	(1,79,429)	(97,397)
Actuarial loss / (gain) on obligation	(10,22,592)	13,19,786	(1,16,789)	(1,13,274)
Liability at the end of the year	1,26,48,582	1,26,30,306	45,06,314	44,45,864
B) Change in Fair value of plan asset				
Fair value of plan assets at the beginning of the year	–	–	–	–
changes during the year	–	–	–	–
Fair value of plan assets at the end of the year	–	–	–	–
C) Net Defined Benefit obligation at year end (A-B)	1,26,48,582	1,26,30,306	45,06,314	44,45,864

Note 5.28 (C) Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses.

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.
Interest Cost	8,25,914	7,79,722	2,96,218	2,10,671
Current Service Cost	11,83,966	11,80,004	60,450	16,84,771
Expected return on plan assets	–	–	–	–
Expenses recognized in the statement of Profit & Loss	20,09,880	19,59,726	3,56,668	18,95,442

Note 5.28 (D) Amount to be recognized in statement of other comprehensive income

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.
Remeasurements of the net defined benefit liability / (asset)				
Actuarial (gains) / losses	(10,22,592)	13,19,786	(1,16,789)	(1,13,274)

Note 5.28 (E) Actuarial (Gain) / Loss arising from;

Particulars	Gratuity (Unfunded)		Compensated absences (Unfunded)	
	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.	For the Year 2020-21 Rs.	For the Year 2019-20 Rs.
Change in Demographic assumptions	---	---	---	---
Change in Financial assumptions	(10,22,592)	13,19,786	(1,16,789)	(1,13,274)

Note 5.28 (F) Significant estimates: Actuarial assumptions

Particulars	As at 31-03-2021	As at 31-03-2020
Discount Rate: Gratuity(Unfunded)	6.80%	6.80%
Compensated absences (Unfunded)	6.80%	6.80%
Salary Escalation Rate : Gratuity (Unfunded)	8.00%	8.00%
Compensated absences (Unfunded)	8.00%	8.00%
Employee Attrition Rate: Gratuity (Unfunded)	6.00%	6.00%
Compensated absences (Unfunded)	6.00%	6.00%
Mortality rate during employment:		
Gratuity (Unfunded)	Indian Assured Lives Mortality	
Compensated absences (Unfunded)	(2012-14) Ultimate 58 Years	

Note 5.28 (G) Significant estimates : Sensitivity analysis

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

Particulars	Change of assumption (+ increase / -decrease)	Effect on Gratuity Valuation (Rs.)	Effect on Compensated absences (Rs.)
Projected benefits obligation on current assumptions as on 31-03-2021			
Impact on present value of defined benefit obligation if discount rate increase by	+ 1%	1,19,46,244	42,28,235
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	1,34,61,201	48,34,395
Impact on present value of defined benefit obligation if salary increase by	+ 1%	1,40,18,769	51,65,394
Impact on present value of defined benefit obligation if salary decrease by	-1%	1,15,14,551	39,78,403
Impact on present value of defined benefit obligation if employees attrition is	+1%	1,32,26,618	47,86,378
Impact on present value of defined benefit obligation if employees attrition is	-1%	1,20,00,877	41,89,518
Impact on present value of defined benefit obligation if mortality rate is	+1%	1,26,62,875	45,12,291
Impact on present value of defined benefit obligation if mortality rate is	-1%	1,26,34,233	45,00,321
Projected benefits obligation on current assumptions as on 31-03-2020			
Impact on present value of defined benefit obligation if discount rate increase by	+1%	1,19,41,251	41,79,373
Impact on present value of defined benefit obligation if discount rate decrease by	-1%	1,34,20,792	47,58,731
Impact on present value of defined benefit obligation if salary increase by	+1%	1,38,81,689	50,81,577
Impact on present value of defined benefit obligation if salary decrease by	-1%	1,15,81,007	39,37,410
Impact on present value of defined benefit obligation if employees attrition is	+1%	1,31,43,327	47,04,523
Impact on present value of defined benefit obligation if employees attrition is	-1%	1,20,58,510	41,53,294
Impact on present value of defined benefit obligation if mortality rate is	+1%	1,26,44,009	44,51,449
Impact on present value of defined benefit obligation if mortality rate is	-1%	1,26,16,567	44,40,256



Note 5.28 (H) Expected contribution to the defined benefit plan in future years

Particulars	Gratuity		Compensated absences	
	As at 31-03-2021	As at 31-03-2020	As at 31-03-2021	As at 31-03-2020
Expected outflow in 1st year	–	32,38,266	11,53,502	11,28,878
Expected outflow from 2 to 5 years	51,82,368	20,75,907	4,60,525	4,80,140
Expected outflow from 6 to 10 years	22,97,011	23,05,512	5,32,824	5,12,213
Expected outflow more than 10 years	51,69,203	50,10,621	23,59,463	23,24,633

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself. The above information is certified by the Actuary.

Note 5.29 Finance Charges

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
Unwinding of discount on De-commissioning provision		13,37,132		12,36,594
Interest expense on lease liability		72,94,343		73,04,153
Interest on CC loan		1,52,231		-
Interest on Term Loan (Net of interest capitalised)		1,16,255		83,078
Bank charges		2,94,817		1,98,063
Total		91,94,778		88,21,888

Note 5.30 Other Expenses

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Rs.	Rs.	Rs.	Rs.
Power, Fuel & water				
Power Charges	2,40,56,561		2,35,55,315	
Water Charges	54,16,191		43,61,664	
Less: Expenses capitalised relating to trial run production	(1,14,44,866)	1,80,27,886	–	2,79,16,979
Repairs & Maintenance				
Plant & Machinery	1,67,26,690		1,53,36,828	
Others	18,06,313	1,85,33,003	24,08,426	1,77,45,254
Other Manufacturing Expenses		72,52,441		53,66,825
Rates and Taxes		7,32,748		11,69,344
Insurance		9,66,938		3,14,744
Postage & Telephone expenses		3,71,878		6,18,892
Auditors' Remuneration				
for Audit Fees	2,00,000		3,00,000	
for other services	50,000	2,50,000	50,000	3,50,000
Selling expenses	1,64,30,489		54,06,054	
Less: Expenses capitalised relating to trial run sales	(73,43,202)	90,87,287	–	54,06,054
Corporate Social Responsibility (CSR) Expenses		4,75,000		9,76,449
Miscellaneous Expenses		67,19,642		62,69,716
Total		6,24,16,824		6,61,34,257



Note 5.30 A : CSR Expenses

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
a) Gross amount to be spent by the company during the Year	23,05,541	16,45,465
b) Amount spent during the year on		
i) Rural development projects	-	99,449
ii) Eradicating hunger, poverty and malnutrition, making available safe drinking water and promoting health care including preventive health care.	2,25,000	3,06,000
iii) Rural development projects	-	5,71,000
iv) Promoting Health care, including Preventive health checkup	2,50,000	-
Total amount spent	4,75,000	9,76,449

Note 5.31 Components of Tax Expenses recognised in profit and loss account

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
Current Tax:		
Current tax on profit for the year	55,84,188	4,10,00,000
Deferred tax		
Decrease/(increase) in deferred tax assets	(3,40,38,692)	(40,99,846)
(decrease)/increase in deferred tax liabilities	2,69,35,135	43,05,808
Total deferred tax expenses/(benefit)	(71,03,556)	2,05,962
Tax for earlier year		
Tax pertaining to previous years	(2,70,496)	14,17,409
MAT Credit Entitlement	(33,46,243)	-
Total Tax expenses recognised in the current year	(51,36,107)	4,26,23,371

Note 5.31 (A) Reconciliation of Income tax expenses for the year with accounting profit;

Particulars	For the year ended 31-03-2021 Rs.	For the year ended 31-03-2020 Rs.
Profit before tax	(1,06,36,513)	14,59,74,415
Computed tax expense	(29,59,078)	4,25,07,750
Less : Effect of income Exempt from taxation		
Dividend	-	(9,66,341)
Depreciation as per IT rules	(1,45,75,395)	(83,71,014)
MAT credit	-	-
Add: Effect of expenses that are not deductible in determining taxable profit		
Depreciation as per Companies Act, 2013	69,74,622	55,00,426
Effect of deferred tax, other adjustments	(61,66,660)	21,83,805
Actuarial gains recognised in OCI	(88,183)	3,51,336
Adjustment as per ICDS-5	1,19,49,082	-
Taxation pertaining to earlier years	(2,70,496)	14,17,409
Tax expenses as per the Statement of Profit and Loss	(51,36,107)	4,26,23,372



- i) The tax rate used for the years ended 31st March, 2021 and 31st March, 2020 in reconciliations above is the corporate tax rate of 27.82% (Previous year 29.12 %) payable by corporate entities in India on taxable profits under the Indian tax law.
- ii) The MAT tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliations above is of 16.69% (Previous year 21.549%) payable by corporate entities in India on taxable profits under the Indian tax law. Pursuant to Taxation Law (Amendment) ordinance, 2019 basic MAT tax rate decreased from 18.5% to 15%
- iii) There is a decrease in tax rate by 1.3% during the year as compared to previous year due to surcharge adjustment from 12% to 7%.
- iv) Pursuant to Taxation Law (Amendment) ordinance, 2019 issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax at 22% plus applicable surcharge and cess (New tax rate) as permitted under section 115BAA of the Income tax Act subject to certain conditions. "The company has decided not to opt for the new tax rate for the financial year 2020-21, in view of the on going expansion projects".

Note 5.31 (B) Tax Expenses recognised in other comprehensive income

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
On remeasurement of defined benefits plan	(3,16,976)	3,51,336
On Fair valuation of financial assets and financial liabilities	(3,920)	94,594
Total	(3,20,896)	4,45,930

Note 5.32: Other Comprehensive Income for the Year

Particulars	For the year ended March 31, 2021 Rs.	For the year ended March 31, 2020 Rs.
a. Actuarial measurement of Defined Benefits Plans	(11,39,381)	12,06,512
b. Restatement of Equity Investments measured through FVTOCI	(36,987)	70,69,091
c. Deferred Tax effect on the Above	3,20,896	(4,45,930)
Total (Income)/ Loss	(8,55,472)	78,29,673

Note 5.33 Calculation of Earnings Per Share (EPS) is as follows:

Earnings per share is calculated by dividing:

- the profit attributable to equity shareholders of the Company
- by the weighted average number of equity shares outstanding during the financial year.

A) Profit attributable to equity holders is as follows:

Particulars	2020-21 Rs.	2019-20 Rs.
Net Profit/(Loss) attributable to equity holders:		
Continuing operations	(55,00,406)	10,33,51,044
Discontinued operation	—	—
Net Profit/(Loss) attributable to equity holders adjusted for the effect of dilution	(55,00,406)	10,33,51,044

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

Particulars	2020-21	2019-20
Weighted average number of Equity shares for calculating basic EPS	78,20,482	78,20,482
Equity shares allocated for Share warrants (Refer Note No.5.14(C))	–	–
Weighted average number of Equity shares for calculation of diluted EPS	78,20,482	78,20,482

C) The weighted average number of shares takes into account the weighted average effect of changes in equity share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

D) Calculation of EPS

Earnings per equity share (for continuing operations)	2020-21	2019-20
a) Basic	(0.70)	13.43
b) Diluted	(0.70)	13.43
Earnings per equity share (for discontinuing operations)		
a) Basic	---	---
b) Diluted	---	---

Note 5.34 Segment information

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

Note 5.35 Impairment of Assets

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

Note 5.36: The Company has entered in to a Joint Venture Agreement with Jordan Phosphate Mines Company (JPMC) for production of Aluminium Fluoride in the month of January, 2020. The Joint Venture Agreement is in the initial stages of execution.

Note 5.37 : Contingent Liabilities not provided for in respect of:

Particulars	As at March, 2021	As at March, 2020
	Rs.	Rs.
A) Claims against the company not acknowledged as debt		
(a) Disputed Tax Collected at Source (TCS) demand with the income tax department which is unpaid	56,020	56,020
B) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):	3,00,31,483	6,91,95,345
C) Bank guarantees issued by the company to the APEPDCL as a bank guarantee	4,43,368	13,66,000
D) Bank guarantees issued by the company to the NALCO as a performance bank guarantee	9,63,700	6,65,000



Note 5.37 (A) Disputed cases

1. Legal notice issued by a supplier for capital goods against the Company for which the Company is disputing and had already provided sufficient liability in the books of account to the tune of Rs.12,35,756 (March 31, 2020: Rs. 12,35,756)

Note 5.38 : Earnings & Expenditure in foreign currency on account of :

Amount in Rs.

Particulars	2020-21	2019-20
A) Earnings in foreign currency including trial run sales:	17,58,84,240	—
B) Expenditure:		
Technical Consultant's fee including, in respect of the proposed expansion plant, grouped under Capital works in progress	39,57,304	7,78,187

Note: 5.39 Details of imported and indigenous raw materials and spares consumed.

Particulars	2020 - 21		2019 - 20	
	Amount in Rs.	%	Amount in Rs.	%
Raw Materials				
Imported	—	—	63,63,088	1.31
Indigenous	36,13,16,585	100.00	48,07,27,885	98.69
Stores & Spares				
Imported	13,33,135	9.40	—	—
Indigenous	1,28,51,038	90.60	89,12,848	100.00

Note 5.40 : Movements in provisions

Amount in Rs.

Particulars	Provision for decommissioning liability
As at 31-03-2019	61,09,339
Addition during the year	91,00,933
Charged / (credited) to profit / loss account	12,36,594
Unused amounts reversed	—
Amounts used during the year	—
As at 31-03-2020	1,64,46,866
Addition during the year	—
Charged / (credited) to profit / loss account	13,37,132
Unused amounts reversed	—
Amounts used during the year	—
As at 31-03-2021	1,77,83,998

Provision for decommissioning liability:

This provision has been created for estimated costs of dismantling and removing the debris and restoring the site in respect of leased premises on which the plant is super structured. The initial lease agreement was for a period of 20 years which was valid upto 31.12.2014, further Visakhapatnam Port Trust has extended the lease period by 30 years which is valid upto 29.12.2044.

Accordingly, the de-commissioning provision has been estimated based on the above facts.

Note 5.41 As per Indian Accounting Standard 24 “Related parties disclosure” the disclosure of Related parties as defined in the Standard are given hereunder:

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

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

Particulars	Name of the related party	Transactions total during	
		2020-21	2019-20
1. Remuneration paid/payable	Sri Aditya Akkineni	14,58,657	14,55,057
	Sri Venkat Akkineni	39,22,124	84,97,539
	Sri K. Purushotham Naidu	19,84,399	29,67,597
2. Issue of Shares	Mr. Venkat Akkineni	—	149,38,500
	Ms. Annapurna Akkineni	—	61,61,027
	Mr. Aditya Akkineni	—	61,84,799

C) Transactions with Management Personnel

Particulars	2020-21 Rs.	2019-20 Rs.
Salaries and Commission	49,85,827	94,13,951
Perquisites and Contributions	9,20,696	20,51,185
Directors' Sitting fees	30,000	45,000
Directors' Travelling Expenses	1,41,097	8,01,130
Total	60,77,620	1,23,11,266

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

D) Compensation to Key Management Personnel

The remuneration and other benefits to key management personnel during the year was as follows (In Rs.)

Particulars	2020-21 Rs.	2019-20 Rs.
ii) Short-Term employee benefits	59,06,523	1,14,65,136
ii) Post employment benefits (As per Actuary report)	27,88,292	26,15,521
iii) Other long term benefits	—	—
iv) Share based payments	—	—
v) Termination benefits	—	—
Total	86,94,815	1,40,80,657



Note 5.42 Impact of COVID-19 Pandemic

The Company is engaged in the business of manufacture of Aluminium Fluoride and related products. The spread of COVID-19 throughout the World including India has led to Nationwide Lockdown with effect from 24.03.2020 till 14.04.2020 and the spread of COVID-19 by way of first phase and second phase had continued throughout the year. This has affected adversely and mainly on completion of Visakhapatnam Aluminium Fluoride expansion project in scheduled time. The project was originally scheduled to complete by end October 2020, however due to COVID-19, majority of major equipment suppliers delayed their dispatches, erection, and commissioning of the equipments. Overseas consultant who was to oversee the erection, commissioning and operation of the major equipment's could not visit the plant due to travel restrictions. With all these, the project completion extended to first quarter of 2021 and the Company has taken trials from November 2020 to April 2021 and declared commercial production with effect from 1st May 2021.

Note 5.42A Disclosure about Wholly Owned Foreign Subsidiary

The Company incorporated ALUFLUORIDE INTERNATIONAL PRIVATE LIMITED, DUBAI a wholly owned foreign subsidiary company on 21st December 2020 and this Company will be the joint venture partner for the new project, a green field project, to produce Aluminium Fluoride and related products at Jordan. The subsidiary Company is yet to start its financial activities as on 31st March 2021. Accordingly, the Company has not prepared consolidated financial with subsidiary Company for the financial year 2020-21.

Note 5.42B Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the same to give effect to them as required by law.

Note 5.43 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

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

A) The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder's value. The company's objective when managing capital is to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and benefits for other stakeholders. The Company is focused on keeping strong total equity base to ensure independence, security, as well as a high financial flexibility for potential future borrowings if required.

B) Capital Structure of the Company is as follows:

Amount in Rs.

Particulars	As at 31-03-2021	As at 31-03-2020
Equity Share Capital	7,82,04,820	7,82,04,820
Other equity	44,05,12,159	44,51,57,092
Total Equity	51,87,16,979	52,33,61,912
Borrowings	24,21,06,623	7,32,48,221
Total Debt	24,21,06,623	7,32,48,221
Debt to Equity ratio	46.67%	14.00%

Note No. 6.2 Categories of Financial Instruments

Amount in Rs.

Particulars	As at 31-03-2021		As at 31-03-2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets measured at Amortised Cost				
Trade receivables	5,07,99,507	5,07,99,507	3,13,86,923	3,13,86,923
Bank balances (other than those in cash and cash equivalents)	30,05,676	30,05,676	21,24,921	21,24,921
Other current and non-current financial assets	1,40,73,615	1,40,73,615	1,13,61,079	1,13,61,079
Financial Assets measured at Fair Value through Profit and Loss Account (FVTPL)				
Other Non-Current Financial Assets	1,00,11,374	1,00,11,374	1,00,31,774	1,00,31,774
Cash and cash equivalents	8,32,05,251	8,32,05,251	5,94,63,395	5,94,63,395
Designated Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)				
Investment in Equity Instruments and mutual funds	6,00,54,281	6,00,54,281	1,04,44,214	1,04,44,214
Financial Liabilities (Current and Non-Current)				
Financial Assets measured at Amortised Cost				
Current Borrowings	24,21,06,623	24,21,06,623	6,69,25,343	6,69,25,343
Lease Liability	7,84,13,165	7,84,13,165	7,71,74,820	7,71,74,820
Trade payables	4,12,56,526	4,12,56,526	3,26,70,763	3,26,70,763
Other financial liabilities	3,73,33,010	3,73,33,010	5,38,78,582	5,38,78,582

Note No. 6.3 Fair Valuation Techniques

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

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

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

B) Fair value hierarchy

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

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

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

C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2021:

Amount in Rs.

Particulars	As at 31 st March, 2021	Fair value measurement at reporting date using		
		Level 1	Level 2	Level 3
Financial Assets				
Trade receivables	5,07,99,507 (3,13,86,923)	— —	5,07,99,507 (3,13,86,923)	— —
Other current & Non-current financial assets	2,40,84,989 (2,13,92,853)	— —	2,40,84,989 (2,13,92,853)	— —
Investment in Equity Instruments and mutual funds	6,00,54,281 (1,04,44,214)	6,00,54,281 (1,04,44,214)	— —	— —
Financial Liabilities				
Borrowings	24,21,06,623 (6,69,25,343)	— —	24,21,06,623 (6,69,25,343)	— —
Lease Liability	7,84,13,165 (7,71,74,820)	— —	7,84,13,165 (7,71,74,820)	— —
Trade payables	4,12,56,525 (3,26,70,762)	— —	4,12,56,525 (3,26,70,762)	— —
Other financial liabilities	3,73,33,010 (5,38,78,582)	— —	3,73,33,010 (5,38,78,582)	— —

Note: Figures in round brackets () indicate figures as at March 31, 2020.

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

Note No-6.4 Financial risk management framework

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

The risk management framework aims to,

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks
- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

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

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

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

a) Credit risk:

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

ii) Financial assets that are neither past due nor impaired

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

iii) Financial assets that are past due but not impaired

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

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



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Age of receivables for calculating expected credit loss under simplified approach

Particulars	As at 31-03-2021 Rs.	As at 31-03-2020 Rs.
Less than 3 Months	5,07,99,507	3,13,86,923
3 Months to 6 Months	—	—
6 Months to 1 Year	—	—
1 Year to 3 Years	—	—
More than 3 Years	—	—
(Expected Credit losses)	0	0
Net carrying amount	5,07,99,507	3,13,86,923

Note: Since all the receivables are within the credit period except of Rs.13,34,357 ageing between 6 months to 1 year; there is a negligible expected credit loss of Rs.26,687.14

b) Liquidity risk

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

ii) Maturities of financial liabilities

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

Particulars	As at 31-03-2021 Rs.	As at 31-03-2020 Rs.
Trade payables		
Less than 3 Months	3,96,16,635	2,97,86,728
3 Months to 6 Months	4,47,585	19,48,694
6 months to 1 Year	11,92,305	97,43,997
More than 1 Year	—	—
Other financial liabilities		
On Demand payable	3,73,33,011	4,77,58,912
Less than 3 Months	—	61,24,671
More than 3 months	—	—
Borrowings		
Less than 1 Year	—	4,00,00,000
More than 1 Year	24,21,06,623	2,69,25,343
Lease Liabilities		
On Demand payable	—	—
less than 1 year	85,54,447	83,74,381
More than 1 Year	6,98,58,718	6,88,00,439

c) Market risk-Commercial risk

i) Interest Rate Risk -

The company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Sensitivity to changes in interest rates
Amount in Rs.

Particulars	Impact on Profit	
	FY 2020-21	FY 2019-20
Sensitivity Analysis of Borrowings		
Rate of Interest Increase by 0.5% Borrowings	12,10,106	3,66,241
Rate of Interest Decrease by 0.5% Borrowings	12,10,106 (12,10,106)	3,66,241 (3,66,241)
	(12,10,106)	(3,66,241)

i) Foreign currency risk

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

ii) Commercial risk

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

1) Selling price risk
Amount in Rs.

Particulars	Impact on Profit	
	FY 2020-21	FY 2019-20
Increase in Selling Prices @ 5%		
Aluminium Fluoride	2,85,94,094	3,78,63,789
	2,85,94,094	3,78,63,789
Decrease in Selling Prices @ 5%		
Aluminium Fluoride	(2,85,94,094)	(3,78,63,789)
	(2,85,94,094)	(3,78,63,789)

2) Raw material risk
Amount in Rs.

Particulars	Impact on profit	
	2020-21	2019-20
Increase in RM Cost @ 5%		
Hydrofluosilicic Acid	(50,75,514)	(58,75,309)
Alumina Hydrate	(93,63,196)	(1,12,52,849)
Hydrated Lime	(3,83,330)	(4,70,339)
Packing Materials	(1,48,609)	(2,92,420)
Furnace oil	(2,40,130)	(38,40,470)
Coal	(6,94,050)	—
Decrease in RM Cost @ 5%		
Hydrofluosilicic Acid	50,75,514	58,75,309
Alumina Hydrate	93,63,196	1,12,52,849
Hydrated Lime	3,83,330	4,70,339
Packing Materials	1,48,609	2,92,420
Furnace oil	2,40,130	38,40,470
Coal	6,94,050	—



Alufluoride Limited

d) Market risk-Security investments prices

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

ii) Equity Price Sensitivity Analysis:

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

If equity prices had been 5% higher/lower, profit for the year ended 31st March, 2021 would increase/decrease by Rs.30,02,714/- (for the year ended 31st March, 2020: increase / decrease by Rs.5,22,211/-) as a result of the change in fair value of equity investments which are designated as FVTOCI.

Per our report of even date

For and on behalf of the Board

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

VENKAT AKKINENI
Managing Director
DIN:00013996

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

C V RAMANA RAO
Partner
M.No. 018545

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

Place : Visakhapatnam
Date : 26 June 2021



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

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

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

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

Name of Sole / First Holder : _____

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

PAN No. : _____

E-mail Address : _____

Date:

Place:

(Signature of Member)



Signing of Joint Venture Agreement with Jordan Phosphate Mines Company (JPMC) by His Excellency Dr. Mohammad Thneibat, Chairman of JPMC and Mr. Venkat Akkineni, Managing Director of Alufluoride Ltd.



Presentation of cheque for ₹25 Lakhs for Construction of Primary Health Care Centres under CSR to Sri Ballineni Srinivas Reddy, Hon. Minister for Energy, Forest, Environment, Science & Technology, AP by Mr. Venkat Akkineni, Managing Director of Alufluoride Ltd.

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