

50TH ANNUAL REPORT 2015-2016



MADRAS FERTILIZERS LIMITED

Board of Directors



A B KHARE
CHAIRMAN & MANAGING DIRECTOR



Dr. A K PADHEE, IAS
GOI Nominee Director



SHRI PIYUSH SRIVASTAVA, IES
GOI Nominee Director



SHRI U SARAVANAN
Director - Technical



SHRI ALIREZA ZAMANI
NICO Nominee Director



SHRI YASIN REZAADEH
NICO Nominee Director



SHRI PAYMAN EHTESHAMI
NICO Nominee Director



CA. SUNIL VASHISHT
Non-Official Director



Dr. HEMANT A THAKORE
Non-Official Director



SHRI C RAMESH
Non-Official Director



Smt. VANATHI SRINIVASAN
Non-Official Director



Dr. CHRISTY FERNANDEZ
Special Director - BIFR



MADRAS FERTILIZERS LIMITED

BOARD OF DIRECTORS (As on 26.08.2016)

Chairman & Managing Director

Shri A B Khare

Directors

Dr A K Padhee, IAS
Shri Piyush Srivastava, IES
Shri U Saravanan
Shri Alireza Zamani
Shri Yasin Rezazadeh
Shri Payman Ehteshami
CA. Sunil Vashisht
Dr Hemant A Thakore
Shri C Ramesh
Smt Vanathi Srinivasan
Dr Christy Fernandez

Audit Committee

CA. Sunil Vashisht
Dr A K Padhee, IAS
Dr Hemant A Thakore
Shri C Ramesh
Smt Vanathi Srinivasan
Shri Alireza Zamani

Stakeholders Relationship Committee

Shri Alireza Zamani
Shri A B Khare
Dr A K Padhee, IAS
Shri U Saravanan

Risk Management Committee

Shri A B Khare
Dr A K Padhee, IAS
Shri Alireza Zamani
Shri U Saravanan

Corporate Social Responsibility Committee

Smt Vanathi Srinivasan
Dr Hemant A Thakore
Shri A B Khare
Shri U Saravanan

Executives

Shri A B Khare
Chairman & Managing Director

Shri U Saravanan
Director – Technical

Shri J Vinayan
Chief Vigilance Officer (Addl.Charge)

Shri H Gunasekaran
General Manager (Plant)

Shri V Muralidharan
General Manager (F&A) & Company Secretary

Shri K M Raja Manoharan
General Manager – (P&A) - (Addl.Charge)

Shri T Paul Premkumar
General Manager (M&D) - (Addl.Charge)



MADRAS FERTILIZERS LIMITED

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Registered Office

Manali, Chennai – 600 068
Tamil Nadu, India

Principal Bankers

State Bank of India
State Bank of Patiala
State Bank of Hyderabad

Auditors

B Thiagarajan & Co.
Chartered Accountants
VIGFIN HOUSE
Old No. 15, New No. 24, Yogambal Street,
T. Nagar, Chennai - 600 017.



MADRAS FERTILIZERS LIMITED

Madras Fertilizers Limited

(A Government of India Undertaking)

CIN - L32201TN1966GOI005469

Regd Office: Post Bag No.2, Manali, Chennai – 600 068. Tel : 25942281 / 25945203 Fax : 25943613

Website : www.madrasfert.nic.in email : cs@madrasfert.co.in

NOTICE

NOTICE is hereby given that the 50th Annual General Meeting of Madras Fertilizers Limited will be held on 28th September, 2016 at MFL Training Centre Auditorium, (North Entrance Gate), MFL Plant, Manali, Chennai 600 068 at 03.00 p.m. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date together with the Reports of Directors' and the Auditors thereon.

2. To fix remuneration of Statutory Auditors for the Financial Year 2016-17 and in this regard to consider if thought fit to pass with or without modification(s), the following resolution as an ORDINARY resolution:

"RESOLVED THAT pursuant to the provisions of Section 142(1) and other applicable provisions, if any, of the Companies Act, 2013, the Statutory Audit Fee for the financial year 2016-17 be and is hereby fixed at ₹ 3,00,000/- to M/s. J V Ramanujam & Co, (MD0377), Statutory Auditors, subject to other terms and conditions laid down by the C&AG in their letter No. CA.V/COY/CENTRAL GOVERNMENT, MFL(1)/75 dated July 11, 2016."

SPECIAL BUSINESS

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

"RESOLVED THAT Dr A K Padhee, IAS, (DIN No.00730620) be and is hereby appointed as Director of the Company"

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

"RESOLVED THAT Shri Piyush Srivastava, IES, (DIN No.07266407) be and is hereby appointed as Director of the Company"

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

"RESOLVED THAT Shri A B Khare, (DIN No.07416463) be and is hereby appointed as Chairman and Managing Director of the Company".

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

"RESOLVED THAT pursuant to the provisions of the Companies Act 2013 read with Companies (Audit and Auditor) Rules 2014, Shri P R Tantri, Cost and Management Accountant, who has been appointed by the Board as Cost Auditor to conduct the cost audit of the Company for fertilizers for the financial year 2016-17 as per the directions which may be issued by the Central Government in this regard at a fee of ₹. 1,00,000/- besides reimbursement of travelling and out of pocket expenses at actuals be and is hereby ratified."

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

"RESOLVED THAT Dr. Hemant A Thakore (DIN No 07565337), be and is hereby appointed as Non-official Director of the Company".

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

"RESOLVED THAT CA. Sunil Vashisht (DIN No 01967138), be and is hereby appointed as Non-official Director of the Company".

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

"RESOLVED THAT Shri C Ramesh (DIN No 06558099), be and is hereby appointed as Non-official Director of the Company".



MADRAS FERTILIZERS LIMITED

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

“RESOLVED THAT Smt Vanathi Srinivasan, be and is hereby appointed as Non-official Director of the Company”.

By Order of the Board

Chennai
Aug 12, 2016

A B Khare
Chairman & Managing Director

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The Proxy form, in order to be effective must be duly completed, stamped and lodged with the Registered Office of the Company not less than forty eight hours before the commencement of the meeting. As per Section 105 of the Companies Act, 2013, a person appointed as proxy can act on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company.

2. During the beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company, provided that not less than 3 days of notice in writing is given to the Company.
3. Members/Proxies should bring the duly filled in attendance slip enclosed herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 22-09-2016 to 28-09-2016 (both days inclusive).
5. M/s. Integrated Enterprises (India) Ltd, Kences Towers, II Floor, No.1, Ramakrishna Street, T Nagar, Chennai 60017 are the Registrar and Transfer Agents and Depository Participants of the Company for physical / electronic shares and all correspondences with regard to transfer of shares etc may be addressed to them directly.
6. The relevant records are available for inspection by the Shareholders at the Registered Office of the Company at any time during the working hours till the date of the meeting.

7. Members may please note that NO GIFTS will be distributed at the meeting

8. Voting through electronic means

- i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the Listing Regulations and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide its members facility to exercise their right to vote on resolutions proposed to be considered at the 50th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- ii) The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- iii) The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- iv) The remote e-voting period commences on 25th September, 2016 (9:00 am) and ends on 27th September, 2016 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 21st September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v) A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- vi) The process and manner for remote e-voting are as under:
 - A. Members whose email IDs are registered with the Company/ Depository Participants(s) will receive an email from NSDL informing them of their User-ID and Password. Once the Member receives the email, he or she will need to go through the following steps to complete the e-voting process:



MADRAS FERTILIZERS LIMITED

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- (i) Open email and open PDF file titled; "MFLAGM" remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Enter the user ID and password as initial password/PIN noted in step (i) above. Click on Login.
- (v) The Password change menu will appear. Change the password/PIN with new password of your choice with minimum 8 digits/ characters or combination thereof. Note the new password. It is strongly recommended that you do not share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "REVEN" of Madras Fertilizers Limited.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and Remember to "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authorization letter etc. together with attested specimen signature of the duly authorized signatory(ies) who is/are authorized to vote, to the Scrutinizer through e-mail to esakics@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) :
- (i) The Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
- REVEN (Remote e-voting Event Number)
USER ID _____ PASSWORD/PIN _____
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- vii) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or contact National Securities Depository Ltd. Via email at evoting@nsdl.co.in.
- viii) Login to the e voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot Password' option available on the site to reset the password.
- ix) If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- x) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 21st September, 2016.
- xi) Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. 21st September 2016, may obtain the user ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting his/her vote. If he/she forgot his/her password, he/she can reset his/her password by using "Forgot User Details/ Password" option available on www.evoting.nsdl.com.
- xii) A person, 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 only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- xiii) Mr. V Esaki, Practicing Company Secretary (CP No.11022) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- xiv) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- xv) The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any,
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MADRAS FERTILIZERS LIMITED

to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

- xvi) The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.madrasfert.nic.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange of India Ltd.

All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (8:00 am to 4:45 pm) on all working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

9. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013:

Item No.3: Appointment of Dr.A K Padhee, IAS as Director

Dr. A K Padhee, IAS was nominated by the Government of India for appointment as Director in pursuance of Article 85 (a) and 86 read with Article 88 of the Articles of the Association of the Company in place of Shri Heeralal Samariya, IAS. Dr. A K Padhee, IAS was appointed as Director on the Board of the Company by the Board of Directors effective January 14, 2016. As per the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Dr. A K Padhee, IAS will hold office only up to the date of Annual General Meeting.

A notice under section 160 of the Companies Act, 2013 has been received from a member proposing the appointment of Dr A K Padhee, IAS as a Director, liable to retire by rotation.

None of the Directors is interested in the resolution, except Dr.A K Padhee, IAS, as it concerns his appointment.

Item No.4: Appointment of Shri Piyush Srivastava, IES as Director

Shri Piyush Srivastava, IES was nominated by the Government of India for appointment as Director in pursuance of Article 85 (a) and 86 read with Article 88 of the Articles of the Association of the Company in place of Shri Rajiv Yadav, IAS. Shri Piyush Srivastava, IES was appointed as Director on the Board of the Company by the Board of Directors effective January 14, 2016. As per the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, Shri Piyush Srivastava will hold office only up to the date of Annual General Meeting.

A notice under section 160 of the Companies Act, 2013 has been received from a member proposing the appointment of Shri Piyush Srivastava, IES as a Director, liable to retire by rotation.

None of the Directors is interested in the resolution, except Shri Piyush Srivastava, IES as it concerns his appointment.

Item No.5: Appointment of Shri A B Khare, CMD as Director

Shri A B Khare, Chairman and Managing Director was appointed by the President of India vide Department of Fertilizers Order No.84/2/201-HR-I dated January 05, 2016. Shri A B Khare was appointed as Chairman and Managing Director of the Company by the Board of Directors effective January 14, 2016 in place of the former Chairman and Managing Director, Dr.I Vijayakumar.

Shri A B Khare will hold office for a period of five years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders whichever is the earliest.

None of the Directors is interested in the resolution, except Shri A B Khare, CMD as it concerns his appointment.

Item No.6: Appointment of Cost Auditor for the year 2016-17

The Board at its 278th meeting held on May 29, 2015 approved the appointment of Shri P R Tantri, Cost Accountant as the Cost Auditor for the Financial Year 2015-16 at a remuneration of ₹ 85,000/- excluding reimbursement of out of pocket expenses at actuals.

As per Sec. 148(3) of the Companies Act, 2013 read with Companies (Cost Records and Cost Audit) Rules, 2013, the Cost Auditor should be appointed by the Board on such remuneration which may be ratified by the members in General Meeting.

Accordingly, the Board in its 282nd meeting held on May 27, 2016 has approved the appointment of Shri P R Tantri, Cost Auditor, for conducting the Cost Audit of the company for the year 2016-17 at the remuneration of ₹ 1,00,000/- Shri P R Tantri has also communicated his willingness to take up the assignment.

In accordance with the provisions of Sec 148(3) of the Companies Act, 2013 the remuneration fixed for the Cost Auditor has to be ratified by the members in the General Meeting. Accordingly, the above proposal has been submitted for ratification of the members.



MADRAS FERTILIZERS LIMITED

Item No. 7: Appointment of Dr Hemant A Thakore as Non-Official Director

The Appointments Committee of the Cabinet (ACC) vide O.M.No.2/13/2016-EO(ACC) dated June 06, 2016 has approved the appointment of Dr Hemant A Thakore as Non-Official Director on the Board of Madras Fertilizers Limited with effect from June 06, 2016 for a period of three years or until further orders, whichever is earlier.

Pursuant to the sub-section (4) of section 149, MFL, being a listed company shall have at least one-third of the total number of directors as independent directors. Accordingly, Dr Hemant A Thakore has been appointed as Non-Official Director on the Board of MFL with effect from June 6, 2016. In the opinion of the Board, he fulfils the conditions specified in the sub-section (6) of section 149 of Companies Act, 2013 for such an appointment. His appointment shall be approved by the Company in general meeting as provided in sub-section (2) of section 152 of the Companies Act, 2013.

None of the Directors is interested in the resolution, except Dr Hemant A Thakore, as it concerns his appointment.

Item No.8 : Appointment of CA. Sunil Vashisht as Non-Official Director

The Appointments Committee of the Cabinet (ACC) vide O.M.No.2/13/2016-EO(ACC) dated June 06, 2016 has approved the appointment of CA. Sunil Vashisht as Non-Official Director on the Board of Madras Fertilizers Limited with effect from June 06, 2016 for a period of three years or until further orders, whichever is earlier.

Pursuant to the sub-section (4) of section 149, MFL, being a listed company shall have at least one-third of the total number of directors as Independent Directors. Accordingly, CA. Sunil Vashisht has been appointed as Non-Official Director on the Board of MFL with effect from June 6, 2016. In the opinion of the Board, he fulfils the conditions specified in the sub-section (6) of section 149 of Companies Act, 2013 for such an appointment. His appointment shall be approved by the Company in general meeting as provided in sub-section (2) of section 152 of the Companies Act, 2013.

None of the Directors is interested in the resolution, except CA. Sunil Vashisht, as it concerns his appointment.

Item No. 9: Appointment of Shri C Ramesh as Non-Official Director

The Appointments Committee of the Cabinet (ACC) vide O.M.No.2/13/2016-EO(ACC) dated June 06, 2016 has approved the appointment of Shri C Ramesh as Non-Official Director on the Board of Madras Fertilizers Limited with effect from June 06, 2016 for a period of three years or until further orders, whichever is earlier.

Pursuant to the sub-section (4) of section 149, MFL, being a listed company shall have at least one-third of the total number of directors as independent directors. Accordingly, Shri C Ramesh has been appointed as Non-Official Director on the Board of MFL with effect from June 6, 2016. In the opinion of the Board, he fulfils the conditions specified in the sub-section (6) of section 149 of Companies Act, 2013 for such an appointment. His appointment shall be approved by the Company in general meeting as provided in sub-section (2) of section 152 of the Companies Act, 2013.

None of the Directors is interested in the resolution, except Shri C Ramesh, as it concerns his appointment.

Item No. 10: Appointment of Smt. Vanathi Srinivasan as Non-Official Director

The Appointments Committee of the Cabinet (ACC) vide O.M.No.2/13/2016-EO(ACC) dated June 06, 2016 has approved the appointment of Smt. Vanathi Srinivasan as Non-Official Director on the Board of Madras Fertilizers Limited with effect from June 06, 2016 for a period of three years or until further orders, whichever is earlier.

Pursuant to the sub-section (4) of section 149, MFL, being a listed company shall have at least one-third of the total number of directors as independent directors. Accordingly, Smt. Vanathi Srinivasan has been appointed as Non-Official Director on the Board of MFL with effect from June 6, 2016. In the opinion of the Board, she fulfils the conditions specified in the sub-section (6) of section 149 of Companies Act, 2013 for such an appointment. Her appointment shall be approved by the Company in general meeting as provided in sub-section (2) of section 152 of the Companies Act, 2013.

None of the Directors is interested in the resolution, except Smt. Vanathi Srinivasan, as it concerns her appointment.

By Order of the Board

Chennai
Aug 12, 2016

A B Khare
Chairman & Managing Director



MADRAS FERTILIZERS LIMITED

Details of Directors seeking appointment / reappointment at the Annual General meeting scheduled to be held on September 28, 2016 (Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015

Name of the Director	Dr. A K Padhee	Shri Piyush Srivastava	Shri A B Khare	Dr Hemant A Thakore	CA Sunil Vashisht	Shri C Ramesh	Smt Vanathi Srinivasan
Date of Birth	15.08.1969	05.05.1968	01.11.1956	25.07.1963	03.08.1956	19.03.1949	06.06.1970
Date of Appointment on the Board	14.01.2016	14.01.2016	14.01.2016	06/06/2016	06/06/2016	06/06/2016	06/06/2016
Relationship with other Directors and Key Managerial Personnel	None	None	None	None	None	None	None
Expertise in Specific Functional areas	Administrative function	Economic Administration	Technical	Medicine	Finance	Political	Legal and Political
Qualification	Phd. MPA	MA (Eco) M.Phil	BE (Chemical)	MBBS, MD, FCCP, MCAI	B.Com, FCA	BA (LL.B)	B.SC., BL, ML
Board Membership of other Companies as on March 31, 2016	PDIL	-	Fortune Biotech Ltd	-	-	-	-
Chairman / Member of the Committee of the Board of Directors of the Company as on March 31, 2016							
Audit Committee	PDIL	-	-	-	-	-	-
Shareholders Grievance Committee	-	-	-	-	-	-	-
Nomination & Remuneration Committee	-	-	-	-	-	-	-
Other Committees	-	-	-	-	-	-	-
Shareholding in the Company (as on 31/03/2016)	Nil	-	-	-	-	-	-

Note: 1. Detailed profiles of the above Directors are given as part of the Annual Report. The Directorships, Committee Memberships and Chairmanships do not include positions in foreign companies, unlisted companies and private companies, position as an advisory board member and position in companies under Section 8 of the Companies Act, 2013. Information pertaining to remuneration paid to the Directors who are being appointed/re-appointed and number of Board meetings attended by them during the year 2015-16 are provided in the Corporate Governance Report.



MADRAS FERTILIZERS LIMITED

DIRECTORS' REPORT

The Shareholders
Madras Fertilizers Limited

Your Directors have pleasure in presenting herewith the 50th Annual Report together with the Balance Sheet as on March 31, 2016 and the Profit & Loss Statement for the year 2015-16.

SUMMARY OF FINANCIAL RESULTS

(₹ Cr)

	2015-16	2014-15
Turnover	1201.64	1701.87
Profit Before Interest, Depreciation, DRE and Tax	2.93	(33.10)
Interest	82.32	83.98
Depreciation	18.15	17.61
Extraordinary items	(92.00)	Nil
Profit / (Loss) Before Tax	(189.54)	(134.69)
Provision for Tax	Nil	Nil
Profit / (Loss) After Tax	(189.54)	(134.69)
Cash Profit / (Loss)	(171.39)	(117.08)

The Company's operations for the year ended with a loss of ₹ 189.54 Cr (Previous Year loss ₹ 134.69 Cr). The total accumulated loss as of 31.3.2016 was ₹ 706.68 Cr. (Previous Year ₹ 517.14 Cr).

SICKNESS AND REVIVAL

As mentioned in the earlier Annual Reports, the main reasons for the continuous losses and consequent sickness were due to cost and time overrun of revamp of Ammonia and Urea Plants, delay in stabilization of revamped Plants due to Technology related issues, higher energy, poor reliability, lack of maintenance of the existing Plant for want of funds and unfavorable Pricing policies up to March 2009.

The Company's operation became profitable, thereafter, due to amendments in policies and improvement in production performance. The Company shall come out of sickness, once the Draft Rehabilitation Scheme (DRS) is approved by DoF & BIFR and the same is implemented.

DIVIDEND

The Company does not propose to declare any Dividend to shareholders during the Fiscal 2016, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, due to huge accumulated losses (₹ 706.68 Cr) and negative net worth (₹ 532.15 Cr) as on March 31, 2016.

PLANT PERFORMANCE

During 2015-16, Urea production was 407311 MT (83.7% capacity) with an annual specific energy consumption of 7.645 Gcal/MT. Urea production of 50,900 MT during Mar 2016 is the highest ever monthly production since inception.

Main reason for the lower production is (i) From April 17th 2015 to June 15th 2015 Plants were shut down due to GoI Policy of denying operation of fertilizer Plant on Naphtha as feed stock and (ii) From 01st December to 27th December, 2015 Plants were shut down due to heavy flooding of entire MFL complex owing to heavy rain and the letting out of water from overflowing "Puzhal" reservoir.

On receipt of GoI approval vide DoF Notification No.12018/4/2014/FPP dated 17th June 2015 for continuation of production using Naphtha as feedstock till gas connectivity, the Ammonia Plant re-start operations began on June 12, 2015. Ammonia and Urea production commenced at 15.30 hrs on June 15, 2015 and 00.35 hrs on June 17, 2015 respectively.

With respect to Complex Fertilizers, MFL produced 0.35 lac MT of NPK 17-17-17 during 2015-16 and the production was low due to non-availability of raw materials.

GAS CONVERSION

MFL Ammonia Plant is gas compatible with minor modifications in the Front End of the Ammonia Plant and the Basic Engineering Design Package has already been completed by M/s Haldor Topsoe A/S (HTAS), Denmark, MFL Ammonia Plant Process Licensor. The detailed engineering was carried out by M/s Projects & Development India Ltd. (PDIL).

The procurement of major equipment viz., NG fired heater, Primary Reformer Burners, NG Preheat Coil, NG fuel preheater are under tendering stage under the guidance of PDIL.

MFL has signed the Heads of Agreement (HOA) with M/s Indian Oil Corporation Ltd (IOCL) for Regasified Liquid Natural Gas (RLNG) supply from its proposed Ennore RLNG terminal which is expected to become operational by June 2018. Memorandum of Agreement (MOA) has been signed with IOCL for gas transportation through pipelines on 29.05.2016.

MARKETING PERFORMANCE

Fertilizer Sales

The company has sold 3,27,883.50 MT of Vijay Neem Coated Urea and 27,239.65 MT of Vijay Urea totaling to 3,55,123.15 MT during 2015-16 as compared to previous year's sale of 3,25,532.10 MT of Vijay Urea and 967 MT of Neem Coated Urea totaling to 3,26,499.10 MT. The Company also sold 34,807.30 MT of Vijay 17-17-17 as compared to previous year's sale



MADRAS FERTILIZERS LIMITED

74,225.60 MT. The seasonal condition by and large in South India was satisfactory except in Karnataka & Telangana States wherein the rainfall was around 70% and concentrated in isolated parts. The Market share of MFL Urea was 6% in South India during 2015-16.

Based on GOI directives MFL is producing 100%Neem Coated Urea since June 2015, for slow release of Nitrogen in the soil.

Cash sales thru RTGS payment accounted for 97.90% of total sales. There has not been a single case of Bad Debt for this year also.

Neem Pesticides, Bio-fertilizers & Organic Manure

70.09 KL of Neem Pesticides valuing ₹ 152.43 lakh of Eco-friendly Neem Pesticides was traded during the year as against 113.62 KL value of ₹ 197.37 lakh for the previous year.

The Company has sold 276.76 MT of bio-fertilizers during the year as against 349 MT for the previous year.

Under basket approach, the Company has also sold 8247 MT of Organic Manure during the year in Tamil Nadu, Pondicherry, Karnataka, Andhra Pradesh, Telangana and Kerala States as against 5432.88 MT sold during the last year. The concerted promotional effort helped in increasing the volume. MFL continues to promote the eco-friendly products like; Vijay Neem and Vijay Organic. Vijay City Compost is also introduced during 2015-16. Our endeavor is to develop and sustain the eco-friendly agricultural environment.

MARKET DEVELOPMENT & AGRO-SERVICE PROGRAMS:

MFL's Marketing personnel have contacted 31594 farmers during the year and educated them about the package and practices of cultivation of major crops, soil health techniques and optimum usage of chemical fertilizers, bio-fertilizers and Neem products to enhance soil fertility and food grains productivity for consequent growth in economy.

Under corporate social responsibility to farming community, the Marketing personnel had collected 5521 soil samples, analysed and communicated the micro & macro nutrient recommendations of various crops to farmers during the year.

In pursuance to the Prime Minister's Mission on empowering the Farmers vide Supportive Schemes & Education on farming techniques, MFL celebrated 'World Soil Health Day' in a grand manner by conducting 15 programs during Dec 5-19 2015 in entire MFL Marketing Territories.

PUBLIC DEPOSIT

There are no Public Deposits with the Company.

ISO 9001 / 14001

CMD has approved the annual Quality / Environment objectives for all the functional areas and the same has been communicated to the respective functional area for compliance during the year 2015-16.

The EMS (ISO 14001:2004) Renewal Certification valid upto 31st May 2017 was obtained from M/s Indian Register Quality Systems (IRQS), our certifying body.

The QMS (ISO 9001:2008) Renewal Certification valid upto 29th December 2016 was obtained from M/s.Indian Register Quality Systems (IRQS), our certifying body.

MEMORANDUM OF UNDERSTANDING

The Company submitted a draft MOU with Department of Fertilizers (DOF), Government of India for the year 2016-17 setting up targets for performance of the Company in terms of static and dynamic parameters. Finalisation of performance parameters is underway through negotiation.

VIGILANCE

ACTIVITIES AND ACHIEVEMENTS OF VIGILANCE DEPARTMENT DURING 2015-16

- ❖ Complaints received were attended and reports submitted as per Complaints Handling Policy of the Company / Central Vigilance Commission (CVC) guidelines.
- ❖ Continuously monitoring the progress of Disciplinary Proceedings in respect of vigilance cases for timely completion.
- ❖ Agreed List of suspected Officers and List of Officers of Doubtful Integrity were finalised and sent to DOF.
- ❖ CVC guidelines on Tenders and disciplinary proceedings and other matters as and when received were communicated to Management for necessary action.
- ❖ As per the Central Vigilance Commission's requirement, CVO had one Structured meeting with the CMD, MFL (on 21.12.2015) and pending issues were discussed and suggestions given to the Management.



MADRAS FERTILIZERS LIMITED

- ❖ In the Structured Meeting cited, CVO informed CMD about DOF's communication dated 07.12.2015 on CVC's Office Order dated 13.02.2012 on PIDPI resolution and emphasised the need for giving wider publicity to PIDPI provision. Consequently, MFL Management has put up on the Company's website CVC's resolutions on PIDPI and other guidelines in this regard from CVC / DOPT.
- ❖ For all Tenders with value more than ₹ 2 lacs, e-Tendering and e-reverse auction method is being followed.
- ❖ Annual Property Returns of Officers were scrutinized as per CVC guidelines.
- ❖ Rotation of Officers in sensitive posts effected as per CVC guidelines.
- ❖ For easy reference, CVC Guidelines / Circulars on Tenders were uploaded in MFL's Online Integrated System (OLIS).
- ❖ MFL observed Vigilance Awareness Week 2015 from Oct. 26 to 31, 2015, as directed by CVC. The following are the highlights:
 - CMD administered Vigilance Awareness pledge on Oct. 26, 2015 at 11 AM to mark the commencement of Vigilance Awareness Week 2015.
 - On Oct. 26, 2015 after noon, a Guest Lecture by Shri. N. Gopalaswami, former Chief Election Commissioner of India. was organized on the topic 'Preventive Vigilance'.
 - Slogan contest in English, Tamil and Hindi on "Preventive Vigilance" was organized for the employees of MFL.
 - An Essay Competition on the theme "Preventive Vigilance as a tool of Good Governance" was organized for MFL employees.
 - A similar Essay Competition on the theme "Preventive Vigilance as a tool of Good Governance" was organized for the School children of two neighboring Schools. Prizes were distributed to the winners of the above competitions on Nov 18, 2015 by CMD, MFL.
- ❖ Parliamentary Standing Committee on Personnel, Public Grievances, Law and Justice visited Chennai on June 22-23, 2015 for discussions with various institutions, organizations and political parties. On June 23, 2015 the Committee held discussions on Vigilance administration in the context of

Lokpal and Lokayuktha with MFL and other organizations. CMD-MFL and Shri. J. Vinayan, CVO-FACT who was nominated to represent MFL (in view of CVO's training program) and other Senior Officials attended the Meeting.

HUMAN RELATIONS AND INDUSTRIAL RELATIONS

MANPOWER & TRAINING

The total strength of MFL as on 31.03.2016 is 723 as against 693 as on 31.03.2015. 415 employees have been trained during the period Apr 2015 – Mar 2016 on Technical, Soft and Life skills for the enduring benefit and development of the Organisation.

INDUSTRIAL RELATIONS

During the year, the overall Industrial Relation situation in the Company has been normal and cordial.

OFFICIAL LANGUAGE IMPLEMENTATION

MFL has been continuously exceeding the target fixed by Department of Official Language for letter correspondence in Hindi and other implementation programs. Hindi Fortnight was celebrated at Head Office and Regional Offices. Various competitions were organized and prizes were distributed.

SC / ST WELFARE ACTIVITIES

Dr Ambedkar Jayanthi was celebrated on 15th April 2015 at our Training Centre by inviting Chief Guest from outside and conducted in a grand manner.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

- During heavy floods in Chennai, on December 6, 2015, MFL conducted food camp and distributed food packets and medical kit to around 1000 people at Salaimanagar village, Manali, adjoining MFL Plant premises.
- On December 15, 2015, MFL conducted free medical camp with the help of our Occupational Health Centre Team under the guidance of Company Medical Officer which served around 500 people at Salaimanagar Village, Manali, Chennai.
- Subsequently on December 25, 2015, MFL distributed around 1000 relief material packets containing 4 kgs of rice, dhoti, sari and bed sheet worth of ₹ 600 per family through the local member of Legislative Assembly in Manali area, Thiruvottiyur Assembly Constituency, Thiruvallur District.



MADRAS FERTILIZERS LIMITED

In total, the company has incurred an amount of ₹ 8.00 lacs towards this noble cause as a part of CSR activities 2015-16.

INVESTOR RELATIONS CELL (IRC)

IRC is functioning in the Company under the Chief Financial Officer General Manager (F&A) & Company Secretary with members from various Groups to create awareness of the Company's strength and ensuring timely communication to shareholders.

DIRECTORS

Government of India have appointed the following GOI Nominee Directors in MFL Board :-

- a) Dr A K Padhee, IAS (DIN 00730620) Joint Secretary, Department of Fertilizers in place of Shri Heeralal Samariya, IAS (DIN 00054859) effective Jan 14, 2016; and
- b) Shri Piyush Srivastava, IES (DIN 07266407) Economic Advisor, Department of Fertilizers in place of Rajiv Yadav, IAS, (DIN 00322778) effective Jan 14, 2016.
- c) The Appointments Committee of the Cabinet (ACC) vide O.M.No.2/13/2016-EO(ACC) dated June 06, 2016 has approved the appointments of the following Non-Official Directors on the Board of Madras Fertilizers Limited with effect from June 06, 2016 for a period of three years or until further orders, whichever is earlier.
 - 1) Dr. Hemant A Thakore
 - 2) CA. Sunil Vashisht
 - 3) Shri C Ramesh
 - 4) Smt Vanathi Srinivasan

The Board placed on record the valuable and outstanding contribution made by the outgoing Directors Shri Rajiv Yadav, IAS and Shri Heeralal Samariya, IAS during their tenure as Directors on the Board for the substantial and sustainable development of the Company.

AUDITORS

The Comptroller & Auditor General of India have appointed M/s B Thiagarajan & Co, Chartered Accountants, Chennai as Statutory Auditors of the Company for the year 2015-16.

STATUTORY INFORMATION

Particulars of Employees and Related Disclosures

In terms of the provisions of Section 197 (12) of the Companies Act 2013 read with Rules 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is stated that No employee of your Company was in receipt of remuneration for any part of the year at a rate which is more than ₹ 5 lacs per month.

Energy, Technology & Foreign Exchange

The data on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo in accordance with the provisions of Section 134 of Companies Act 2013 are given in the **Annexure-I** forming part of this report.

Directors' Responsibility Statement

Directors' Responsibility Statement as required under Section 134 of Companies Act 2013 is furnished in **Annexure-II** forming part of this report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report, as required under Listing Agreement is enclosed as **Annexure-III** forming part of this report.

Corporate Governance

Your Company is fully compliant with the Corporate Governance guidelines, as stipulated in Securities and Exchange Board of India under Clause 49 of the Listing Agreement and also the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). Certificate received from the Auditors of the Company regarding compliance of Corporate Governance guidelines of SEBI as required under Listing Regulations is enclosed as **Annexure IV** forming part of the report.

Code of Conduct

Declaration affirming compliance with the code of conduct pursuant to the provisions of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is enclosed as **Annexure V** forming part of this report.



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Extract of Annual Return

As provided under Section 92 (3) of the Act, the details forming part of extract of the Annual Return in form MGT 9 are annexed herewith as **Annexure VI**.

Secretarial Audit

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rules framed thereunder, a Secretarial Report in the prescribed format, obtained from a Company Secretary in practice, is required to be annexed to the Board's Report. In view thereof, your Board at its meeting held on May 27, 2016 appointed Mr V Esaki, No.47 VOC Nagar, Nehru Street, Anna Nagar East, Chennai 600 102 as the Secretarial Auditor of your Company. The Secretarial Auditor's Report for the year 2015-16 is annexed as **Annexure VII**.

APPRECIATION

Your Directors wholeheartedly place on record their appreciation for the continued and unstinted support of Government of India, Department of Fertilizers, Government of Tamilnadu, NICO, Financial Institutions, Banks and all stakeholders during the year. It is most appropriate to mention that the Directors convey their gratitude to the Department of Fertilizers for settlement of subsidy bills on priority basis and to the dealers and farmers for their sustained support to Vijay products. Last but not the least that your Directors also place on record their appreciation for the dedication, commitment and sincere services rendered by the employees for sustained improvements.

By order of the Board

Chennai
August 12, 2016

A B Khare
Chairman & Managing Director



MADRAS FERTILIZERS LIMITED

ANNEXURE-I

THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 FORM A

Disclosure of Particulars with respect to Conservation of Energy

		Financial Year 2015-16	Previous Year 2014-15
A. Power and fuel consumption			
1. Electricity			
<i>(a) Purchased</i>			
Unit (lakhs) *		970.900	952.877
Total amount (₹ in lakhs)		7541.696	6679.422
Rate / unit (₹)		7.77	7.01
*Includes power consumed at TTP, Kodungaiyur			
<i>(b) Own generation</i>			
<i>(i) Through diesel generator</i>			
Units (lakhs)		14.454	13.349
Diesel consumption (KL)		538.800	399.630
Units per ltr. of diesel oil		2.683	3.340
Cost/unit (₹)		17.50	17.50
2. Coal		Not applicable	Not applicable
3. Furnace oil & LSHS			
Quantity (tonnes)		96815	90144
Total cost (₹ in lakhs)		23070.512	39686.699
Average rate (₹ per tonne)		23829.48	44025.89
4. Others/generation:		Nil	Nil
B. Consumption per unit of production			
	FICC Norm	2015-16	2014-15
<i>(a) Product : Ammonia</i>			
Electricity (KWH) *	115.000	125.346	160.908
Fuel oil + LSHS (MT)	0.2341	0.2090	0.2567
Naphtha (MT)	0.7829	0.7912	0.7912
* includes own generation			
<i>(b) Product: Urea</i>			
Electricity (KWH)	202.000	160.175	180.616
Fuel oil + LSHS (MT)	0.1309	0.1159	0.1157
<i>(c) Product: NPK</i>			
Electricity (KWH)	43.410	63.444	56.566
Fuel oil + LSHS (MT)	0.0069	0.0125	0.0116



MADRAS FERTILIZERS LIMITED

FORM - B

DISCLOSURE OF PARTICULARS WITH RESPECT TO RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION RESEARCH & DEVELOPMENT

1	Specific areas in which R&D carried out by the Company	
2	Benefits derived as a result of the above R&D	
3	Future plan of action	
4	Expenditure on R&D	NIL
	a) Capital	
	b) Recurring (in lacs)	
	c) Total (in lacs)	
	d) Total R&D expenditure as a percentage of total turnover	

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION:

1	Efforts in brief made towards technology absorption, adaptation and innovation.	
2	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	Nil
3	Details of imported technology (imported during the last 5 yrs reckoned from the beginning of the financial year)	

FOREIGN EXCHANGE EARNINGS AND OUTGO

	2015-16
1. Activities relating to export	NIL
2. Total Foreign Exchange used	(₹ Cr)
a) Raw Materials	104.12
b) Components & Spare Parts	1.28
c) Books & Periodicals / Travel	0.03
Total	105.43
3. Total Foreign Exchange earned	NIL



DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of Companies Act, 2013, your Directors, based on the representations received from the Operations Management, confirmed that :-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are 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 and loss of the company for that year;
- they have taken proper and sufficient care, to the best of their knowledge and ability, 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;
- they have prepared the annual accounts on a going concern basis.
- they have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



MANAGEMENT DISCUSSIONS AND ANALYSIS

Business

Madras Fertilizers Limited (MFL) incorporated in the year 1966 is a PSU under the administrative control of the Department of Fertilizers (DOF), Ministry of Chemicals & Fertilizers, Government of India.

MFL is engaged in the manufacture of Ammonia, Urea and Complex Fertilizers (N:P & N:P:K) at Manali, Chennai. MFL is also engaged in manufacturing Bio-fertilizers and marketing eco-friendly Agro Chemicals under the brand name “VIJAY”.

Introduction

During the year 2015-16, excess rainfall was received in Tamilnadu and Puducherry. Kerala received normal and Andhra Pradesh received 80% of normal rainfall, whereas in Karnataka and Telangana there was deficiency of 30% rainfall. The crop coverage during the year was normal in Tamilnadu, Puducherry and Kerala. In Andhra Pradesh it was 80%, whereas in Karnataka and Telangana it was 60% of normal area. The consumption of NP and NPK products has increased when compared to last year due to reduction in price of raw materials as well as crude oil in the international market.

Fertilizer Sector

The consumption of DAP, NP/NPK has increased in MFL's territory because of reduction in price. However, consumption of Urea is reduced by around 4% mainly due to lesser crop coverage in Karnataka and Telangana.

The Naphtha based units are covered under a new Policy pronounced on Jun 17, 2015, wherein the units will be eligible to get the concession rate on the basis of the revised energy norms applicable for Naphtha Units, and actual energy cost or energy cost based on delivered cost of RLNG without State taxes for recently converted units whichever is less. The State Government also supported MFL through exemption of VAT on Naphtha. During 2015-16, the price of Naphtha was on downward trend along with crude oil prices, which gave relief to MFL to some extent under revised energy norms. At present, there is upward trend in Naphtha / Crude Oil price in global market.

For Complex fertilizers, NBS is applicable from 01.04.2010 where subsidy is fixed by Government on yearly basis and the MRP is allowed to be fixed by manufacturers based on market dynamics. In the current year 2015-16, the subsidy for 17-17-17 was ₹ 9,359/MT and from 1.4.2016, it has been revised to ₹ 7,576/MT.

The subsidy element is being regulated by the Department of Fertilizers through Mobile Fertilizer Monitoring System (mFMS). From Nov 2012 onwards, the system is implemented and 100% acknowledgement of first point of sale from dealers were received up to March 31, 2016. All fertilizer manufacturers are suffering on account of non-payment of balance subsidy of 5% for Urea and 15% for NPK since Nov 2012 due to implementation of mFMS linked subsidy payment.

P&K fertilizers have been removed from Movement Control and also the subsidy for rail transportation is paid on lumpsum basis, against the current actual basis, to help companies economise on transport.

Global Scenario

During 2015-16, price of Urea was on downward trend and during April 2015, it was 319 USD PMT and subsequently reduced to 223 USD PMT in March 2016. Currently it is below 200 USD PMT.

Phosphoric Acid price was 715 USD PMT during April 2015 and remained stable for the year. However, it is expected to be reduced to 600 – 635 USD PMT during 2016-17.

MOP price was 322 USD PMT during April 2015 and remained stable during the year. However, it is expected to be fixed in between 220 - 230 USD PMT for the year 2016-17.



MADRAS FERTILIZERS LIMITED

PRODUCTION, IMPORTS AND CONSUMPTION OF MAJOR FERTILIZERS

The figures of production, imports and consumption of major fertilizers viz, Urea Complexes in India for 2014-15 and 2015-16 are given below:

(Lakh MT)

PRODUCT	UREA		DAP		NPK		MOP	
	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16
PRODUCTION	225.90	244.65	34.44	38.21	78.28	83.75	NIL	Nil
IMPORTS	87.49	84.74	38.17	56.03	2.91	6.29	41.77	31.02
CONSUMPTION	308.75	319.74	75.58	97.65	81.70	88.79	27.80	24.41

MFL PRODUCTION OF UREA / NP / NPK FERTILIZERS

(Lakh MT)

YEAR	2011-12	2012-13	2013-14	2014-15	2015-16
UREA PRODUCTION	4.87	4.36	4.87	3.29	4.07
NP/NPK PRODUCTION	0.36	1.00	0.45	0.74	0.35

PRODUCTION OF VIJAY BIO FERTILIZERS

(MT)

YEAR	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
QUANTITY	452.64	480.65	377.51	142.77	349.14	276.52

ALL INDIA DEMAND FORECAST FOR FERTILIZER NUTRIENTS 2016-17 TO 2017-18

(Lakh MT)

PERIOD	N	P	K	Total	Ratio (NPK)
2016-17	199	95	41	335	4.85:2.32:1
2017-18	201	99	42	341	4.85:2.33:1

ALL INDIA PRODUCT-WISE DEMAND FORECAST FOR 2016-17 TO 2017-18

(Lakh MT)

PERIOD	UREA	DAP	SSP	MOP	COMPLEX FERTILIZERS
2016-17	337	124	59	48	114
2017-18	338	128	65	49	118

The projections of demand for fertilizer products are based on existing product nutrient ratio. However, with Nutrient Based subsidy scheme and programs like soil health management and promotion of balanced fertilizers nutrients application, the demand for complex fertilizers gets rationalized in the coming years.



MADRAS FERTILIZERS LIMITED

NUTRIENT BASED SUBSIDY (NBS) POLICY FOR PHOSPHATIC & POTASSIC FERTILIZERS

The Government of India introduced the Nutrient Based Subsidy Phase I with effect from 1.4.2010. This scheme is applicable for DAP, MOP, MAP, SSP, TSP and for other twelve grades of Complex fertilizers.

Under NBS, the subsidy is fixed for the year without any escalation / de-escalation and market price is open. The manufacturers are having freedom to fix the market price based on input prices and they are required to print Maximum Retail Price (MRP) along with applicable NBS per bag on each fertilizer bag.

The per kg Nutrient Based Subsidy for Nutrients 'N' 'P' 'K' for 2014-15, 2015-16 and 2016-17 are given below:

Sl.No.	Nutrients	2014-15	2015-16	2016-17
1	N	20.875	20.875	15.854
2	P	18.679	18.679	13.241
3	K	15.500	15.500	15.470
4	S	1.677	1.677	2.044

Accordingly, NBS was finalised for different P&K fertilizers and additional subsidy was given for fortified fertilizers with secondary & micro-nutrients like Sulphur, Boron & Zinc. However, the additional compensation for using Naphtha based Captive Ammonia by MFL has not been announced since 1.4.2012, which is under consideration of GOI. For the current year 2016-17, GOI has fixed ₹ 7,576/MT as subsidy for 17-17-17.

RISK MANAGEMENT

Major challenges that fertilizer industry facing are increasingly volatile International market for fertilizers and raw materials, steep depreciation in rupee value, increasing prices of NPK fertilizers due to new NBS policy and rise in the working capital requirements of fertilizer firms in addition to the historical challenges associated with the rural markets. The Company has a well laid down Risk Management System with Risk Assessment & Risk Mitigation procedures to evolve suitable strategies for mitigating associated risks through better management practices and achieve corporate objectives.

The identified potential risks such as Operational, Input, Utilities, Project Implementation, Business, Competition, Assets, Internal Control, Environmental, Financial, Human Resources, Legal, Regulatory, MIS and Market Risks and their impact on the Company's performance and Stakeholders' interest are assessed on continual manner. The reporting of Risk Assessment and Risk Mitigations under the policy is reviewed by the Audit Committee and the Board periodically.

INTERNAL CONTROL SYSTEM

The Company has an Internal Control System designed to ensure security of the assets of the Company and efficiency of operations. The Internal Control System includes proper delegation of authority, supervision, Online Integration System (OLIS) and checks and procedures through documented policy guidelines and manuals.

The Company has an Internal Audit function, managed by a team of professionals, which is empowered to examine the adequacy and compliance with the policies, procedures and statutory requirements. Internal Audit conducts regular audit across Company's operations and the management duly considers and takes appropriate action on the recommendations made by the Government Auditors, Statutory Auditors, Internal Auditors and the Audit Committee of the Board of Directors for the improvement of the same.



MADRAS FERTILIZERS LIMITED

ANNEXURE - IV

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Madras Fertilizers Limited

We have examined the compliance of conditions of Corporate Governance by Madras Fertilizers Limited for the year ended 31st March 2016, as stipulated in

- Clause 49 of the Listing Agreement of the Company with Stock Exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from September 02, 2015 to March 31, 2016 and
- Regulation 17 and 27 (excluding regulation 23(4) and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

The compliance of conditions of Corporate Governance is the responsibility of Company's 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 terms of listing agreement, the composition of Board of Directors (Clause 17-(1)) and Audit Committee (Clause 18(1)) is to be reconstituted with Qualified and Independent Members.

Subject to the foregoing, 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 abovementioned Listing Agreement.

We state that no investor grievances is pending for a period exceeding one month against the Company as per the records maintained by the investors' Grievances Committee.

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 **B THIAGARAJAN & CO.**
Chartered Accountants
Firm Regn. No. 004371S

Ram Srinivasan
Partner
M No. 220112

Chennai
27th May 2016

ANNEXURE -V

Declaration affirming Compliance with the code of Conduct in terms of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board had laid down a code of conduct for all Board Members and Senior Management Personnel of the Company. The code of conduct is posted on the website of the Company.

All Board Members and Senior Management personnel affirmed compliance with the code for the financial year 2015-16.

By order of the Board

Chennai
August 12, 2016

A B Khare
Chairman & Managing Director



MADRAS FERTILIZERS LIMITED

ANNEXURE - VI

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L32201TN1966GOI005469
2	Registration Date	8/12/1966
3	Name of the Company	MADRAS FERTILIZERS LIMITED
4	Category/Sub-category of the Company	Public Company Limited by shares / Central Public Sector Undertaking
5	Address of the Registered office & contact details	Post Bag No.2, Manali, Chennai 600068 Tel.044-25942281 / 25945203
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. Integrated Enterprises (India) Ltd, Kences Towers, 2nd Floor, 1, Ramakrishna Street, Off.North Usman Road, T Nagar, Chennai 600017 Tel.No.044-28140801 to 803, Email : corperv@integratedindia.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Chemical Fertilizers	2012	99%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	NA	NA	NA	NA	NA



MADRAS FERTILIZERS LIMITED

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	95,851,700		95,851,700	59.50%	95,851,700		95,851,700	59.50%	0.00%
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other									
Sub Total (A) (1)	95,851,700	-	95,851,700	59.50%	95,851,700	-	95,851,700	59.50%	0.00%
(2) Foreign									
a) NRI Individuals									
b) Other Individuals									
c) Bodies Corp.	41,516,500		41,516,500	25.77%	41,516,500		41,516,500	25.77%	0.00%
d) Any other									
Sub Total (A) (2)	41,516,500	-	41,516,500	25.77%	41,516,500	-	41,516,500	25.77%	0.00%
TOTAL (A)	137,368,200	-	137,368,200	85.27%	137,368,200	-	137,368,200	85.27%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		2,400	2,400	0.00%		2,400	2,400	0.00%	0.00%
b) Banks / FI	245,050	34,600	279,650	0.17%	245,050	34,600	279,650	0.17%	0.00%
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	245,050	37,000	282,050	0.18%	245,050	37,000	282,050	0.18%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,885,821	144,001	2,029,822	1.26%	1,960,928	134,001	2,094,929	1.30%	3.21%
ii) Overseas									



MADRAS FERTILIZERS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,280,520	4,127,614	12,408,134	7.70%	8,273,939	4,057,314	12,331,253	7.65%	-0.62%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	8,759,266	-	8,759,266	5.44%	8,809,755	-	8,809,755	5.47%	0.58%
c) Others (specify)	253,828	-	253,828	0.16%	215,113	-	215,113	0.13%	-15.25%
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members	50,028		50,028	0.03%	102747		102,747	0.06%	105.38%
Corporate CM/TM-Client Beneficiary A/c	181,485		181,485	0.11%	59913		59,913	0.04%	-66.99%
Corporate CM/TM-Client Margin A/c	21,815		21,815	0.01%	51653		51,653	0.03%	136.78%
Limited Liability Partnership	500		500	0.00%	800		800	0.00%	60.00%
Trusts									
Foreign Bodies - D R									
Sub-total (B)(2):-	19,179,435	4,271,615	23,451,050	14.56%	19,259,735	4,191,315	23,451,050	14.56%	0.00%
Total Public (B)	19,424,485	4,308,615	23,733,100	14.73%	19,504,785	4,228,315	23,733,100	14.73%	0.00%
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	156,792,685	4,308,615	161,101,300	100.00%	156,872,985	4,228,315	161,101,300	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	The President of India	95,851,700	59.50%	0	95,851,700	59.50%		0.00%
2	Naffiran Inter Trade Company Ltd	41,516,500	25.77%	0	41,516,500	25.77%		0.00%



MADRAS FERTILIZERS LIMITED

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	At the beginning of the year			No change during the year			
2	Changes during the year			No change during the year			
3	At the end of the year			No change during the year			

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Kali Ram Gupta	1115234	0.69	1144311	0.71
2	Anil Bansilal Lodha	866906	0.54	596103	0.37
3	ABL Infrastructure Private Limited	806223	0.50	730004	0.45
4	Shakuntala Gupta	738465	0.46	1202020	0.75
5	Bharat Jamnadas Dattani	279638	0.17	357350	0.22
6	Indusind Bank Limited	245000	0.15	245000	0.15
7	Bharati Bharat Dattani	148717	0.09	338551	0.21
8	Indian Syntas Investments Private Limited	131000	0.08	131000	0.08
9	USD Projects and Finance Limited	124000	0.08	124000	0.08
10	Rohit Adani	120000	0.07	93999	0.06
	Total	4575183	2.83	4962338	3.08

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	NIL	NIL	NIL	NIL	NIL	NIL	NIL



MADRAS FERTILIZERS LIMITED

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	55,424.00	-	55,424.00
ii) Interest due but not paid	-	38,434.00	-	38,434.00
iii) Interest accrued but not due	-	1,590.00	-	1,590.00
Total (i+ii+iii)	-	95,448.00	-	95,448.00
Change in Indebtedness during the financial year				
* Addition	-	-	-	-
* Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	55,424.00	-	55,424.00
ii) Interest due but not paid	-	43,892.00	-	43,892.00
iii) Interest accrued but not due	-	1,555.00	-	1,555.00
Total (i+ii+iii)	-	100,871.00	-	100,871.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹)

SN.	Particulars of Remuneration	Dr I Vijayakumar, CMD (upto 31.10.2015)	A B Khare, CMD (effective 14.01.2016)	U Saravanan, D(T) (effective 13.08.2015)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,317,296.00	411096.00	1,473,189.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	874,803.00	30334.00	629,582.00
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	2,192,099.00	441,430.00	2,102,771.00
	Ceiling as per the Act	-	-	-



MADRAS FERTILIZERS LIMITED

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors	Total Amount (₹)
1	Independent Directors	Nil	
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (1)		
2	Other Non-Executive Directors		
	Fee for attending board committee meetings		
	Commission		
	Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹)

SN.	Particulars of Remuneration	Mr V Muralidharan, Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,533,497.55
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	367,551.40
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	
2	Stock Option	Ni
3	Sweat Equity	Ni
4	Commission	
	- as % of profit	Ni
	- others, specify	
5	Others, please specify	Ni
	Total	1,901,048.95

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			Nil		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment					
Compounding					



MADRAS FERTILIZERS LIMITED

ANNEXURE -VII

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31/03/2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
MADRAS FERTILIZERS LIMITED
Manali
Chennai – 600 068

I have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to good corporate practices by M/s. MADRAS FERTILIZERS LIMITED [CIN: L32201TN1966GOI005469] (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the MADRAS FERTILIZERS LIMITED 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, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31/03/2016 complied with the statutory provisions listed hereunder and also that the Company has Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute Books, Forms and Returns filed and other records maintained by M/s. MADRAS FERTILIZERS LIMITED for the financial year ended on 31/03/2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

The Company has complied with the procedure laid under the Companies Act 1956 / 2013, forms, returns in this connection have been filed.

The Company has not appointed Independent Director, Women Director, CFO (Chief Financial Officer) into the Board as on the close of the financial Year ending 31/03/2016.

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder.

(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, 1992;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

e) The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

f) As informed to me the following other Laws specifically applicable to the Company as under :

1. Factories Act, 1948

2. Industrial Dispute Act, 1947



MADRAS FERTILIZERS LIMITED

3. Payment of Wages Act, 1936
4. The Minimum Wages Act, 1948
5. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
6. Employees' State Insurance Act, 1948
7. Equal Remuneration Act, 1976
8. Shop & Establishment Act, 1948
9. The Payment of Bonus Act, 1965
10. The Payment of Gratuity Act, 1972
11. The Contract Labour (Regulation and Abolition) Act, 1970
12. The Maternity benefit Act, 1961
13. The Child Labour Prohibition and Regulation Act, 1986
14. The Industrial Employment (Standing Order) Act, 1946
15. The Employee Compensation Act, 1923
16. The Apprentices Act, 196.
17. The Environment Protection Act 1986.
18. The Air (Prevention and Control of Pollution) Act, 1981.
19. The Indian Boilers Act 1923.

The Ammonia Boilers Inspection Report is not submitted as on the date of issue of this Report.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation.

The company has properly paid Fee to the Pollution control Board and yet to obtain the certificate in this connection.

I further report that:

No Independent Directors, Women Director, CFO (Chief Financial Officer) are on the Board. The changes in the composition of the Board of Directors that took place during the period under review are carried out except appointment of Independent Directors, Women Director, CFO (Chief Financial Officer) in compliance with the provisions of the Act.

However the Appointment Committee of Cabinet (ACC), GOI vide their Order dated 06/06/2016 has appointed 3 Independent Directors and 1 woman director in the Board for a period of three years or until further orders whichever is earlier.

Notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

Decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are 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.

I further report that during the audit period there were no specific events/ actions in pursuance of the above referred laws, rules, regulation, guidelines, etc, having a major bearing on the Company's affairs.

Chennai
August 02, 2016

Signature:
V.Esaki
C P No: 11022



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy

The Company adopts well-established corporate governance principles and practices developed over a period of time, which are constantly updated in the changing scenario. The Company's citizen charter provides for transparency, integrity and accountability in all spheres of corporate functions. The Company's Corporate Governance principle and practice include internal empowerment of middle level Officers.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges).

Board of Directors

Composition

At present the strength of the Board comprises 12 members with varied and rich experience. Chairman and Managing Director and Director – Technical are Executive Directors and all other Directors are Non-Executive Directors. The Board of Directors comprise of Two GOI Nominee Directors and Two functional Directors viz. Director – Technical and CMD appointed by the Government of India, three Directors appointed by the Naftiran Intertrade Co. Ltd., Co-Promoter and one BIFR Nominee Director. Apart from that Government of India has appointed four independent Non-official directors in the Board of MFL effective June 06, 2016.

Other Details relating to the Board

Details regarding tenure, number of other Directorships/Committee Memberships (viz. Audit Committee and Shareholders Grievance Committee as per SEBI's Corporate Governance Code) held by Directors during the year 2015-16 are tabulated below:

S.No.	Director	Category	Tenure		In other Boards / Committees		
			From	To	Director-ship	Member-ship	Chairman-ship
1	Dr I Vijayakumar, IRS	CMD	11.05.2012	31.10.2015	-	-	-
2	Shri U Saravanan	CMD Additional Charge	01.11.2015	13.01.2016	-	-	-
3	Shri A B Khare	CMD	14.01.2016	Continuing	2	-	-
4	Shri Rajiv Yadav, IAS	NED-Govt. Nominee	03.07.2014	13.01.2016	-	-	-
5	Dr A K Padhee, IAS	NED-Govt. Nominee	14.01.2016	Continuing	1	-	-
6	Shri Heera Lal Samariya, IAS	NED-Govt. Nominee	27.04.2015	13.01.2016	-	-	-
7	Shri Piyush Srivastava, IES	NED-Govt. Nominee	14.01.2016	Continuing	1	-	-
8	Shri CMT Britto Director – Technical (Addl. Charge)	ED-Addl. Charge	08.11.2013	12.08.2015	-	-	-
9	Shri U Saravanan	Director-Technical	13.08.2015	Continuing	-	-	-
10	Shri Alireza Zamani	NED-NICO Nominee	22.04.2015	Continuing	1	1	-
11	Shri Payman Ehteshami	NED-NICO Nominee	28.04.2015	Continuing	-	-	-
12	Shri Yasin Rezazadeh	NED-NICO Nominee	23.02.2015	Continuing	1	1	-
13	CA Mukesh Mohan Gupta	BIFR Nominee Director	04.06.2013	14.10.2015	-	-	-
14	Dr Christy Fernandez	Special Director – BIFR	20.10.2015	Continuing	4	-	-



MADRAS FERTILIZERS LIMITED

Meetings Held

During the year, four meetings of Board were held on May 29, 2015, August 10, 2015, November 6, 2015 and February 12, 2016. The Annual General Meeting was held on 28th September 2015. Details of attendance at the Board Meetings and Annual General Meeting are as follows:-

Director	Category	Board Meetings during respective tenure of Directors		Whether attended last AGM held on 28.09.2015
		Held	Attended	
Dr I Vijayakumar (Upto 31.10.2015)	CMD	2	2	Yes
Shri U Saravanan (Upto 13.01.2016)	CMD – Addl.Charge	1	1	NA
Shri A B Khare (w.e.f 14.01.2016)	CMD	1	1	NA
Shri Rajiv Yadav, IAS (upto 13.01.2016)	NED-Govt. Nominee	3	2	No
Dr A K Padhee, IAS (w.e.f 14.01.2016)	NED-Govt. Nominee	1	0	NA
Shri Heera Lal Samariya, IAS (up to 13.01.2016)	NED-Govt. Nominee	3	0	No
Shri Piyush Srivastava, IES (w.e.f 14.01.2016)	NED-Govt. Nominee	1	1	NA
Shri CM T Britto (upto 12.08.2015)	Executive Director (Addl.Charge)	2	1	NA
Shri U Saravanan (w.e.f 13.08.2015)	Executive Director	1	1	Yes
Shri Alireza Zamani (w.e.f 22.04.2015)	Non-Executive Director	4	4	Yes
Shri Payman Ehteshami (w.e.f 28.04.2015)	Non-Executive Director	4	0	Yes
Shri Yasin Rezazadeh (w.e.f 23.02.2015)	Non-Executive Director	4	1	Yes
CA Mukesh Mohan Gupta (upto 14.10.2015)	BIFR Nominee Director	2	2	No
Dr Christy Fernandez (w.e.f 20.10.2015)	Special Director – BIFR	1	1	NA

Management Committee

Management Committee comprises Shri A B Khare, Dr A K Padhee, Shri Piyush Srivastava, Shri Alireza Zamani. This Committee meets to consider any urgent matter and to review the Company's operations.

Audit Committee

During the year 2015-16, the Audit Committee met on four times i.e. May 29, 2015, August 10, 2015, November 6, 2015 and February 12, 2016. Details of attendance of the Audit Committee Meetings are as follows:-

Name of the Audit Committee members	Status	No. of meetings attended
Shri Rajiv Yadav, IAS (upto 13.01.2016)	Chairman	2
Shri Piyush Srivastava, IES (w.e.f. 14.01.2016)	Chairman	1
Shri Alireza Zamani	Chairman	1
	Member	3
Shri Yasin Rezazadeh	Member	1
CA Mukesh Mohan Gupta (upto 14.10.2015)	Member	2
Dr Christy Fernandez (w.e.f 20.10.2015)	Member	1
U Saravanan	Member	2



MADRAS FERTILIZERS LIMITED

Remuneration Committee

Being a Central Public Sector Undertaking, the Managerial Remunerations for the executives are fixed by the Government of India.

Payment of remuneration to the Chairman and Managing Director is as per the terms and conditions of appointment by the Government of India and approved by the Board.

The aggregate value of the salary, incentives, perquisites and other benefits paid by the Company to the Directors is ₹ 47,36,300/-

No remuneration is paid to non-executive directors for attending the Board / Committee Meetings during the year.

Stakeholders Relationship Committee

During the year 2015-16, one meeting of Investors' Grievance Committee was held on August 10, 2015. The above Committee has been renamed as Stakeholders Relationship Committee effective May 27, 2016 and it has been reconstituted as below:

1. Shri Alireza Zamani – Chairman
2. Shri A B Khare – Member
3. Dr. A K Padhee – Member
4. Shri U Saravanan – Member

The scope and function of the Committee is as per Clause 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board has delegated power for approval of the share transfer and other related matters to the Share Transfer Committee comprising of Shri H Gunasekaran, General Manager (Plant) and Shri V Muralidharan, General Manager (F&A) and Company Secretary.

During the year, 14 Share Transfer Committee Meetings have been held to consider share transfer and other share related matters.

Total number of complaints redressed by the Company and Share Transfer Agents during the period were 28 which include attending Loss of Share Certificate, Issue of Duplicate Share Certificate, Nomination and Procedure for transmission of shares. All the complaints were redressed in full and there is no pending complaints as of March 31, 2016.

Compliance Officer: Mr V Muralidharan, was appointed as Company Secretary and Compliance Officer effective December 27, 2013.

General Body Meetings

The venue and the starting time of the last 3 Annual General Meetings were :

Year	Venue	Date	Time
2014-2015	MFL Training Centre Auditorium (North Gate Entrance) MFL Plant, Manali, Chennai – 600 068	28/09/2015 (Monday)	02.30 P.M.
2013-2014	MFL Training Centre Auditorium (North Gate Entrance) MFL Plant, Manali, Chennai – 600 068	29/09/2014 (Monday)	02.30 P.M.
2012-2013	MFL Training Centre Auditorium (North Gate Entrance) MFL Plant, Manali, Chennai – 600 068	25/09/2013 (Wednesday)	3.00 P.M.



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During the year under review, one special resolution was passed through postal ballot as below:

Date of Passing of Resolution	Purpose	Votes in favour of Resolution		Votes against the resolution	
		No.of votes	% total votes	No. of votes	% to total votes
06.05.2015	Amendment of Articles of Association of the Company under Clause 106(xxii) – to approve contracts which are in excess of Rupees Ten Crores (Rs.10,00,00,000) in value.	137681964	99.97	7749	0.005

During the conduct of the Postal Ballot, the Company had in terms of Clause 35B of the Listing Agreement provided e-voting facility to its shareholders to cast their votes electronically through the NSDL e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspapers declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

The Company had appointed Mr. B Sankaranarayanan, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by Postal Ballot were then announced by the Chairman/ Authorised Officers. The voting results were sent to the Stock Exchange and displayed on the Company's website. The date of declaration of the results by the Company is deemed to be the date of passing of the resolutions.

Related Party Transactions :

Pursuant to SEBI's Circular No. CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 read with Circular No. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, all existing material related party contracts or arrangements as on April 17, 2014, the date of aforesaid SEBI's circular, which are likely to continue beyond March 31, 2015 need to be placed for approval of the Shareholders in the first General Meeting subsequent to October 1, 2014.

A transaction with a related party shall be considered material, if the transaction(s) entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

All related party transactions including the one existing with the Chennai Petroleum Corporation Ltd. (CPCL) that were entered into during the financial year were on arm's length basis and were in ordinary course of business of the Company. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions.

There were no materially significant transactions with Related Parties during the financial year 2015-16 which were in conflict with the interest of the Company.

Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted a whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism.

There were no instances of non-compliance by the Company on matters related to the capital market during the last three years and there were no penalties, strictures imposed by Stock Exchanges or SEBI or any statutory authority.



MADRAS FERTILIZERS LIMITED

Means of Communication

Whether half-yearly report sent to each household of shareholders: No.

Quarterly Financial Results :

Quarterly Financial results are published in one National Daily, Financial Express and one Regional Daily Maalaisudar. The financial results are made available on the Company's website: www.madrasfert.nic.in.

Whether any presentation made to institutional investors or to the analyst: No.

General Shareholders Information

Annual General Meeting, Date, Time and Venue:

AGM Date : September 28, 2016

Time : 03.00 PM

Venue : MFL Training Centre Auditorium (North Gate Entrance)
MFL Plant, Manali,
Chennai – 600 068

Financial Year : April 2015 – March 2016

Book Closure Date : 22.09.2016 to 28.09.2016 (both days inclusive)

Dividend Payment : Nil

Whether Management Discussion and Analysis is part of this report: Yes

Listing on Stock Exchanges:

National Stock Exchange of India Ltd

The Company has paid the listing fees to the stock exchange in time.

Stock Code / Symbol :

National Stock Exchange of India Ltd : MADRASFERT



MADRAS FERTILIZERS LIMITED

High / Low share prices during the year April 1, 2015 to March 31, 2016

National Stock Exchange of India Ltd

Month	NSE High (₹)	NSE Low (₹)	S & P CNX Nifty Index High	S & P CNX Nifty Index Low	Quantity	Value (₹ lacs)
Apr 2015	19.30	15.35	8844.80	8144.75	887910	154.73
May	16.45	14.30	8489.55	7997.15	585991	89.15
Jun	16.05	12.90	8467.15	7940.30	578850	83.57
Jul	16.60	14.10	8654.75	8315.40	650845	98.62
Aug	15.35	10.80	8621.55	7667.25	1147131	155.25
Sep	13.20	10.75	8055.00	7539.50	356786	41.80
Oct	14.50	12.15	8336.30	7930.65	698836	94.39
Nov	16.65	12.10	8116.10	7714.15	2599011	404.14
Dec	18.70	13.50	7979.30	7551.05	3013382	497.99
Jan 2016	16.50	12.15	7972.55	7241.50	708167	103.38
Feb	14.70	11.05	7600.45	6825.80	699138	89.75
Mar	13.65	11.20	7777.60	7035.10	985618	119.55

Share Transfer System

M/s Integrated Enterprises (India) Ltd (IEL), a SEBI Registered Registrar & Share Transfer Agent has been assigned the Share Transfer and Depository Registry related functions. Share Transfer Committee attends to share transfer formalities every fortnight.

Share Transfer Agent & Depository Registry:

M/s Integrated Enterprises (India) Ltd
Kences Towers, 2nd Floor
1, Ramakrishna Street
Off: North Usman Road
T Nagar, Chennai 600 017
Phone 091-044 - 2814 0801 to 803
Email : corpserv@integratedindia.in

Dematerialisation of Shares:

MFL has connectivity with both NSDL and CDSL

ISIN No : INE 414A01015

156872985 equity shares (representing 97.38 % of total shares) have been dematerialized as of March 31, 2016. In terms of number of shareholders, 61.66 % of shareholders have dematted their shares.



MADRAS FERTILIZERS LIMITED

Distribution of Shareholding:

The distribution of shareholding as on March 31, 2016 is as follows:

Dist	Physical			NSDL			CDSL			Total		
	Count	Shares	%	Count	Shares	%	Count	Shares	%	Count	Shares	%
Up to 500	393	727	0.00	1954	25555	0.02	1018	13080	0.01	3365	39362	0.02
501 - 1000	152	15188	0.01	1198	116869	0.07	618	59869	0.04	1968	191926	0.12
1001 - 2000	3514	702800	0.44	1608	309004	0.19	584	110059	0.07	5706	1121863	0.70
2001 - 3000	477	143100	0.09	646	184086	0.11	277	77210	0.05	1400	404396	0.25
3001 - 4000	466	186400	0.12	357	139721	0.09	127	48941	0.03	950	375062	0.23
4001 - 5000	1600	800000	0.50	1245	619350	0.38	476	236578	0.15	3321	1655928	1.03
5001 - 10000	1797	1754600	1.09	1542	1426871	0.89	537	485572	0.30	3876	3667043	2.28
Above 10000	265	625500	0.39	12.37	148756623	92.34	509	426397	2.65	2011	153645720	95.37
Grand Total	8664	4228315	2.62	9787	151578079	94.09	4146	5294906	3.29	22597	161101300	100.00

CATEGORY OF SHAREHOLDERS AS ON MARCH 31, 2016 AS FOLLOWS:

S No	Category	PHYSICAL				ELECTRONIC				TOTAL			
		No. of Holders	% of holders	Shares	% of Shares	No. of Holders	% of holders	Shares	% of Shares	No. of Holders	% of holders	Shares	% of Shares
1	BANK'S	13	0.0575	34600	0.0215	2	0.0089	245050	0.1521	15	0.0664	279650	0.1736
2	BODIES CORPORATE	79	0.3496	134001	0.0832	218	0.9647	1930928	1.1986	297	1.3143	2064929	1.2818
3	CLEARING MEMBER	Nil	Nil	Nil	Nil	69	0.3054	214313	0.1330	69	0.3054	214313	0.1330
4	GOVERNMENT/PROMOTERS	Nil	Nil	Nil	Nil	1	0.0044	95851700	59.4978	1	0.0044	95851700	59.4978
5	EMPLOYEES	88	0.3894	74600	0.0463	113	0.5001	85998	0.0534	201	0.8895	160598	0.0997
6	LLP	Nil	Nil	Nil	Nil	2	0.0089	800	0.0005	2	0.0089	800	0.0005
7	MUTUAL FUND	1	0.0044	2400	0.0015	Nil	Nil	Nil	Nil	1	0.0044	2400	0.0015
8	N R I	Nil	Nil	Nil	Nil	61	0.2699	160313	0.0995	61	0.2699	160313	0.0995
9	FOREIGN PROMOTERS	Nil	Nil	Nil	Nil	1	0.0044	41516500	25.7704	1	0.0044	41516500	25.7704
10	RESIDENT INDIAN	8483	37.5404	3982714	2.4722	13465	59.5876	16837383	10.4514	21948	97.1280	20820097	12.9236
11	NBFCs	Nil	Nil	Nil	Nil	1	0.0044	30000	0.0186	1	0.0044	30000	0.0186
	Total	8664	38.3413	4228315	2.6247	13933	61.6587	156872985	97.3753	22597	100.0000	161101300	100.0000



MADRAS FERTILIZERS LIMITED

MODEWISE SHAREHOLDINGS AS ON 31-03-2016

MODE	COUNT	SHARES	%
PHYSICAL	8664	4228315	2.62
NSDL	9787	151578079	94.09
CDSL	4146	5294906	3.29
GRAND TOTAL	22597	161101300	100.00
CATEGORY	COUNT	SHARES	%
G O I	1	95851700	59.50
NAFTIRAN INTER TRADE COMPANY LTD	1	41516500	25.77
OTHERS	22595	23733100	14.73
GRAND TOTAL	22597	161101300	100.00

Plant Location : Manali, Chennai 600 068

The Address for correspondence is

V.Muralidharan

General Manager (Finance & Accounts) and
Company Secretary

Madras Fertilizers Limited

Manali, Chennai 600 068

Tel : 044 – 2594 5203 : 044 – 2594 2281

Fax : 2594 3613

Email : cs@madrasfert.co.in

cosec@madrasfert.co.in



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF MADRAS FERTILIZERS LIMITED, FOR THE YEAR ENDED 31 MARCH 2016

The preparation of the financial statements of **Madras Fertilizers Limited**, for the year ended 31 March 2016 in accordance with the financial reporting frame work prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under section 139 (5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with Standards on Auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2016

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act, of the financial statements of **Madras Fertilizers Limited**, for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditor and is limited primarily to inquiries of the Statutory Auditor and Company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditor's Report.

**For and on the behalf of the
Comptroller & Auditor General of India**

(G. SUDHARMINI)
PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT
AND EX-OFFICIO MEMBER AUDIT BOARD, CHENNAI

Place : Chennai

Date : 22 July 2016



MADRAS FERTILIZERS LIMITED

COMMENTS OF THE STATUTORY AUDITORS M/s B THIAGARAJAN & CO, CHARTERED ACCOUNTANTS, CHENNAI ON THE ACCOUNTS OF MADRAS FERTILIZERS LIMITED FOR THE YEAR 2015-16	THE COMPANY'S REPLIES UNDER SECTION 134 (3) (f) OF THE COMPANIES ACT, 2013
<p>6 Reference is invited to Note No. 24(A)7(vii) of the Significant Accounting Policies of the Company regarding valuation of inventories, Ammonia is valued at cost which is not in accordance with Accounting Standard 2 (Valuation of Inventories) which requires inventory to be valued at lower of cost and Net Realisable Value (NRV)</p>	<p>Ammonia is only an intermediary and not a finished product for the Company as it is meant for captive consumption only. As per the Government guideline, Urea manufacturers are not allowed to sell Ammonia unless declared as surplus and with prior permission of GOI.</p> <p>Per Para 24 of AS – 2 (Valuation of Inventories) materials and other supplies held for use in the production are not written down below cost if the finished products in which they will be incorporated or expected to be sold at or above cost. Hence, the valuation adopted by the Company is in line with AS-2 (Valuation of Inventories).</p> <p>Being industry practice, valuation of Ammonia at cost is adequately disclosed under Significant Accounting Policies 24(A)7(vii).</p>
<p>7 Reference is invited to Note 24(B)(ii) regarding accounting of a sum of ₹ 882.63 crores towards de-escalation in input prices which has been considered as payable to Fertilizer Industry Coordination Committee (FICC) for the year ended 31st March 2016 under New Pricing Scheme (NPS) for Urea. Adjustments may arise in future in respect of the above on final payment.</p>	<p>FICC have not notified the final concession rates for 2015-16. Hence the Company has realistically estimated the de-escalation as disclosed under the Significant Accounting Policies - Note 24(A)10(i) which is in line with principles and disclosure practices as stipulated in AS 9 (Revenue Recognition).</p>
<p>8 Reference is invited to Note 29(g) regarding balances in Long term borrowings from GOI, Trade Receivable/Payables, Claim recoverable and loans and advances are subject to confirmation and consequential adjustments.</p> <p>The effect of Paragraphs 6,7&8, above on the profit of the Company for the year ended 31st March 2016 is not ascertainable.</p>	<p>Adequate disclosure in this regard is made under note 29(g) annexed to Accounts. The Company has obtained confirmation from most of the high value debtors and creditors. Hence there is no possibility of consequential adjustments.</p>

For B THIAGARAJAN & CO.
Chartered Accountants
FRN 004371S

For and on behalf of the Board of Directors

CA. RAM SRINIVASAN
Partner
M. No. 220112
May 27, 2016

A B Khare
Chairman & Managing Director

May 27, 2016



INDEPENDENT AUDITOR'S REPORT

To

The Members of Madras Fertilizers Limited
Report on the Financial Statements

1. We have audited the accompanying financial statements of Madras Fertilizers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and the summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made thereunder.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those

Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies directors, as well as evaluating the overall presentation of the financial statements.

5. 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.

Basis for Qualified Opinion

6. *Reference is invited to Note 24(A)(vii) of the Significant Accounting Policies of the Company regarding valuation of inventories, Ammonia is valued at cost which is not in accordance with Accounting Standard 2 (Valuation of Inventories) which requires inventory to be valued at lower of cost and Net Realisable Value (NRV);*
7. *Reference is invited to Note 24(B)(ii) regarding accounting of a sum of ₹ 882.63 crores towards de-escalation in input prices which has been considered as payable to Fertilizer Industry Coordination Committee (FICC) for the year ended 31st March 2016 under New Pricing Scheme (NPS) for Urea. Adjustments may arise in future in respect of the above on final payment;*
8. *Reference is invited to Note 29(g) regarding balances in Long term borrowings from GOI, Trade Receivable/Payables, Claim recoverable and loans and advances are subject to confirmation and consequential adjustments;*

The effect of Paragraphs 6, 7 and 8 above on the profit of the Company for the year ended 31st March 2016 is not ascertainable.



MADRAS FERTILIZERS LIMITED

Qualified Opinion

9. Subject to our comments in Para 6 to 8 above, in our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the LOSS for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 10. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 11. As required by Section 143(5) of the Act, we give in Annexure 'B', a statement of matters specified by the Comptroller and Auditor-General of India for the Company.
- 12. As required by section 143(3) of the Act, we report that
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. except for the effects of the matters described in the 'Basis for Qualified Opinion' paragraph, in our opinion,

the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules, 2014;

- e. The Department of Company Affairs has clarified that the provisions of sub section (2) of Section 164 the Companies Act, 2013 are not applicable to Government Companies.
- 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 C"; and.
- g. With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to best of our information and according to the explanation given to us:
 - a. The Company has disclosed the impact of pending litigation on its financial position in its financial statement.
 - b. The Company has made provision, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - c. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.

For B THIAGARAJAN & CO.
Chartered Accountants
Firm Regn. No. 004371S

Ram Srinivasan
Partner
M No. 220112

Chennai
May 27, 2016



ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

*(Referred to in paragraph 10 under 'Report on Other legal and Regulatory Requirements' section of our report of even date to the members of **MADRAS FERTILIZERS LIMITED** on the financial statements of the company for the year ended 31 March 2016)*

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) As per the information and explanations given to us, physical verification of fixed assets has been carried out in terms of the phased programme of verification adopted by the company, i.e. once in three years by an independent firm of Chartered Accountants which in our opinion is reasonable having regard to the size of the Company and nature of its assets. We have been informed that discrepancies noticed on physical verification of fixed assets carried out in the past, other than what has been subsequently located, as compared to the books and records were not material.
(c) According to the information and explanation given to us, the title deeds of immovable properties of the Company are held in the name of the Company.
2. (a) Physical verification of inventories inside factory premises has been carried out by the management at reasonable intervals and the physical verification of stocks of stores and spare parts has been conducted by an independent firm of Chartered Accountants in a phased manner so as to complete the verification of all items over a period of three years. Finished goods are taken as per warehousing certificates. In our opinion, the frequency of verification of inventory is reasonable. Warehousing certificates has not been received in a few cases, which however is not significant in value.
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion, the company has maintained proper records of inventory. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. Accordingly, sub Clause (a), and (b) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities in the nature covered under Section 185 and 186 of the Companies Act, 2013 and accordingly Clause (iv) of the Order is not applicable.
5. In our opinion, the Company has complied with the provisions of Section 73 to 76, other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to deposits accepted from public. During the year, the Company has not accepted any fixed deposits from public. We are also informed by the Management that no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India or any Court or Tribunal and any other relevant authority.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records in respect of Chemical Fertilizers and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the same.
7. (a) According to the records provided to us, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income- tax, sales tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to the Company.
According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were in arrears, as at 31st March 2016 for a period of more than six months from the date they become payable.
(b) According to the information and explanations given to us, there are no disputed demands in respect of Income tax, Service tax, Sales tax, Customs duty, Excise duty Sales Tax, Income tax, Provident Fund contribution and other material statutory dues as applicable, which have been deposited with the relevant statutory authority.



MADRAS FERTILIZERS LIMITED

However, according to information and explanations given to us, disputed dues of excise duty and Employees Provident Fund and Misc. Provisions Act which have been deposited by the Company and disputed dues

of Customs duty, Kerala Value Added Taxes, and Employees State Insurance Act which have not been deposited by the Company are given below:

S No	Name of the statute	Nature of dues/demand	Period of dispute	Amount (Rs lakhs)	Forum where dispute is pending
1.	Central excise act, 1944	With regard to dispute on levy of excise duty for the period from 26.08.1995 to 16.11.2006	1995	542.25	CESTAT
2.	Customs Act	Differential customs duty claimed by Commissioner of Customs	1998	6586.00	Commissioner of Customs (Appeals)
3.	Kerala Value Added Taxes	Levy of VAT on subsidy	2009-10 2010-11	510.57	High Court of Kerala
4.	Employees Provident Fund and Misc. Provisions Act, 1952	Penalty for late remittance	1995-96 to 1996-97	10.97	High Court of Madras
5.	Employees State Insurance Act, 1948	Belated remittance of contribution and levy of interest	Apr 92' to Sep 95' Jan 97' to Jul 99' 1999-00 2000-01	61.80	ESI Court

8. Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture

holders except in respect of the default of repayment of principal amount of the following Government of India (GOI) Loans:

Nature of Loan	Year of default	Amount (in Crores)
GOI Loans	2004-05	23.49
GOI Loans	2005-06	23.49
GOI Loans	2006-07	24.89
GOI Loans	2007-08	26.08
GOI Loans	2008-09	27.03
GOI Loans	2009-10	26.44
GOI Loans	2010-11	27.34
GOI Loans	2011-12	28.63
GOI Loans	2012-13	38.33
GOI Loans	2013-14	45.78
GOI Loans	2014-15	32.68
GOI Loans	2015-16	32.68
Total		356.86

There were no debenture holders at any time during the year.



MADRAS FERTILIZERS LIMITED

9. In our opinion, and according to the information and explanations given to us, the Company has obtained term loans during the year are applied for the purposes for which it has been sanctioned. During the year, there were no money raised by way of initial public offer or further public offer.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, provisions of Section 197 read with Schedule V to the Act are not applicable to the Company and accordingly Clause (xi) of the Order is not applicable.
12. In our opinion, the company is not a Nidhi Company. Therefore the provisions of clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
13. In our opinion, there are no transactions with the related parties and accordingly Clause (xiii) of the order is not applicable.
14. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore, the provisions of clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 are not applicable to the Company.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For B THIAGARAJAN & CO.
Chartered Accountants
Firm Regn. No. 004371S

Ram Srinivasan
Partner
M No. 220112

Chennai
May 27, 2016



MADRAS FERTILIZERS LIMITED

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 11 of the Auditors' Report of even date to the members of **MADRAS FERTILIZERS LIMITED** on the financial statements for the year ended March 31, 2016)

General Directions under section 143(5) of The Companies Act, 2013 (Applicable from the accounts of 2015-16)

1. Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.

The Company has a clear title in respect of all freehold land held by it.

2. Whether there are any cases of waiver/write off of debts/ loans/interest etc. If yes, the reasons therefore and the amount involved.

As informed to us by the Management, no waiver of debt/loan/ interest has been sanctioned to the Company by Government of India or any third party against debts due by the Company.

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Govt. or other authorities.

As informed to us by the Management, there are no amounts of inventories lying with third parties. Further, no assets have been received as gift from Government or other authorities.

For B THIAGARAJAN & CO.

Chartered Accountants
Firm Regn. No. 004371S

Ram Srinivasan

Partner
M No. 220112

Chennai
May 27, 2016



ANNEXURE 'C' TO INDEPENDENT AUDITORS' REPORT

(Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 12(f) of the Auditors' Report of even date to the members of MADRAS FERTILIZERS LIMITED on the financial statements for the year ended March 31, 2016)

1. We have audited the internal financial controls over financial reporting of MADRAS FERTILIZERS LIMITED ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that

we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

4. 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

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



MADRAS FERTILIZERS LIMITED

Inherent Limitations of Internal Financial Controls Over Financial Reporting

6. 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

7. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial

reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B THIAGARAJAN & CO.
Chartered Accountants
Firm Regn. No. 004371S

Ram Srinivasan
Partner
M No. 220112

Chennai
May 27, 2016



MADRAS FERTILIZERS LIMITED

BALANCE SHEET

as at March 31, 2016 (Note 1)

(₹ Crores)

	Notes	March 31, 2016	March 31, 2015
I EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	162.14	162.14
Reserves and Surplus	4	(694.29)	(504.75)
		(532.15)	(342.61)
NON CURRENT LIABILITIES			
Long Term Borrowings	5	166.10	196.54
Deferred Tax Liabilities(Net)		-	-
Long Term Trade Payables	6a	-	-
Other Long Term Liabilities	6b	-	-
Long Term Provisions	7a	17.94	16.90
		184.04	213.44
CURRENT LIABILITIES			
Short Term Borrowings	8	431.99	359.44
Short Term Trade Payables	9a	226.67	264.41
Other Current Liabilities	9b	934.86	853.79
Short Term Provisions	7b	6.51	7.09
		1600.03	1484.73
TOTAL		1251.92	1355.56
II ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	10		
i. Gross Block		962.85	951.21
ii. Less : Depreciation Reserve		782.96	767.87
Net Block		179.89	183.34
Capital Work- in- progress		14.51	14.69
Dismantled Assets		0.00	0.00
	c/o	194.40	198.03



MADRAS FERTILIZERS LIMITED

BALANCE SHEET

as at March 31, 2016 (Note 1) (contd)

(₹ Crores)

	Notes	March 31, 2016	March 31, 2015
	b/f	194.40	198.03
Non Current Investments	11	0.40	0.40
Deferred Tax Assets(Net)		-	-
Long Term Loans and Advances	12a	16.24	17.09
Long Term Trade Receivables	13a	-	-
CURRENT ASSETS			
Inventories	14	211.07	189.84
Short Term Trade Receivables	13b	9.32	13.59
Cash and cash equivalents	15	32.33	17.68
Short Term Loans and Advances	12b	11.89	5.86
Other Current Assets	16	776.27	913.07
TOTAL		1251.92	1355.56

Notes 1 to 29 form part of these financial statements.

/For and on behalf of the Board/

A B KHARE
Chairman & Managing Director

ALIREZA ZAMANI
Director

V MURALIDHARAN
General Manager - Finance & Accounts
and Company Secretary

May 27, 2016

As per our Report of even date

For **B THIAGARAJAN & CO.**
Chartered Accountants
FRN 004371S

CA RAM SRINIVASAN
Partner
M No 220112

May 27, 2016



MADRAS FERTILIZERS LIMITED

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016 (Note 2)

			(₹ Crores)	
	Notes	2015-16	2014-15	
I Revenue from operations				
Gross Sales	17	279.75	339.86	
Less: Excise Duty		2.87	3.39	
		276.88	336.47	
Subsidy - Urea		890.06	1267.91	
- NPK		34.70	97.49	
		924.76	1365.40	
II Other Income	18	23.12	17.55	
III Total Revenue (I+II)		1224.76	1719.42	
IV Expenses :				
Cost of materials consumed	19a	1006.87	1513.06	
Purchase of Stock-in-Trade	19b	7.20	5.21	
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	20	(24.64)	6.75	
Employee benefit expenses	21	89.60	92.98	
Finance costs	22	82.32	83.97	
Depreciation and amortization expense		18.15	17.61	
Other Expenses	23	142.80	134.53	
Total Expenses		1322.30	1854.11	
V Profit before exceptional/extraordinary items and tax (III-IV)		(97.54)	(134.69)	
VI Exceptional Items (Refer note 24 (B)iii)		(92.00)	-	
VII Profit before extraordinary items and tax (V-VI)		(189.54)	(134.69)	
VIII Extraordinary Items		-	-	
IX Profit before tax (VII-VIII)		(189.54)	(134.69)	
X Tax expense:				
- Current Tax		-	-	
- Deferred Tax		-	-	
XI Profit/(loss) for the period from continuing operations (IX-X)	c/o	(189.54)	(134.69)	



MADRAS FERTILIZERS LIMITED

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016 (Note 2) (Contd.,)

(₹ Crores)

	Notes	2015-16	2014-15
	b/f	(189.54)	(134.69)
XII Profit/(loss) for the period from discontinuing operations		-	-
XIII Tax expense of discontinuing operations		-	-
XIV Profit/(loss) for the period from discontinuing operations after tax (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI+XIV)		(189.54)	(134.69)
XVI Earnings Per Equity Share			
Profit/(Loss) available to members (₹ Crores)	(189.54)	(134.69)	
Weighted Average Number of Equity Shares used as denominator for calculating EPS	16,11,01,300	16,11,01,300	
Basic & Diluted in ₹ per share		(11.77)	(8.36)

Notes 1 to 29 form part of these financial statements.

/For and on behalf of the Board/

A B KHARE
Chairman and Managing Director

ALIREZA ZAMANI
Director

V MURALIDHARAN
General Manager - Finance & Accounts
and Company Secretary

May 27, 2016

As per our Report of even date

For **B THIAGARAJAN & CO.**
Chartered Accountants
FRN 004371S

CA RAM SRINIVASAN
Partner
M No 220112

May 27, 2016

**NOTES TO FINANCIAL STATEMENT** for the year ended March 31, 2016

	(₹ Crores)	
	March 31, 2016	March 31, 2015
3 SHARE CAPITAL		
AUTHORISED SHARES		
17,50,00,000 Equity Shares of ₹ 10 each	175.00	175.00
19,00,00,000 Preference Shares of ₹ 10 each	190.00	190.00
	<u>365.00</u>	<u>365.00</u>
ISSUED SHARES		
16,59,98,200 Equity Shares of ₹ 10 each	166.00	166.00
	<u>166.00</u>	<u>166.00</u>
SUBSCRIBED AND PAID-UP SHARES		
16,11,01,300 Equity Shares of ₹ 10 each fully paid up	161.10	161.10
FORFEITED SHARES		
20,76,600 Equity Shares of ₹ 5 paid up	1.04	1.04
	<u>162.14</u>	<u>162.14</u>

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares	March 31, 2016		March 31, 2015	
	No. of Shares	(₹ Crores)	No. of Shares	(₹ Crores)
At the beginning of the period	16,11,01,300	161.10	16,11,01,300	161.10
Issued during the period	-	-	-	-
Outstanding at the end of the period	16,11,01,300	161.10	16,11,01,300	161.10
Add: Shares Forfeited at the beginning of the period	20,76,600	1.04	20,76,600	1.04
	<u>16,31,77,900</u>	<u>162.14</u>	<u>16,31,77,900</u>	<u>162.14</u>

- b.** The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote pershare. The Company declares and pays dividend in Indian rupees. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders was ₹ Nil (March 31, 2015 ₹ Nil)

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. The distribution will be in proportion to the number of equity shares held by the Shareholders.



MADRAS FERTILIZERS LIMITED

c. Details of shareholders holding more than 5% shares in the Company

	March 31, 2016		March 31, 2015	
	No. of Shares	% Holding	No. of Shares	% Holding
Equity Shares of ₹ 10 each fully paid				
Government of India	9,58,51,700	59.50	9,58,51,700	59.50
Naftiran Intertrade Co. Ltd	4,15,16,500	25.77	4,15,16,500	25.77
Public (Collectively)	2,58,09,700	14.73	2,58,09,700	14.73

(₹ Crores)

	March 31, 2016	March 31, 2015
4 RESERVES AND SURPLUS		
Securities Premium Account		
Balance as per last financial statement	12.39	12.39
Add: Additions during the period	-	-
Less: Amount utilised	-	-
Closing Balance	<u>12.39</u>	<u>12.39</u>
Surplus/(Deficit) in the Statement of Profit & Loss		
Balance as per last financial statement	(517.14)	(380.72)
Depreciation Adjustment - Refer Note 24(B) (i)	-	(1.73)
Profit / (Loss) for the year	<u>(189.54)</u>	<u>(134.69)</u>
Net Surplus/(Deficit) in the Statement of Profit & Loss	<u>(706.68)</u>	<u>(517.14)</u>
	<u>(694.29)</u>	<u>(504.75)</u>
5 LONG TERM BORROWINGS		
UNSECURED		
GOI Loan - Non Current Portion	166.10	196.54
Current portion of GOI Loans overdue and due within one year is shown under Note 9b - Other Current Liabilities.		
	<u>166.10</u>	<u>196.54</u>
6a LONG TERM TRADE PAYABLES	-	-
	<u>-</u>	<u>-</u>
6b OTHER LONG TERM LIABILITIES		
Advances from Marketers/Dealers	-	-
	<u>-</u>	<u>-</u>



MADRAS FERTILIZERS LIMITED

		(₹ Crores)	
		March 31, 2016	March 31, 2015
7a LONG TERM PROVISIONS			
Provisions for Employee Benefits			
Retired Medical Benefits		1.08	1.10
Service Awards		0.18	0.15
Gratuity		2.95	2.80
Leave Encashment		13.73	12.85
		<u>17.94</u>	<u>16.90</u>
7b SHORT TERM PROVISIONS			
Provisions for Employee Benefits			
Retired Medical Benefits		0.16	0.16
Service Awards		0.19	0.19
Gratuity		3.42	3.94
Leave Encashment		2.74	2.80
		<u>6.51</u>	<u>7.09</u>
8 SHORT TERM BORROWINGS			
SECURED			
Cash Credit from Banks -		130.70	220.06
Secured by hypothecation of Inventories and book debts including GOI subsidy receivable with first charge on all immovable properties at Manali both present and future.			
Bills Accepted under L/C :		301.29	139.38
		<u>431.99</u>	<u>359.44</u>
9a SHORT TERM TRADE PAYABLES			
Trade Payables -Secured -Ref Note 24(B)(ix)(x)		126.11	138.85
-UnSecured - Others		100.56	125.56
		<u>226.67</u>	<u>264.41</u>
9b OTHER CURRENT LIABILITIES			
UNSECURED			
GOI Loan - Current Portion			
Principal		388.14	357.70
Interest accrued and due		<u>438.92</u>	<u>384.34</u>
		827.06	742.04
Investor Education and Protection Fund			
Unclaimed Deposits		0.08	0.09
Amount to be transferred to Investor Education and Protection Fund		-	-
Interest accrued but not due on loans		15.55	15.90
Micro, Small & Medium Enterprises		0.00	0.09
Other Liabilities		92.17	95.67
		<u>934.86</u>	<u>853.79</u>



MADRAS FERTILIZERS LIMITED

10. TANGIBLE ASSETS

(₹ Crores)

ASSET	GROSS BLOCK AT COST				DEPRECIATION UPTO Mar 31, 2016	NET BLOCK AS ON	
	Mar 31, 2015	Addition	Deduction	Mar 31, 2016		Mar 31, 2016	Mar 31, 2015
LAND *	1.82	-	-	1.82	-	1.82	1.82
ROAD, BRIDGES AND OTHER FACILITIES	3.82	-	-	3.82	2.16	1.66	1.83
RAILWAY SIDING **	1.22	-	-	1.22	1.13	0.09	0.11
BUILDINGS	15.38	-	-	15.38	8.91	6.47	6.86
PLANT & MACHINERY	906.82	14.99	3.43	918.38	753.67	164.71	166.53
AUTOMOTIVE & SERVICE EQUIPMENT	8.43	0.03	0.00	8.46	6.60	1.86	2.05
LAB EQUIPMENT	4.80	0.03	-	4.83	3.10	1.73	2.01
OFFICE EQUIPMENT	6.11	0.04	0.02	6.13	5.17	0.96	1.48
FURNITURE & FITTINGS	1.84	0.01	-	1.85	1.47	0.38	0.42
AIR CONDITIONERS & WATER COOLERS	0.97	0.01	0.02	0.96	0.75	0.21	0.23
	951.21	15.11	3.47	962.85	782.96	179.89	183.34
CAPITAL WORK-IN- PROGRESS (AT COST)	14.69	0.68	0.86	14.51	-	14.51	14.69
DISMANTLED ASSETS +						0.00	0.00
TOTAL	965.90	15.79	4.33	977.36	782.96	194.40	198.03
PREVIOUS YEAR	961.11	14.62	9.83	965.90	767.87		

* Includes

(a) ₹ 0.12 Cr being payment for 297.75 acres out of 329.40 acres handed over to the Company by the Tamilnadu Government and is subject to communication of final value by the Government.

(b) ₹ 0.51 Cr being payment made for about 78 grounds of land allotted by Chennai Metropolitan Development Authority, the title for which has since been passed to the Company.**

** Includes ₹ 0.08 Cr representing 5/24 share of total cost of the Railway Siding commonly used by Chennai Petroleum Corporation Limited, Madras Fertilizers Limited, Madras Petrochem Limited, Steel Authority of India Limited and Rashtriya Ispat Nigam Limited.

+ Dismantled Assets held for sale - valued at lower of WDV or estimated realisation.

(c) For Asset wise details of depreciation charged during the year 2015-16, refer note 24(B)(i)



MADRAS FERTILIZERS LIMITED

	(₹ Crores)	
	March 31, 2016	March 31, 2015
11 NON CURRENT INVESTMENTS		
(NON TRADED)		
UNQUOTED EQUITY INSTRUMENTS		
Indian Potash Limited (7,92,000 Equity Shares of ₹ 10 each fully paid-including 3,96,000 Bonus shares)	0.40	0.40
Fortune Bio-Tech Ltd (12,50,000 Shares of ₹ 10 each fully paid)	1.25	1.25
Less: Provision made	1.25	1.25
	<u>-</u>	<u>-</u>
	<u>0.40</u>	<u>0.40</u>
12a LONG TERM LOANS AND ADVANCES		
(Unsecured and considered good unless otherwise stated)		
Secured Loans	0.09	0.16
Deposits with Government Departments and Others	15.20	13.99
Balances with Customs, Port Trust and Excise Authorities	0.95	2.94
	<u>16.24</u>	<u>17.09</u>
12b SHORT TERM LOANS AND ADVANCES		
Advances recoverable in Cash or in kind or for value to be received	11.89	5.86
	<u>11.89</u>	<u>5.86</u>
13a LONG TERM TRADE RECEIVABLES		
Debts due for more than six months	-	-
Considered Good in respect of which Company is fully Secured	-	-
Considered Good in respect of which Company holds no Security other than the debtor's personal security	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
13b SHORT TERM TRADE RECEIVABLES		
Considered Good in respect of which Company is fully Secured	9.32	13.59
Considered Good in respect of which Company holds no Security other than the debtor's personal security	-	-
Considered Doubtful - Unsecured	4.43	4.44
	<u>13.75</u>	<u>18.03</u>
Less: Provision for Doubtful Debts	4.43	4.44
	<u>9.32</u>	<u>13.59</u>



MADRAS FERTILIZERS LIMITED

	(₹ Crores)	
	March 31, 2016	March 31, 2015
14 INVENTORIES		
(As certified by Management based on technical estimate)		
Raw Materials on hand	57.71	37.92
Work-in-Progress	14.20	21.34
Finished Products		
Manufactured Stock		
Fertilizers	41.22	9.44
Bought out Stock		
Agro Chemicals	0	-
Stores and Spares		
On hand	93.67	111.97
In Transit	0.26	0.73
Loose Tools	0.28	0.26
Others		
Catalysts	1.26	6.06
Packing Materials	2.47	2.12
	<u>211.07</u>	<u>189.84</u>
15 CASH AND CASH EQUIVALENTS		
Cash on hand	0.07	0.07
Balances with scheduled banks		
In Current Account	0.26	0.79
In Term Deposit	32.00	16.82
	<u>32.33</u>	<u>17.68</u>
16 OTHER CURRENT ASSETS		
Claims Recoverable	777.28	914.08
Less: Provision made	1.01	1.01
	<u>776.27</u>	<u>913.07</u>



MADRAS FERTILIZERS LIMITED

		(₹ Crores)	
		2015-16	2014-15
17 GROSS SALES			
Manufactured Products :			
Fertilizers			
Urea		14.12	168.73
Neem Urea		178.78	0.53
NPK 17-17-17		74.97	159.93
NPK 20-20-0-13		-	-
Biofertilizers		0.88	1.14
Carbon-di-oxide		2.14	3.08
Bought Products :			
Agro Chemicals		1.52	1.96
Organic Manure		7.34	4.49
		<u>279.75</u>	<u>339.86</u>
18 OTHER INCOME			
Dividend		0.20	0.20
Interest from Banks and Others		2.88	1.21
Profit on Sale of Assets		0.96	0.04
Rent		1.34	1.31
Insurance claims		16.10	10.14
Miscellaneous Income		1.64	4.65
		<u>23.12</u>	<u>17.55</u>
19a COST OF MATERIALS CONSUMED			
Raw Materials			
Opening Stock		37.92	80.31
Add: Purchases		677.65	967.91
		<u>715.57</u>	<u>1048.22</u>
Less: Closing Stock		57.71	37.92
Total Consumption of Raw materials		<u>657.86</u>	<u>1010.30</u>
Power, Water & Fuel		323.01	479.02
Stores, Spares & Packing Materials		26.00	23.74
		<u>1006.87</u>	<u>1513.06</u>



MADRAS FERTILIZERS LIMITED

		(₹ Crores)	
		2015-16	2014-15
19b PURCHASE OF STOCK-IN-TRADE			
Agrochemicals		1.01	1.33
Organic Manure		6.19	3.88
		<u>7.20</u>	<u>5.21</u>
20 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE			
Opening Stock			
Finished goods	9.44	0.01	
Work in progress	<u>21.34</u>	<u>37.52</u>	
		30.78	37.53
Less : Closing Stock			
Finished goods	41.22	9.44	
Work in progress	14.20	21.34	
Stock in Trade - Agro	<u>0.00</u>	<u>-</u>	
		<u>55.42</u>	<u>30.78</u>
		<u>(24.64)</u>	<u>6.75</u>
21 EMPLOYEE BENEFIT EXPENSES			
Salaries, Wages and Bonus		66.05	67.10
Contribution to Provident Fund,			
Superannuation and Gratuity		14.05	15.60
Staff Welfare Expenses		<u>9.50</u>	<u>10.28</u>
		<u>89.60</u>	<u>92.98</u>
22 FINANCE COSTS			
Interest on			
Term Loans			
GOI Loan		54.58	54.58
Other Borrowings			
Bank Borrowings		14.16	13.39
Others		12.99	15.19
Cash Discount		<u>0.59</u>	<u>0.81</u>
		<u>82.32</u>	<u>83.97</u>



MADRAS FERTILIZERS LIMITED

		(₹ Crores)	
		2015-16	2014-15
23 OTHER EXPENSES			
Repairs and Maintenance			
Plant and Machinery		25.14	34.95
Buildings		0.24	0.57
Other Assets		0.16	0.17
		<u>25.54</u>	<u>35.69</u>
Transportation and Warehousing			
Transportation and Warehousing		52.01	45.42
Secondary freight		0.35	0.52
Warehouse Rent		3.90	2.70
		<u>56.26</u>	<u>48.64</u>
Payment to Statutory Auditors			
Statutory Audit		0.03	0.03
Tax Audit		0.01	0.01
Certification		0.09	0.08
		<u>0.13</u>	<u>0.12</u>
Volume/Special Rebate		3.61	4.11
Rent		0.46	0.41
Rates and Taxes		1.55	1.31
Insurance		2.98	2.57
Directors' Expenses		0.08	0.08
Agro Services / Information Expenses		0.07	0.04
Advertising and Publicity		0.75	0.72
Provision for Bad and Doubtful debts		(0.01)	(0.02)
Finished Product Handling		12.29	11.39
Exchange Rate Fluctuation		1.06	0.63
Bank Charges		26.88	20.31
Miscellaneous Expenses		11.15	8.53
		<u>142.80</u>	<u>134.53</u>



24 (A) SIGNIFICANT ACCOUNTING POLICIES

1 GENERAL

The financial statements are prepared under the historical cost convention and on going concern basis. These statements have been prepared in accordance with i) applicable Accounting Standards (AS), ii) requirements of Companies Act, 2013 and iii) the Accounts Manual of the Company.

2 FIXED ASSETS

Fixed Assets are stated at cost of acquisition/construction less accumulated depreciation.

Cost is inclusive of freight, installation, duties, other incidental expenses, allocated Expenditure during Construction, initial catalysts, mandatory/insurance spares acquired along with the machinery and interest on borrowed funds attributable to construction or acquisition for the period upto the capitalisation of the respective asset as reduced by liquidated damages.

Borrowing costs that are directly attributable to the acquisition/construction of an asset is capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

Assets acquired under Hire Purchase Agreements are capitalised to the extent of Principal value, while Hire charges are charged to revenue in the year in which they are payable.

Expenditure on Tangible Assets on revamp/expansion are capitalised when the respective Plants are ready for commercial production (i.e. when the Plant achieves 50% capacity utilisation) and in respect of other assets when they are ready for use.

3 DEPRECIATION

Depreciation on Tangible Assets is provided for in conformity with the provisions of Schedule II to the Companies Act, 2013 on the basis of Useful life of the Asset on Straight Line Method by leaving a residual value of 5% in respect of Plant and Machinery, Buildings, Roads & Bridges and Railway siding and ₹ 1 in respect of other tangible assets.

4 NON CURRENT INVESTMENTS

Non-Current Investments are stated at cost. Any diminution in the value of Non-Current Investments, other than temporary in nature, are provided for.

5 EXPENDITURE DURING CONSTRUCTION

Expenditure during construction awaiting capitalization to Tangible Assets excluding capital advances is included under Capital Work in Progress and shown separately under Tangible Assets Note.

6 GRANTS

Grants from Government are shown as a deduction from the gross value of tangible assets/capital work in progress.

7 INVENTORY VALUATION

- (i) Raw materials and packing materials are valued at cost on FIFO basis.
- (ii) Stores, spares and catalysts are valued at cost on monthly moving weighted average basis.
- (iii) Loose tools and reconditioned spares are revalued on WDV basis annually.
- (iv) Finished products are valued at lower of cost or net realisable value including final / estimated subsidy.

Net realisable value is taken as under :



Phosphatic and Potassic Fertilizers

- Field warehouse inventories: The Least of selling price fixed by the Company to Marketers / Dealers including Excise Duty.
- Field warehouse inventories to be brought back to Plant for reprocessing: The least of selling price fixed by the Company to Marketers / Dealers plus final / estimated Nutrient Based Subsidy (NBS) less estimated reprocessing costs and freight incurred.
- Inventories in transit : The least of selling price fixed by the Company to Marketers / Dealers including Excise Duty plus final / estimated NBS less estimated warehousing expenses.
- Inventories at Plant ready for sale : The least of selling price fixed by the Company to Marketers / Dealers plus final / estimated NBS less estimated freight and warehousing expenses.

Urea

- Field warehouse inventories: The Least of selling price to Marketers / Dealers including Excise Duty.
 - Inventories in transit : The least of selling price to Marketers / Dealers including Excise Duty plus final / estimated subsidy less estimated warehousing expenses.
 - Inventories at Plant ready for sale : The least of selling price to Marketers / Dealers plus final / estimated subsidy less estimated freight and warehousing expenses.
 - Bulk Urea at Plant : Least of selling price to Marketers / Dealers plus final / estimated subsidy less estimated bagging, freight and warehousing expenses.
- (v) Warehousing expenses have been distributed over sales and closing stock.
- (vi) The Company has adopted FIFO method of valuation for raw materials and packing materials content in the inventory of finished products.
- (vii) Ammonia is valued at cost as the same is captively consumed and not intended for sale.
- (viii) Off-spec products intended for disposal are valued at estimated realizable value.
- (ix) Inventory of traded products are valued at lower of location specific cost or net realizable value. Agrochemicals inventory is valued on FIFO method, which includes purchase cost and other related expenses.
- (x) Inventory of Pesticides manufactured and lying at factory under Loan Licensing Scheme are valued at cost excluding Excise Duty.
- (xi) Goods in Transit / Under Inspection are valued at cost.

8 TRADE RECEIVABLES / LOANS AND ADVANCES

Trade Receivables, Loans and Advances are reviewed periodically and provision is made for debts considered doubtful of recovery.

9 GROSS SALES

Gross Sales is net of sales return, dealers'/marketers' margin, Sales Tax (VAT) collected outside the State of Tamil Nadu and includes applicable Excise Duty for Fertilizers.

10 SUBSIDY

- (i) Urea Subsidy under New Pricing Scheme is accounted on receipt at the warehouses per procedure prescribed by the Government. Credit/Debit for Annual Escalation/De-escalation in input prices is considered based on realistic estimates



pending issue of notification by the Government. Adjustments are effected in respect of difference, if any, in the year of receipt.

- (ii) Subsidy for Phosphatic and Potassic fertilizers is accounted in line with the Nutrient Based Subsidy (NBS) policy of the Government.

11 FOREIGN CURRENCY TRANSACTIONS

All transactions made during the year in foreign currency are recorded in the reporting currency by applying to the foreign currency amount the exchange rate on the initial recognition date. Foreign currency transactions settled after initial recognition date and other transactions remaining unsettled at the end of the accounting period are translated at the exchange rate on the date of settlement or prevalent at the end of accounting period as the case may be. Gains and losses relating to foreign exchange transactions are recognised in the profit and loss statement.

12 EMPLOYEE BENEFIT EXPENSES

(i) Short Term Benefits

Short Term Employee Benefits are accounted on accrual basis.

(ii) Post-employment Benefits and other Long Term Employee Benefits

- a. These are limited to and provided / paid in line with the DPE guidelines.
- b. The Company's contribution to the provident fund is remitted to a separate trust established for the purpose based on a fixed percentage of the eligible employees' salary and charged to Profit and Loss statement on accrual basis. Shortfall, if any, on the Government specified minimum rate of return, will be made good by the Company and charged to Profit and Loss statement.
- c. The Company operates defined benefit plan for gratuity. The cost of providing such defined benefit is determined using the projected unit credit method of actuarial valuation made at the end of the year and is administered through a fund maintained by Life Insurance Corporation of India. Actuarial gains / losses are charged to Profit and Loss statement.
- d. The liability of the Company in respect of superannuation scheme is restricted to the fixed contribution paid by the Company on an annual basis towards the defined contribution scheme maintained by Life Insurance Corporation of India, which is charged to Profit & Loss statement on accrual basis.
- e. Obligations on post -retirement medical benefits, compensated absences and service awards are provided using the projected unit credit method of actuarial valuation made at the end of the year.

(iii) Termination Benefits

Payment made to the employees under voluntary retirement scheme is treated in line with the revised AS-15 (Employee Benefits).

13 CLAIMS

- (i) Claims by the Company on underwriters are accounted as income on acceptance, pending settlement.
- (ii) Claims on railways are accounted on settlement.
- (iii) Claims for liquidated damages against suppliers/contractors are accounted for on recovery of the same from their bills and adjusted to the cost of assets or to the materials/works as the case may be.
- (iv) All other liquidated damages / penalties are accounted on realization basis.



14 PRIOR PERIOD ADJUSTMENTS

Income/Expenditure which arise in the current year as a result of errors or omissions in the preparation of financial statements of earlier years are treated as prior period adjustments.

15 CONTINGENT LIABILITY

Depending on facts of each case and after due evaluation of relevant legal aspects, claims against the Company not acknowledged as debts are included under and disclosed as contingent liabilities.

16 TAXES

- Provision for current tax is made in accordance with the provisions of the Income Tax Act, 1961.
- Deferred tax assets are not recognized unless, in the management judgment there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.
- Accounting of value added tax is in line with the provisions of statute in force.

24 (B) NOTES ON ACCOUNTS

i. DEPRECIATION

Details of Depreciation provided during the year:

	2015-16	2014-15
	₹	₹
Roads, Bridges and other facilities	17,88,066	17,68,047
Railway Siding	1,34,546	1,34,546
Buildings	37,87,176	37,78,619
Plant and Machinery	16,40,47,539	15,54,63,564
Automotive and Service Equipment	22,17,581	22,14,843
Laboratory Equipment	31,16,168	31,03,463
Office Equipment	56,21,384	88,74,062
Furniture and Fittings	5,20,581	5,25,559
Air Conditioners and Water Coolers	2,84,043	2,56,271
	<u>18,15,17,084</u>	<u>17,61,18,974</u>

ii. SUBSIDY UNDER NEW PRICING SCHEME (NPS) FOR UREA

Escalation/De-escalation in input prices is subject to annual revision based on the actual prices. Accordingly, a sum of ₹ 882.63 Cr (Previous year payable ₹ 159.17 Cr) has been reckoned as payable to FICC for the year 2015-16 towards annual de-escalation of input prices in line with the Accounting policy – Note 24 (A) 10 (i).

iii. NUTRIENT BASED SUBSIDY (NBS) FOR PHOSPHATIC AND POTASSIC FERTILIZERS

Based on the Order of SEBI dated December 16, 2015, regarding reversal of Additional Compensation for NPK, for the FY 2012-13, the Company has reversed entire amount of Additional Compensation recognized during FY. 2012-13 (₹ 47.40 Cr), 2013-14 (₹ 20.80 Cr) and 2014-15 (₹ 23.80 Cr) totaling to ₹ 92 Cr and has disclosed under Exceptional Items during the current financial year as per guidelines provided in SEBI circular.

iv. EXCHANGE RATE FLUCTUATION

Exchange rate fluctuation included in other expenses is ₹ 1.06 Cr (Previous year ₹ 0.63 Cr)

v. CENTRAL EXCISE 25/70 NOTIFICATION

The Company has paid ₹ 2 Cr as pre deposit on 11.03.2013 as per the Miscellaneous Order of CESTAT for taking up the appeal for hearing, which is yet to take place.



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No provision is considered necessary in the Books by the Company as the matter is subjudice. However the same is shown under "Contingent Liability".

- vi. As defined under AS - 28 on "Impairment of Assets" a detailed valuation has been done by a reputed Chartered Engineer and Valuer. As per his report, no adjustment towards impairment loss is considered necessary by the Company as on 31.03.2016. Net selling price of the major Plant and Machinery has been assessed against the book value on that date as detailed below:

(₹ Cr)

Sl. No.	Plant	As on 31.3.2016		As on 31.3.2015	
		Net selling price	Book Value	Net selling price	Book Value
1	Ammonia	307.88	113.60	299.72	109.79
2	Urea	66.59	28.14	67.58	30.86
3	NPK	10.95	6.40	11.45	7.10
4	Utilities	24.06	13.13	21.35	14.42

Per AS - 28, net recoverable amount is the higher of net selling price or value in use. As the value in use could not be assessed with reasonable accuracy, the Company has considered net selling price for ascertaining impairment loss.

- vii. The Company has leased out its Bio-fertilizer Plant at Vijayawada, having a written down value of ₹ 27.01 lacs (Previous year ₹ 27.96lacs). The depreciation recognized in the books during the year for the above asset is ₹ 0.95 Lacs (previous year ₹ 0.95 Lacs).

The lease rent received during the year is ₹ 2.47 Lacs (Previous year ₹ 2.47 Lacs). The future lease rent receivable for each of the following periods are:

(₹ Lacs)

		31.03.16	31.03.15
a)	Within 1 year	2.47	2.47
b)	Later than 1 year and not later than 5 years	4.10	6.57
c)	Later than 5 years	NIL	NIL

- viii. The total amount payable to Micro, Small and Medium Enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2016 as identified by the Management and relied upon by the Auditors is provided below:

(₹ Cr)

	31.03.16	31.03.15
a) Dues outstanding more than 45 days	-	0.00
b) Amount remaining unpaid as at the end of the year		
Principal Amount	-	0.09
Interest Amount	-	0.00
c) The amount of interest paid in terms of Section 18 along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment		
As per the terms of the Contract	-	-
As specified in the Act	-	-
e) The amount of interest accrued and remaining unpaid at the end of the year	-	0.00



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ix. OTHER DISCLOSURES

- i. Information required under AS 15 (Revised) on "Employee Benefit Expenses" is provided in Annexure – I to this note.
- ii. The amount of borrowing costs capitalised for the year is 'NIL' (Previous year 'NIL') per AS 16 (Borrowing Costs).
- iii. Fertilizer manufacture is the only main business segment and trading operations are less than 10% of the total revenue. Further, the Company is engaged in providing and selling its products in single economic environment in India i.e., there is a single geographical segment. Hence, there is no requirement of segment reporting for the Company as per AS 17 (Segment Reporting).
- iv. During the year, there were no transactions with related parties as defined in AS 18 (Related Party Disclosures). The data relating to key managerial personnel is furnished under note 25.
- v. The Company has not entered into joint venture activities as defined in AS 27. Hence AS 27 on "Financial Reporting of Interest in Joint Ventures" is not applicable to the Company at present.
- vi. The movement of Provisions as required under AS 29 "Provisions, Contingent Liabilities and Contingent Assets" is given below :

	Mar 31, 2016	Mar 31, 2015
	(₹Cr)	(₹Cr)
a. Leave Encashment		
Provision at the beginning of the year	15.64	11.08
Provision made during the year	6.07	6.38
Utilisation / Withdrawal during the year	5.24	1.82
Provision at the end of the year	16.47	15.64
b. Retired Medical Benefits		
Provision at the beginning of the year	1.25	1.15
Provision made during the year	0.06	0.18
Utilisation / Withdrawal during the year	0.07	0.08
Provision at the end of the year	1.24	1.25
c. Service Awards		
Provision at the beginning of the year	0.35	0.30
Provision made during the year	0.02	0.05
Utilisation / Withdrawal during the year	-	-
Provision at the end of the year	0.37	0.35
d. Gratuity		
Provision at the beginning of the year	6.74	11.14
Provision made during the year	3.69	1.59
Utilisation / Withdrawal during the year	4.06	5.99
Provision at the end of the year	6.37	6.74
e. Bad and Doubtful Debts		
Provision at the beginning of the year	4.44	4.46
Provision made during the year	-	-
Utilisation / Withdrawal during the year	0.01	0.02
Provision at the end of the year	4.43	4.44
f. Claims Recoverable		
Provision at the beginning of the year	1.01	1.01
Provision made during the year	-	-
Utilisation / Withdrawal during the year	-	-
Provision at the end of the year	1.01	1.01



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- vii. No provision towards Income Tax liability has been made during the year as the operations resulted in loss and being a Sick Company, the Company is not liable for MAT.
- viii. The draft rehabilitation scheme (DRS) submitted by the Operating Agency to BIFR is presently under the perusal and consideration of GOI. The BIFR hearing scheduled to be held in February 12, 2015 stands postponed and the date for the next hearing is yet to be announced. Based on DoF letter No. 19071/07/2015-FCA dated February 11, 2016, the Company has initiated action for engaging PDIL as a consultant for drawing of business, operational and financial restructuring plans for revival of the Company.
- ix. (a) In respect of verification of movable fixed assets, the outside professional firm of Chartered Accountants have submitted their final report which contains some discrepancies which are insignificant. Even though insignificant, the report has been sent to the respective Controlling Authorities for confirming the balances.
- (b) Based on the Technical Committee report, the Non-moving obsolete automotive Items amounting to ₹ 0.16 Cr has been provided for during the year.
- x. Included in Short term Trade Payables under 'Note 9a' are:
- a. Dues to CPCL ₹ 91.33 Cr (Previous Year ₹ 90.38 Cr) for which mortgage and First charge on Guindy land is given for ₹ 100 Cr till the date of sanction of a rehabilitation scheme for the Company.
- b. Dues to IOC ₹ 34.78 Cr (Previous Year ₹ 48.42 Cr) against Credit Limit of ₹ 60Cr, for which First charge on Plant and Machinery is given for ₹ 50 Cr and an additional ₹ 10 Cr against Bank Guarantee.
- xi. The Company defaulted repayment of loan principal and interest on GOI loans as detailed below:

(₹ Cr)

	Principal	Interest	Total
Revamp Loans	122.30	108.15	230.45
Plan Loans	213.79	305.30	519.09
Non Plan Loans	20.77	25.47	46.24
Total	356.86	438.92	795.78

The same along with ₹ 31.28 Cr due within one year totalling to ₹ 388.14 Cr (Previous Year ₹ 357.70 Cr) is shown under Note 9b – Other Current Liabilities.

- xii. Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) has allotted 43.13 acres of land for a lease period of 33 years at kodungaiyur for TTP Plant in the year 1989. The Company surrendered 20.224 acres of surplus land not used for TTP plant, but CMWSSB refused to take back that land and a dispute is pending and the MOU has not been signed till date.
- xiii. Disclosure regarding foreign currency exposure and un hedged foreign currency exposure outstanding on foreign exchange contract entered into by the Company as on 31.03.2016.

Financial Year	Currency	Year end Foreign currency exposure o/s		Year end Foreign exchange exposure not hedged by derivative instruments or otherwise	
2015-16	JPY	28.35 million	₹ 1.67 Cr	28.35 million	₹ 1.67 Cr
2014-15	USD	0.02 million	₹ 0.01 Cr	0.02 million	₹ 0.01 Cr
	EUR	0.11 million	₹ 0.09 Cr	0.11 million	₹ 0.09 Cr
	JPY	28.35 million	₹ 1.47 Cr	28.35 million	₹ 1.47 Cr



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Annexure-I

Disclosure requirements under AS-15 (Revised) as per Note No: 24 B ix (i)

Defined Contribution Schemes:

The net amounts expended in respect of employer's contribution to the provident fund and superannuation fund during the year, are ₹ 5.83 Cr (Previous year ₹ 5.58 Cr) and ₹ 6.37 Cr (Previous year ₹ 6.26 Cr) respectively.

Defined Benefit Schemes:

Funded Scheme:

(₹ Cr)

Net employee benefit Expense	Gratuity	
	2015-16	2014-15
Current Service Cost	0.56	0.68
Interest cost on benefit obligation	2.60	2.48
Expected (return) / loss on plan assets	(2.28)	(1.79)
Net actuarial (gain)/loss recognized in the year	0.91	0.26
Net Benefit Expense	1.79	1.63

Unfunded Schemes:

(₹ Cr)

Net employee benefit Expense	Earned Leave Encashment		Post Retirement Medical Benefits		Service Award	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current Service Cost	1.31	1.47	0.01	0.01	0.03	0.02
Interest cost on benefit obligation	1.04	0.91	0.10	0.10	0.02	0.03
Net actuarial (gain)/loss recognized in the year	3.72	4.00	(0.06)	0.07	(0.03)	-
Net Benefit Expense	6.07	6.38	0.05	0.18	0.02	0.05

Funded Scheme:

(₹ Cr)

Changes in present value of defined benefit obligation	Gratuity	
	2015-16	2014-15
Opening defined benefit obligation	31.12	30.99
Interest cost	2.60	2.48
Current service cost	0.56	0.68
Benefits paid	(4.06)	(3.29)
Net actuarial (gain) / loss on obligation	0.91	0.26
Closing defined benefit obligation	31.13	31.12



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Unfunded Schemes:

(₹ Cr)

Changes in present value of defined benefit obligation	Earned Leave Encashment		Post Retirement Medical Benefits		Service Award	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Opening defined benefit obligation	15.64	11.08	1.25	1.15	0.35	0.30
Interest cost	1.04	0.91	0.10	0.10	0.02	0.03
Current service cost	1.31	1.47	0.01	0.01	0.03	0.02
Benefits paid	(5.24)	(1.82)	(0.07)	(0.08)	-	-
Net actuarial (gain) / loss on obligation	3.72	4.00	(0.05)	0.07	(0.03)	-
Closing defined benefit obligation	16.47	15.64	1.24	1.25	0.37	0.35

Funded Scheme:

(₹ Cr)

Change in fair value of plan assets	Gratuity	
	2015-16	2014-15
Opening fair value of plan assets	24.38	19.85
Expected return	2.28	1.79
Contributions	2.16	6.03
Benefits paid	(4.06)	(3.29)
Actuarial gain / (loss)	-	-
Closing fair value of plan assets	24.76	24.38
Investment details	Insurer managed funds- 100%	

Funded Scheme:

(₹ Cr)

Balance Sheet	Gratuity	
	2015-16	2014-15
Defined benefit obligation	31.13	31.12
Fair value of plan assets	24.76	24.38
Plan asset / (liability)	(6.37)	(6.74)

Unfunded Schemes:

(₹ Cr)

Balance Sheet	Earned Leave Encashment		Post Retirement Medical Benefits		Service Award	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Defined benefit obligation	16.47	15.64	1.24	1.25	0.37	0.35
Fair value of plan assets	-	-	-	-	-	-
Plan asset / (liability)	(16.47)	(15.64)	(1.24)	(1.25)	(0.37)	(0.35)



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Funded Scheme:

(₹ Cr)

Actuarial Assumptions	Gratuity	
	2015-16	2014-15
Discount Rate (per annum)	8%	8%
Rate of escalation in salary (per annum)	5%	5%
Mortality table	LIC 94 – 96 rates	
Expected rate of return on plan assets (per annum)	8%	

Unfunded Schemes:

Actuarial Assumptions	Earned Leave Encashment		Post Retirement Medical Benefits		Service Award	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Mortality table (before Retirement)	IALM (2006-08) Ultimate					
Mortality table (after Retirement)	Not Applicable		IALM(2006-08)		Not Applicable	
Discount Rate (per annum)	8%					
Inflation Rate (per annum)	6%					

25. INFORMATION ON REMUNERATION TO DIRECTORS:

(₹)

	2015-16	2014-15
Salary and Allowances	26,77,206	18,04,725
Contribution to Provident & Other Funds	5,24,375	3,33,388
Other Perquisites	15,34,719	9,39,019
	47,36,300	30,69,132
Loans and Advances –	- -	

26. INFORMATION ON GOODS MANUFACTURED AND TRADED:

(a) Installed Capacities:

	2015-16 MT	2014-15 MT
Ammonia	3,46,500	3,46,500
Urea	4,86,750	4,86,750
NPK	8,40,000	8,40,000
Bio fertilizers	400	400

(b) Production:

Ammonia	2,36,466	1,96,894
Urea	23,580	3,27,933
Neem Urea	3,83,731	967
NPK 17-17-17	34,816	74,272
Bio fertilizers	277	349



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(c) Purchase of Stock in Trade:

	2015-16		2014-15	
	Quantity MT	Amount ₹	Quantity MT	Amount ₹
Agrochemicals	-	1,00,73,316	-	1,32,88,393
Organic Manure	8,247	6,19,30,682	5,433	3,88,28,532
		<u>7,20,03,998</u>		<u>5,21,16,925</u>

(d) Gross Sales:

	Quantity MT	Amount ₹	Quantity MT	Amount ₹
Manufactured Products				
Urea	27,240	14,11,49,196	3,25,532	168,72,65,671
Neem Urea	3,27,884	178,77,79,920	967	52,73,509
NPK 17-17-17	34,807	74,97,42,572	74,226	159,92,58,660
NPK 20-20-0-13	-	-	-	-
Carbon-di-oxide*	5,782	2,13,99,281	8,060	3,08,30,962
Bio fertilizers	277	87,89,551	349	1,13,82,356
Bought Products				
Agrochemicals	-	1,52,17,686	-	1,96,41,450
Organic Manure	8,247	7,33,98,300	5,433	4,49,54,832
		<u>279,74,76,506</u>		<u>339,86,07,430</u>

* By Product

(e) Stocks:

(i) Opening Stock

(a) Finished Products

Manufactured Products

Urea	3,195	9,44,86,028	-	-
NPK 17-17-17	-	-	3	91,201
NPK 20-20-0-13	-	-	0	8,555
		<u>9,44,86,028</u>		<u>99,756</u>



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(b) Work-in-Progress

	2015-16		2014-15	
	Quantity MT	Amount ₹	Quantity MT	Amount ₹
Manufactured Products				
Ammonia	5196	19,67,35,784	4,863	30,72,32,183
Urea – bulk	601	1,66,34,941	1,537	6,79,90,793
		<u>21,33,70,725</u>		<u>37,52,22,976</u>

(ii) Closing Stock

(a) Finished Products

Manufactured Products

Urea	44,266	41,22,17,960	3,195	9,44,86,028
NPK 17-17-17	0	1,079	-	-
NPK 20-20-0-13	-	-	-	-
		<u>41,22,19,039</u>		<u>9,44,86,028</u>

(b) Work-in-Progress

Manufactured Products

Ammonia	1,599	4,45,62,611	5196	19,67,35,784
Urea - bulk	4,648	9,74,86,563	601	1,66,34,941
		<u>14,20,49,174</u>		<u>21,33,70,725</u>

(c) Stock Losses - Quantities reckoned in decrement in inventory

	2015-16 MT	2014-15 MT
Urea *	7,069	142
NPK 20-20-0-13	-	-
NPK 17-17-17	9	46

*Includes flood loss of 6918 MT

(f) Consumption

(f) Consumption		2015-16		2014-15		
(i) Basic Raw Materials	%	Quantity MT	Amount ₹	%	Quantity MT	Amount ₹
Imported						
Urea		9,579	20,61,69,146		20,485	42,25,82,910
Potash		10,791	23,90,54,264		23,594	54,72,36,621
Ammonium Sulphate		-	-		-	-
Phosphoric Acid		6,116	35,19,43,335		6,584	35,63,97,018
Total	12		79,71,66,745	13		132,62,16,549
Indigenous						
Naphtha		1,80,791	576,12,37,448		1,55,786	835,70,24,504
Urea		-	-		-	-
Ammonia		-	-		1,768	7,70,31,290
Phosphoric Acid		-	-		6,369	33,33,42,708
Others		-	2,01,79,123		-	93,92,768
	88		578,14,16,571	87		877,67,91,270
	100		657,85,83,316	100		1010,30,07,819

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		2015-16		2014-15
(ii) Components and Spares	%	₹	%	₹
Imported	10	1,51,40,142	27	5,40,13,888
Indigenous	90	12,91,44,112	73	14,27,72,336
	100	14,42,84,254	100	19,67,86,224

27. INFORMATION ON IMPORTS AND FOREIGN CURRENCY/EXCHANGE TRANSACTIONS:

(a) Imports (CIF Value)	2015-16	2014-15
	₹	₹
(i) Raw Materials	104,11,96,089	88,77,29,535
(ii) Components and Spare Parts	1,27,91,747	15,37,70,656
	105,39,87,836	104,15,00,191
(b) Other Expenditure incurred in Foreign Currency		
(i) Books and Periodicals	3,28,314	6,34,619
(ii) Travel (Business, Seminar, Conference etc.)	-	-
	3,28,314	6,34,619

28. CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND L/Cs OUTSTANDING:

	2015-16	2014-15
	₹	₹
(a) Contingent Liabilities in respect of claims against the Company not acknowledged as debts in respect of Income Tax, Excise Duty, Sales Tax and others (Includes Customs Duty on Imported Urea ₹65.86 Cr, Penal Interest on GOI Loans ₹287.88 Cr and interest on delayed payment of Excise Duty ₹5.42 Cr).	387,50,59,705	331,41,18,694
(b) L/Cs outstanding (not provided for)	1,49,07,139	2,40,57,635
(c) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (after adjusting advance made therefor)	6,75,28,573	3,74,59,013
(d) ESI Liability (interest) not provided for, based on Court's interim injunction.	61,79,681	61,79,681

29. GENERAL INFORMATION:

- Pending appeal before the Commissioner of Customs (Appeals) against the demand of the Commissioner of Customs amounting to ₹ 65.86 Cr as differential duty including penalty, CESTAT has waived pre-deposit of the duty and penalty on deposit of ₹ 5 lacs, which the Company has complied with.
- Government of India has not so far exercised its right to levy penal interest amounting to ₹ 287.88 Cr (Previous Year ₹ 230.83 Cr). However, the same is shown under Contingent Liabilities per practice.
- During December 2015, the operation of the Plant was effected due to the heavy flood and the Company preferred a claim with their insurer for flood loss and based on the interim report of the surveyor, the Company has accounted an income of ₹ 16.10 Cr being 95% of the said amount under the head Other Income.



MADRAS FERTILIZERS LIMITED

- d. An amount of ₹ 4.39 Cr being VAT on Naphtha charged by CPCL between 7th Jan 2015 and 22nd Feb 2015 has been considered as receivable from Government of Tamil Nadu based on its commitment given to GOI on 31st Dec 2014 willing to forego VAT on Naphtha. This is also confirmed by GOI vide notification dated 7th Jan 2015.
- e. The Company is in the process of receiving MOU with DOF for the FY 2016-17. The Company has already received commitment from DOF vide letter dated 17.03.2016, informing their acceptance of estimation of the Company's production plan for the FY 2016-17, and in the opinion of the Company the concept of going concern has therefore not been affected.
- f. Other Income includes a sum of ₹ 0.58 Cr being the rent receivable from CPCL for the area let out for their LPG pipeline, for which the renewal of agreement is under negotiation.
- g. Confirmation of balances has not been received in respect of Loans from GOI, Trade Receivables / Payables and Loans and Advances.
- h. Figures for the previous year have been regrouped wherever necessary to conform to Current Year's classification.

/For and on behalf of the Board/

A B KHARE

Chairman and Managing Director

ALIREZA ZAMANI

Director

V MURALIDHARAN

General Manager - Finance & Accounts
and Company Secretary

May 27, 2016

As per our Report of even date

For **B THIAGARAJAN & CO.**

Chartered Accountants
FRN 004371S

CA RAM SRINIVASAN

Partner
M No 220112

May 27, 2016



MADRAS FERTILIZERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(₹ Crores)

	2015-16	2014-15
CASH FLOW FROM OPERATING ACTIVITIES		
Profit After Tax from continuing operations	(189.54)	(134.69)
Profit Before Tax from discontinuing operations	-	-
Profit After Tax and Extra ordinary items	(189.54)	(134.69)
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	18.15	17.61
Loss/(profit) from sale of Fixed Asset	(0.96)	(0.04)
Interest Expenses	82.32	83.97
Interest Income	(2.87)	(1.21)
Dividend Income	(0.20)	(0.20)
Operating Profit Before Working Capital Changes	(93.10)	(34.56)
Movements in working capital		
Increase/(decrease) in Trade Payables	(37.74)	(425.65)
Increase/(decrease) in Long-term Provisions	1.04	(1.13)
Increase/(decrease) in Short-term Provisions	(0.58)	1.45
Increase/(decrease) in other Current Liabilities	26.84	35.71
Increase/(decrease) in other Long-term Liabilities	-	-
Decrease/(Increase) in Trade Receivables	4.27	(13.50)
Decrease/(Increase) in Inventories	(21.22)	33.86
Decrease/(Increase) in Long-term Loans & Advances	0.85	(2.53)
Decrease/(Increase) in Short-term Loans & Advances	(6.03)	6.78
Decrease/(Increase) in other Current Assets	136.80	334.83
Decrease/(Increase) in other non-current Assets	-	-
Cash generated from / (used in) Operations	11.12	(64.74)
Direct taxes paid (net of refunds)	-	-
Net Cash Flow from / (used) in Operating Activities (A)	11.12	(64.74)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(14.93)	(4.85)
Proceeds from sale of Fixed Assets	1.37	1.03
Interest Received	2.87	1.21
Dividend Received	0.20	0.20
Net Cash Flow from / (used) in Investing Activities (B)	(10.49)	(2.41)



MADRAS FERTILIZERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016 (Contd...)

(₹ Crores)

	2015-16	2014-15
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	-	-
Proceeds from Long-term borrowings	-	-
Repayment of Long-term borrowings	(30.44)	(32.68)
Proceeds from Short-term borrowings	72.55	123.78
Repayment of Short-term borrowings	-	-
Interest paid	(28.09)	(29.03)
Net Cash Flow from / (used) in Financing Activities (C)	14.02	62.07
Net increase/(decrease) in Cash & Cash Equivalents (A+B+C)	14.65	(5.08)
Cash & Cash Equivalents as at 1st Apr (Opening Balance)	17.68	22.76
Cash & Cash Equivalents as at 31st Mar (Closing Balance)	32.33	17.68
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	0.07	0.07
With banks:		
on current account	0.26	0.79
on deposit account	32.00	16.82
Total Cash and Cash equivalents	32.33	17.68

/For and on behalf of the Board/

A B KHARE

Chairman and Managing Director

ALIREZA ZAMANI

Director

V MURALIDHARAN

General Manager - Finance & Accounts
and Company Secretary

May 27, 2016

AUDITORS' REPORT

We have examined the above cash flow statement of M/s Madras Fertilizers Limited for the year ended 31.03.2016. The statement has been prepared by the Company in accordance with the requirements of the listing agreement with the stock exchanges and is based on and derived from the Audited Accounts of the Company for the year ended 31.03.2016.

For **B THIAGARAJAN & CO.**

Chartered Accountants

FRN 004371S

CA RAM SRINIVASAN

Partner

M No 220112

May 27, 2016



MADRAS FERTILIZERS LIMITED

Information to Investors

Dear Shareholders

Dematerialisation of Madras Fertilizers Limited (MFL) Shares

As you may be aware that the shares of MFL are under compulsory dematerialisation (demat) segment of trading as per SEBI directives. This means, MFL shares can be purchased / sold at the Stock Exchanges only in demat form. Shareholders are therefore advised to avail the demat facility.

Dematerialisation

Dematerialisation is the process of converting physical share certificates into electronic form i.e. crediting of equivalent number of shares to your depository account electronically.

Depository Account

For dematerialisation of shares you have to open a depository account with a Depository Participant (DP) having connectivity with National Securities Depository Ltd (NSDL) / Central Depository Services (I) Ltd (CSDL). You are free to open an account with any of the DPs for demat.

Benefits of Dematerialisation

- No risk of loss / misplacement / theft / damage of share certificates
- No risk of bad deliveries
- No stamp duty on transfer of shares
- Faster transfer of shares

Steps involved for Dematerialisation of shares

1. Open a demat account with any of the Depository Participants (DPs)
2. Submit demat request form (DRF) (duly signed by all the holders) along with the share certificates to the DP.
3. Obtain acknowledgement from the DP for having delivered the share certificates
4. Receive a confirmation statement of holding from your DP.
5. PLEASE DO NOT SEND THE SHARE CERTIFICATES / DOCUMENTS FOR DEMAT TO THE COMPANY OR SHARE TRANSFER AGENT OF THE COMPANY

Some of the DP names are furnished under for your reference. You may contact nearest DP in this regard.

- Appollo Sindhoori Capital Investments Ltd
- Cholamandalam Securities Ltd
- Fortis Securities Ltd
- Geojit Financial Services Ltd
- HDFC Bank Ltd
- ICICI Bank Ltd
- IDBI Bank Ltd
- India Infoline Securities P Ltd
- Indian Bank
- IndusInd Bank Ltd
- Integrated Enterprises India Ltd
- Kotak Securities Ltd
- State Bank of India
- Stock Holding Corporation of India Ltd
- Union Bank of India
- UTI Bank of India
- UTI Securities Ltd

In order to obtain the complete list of DP locations and other related information you may log on www.nsdl.co.in / www.cdslindia.com

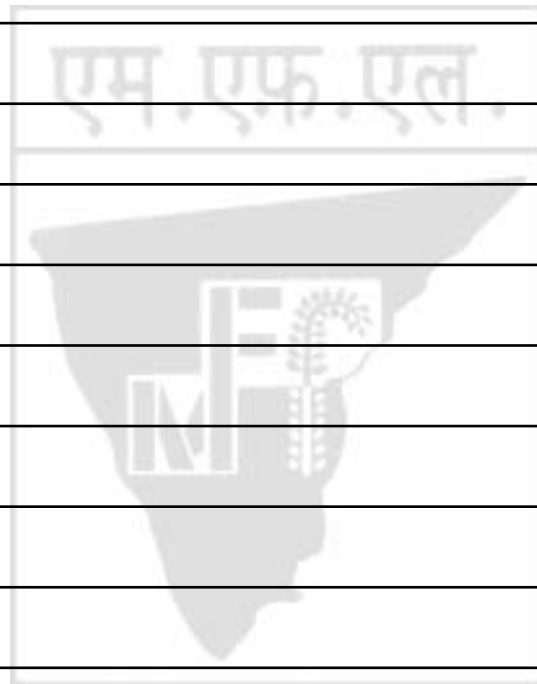
In case you need any additional information on this matter, please feel free to contact:

Shri V. Muralidharan
General Manager - Finance & Accounts and Company Secretary
Madras Fertilizers Limited
Manali, Chennai – 600 068
Phone : 044 – 2594 5203
Fax : 044 - 2594 3613
Email : cs@madrasfert.co.in / cosec@madrasfert.co.in



MADRAS FERTILIZERS LIMITED

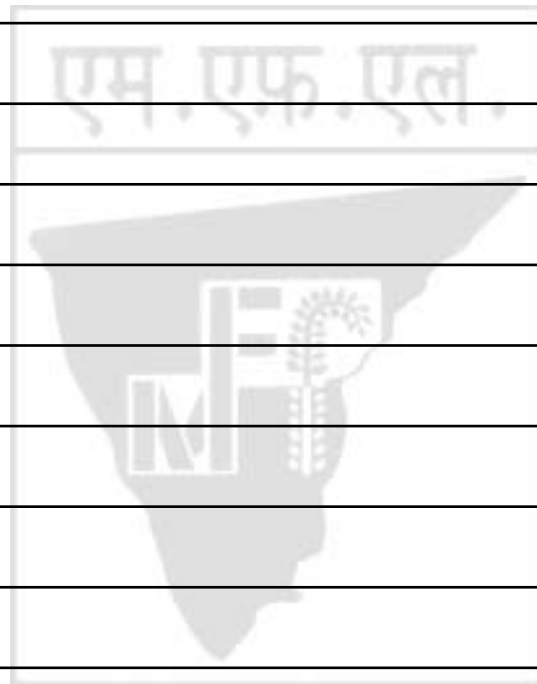
Notes





MADRAS FERTILIZERS LIMITED

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MADRAS FERTILIZERS LIMITED



MADRAS FERTILIZERS LIMITED
CIN:L32201TN1966GOI005469
Registered Office: Manali Chennai- 600 068

50th ANNUAL GENERAL MEETING – SEPTEMBER 28, 2016

PROXY FORM

(Pursuant to section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies Management and Administration Rules 2014)

Name of the member (s) :

Registered address :

Email Id:

Folio No./Client Id:

DP ID :

I/We, being the member(s) of Madras Fertilizers Limited holding..... shares, hereby appoint

1) Name..... email ID.....

Address..... Signature..... or failing him

2) Name..... email ID.....

Address.....Signature..... or failing him

3) Name..... email ID.....

Address.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **50th Annual General Meeting** of the company, to be held on **Wednesday, September 28th, 2016 at 3.00 p.m** at **MFL Training Centre Auditorium (North Gate Entrance), MFL Plant, Manali, Chennai 600 068** and at any adjournment thereof in respect of such resolutions as are indicated below:

* I wish my above Proxy to vote in the manner as indicated in the box below:

S.No	RESOLUTIONS	FOR	AGAINST
Ordinary Business			
1	Consider and Adopt the Audited Balance Sheet of the Company as at March 31, 2016 and the Statement of Profit & Loss for the year ended on that date together with the Reports of Directors' and the Auditors thereon.		
2	Appointment of Statutory Auditor & Fixing their Remuneration		
Special Business			
3	Appointment of Dr A K Padhee, IAS, (DIN No.00730620) as Director of the Company		
4	Appointment of Shri Piyush Srivastava, IES, (DIN No.07266407) as Director of the Company		
5	Appointment of Shri A B Khare, (DIN No.07416463), as Chairman & Managing Director of the Company		



MADRAS FERTILIZERS LIMITED

S.No	RESOLUTIONS	FOR	AGAINST
6	Ratification of Cost Auditor's remuneration		
7	Appointment of Dr. Hemant A Thakore (DIN No.07565337), be and is hereby appointed as Non-official Director of the Company		
8	Appointment of Ca. Sunil Vashisht (DIN No.01967138), be and is hereby appointed as Non-official Director of the Company		
9	Appointment of Shri. C. Ramesh (DIN No.06558099), be and is hereby appointed as Non-official Director of the Company		
10	Appointment of Smt Vanathi Srinivasan be and is hereby appointed as Non-official Director of the Company		

Signed this Day of 2016

Affix
Revenue
Stamp

Signature of Shareholder Signature of Proxy Holder(s).....

This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.**
- 2. A proxy need not be a member of the company.**
- A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of joint holders, the signature of any one holder will be sufficient.



Madras Fertilizers Limited, Manali Plant

Executives of the Company



SHRI J VINAYAN
Chief Vigilance Officer (Addl. Charge)



SHRI H GUNASEKARAN
General Manager (Plant)



SHRI V MURALIDHARAN
General Manager (F & A) and
Company Secretary



SHRI K M RAJA MANOHARAN
General Manager (P&A) -
(Addl. Charge)



SHRI T PAUL PREMKUMAR
General Manager (M&D) -
(Addl. Charge)



MADRAS FERTILIZERS LIMITED

MANALI, CHENNAI - 600 068