



ASIAN
fertilizers ltd.

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CIN No. L99999 UP1986PLC007621

To,
The Manager,
Listing Department
BSE Ltd.
PJ Towers, Dalal Street,
Mumbai-400001, India
BSE Scrip code: 524695

Subject: Submission of 31st Annual Report

Respected Sir,

As per the Sub- Regulation 1 of Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, every listed company shall submit the Annual Report to stock exchange, within twenty one working days of it being approved and adopted in the Annual General Meeting as per the provision of the companies Act, 2013.

Pursuant to this regulation I am enclosing herewith 31st Annual Report of the company.

Kindly take the above on record.

Yours faithfully,

For Asian Fertilizers Limited
For ASIAN FERTILIZERS LTD.

Neha Sahu
(NEHA SAHU)
Company Secretary &
Compliance Officer

Date: 29/09/2016

Place: Gorakhpur

Neha Sahu
Company Secretary and
Compliance officer
Membership No. 42577

Enclose: as above



asian fertilizers ltd.

31st

**ANNUAL REPORT
2015-2016**



asian
fertilizers ltd.



BOARD OF DIRECTORS

Shri G.N. GUPTA, Chairman/Independent Director
Shri A.K. MATANHELIA, Managing Director
Shri SOMIL MATANHELIA, Whole Time Director
Shri SUNIL KEDIA, Independent Director
Smt. USHA MATANHELIA, Women Director
Shri ANURAG TULSYAN, Independent Director
Shri SHOBHIT MATANHELIA, Whole Time Director

STATUTORY AUDITORS

M/s KAPOOR TANDON & CO.
Chartered Accountants
KANPUR

REGISTERED OFFICE

FLAT No. 202, PREET GARDEN,
3A/172, AZAD NAGAR,
KANPUR-208 002

ADMINISTRATIVE OFFICE

PWD OFFICER'S COLONY
NEAR SAHARA PRESS
7, PARK ROAD
GORAKHPUR - 273001

PLANT

DEOKAHIA - SARDARNAGAR
GORAKHPUR (U.P.) - 273202

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**31st Annual General Meeting on
Wednesday, the 28th Sept. 2016**

at

**Saurabh Hotel, Birhana Road,
The Mall, Kanpur at 2.00 p.m.**



NOTICE

NOTICE is hereby given that the **31st (Thirty first) Annual General Meeting** of the members of **Asian Fertilizers Limited** will be held on Wednesday, September 28, 2016 at 2:00 P.M. at Hotel Saurabh, Birahna Road, The Mall, Kanpur – 208 001, Uttar Pradesh, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and Auditors thereon and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT the audited financial statement of the Company for the financial year ended March 31, 2016 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a Director in place of Mr. Ashok Kumar Matanhelia (**DIN 01763776**), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013 Mr. Ashok Kumar Matanhelia (**DIN 01763776**), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

3. To appoint Statutory Auditors and fix their remuneration and in this regard, pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s Kapoor Tandon & Co., Chartered Accountant, Kanpur, the retiring Auditors who have furnished the eligibility certificate under Section 141 of the Companies Act, 2013 be and are hereby re-appointed as the Statutory Auditor of the Company from the conclusion of ensuing Annual



General Meeting till the conclusion of next Annual General Meeting at such remuneration to be decided by the board of Directors plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the Statutory Audit of the account of the company for the year ending 31st March 2017.”

SPECIAL BUSINESS:

4. To appoint Mr. Shobhit Matanhelia (**Din: 07110180**), as a Whole time director w.e.f 01/01/2016, in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED That** pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions and subject to the provisions of schedule V of the Companies Act, 2013. Appointment of Mr. Shobhit Matanhelia (**DIN 07110180**), as an whole time Director of the Company w.e.f. 01/01/2016 by the Board of Directors in its meeting held on 20.12.2015, be and is hereby confirmed and approved by the members of the company on the such terms and conditions as detailed below.”

Salary: Rs. 50, 000 P.M. with such annual /accelerated increments as may be decided by the Board up to an amount not exceeding 75,000 P.M.

In addition to the salary following perquisites shall be allowed as under:

- i) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act.
 - ii) Gratuity payable at a rate not exceeding half month’s salary for each completed year of service; and
 - iii) Whole time director will also be entitled to leave on full pay and allowances as per rules of the company but not exceeding one month’s leave for every eleven months of services to the conditions that leaves accumulated but not availed of, will not be allowed to be encashed.
5. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 and in this regard, pass the following resolution as an **Ordinary Resolution**:



“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s K. S. Bhatnagar & Associates, Cost Accountant, New Delhi, who was appointed as Cost Auditor by the Board of Directors of the Company, on the recommendation by audit committee to conduct the audit of the cost records of the Company for the financial year ending March 31st, 2017, be paid the remuneration recommended by audit committee, mutually decided plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit.”

“**RESOLVED FURTHER THAT** Mr. Ashok Kumar Matanhelia, Managing Director and Mr. Somil Matanhelia, WTD of the Company be and is hereby authorized severally and jointly to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To appoint Mr. Sunil Kedia (**Din: 07586749**), as an Independent director w.e.f 10/08/2016, in this regard, pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Sunil Kedia (**DIN: 07586749**), who was appointed as an Additional Director (Independent) of the company by the board of Directors on the recommendation of nomination and remuneration committee by way of passing of resolution by circulation on 10/08/2016 and whose term expires at this Annual General Meeting and is eligible for re-appointment as independent director and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of the 36th Annual General Meeting of the Company in the calendar year 2021.”

Date: 11/08/2016
Place: New Delhi

By Order of the Board of Directors
Asian Fertilizers Limited

Sd/-
Neha Sahu
Company Secretary and Compliance Officer
Membership No. 42577



NOTES.:

1. **A MEMBER OF THE COMPANY IS ENTITLED TO ATTEND AND VOTE AT THE THIRTY FIRST ANNUAL GENERAL MEETING (THE “MEETING”) AND TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. **A person can act as a proxy on behalf of members not exceeding fifty (50) and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. The instrument appointing the proxy, form MGT-11 should, however, be deposited at the Registered Office /Administrative Office of the company not less than 48 hours before the commencement of the meeting.**
3. The business set out in the notice will be transacted through electronic voting system and the company is providing facility for voting by electronic means. Instruction and other information relating to e-voting are given in the notice under Note No. 16.
4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the meeting is annexed thereto in respect of Item No. 4 and 5 set out in the notice.
5. Shri Ashok Kumar Matanhelia is interested in the Ordinary Resolutions set out at Item No. 2 of the Notice with regard to his re-appointment. The relatives of Shri Ashok Kumar Matanhelia may be deemed to be interested in the said Resolution to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives is, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolutions as set out under Item Nos. 1 to 3 of the Notice.
6. Annual Report along with attendance slip, proxy form and route map of the venue of the meeting are being sent in electronic mode to members whose email ID's are registered with the Company unless the members have registered their request for a hard copy of the same. Physical copy of the Annual Report along with attendance slip, proxy form and route map of the venue of the meeting are being sent to those members who have not registered their e-mail ID's with the company. Members who have received attendance slip in electronic



mode are requested to print the attendance slip and submit a duly filled in attendance slip at the registration counter to attend AGM.

7. Members / Proxies / Authorised Representatives are requested to bring to the Meeting necessary details of their shareholding, attendance slip(s) and copy (ies) of their Annual Report.
8. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the company a certified copy of the relevant Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. Members holding shares in physical form are requested to inform the change of their registered address to our Registrar and Transfer Agent (RTA), M/s Skyline Financial Services Private Limited at its 246, 1st Floor, Sant Nagar, East of Kailash, New Delhi – 110 065 by quoting their folio number or Registered office / Administrative office of the company.
11. Members desirous of obtaining any information with regard to the Annual Reports, are requested to write to the Company's Administrative Office at Gorakhpur at least ten days before the date of Annual General Meeting so that the information can be made available at the meeting.
12. All the documents referred to in the accompanying Notice and the Statement pursuant to Section 102(1) of the Companies Act, 2013, will be available for inspection at the Registered Office of the Company during business hours (10:00 A.M. to 6:00 P.M.) on all working days up to the date of declaration of the result of 31st Annual General Meeting of the Company.
13. **Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all the communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**
14. Pursuant to the Provision of Sections 108 and any other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Amendments Rules, 2015 and regulation 44 of SEBI (Listing Obligation And Disclosure Requirements) Regulation, 2015 the business shall be transacted through electronic voting system and Company is pleased to provide to its members the facility to exercise their right to vote on resolution proposed to be passed in the meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the meeting (remote e-voting).



15. The Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) to provide e-voting facilities and for security and enabling the members to cast their vote in a secure manner. Necessary arrangements have been made by the Company with CDSL to facilitate e-voting. E-voting is optional and members shall have the option to vote either through e-voting or in person at the Annual General Meeting.
16. The information & instructions for the shareholders for remote e-voting are as under:
 - (i) The Remote E-voting period begins on **25/09/2016** at **9:00 A.M.** and ends on **27/09/2016 at 5:00 P.M.** During this period shareholders’ of the Company, holding shares as on the cut-off date i.e. **23/09/2016**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
 - (iv) Click on “Shareholders” tab.
 - (v) Select the “Asian Fertilizers Limited” from the drop down menu and click on submit.
 - (vi) Now Enter your User ID
 - a) For CDSL: 16 digits beneficiary ID,
 - b) Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (vii) Next enter the Image Verification as displayed and Click on Login.
 - (viii) If you had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (ix) If you are a first time user follow the steps given below:



| For Members holding shares in Demat Form and physical form | |
|--|--|
| PAN | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company are requested to use the first two letters of their name and the 8 digits of the folio number in the PAN field.</p> <p>In case the sequence no. is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p> |
| DOB | <p>Enter the Date of Birth (dd/mm/yy) as recorded in your demat account or in the company records in order to login.</p> |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the No. of shares in the Dividend Bank details field.</p> |

- (x) After entering these details appropriately, click on “SUBMIT” tab.
- (xi) Members holding shares in physical form will then directly reach the EVSN selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.



- (xiii) Click on the “EVSN” for the relevant Asian Fertilizers Limited on which you choose to vote.
- (xiv) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option “YES” or “NO” as desired. The option “YES” implies that you assent to the Resolution and option “NO” implies that you dissent to the Resolution.
- (xv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xvi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take a print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xix) Note for Institutional Shareholders (non-individual shareholder).

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to in <https://www.evotingindia.com> and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may contact Mr. Mehboob Lakhani, Assistant Manager e-voting at 022-2272-5040, or Mr. Anand Tirodkar at 022-2272-8153 or Helpdesk No. 1800-200-5533 (Toll Free) or write an email to helpdesk.evoting@cdslindia.com.

7. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on cut of date i.e. 23rd September, 2016.



18. The Company has appointed Mr. Adesh Tandon, Practicing Company Secretary (Membership No. F2253 and Certificate of Practice No.1121), as 'Scrutinizer' for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
19. The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting first counts the votes cast at the meeting thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make not later than 3 days of conclusion of the meeting a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, to the Chairman of the Company.
20. The results declared along with the consolidated scrutinizer's report shall be placed on the CDSL website www.evotingindia.com and company's website www.asianfertilizers.com. The results shall simultaneously be communicated to the Bombay Stock Exchange.
21. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th September 2016.
22. A copy of this notice has been placed on the CDSL website at www.evotingindia.com and company's website www.asianfertilizers.com.
23. **asianssp16@yahoo.com** has been designated for the purpose of registering complaints by investor, pursuant to SEBI [Listing Obligation and Disclosure Requirements] Regulation, 2015 (Listing Regulation).
24. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in physical form can submit their PAN details to the Company.
25. Facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
26. The members who have exercised their right to vote by remote e -voting shall not be entitled to vote at the meeting. But may also attend the meeting.

Date: 11/08/2016
Place: New Delhi

By Order of the Board of Directors
Asian Fertilizers Limited
Sd/-
Neha Sahu
Company Secretary and Compliance Officer
Membership No. 42577



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The board of Directors appointed Mr. Shobhit Matanhelia (**DIN 07110180**) as Additional Director of the Company with effect from 14.02.2015, and pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions and subject to the provisions of schedule V of the Companies Act, 2013, he was further appointed as an whole time Director of the Company w.e.f. 01/01/2016 by the Board of Directors in its meeting held on 20.12.2015.

As per sub section (4) of section 197 the terms and conditions of the appointment of the whole time director and the remuneration payable shall be subject to the approval by the shareholder in the Annual general meeting. Therefore the board of directors of the company place the proposal in the Annual general meeting for the approval of the shareholders by way of passing ordinary resolution.

Mr. Shobhit Matanhelia is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives (except Mr. A.K. Matanhelia, Mrs. Usha Matanhelia, Mr. Somil Matanhelia) are, in any way, concerned or interested, financially or otherwise, in this resolutions. The Board recommends the Ordinary Resolutions as set out at Item Nos. 4 of the Notice for approval by the shareholders.

ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s K.S. Bhatnagar & Associates, Cost Accountant, New Delhi as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2017 at a remuneration mutually decided plus out of pocket expenses incurred for traveling, lodging and other expenses in connection with conducting the cost audit.

In accordance with the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year ending March 31, 2017.



ASIAN fertilizers ltd.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No.5 of the Notice.

ITEM NO. 6

It is pertinent to mention that one of the directors Mr. K.C. Madan who was an Independent Director of the company since 01/01/1992 expired on 25.07.2016 due to which a vacancy is created in the company and there has arisen an urgent need to safeguard the affairs of the company. Hence the company is required to re-constitute the composition of the Board. As per section 149(4) of the Companies Act, 2013 a company shall have at least one third of the total number of directors as Independent Director and the central government may prescribe the minimum number of independent director in case of any class or classes of public companies.

The board of Directors appointed Mr. Sunil Kedia (**Din: 07586749**) as Additional Director (Independent) of the Company on the recommendation of nomination and remuneration committee by passing of resolution by way of circulation with effect from 10.08.2016, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the ensuing Annual General Meeting

Mr. Sunil Kedia (**Din: 07586749**) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as Director.

The Company has received a notice in writing from member proposing his candidature for the office of Director of the Company under section 160 of the Companies Act 2013.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolutions.

The Board recommends the Ordinary Resolution as set out at Item Nos. 6 of the Notice for approval by the shareholders.

Date: 11/08/2016
Place: New Delhi

By Order of the Board of Directors
Asian Fertilizers Limited
Sd/-
Neha Sahu
Company Secretary and Compliance Officer
Membership No. 42577



DIRECTOR'S REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report and the Company's Audited financial statement for the financial year ended March 31, 2016.

1. FINANCIAL HIGHLIGHTS:

The Company's financial performance, for the year ended March 31, 2016 is summarized below:

| PARTICULARS | (Rs in Lacs) | |
|--|--------------|-----------|
| | 2015-2016 | 2014-2015 |
| Revenue from Operation | 5,449.05 | 6,137.06 |
| Other Income | 36.70 | 38.42 |
| Total Expenditure | 5,159.92 | 5,786.36 |
| Profit before Interest, Depreciation Prior Period Items and Tax (PBIDT) | 325.83 | 389.12 |
| Less : Finance Costs | 243.02 | 197.24 |
| Less: Depreciation and Amortization | 32.34 | 29.28 |
| Profit Before Exceptional/Prior Period Items and Tax | 50.47 | 162.59 |
| Less: Exceptional/Prior Period Items (Net) | 0 | 0 |
| Profit Before Taxes (PBT) | 50.47 | 162.59 |
| Less: Tax Expense (Net) | 17.77 | 57.55 |
| Profit for the year (PAT) | 32.70 | 105.04 |
| Add: Balance of Profit brought forward | | |

MANAGEMENT DISCUSSION & ANALYSIS REPORT

a) RESULTS OF OPERATION & STATEMENT OF COMPANY AFFAIRS:

The highlights of the company's performance for the year ended March 31, 2016 are as under

- Revenue from operation decreased by 11.21% to Rs. 5779.05 Lakhs.
- PBDIT decreased by 16.29% to Rs. 325.83 Lakhs.
- Profit before tax decreased by 68.96% to Rs. 50.47 Lakhs.
- Net profit decreased by 68.86% to Rs. 32.70 Lakhs.



b) PLANT OPERATIONS:

The turnover of the company has decreased as compared to the previous year due to poor market conditions. In quantum wise production of SSP has decreased 4.60% whereas production of Sulphuric Acid has increased 1.98% Net Profit has also been decreased during the year 2015-16.

Pursuant to the purchase agreement entered into with Shriram Fertilizers & Chemicals (A division of DCM Shriram consolidated Ltd.) on 22.10.02. Your company is able to achieve production of 44677 MT of SSP during the year 2015-16 against the targeted production of 55000 MT which is 81.23% of the production target and 67.69% of the installed capacity and dispatched 44543 MT which is 67.49% of the installed capacity of SSP during the year. The sale of Sulphuric Acid was 16442 MT and 14439 MT of Sulphuric Acid has been consumed for production of SSP & Micronutrient. We wish to inform you that your company has entered a fresh purchase agreement with Shriram Fertilizers & Chemical (A division of Shriram Consolidated Ltd.) from 01.04.2011, in which the total production target is fixed 65000 MT & Shriram Fertilizers & Chemicals has agreed to purchase total production of SSP. Your company has agreed to pay only commission on sales and interest on deployed advances @ 1% -SBI PLR to Shriram Fertilizers & Chemicals to maintain the production schedule.

c) INDUSTRIAL RELATIONS:

The company has generally maintained cordial relations with the employees.

d) INDUSTRY STRUCTURE.:

Nitrogen, phosphorus, potassium are three major constituents of fertilizers. India has good reserves of phosphate rocks, which can be processed to give water soluble phosphatic fertilizers. Single Super Phosphate is a cheap fertilizer and also known as common farmer's fertilizer.

e) DEVELOPMENT IN GOVERNMENT POLICY:

Investment required for setting up a SSP unit is modest compared to Nitrogenous fertilizers. The setup with indigenous technology does not depend in any imported material because of availability of good quality of rock phosphate with Rajasthan State Mines & Minerals Limited, a State Govt. Undertaking. The demand of fertilizers is likely to increase with the emphasis by the Govt. on augmenting agriculture produce. The Govt. of India has also notified that Imported Rock Phosphate from some countries to use in production of SSP for competitive Production cost.



f) OPPORTUNITIES:

Since agriculture sector has its own importance in Indian economy, it is bound to grow and our product SSP has also its own importance in Agriculture sector.

Govt. of India has emphasized to promote SSP to fulfill the demand of phosphatic fertilizers

g) RISK AND CONCERN:

(a) Government Policy:

The Govt. of India has opened the MRP of SSP from 01/04/2011 and manufacturers are free to decide their rates.

(b) Availability of Raw Material:

Rajasthan State Mines & Mineral Ltd., a State Govt. undertaking is the sole supplier of our basic raw material i.e. Rock Phosphate. After notifying imported Rock Phosphate from some countries by Govt. of India there is no problem in availability of Raw Material.

(c) Subsidy on SSP:

The Govt. of India has introduced nutrient based subsidy policy for all types of fertilizers including SSP. The Govt. of India fixed subsidy for whole year.

(d) Total production of the company (except Sulphuric Acid) is dependent on the rain falls and weather conditions.

DIVIDEND:

In order to conserve the resources of the company the Board of directors has decided not to declare any dividend for the financial year 2015-16.

AMOUNTS TRANSFERRED TO RESERVES:

During the year under review the board do not propose to transfer any amount to any reserves.

EXTRACT OF ANNUAL RETURN:

The extract of Annual Return, in format MGT-9, for the financial year 2015-2016 has been enclosed with this report as "ANNEXURE -I".

NUMBER OF BOARD MEETING:

Five meetings of the Board of Directors were held during the year as on 29/05/2015, 13/08/2015, 14/11/2015, 20/12/2015, and 13/02/2016.



| S.No. | Name of Director | Designation | No. of meeting held | No. of meeting attended |
|-------|--------------------------|---------------------------------|---------------------|-------------------------|
| 1 | Gyanendra Nath Gupta | Chairman / Independent Director | 5 | 3 |
| 2 | Ashok Kumar Matanhelia | Managing Director | 5 | 5 |
| 3 | Somil Matanhelia | Whole Time Director | 5 | 5 |
| 4 | Shobhit Matanhelia | Whole Time Director | 5 | 5 |
| 5 | Kailash Chandra Madan | Independent Director | 5 | 5 |
| 6 | Anurag Tulsyan | Independent Director | 5 | 5 |
| 7 | Usha Matanhelia | Women Director | 5 | 5 |
| 8 | Pramod Kumar Matanhelia# | Non Executive Director | 3 | 3 |

Mr. Pramod Kumar Matanhelia has resigned from the office of Director w.e.f. 20/12/2015. The gap between any of the two Board Meetings did not exceed more than four months. Leave of absence was granted to the non-attending directors on their request and noted in the attendance register as well as in the minutes of the meetings.

ANNUAL GENERAL MEETING:

The Annual general meeting of the company for the financial year 2014-15 was held on 26/09/2015.

RELATED PARTY CONTRACT AND ARRANGEMENT OF THE COMPANY:

All the related party transactions that were entered during the financial year 2015-16 were in the ordinary course of business of the Company and were on an arm's length basis. There were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

All such Related Party Transactions are placed before the Audit Committee for approval, wherever applicable. Prior omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.



The policy on dealing with Related Party Transactions has framed by the Board of Directors with the prior approval of the Audit Committee.

All related party transactions entered by the Company were in the ordinary course of business and were on an arm's length basis, form AOC-2 is "ANNEXURE –II" to the Director's Report.

The details of the transactions with Related Party are provided in the accompanying financial statements.

AUDITORS & AUDITORS' REPORT:

(a) Statutory Auditors & Audit Report:

M/s. Kapoor Tandon & Company, Chartered Accountants, Kanpur, the present Auditors of the Company are retiring at the conclusion of the ensuing Annual General Meeting and have consented to continue in office, if appointed, from the conclusion of ensuing Annual General Meeting till the conclusion of Annual General Meeting of the company for the financial year ended on 31st of March, 2017. They have submitted the necessary eligibility certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

The observations of the auditors are explained wherever necessary in appropriate notes to the accounts. Also, there is no adverse comment in the Auditor's Report.

(b) Secretarial Audit & Secretarial Audit Report.:

The Board has appointed M/s Adesh Tandon & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the FY 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed herewith marked as

ANNEXURE III" to this Report. The Secretarial Audit Report contains qualification, reservation, adverse remark or disclaimer.

The replies of qualification of secretarial Auditor by Board of Directors are given below:

The company is in process to comply with the observations containing in Secretarial Audit Report at the earliest however the office being located in the remote area is incapable to hire capable company secretary.

(c) Cost Auditor:

The Board has appointed M/s K. S. Bhatnagar & Associates, Cost Accountant, New Delhi, as a cost auditor of the Company for conducting the audit of the cost records of the company for various segments for the financial year 2015-16:

- (a) Mineral or chemical Fertilizers Phosphatic
- (b) Inorganic Chemicals and their derivatives



Audit Committee has recommended to appoint M/s K. S. Bhatnagar & Associates, Cost Accountant, New Delhi, as a cost auditor of the Company for conducting the audit of the cost records of the company for various segments for the financial year 2016-17 for the approval of Board of Directors:

- (a) Mineral or chemical Fertilizers Phosphatic
- (b) Inorganic Chemicals and their derivatives

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION:

The company would like to inform that no material changes and commitments affecting the financial position of the company have occurred during the period from the end of financial Year till the date of this report.

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

- a) **Conservation of Energy**
Since the operations of the company are not energy intensive, therefore it does not call for any steps to be taken.
Therefore clause (i), (ii) & (iii) of Rule 8 are not applicable
- b) **Technology Absorption**
The Company has not imported any specific technology for its operations which are not updated in India.
- c) **Foreign Exchange Earnings and Outgo**
During the period under review there was no Foreign Exchange Earnings or outflow in the company

RISK MANAGEMENT POLICY AND IDENTIFICATION OF KEY RISKS.:

The Company would like to inform that the risks which threaten the existence of the Company have been identified and accordingly a risk management framework has been created and adopted by the company. Further the internal auditor of the Company has been casted with the responsibility of monitoring this framework and reports to the management the key risks affecting the business.

DETAILS OF DIRECTORS AND KMP ARE APPOINTED AND RESIGNED DURING THE YEAR:

Appointment/ Resignation of Directors:

The Shareholders in 30th Annual General Meeting held on 26th September, 2015 has appointed Mr. Shobhit Matanhelia as the executive director of the Company who was appointed as an additional director of the company by the board of directors w.e.f. 14/02/2015.



Further, Mr. P.K. Matanhelia, director of the company has resigned from the Company w.e.f. 20/12/2015 during the year 2015-16.

Further Mr. Shobhit Matanhelia was appointed as Whole Time Director of the Company w.e.f. 01.01.2016 for a period of 3 years.

Key Managerial Personnel:

Ms. Ritika Tandon Company Secretary of the company has resigned from the position of Company Secretary from the date of 31st March, 2016.

No other director/s or KMP/s have been appointed or retired or resigned during the financial year 2015-16.

Retirement by Rotation:

Mr. Ashok Kumar Matanhelia is director liable to retire by rotation and being eligible offer himself for re-appointment in the ensuing AGM.

The brief resume of Mr. Ashok Kumar Matanhelia, Managing Director of the company, retiring by rotation but seeking re-appointment at the ensuing Annual General Meeting, his experience in specific functional areas and the companies on which he hold directorship and / or membership / chairmanship of the committees of the Board, his shareholdings are as follows:

- (a) Date of Birth 13/01/1956
- (b) Date of Appointment 06/01/1986
- (c) Qualifications Graduate
- (d) Experience in Specific Function Area- Mr. A.K. Matanhelia is an industrialist having vast experience in the phosphatic fertilizers industry and is associated with the company since the very beginning and is also promoter of the company.
- (e) Directorship held in other companies– One.
- (f) Committee position held in other companies- Nil.
- (g) Share holding position in the company: 110,010 shares containing (1.39%)

INTERNAL FINANCIAL CONTROLS:

The existing internal financial control system is adequate and commensurate with the nature and size of the business of the company. The internal auditors of the company keep a follow up on the internal financial reporting and information dissemination of the company between the departments. The Audit committee of the company interacts from time to time with the internal auditors of the company regarding the adequacy of internal financial control system placed in the company.

DECLARATION BY INDEPENDENT DIRECTOR:

All Independent Directors have given declaration under section 149(7) of the Companies Act 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

CSR ACTIVITIES:

CSR Activities are not applicable to the company. Since the Company does not meet the criteria as defined under section 135 of Companies Act, 2013 read with schedule.

FORMAL ANNUAL EVALUATION OF BOARD OF DIRECTORS AND ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**Performance evaluation of the Board of Directors of the Company**

As per the evaluation criteria formulated by the Nomination and Remuneration Committee of the Board has evaluated its own performance in context of company's performance, status of compliance carried out, efforts made towards risk management, internal control, code of conduct followed and maintained by them, ethical standards met. Below are some of the criteria on the basis of which Board has made its evaluation at specific intervals:

- 1) Size and composition of the Board of Directors of the company as per Companies Act, 2013
- 2) Diversity of thought, experience, knowledge, perspective and gender in the Board of Directors of the company.
- 3) Maintaining transparency in the entire board processes.
- 4) Any deviations, if any, from the set goals of the Board and steps taken to control such deviations.
- 5) Efficiency and effectiveness of the Board of Directors of the Company in carrying out its functions.
- 6) Timely flow of information among the Board of Directors.
- 7) Updation of knowledge of governing laws, rules and regulations.
- 8) Independent judgement of each matter placed before the Board of Directors.

After evaluating its own performance, Board is of the view that the performance of the Board of Directors as a whole was satisfactory during the financial year 2015-2016.

Performance evaluation of the Committees of Board of Directors of the Company:

The Board of Directors of the company evaluated the performance of each of its committees on the basis of various criteria such as composition of committee, quantum and quality of information received by the committee members, time spent for discussing the matter and reaching out the final decision, efficiency and effectiveness of the decision making of the committee members, level of active participation of committee Members, number of meetings attended by the members, presence of the Chairman of the committee.

On the basis of the above criteria and the working procedure established by the Board of Directors of the company, the Board is of unanimous consent that all the committees of the company are working satisfactorily.

Performance evaluation of the Independent Directors of the Company:

As per the criteria formulated by Nomination and Remuneration Committee for the performance evaluation of Independent directors, the performance of each Independent director was evaluated by the entire Board of Directors but excluding the director being evaluated. While evaluation the following things were taken into consideration:

- 1) Application of Independent judgment while taking decision as part of the Board of Directors of the company.
- 2) Exercise of the responsibility in a bona fide manner in the interest of the company.
- 3) Attendance in the meeting of Board of Directors and meetings of committees where independent director is a member.
- 4) Active participation in the familiarization programme conducted for the Independent Director.

Performance evaluation of the each individual director of the Company:

Further the Board evaluated during the year, the performance of each Director taking each of them as a separate individual, in order to judge the contribution and efforts made by them individually and the initiatives taken by them during the year. This helped the Board of Directors in deciding whether to extend the tenure of director being evaluated.

COMITTEES TO THE BOARD:

The Company has several Committees which have been established in Compliance with the requirements of the relevant provisions of applicable laws and statutes.

The Company has following Committees of the Board:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

The details with respect to the composition of the committees, No. and dates of the meeting of the committees and No. of meeting attended by each director of relevant Committee are given in details below.

(A) AUDIT COMMITTEE:

In compliance and as per the requirements of Section 177 of the Companies Act, 2013, an Audit Committee has been constituted and re-constituted. The Audit Committee consists of three directors out of which two are independents. Four meetings of Audit Committee were held during the year on 29.05.2015, 13.08.2015, 14.11.2015 and 13.02.2016. During the year, all the recommendations made by the Audit Committee were accepted by the Board

Composition and attendance in Committee meeting during the year:



| Name of Committee Members | Positions | Meeting held | Meeting attend |
|---------------------------|--|--------------|----------------|
| Mr. K.C. Madan | Chairman/Independent | 4 | 4 |
| Mr. Anurag Tulsyan | Member / Independent | 4 | 4 |
| * Mr. P.K. Matanhelia | Member / Non-Executive non Independent | 3 | 3 |
| #Mr. Somil Matanhelia | Member / Executive non independent | 1 | 1 |

* Mr. P.K. Matanhelia has resigned from the office with effect from 20/12/2015.

Mr. Somil Matanhelia has inducted a member of the committee w.e.f. 14/11/2015.

The Chairman of the Committee was present at the last Annual General Meeting held on 26th September, 2015.

Ms. Ritika Tandon is Secretary of the Committee.

The Chief Financial Officer Mr. S.S. Pandey is regular invitees to the said meeting.

The primary objective of the Audit Committee is to monitor and supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and financial reporting.

(B) ESTABLISHMENT OF VIGIL / WHISTLE BLOWER MECHANISM:-

The Company has established a vigil mechanism for directors and employees in compliance with the provisions of Sub section 9 of Section 117 read with Rule 7 of Chapter XII of the Companies (Meetings of Board and its Powers) Rules, 2014 to report genuine concerns. Vigil mechanism shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional case.

The Company promotes ethical behavior in all its business activities and in line with the best practices for corporate governance. It has established a system through which directors & employees may report breach of code of conduct or suspected fraud, unethical business practices, illegality, fraud, and corruption etc at work place without fear of reprisal. The Board designated and authorized Mr. Shiv Sahay Pandey, CFO of the Company as Vigilance and Ethics Officer and Mr. K.C. Madan, Chairman of the Audit Committee to oversee the vigil mechanism. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. It may be noted that if any of the members of the Committee do have a conflict of interest in any given case, he/she to recuses themselves and the others on the committee would deal with the matter on hand.



The Vigil mechanism shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also to provide for direct access to the Chairman of the Audit Committee and in case of repeated frivolous complaints being filed by a Director or an employee, the Chairman of the Audit Committee may take suitable action against the concerned Director or employee including reprimand.

During the Financial Year 2015-2016 there was no complaint reported by any Director or employee of the company under this mechanism.

(C) NOMINATION & REMUNERATION COMMITTEE:

In compliance with the provisions of section 178 of the Companies Act, 2013, the Nomination & Remuneration Committee of the Board has been constituted. The Nomination & Remuneration Committee consists of three Non-Executive Directors. Two meetings of the committee were held during the year on, 20.12.2015 and 13/02/2016.

Composition and attendance in Committee meeting during the year:

| Name of Committee Members | Positions | Meeting held | Meeting attended |
|---------------------------|---|--------------|------------------|
| Mr. K.C. Madan | Chairman / Non Executive Independent Director | 2 | 2 |
| Mr. G. N. Gupta | Member / Non-Executive Independent Director | 2 | 2 |
| Mr. Anurag Tulsyan | Member / Non-Executive Independent Director | 2 | 2 |

NOMINATION AND REMUNERATION POLICY OF THE COMPANY:

In compliance with the provisions of Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of the Board of Directors have formulated a policy comprising the criteria for determining qualifications, positive attributes and independence of a director and remuneration for the directors, key managerial personnel and other employees, which have been approved and adopted by the Board. The criteria formulated by the Nomination and Remuneration Committee is duly followed by the Board of Directors of the Company while appointing the directors, Key Managerial Personnel and senior management personnel in the company.

a) Criteria for appointment of Directors in the Company:

- 1) Person of integrity with high ethical standards.
- 2) Person with knowledge, skill and innovative ideas that can be beneficial to the company.



- 3) Interested in learning new things and updating the knowledge and skills possessed.
- 4) Person who can act objectively while exercising his duties.
- 5) Who believes in team spirit
- 6) Who is responsible towards the work and can devote sufficient time and attention to the professional obligations for informed and balanced decision making.

In respect of Managing Director, Whole-time director and Independent director, besides the general criteria laid down by Nomination and Remuneration Committee for all directors, the criteria as mentioned in Companies Act, 2013 have also been included.

b) Criteria for appointment of Key Managerial Personal and Senior Management Employee:

- 1) Person should be having the required educational qualification, skills, knowledge and experience as required and necessary for the concerned post.
- 2) Person should be hardworking, self-motivated and highly enthusiastic.
- 3) Person should be having positive thinking, leadership qualities, sincerity, good soft skills and power of taking initiatives.

Remuneration policy of the Company:

The Remuneration policy of the company has been framed by the Nomination and Remuneration Committee in such manner that it can attract and motivate the directors, key managerial personnel and employees of the company to work in the interest of the company and to retain them.

- 1) Company has a policy to pay remuneration in such manner that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 2) It has been ensured while formulating the policy that remuneration to directors, key managerial personnel and senior management should involve a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company.
- 3) Remuneration to be paid to Managing Director/Whole-time Director shall be within the limits specified under Companies Act, 2013.
- 4) Increments to the existing remuneration may be recommended by the committee to the Board of Directors.



(D) STAKEHOLDERS RELATIONSHIP COMMITTEE:

In compliance with the provisions of the Companies Act, 2013, the Stakeholders Relationship Committee has been constituted by the Board for a speedy disposal of grievances / complaints relating to shareholders/investors. The Committee consists of three non-executive directors. Four meetings of the Committee were held during the year on 29.05.2015, 13.08.2015, 14.11.2015 and 13.02.2016.

Composition and attendance in Committee meeting during the year:

| Name of Committee Members | Category | Meeting held | Meeting attend |
|---------------------------|-------------------------------|--------------|----------------|
| Mr. K.C. Madan | Chairman/Independent Director | 4 | 4 |
| Mr. A. K. Matanhelia | Member/Executive Director | 4 | 4 |
| Mr. Anurag Tulsyan | Member/Independent Director | 4 | 4 |
| Mr. Somil Matanhelia | Member/Executive Director | 4 | 4 |

Compliance Officer:

Mr. S. S. Pandey Chief financial officer designated as the Compliance Officer for complying with the requirements of the Securities Law and the Listing Agreements with the Stock Exchanges in India.

INVESTOR GRIEVANCE REDRESSAL:

The Committee specifically looks into the shareholder redressal and investor complaints on matters relating to refund orders, transfer of shares, sub-division, consolidation of share certificates, issue of duplicate share certificates, non-receipt of annual report, non-receipt of declared dividends etc. In addition, the Committee advises on matters which can facilitate better investor services and relations.

| Types of Complaint | Number of Complaints |
|---|----------------------|
| No. of share holders' complaints received so far | 0 |
| No. not solved to the satisfaction of shareholder | 0 |
| No. of pending complaints | 0 |

POLICY ON INSIDER TRADING:

The company follows a strict code on prohibition of Insider Trading and the same has been detailed to all the directors, senior management and employees of the Company.

For ensuring the same, the company has formulated & adopted a code of practice & procedure for fair disclosure of Unpublished Price Sensitive Information as per SEBI (Prohibition of Insider Trading) Regulation, 2015.

CORPORATE GOVERNANCE:

The Provisions relating to Corporate Governance as enumerated in the clause 49 of the Listing Agreement and Regulation 27 of SEBI (Listing obligation & disclosure requirements) Regulation, 2015 are not applicable on the company.

Thus the report on Corporate Governance need not to file with Stock Exchange.

DISCLOSURE RELATED TO EMPLOYEES:

1. The ratio of the remuneration of each director to the median employee(s) remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are open for inspection at the Administrative Office of the company in terms of the first proviso of Section 136 (1) of the Companies Act 2013 during the business hours. Members who are interested in obtaining such particulars may right to the company and same will be furnished on request.
2. The provisions of Section 197 (12) and section 197(14) of the Companies Act, 2013, read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration) Rules, 2014 as amended, are not applicable to the company.

LEGAL FRAMEWORK AND REPORTING STRUCTURE:

The Company would like to inform that a legal compliance tool has been installed vertically within the organization for monitoring and complying all laws applicable to the Company. This tool is being overseen and supervised by the office of the Company Secretary. Further the Company secretary has also been cast the responsibility of providing a compliance certificate at every Board meeting including the key non-compliances during the quarter.

DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the requirements of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:-

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- b) the directors had selected such accounting policies and 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 period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- 1. Details relating to deposits covered under Chapter V of the Act.
- 2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- 4. Change in share capital of the company.
- 5. Change in the nature of the business of the company.
- 6. Details of subsidiary, joint venture or Associates Company.
- 7. Voluntary Revision of Financial Statements or Board's Report.
- 8. Amount transfer to investor education and protection fund.
- 9. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- 10. Particulars of Loans, Guarantees & Investments Under Section 186.
- 11. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- 12. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- 13. No fraud has been reported by the Auditors to the Audit Committee or the Board.



ASIAN fertilizers ltd.

ACKNOWLEDGMENTS:

The Directors would like to express their sincere appreciation of the cooperation and assistance received from the Authorities, Readers, Bankers, Credit Rating Agencies, Depositories, Stock Exchanges, Registrar and Share Transfer Agents, Associates as well as our Shareholders at large during the year under review.

The Directors also wish to place on record their deep sense of appreciation for the commitment, abilities and hard work of all executives, officers and staff who enabled Company to consistently deliver satisfactory and rewarding performance even in the challenging economic conditions.

For and on behalf of the Board of Directors

Asian fertilizers limited

Place: New Delhi
Date: 30/05/2016

Sd./-
Ashok Kumar Matanhelia
(Managing Director)
DIN: 01763776
Address: 789, Ajay Khand,
Patrakarpuram,
Rapti Nagar, Gorakhpur



ANNEXURE - I

FORM NO.MGT- 9

EXTRACT ANNUAL RETRUN

as on the financial year ended on 31st March-2016

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration)

Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN:-L99999UP1986PLC007621
- II. Registration Date: 06/01/1986
- iii. Name of the Company: Asian Fertilizers Limited
- iv. Category / Sub-Category of the Company: company Limited by shares/India Non-Government Company
- v. Addrees of the Registered office and contact details : 47/81 Hatiya, Kanpur, Uttar Pradesh, India, 208001
- vi. Whether listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any: N.A.

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: -

| Sl. no. | Name and Description of main products/services | NIC Code of the products/services | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1. | SSP | 20219 | 76.00% |
| 2. | Micro nutrients | 20219 | 7.26% |
| 3. | Acid | 20219 | 16.74% |



III. PARTICULARS OF HOLDINGS, SUBSIDIARY AND ASSOCIATE COMPANIES: N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

| Category of Shareholders | No. of Share held at the beginning of the year 01/04/2015 | | | | No. of Share held at the end of the year 31/03/2016 | | | | % Change During the year |
|----------------------------|---|----------|---------|------------------|---|----------|---------|------------------|--------------------------|
| | Demat | Physical | Total | %of Total Shares | Demat | Physical | Total | %of Total Shares | |
| A. Promoters | | | | | | | | | |
| (I) Indian | | | | | | | | | |
| a) Individual/HUF | - | 1211820 | 1211820 | 15.34 | - | 1546020 | 1546020 | 19.57 | 4.23 |
| b) Central Govt. | - | - | - | - | - | - | - | - | - |
| c) State Govt.(s) | - | - | - | - | - | - | - | - | - |
| d) Bodies Corp. | - | 1128000 | 1128000 | 14.28 | - | 844600 | 844600 | 10.69 | (3.59) |
| e) Banks / F1 | - | - | - | - | - | - | - | - | - |
| f) Any Other..... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (1):- | - | 2339820 | 2339820 | 29.61 | - | 2390620 | 2390620 | 30.26 | 0.65 |

(2) Foreign

| | | | | | | | | | |
|---|---|---------|---------|-------|---|---------|---------|-------|------|
| a) NRIs-Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any Other.... | - | - | - | - | - | - | - | - | - |
| Sub-total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total shareholding of Promoter (A) = (A)(I)+(A)(2) | - | 2339820 | 2339820 | 29.61 | - | 2390620 | 2390620 | 30.26 | 0.65 |

B. Public Shareholding

1. Instititins

| | | | | | | | | | |
|--------------------------|---|-------|-------|------|---|-------|-------|------|---|
| a) Mutual Funds | - | 93600 | 93600 | 1.18 | - | 93600 | 93600 | 1.18 | - |
| b) Banks / F1 | - | - | - | - | - | - | - | - | - |
| c) Central Govt. | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |



| | | | | | | | | | |
|--|---|-----------|-----------|--------|---|-----------|-----------|-------|--------|
| g) FII/NRI | - | 2000 | 2000 | 0.03 | - | 2000 | 2000 | 0.03 | - |
| H) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Other (specify) | | | | | | | | | |
| Sub-total (B)(I) :- | - | 95600 | 95600 | 1.21 | - | 95600 | 95600 | 1.21 | |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | - | 1082600 | 1082600 | 13.70 | - | 1082600 | 1082600 | 13.70 | - |
| i) Indian | | | | | | | | | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | - | 4243773 | 4243773 | 53.71 | - | 4239773 | 4239773 | 53.66 | (0.05) |
| ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh | - | 139707 | 139707 | 1.77 | - | 92907 | 92907 | 1.18 | (0.59) |
| c) Other (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2):- | - | 5466080 | 5466080 | 69.18 | - | 5415280 | 5415280 | 68.53 | (0.65) |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | - | 5561680 | 5561680 | 70.39 | - | 5510880 | 5510880 | 69.74 | (0.65) |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | - | 79,01,500 | 79,01,500 | 100.00 | - | 79,01,500 | 79,01,500 | 100 | - |



ii) Shareholding of Promoters

| SL. No. | Shareholder's Name | Shareholding at the beginning of the year as on 01/04/2015 | | | Shareholding at the end of the year as on 31/03/2016 | | | % change In share holding during the year |
|---------|-----------------------------|--|---------------------------------|--|--|----------------------------------|--|---|
| | | No. of Shares | % of total Shares of the comany | %of Share Pledged/ encumbe red to total shares | No. of Share | % of total Shares of the company | % of total Shares Pledged/ encumbered shares | |
| 1. | JUGAL KISHORE MODI | 199,600 | 2.53 | - | 199,600 | 2.53 | - | - |
| 2. | MADAN LAL MATANHELIA | 76,430 | 0.97 | - | 76,430 | 0.97 | - | - |
| 3. | NIRAJ MATANHELIA | 60,000 | 0.76 | - | 60,000 | 0.76 | - | - |
| 4. | BANWARI LAL MATANHELIA | 60,000 | 0.76 | - | 60,000 | 0.76 | - | - |
| 5. | SHOBHIT MATANHELIA | 273,900 | 3.47 | - | 273,900 | 3.47 | - | - |
| 6. | ASHOK MATANHELIA | 40,010 | 0.51 | - | 110,010 | 1.39 | - | 0.88 |
| 7. | DURGA PRASAD MATANHELIA | 40,010 | 0.51 | - | 40,010 | 0.51 | - | - |
| 8. | PRAMOD KUMAR MATANHELIA | 40,000 | 0.51 | - | 40,000 | 0.51 | - | - |
| 9. | MANOJ KUMAR | 35,300 | 0.45 | - | 35,300 | 0.45 | - | - |
| 10. | MURARI LAL MATANHELIA | 33,600 | 0.43 | - | 33,600 | 0.43 | - | - |
| 11. | RACHNA MATANHELIA | 29,000 | 0.37 | - | 108,200 | 1.37 | - | 1.00 |
| 12. | SURESH M. AGARWAL | 24,400 | 0.31 | - | 24,400 | 0.31 | - | - |
| 13. | GAYATRI DEVI | 24,400 | 0.31 | - | 24,400 | 0.31 | - | - |
| 14. | MURARI LAL | 22,100 | 0.28 | - | 22,100 | 0.28 | - | - |
| 15. | MAANOJ AGARWAL | 21,800 | 0.28 | - | 21,800 | 0.28 | - | - |
| 16. | MANOJ KUMAR MATANHELIA | 20,200 | 0.26 | - | 20,200 | 0.26 | - | - |
| 17. | PANKAJ KUMAR MATANHELIA | 20,000 | 0.25 | - | 20,000 | 0.25 | - | - |
| 18. | AJAYSHANKAR AGARWAL | 19,900 | 0.25 | - | 19,900 | 0.25 | - | - |
| 19. | KRISHNMURARI LAL AGARWAL | 24,900 | 0.32 | - | 24,900 | 0.32 | - | - |
| 20. | SNEHUL J. MAHETALIYA | 16,600 | 0.21 | - | 16,600 | 0.21 | - | - |
| 21. | VEENA DEVI MATANHELIA | 15,900 | 0.20 | - | 15,900 | 0.20 | - | - |
| 22. | K.G. AGRAWAL | 15,400 | 0.19 | - | 15,400 | 0.19 | - | - |
| 23. | B.N. AGARWAL | 14,200 | 0.18 | - | 14,200 | 0.18 | - | - |
| 24. | USHA DEVI MATANHELIA | 14,010 | 0.18 | - | 740,10 | 0.94 | - | 0.76 |
| 25. | KRISHNA MURARILAL ARON | 13,800 | 0.17 | - | 13,800 | 0.17 | - | - |
| 26. | SAVITRI DEVI MATANHELIA | 10,000 | 0.13 | - | 10,000 | 0.13 | - | - |
| 27. | PARMESHWARI DEVI MATANHELIA | 10,000 | 0.13 | - | 10,000 | 0.13 | - | - |
| 28. | SITA RAM KEDIA | 13,700 | 0.17 | - | 13,700 | 0.17 | - | - |



| | | | | | | | |
|------------------------------------|----------------|--------------|----------|----------------|--------------|----------|-------------|
| 30. KUM CHETANA K.ARAGWAL | 7,400 | 0.09 | - | 7,400 | 0.09 | - | - |
| 31. SHRI OM PRAKASH AGRAWAL | 6,200 | 0.08 | - | 6,200 | 0.08 | - | - |
| 33. V.K. AGARWAL | 5,500 | 0.07 | - | 5,500 | 0.07 | - | - |
| 34. SHRI OM PRAKASH | 1,750 | 0.02 | - | 1,750 | 0.02 | - | - |
| 35. SOMIL MATANHELIA | 1,100 | 0.01 | - | 126,100 | 1.60 | - | 1.59 |
| 36. BABU LAL AGRAWAL | 500 | 0.01 | - | 500 | 0.01 | - | - |
| 37. SHRI SHYAM LAL AGRAWAL | 210 | 0.00 | - | 210 | 0.00 | - | - |
| 39. ATIT COMMERCIAL CO.(P) LTD. | 398,900 | 5.05 | - | 254,700 | 3.22 | - | (1.83) |
| 40. JIBRALTER TRADERS LTD. | 399,300 | 5.05 | - | 339,300 | 4.29 | - | (0.76) |
| 41. TIRUPATI TEXTILES LTD. | 184,000 | 2.33 | - | 104,800 | 1.33 | - | (1.00) |
| 42. ARIHANT TRADING & MANF.CO.LTD. | 145,800 | 1.85 | - | 145,800 | 1.85 | - | (0.35) |
| TOTAL | 2339820 | 29.61 | - | 2390620 | 30.26 | - | 0.65 |

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

| Sl. No. | | Shareholding at the beginning of the year As on 01/04/2015 at the end of the year as on 31/03/2016 | |
|---------|---|--|----------------------------------|
| | | No. of shares | % of total shares of the company |
| | At the beginning of the year(01/04/2015) | 2,339,820 | 29.61 |
| | Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.): | | |
| | Transfer of share (23/06/2015) 46,800 | | |
| | (20/06/2015) 4000 | 50,800 | 0.65 |
| | At the End of the year (31/03/2016) | 2,390,620 | 30.26 |

*The Increase in % of total shares of the promoters from 29.61% to 30.26% is due to transfer of shares from public to promotor.



iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs AND ADRs):

| SL. No. | For Each of the Top 10 Shareholders | Shareholding | | Date | Increase/decrease in share holding | Reason | Cumulative Shareholding during the year (01/04/2015 - 31/03/2016) | |
|---------|--------------------------------------|--|----------------------------------|--------|------------------------------------|--------|---|----------------------------------|
| | | No. Of shares at the beginning (01/04/2015)/ end of the year (31/3/2016) | % of total shares of the company | | | | No. of Shares | % of total shares of the company |
| 1. | JSB SECURITIES LTD. | 2,53,500 2,53,500 | 3.21 3.21 | - - | - - | - - | 2,53,500 | 3.21 |
| 2. | J.M. SHARE & STOCK BROKERS LTD. | 2,15,700 2,15,700 | 2.73 2.73 | - - | - - | - - | 2,15,700 | 2.73 |
| 3. | V B DESAI FINANCIAL SERVICES LTD. | 98,400 98,400 | 1.25 1.25 | - - | - - | - - | 98,400 | 1.25 |
| 4. | M/S SUPER INDIA TEXTILES LIMITED | 87,000 87,000 | 1.10 1.10 | - - | - - | - - | 87,000 | 1.10 |
| 5. | NAGARJUN TEXTILES INDIA PVT. LIMITED | 45,000 45,000 | 0.57 0.57 | - - | - - | - - | 45,000 | 0.57 |
| 6. | M/S ADITYA EXPORTS LTD. | 45,000 45,000 | 0.57 0.57 | - - | - - | - - | 45,000 | 0.57 |
| 7. | BIPIN M. KHANDHAR | 37,500 37,500 | 0.47 0.47 | - - | - - | - - | 37,500 | 0.47 |
| 8. | M/S SUMIT PACKAGING PVT. LTD. | 35,000 35,000 | 0.44 0.44 | - - | - - | - - | 35,000 | 0.44 |
| 9. | GRAND CENTRAL TEA INDUSTRIES LTD. | 30,000 30,000 | 0.37 0.37 | - - | - - | - - | 30,000 | 0.37 |
| 10. | PEARL ENERGY & INFRA STRUCTURES | 25,000 25,000 | 0.32 0.32 | - - | - - | - - | 25,000 | 0.32 |



V. Shareholding of Directors Key Managerial Personnel:

| SL. | Name | Shareholding | | Date | Increase/ decrease in share holding | Reason | Cumulative Shareholding during the year (01/04/2015-31/03/2016) | |
|-----|------|---|--|------|--|--------|--|--|
| | | No. Of shares at the beginning (01/04/2015)/ end of the year (31/03/2016) | % of total shares of the company | | | | No. of Shares | % of total shares of the company |

A. DIRECTORS :

| | | | | | | | | |
|----|---------------------------|---------|------|------------|-------|--------------------------------|---------|-------|
| 1. | Mr. A.K. Matanhelia | 40,010 | 0.51 | 01/04/2015 | 0.88% | transfer | 110,000 | 0.88% |
| | | 110,010 | 1.39 | 31/03/2016 | | | | |
| 2. | Mr. Pramod Matanhelia | 40,000 | 0.51 | 01/04/2015 | 0% | No movement during the year | 40,000 | 0.51 |
| | | 40,000 | 0.51 | 31/03/2016 | | | | |
| 3. | Mr. Somil Matanhelia | 1,100 | 0.01 | 01/04/2015 | 1.59% | transfer | 126,100 | 1.60% |
| | | 126,100 | 1.60 | 31/03/2016 | | | | |
| 4. | Mrs. Usha Matanhelia | 14,010 | 0.18 | 01/04/2015 | 0.76% | transfer | 74,000 | 0.94% |
| | | 74,010 | 0.94 | 31/03/2016 | | | | |
| 5. | Mr. Shobhit Matanhelia | 273,900 | 3.47 | 01/04/2015 | 0% | No movement during the year | 273,900 | 3.47% |
| | | 273,900 | 3.47 | 31/03/2016 | | | | |



VI. Indebtness

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

| | Secured Loans Excuding deposits | Unsecured Loans | Deposits | Total Indebtedness |
|--|------------------------------------|-----------------|----------|--------------------|
| Indebtedness at the begininning of the financial year | | | | |
| i) Principal Amount | 41,538,411 | 184,012 | - | 41,722,423 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 41,538,411 | 184,012 | - | 41,722,423 |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 1,824,838 | - | - | 1,824,838 |
| - Reduction | (1,495,988) | - | - | (1,495,988) |
| Net Change | 328,850 | - | - | 328,850 |
| Indebtness at the end of the financial year | | | | |
| (i) Principal Amount | 41,867,261 | 184,012 | - | 42,051,273 |
| (ii) Interest due but not paid | - | - | - | - |
| (iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 41,867,261 | 184,012 | - | 42,051,273 |



VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

| Sl. No. | Particulars of Remuneration | Name of MD/WTD/MANAGER | | | |
|------------------------|---|--|------------------------|--------------------------|---------------------|
| | | A.K. Matanhelia (MD) | Somil Matanhelia (WTD) | Shobhit Matanhelia (WTD) | Total Amount |
| 1. | Gross salary (a) Salary as per provisions contained in section 17 (I) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17 (3) Incometax Act, 1961 | 8,40,000 - - | 6,30,000 - - | 1,50,000 - - | 16,20,000 - - |
| 2. | Stock Option | - | - | - | - |
| 3. | Sweat Equity | - | - | - | - |
| 4. | Commission - as % of profit - others, specify... | - - - | - - - | - - - | - - - |
| 5. | Others, please specify | - | - | - | - |
| | TOTAL (A) | 8,40,000 | 6,30,000 | 1,50,000 | 16,20,000 |
| Ceiling as per the Act | | Being Rs. 42 Lakhs per annum per director as per section 197 read with schedule V and all other applicable provisions, if any, of the companies act, 2013 and companies (appointment & remuneration of managerial personnel) Rule 2014 | | | |



B. Remuneration to other directors:

| S.No. | Particulars of Remuneration | Name of Director | | | | | Total Amount |
|-------|--|------------------|------------|----------------|--------------------------|-----------------------------|--------------|
| | | G.N. Gupta | K.C. Madan | Anurag Tulsyan | *Pramod Kumar Matanhelia | Usha Matanhelia | |
| 1. | Independent Directors - Fee for attending board meeting - Fee for attending committee meetings - Commission - Other, please specify | - | - | - | - | - | - |
| | Total (1) | - | - | - | - | - | - |
| 2. | Other Non-Executive Directors - Fee for attending board meeting - Fee for attending committee Meetings - Commission - Others, please specify | - | - | - | - | - | - |
| | Total (2) | - | - | - | - | 7,80,000 (Rent) 7,80,000 | - |
| | Total Managerial Remuneration (B)=(1+2) | - | - | - | - | - | 7,80,000 |
| | Overall Ceiling as per the Act | | | | | | |

* Cease from directorship w.e.f. 20/12/2015

#Directors has waived their sitting fees for the financial year 2015-16.



C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER / WTD

| S.No. | Name of Director | | |
|-------|--|---------------------|----------|
| | Ritika Tandon C S | S. S. Pandey CFO | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961 | 1,41,000 | 1,21,887 |
| 2. | Stock Option | - | - |
| 3. | Sweat Equity | - | - |
| 4. | Commission - as % of profit - others, specify | - | - |
| 5. | Others, please specify | | |
| | Total | 1,41,000 | 1,21,887 |

VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NIL



ASIAN fertilizers ltd.

ANNEXURE - II

FORM NO. AOC -2

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

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

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

| SL. No. | Particulars | Details |
|---------|---|---------|
| a. | Name (s) of the related party & nature of relationship | NIL |
| b. | Nature of contracts/arrangements/transaction | NIL |
| c. | Duration of the contracts/arrangements/transaction | NIL |
| d. | Salient terms of the contracts or arrangements or transaction including the value, if any | NIL |
| e. | Justification for entering into such contracts or arrangements or transactions' | NIL |
| f. | Date of approval by the Board | NIL |
| g. | Amount paid as advances, if any | NIL |
| h. | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | |

2. Details of contracts or arrangements or transactions at Arm's length basis.

| SL. No. | Particulars | Details |
|---------|---|---------------------------|
| a. | Name (s) of the related party & nature of relationship | M/S Pashupati Enterprises |
| b. | Nature of contracts/arrangements/transaction | Leasing of Property |
| c. | Duration of the contracts/arrangements/transaction | Perpetual Deed |
| d. | Salient terms of the contracts or arrangements or transaction including the value, if any | 3,00,000/- P.M. |
| e. | Date of approval by the Board | 13/02/2016 |
| f. | Amount paid as advances, if any | No |

**For and on behalf of the Board of Directors
Asian Fertilizers Limited**

Place: New Delhi

Date: 30/05/2016

Sd/-

Ashok Kumar Matanhelia

(Managing Director)

DIN: 01763776

Address: 789, Ajay Khand,
Patrakar Puram, Rapti Nagar, Gorakhpur



SECRETARIAL AUDIT REPORT

**For the Financial Year ended 31st March - 2016
Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)**

**To,
The Members,
ASIAN FERTILIZERS LIMITED
47/81, Hatiya, Kanpur,
Uttar Pradesh, 208001.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ASIAN FERTILIZERS LIMITED** (hereinafter called "the company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the **ASIAN FERTILIZERS LIMITED** books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has during the audit period covering the financial year ended on March 31st, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting and hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **ASIAN FERTILIZERS LIMITED** for the financial year ended on March 31st, 2016 according to the provisions of :

- i) The Companies Act, 2013 (The Act) and the Rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The depositories Act, 1996 and the Regulation and Bye-laws framed there under;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable To The Company during the Audit Period).**
- 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;

Company has not submitted code of practices and procedures for fair disclosure of unpublished price sensitive information under regulation 8(2) with BSE.



- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. **(Not applicable To The Company during the Audit Period)**
 - c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
(Not applicable To The Company during the Audit Period)
 - d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable To The Company during the Audit Period)**
 - e) The Securities and Exchange Board of India (Registrars to an Issue and share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client.
The company is in the process of appointing the registrar.
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
(Not applicable To The Company during the Audit Period)
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
(Not applicable To The Company during the Audit Period)
- vi) **I further report that**, as per the management representation letter for Secretarial Audit, there is no specific law, applicable to the company.
- We 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 Bombay Stock Exchange to the extent applicable.
 - iii) SEBI(Listing Obligations and Disclosure Requirement) Regulations, 2015 entered into by the company with Bombay Stock Exchange to the extent applicable.

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 observations:

1. *A statement giving a number of investor's complaints for the quarter ending 31st December 2015 along with certain disclosures and dematerialization of hundred percent shareholding of its promoter and promoter group is pending.*
2. *Website of the Company is yet to be maintained.*
3. *Publication of the notice of board meeting for finalization of quarterly results in newspaper was not done.*
4. *Certain compliances under Listing Agreement and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 (w.e.f. 1st December 2015) are pending including the payment of Listing Fees.*



We further report that: -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

All decision at the Board Meeting and Committee Meeting are carried out unanimously as recorded in the minutes of the meeting of the board or Committee of the Board as the case may be.

We further report that: -

There exist 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. However the same is needed to be further strengthened.

We further report that the trading of the Company is suspended from the BSE since 07/01/2002

We further report that during the audit period the Company has:

- (i) No instances of Public/Right/Preferential issue of shares/debentures/sweat equity, etc.
- (ii) No instances of Redemption /buy-back of securities.
- (iii) No resolution under section 180(1)(a) and 180(1)(c) to increase limit to sell, lease or otherwise dispose of the property and to increase the borrowing limit of the Company, in the general meeting and no other major decisions were taken by the members in pursuance to section 180 of the Companies Act, 2013.
- (iv) No instances of Merger/amalgamation /reconstruction, etc.
- (v) No instances of foreign technical collaborations.

Date : 30/05/2016
Place : Kanpur

Adesh Tandon & Associates
Company Secretaries

(Proprietor)
FCS No. : 2253
CPNo:1121

CODE OF CONDUCT DECLARATION

In accordance with SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ashok Kumar Matanhelia in my capacity as the Managing director of the Company hereby confirm that all the Members of the Board of Directors and Senior Management Personnel of the Company have affirmed their compliance for the financial year 2015-16 with the Company's Code of Conduct.

For Asian Fertilizers Limited

Sd/-

Ashok Kumar Matanhelia

Managing Director

DIN: 01763776



ASIAN fertilizers ltd.

KAPOOR TANDON & CO.

Chartered Accountants

H-118, 11th Floor, Himalaya House,
23 Kasturba Gandhi Marg,
New Delhi - 110 001
E-mail : ktc_rajesh@yahoo.com

Branches:

- 24/57 (First Floor), Birhana Road
KANPUR-208 001
Flat No. 701, 7th Floor, Awing,
- Vardhman Vatika AB CHSL
Chitalsar, Manpada, G.B. Road,
Thane-400607

INDEPENDENT AUDITORS' REPORT

To The Members of Asian Fertilizers Limited

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Asian Fertilizers Limited** ("The Company"), which comprise the Balance Sheet as at 31st March, 2016, the statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Mangements Responsibility for the Financial Statments

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Compaines Act, 2013 ("The Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in Indian, including athe Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintainance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statments based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standrds and matters which are required to be included in the audit report under the provisions of the Act and Rules made there under.

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 requirments and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from mateial misstatement.

An audit involves performing procedure to obtain audit evidence about the amount and disclosures in the financial statements. The procedure selected depend on the auditor's judgement, including the assesment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risks assesments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procidures 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 Company's Directors, as well as evaluating the over all presentation of financial statement.

We believe that the audit evidence we have obtained is sufficiant and appropriate to provide a basis for our audit opinion on the financial statements.

Basis of Qualified Opinion

No provision for Exice Duty on closing stock of finished goods has been made in the accounts as well as same has not been included in value of Inventories. The above accounting treatment is not in confirmity with the Accounting Standard 2 (Inventory Valuation) issued by the Institute of Chartered Accountants of India. It has no effect on profit for the year, however, it has resulted in under statement of inventories and short term provision by Rs. 774,955.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects for the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view confirmity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 31, 2016 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the order") issued by the central Government of India in terms of sub section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to information and explanations given to us, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by the Section 143 (3) of the Act, we report that :
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.



- c) The Balance Sheet, the statement of Profit & Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) *Except for the effects of the matter described in Basis for Qualified Opinion paragraph, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.*
- e) On the basis of written representations received from the directors, as on 31st March, 2016 taken on record by the Board of Directors none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of a internal financial control over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g) With respect to other matters to be included in the Auditor’s report in accordance with Rule 11 of the companies (Audit & Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us.
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note no. 34.1 to the financial statements;
 - ii) In our opinion and as per the information and explanations provided to us, the company has not entered into any long term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses; and
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KAPOOR TANDON & CO.**

Chartered Accountants
Firm Reg. No. - 000952 C

(Rajesh Parasramka)

Partner
M.No. 074192

Place : New Delhi
Date : 30.05.2016



ANNEXURE A TO THE AUDITORS REPORT

(Referred to in paragraph 1 of our report of even date on the financial statements for the financial year ended 31st March, 2016 of **Asian Fertilizers Limited**)

In terms of the information and explanations given to us and also on the basis of such checks as we considered appropriate, we state that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) All the fixed assets have not been physically verified by the management during the year but there is regular program of physical verification, which in our opinion is reasonable, having regard to the size of the company and nature of fixed assets. No material discrepancies have been noticed in respect of assets physically verified during the year.
 - (c) Title deeds of immoveable properties are held in the name of company.
- (ii) The inventories of the Company has been physically verified by the management at regular interval during the year.

In our opinion, the frequency of such verification is reasonable. As explained to us, the discrepancies noticed on verification were not material in relation to the operations of the company.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms, limited liability, partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 (The Act). Hence paragraph (iii) of the order is not applicable.
- (iv) The Company has not granted/made any loan, investment, guarantee, or security where provisions of section 185 & 186 of the applicable. Hence, paragraphs 3(iv) of the order is not applicable.
- (v) In our opinion, the Company has not accepted any deposit during the year within the meaning of Section 73 to Section 76 of the Companies Act, 2013 (The Act) read with the Rules framed there under. Hence, paragraphs 3(v) of the order is not applicable.
- (vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Rules framed by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said accounts and records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the books and records produced and examined by us, the Company is generally regular in depositing undisputed Statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as applicable with the appropriate authorities



and no undisputed amount payable in respect of aforesaid statutory dues were outstanding 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 dues of Income Tax, Sales Tax, Service Tax, Duty of Coustoms, Duty of Excise & Value Added Tax which have not been deposited on account of any dispute, except mentioned as below.

| Name of the Statute | Nature of the dues | Amount (Rs. in Lacs) | Year(s) to Which relates | Forum where pending |
|------------------------------|--------------------|----------------------|--------------------------|---------------------|
| The Central Excise Act, 1944 | Penalty | 5.00 | 2003-04 | CESTAT New Delhi |

- (viii) The Company has not defaulted in re-payment of loans or borrowings to a financial Institution, Banks, Government or dues to debenture holders during the year excepting for certain delays in repayment of installment and interest during the year to banks. However there is no default as on Balance Sheet date.
- (ix) The Company has not raised any money by way of initial public offer or further public offer or further public offer (including dept instruments) during the year. In our opinion, the term loans have been applied for the purposes for which they were raised.
- (x) Based on the audit procedures performed and 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 year.
- (xi) In our opinion, the managerial remmunaration paid or provied by the company is in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule IV to the Act.
- (xii) The company is not a “Nidhi Company”; hence paragraph 3(xii) the order is not applicable.
- (xiii) In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Hence, paragraph 3(xiv) the Order is not applicable.
- (xv) In our opinion, the company has not entered into any non-cash transactions with directors or persons connected with him. Hence, paragarph 3(xv) of the order is not applicable.
- (xvi) In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **KAPOOR TANDON & CO.,**
Chartered Accountants
Firm Reg. No. - 000952 C

(Rajesh Parasramka)
Partner
M.No. 074192

Camp : New Delhi
Date : 30.05.2016



Statement on Impact of Audit Qualifications (for audit with modified opinion)
submitted along-with Annual Audited Financial Results - (Standalone)

| Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [Regulation 33 of the SEBI (LODR) (Amendment) Regulations, 2016] | | | | |
|---|---|---|---|---|
| I. | Sl. No. | Particulars | Audited Figures (as reported before adjusting for qualifications) | Adjusted Figures (audited figures after adjusting for qualifications) |
| | 1. | Turnover / Total Income | 548575615 | No Change |
| | 2. | Total Expenditure | 543528600 | No Change |
| | 3. | Net Profit (Loss) | 3270084 | No Change |
| | 4. | Earnings Per Share | 0.41 | No Change |
| | 5. | Total Assets | 214251867 | 215026822 |
| | 6. | Total Liabilities | 214251867 | 215026822 |
| | 7. | Net Worth | 97211681 | No Change |
| | 8. | Any other financial item(s) (as felt appropriate by the management) | Not applicable | No Change |
| II. | Audit Qualification (each audit qualification separately): a. Details of Audit Qualification- No Provision for excise duty on closing stock of finished goods has been made in the account as well as same has not included in value of inventory. b. Type of Audit Qualification : Qualified Opinion c. Frequency of qualification: repetitive d. For Audit Qualification(s) where the impact is quantified by the auditor, yes Rs. 774955 Management's Views: No Impact on profit & loss e. For Audit Qualification(s) where the impact is not quantified by the auditor: Not applicable (i) Management's estimation on the impact of audit qualification: Not applicable (ii) If management is unable to estimate the impact, reasons fo the same: Not-applicable (iii) Auditor's Comments on (i) or (ii) above: Not-applicable | | | |
| III. | Signatories: - CEO/Managing Director : Sd/- A. K. Matanhelia - CFO : Sd/- S. S. Pandey - Audit Committee Chairman : Sd/- K. C. Madan - Statutory Auditors : Sd/- Rajesh Parasramka Place : New Delhi Date : 30-05-2016 | | | |

Annexure B to the Auditors' Report

(Referred to in paragraph 2(f) of our report of even date on the financial statements for the financial year ended 31st March, 2016 of **Asian Fertilizers Limited**)

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

We have audited the internal financial controls over financial reporting of **Asian Fertilizers Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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.

Place: New Delhi
Date: 30.05.2016

For KAPOOR TANDON & CO.,
Chartered Accountants
Firm Reg. No. 000952C
(Rajesh Parasramka)
Partner
M. No. 074192



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

1. SIGNIFICANT ACCOUNTING POLICIES :

1.1) BASIS OF ACCOUNTING :

The financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the applicable accounting standards as prescribed under the relevant provisions of Companies Act, 2013 (The Act) and the Generally Accepted Accounting Principles (GAAP) in India and the relevant provisions of Companies Act, 1956 (The Act).

1.2) USE OF ESTIMATE :

The preparation of financial statements requires estimates & assumptions that affect the reported amount of assets & liabilities on the Balance Sheet date and the revenues and expenses during the year. Difference, if any, between the actual & estimate is recognised in the year in which the same are acknowledged / materialised.

1.3) FIXED ASSETS:

Fixed Assets are stated at cost (of acquisition or construction, as the case may be) less accumulated depreciation and impairment losses, if any. All direct expenses, borrowing cost and other expenses during construction period are capitalized.

1.4) INTANGIBLE ASSETS:

Intangible assets are recognized only if it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and impairment losses, if any.

1.5) CAPITAL WORK IN PROGRESS:

Capital Work in Progress comprises cost of Fixed Assets not yet commissioned, incidental expenses, borrowing cost and advance for capital expenditure.

1.6) DEPRECIATION / AMORTISATION :

- a) Depreciation on Sulphuric Acid Plant, Single Super Phosphate and Granulated Single Super Phosphate Plants has been provided on Straight Line Method (modified for multiple shift/Continuous Process Plants wherever applicable) over the useful life of the respective Plants as envisaged by a Government approved Chartered Engineer which is as under



| Plant Description | Useful Life in Years | | | |
|------------------------------------|----------------------|--------------------|--------------------|--------------------------|
| | Single Shift Basis | Double Shift Basis | Triple Shift Basis | Continuous Process Plant |
| Single Super Phosphate Plant | 12 | 7.75 | 5.50 | - |
| Single Super Phosphate Gran. Plant | 12 | 7.75 | 5.50 | - |
| Sulphuric Acid Plant | - | - | - | 10.80 |

Accordingly, these assets were fully depreciated in the books of company.

- b) Depreciation on Plant and Machinery (other than those specified in para 1.6(a) above) and other Fixed Assets is provided on 'Straight Line Method' on the basis of useful life specified in Schedule II to the Companies Act, 2013. Fixed assets costing below Rs. 5000.00 are fully depreciated in the year of addition.

Depreciation is provided on pro-rata basis with reference to the date of addition / deletion in respect of addition to / deletion from fixed assets.

- c) Computer Software being intangible asset is amortized over a period of 5 years on "Straight Line Method".

1.7 REVENUE RECOGNITION :

- a) Sales are recognised on despatch of goods to costumers. Sales are shown inclusive of exice duty and subsidy but excluding dealer margin & sales tax and discounts.
- b) Subsidy is recognised when certainly of receipt is established. Subsidy on ssp is recognised as per concessino rates notified by the government of India in accordance with nutrient based subsidy policy from time to time.
- c) All other incomes are accounted for on accrual basis.

1.8 CENVAT CREDIT

Cenvat Credit availed in respect of capital goods is adjusted from cost of asset and in respect of other item is adjusted from related expenses.

1.9 BORROWING COSTS

Borrowing costs that are attributable to the acquisition/construction of qualifying assets are capitalized as part of cost of such assets. A qualifying assets is an assets that requires a substantial period of time to get ready for its intended use. All other borrowing cost are recognized as an expense in the year in which they are incurred.

1.10 INVENTORIES:

- a) Raw Materials at factory is valued at lower of cost (determined on Annual weighted average basis) or net releasable value; whereas stock lying at port or in transit is valued at lower of direct purchase cost or net realizable value.
- b) Stock of Finished Goods, is valued at lower of cost (determined on direct Annual cost basis) or net realizable value. Excise Duty is not considered while ascertaining cost.
- c) Work in Process is valued at lower of estimated cost or net realizable value.
- d) Chemicals, Stores and Spares are valued at lower of cost (determined on FIFO basis) or net realizable value.
- e) Waste and Scraps are determined as at the close of the year and are valued at estimated realizable value.



1.11 TAXES ON INCOME :

Provision for tax on income for the year (i.e. current tax) is made after considering the various deductions / relief admissible under the Income Tax Act, 1961. Provision for tax effect of timing difference (i.e. Deferred tax) is made in accordance with the provisions of Accounting Standard 22, Accounting for Taxes on Income (AS-22) issued by the Institute of Chartered Accountants of India.

1.12) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:

Provisions are recognized in respect of obligations where, based on the evidences available, their existence at the Balance Sheet date is considered probable. Contingent liabilities are disclosed by way of notes on accounts in respect of obligations where, based on the evidences available, their existence at the Balance Sheet date is considered not probable. Contingent assets are not recognized in the accounts.

1.13 IMPAIRMENT OF ASSETS:

The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Statement of Profit & Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

1.14 GOVERNMENT GRANTS :

Grants are recognized when certainty of receipt is established. Grant related to fixed assets are adjusted with the gross block / cost of fixed assets and grants of revenue nature are adjusted with the respective expenditure / treated as income as the case may be.

1.15 EMPLOYEE BENEFITS :

- a) Companies contribution to provident fund and family pension fund are charged to statement of Profit & Loss account.
- b) Provision of gratuity is determined on the basis of actuarial valuation as at the end of the year and is charged to statement of Profit and Loss each year.
- c) Provision for leave encashment (treated as short term in nature) is done on the basis of leaves accrued as at the end of year.
- d) Termination benefits are recognized as an expense as and when incurred.

1.16 RESEARCH & DEVELOPMENT EXPENDITURE :

Expenditure of revenue nature is charged to the statement of Profit & Loss and that of capital nature is capitalized as fixed assets.

1.17 Prior period items, if material, are shown separately.



BALANCE SHEET AS AT 31ST MARCH, 2016

| Particulars | Note No. | As at 31st March 2016 (Rupees) | As at 31st March 2015 (Rupees) |
|-------------------------------------|----------|--------------------------------|--------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. SHARE HOLDERS' FUNDS: | | | |
| a) Share Capital | 2 | 78,359,000 | 78,359,000 |
| b) Reserves and Surplus | 3 | 18,852,681 | 97,211,681 |
| | | | <u>15,582,597</u> |
| | | | 93,941,597 |
| 2. NON CURRENT LIABILITIES : | | | |
| a) Long Term Borrowing | 4 | 31,045 | 494,708 |
| b) Deferred Tax Liabilities (Net) | 5 | 3,345,000 | 3,190,000 |
| c) Long Term Provisions | 6 | 3,937,801 | 7,313,846 |
| | | | <u>3,443,395</u> |
| | | | 7,128,103 |
| 3. CURRENT LIABILITIES | | | |
| a) Short Term Borrowings | 7 | 41,867,261 | 40,042,423 |
| b) Trade Payables | 8 | 37,989,165 | 46,094,625 |
| c) Other Current Liabilities | 9 | 28,884,498 | 102,360,168 |
| d) Short Term Provisions | 10 | 985,416 | 109,726,341 |
| | | | <u>2,474,663</u> |
| | | | 190,971,879 |
| Total | | <u>214,251,867</u> | <u>292,041,579</u> |
| II. ASSETS | | | |
| 1. NON CURRENT ASSETS : | | | |
| a) Fixed Assets : | | | |
| i) Tangible Assets | 11 | 48,028,756 | 43,858,169 |
| ii) Capital Work in Progress | | 2,119,164 | 2,505,789 |
| b) Long Term Loans and Advances | 12 | 7,765,126 | 57,913,046 |
| | | | <u>4,858,369</u> |
| | | | 51,222,327 |
| 2. CURRENT ASSETS | | | |
| a) Inventories | 13 | 78,064,561 | 156,564,999 |
| b) Trade Receivables | 14 | 38,929,707 | 43,337,165 |
| c) Cash & Cash Equivalants | 15 | 13,375,722 | 15,323,739 |
| d) Short Term Loans and Advances | 16 | 23,378,850 | 21,247,476 |
| e) Other Current Assets | 17 | 2,589,981 | 156,338,821 |
| | | | <u>4,345,873</u> |
| | | | 240,819,252 |
| TOTAL | | <u>214,251,867</u> | <u>292,041,579</u> |
| Significant Accounting Policies | 1 | | |

The accompanying notes from an integral part of these financial statements.

As per our report of even date

For **KAPOOR TANDON & CO.,**

Chartered Accountants

Firm Reg. No. 000952C

Sd/-

(Rajesh Parasramka)

Partner

M.N. 074194

Place: New Delhi

Date: 30/05/2016

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Sd/-

(A.K.Matanhelia)

Managing Director

DIN: 01763776

Sd/-

(S.S. Pandey)

C.F.O.

(57)

Sd/-

(Somil Matanhelia)

Director

Din: 01738413



STATEMENT OF PROFIT & LOSS
FOR THE YEAR ENDED 31ST MARCH, 2016

| Particulars | Note No. | Current Year 2015 - 16 Rupees | Previous Year 2014 - 15 Rupees |
|--|----------|--|--------------------------------------|
| I. REVENUE : | | | |
| Revenue from operations (gross) | 18 | 557,643,376 | 625,335,171 |
| Less : Excise Duty | | <u>12,738,220</u> | <u>11,629,452</u> |
| Revenue from operations (net) | | 544,905,156 | 613,705,719 |
| Other Income | 19 | <u>3,670,459</u> | <u>3,842,392</u> |
| Total Revenue | | <u>548,575,615</u> | <u>617,548,111</u> |
| II. EXPENSES : | | | |
| Cost of Material consumed | 20 | 353,228,772 | 512,124,622 |
| Decrease/(Increase) in Inventories of Finished Goods and Work-in-Process | 21 | 45,144,877 | (58,126,859) |
| Employee Benefits Expense | 22 | 21,124,200 | 20,598,784 |
| Finance Costs | 23 | 24,301,839 | 19,723,995 |
| Depreciation and Amortisation Expense | 24 | 3,234,379 | 2,928,654 |
| Other Expenses | 25 | <u>96,494,533</u> | <u>104,039,907</u> |
| Total Expenses | | <u>543,528,600</u> | <u>601,289,103</u> |
| Profit Before Tax | | 5,047,015 | 16,259,008 |
| TAX EXPENSES | | | |
| Current Tax | | 1,507,000 | 5,858,000 |
| Deferred Tax | | 155,000 | (135,000) |
| Tax adjustments relating to earlier years | | 114,931 | 32,221 |
| Profit for the year | | 3,270,084 | 10,503,787 |
| Earning per Equity Share (EPS) (Face value of Rs. 10 each) | 26 | | |
| Basic | | 0.41 | 1.33 |
| Diluted | | 0.41 | 1.33 |
| Significant Accounting Policies | 1 | | |
| The accompanying notes from an integral part of these financial statements. | | | |
| As per our report of even date | | FOR AND ON BEHALF OF THE BOARD OF THE DIRECTORS | |
| For KAPOOR TANDON & CO. , Chartered Accountants Firm Reg. No. 000952C | | | |
| Sd/- (Rajesh Parasramka) Partner M.N. 074192 Place: New Delhi Date: 30/05/2016 | | Sd/- (A.K. Matanhelia) Managing Director DIN NO. 01763776 Sd/- (S.S. Pandey) C.F.O. (58) | |
| | | Sd/- (Somil Matanhelia) Director DIN NO. 01738413 | |



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

| Particulars | 2015 - 16 | | 2014 - 15 | |
|--|--------------|---------------------|--------------|---------------------|
| | Rupees | | Rupees | |
| CASH FLOW FROM OPERATING ACTIVITIES : | | | | |
| Net Profit / (Loss) before tax | - | 5,047,015 | - | 16,259,008 |
| Adjustment for : | | | | |
| Depreciation/amortisation | 3,234,379 | | 2,928,654 | |
| Interest Income | (3,509,762) | | (3,684,702) | |
| Interest Expense | 24,044,584 | 23,769,201 | 18,815,977 | 18,059,929 |
| Operating Profit Before Working Capital Changes | - | <u>28,816,216</u> | - | <u>34,318,937</u> |
| Adjustment for : | | | | |
| Inventories | 78,500,438 | - | (73,709,553) | - |
| Trade and Other Receivables | 2,847,852 | - | (18,964,708) | - |
| Other Assets | 1,755,892 | - | 1,476,712 | - |
| Trade payable & other liabilities | (80,056,944) | - | 82,794,504 | - |
| Income Tax Paid | (4,456,244) | (1,409,006) | (4,403,519) | (12,806,564) |
| Cash Generated from Operations | | <u>27,407,210</u> | | <u>21,512,373</u> |
| Interest Received | | <u>3,509,762</u> | | <u>3,684,702</u> |
| Net Cash From Operating Activities | | <u>30,916,972</u> | | <u>25,197,075</u> |
| CASH FLOW FROM INVESTING ACTIVITIES: | | | | |
| Purchase of Fixed Assets (Including CWIP) | | <u>(9,149,255)</u> | | <u>(4,552,948)</u> |
| Sale of Fixed Assets | - | - | - | - |
| Other Bank Balance (Margin Money) | | (2,925,000) | | - |
| Net Cash Used in Investing Activities | | <u>(12,074,255)</u> | | <u>(4,552,948)</u> |
| CASH FLOW FROM FINANCING ACTIVITIES: | | | | |
| Interest Paid | | (24,044,584) | - | (18,815,977) |
| Interest/(Decrease in short term borrowing) | - | 1,824,838 | - | (930,220) |
| Increase/(Decrease) in Long term Borrowing | - | <u>(1,495,988)</u> | - | <u>1,498,988</u> |
| Net Cash (Used in)/from financing activities | - | <u>(23,715,734)</u> | - | <u>(18,250,209)</u> |
| Net Increase/(Decrease) in Cash and Cash Equivalents | | (4,873,017) | | 2,393,918 |
| Cash and Cash Equivalents (Opening Balance) | | 15,323,739 | | 12,929,821 |
| Cash and Cash Equivalents (Closing Balance) | | 10,450,722 | | 15,323,739 |

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the AS-3 on Cash Flow Statements.
2. The accompanying notes from an integral part of these financial statement.

As per our report of even date
For **KAPOOR TANDON & CO.**,
Chartered Accountants
Firm Reg. No. 000952C
Sd/-

(Rajesh Parasramka)
Partner
M.N. 074192
Place: New Delhi
Date: 30/05/2016

Sd/-
(A.K. Matanhelia)
Managing Director
DIN NO. 01763776
Sd/-
(S.S. Pandey)
C.F.O.
(59)

FOR AND ON BEHALF OF THE BOARD

Sd/-
(Somil Matanhelia)
Director
DIN NO. 01738413



Notes to financial statements for the year ended 31st March 2016

| Particulars | As at 31st March 2016 Rupees | As at 31st March 2015 Rupees |
|---|------------------------------------|------------------------------------|
| 2. SHARE CAPITAL | | |
| AUTHORISED | | |
| 1,00,00,000 Equity Shares of Rs. 10/- each | 100,000,000 | 100,000,000 |
| | <u>100,000,000</u> | <u>100,000,000</u> |
| ISSUED, SUBSCRIBED AND FULLY PAID UP | | |
| 79,01,500 Equity Shares of Rs. 10/- each fully paid up | 79,015,000 | 79,015,000 |
| Less Calls in arrears (Others) | 656,000 | 656,000 |
| Total | <u>78,359,000</u> | <u>78,359,000</u> |

2.1 Reconciliation of the shares outstanding at the beginning and at the end of the year:

| Equity Shares | As at 31st March 2016 | | As at 31st March 2015 | |
|------------------------------------|-----------------------|-------------------|-----------------------|-------------------|
| | No. of Shares | (Rupees) | No. of Shares | (Rupees) |
| At the beginning of the year | 7,901,500 | 79,015,000 | 7,901,500 | 79,015,000 |
| Changes during the year | - | - | - | - |
| Outstanding at the end of the year | <u>7,901,500</u> | <u>79,015,000</u> | <u>7,901,500</u> | <u>79,015,000</u> |

2.2 Term / rights attached to equity share

The company has only one class of equity shares having a per value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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.

2.3 Bonus Shares/Shares issued for consideration other than cash & Buy Back of shares during preceding five years.

NIL

2.4 Shares held by holding/ultimate holding company and/or their subsidiary/associate : NIL

2.5 Details of shareholders holding more than 5% shares in the company :

| Name of the Share Holder | As at 31st March 2016 | | As at 31st March 2015 | |
|--------------------------------|-----------------------|----------|-----------------------|----------|
| | No. of Shares | (% held) | No. of Shares | (% held) |
| 1. ATIT COMMERCIAL CO (P) LTD. | 254,700 | 3.22% | 398,900 | 5.05% |
| 2. JIBRALTER TRADERS LTD. | 339,300 | 4.29% | 399,300 | 5.05% |



Notes to financial statements for the year ended 31st March 2016

| Particulars | As at 31st March 2016 Rs. | As at 31st March 2015 Rs. |
|--|---------------------------------|---------------------------------|
| 3. RESERVES AND SURPLUS | | |
| Capital Reserves | | |
| Balance as per last Balance Sheet | 2,000,000 | 2,000,000 |
| Surplus in the Statement of profit and loss | | |
| Balance as per last Balance sheets | 13,582,597 | 4,457,422 |
| Less : Adjustment in respect of fixed assets | - | 1,378,612 |
| | <u>13,582,597</u> | <u>30,778,810</u> |
| Add : Profit for the year | <u>3,270,084</u> | <u>10,503,787</u> |
| TOTAL | <u>18,852,681</u> | <u>15,582,597</u> |

4. LONG TERM BORROWINGS

Secured

Term Loans

Vehicle Loans from Bank (refer note 4.1) - 463,663

Unsecured

From a Director 31,045 31,045

TOTAL 31,045 494,708

4.1 Vehicle loans is secured by the first charge on the car of the company against which such loan has been taken.

4.2 Please refer note no. 9 for current maturities of long term borrowings.

5. Deferred Tax Liabilities (NET)

Deferred Tax Liability
on account of depreciation 6,198,000 - 5,884,000 -

Gross deferred Tax Liability **6,198,000** 5,884,000

Deferred Tax Assets

on the account of
Provision for doubtful debets 1,256,000 1,256,000
expenses allowable on payment. 1,597,000 1,438,000
Gross Deferred Tax Assets **2,853,000** 2,694,000

Net Deferred Tax Liability @ 3,345,000 3,190,000

@ Deferred Tax Assets have been recognized and carried to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets are realised. Deferred Tax Assets and Deferred Tax Liabilities have been set off in accordance with clause 29 of AS-22



Notes to financial statements for the year ended 31st March 2016

| Particulars | As at 31st March 2016 Rs. | As at 31st March 2015 Rs. |
|---|---------------------------------|---------------------------------|
| 6. LONG TERM PROVISION | | |
| Provision for Gratuity | 3,937,801 | 3,443,395 |
| | <u>3,937,801</u> | <u>3,443,395</u> |
| 7. SHORT TERM BORROWING | | |
| <u>Secured</u> | | |
| Indian Rupee Loans from Bank(s) | | |
| Working Capital Loan (refer note no. 7.1) | 41,867,261 | 40,042,423 |
| Total | <u>41,867,261</u> | <u>40,042,423</u> |
| 7.1 Working Capital facilities are secured by first charged on all the current assets of the company and certain assets of the directors loan is further secured by personal guarantee of directors. | | |
| 8. TRADE PAYABLES | | |
| Sundry Creditors (Refer Note 8.1) | 37,989,165 | 46,094,625 |
| Total | <u>37,989,165</u> | <u>46,094,625</u> |
| 8.1 The company has requested confirmation from suppliers regarding their registration (filling of mamorandum) under the Micro, small and medium enterprises Devolopment Act, 2006 (The Act). According to the information available with the company their was no amount (Principal & / or Interest) due to any micro/small enterprises (SME as defined in the Act) as at the end of year. Their is no delay in payment to SME during the year. No interest was paid / payable on account of delay in payment to SME during the year in term of Section 16 of the Act. | | |
| 9. OTHER CURRENT LIABILITIES | | |
| Current maturity of long term borrowing - Secured | - | 1,032,325 |
| Current maturity of long term borrowing - Unsecured | 152,967 | 152,967 |
| Advance from Customer | 51,108,574 | 77,472,883 |
| Other Liabilties | 23,622,957 | 23,701,993 |
| TOTAL | <u>28,884,498</u> | <u>102,360,168</u> |
| 9.1 Continuing Default as on the balnce sheet date - Principal & Interest | NIL | NIL |
| 10. SHORT TERM PROVISIONS | | |
| Provision for Tax | - | 5,858,000 |
| Less : Advance Tax (including TDS) (refer note no. 12 for current years figures) | - | 4,371,298 |
| Provision for Gratuity | 243,883 | - |
| Provision for Leave encashment | 741,533 | 268,753 |
| TOTAL | <u>985,416</u> | <u>2,474,663</u> |



NOTES TO FINANCIAL STATEMENTS FOR THE ENDED 31ST MARCH 2016

11. FIXED ASSETS

(Rupees)

| S. N. | Description of Assets | GROSS BLOCK | | | | DEPRECIATION / AMORTISATION | | | | NET BLOCK | |
|-------|---|----------------------------|-----------------------|-----------|----------------------------|-----------------------------|-----------------------|--------------|----------------------------|--------------------------|-------------------------|
| | | As at 31.03.2015 | Additions | Sale/ Adj | As at 31.03.2016 | Up to 31.03.2015 | For the Year | on Sale/Adj. | Up to 31.03.2016 | ASAT 31.3.2016 | ASAT 31.3.2015 |
| | Tangible | | | | | | | | | | |
| a. | LAND FREE HOLD (Including Site Development) | 3,992,109 | - | - | 3,992,109 | - | - | - | - | 3,992,109 | 3,992,109 |
| b. | TEMPORARY STRUCTURE | 169,178 | - | - | 1,69,178 | 1,69,178 | - | - | 1,69,178 | - | - |
| c. | FACTORY BUILDING | 3,25,32,154 | 46,28,439 | - | 3,71,60,593 | 2,04,86,445 | 10,18,250 | - | 2,15,04,695 | 1,56,55,898 | 1,20,45,709 |
| d. | NON FACTORY BUILDING | 69,26,641 | - | - | 69,26,641 | 18,62,165 | 108,542 | - | 19,70,707 | 49,55,934 | 50,64,476 |
| e. | PLANT & MACHINERY (MAIN) (OTHER) | 8,87,11,262 1,96,93,767 | 15,93,965 4,91,640 | - - | 9,03,05,227 2,01,85,407 | 7,23,19,087 1,74,64,533 | 10,03,091 1,42,218 | - - | 7,33,22,178 1,76,06,751 | 1,69,83,049 25,78,656 | 163,92,175 22,29,234 |
| f. | FURNITURE & FITTINGS | 7,23,532 | 2,26,654 | - | 9,50,186 | 5,96,534 | 38,324 | - | 6,34,858 | 3,15,328 | 1,26,998 |
| g. | OFFICE EQUIPMENT | 16,28,238 | 2,90,192 | - | 19,18,430 | 11,55,173 | 1,65,413 | - | 13,20,586 | 5,97,844 | 4,73,065 |
| i. | COMPUTER | 5,33,365 | 77,740 | - | 6,11,105 | 3,86,448 | 71,383 | - | 4,57,831 | 1,53,274 | 1,46,917 |
| i. | MOTOR CAR & OTHER VEHICLES | 72,50,901 | 96,336 | - | 73,47,237 | 38,63,415 | 6,87,158 | - | 45,50,573 | 27,96,664 | 33,87,846 |
| | SUB TOTAL | 16,21,61,147 | 74,04,966 | - | 16,95,66,113 | 11,83,02,978 | 32,34,379 | - | 12,15,37,357 | 4,80,28,756 | 4,38,58,169 |
| | Intangible | | | | | | | | | | |
| j. | COMPUTER SOFTWARE | 68,120 | - | - | 68,120 | 68,120 | - | - | 68,120 | - | - |
| | TOTAL | 16,22,29,267 | 74,04,966 | - | 16,96,34,233 | 11,83,71,098 | 32,34,379 | - | 12,16,05,477 | 4,80,28,756 | 4,38,58,169 |
| | PREVIOUS YEAR | 15,75,72,737 | 46,56,530 | - | 16,22,29,267 | 11,34,01,832 | 29,28,654 | 20,40,612 | 11,83,71,098 | 4,38,58,169 | - |



Notes to Financial Statements for the year ended 31st March 2016

| Particulars | Current Year AS AT 31.03.16 Rupees | Previous Year AS AT 31.03.15 Rupees |
|---|--|---|
| 12. LONG TERM LOANS AND ADVANCES (Unsecured considered good) | | |
| Capital Advances | 2,130,914 | - |
| Security Deposit (including Rs. 1,50,000/ in form of (FDR) | 4,286,601 | 4,858,369 |
| Advance Income Tax (Including TDS) | 2,854,611 | - |
| Less: Provision of Taxation (Refer Note no. 10 for Previous year's figures) | <u>1,507,000</u> | <u>-</u> |
| Total | <u>7,765,126</u> | <u>4,858,369</u> |
| 13. INVENTORIES (valued at lower of cost and net realisable value) | | |
| Raw Materials | 19,375,616 | 57,741,601 |
| Work in Process | 1,382,833 | 41,125,540 |
| Finished Goods | 39,261,645 | 44,813,865 |
| Store and Spares | 16,344,417 | 11,333,993 |
| Scrap & Waste | 1,700,000 | 1,550,000 |
| Total | <u>78,064,561</u> | <u>156,564,999</u> |
| 14. TRADE RECEIVABLES | | |
| <i>Unsecured considered doubtful</i> | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 3,872,221 | 3,872,221 |
| Less : Provision for Doubtful Debt | <u>3,872,221</u> | <u>-</u> |
| <i>Unsecured considered good</i> | | |
| Outstanding for a period exceeding six months from the date they are due for payment | 8,724,774 | 2,712,990 |
| Others | <u>30,204,933</u> | <u>40,624,175</u> |
| Total | <u>38,929,707</u> | <u>43,337,165</u> |



Notes to Financial Statements for the year ended 31st March 2016

| Particulars | Current Year AS AT 31.03.16 Rupees | Previous Year AS AT 31.03.15 Rupees |
|--|---|--|
| 15. CASH AND CASH EQUIVALENTS | | |
| Cash on Hand (as Certified by the Management) | 1,706,134 | 2,657,615 |
| Cheques / Draft in hand | 245,439 | 490,674 |
| Balance with Banks on : | | |
| Fixed Deposit Account | 7,500,188 | 8,343,155 |
| Current Accounts | <u>998,961</u> | <u>3,832,295</u> |
| Other Bank Balances | | 15,323,739 |
| Fixed Deposit (Margin Money) | 2,925,000 | - |
| Total | <u>13,375,722</u> | <u>15,323,739</u> |



Notes to Financial Statements for the year ended 31st March 2016

| Particulars | Current Year AS AT 31.03.16 Rs. | Previous Year AS AT 31.03.15 Rs. |
|---|---------------------------------------|--|
| 16. SHORT TERM LOANS AND ADVANCES (Unsecured considered good) | | |
| Other Loans | 17,501,988 | 19,065,170 |
| Advances recoverable in cash or kind or for value to be received | <u>5,876,862</u> | <u>2,182,306</u> |
| Total | <u>23,378,850</u> | <u>21,247,476</u> |
| 17. OTHER CURRENT ASSETS (Unsecured considered good) | | |
| Interest accrued on FDR | 173,570 | 471,538 |
| Other Claims receivable | 1,751,016 | 3,438,386 |
| Prepaid Expenses | <u>665,395</u> | <u>435,949</u> |
| Total | <u>2,589,981</u> | <u>4,345,873</u> |
| 18. REVENUE FROM OPERATIONS | | |
| Sales of own manufactured products (including subsidy) (refer note 18.1) | 557,643,376 | 625,335,171 |
| Revenue from operations (gross) | <u>557,643,376</u> | <u>625,335,171</u> |
| 18.1 DETAIL OF PRODUCT SOLD | | |
| SSP Fertilizer (Including Subsidy) | 417,478,516 | 353,772,436 |
| Sulphuric Acid | 100,624,218 | 91,097,488 |
| Micro Nutrients | <u>39,540,642</u> | <u>180,465,247</u> |
| Total | <u>557,643,376</u> | <u>625,335,171</u> |



Notes to financial statements for the year ended 31st March 2016

| Particulars | Current Year 2015 - 16 Rs. | Previous Year 2014 - 15 Rs. | |
|---|----------------------------------|-----------------------------------|--|
| 19. OTHER INCOME | | | |
| Interest received on fixed deposit & other | 3,509,762 | 3,684,702 | |
| Miscellaneous Income | <u>160,697</u> | <u>157,690</u> | |
| Total | <u>3,670,459</u> | <u>3,842,392</u> | |
| 20. COST OF MATERIAL CONSUMED | | | |
| Rock Phosphate (Imported) | 191,763,430 | 215,344,091 | |
| Sulphur | 121,566,784 | 126,246,883 | |
| Micronutrients Raw Materials | <u>14,662,942</u> | <u>131,347,956</u> | |
| Raw Material consumed | 327,993,156 | 472,938,930 | |
| Packing Material Consumed | 16,570,294 | 27,466,133 | |
| Stores & Spares Consumed | <u>8,665,322</u> | <u>11,719,559</u> | |
| Cost of Material Consumed | <u>353,228,772</u> | <u>512,124,622</u> | |
| 21. DECREASE / INCREASE IN INVENTORIES | | | |
| Inventories at the beginning of the year | | | |
| Finished Goods | 44,813,865 | 15,903,836 | |
| Scraps and Waste | 41,125,540 | 12,008,710 | |
| Work in Process | <u>1,550,000</u> | <u>1,450,000</u> | |
| | 87,489,405 | 29,362,546 | |
| Inventories at the end of the year | | | |
| Finished Goods | 39,261,645 | 44,813,865 | |
| Work in Process | 1,382,883 | 41,125,540 | |
| Scraps and Waste | <u>1,700,000</u> | <u>1,550,000</u> | |
| | 42,344,528 | 87,489,405 | |
| Decrease/Increase in stocks (A-B) | <u>45,144,877</u> | <u>58,126,859</u> | |
| 22. EMPLOYEE BENEFIT EXPENSE | | | |
| Salary and Wages | 14,773,195 | 14,166,753 | |
| Bonus and Exgratia | 491,985 | 428,198 | |
| Contribution to Provident and other funds | 962,944 | 858,183 | |
| Gratuity Provision - Increase/(decrease) | 656,925 | 898,739 | |
| Security Exp | 1,763,466 | 2,019,081 | |
| Directors Remuneration | 1,620,000 | 1,350,000 | |
| Workmen and Staff Welfare expenses | <u>855,685</u> | <u>877,830</u> | |
| Total | <u>21,124,200</u> | <u>20,598,784</u> | |



| Particulars | 2015-16 Rs. | | 2014-15 Rs. |
|--|--------------------------|-----------|---------------------------|
| 23. FINANCE COSTS | | | |
| Interest on | | | |
| - Term Loan | 49,562 | | 118,480 |
| - Others | <u>23,995,022</u> | | <u>18,697,497</u> |
| | 24,044,584 | | 18,815,977 |
| Bank Charges | <u>257,255</u> | | <u>908,018</u> |
| TOTAL | <u>24,301,839</u> | | <u>19,723,995</u> |
| 24. DEPRECIATION AND AMORTISATION EXPENSE | | | |
| Depreciation of tangible assets | 3,234,379 | | 2,928,654 |
| TOTAL | <u>3,234,379</u> | | <u>2,928,654</u> |
| 25. OTHER EXPENSE | | | |
| Power and fuel | 39,479,688 | | 40,261,447 |
| Repairs and Maintenance | | | |
| - Building | 36,443 | 1,567,735 | |
| - Machinery | 3,785,678 | 8,740,534 | 10,308,269 |
| Rent | 1,504,000 | | 2,022,000 |
| Rates and Taxes | 119,595 | | 319,565 |
| Insurance | 1,287,569 | | 285,410 |
| Communication Costs | 490,491 | | 341,397 |
| Travelling and Conveyance | 3,033,637 | | 3,502,281 |
| Repairs and Maintenance others | 1,239,044 | | 1,027,326 |
| Printing and Stationery | 192,655 | | 406,395 |
| Legal and Professional Charges | 987,819 | | 659,306 |
| Auditors and Remuneration (refer note no.25.1) | 137,555 | | 120,227 |
| Cost Audit fee | 57,000 | | 34,200 |
| Forwarding Expenses | 41,704,781 | | 41,841,347 |
| Business Promotion | 177,748 | | 223,616 |
| Advertisement and Publicity | 207,886 | | 162,210 |
| Charity Donation | 76,100 | | 1,000,000 |
| Miscellaneous Expenses | <u>1,976,844</u> | | <u>1,524,911</u> |
| TOTAL | <u>96,494,533</u> | | <u>104,039,907</u> |



Notes to financial statements for the year ended 31st March 2016

| Particulars | Current Year 2015 - 16 Rs. | Previous Year 2014 - 15 Rs. |
|--------------------------------|----------------------------------|-----------------------------------|
| 25.1 Payment of auditor | | |
| As Auditor | | |
| Auditor Fees | 100,000 | 100,000 |
| In other Capacity | | |
| Taxation & Certification Fee | 37,555 | 20,227 |
| TOTAL | 137,555 | 120,227 |

26. Earning per share (EPS)

| | | |
|---|-----------|------------|
| Profit for the year | 3,270,084 | 10,503,787 |
| Weighted average number of equity shares for the purpose of Calculation of | | |
| - Basis EPS | 7,901,500 | 7,901,500 |
| - Diluted EPS | 7,901,500 | 7,901,500 |
| Nominal Value of equity shares (Rs.) | 10.00 | 10.00 |
| - EPS - Basic (Rs.) | 0.41 | 1.33 |
| - EPS - Diluted (Rs.) | 0.41 | 1.33 |

27. Imported and indigenous raw materials, components and spare parts consumed

| Particulars | 2015-16 | | 2014-15 | |
|-----------------------------------|-------------|--------|-------------|--------|
| | Rupees | % | Rupees | % |
| Raw Material | | | | |
| Imported | 191,763,430 | 58.47% | 215,344,091 | 45.53% |
| Indigenous | 136,229,726 | 41.53% | 257,594,839 | 54.47% |
| Stores, Spares & Packing Material | | | | |
| Imported (Direct) | - | 0.00% | - | 0.00% |
| Indigenous | 25,235,616 | 100.0% | 39,185,692 | 100.0% |

28. Value of Imports on CIF basis

Import of Stores NIL (NIL)

29. Earnings in foreign exchange

NIL (NIL)

30. Expenditure in foreign currency

Travelling Expenses 47,636 (NIL)

31. Remittance in foreign currency on account of Dividend

NIL (NIL)

Notes to financial statements for the year ended 31st March 2016

32. The related party disclosure in accordance with AS 18 'Related Party Disclosure' is given below :

a. List of related parties with whom transactions have taken place during the year.

i) Key management personnel and relatives :

- a) Sri Ashok Kumar Matanhelia, Managing Director
- b) Sri Somil Matanhelia, Whole Time Director
- c) Sri Shobhit Matanhelia, Whole Time Director
- d) Smt Usha Matanhelia, Women Director

| b. Transactions with related parties | 2015-16 | 2014-15 |
|---|----------------|----------------|
| | Rupees | Rupees |
| i) Key management personnel and their relatives | | |
| - Directors Remuneration | 1,620,000 | 1,350,000 |
| - Sri Ashok Kumar Matanhelia | 840,000 | 780,000 |
| - Sri Somil Matanhelia | 630,000 | 570,000 |
| - Sri Shobhit Matanhelia | 150,000 | - |
| - Rent paid | | |
| - Smt. Usha Matanhelia | 780,000 | 780,000 |
| Outstanding receivable at the end of year | NIL | NIL |
| Outstanding Unsecured Loan at the end of year | | |
| - Sri Ashok Kumar Matanhelia | 31,045 | 31,045 |

33. Capital and other commitments

| | | |
|--|-----------|-----|
| Estimated value of contracts remaining to be executed on capital account (net of advances) | 1,700,000 | NIL |
| Other Commitments | NIL | NIL |



Notes to financial statements for the year ended 31st March 2016

| 34. Contingent liabilities | 2015-16 Rupees | 2014-15 Rupees |
|---|-------------------|-------------------|
| 34.1 Claim against the company not acknowledged as debt | | |
| Excise Duty including penalty (Under litigation) | 500,000 | 500,000 |
| Others (Under litigation) | 12,290,152 | 12,290,152 |
| 34.2 Above claims are likely to be decided in favour of the company, hence not provided for. | | |
| 35. As the Company's business activity falls within a single segment viz. 'Fertilizers & related chemicals', the disclosure requirements of Accounting Standard 17 "Segment Reporting" is not applicable. | | |
| 36. As per past practice no allocation of Store and Spares and Chemicals in respect of Repairs and Maintenance / Lab Expenses has been done. | | |
| 37. Payees receipts / acknowledgements / supporting / bills are not available for some payments, however, management has confirmed that these payments have been made for business purpose of the company. | | |
| 38. In the opinion of the managements, assets (current and non current), loans and advances, if realised in the ordinary course of business, have a value not less than the amount at which they are stated in the balance sheet. The provisions for all known liabilities are adequate and not in excess of amount considered responsible necessary. | | |
| 39. Expenditure on research and development The company has incurred some expenditure on research and development during the year, the same are immaterial and no future economic benefit will accrue, therefore no expenses have been capitalised. | | |
| 40. Disclosure in terms of AS 28 (impairment of assets) Recoverable amount of the assets or the recoverable amount of the cash generating unit to which the asset belongs is not less than the carrying amount; hence no provision is required on the account of impairment of assets as on the date of Balance Sheet. | | |
| 41. Disclosure in terms of AS 29 (Provisions, Contingent Liabilities and Contingent Assets) The Company has recognised contingent liabilities as disclosed in Note no. 34 above and as such no provision is required to be made. No provision was outstanding as at the beginning and at the end of the period. | | |



Notes to financial statements for the year ended 31st March 2016

42. Share allotment money receivable account is under reconciliation
43. During the year under consideration no borrowing cost has been capitalised by the company in accordance with the provisions of A.S.-16 on borrowing costs.
44. Disclosure in terms of A.S.-15

a) Defined benefit plan

The employees gratuity fund scheme is defined benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. It is yet to be funded. Gratuity is recognised in the account on basis of actuarial valuation.

Reconciliation of opening and closing balance of present value of defined benefit obligation for gratuity

| | Current Year | Previous Year |
|--|--------------|---------------|
| Present Value of obligation at beginning of the year | 3,712,148 | 2,813,409 |
| Current Service Cost | 230,820 | 193,138 |
| Interest Cost | 289,548 | 253,207 |
| Benefits paid | (187,389) | - |
| Actuarial (Gain) / Loss of Obligation | 136,557 | 452,394 |
| Present Value of obligation of end of the year | 4,181,684 | 3,712,148 |

Reconciliation of opening and closing fair value of plan assets

| | | |
|--|-----------|-----|
| Fair value of plan assets at beginning of the year | NIL | NIL |
| Expected return of plan assets | NIL | NIL |
| Contributions | 187,389 | NIL |
| Benefit Paid | (187,389) | NIL |
| Actuarial Gain / (Loss) on plan assets | NIL | NIL |
| Fair value of plan assets at end of the year | NIL | NIL |

Reconciliation of present value of obligations and fair value of plan assets

| | | |
|---|-------------|-------------|
| Fair value of plan assets at the end of the year | NIL | NIL |
| Present value of obligations at the end of the year | 4,181,684 | 3,712,148 |
| Asset / (Liability) recognised in the Balance Sheet | (4,181,684) | (3,712,148) |



Notes to financial statements for the year ended 31st March 2016

Expensed Recognised during the year

| | | |
|---|---------|---------|
| Current Service Cost | 230,820 | 193,138 |
| Interest Cost | 289,548 | 253,207 |
| Expected Return on plan assets | NIL | NIL |
| Total Actuarial Loss/ (Gain) recognised during the year | 136,557 | 452,394 |

Net Cost Recognised in Statement of Profit & Loss **656,925** **898,739**

Assumptions

| | | |
|---|--------------------|--------------------|
| Discount Rate (p.a.) | 7.69% | 7.80% |
| Expected Rate of Increase in Salary (p.a.) | 6.00% | 6.00% |
| Expected Rate of Return on Plan Assets (p.a.) | N.A. | N.A. |
| Mortality | IALM06-08 Ultimate | IALM06-08 Ultimate |
| Withdrawal Rate (P.A.) | 2.00% | 2.00% |

Disclosure as required under para 120(n) of AS -15

| Particulars | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|-----------|-----------|-----------|-----------|
| (i) Present value of obligation | 4,181,684 | 3,712,148 | 2,813,409 | 2,827,428 |
| Fair value of plan assets | NIL | NIL | NIL | NIL |
| Net asset / (liability) | 4,181,684 | 3,712,148 | 2,813,409 | 2,827,428 |
| (ii) Experience adjustment on present value of benefits obligation and plan asset | | | | |
| (Gain) / Loss on Plan liabilities | 108,255 | 120,498 | 267,949 | 135,857 |
| (Gain) / Loss on Plan assets | NIL | NIL | NIL | NIL |
| b. Defined contribution plan | | | | |
| Employers contribution to P.F. and F.P.F. | 962,944 | | 858,183 | |

46. Figures of the previous year have been regrouped / reclassified wherever required in order to make them comparable with those of current year. Figures have been rounded off to the nearest Rupee.

As per our report at event date

For KAPOOR TANDON & CO.,

Chartered Accountants

Firm Reg. No. 000952C

Sd/-

(Rajesh Parasramka)

Partner

M.N. 074192

Place: New Delhi

Date: 30/05/2016

FOR AND ON BEHALF OF THE BOARD OF THE DIRECTORS

Sd/-

(A.K. Matanhelia)

Managing Director

DIN NO. 01763776

Sd/-

(S.S. Pandey)

C.F.O.

(73)

Sd/-

(Somil Matanhelia)

Director

DIN NO. 01738413



Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L99999UP1986PLC007621

Name of the company : ASIAN FERTILISERS LIMITED

Registered office: FLAT NO. 202, PREET GARDEN, 3A/172, AZAD NAGAR, KANPUR-208002, UTTAR PRADESH

Name of the member (s) : _____

Registered address : _____

E-mail Id : _____

Folio No/ Client Id : _____

I/We, being the member (s) of shares of the above named company, hereby appoint

1. Name: Address..... E-mail Id:.....

Signature:....., or failing him

2. Name: Address..... E-mail Id:.....

Signature :, or failing him

3. Name : Address..... E-mail Id:.....

Signature, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the company, to be held on the Wednesday, 28th day of September, 2016 At 2:00 P.M. at Hotel "SAURABH", Birahana Road, The Mall, Kanpur, Uttar Pradesh, and at any adjournment thereof in respect of such resolutions as are indicated below:



| Sl.No. | RESOLUTION | FOR | AGAINST |
|--------|---|-----|---------|
| 1. | To receive, consider and adopt the audited financial statement of the company for the financial year ended on March 31 st , 2016 on together with the Reports of the Board of directors and Auditor thereon (Ordinary Resolution) | | |
| 2. | To appoint a director in place of Mr. Ashok Kumar Matanhelia (DIN : 01763776) , who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment. (Ordinary Resolution) | | |
| 3. | To appoint Statutory Auditors and fix their remuneration (Ordinary Resolution) | | |
| 4. | To appointment of Mr. Sobhit Matanhelia (DIN: 07110180) as whole time director of the company (Ordinary Resolution) | | |
| 5. | To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2017 (Ordinary Resolution) | | |
| 6. | To appoint Mr. Sunil Kedia (DIN: 07586749) , as an Independent Director of the company with effect from 10-08-2016. (Ordinary Resolution) | | |

Signed this..... day of..... 2016

Signature of shareholder

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Notes:

- 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.
- Person can act as proxy on behalf of member's upto and not exceeding Fifty and holding in the aggregate not more than ten percent of the total share capital of the company. Further, a member holding more than ten percent 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 proxy for any other person or member.



ASIAN fertilizers ltd.

ATTENDENCE SLIP

Asian Fertilizers Limited

CIN: L99999UP186PLC007621

Regd. Office: Flat No. 202, "Preet Garden" 3A/172, Azad Nagar, Kanpur, 208002

Admin. Office: P.W.D. Officer's Colony, Near Sahara Press,

7 Park Road, Gorakhpur 273001

E-Mail: asianssp16@yahoo.com, Tel.: (0551) 2203421, 2202436, 2203468

Fax: 91-551-2203237, Website : www.asianfertilizers.com

PLEASE FILL ATTANDANCE SLIP AND HAND OVER AT THE ENTRANCE OF THE MEETING HALL.

Folio No.

No. of Shares:

NAME AND ADDRESS OF THE SHAREHOLDER:

I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING of the members of the company held on Wednesday, September 28, 2016 at 2: 00 P.M. at Hotel "SAURABH", Birahana Road, the Mall, Kanpur, 208001.

.....
Signature of Shareholder / Proxy



BOOK - POST

If undelivered, please return to :

ASIAN FERTILIZERS LTD.

Admin. Office : P.W.D. Officers Colony

Near Sahara Press, 7 Park Road

Gorakhpur-273001

af ————— *asian fertilizers ltd.*