



Alufluoride Limited

*An ISO 9001, 14001
&
OHSAS 18001 - Company*

*Annual Report
2014 - 2015*

BOARD OF DIRECTORS

Dr. T.R. Ramachandran	- Independent & Non Executive
Sri A.V.V.S.S.Ch.B. Sekhar Babu	- Independent & Non Executive
Sri Grandhi Sreeramakrishna	- Independent & Non Executive
Sri Ashok Vemulapalli	- Non Independent & Non Executive
Sri K. Purushotham Naidu	- Director (Finance)
Smt. Jyothsana Akkineni	- Executive Director
Sri Venkat Akkineni	- Managing Director

COMPANY SECRETARY

Sri Viswanadham Bhaskara Rama Sarma

STATUTORY AUDITORS

M/s. Rao & Kumar, Chartered Accountants,
Visakhapatnam 530 003

INTERNAL AUDITORS

Sri G. Krishna Mohan, Chartered Accountant, Kakinada 533 003

SECRETARIAL AUDITORS

M/s. GMVDR & Associates, Company Secretaries,
Hyderabad 500 029

BANKERS

State Bank of India
IDBI Bank Ltd
HDFC Bank Ltd
Punjab National Bank
Axis Bank Ltd

REGISTRARS & SHARE TRANSFER AGENTS

XL Softech Systems Ltd.
3, Sagar Society, Road No.2, Banjara Hills
Hyderabad 500 034
Phone: (91 40) 2354 5913
Fax: (91 40) 2355 3214
Email: xlfield@gmail.com

REGISTERED OFFICE

Alufluoride Limited
Mulagada, Mindi
Visakhapatnam 530 012, AP
Phone: (91 891) 2548567, 2577077
Fax : (91 891) 2548567
Email: contact@alufluoride.com
CIN- L24110AP1984PLC005096



Alufluoride Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of the Members of Alufluoride Limited will be held at the Registered Office of the Company situated at Mulagada, Mindi, Visakhapatnam-530 012 at 11.00 A.M. on Tuesday, 29 December, 2015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2015 and Profit and Loss Account for the period ended 31st March, 2015 together with the reports of Directors and Auditors thereon.
2. To elect a Director in place of Sri A.V.V.S.Ch.B. Sekhar Babu, Director who retires by rotation and being eligible offers himself for reappointment.
3. To elect a Director in place of Sri K. Purushotham Naidu, Director who retires by rotation and being eligible offers himself for reappointment.
4. To consider and if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of Messrs Rao & Kumar, Chartered Accountants (Firm Registration No. 03089S), as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2016 at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS :

5. REGULARIZATION OF SRI GRANDHI SREERAMAKRISHNAAS DIRECTOR OF THE COMPANY:

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

“RESOLVED THAT pursuant to the provisions of Sections. 149, 161 and any other applicable provisions of the Companies Act, 2013 and any rules made there under (including any statutory modification(s) or re-enactment thereof), and the Articles of Association of the Company, Sri Grandhi Sreeramakrishna, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. October 20, 2014 and who holds office up to the date of this Annual General meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of the Director of the Company, be and is hereby elected and appointed as an Independent Non-Executive Director, whose period of office shall be liable to determination by retirement of Directors by rotation.”

For and on behalf of the Board
For ALUFLUORIDE LIMITED

VENKAT AKKINENI

Hyderabad
14 November, 2015

Managing Director
DIN: 00013996

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself/herself and such proxy or proxies need not be a member or members of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting. Corporate Members are requested to send a duly certified copy of the Board Resolution / power of attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting. Member / proxy should bring the attendance slip sent herewith, duly filled in, for attending the meeting.

3. Members who hold shares in dematerialized form are requested to write their Client ID and DPID Number and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of name will be entitled to vote.
5. The Share Transfer Register and Register of Members of the Company will remain closed from 25 December, 2015 to 29 December, 2015 both days inclusive.
6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s XL Softech Systems Ltd, 3 Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034.
7. Pursuant to Section 125 of the Companies Act, 2013, all unclaimed refunds of the Public Issue for more than seven years from the date it became due shall be transferred to Investor Education and Protection Fund (the fund). Hence those persons, who have not encashed their refund and requested to encash the same immediately.
8. Shareholders may inspect the documents / certificates referred to in the notice and / or explanatory statement at the Registered office of the Company during the business hours on any working day upto the date of AGM.
9. E-Voting: Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, and Clause 35B of the Listing Agreement, the Company is providing the facility to Members to exercise their rights to vote by electronic means. The Company has engaged the Services of Central Depository Services (India) Limited (CDSL) for providing e-voting facilities. The e-voting rights of the Members/beneficial owners shall be reckoned in proportion to ordinary shares held by them in the Company as on 30 November, 2015 (Cut-off date fixed for this purpose). The e-voting period will commence at 10.00 A.M. on Saturday, 26 December, 2015 and will end at 6.00 P.M. on Monday, 28 December, 2015. The Company has appointed Mr. G.M.V. Dhanunjaya Rao, Practicing Company Secretary, to act as the Scrutinizer, for conducting the scrutiny of the votes cast. Detailed instructions for availing e-voting facility are being sent separately as a part of this Notice.
10. Members are requested to avail the e-communication facility for receiving the Annual Reports, other communications from the Company, by updating their email IDs with the RTA so as to save paper & the Mother Nature.



EXPLANATORY STATEMENT

Pursuant to Section 102 (1) of the Companies Act, 2013

Item No. 5

Sri Grandhi Sreeramakrishna was appointed as an Additional Director of the Company with effect from 20th October, 2014 by the Board of Directors under Section 161 of the Act. In terms of Section 161(1) of the Act, Sri Grandhi Sreeramakrishna, holds office only up to the date of the forthcoming AGM but is eligible for appointment as a Director. He was appointed as Independent Director of the Company in terms of Section 149 of the Companies Act, 2013 and that he had furnished a Declaration that he meets the criteria of independence as provided in Section.149(6) of the Companies Act,

2013. A notice under Section 160(1) of the Act has been received from Sri Grandhi Sreeramakrishna signifying his intention to propose himself to be appointed as a Director. The Directors are of the view that the rich expertise of Sri Grandhi Sreeramakrishna in the fields of finance, management & planning will be beneficial to the Company and hence said resolution being placed before the Members for their approval.

Except Sri Grandhi Sreeramakrishna, none of the Directors of the Company or their respective relatives are concerned or interested in this Resolution.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT
AT THE ANNUAL GENERAL MEETING**

Particulars	Sri K. Purushotham Naidu	Sri A.V.S.S.Ch.B. Sekhar Babu	Sri Grandhi Sreeramakrishna
Date of Birth	15.07.1955	01.06.1963	26.07.1952
Date of Appointment	26.10.2007	26.10.2007	20.10.2014
Qualifications	M.Com, (CA), BL	B.Sc, FCS	M.Sc., CAIIB
Expertise in specific functional areas	35	28	38
Chairmanships / Directorships of other Companies (excluding Foreign Companies and Section 25 Companies)	Nil	MIC Electronics Limited	Everest Organics Limited
Chairmanships / Memberships of Committees of other Public Companies (includes only Audit Committee; and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil
Number of shares held in the Company	Nil	Nil	Nil

For and on behalf of the Board
For ALUFLUORIDE LIMITED

Hyderabad
14 November, 2015

VENKAT AKKINENI
Managing Director
DIN: 00013996

DIRECTORS' REPORT

To
The Members of
Alufluoride Limited

Your Directors have pleasure in presenting the Annual Report of your Company along with the audited Statement of Accounts for the financial year ended 31st March, 2015. The Report also includes the Management Discussion and Analysis Report in accordance with the Guidelines on Corporate Governance and consolidated Financial Statements.

EXTENSION OF TIME FOR CONVENING AGM OF THE COMPANY

Your Directors are to report that, the Company requested Registrar of Companies (ROC, for Extension of time upto 31st December, 2015 for convening the Annual General Meeting (AGM) of the Company. ROC approved the Company's request and has granted extension of time up to 31st December, 2015 for convening and holding the AGM.

FINANCIAL RESULTS

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

	(Rs. in lakhs)	
	31-03-2015	31-03-2014
Sales and other revenue	2,361.93	3,003.00
Profit before Finance charges, Depreciation, Tax & other adj's	421.03	219.02
Less : Finance charges	0.29	0.68
Profit before Depreciation, Tax & other adj's	420.74	218.34
Less: Depreciation	61.42	71.22
Profit before Tax & other adj's	359.32	147.12
Less: Extraordinary & Exceptional Expenses	0.47	—
Provision for current tax	111.42	60.65
Taxes of earlier years	4.17	4.75
Deferred Tax Asset / Liability adj's	(60.72)	(14.88)
Profit before appropriations and carried to Balance Sheet	303.98	96.60

COMPANY'S PERFORMANCE

Your Directors are to report that the Company produced 4,113 MT of Aluminium Fluoride during the year under review as against 4,465 MT during 2013-14. During the year the Company sold 3,331 MT Aluminium Fluoride as against 4,606 MT in 2013-14. With the increased Sales Price and other Income, though sales has reduced during the year, sales and other revenue reported at Rs. 2,361.93 lakhs as against Rs.3,003.00 lakhs during 2013-14. With the increased sales price, with the efficient working capital management, planned increase in other income and with effective cost control measures, the Company posted a net profit of Rs.303.98 lakhs for the year under review as against net profit of Rs.96.60 lakhs in 2013-14.

OUT LOOK FOR THE CURRENT YEAR

The sale price of Aluminium Fluoride for the current year has dropped by over 9 % in view of severe drop of LME price for Aluminium. With the adjacent fertilizer complex assurance for increasing their acid supplies for the current year, as against their low supplies of 1,787 MT acid in 2014-15 and with the availability of balance acid supplies from long distance acid suppliers, the Company is hoping to post good returns in the current year.

EXPORTS

During the year under review, the Company registered an Export sale of Rs.120.10 lakhs as against Rs.406.80 lakhs during 2013-14.

INSURANCE

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

DIVIDEND

In view of the proposed shifting of the Plant to the place where the Company will get assured acid supplies, your Directors are not recommending any Dividend.

CORPORATE GOVERNANCE :

As per Clause 49 of the Listing Agreement with the Stock exchanges, a separate section on Corporate Governance is enclosed herewith which forms part of the Annual Report. A certificate from the Auditors of the Company on compliance with the conditions of Corporate Governance as stipulated under the Clause 49 of the Listing Agreement is annexed to this Report.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section of the Management Discussion and Analysis for the period under review as required under Clause 49 of the Listing Agreement is given as a separate statement forming part of the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i. In the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The Directors had prepared the accounts for the financial year ended 31st March, 2015 on a 'going concern' basis; and
- v. 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.
- vi. The Director had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating efficiently.

DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)**Directors**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company Sri A.V.V.S.S.Ch.B. Sekhar Babu, Director and Sri K.Purushotham Naidu, Director will be retiring at the Annual General Meeting and are eligible for reappointment. Sri Grandhi Sreeramakrishna was appointed as Additional Director of the Company effect from 20th October, 2014. Sri Grandhi Sreeramakrishna holds office only up to the date of the forthcoming AGM. The Company has received from its member, a notice under Section 160(1) of the Act proposing his candidature for the office of Director. His appointment requires the approval of the Members at the ensuing AGM.

Key Managerial Personnel

The Company has designated the Managing Director, Director Finance (as CFO) & Company Secretary as its Key Managerial Personnel in accordance with the provisions of Section.203 of the Companies Act, 2013.

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

NUMBER OF MEETINGS OF THE BOARD

Five meetings of the Board were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance report, which forms part of this report.

BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49"). The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning, etc. The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc

The Board and the Remuneration Committee reviewed the performance of the Individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

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

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

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

The Disclosure as required under Rule 5 of Companies (Appointment and Remuneration of

Managerial Personnel) Rules 2014 is given in Annexure - A to the Board Report.

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

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

AUDITORS

M/s Rao & Kumar, Chartered Accountants, Visakhapatnam, the Auditors of the Company will be retiring at the conclusion of this Annual General Meeting and have conveyed their consent for reappointment.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 205 of the Act and the rules framed there under, M/s. GMVDR & Associates, Company Secretary was appointed as Secretarial Auditor of the Company and the Secretarial Audit Report issued by them for the Financial Year 2014-15 is made a part of this Report.

COST AUDIT

Cost Audit for financial year 2014-15 is not applicable in view of the Cost Audit Amendment Rules, 2014, Government of India, Ministry of Corporate Affairs, Notification, New Delhi, dated 31.12.2014.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the extract of Annual Return is given in Annexure - C in the prescribed Form MGT-9, which forms part of this report

AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT

The Auditors' Report and Secretarial Auditors' Report does not contain any qualifications, reservations or adverse remarks.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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



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

There are no material changes and commitments affecting the financial position of the Company from the date of closure of financial year to the date of Board Report.

CHARGES

The Company has not availed loans from any Bank/ Financial Institutions during the financial year under review.

FIXED DEPOSITS

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

UNPAID / UNCLAIMED DIVIDEND

Dividend which is unclaimed for a period of 7 years shall be transferred to Investor Education & Protection Fund (IEPF). An amount of Rs. 2,22,089/- for the FY 2007-08 which was unclaimed by the Shareholders of the Company was transferred to IEPF on 23 October, 2015 and an amount of Rs. 2,79,660/- for the FY 2008-09 which was unclaimed by the Shareholders of the Company will be transferred to Investor Education and Protection Fund (IEPF) on or before 23.10.2016.

INTERNAL CONTROL

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

The Company's Internal Audit Department is regularly carrying out the Audit in all areas. Additionally the Audit committee is reviewing all Audit Reports with significant control, all issues raised by internal and external auditing regularly,

reports on the business development, all the past and the future plans are given to the Board of Directors, Internal Auditor's reports are regularly circulated to all the senior management to comply with the findings.

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

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

EMPLOYEE RELATIONS

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

ENVIRONMENT & SAFETY MEASURES

Following the ISO Certifications of 9001, 14001 and OHSAS 18001 the Company will continue taking all the necessary measures to maintain high standards of Environment, Clean and Green Belt, Water Harvesting, Pollution Control, Health and Safety Precautions.

ACKNOWLEDGEMENT

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

For and on behalf of the Board
For ALUFLUORIDE LIMITED

VENKAT AKKINENI

Managing Director

DIN: 00013996

G. SREERAMAKRISHNA

Director

DIN: 06921031

Hyderabad
14 November, 2015

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

Sl. No.	Name of the Director / KMP & Designation	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year
1	Sri Venkat Akkineni, Managing Director	252 : 1	10.7
2	Sri K. Purushotham Naidu, Director Finance & CFO	117 : 1	7.0
3	Sri V. Ashok, Non Executive & Non Independent Director	(*)	(*)
4	Smt. Jyothsana Akkineni, Executive & Non Independent Director	---	---
5	Dr. T.R. Ramachandran, Non Executive & Independent Director	(*)	(*)
6	Sri A.V.V.S.S.Ch.B. Sekhar Babu, Non Executive & Independent Director	(*)	(*)
7	Sri Grandhi Sreeramakrishna, Non Executive & Independent Director	(*)	(*)
8	Sri Viswanadham Bhaskara Rama Sarma, Company Secretary	(**)	(**)

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

(**) Employed during part of the year.

Percentage increase in the median remuneration of employees in the financial year	10%						
Number of permanent employees on the rolls of company	76						
Explanation on the relationship between average increase in remuneration and company performance	Average increment in the remuneration of employees is decided on various parameters like individual performance and various other parameters.						
Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	<table> <tbody> <tr> <td>Increment in Company's profits</td> <td>-</td> <td>214.7%</td> </tr> <tr> <td>Increment in KMP's remuneration</td> <td>-</td> <td>8.9%</td> </tr> </tbody> </table>	Increment in Company's profits	-	214.7%	Increment in KMP's remuneration	-	8.9%
Increment in Company's profits	-	214.7%					
Increment in KMP's remuneration	-	8.9%					



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Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.	Particulars	March 31, 2015	March 31, 2014	% change
	Market Capitalisation (Rs.lakhs)	840.05	514.53	63.3%
	Price Earnings Ratio	2.76	5.30	- 47.9%
	Particulars	March 31, 2015	IPO	% change
	Market Price (BSE)	12.00	10.00	20%
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the remuneration of employees (other than managerial personnel) was 8.2% in the Financial Year 2014-15 which was in line with the industry trend.			
Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Details are given in the above table			
Key parameters for any variable component of remuneration availed by the directors.	Managing Director is paid a commission of 1 % on the net profits of the Company, in accordance with the provisions of the Act.			
Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid director during the year.	Nil			
Affirmation	The remuneration is as per the remuneration policy of the Company			

Details of employees who are drawing remuneration of Rs.60.00 Lakhs per annum (or) Rs.5.00 Lakhs per month (or) in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

Name & Designation	Remuneration	Contract or regular	Qualification & Experience	Date of Joining	Age (years)	% of shares held in the Company	Whether relative to any Director or Manager	Last Employment
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE - B
FORM NO. AOC -2

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

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

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

Sl.No.	Particulars	Details
a	Name(s) of the related party & nature of relationship	1) Anar Enterprises Pvt. Ltd. 2) Kaiser Finance & Leasing Pvt. Ltd. 3) Visakha Finance Ltd. Common Directors
b	Nature of contracts/ arrangements/ transaction	Lease Rentals – Acs 6.66 cents of land located at Vadlapudi, Gajuwaka Mandal, Visakhapatnam taken for the stock yard for materials etc
c	Duration of the contracts/arrangements/ transaction	Yearly lease rents
d	Salient terms of the contracts or arrangements or transaction including the value, if any	Total Lease Rent Rs. 3,99,600/- @ Rs. 60,000/- per acre per year
e	Date of approval by the Board	30 January, 2015
f	Amount paid as advances, if any	NIL

ANNEXURE - C
FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN

as on the Financial Year Ended on 31.03.2015 [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	L24110AP1984PLC005096
ii	Registration Date	09.11.1984
iii	Name of the Company	ALUFLUORIDE LTD.
iv	Category / Sub-Category of the Company	Company limited by shares / Non-Government Company
v	Address of the Registered office and contact details	Mulagada, Mindi, Visakhapatnam - 530 012, Andhra Pradesh
vi	Whether listed company Yes / No	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	XL Softech Systems Limited, 3, Sagar Society, Road # 2, Banjara Hills, Hyderabad 500 034. Phone : (91 40) 2354 5913 Fax : (91 40) 2355 3214 Email : xlfield@gmail.com

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 Product / service	% to total turnover of the company
1	ALUMINIUM FLUORIDE	2010	93%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : - Nil -



Alufluoride Limited

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	2811470	6300	2817770	40.25	2838470	6300	2844770	40.64	0.39
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	856300	0	856300	12.23	856300	0	856300	12.23	0
e) Banks/FI	0	0	0	0	0	0	0	0	0
f) Any Other..	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	3667770	6300	3674070	52.48	3694770	6300	3701070	52.87	0.39
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter	3667770	6300	3674070	52.48	3694770	6300	3701070	52.87	0.39
(A) = (A) (1) + (A) (2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	100100	0	100100	1.43	100100	0	100100	1.43	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FII's	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	100100	0	100100	1.43	100100	0	100100	1.43	0
2. Non-Institutions									
a) Bodies Corporate	270370	108900	379270	5.42	284105	108900	393005	5.62	0.19
i) Indian	0	0	0	0	0	0	0	0	0
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1389380	552914	1942294	27.75	1347245	545652	1892897	27.04	(0.71)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	555854	13000	568854	8.13	600166	13000	613166	8.76	0.63
c) Others (NRIs) Bodies (clearing mem)	190302 7150	138360 0	328662 7150	4.69 0.10	191402 980	107780 0	299182 980	4.27 0.01	(0.42) (0.09)
Sub-total (B) (2) :-	2413056	813174	3226230	46.09	2423898	775332	3199230	45.70	(0.39)
Total Public Shareholding (B) = (B) (1) + (B) (2)	2513156	813174	3326330	47.52	2523998	775332	3299330	47.13	(0.39)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	6180926	819474	7000400	100.00	6218768	781632	7000400	100.00	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	SUNITHA V	1413195	20.19	0	1413195	20.19	0	0.00
2	V SAROJINI	834885	11.93	0	841885	12.03	0	0.10
3	JYOTHSANA AKKINENI	51070	0.73	0	51070	0.73	0	0.00
4	ANNAPURNA AKKINENI	137320	1.96	0	157320	2.25	0	0.30
5	ADITYA AKKINENI	327500	4.68	0	327500	4.68	0	0.00
6	V ROHIT	47500	0.68	0	47500	0.68	0	0.00
7	V. ASHOK	6300	0.08	0	6300	0.08	0	0.00
8	KAISER FINANCE & LEASING PVT LTD	786975	11.24	0	786975	11.24	0	0.00
9	ANAR ENTERPRISES PRIVATE LTD	55100	0.79	0	55100	0.79	0	0.00
10	VISAKHA FINANCE LIMITED	14225	0.20	0	14225	0.20	0	0.00
	Total	3674070	52.48	0	3701070	52.87	0	0.40



Alufluoride Limited

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

Sl.No.		No. of shares	% of total shares of the company
1	At the beginning of the year	3674070	52.48
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment / transfer/bonus/ sweat equity etc):	(+) 27000 (acquisition in open market)	(+) 0.39
3	At the end of the year	3701070	52.87

Note: Date wise details of increase / decrease in Promoters shareholding during the year will be provided to any shareholder if specifically requested.

(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 at the beginning of the year		Increase/Decrease in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Nemani Ramachandra	181360	2.59	—	—	181360	2.59
2	Kanuri Family Trust	138234	1.97	—	—	138234	1.97
3	A.P.I.D.Co.Ltd	100000	1.43	—	—	100000	1.43
4	Mukesh Babu Financial Services Ltd	97000	1.39	—	—	97000	1.39
5	Rashmi Navinbhai Mehta	—	—	43279	0.62	43279	0.62
6	Shashi Rani Gupta	41833	0.60	—	—	41833	0.60
7	Snehalatha Singhi	38228	0.55	—	—	38228	0.55
8	Ashvin Dedakia	—	—	34391	0.49	34391	0.49
9	Chandralekha Meka	30580	0.44	—	—	30580	0.44
10	Mamatha Vasireddy	—	—	30580	0.44	30580	0.44

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Increase/Decrease in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Smt. A. Jyothsana	51070	0.73	—	—	51070	0.73
2	Sri. V. Ashok	6300	0.09	—	—	6300	0.09

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	NIL	NIL	NIL	NIL
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL	NIL	NIL	NIL
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager		Total Amount
		Sri Venkat N.R. Akkineni (MD)	Sri K. Purushotham Naidu (Director Finance & CFO)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	12,87,300	36,87,300
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,05,242	2,27,644	6,32,886
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	– as % of profit	4,10,628	—	4,10,628
	– others, specify...			
5.	Others, please specify (Employer's PF Contribution, etc)	1,80,000	71,237	2,51,237
	Total	33,95,870	15,86,181	49,82,051
	Ceiling as per the Act	42,00,000	42,00,000	84,00,000

B. Remuneration to other Directors:

(Amount in Rs.)

Particulars of Remuneration	Name of Directors				Total Amount
	Sri V. Ashok	Dr. T.R. Ramachandran	Sri A.V.S.S. Ch.B. Sekhar Babu	Sri G. Sree ramakrishna	
1. Independent Directors					
• Fee for attending board committee meetings	N.A.	4,000	5,000	3,000	12,000
• Commission	—	—	—	—	—
• Others, please specify	—	12,000	15,000	9,000	36,000
Total (1)		16,000	20,000	12,000	48,000
2. Other Non-Executive Directors					
• Fee for attending board committee meetings	4,000	N.A.	N.A.	N.A.	4,000
• Commission	—	—	—	—	—
• Others, please specify	12,000	—	—	—	—
Total (2)	16,000	N.A.	N.A.	N.A.	16,000
Total (B) = (1 + 2)	16,000	16,000	20,000	12,000	64,000
Total Managerial Remuneration	16,000	16,000	20,000	12,000	64,000
Overall Ceiling as per the Act	Non executive Directors are entitled for a sitting fee upto a maximum of Rs.1,00,000/- per every meeting attended by them.				

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		Company Secretary Sri V.B.R. SARMA	Total
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	25,000	25,000
2.	Stock Option	—	—
3.	Sweat Equity	—	—
4.	Commission – as % of profit – others, specify.	—	—
5.	Others, please specify	—	—
	Total	25,000(*)	25,000(*)

(*) – Employed part of the year. Details of remunerations of CEO & CFO are not given as their details were already mentioned in point VI (A) above.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : - NIL -

Information under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended 31 March, 2015.

A. CONSERVATION OF ENERGY:

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

I. Power and Fuel Consumption

	01-04-2014 to 31-03-2015	01-04-2013 to 31-03-2014
1. Electricity		
(a) Purchased Unit (KWH)	22,47,720	24,21,764
Total Amount Rs.	1,58,19,486	1,84,23,959
Average Rate / Unit (Rs.)	7.04	7.61
(b) Own Generation –		
Through Diesel Generator – 380 + 125 KVA - Unit (KWH)	84,010	74,744
Average Unit Per litre of Diesel Oil	3.05	3.03
Cost of Diesel per KWH (Rs.)	20.10	18.55
2. Furnace Oil & Coal		
(a) Furnace oil:		
Quantity (Kilo Liters)	—	169
Total Amount (Rupees)	—	83,08,985
Average Rate (Rupees)	—	49,165
(b) Coal:		
Quantity MT	5,597	7,104
Total Amount	2,97,22,777	3,31,99,901
Average Rate (Rupees)	5,310	4,673

II. Consumption per ton of Production
Aluminium Fluoride:

(a) Electricity (KWH)	567	559
(b) Furnace Oil (Kilo Liters)	0.400	0.333
(c) Coal (MT)	1.365	1.758

(Furnace oil & Coal consumptions = Quantity of
Furnace oil / Coal consumed / quantity of
Aluminium Fluoride produced)

B. TECHNOLOGY ABSORPTION

Your Company always tries to identify & implement recent changes in technologies.

C. FOREIGN EXCHANGE EARNINGS

(a) Foreign Exchange – F.O.B. (Rs.)	1,30,99,700	3,99,99,524
(b) Foreign Exchange out go:	27,50,068	8,57,956
(c) Other Components, spare parts & foreign travel etc (Rs.)	13,31,911	—

CERTIFICATE

To
The Members
Alufluoride Ltd.
Visakhapatnam.

We have examined the compliance of conditions of Corporate Governance by M/s. ALUFLUORIDE LIMITED., VISAKHAPATNAM, for the year ended 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

For **RAO & KUMAR**
Chartered Accountants
FRN. 03089S

Hyderabad
22 May, 2015

CA V.V. RAM MOHAN
Partner
M No: 18788

SECRETARIAL AUDIT REPORT

To,
The Members,
Alufluoride Limited
Visakhapatnam

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

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year ended on **31.03.2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records

maintained by the Company for the financial year ended on 31.03.2015, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment only. The Company has not made any Overseas Direct Investment and not availed External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not Applicable as the Company has not delisted its equity shares from any Stock exchange during the Audit Period**); and



Alufluoride Limited

- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable as the Company has not bought back any of its securities during the Audit Period)**;
- vi. Other laws applicable to the Company as per the representation made by the Management. (Refer Annexure –1)

We have also examined compliance with the applicable clauses of the Listing Agreement related to Debt Instruments entered into by the Company with BSE Limited.

We have **not examined** compliance by the Company with:

- a) the Secretarial Standards issued by the Institute of Company Secretaries of India **(Not notified hence not applicable to the Company during the audit period)**.
- b) applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

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

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous

and no dissenting views have been recorded.

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

We further report that during the audit period:

- i. The Company had obtained approval from its members under Sections.42 & 62 of the Companies Act, 2013 for issuing 7,99,000 convertible warrants on private placement basis. The issue was deferred.

For GMVDR & Associates

Company Secretaries

(G. Mohan)

Proprietor

Place: Hyderabad

Date: 04.08.2015

ACS # 16886 C.P # 5250

Annexure-1

List of applicable laws to our Company:

- The Factories Act, 1948
- The Payment of Wages Act, 1936
- The Minimum Wages Act, 1948
- Employees Provident Fund And Misc. Provisions Act, 1952
- Employers State Insurance Act, 1948
- The Payment of Bonus Act, 1965
- The Environment (Protection) Act, 1986
- Electricity Act 2003
- Indian Stamp Act, 1999
- Income Tax Act 1961
- Central Excise Act
- Customs Act
- Negotiable Instrument Act 1881
- Maternity Benefits Act 1961
- Payment of Gratuity Act, 1972
- The Apprentices Act 1961
- Service tax
- VAT Act
- Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
- Mines Act
- Industries (Development and Regulation) Act, 1951
- Environment Protection Act, 1986
- The Contract Labour (Regulation and Abolition) Act, 1970
- The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE AND DEVELOPMENT

Alufluoride Ltd (AL) is the only Company in Andhra Pradesh producing high purity Aluminium Fluoride (AlF₃) with technology developed by Aluisse, Switzerland. This technology facilitates conversion of Fluorine effluents from Phosphatic Fertilizer Complex into Hydrofluosilicic Acid and then to Aluminium Fluoride. The project ensues pollution abatement, import substitution, conservation of natural resources like Fluorspar & Sulphur, cost effective product, conversion of waste into wealth and earning valuable foreign exchange to the Nation. AlF₃ is used as flux in reducing the melting point of Alumina during the electrolytic process of producing Aluminium. Many Aluminium Smelters in India and abroad are using the Company's product with repeat orders for increased quantities due to its quality and service.

FUTURE OUTLOOK, OPPORTUNITIES, THREATS, RISKS & CONCERNS

Alufluoride Ltd (AL) set up the project in 1995 to produce AlF₃ and related products, based on an agreement between AL and Coromandel Fertilizers Ltd, Visakhapatnam (CFL). As per the agreement, CFL is to supply 4,000 TPA of Hydrofluosilicic Acid (Acid) exclusively to AL. However, since inception CFL was unable to supply the contracted quantity and the supplies from them were deteriorating year after year. Consequently, AL's financial results were adversely affected. It is reported that, all the Aluminium smelters in India and abroad are increasing their Aluminium production capacities and also new Aluminium smelters are coming up with high capacities, resulting in an increased demand for AlF₃. The only risk & concern for the Company is availability of Acid. When the acid is procured from other sources, the landed cost increases significantly due to transport cost. As the Company is now Debt-free, with efficient working capital management, improved AlF₃ sales realization, etc., your Directors are hopeful of improved financial results.

The Company is getting offers from Acid producers that they would like to supply the Acid on a long-term basis. The Company is pursuing these various

sources for assured supplies from them on a long-term basis. If these efforts are successful, the Company can post good financial results.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an internal control systems which provides for:

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

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

HUMAN RESOURCE DEVELOPMENT

The continued Certification of Quality and Environmental Management System adopted by the Company to ISO 9001, 14001 and OHSAS 18001 manifests to the commitment of all the employees to excellence, Committed human resources is principal core strength of your Company and is attribute to the extremely cordial atmosphere prevailing in the Company. The total number of employees stood at 91 as on 31 March, 2015.

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 MARCH, 2015
CORPORATE GOVERNANCE:

In terms of Clause 49 of the Listing Agreement, compliance with the requirements of Corporate Governance is mandatory for your Company from the financial year 2001- 02 and your Company is following the same.

COMPANY'S PHILOSOPHY:

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

BOARD OF DIRECTORS:

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

Director	No. of Board Meetings attended	Attendance at the previous AGM held on 25 September, 2014	No. of outside Directorships held	Executive/ Non Executive Independent
Sri Venkat Akkineni	5	Present	7	Executive
Sri Ashok Vemulapalli	4	Present	5	Non-Executive
Mrs. Jyothsana Akkineni	5	Present	3	Executive
Dr. T.R. Ramachandran	4	Present	1	Independent
Sri K. Purushotham Naidu	5	Present	–	Executive
Sri A.V.S.S.Ch.B. Sekhar Babu	5	Present	1	Independent
Sri Grandhi Sreeramakrishna (*)	3	NA	–	Independent

(*) – Appointed with effect from 20.10.2014

BOARD MEETINGS HELD DURING THE YEAR 2014-15

During the Financial year 2014-15, Five Board Meetings were held on 2 May, 2014, 29 July, 2014, 20 October, 2014, 16 December, 2014 and 30 January, 2015.

BOARD COMMITTEES:
Audit Committee:

The Audit Committee comprises of three independent Directors and one Non-Executive Director. The Audit Committee met on 2 May, 2014, 29 July, 2014, 20 October, 2014 and 30 January, 2015. The Company Secretary acts as the Secretary of the Committee.

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

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

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

Shareholders' Grievances Committee:

The Share Transfer Committee comprising of Sri Venkat Akkineni, Sri. Ashok Vemulapalli and Smt. Jyothsana Akkineni deals with share transfers, complaints/grievances of the shareholders on a regular basis. All the complaints/grievances have generally been resolved to the satisfaction of the members concerned.

Remuneration Committee:

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

Details of remuneration and payments to Directors during the financial year 2014-15 are given below

Name of the Director	Sitting Fee - Board Committee (Rs.)	Salary & Perks (Rs.)	Other Transaction (Rs.)
Sri Venkat Akkineni	—	33,95,870	—
Sri Ashok Vemulapalli	4,000	—	12,000
Mrs. Jyothsana Akkineni	—	—	35,589
Dr. T.R. Ramachandran	4,000	—	12,000
Sri K. Purushotham Naidu	—	15,86,181	—
Sri A.V.S.S.Ch.B. Sekhar Babu	5,000	—	15,000
Sri G. Sreeramakrishna	3,000	—	9,000

GENERAL BODY MEETINGS :

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

Year	Venue	Date	Time
2014	Registered Office	25 September, 2014	11.00 A.M.
2013	Registered Office	25 September, 2013	11.00 A.M.
2012	Registered Office	25 September, 2012	11.00 A.M.

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



Alufluoride Limited

C.E.O/C.F.O. CERTIFICATION :

The C.E.O. (Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 14 August, 2015

MEANS OF COMMUNICATION :

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

LISTING ON STOCK EXCHANGES :

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

REGISTRARS AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM :

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

MARKET PRICE DATA :

High/Low prices during the financial year 2014-15 on Bombay Stock Exchange Ltd, Mumbai.

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
April, 2014	8.39		6.97	
May, 2014	8.63		6.66	
June, 2014	10.99		7.72	
July, 2014	10.95		9.00	
August, 2014	11.50		8.30	
September, 2014	13.24		10.47	

Month	High		Low	
	Rs.	Ps.	Rs.	Ps.
October, 2014	12.62		9.89	
November, 2014	17.50		11.03	
December, 2014	16.45		12.09	
January, 2015	15.94		13.01	
February, 2015	16.95		12.00	
March, 2015	17.37		11.10	

CATEGORIES OF SHARE HOLDING AS ON 31ST MARCH, 2015

Sl. No.	Category	No. of shares	%
1.	Promoters, Directors, relatives and associated companies	37,01,070	52.88
2.	Financial Institutions	1,00,100	1.43
3.	Mutual Funds	—	—
4.	Banks	—	—
5.	Foreign Institutional Investors	—	—
6.	Non- Resident Indians	2,99,182	4.27
7.	Private Bodies corporate	3,93,005	5.61
8.	Public	25,06,063	35.80
9.	Others	980	0.01
	Total	70,00,400	100.00

DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2015

No. of shares	No. of shareholders	No. of shares	Percentage
Upto 500	6,151	7,98,472	11.40
501 to 1,000	262	2,20,914	3.16
1,001 to 2,000	153	2,34,981	3.36
2,001 to 3,000	52	1,35,650	1.94
3,001 to 4,000	23	82,743	1.18
4,001 to 5,000	37	1,75,767	2.51
5,001 to 10,000	55	3,96,167	5.66
10,001 and above	56	49,55,706	70.79
Total	6,789	70,00,400	100.00

DEMATERIALIZATION OF SHARES AND LIQUIDITY:

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

Factory, Registered Office and address for correspondence

The Compliance Officer
Alufluoride Limited
Mulagada, Mindi
Visakhapatnam 530 012 A.P.

Annual General Meeting

Time : 11.00 A.M.
Date : 29, December, 2015
Venue : Mulagada, Mindi
Visakhapatnam 530 012

BOOK CLOSURE DATES : 25 December, 2015 to
29 December, 2015
(Both days inclusive)



INDEPENDENT AUDITOR'S REPORT

TO

**The Members of Alufluoride Limited
Visakhapatnam, A.P.**

Report on the Financial Statements

We have audited the accompanying financial statements of **ALUFLUORIDE LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in terms of the requirements of the Companies Act, 2013 (herein after referred to as "the Act") that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the company are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

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

conducting the audit, we have taken into account the provisions of the act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and rules made there under.

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has the adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, We give in the Annexure a statements on the matters specified in paragraphs 3 and 4 of the order, to the extent applicable
- 2. As required by section 143(3) of the Act, we report to the extent applicable that:
 - a. We have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by Law have been kept by the Company so far as appears from our examinations of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of the act, read with rule 7 of the Companies (Accounts) rules 2014;
- e. On the basis of written representations received from the directors as on 31.03.2015 and taken on record by the Board of Directors, none of the director is disqualified as on 31.03.2015, from being appointed as a Director in terms of section 164 (2) of the Companies Act, 2013.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 27 to the financial statements;
 - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. The company is not required to transfer any amounts to investor education and protection fund as on 31 March, 2015.

For **RAO & KUMAR**
Chartered Accountants,
FRN 03089S

CA V.V. RAM MOHAN
Partner
M No: 18788

Place: Hyderabad
Date : 22 May, 2015



Annexure to the Auditor's Report

The Annexure referred to in our report to the members of **ALUFLUORIDE LIMITED** for the year ended 31st March, 2015. We report that:

Sl. No.	Particulars	Auditors Remarks
(i)	(a) whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
	(b) whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	The Fixed assets have been physically verified by the management during the year. There is a phased program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies were noticed on such verification.
(ii)	(a) whether physical verification of inventory has been conducted at reasonable intervals by the management;	Inventory has been physically verified by the management at reasonable intervals during the year.
	(b) Are the procedures of physical verification of inventory followed by the management reasonable and adequate in relation to the size of the company and the nature of its business. If not, the inadequacies in such procedures should be reported;	The procedure for physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
	(c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of account;	The Company has maintained proper records of inventories and discrepancies noticed on physical verification as compared to the book records were not material. However, the same have been properly dealt with, in the books of accounts.
(iii)	whether the Company has granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. If so,	The Company has neither taken nor granted any loan to companies, Firms or Other Parties covered in the register, maintained under section 189 of Act
	(a) whether receipt of the principal amount and interest are also regular; and	- Not Applicable –
	(b) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest;	- Not Applicable –
(iv)	is there an adequate internal control system commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. Whether there is a continuing	In our opinion according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of inventory and fixed

Sl. No.	Particulars	Auditors Remarks
	failure to correct major weaknesses in internal control system.	assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control system.
(v)	in case the Company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable, have been complied with? If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	the Company had not accepted any Deposits from Public. As such, the directives issued by the Reserve Bank of India and provisions of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under are not applicable.
(vi)	where maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, whether such accounts and records have been made and maintained;	We have broadly reviewed the records maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records Under section 148(1) of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained in respect of the applicable products.
(vii)	(a) is the Company regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.	According to the records of the Company, Undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess have generally been regularly deposited with the appropriate authorities.
	(b) in case dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not constitute a dispute).	According to the records of the Company, there are no dues of Income tax, sales tax, customs duty, wealth tax, service tax, excise duty and cess that have not been deposited on account of any dispute except for an unpaid demand of Rs.56,480/- raised on 19.01.2014 in respect of Tax Collected at Source (TCS), DCIT, CPC(TDS) during the financial year 2013-14.



Alufluoride Limited

Sl. No.	Particulars	Auditors Remarks
	(c) whether the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under has been transferred to such fund within time.	As on 31 March, 2015 the Company is not required to transfer any amounts to Investor Education and Protection Fund.
(viii)	whether in case of a Company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year;	The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
(ix)	whether the Company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported;	Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or bank. The Company has not issued any debentures.
(x)	whether the Company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company;	On the basis of records examined by us and information provided by the management, we are of the opinion that the Company has not given guarantees for loans taken by others from banks or financial institutions.
(xi)	whether term loans were applied for the purpose for which the loans were obtained;	The Company has not taken any term loans during the year.
(xii)	whether any fraud on or by the company has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated.	According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

For **RAO & KUMAR**
Chartered Accountants,
FRN 03089S

CA V.V. RAM MOHAN
Partner
M No: 18788

Place : Hyderabad
Date : 22 May, 2015



Alufluoride Limited

BALANCE SHEET AS AT 31ST MARCH, 2015

	Notes	As at 31-03-2015		As at 31-03-2014	
		Rs.	Rs.	Rs.	Rs.
I EQUITY AND LIABILITIES					
1 SHAREHOLDER'S FUNDS					
a) Share Capital	2	7,00,04,000		7,00,04,000	
b) Reserves & Surplus	3	<u>10,16,56,279</u>	<u>17,16,60,279</u>	<u>8,40,57,473</u>	15,40,61,473
2 NON - CURRENT LIABILITIES					
a) Deferred Tax Liabilities (net)	4	(12,48,431)		48,23,423	
b) Long Term Provisions	5	<u>46,86,844</u>	<u>34,38,413</u>	<u>39,55,942</u>	87,79,365
3 CURRENT LIABILITIES					
a) Trade Payables	6	2,90,54,986		1,88,66,209	
b) Other Current Liabilities	7	52,09,902		44,06,257	
c) Short Term provisions	8	<u>2,05,37,017</u>	<u>5,48,01,905</u>	<u>96,45,444</u>	3,29,17,910
TOTAL			<u>22,99,00,597</u>	<u>22,99,00,597</u>	<u>19,57,58,748</u>
II ASSETS					
1 NON CURRENT ASSETS					
a) Fixed Assets					
- Tangible Assets	9	3,13,44,482		4,16,11,382	
- Capital work -in-progress		---		---	
Expenditure under construction					
- New Project		3,05,783		---	
b) Long Term Loans & Advances	10	40,92,624		40,92,624	
c) Non Current Investments	11	<u>9,78,667</u>	<u>3,67,21,556</u>	<u>1,59,78,667</u>	6,16,82,673
2 CURRENT ASSETS					
a) Current Investments	11	5,26,49,606		3,33,43,872	
b) Inventories	12	7,56,98,582		2,38,79,795	
c) Trade Receivables	13	1,47,03,657		2,54,85,352	
d) Cash & Bank balances	14	2,72,32,582		3,10,48,667	
e) Short Term Loans and Advances	15	2,06,41,298		1,77,90,138	
f) Other Current Assets	16	<u>22,53,316</u>	<u>19,31,79,041</u>	<u>25,28,251</u>	13,40,76,075
TOTAL			<u>22,99,00,597</u>	<u>22,99,00,597</u>	<u>19,57,58,748</u>

NOTES TO THE ACCOUNTS 1

The accompanying notes are an integral part of the financial statements.
This is the Balance Sheet referred to in our Report of even date.

Per our separate report of even date

For **RAO & KUMAR**
Chartered Accountants
FRN. 03089S

For and on behalf of the Board

CA.V.V. RAM MOHAN
Partner
M. No.18788

VENKAT AKKINENI
Managing Director
DIN:00013996

DR.T.R. RAMACHANDRAN
Director
DIN:01276745

Hyderabad
22 May, 2015

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

V.B.R.SARMA
Company Secretary
MS No.ACS22066

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31ST MARCH, 2015

Particulars	Notes	Current Year 2014-2015		Previous Year 2013-2014	
		Rs.	Rs.	Rs.	Rs.
I Revenue from Operations					
Sales (Gross)	17	24,41,43,543		31,99,04,480	
Less: Excise Duty		2,55,58,993	21,85,84,550	3,07,15,648	28,91,88,832
II Other Income	18		1,76,08,844		1,11,11,204
III Total Revenue (I + II)			23,61,93,394		30,03,00,036
IV Expenses					
a) Cost of Materials Consumed	19	14,27,36,652		16,74,37,452	
b) Increase/Decrease in Inventories	20	(4,69,25,532)		79,41,100	
c) Employee Benefits expenses	21	2,17,24,506		1,87,37,338	
d) Financial charges (Bank charges)	22	28,737		68,191	
e) Depreciation	9	61,42,153		71,22,160	
f) Other Expenses	23	7,65,55,014	20,02,61,530	8,42,81,388	28,55,87,629
V Profit before Extra-ordinary & Exceptional expenses & tax (III-IV)			3,59,31,864		1,47,12,407
VI Extraordinary & Exceptional Expenses	24		46,716		—
VII Profit before tax (V-VI)			3,58,85,148		1,47,12,407
VIII Tax expenses					
a) Provision for Current Tax		1,11,42,000		60,65,000	
b) Taxes of earlier years		4,16,828		4,75,589	
c) Deferred Tax Asset/Liability adj's	4	(60,71,854)	54,86,974	(14,88,157)	50,52,432
IX Profit/Loss for the year after taxation (VII-VIII)			3,03,98,174		96,59,975
X Basic/Diluted Earning per share in Rs. (face value of Rs.10/- each)	25		4.34		1.38

The accompanying notes are an integral part of the financial statements.

Per our separate report of even date

For **RAO & KUMAR**
Chartered Accountants
FRN. 03089S

For and on behalf of the Board

CA.V.V. RAM MOHAN
Partner
M. No.18788

VENKAT AKKINENI
Managing Director
DIN:00013996

DR.T.R. RAMACHANDRAN
Director
DIN:01276745

Hyderabad
22 May, 2015

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

V.B.R.SARMA
Company Secretary
MS No.ACS22066

Notes to Account**1 Significant Accounting Policies:
It is the Policy of the Company -****(a) Basis of Preparation:**

The Financial statements are prepared on approval basis of accounting under historical cost convention in accordance with the generally accepted accounting principles in India, the relevant provisions of Companies Act, 2013, and comply in material aspects with the accounting standards notified their under.

(b) Use of Estimates:

The Preparation and presentation of financial statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, (including contingent liabilities) revenues and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from the estimates and assumptions and such differences are recognized in the period in which the results are known / materialized.

(c) Fixed Assets:

i) To state assets at cost of acquisition inclusive of Inward Freight, Taxes and Incidental expenses related to acquisition but exclusive of taxes & duties for which credit is availed, Interest on Loans, during the period of construction, is added to the cost of Fixed Assets.

(d) Capitalization of Project:

To capitalize all related pre-operational and direct expenditure (including temporary facilities) during construction period. Direct financing cost, if any is also capitalized.

(e) Depreciation:

i) Depreciation is provided on Fixed Assets under the 'Straight line method' up to 95 % of the cost of the asset over their useful lives as per Schedule – II of the Companies Act 2013.
ii) To charge Depreciation on pro-rata basis on all additions/deletions and on the assets that are put to use.

(f) Prior period and Extra-ordinary Debits/Credits:

i) To consider Income and Expenditure over Rs. 5,000 only, in each case, pertaining to prior items arising, in the current period, because of errors and omissions, as prior period credit/ debits.
ii) To disclose separately extra-ordinary items which are material.

(g) Disclosure of other Income etc.:

i) To disclose items of Income and Expenditure at the net of payments and related collections, wherever they occur.
ii) To recognize interest income etc., upon receipt of confirmation from concerned agency.

(h) Amortization and Write Offs :

i) To amortize Preliminary Expenses and Public Issue Expenses, over a period of Ten Years, from the year of commencement of commercial production of plant.
ii) To write off Deferred Revenue Expenditure depending upon the nature and the expected period future benefits.

(i) Foreign Currency Transactions:

To initially record monetary items, of Foreign Currency in Rupees, by applying the Exchange Rate prevailing at the time of transaction. To recognize as expense or income the amount short or excess realized / incurred because of settlement / conversion by transferring to Exchange Rate Variation Account and in the period in which they arise.



Alufluoride Limited

(j) Sales & Purchases:

- i) To disclose all sales at net of sales tax.
- ii) To account for all purchases exclusive of taxes & duties for which credit is availed.

(k) Valuation of Inventories:

- i) To value all raw materials, stores and spare parts, loose tools, packing materials, finished goods etc., at lower of cost or net realizable value.
- ii) To determine cost on the basis of
 - Finished Goods – Weighted Average cost
 - Raw materials & Others – FIFO
- iii) To account for all empties, scrap and waste upon realization.

(l) Valuation of Investments:

Current Investments are valued at lower of cost and fair value, and long-term investments at cost. Where applicable provision is made in case of other than temporary diminution in value of investments.

(m) Employee Benefits:

To recognize actuarial gains and losses on defined benefit plans during the year.

(n) Taxes on Income:

Provision for current tax is made for the amount of tax payable in respect of taxable income for the year under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or subsequent periods, subject to consideration of prudence.

- (o)** No value is attributed to Silica which, in the opinion of the Management, is a process waste and has no guaranteed market value (net realizable value), except for the quantities which are being disposed off on as is where is basis to parties on irregular quantities and prices.

(p) Impairment of Assets:

The entire plant is considered as a cash-generating unit. As the recoverable amount of the Cash Generating Unit, being its value in use, is in excess of its carrying amount there is no impairment loss in terms of Account Standard 28 – Impairment of Assets.

(q) Leases:

Since the lease transaction of the company, are incidental to the company's main business of production of Aluminum Fluoride, specific disclosures as per Accounting Standard 19 on 'Leases' are not considered necessary

- (r)** The Company has re-classified previous year's to confirm to this year's classifications. However, the adoption of revised Schedule VI does not impact recognition, measurement, principles – presentation and disclosures.

- (s) Derivative Instruments:** Derivative contracts entered into by the company for hedging of foreign currency fluctuation risks on certain firm commitments & forecasted transactions, or otherwise outstanding as on the year end are marked to market. Changes in values thereof and on closed contracts are recognized in the Statement of Profit & Loss based on the principles of prudence as enunciated in Accounting Standard -1 (AS-1) "Disclosure of Accounting Policies".

2 Share Capital:

Particulars	As at 31-03-2015		As at 31-03-2014	
	Rs.	Rs.	Rs.	Rs.

Authorized:

1,00,00,000 Equity shares of Rs. 10/- each	10,00,00,000		10,00,00,000	
--	---------------------	--	--------------	--

Issued, Subscribed & Paid up:

70,00,400 Equity shares of Rs. 10/- each	7,00,04,000		7,00,04,000	
--	--------------------	--	-------------	--

The Company has only one class of shares referred to as equity shares having a par value of Rs.10/- Each holder of equity shares is entitled to one vote per share.

Reconciliation of number of equity shares and amount outstanding of the beginning and at the end of the year:

Outstanding at the beginning of the year	70,00,400		70,00,400	
Outstanding at the end of the year	70,00,400		70,00,400	

Shares held by each shareholder holding more than 5% shares

PROMOTER'S HOLDING:	%	No	%	No
a) V. Sunitha	20.19	14,13,195	20.19	14,13,195
b) V. Sarojini	12.03	8,41,885	11.93	8,34,885
c) Kaiser Finance & Leasing (P) Ltd	11.24	7,86,975	11.24	7,86,975

NON-PROMOTER'S HOLDING: — — — —

3 Reserves & Surplus:

General Reserve		6,00,000		6,00,000
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Surplus:

Opening Balance	8,34,57,473		7,37,97,498	
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Less: Adjustment for transitional Depreciation (Net off Deferred Tax) under Schedule II of Companies Act, 2013.	1,27,99,368		—	
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	7,06,58,105		7,37,97,498	
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Add: Profit/(Loss) for the year after taxation as per statement of Profit & Loss account	3,03,98,174	10,10,56,279	96,59,975	8,34,57,473
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Total		10,16,56,279		8,40,57,473
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4 Deferred Tax Liability (Net):

Deferred Tax Liability		7,67,604		66,06,311
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Total		7,67,604		66,06,311
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Less; Deferred Tax Asset

Gratuity		14,79,086		12,81,584
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Leave Encashment		5,36,949		5,01,304
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Total		20,16,035		17,82,888
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Net Deferred Tax Asset/Liability		(12,48,431)		48,23,423
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Deferred tax Asset/Liability Adj's		(60,71,854)		(14,88,157)
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Particulars	As at 31-03-2015		As at 31-03-2014	
	Rs.	Rs.	Rs.	Rs.
5 Long Term Provisions:				
Provision for Employee Benefits:				
Gratuity (see note 26)		36,16,883		29,95,820
Leave Encashment (see note 26)		10,69,961		9,60,122
Total		<u>46,86,844</u>		<u>39,55,942</u>
6 Trade Payables:				
Acceptances		2,90,54,986		1,88,66,209
Total		<u>2,90,54,986</u>		<u>1,88,66,209</u>
Based on the information available with the Company, there are no dues/interest outstanding to Micro, Small and Medium enterprises, as defined under the MSMED Act, 2006 as on 31 March, 2015 (as on 31 March, 2014 - Nil).				
Information relating to 'supplier' under the provisions of Micro, Small and Medium Enterprise Development Act, 2006.				
i) The amounts due thereon remaining unpaid to any supplier as at the end of the year				
Principal		NIL		NIL
Interest		NIL		NIL
ii) Payments made beyond the appointed day and interest during the year		NIL		NIL
iii) The amount of interest due and payable for the period of delay in making payments but with out adding the interest specified in the Act		NIL		NIL
iv) The amount of interest accrued and remaining unpaid at the end of the year		NIL		NIL
v) The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid		N.A.		N.A.
Disclosure of Sundry Creditors is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".				
7 Other Current Liabilities:				
Statutory dues		6,68,561		6,08,471
Others		45,41,341		37,97,786
Total		<u>52,09,902</u>		<u>44,06,257</u>
8 Short Term Provisions:				
a) Provision for Employee Benefits				
Provision for Gratuity (See Note 25)		9,40,982		9,53,434
Provision for Leave Encashment		5,84,667		5,84,667
Provision for Bonus		7,43,162	22,68,811	<u>7,95,947</u>
b) Unpaid Excise duty:				
Provision for unpaid excise duty on finished goods		71,26,206		12,46,396
b) Current Tax				
Provision for Income Tax		1,11,42,000		60,65,000
Total		<u>2,05,37,017</u>		<u>96,45,444</u>



Fixed Assets - 9

Sl. No.	Description	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		As at 31.03.2014 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	As at 31.03.2015 Rs.	Upto 31.03.2014 Rs.	For the Year Rs.	Deductions/ Adjustments Rs.	Upto 31.03.2015 Rs.	As at 31.03.2015 Rs.	As at 31.03.2014 Rs.
TANGIBLE ASSETS:											
1	Buildings	1,65,30,938	15,31,089	—	1,80,62,027	75,47,599	6,63,601	31,62,278	1,13,73,478	66,88,549	89,83,339
2	Plant & Machinery	15,47,15,722	69,96,842	—	16,17,12,564	12,29,30,577	53,00,054	94,15,862	13,76,46,493	2,40,66,071	3,17,85,145
3	Furniture, Fixtures & Air Conditioners	5,77,437	76,500	—	6,53,937	3,20,803	35,184	58,480	4,14,467	2,39,470	2,56,634
4	Office Vehicles	12,85,830	—	—	12,85,830	7,71,602	1,10,728	1,36,320	10,18,650	2,67,180	5,14,228
5	Computers	2,60,368	70,190	—	3,30,558	1,88,332	32,586	26,428	2,47,346	83,212	72,036
GRAND TOTAL		17,33,70,295	86,74,621	—	18,20,44,916	13,17,58,913	61,42,153	1,27,99,368	15,07,00,434	3,13,44,482	4,16,11,382
Previous year		17,00,82,740	36,42,513	3,54,958	17,33,70,295	12,47,68,069	71,22,160	1,31,316	13,17,58,913	4,16,11,382	4,53,14,671

Note :

- (1) The plant is constructed on operating lease hold land taken from Visakhapatnam Port Trust.
- (2) The Company has adopted the remaining useful life of its Tangible Assets as per the requirement of Part - C of Schedule - II of Companies Act, 2013 read with para 9.1 of significant accounting policies. Further, based on transitional provision, in Note No.7(b) of the said Schedule, an amount of Rs.1,27,99,368/- (net of Deferred tax) has been adjusted against retained earnings in respect of Tangible Assets whose useful life has exhausted.



Alufluoride Limited

Particulars	As at 31-03-2015		As at 31-03-2014	
	Rs.	Rs.	Rs.	Rs.
10 Long Term Loans & Advances:				
Secured considered good				
1 Security Deposits		40,92,624		40,92,624
Total		<u>40,92,624</u>		<u>40,92,624</u>
11 Investments:				
Trade Investments - Investments in Mutual funds & Equity shares of listed companies, which are traded in exchanges				
(i) Non – Current Investments :				
(a) Investments in Mutual Funds:				
1 Shriram Transport Fin Co Ltd				
10,000.000 units of Rs.1000/- each Fully paid-up	—		1,00,00,000	
2 Religare Finvest Ltd (Bonds)				
5,000.000 units of Rs.1000/- each Fully paid-up	—	—	50,00,000	1,50,00,000
(b) Investments in Limited Company Shares:				
1 Alphageo India				
3,674 Equity Share of Rs.10/- each Fully paid-up	1,14,261		1,14,261	
2 Coromandel International Ltd				
4,500 Equity Share of Rs.1/- each Fully paid-up	8,32,500		8,32,500	
3 BPL Ltd				
2,279 Equity Share of Rs.10/- each Fully paid-up	31,906	9,78,667	31,906	9,78,667
Total (i)		<u>9,78,667</u>		<u>1,59,78,667</u>
(ii) Current Investments:				
(a) Investments in Mutual Funds:				
1 DSP Black Rock Top 100 Fund				
21,707.91 units of Rs.10/- each Fully paid-up	32,25,000		—	
2 Birla Sunlife Income Plus				
27453.31 units of Rs.54.415 each Fully paid-up	—		14,93,872	
3 DSP BR Opportunity Fund				
46,519.67 units of Rs.10/- each Fully paid-up	70,00,000		—	
4 IDFC Premier Equity Fund				
1,50,645.08 units of Rs.10/- each Fully paid-up	50,00,000		—	
5 Birla Capital Protect DR Fund				
65,000.00 units of Rs.10/- each Fully paid-up	—		6,50,000	
6 Birla Sunlife Medium Term plan				
3,73,582.93 units of Rs.14.72 each Fully paid-up	—		55,00,000	
7 Birla Sunlife Medium Term R Growth				
3,86,071.37 units of Rs.10 each Fully paid-up	56,83,858		1,33,00,000	
8 Birla Sunlife short term opp. Fund				
1,49,815.73 units of Rs.20.02 each Fully paid-up	30,00,000		30,00,000	
9 Kotak FMP Series				
9,40,000.00 units of Rs.10/- each Fully paid-up	—		94,00,000	
10 Kotak Select Focus Fund				
2,05,846.03 Units of Rs.10/- each Fully Paid-up	40,00,000		—	
11 Reliance Equity Opportunity Fund				
73,771.56 Units of Rs.10/- each Fully Paid-up	25,00,000		—	
12 Reliance Vision Fund				
82,702.55 Units of Rs.10/- each Fully Paid-up	40,00,000		—	
13 Birla Sunlife Equity Fund				
26,780.93 Units of Rs.10/- each Fully Paid-up	25,00,000	3,69,08,858	—	3,33,43,872
Total (a)		<u>3,69,08,858</u>		<u>3,33,43,872</u>



Alufluoride Limited

Particulars	As at 31-03-2015		As at 31-03-2014	
	Rs.	Rs.	Rs.	Rs.
(b) Investments in Limited Company Shares:				
1 Coromandel International Ltd 13,000 Equity Share of Rs.1/- each Fully paid-up	37,87,536		—	
2 Dishman Pharma 6,800 Equity Share of Rs.2/- each Fully paid-up	10,90,259		—	
3 Edelweiss Financial Services Ltd 2,000 Equity Share of Rs.1/- each Fully paid-up	1,09,424		—	
4 ESS DEE Aluminium Ltd 2,600 Equity Share of Rs.10/- each Fully paid-up	12,21,258		—	
5 India Bulls Housing Finance Ltd 8,777 Equity Share of Rs.2/- each Fully paid-up	35,35,766		—	
6 India Bulls Real Estate Ltd 9,700 Equity Share of Rs.2/- each Fully paid-up	6,75,917		—	
7 Reliance Capital Ltd 9,050 Equity Share of Rs.10/- each Fully paid-up	49,57,462		—	
8 Suven life Sciences Lt d 3,000 Equity Share of Rs.1/- each Fully paid-up	3,63,126	1,57,40,748	—	
Total (b)		1,57,40,748	—	—
Total (ii) (a+b)		5,26,49,606		3,33,43,872
Aggregate market value as on 31 March, 2015 of Mutual Funds Rs.3,88,07,290/- and Listed Company Shares is Rs.1,80,09,352/-.				
12 Inventories: (Refer Note 1 (i) on valuation) At cost as ascertained, valued and certified by the Management.				
1 Stock of Stores and Spares		16,93,774		18,37,016
2 Stock of Stores in Transit		1,36,162		10,33,548
3 Stock of Raw Materials		96,61,850		96,12,186
4 Loose Tools		70,946		66,537
5 Stock of Finished Goods		6,41,35,850		1,13,30,508
Total		7,56,98,582		2,38,79,795
13 Trade Receivables: Unsecured considered Good Others				
		1,47,03,657		2,54,85,352
Total		1,47,03,657		2,54,85,352
14 Cash & Bank balances:				
1 Cash in Hand		3,528		4,719
2 Bank Balances (with scheduled Banks):				
a) in Current Accounts	95,17,951		1,46,34,623	
b) in Various Deposit accounts	1,77,11,103	2,72,29,054	1,64,09,325	3,10,43,948
Total		2,72,32,582		3,10,48,667
15 Short Term Loans and Advances: (Unsecured, Considered Good)				
1 Advances recoverable in Cash or in kind or for value to be received:				
a) Prepaid Expenses	79,780		3,91,664	
b) Advance to suppliers & others	43,09,464		45,38,623	
c) Income tax Payments				
Advance Tax Payments	95,00,000		62,50,000	
Tax Deducted at Source	2,85,394		2,31,828	
Income Tax refunds due	56,93,260	1,98,67,898	56,93,260	1,71,05,375
2 Balances with Central Excise, customs, Port Trust, etc.				
a) Central Excise Deposits		7,73,400		6,84,763
Total		2,06,41,298		1,77,90,138

Particulars	As at 31-03-2015		As at 31-03-2014	
	Rs.	Rs.	Rs.	Rs.
16 Other Current Assets :				
1 Interest Receivable		22,53,316		25,28,251
Total		22,53,316		25,28,251
17 Revenue from Operations :				
Sales :				
1 Export Sales		1,20,09,804		4,06,80,515
2 Domestic Sales	23,21,33,739		27,92,23,965	
Less: Excise duty	2,55,58,993	20,65,74,746	3,07,15,648	24,85,08,317
Total		21,85,84,550		28,91,88,832
18 Other Income:				
1 Interest on TDR's, Deposits & Advances		34,02,363		41,19,666
2 Miscellaneous Receipts		1,42,06,481		69,91,538
Total		1,76,08,844		1,11,11,204
(Miscellaneous receipts includes Sale of Silica (By-product) of Rs.92,80,966/- (previous year Rs.73,24,108/-) and Sale of Coal dust (rejections) of Rs.1,32,35,838/- (previous year Rs.1,84,30,394/-) which is net off from coal dust transfer price and both products sale price is inclusive of excise duty)				
19 Cost of Materials Consumed:				
1 Consumption of Raw Materials		9,24,59,677		10,93,02,137
2 Packing Materials		15,24,590		16,22,107
3 Inward Freight		4,87,52,385		5,65,13,208
Total		14,27,36,652		16,74,37,452
20 Changes in Inventories:				
1 Opening Inventory		1,00,84,112		1,80,25,212
2 Closing Inventory	6,41,35,850		1,13,30,508	
Less: Provision for unpaid excise duty on finished goods	71,26,206	5,70,09,644	12,46,396	1,00,84,112
Net changes ((1)-(2))		(4,69,25,532)		79,41,100
21 Employee Benefits expenses:				
1 Salaries, wages & Bonus		1,93,52,705		1,64,52,733
2 Contribution to ESI & EPF		15,76,136		14,89,687
3 Staff welfare expenses		7,95,665		7,94,918
Total		2,17,24,506		1,87,37,338
22 Financial Charges:				
1 Bank Charges		28,737		68,191
Total		28,737		68,191

Particulars	As at 31-03-2015 Rs.	As at 31-03-2014 Rs.
23 Other Expenses:		
1 Power, Fuel & Water	5,10,03,446	6,40,04,579
2 Repairs & Maintenance		
- Plant	1,30,28,765	96,91,567
- Others	5,11,949	9,34,048
3 Other manufacturing expenses	18,92,190	18,60,427
4 Rent, Rates & Taxes	14,54,160	13,35,186
5 Insurance	2,06,320	2,11,416
6 Postage & telephone	3,52,015	2,28,795
7 Printing & Results publication charges	4,41,446	3,44,884
8 Travelling & conveyance	21,34,958	8,71,202
9 Professional expenses	26,93,231	8,46,274
10 Payments Auditors		
- Towards audit fee	75,000	75,000
- Tax Representation fee	—	1,25,000
11 Security charges	4,58,637	4,53,600
12 Shipment & other selling expenses	6,85,052	12,71,530
13 Donations	5,00,000	—
14 Diminution in value of investments	—	50,641
15 Exchange Rate Variation (net)	(9,92,452)	6,81,356
16 Other expenses	21,10,297	12,95,883
Total	<u>7,65,55,014</u>	<u>8,42,81,388</u>
24 Extra-ordinary & Exceptional Expenses:		
1 Hudhud Cyclone Damage Expenses	23,77,716	—
Less: Insurance Claims Received	23,31,000	—
Total	<u>46,716</u>	<u>—</u>
25. Earning per Share:		
1 Net Profit/(Loss) after current and deferred tax	3,03,98,116	96,59,975
2 Weighted average number of equity shares of Rs.10/- each	70,00,400	70,00,400
3 EPS (Rs.) – Basic and Diluted	4.34	1.38

26. Employee Benefits:

i) General Description of the Post Employment Benefits – Defined Benefit Plans

a) **Gratuity:** Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service.

b) **Compensated Absence:** Encashment of accumulated earned leave, subject to maximum permissible limits as per the terms of appointment, will be paid to the employee on separation.

i) Reconciliation of present value of defined benefit obligations

Particulars	Gratuity Rs.	Compensated Absences Rs.
Opening Balance	39,49,254	35,05,056
Current Service Cost	4,58,742	5,91,808
Interest	3,64,497	3,29,475
Benefits Paid	1,43,264	20,908
Actuarial Gain/Loss	(71,364)	(4,56,177)
Closing Balance	45,57,865	39,49,254



Alufluoride Limited

- ii) All the defined benefit plans are unfunded.
 iii) Expenses recognized in the Statement of Profit & Loss Account.

Particulars	Gratuity Rs.	Compensated Absences Rs.
Current Service Cost	4,58,742	5,91,808
Interest	3,64,497	3,29,475
Actuarial Gain/Loss	(71,364)	(4,56,177)
Total	7,51,875	4,65,106

- iv) Actuarial Assumptions

Interest/Discount rate - 7.8%	Salary Escalation - 10 %
Age - 58	Withdrawal Rate - 10%

27 Pending Forward Contracts:

Statement of forward contracts for hedging of foreign currency fluctuation risk on certain firm commitments and forecasted transactions, outstanding as on 31-03-2015:

S.No	Particulars	As on 31-03-2015		As on 31-03-2014	
		No of contracts	Amount Rs.	No of contracts	Amount Rs.
1	Currency swaps	NIL	NIL	10	2,62,96,100

28 Contingent liabilities:

1. Claims against the Company not acknowledged as debts:
 - a. In respect of disputed Tax Collected at Source (TCS) demand of Rs.56,480/- with the Income tax department which is unpaid.
 - b. Legal notice issued by a supplier for capital goods against the Company for which the Company is disputing and had already provided sufficient liability in the books of account to the tune of Rs.12,35,756/-
2. Bank guarantees/Letter of Credit in force (Previous year - Rs. Nil) – Rs. Nil.
3. Payables includes a provision of Rs.1,02,354/- towards rent payable to Visakhapatnam Port Trust for the period 31.12.2014 to 31.3.2015 and the lease had expired on 30.12.2014. Pending a change / revision in the lease terms, there may be a possible obligation on the Company of increase of lease rent which is not quantifiable at present.

- 29 The Company availed CENVAT benefit, on Capital Goods, the balance of which is identified and disclosed separately. Fixed assets of the Company are disclosed at a value exclusive of Excise Duty paid. Opening & Closing stock of finished goods includes applicable Excise duty of Rs.71,26,205/- and Rs.12,46,396/- respectively.

30 Segment Reporting:

Since the Company is dealing with a single product the disclosure requirements issued by the ICAI are not applicable.

31 Related Party Transaction:

List of Related Parties with whom transactions have taken place during the year :

Associated Companies: M/s Anar Enterprises Private Ltd, M/s Kaiser Finance & Leasing Private Ltd and M/s Visakha Finance Ltd

Key Management Personnel : Sri Venkat Akkineni, Managing Director,
Smt. Jyothsana Akkineni, Executive Director and
Sri K. Purushotham Naidu, Director (Finance).

Rent to M/s Anar Enterprises (P) Ltd: **Rs. 1,38,000** (Previous year Rs.1,38,000)
Rent to M/s Kaiser Finance & Leasing (P) Ltd.: **Rs. 2,01,600** (Previous year Rs.2,01,600)
Rent to M/s Visakha Finance Ltd: **Rs. 60,000** (Previous year Rs.60,000)

Managerial Remuneration:
– Salary & Commission: **Rs. 40,97,928** (Previous year Rs.35,87,340)
– Perquisites & Contributions: **Rs. 9,19,712** (Previous year Rs.7,99,233)
– Director’s Sitting fee: **Rs. 16,000** (Previous year Rs.11,000)
– Director’s Travelling Expenses: **Rs. 8,63,048** (Previous year Rs.4,23,319)

32 Foreign Exchange Details:

S.No	Particulars	For the year ended 31-03-2015 Rs.	For the year ended 31-03-2014 Rs.
1	Foreign Exchange Earnings/Imports:		
(a)	Foreign Exchange – FOB	1,30,99,700	3,99,99,524
(b)	Values of imports computed on CIF Basis (Components & spare parts)	27,50,068	8,57,956
(c)	Expenditure in Foreign Currency Travelling & Others (Technical Consultant’s fee)	13,31,911	—

Per our separate report of even date

For **RAO & KUMAR**
Chartered Accountants
FRN. 03089S

For and on behalf of the Board

CA V.V. RAM MOHAN
Partner
M.No.18788

VENKAT AKKINENI
Managing Director
DIN: 00013996

Dr. T.R. RAMACHANDRAN
Director
DIN: 01276745

Hyderabad
22 May, 2015

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

V.B.R.SARMA
Company Secretary
M No. ACS22066

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015.

	2014-15 Rs.	2013-14 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(Loss) after Extra-ordinary items and before tax	3,58,85,148	1,47,12,407
Adjustments for :		
Income tax refund/earlier taxes	(4,16,828)	(4,75,589)
Depreciation	61,42,153	71,22,160
Deferred Revenue expenditure written off	—	—
Operating Profit before working capital changes	4,16,10,473	2,13,58,978
Adjustments for :		
Trade & other Receivables	82,05,470	(1,34,26,444)
Inventories	(5,18,18,787)	55,84,601
Trade payables & other payables	1,97,17,046	(27,50,331)
NET CASH FROM OPERATING ACTIVITIES	1,77,14,202	1,07,66,804
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net)	(89,80,404)	(34,18,871)
Investments in Shares/Mutual Funds	(43,05,734)	(52,43,872)
NET CASH USED IN INVESTING ACTIVITIES	(1,32,86,138)	(86,62,743)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital	- Nil -	- Nil -
Proceeds from borrowings	- Nil -	- Nil -
NET CASH USED IN INVESTING ACTIVITIES	- Nil -	- Nil -
Net changes in Cash and Cash equivalent (A+B+C)	44,28,064	21,04,061
Cash and Cash equivalent - Opening Balance	3,16,60,646	2,95,56,585
Cash and Cash equivalent - Closing Balance	2,72,32,582	3,16,60,646

For and on behalf of the Board

Hyderabad
22 May, 2015

VENKAT AKKINENI
Managing Director

AUDITOR'S CERTIFICATE

The above cash flow statement has been compiled from and is based on the audited accounts of Alufluoride Limited for the year ended 31st March, 2015. According to the information and explanations given the aforesaid cash flow statement has been prepared pursuant to Clause 32 of Listing Agreements with Stock Exchanges and the reallocations required for the purpose are as made by the Company.

For **RAO & KUMAR**
Chartered Accountants
FRN.03089S

Hyderabad
22 May, 2015

CA V.V. RAM MOHAN
Partner
M. No.18788

INSTRUCTIONS ON ELECTRONIC VOTING

The procedure and instructions for Members for e-voting are as under:-

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab
- (iii) Now, select the Company name “ALUFLUORIDE LIMITED” from the drop down menu and click on “SUBMIT”.
- (iv) Now enter your User ID :-
 - (a) For CDSL - 16 digits beneficiary ID,
 - (b) For NSDL - 8 Characters DP ID followed by 8 Digits Client ID,
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Captcha Code (Image Verification Code) as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below (Applicable for both demat shareholders as well as physical shareholders).
- (viii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)	
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the sequence number (available in the Address Label pasted in the cover and/or in the e-mail sent to Members) in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name. Eg. If your name is Ramanathan with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field.

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then reach directly the Company selection screen.
- (xi) 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.



Alufluoride Limited

- (xii) You can also update your mobile number and E-mail ID in the user profile details of the folio, which may be used for future Communication(s).
- (xiii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this AGM Notice.
- (xiv) Click on the EVSN (Electronic Voting Sequence Number) of "ALUFLUORIDE LIMITED" to vote.
- (xv) 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.
- (xvi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions
- (xvii) 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.
- (xviii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xx) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code (Image Verification Code) and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details they have to create a User ID to able to link the account(s) which they wish to vote and then cast their vote on
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xxi) Once the vote on the Resolution is cast by the Shareholders, they shall not be allowed to change it subsequently.
- (xxii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQ") and e-voting manual available at www.evotingindia.co.in under help section or Write an email to helpdesk.evoting@cdslindia.com.
- (xxiii) The Scrutinizer shall within a period of not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Director of the Company
- (xxiv) The Results on Resolutions shall be declared on or after the AGM of the Company by the Chairman of the Company or by any other persons duly authorized in this regard. The Resolutions will be deemed to be passed on the date of Annual General Meeting subject to receipt of the requisite number of votes. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.alufluoride.com and on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the Stock Exchanges.



Alufluoride Limited

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

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 No. : L24110AP1984PLC005096

Registered Folio No./Client ID

Name of the Company :

Registered Office:.....

Name of the member(s) :

Registered address:.....

E-mail Id:.....

Folio No./Client Id:.....

DP 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:.....

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, 29 December, 2015 at 11.00 A.M. at the Registered Office of the Company, situated at Mulagada, Mindi, Visakhapatnam-530 012 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Subject matter of the Resolution
1.	To receive, consider and adopt the Audited Balance Sheet as on 31 st March, 2015 and Profit and Loss Account for the period ended 31 st March, 2015 together with the reports of Directors and Auditors thereon.
2.	To elect a Director in place of Sri A.V.V.S.Ch.B. SekharBabu, Director who retires by rotation and being eligible offers himself for reappointment.
3.	To elect a Director in place of Sri K.Purushotham Naidu, Director who retires by rotation and being eligible offers himself for reappointment.
4.	To Ratify the Appointment of Messrs Rao & Kumar, Statutory Auditors for Financial Year 2015-2016.
5.	Regularization of Sri Grandhi Sreeramakrishna as Director of the Company.

Signed this _____ day of _____ 2015

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix
1/-
revenue
stamp

Note: 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.

ATTENDANCE SLIP

Registered Folio No.	DP ID*/ Client ID*
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Number of equity shares held

Name of the Member/Proxy

I/We hereby accord my/our presence at the as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday, 29 December, 2015 at 11.00 A.M. at the Registered Office of the Company, situated at Mulagada, Mindi, Visakhapatnam-530 012.

Signature of the Member/Proxy attending the Meeting

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the meeting

**applicable for members holding shares in Demat mode*

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

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

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

Name of Sole / First Holder :

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

PAN No. :

E-mail Address :

Date:

Place: (Signature of Member)

PRINTED MATTER

To

If undelivered, Please return to:

ALUFLUORIDE LIMITED
MULAGADA, MINDI,
VISA KHAPATNAM 530 012, INDIA

Phone : (91 891) 254 8567
Fax : (91 891) 254 8567
Email : contact@alufuoride.com
Web : www.alufuoride.com