



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.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.



Alufluoride Limited

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

Hyderabad
14 November, 2015

Director
DIN: 06921031

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><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></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%					