



Agro Phos

Agro Phos India Limited

CIN No.: L24123MP2002PLC15285

16th Annual Report 2017-2018

Registered Office :

M-87, Trade Centre, 18, South Tukoganj, Inodore (M.P.) Tel.: 0731-2529488-89-90-91

E-mail : info@agrophos.com / agrophos@rediffmail.com

www.agrophos.com

Agro Phos (India) Limited

CIN: L24123MP2002PLC015285

CORPORATE INFORMATION

REGISTERED OFFICE

M-87, Trade Centre
18M, South Tukoganj
Indore MP 452001 IN

BOARD OF DIRECTORS

Mr. Rajkumar Gupta
Mr. Vishnu Kant Gupta
Mr. Abhay Gupta
Mr. Vijay Singh Bharkatiya
Mr. Abhishek Kalekar
Mrs. Vidhi Jain
Mr. Omprakash Chourey

Managing Director
Wholetime Director
Director
Director
Director
Independent Director
Independent Director

COMPANY SECRETARY

Cs. Neelam Jain
ICSI Membership No.: A44887

STATUTORY AUDITOR

Ashok Khasgiwala & Company
Chartered Accountants
702, Shekhar Centre, Palasia Square
A.B. Road, Indore-452001

COST AUDITOR

M/s. M.P. Turakhia & Associates
Cost Accountants

SECRETARIAL AUDITORS

M/s Neelesh Gupta & Co.,
Companies Secretaries

CHIEF FINANCIAL OFFICER

Mr. Vidit Garg

BANKER

Union Bank of India
Axis Bank
State Bank of India

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Pvt. Ltd
CIN No. U99999MH1994PTC076534
1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East
Mumbai 400059, Maharashtra
Tel: 91-22-6263 8200
Fax: +91-22-6263 8299
Email : investor@bigshare.com
Website: www.bigshareonline.com

STOCK EXCHANGE LISTING

The National Stock Exchange of India Ltd

CONTENTS

- Overview
 - Chairman's Message
 - Notice of the Meeting
 - Director's Report
 - Auditor's Report
 - Balance Sheet
 - Profit and Loss Account
 - Cash Flow Statement
 - Notes
-

AGM will be held on Saturday, 29th September, 2018 at 3:30 P.M. at Hotel Best Western Plus O2, 31/1, Main Road, South Tukoganj, Indore (M.P.)



Overview

Incorporated in 2002, our Company M/s. Agro Phos (India) Limited is an ISO 9001:2008 certified Company engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammoium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customer. The registered office of our Company is situated at M-87, Trade Centre 18M, South Tukoganj, Indore, Madhya Pradesh.

Our manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh and are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manu-facturing process and easy logistics. We endeavor to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is completely integrated from procurement of raw materials and final testing and packing of fertilisers for direct use of our customers.

We have entered into marketing agreement for our products NPK with Indian Potash Limited for supply of minimum 25,000 mt per annum of NPK. NPK is marketed in the states of Madhya Pradesh and Chhattisgarh. Our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition. In our quest to maintain high standards of quality for our products, we have imported testing machine to test the product in real time basis. The final product has to pass special quality test to ensure that it is of the requisite quality and contains the requisite chemical composition. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well. Apart from providing quality products at an affordable cost, our Company also emphasizes on the product reach through its distribution network. We have over 200 dealers and distributors.

Our Company also takes part in various educational awareness programs for farmers. Farmer suicide has become a major concern since being an agrarian country, a large percentage of population in our Country is dependent on agriculture. Towards this social initiative, our Company will be telecasting programme called “Himmat Na Haar” on Doordarshan (Regional telecast at Madhya Pradesh and Chhattisgarh). This programme will aim at educating farmers towards the use of fertilisers, pesticides, improve irrigation, address crop failures and such other agricul-ture related concerns and creating awareness about government policies.

Vision

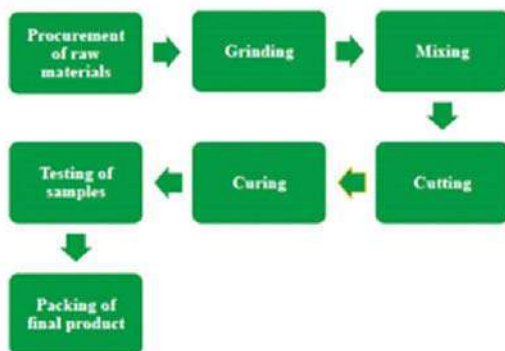
To be a leading national enterprise with global aspirations, effectively pursuing multiple growth opportunities, maximizing returns to the stakeholders, remaining socially and ethically responsible.

Mission

To provide our customers with premium quality products in a safe, reliable, efficient and environmentally sound manner, deliver exceptional services and customer support, maximizing returns to the shareholders through core business and diversification, providing a dynamic and challenging environment for our employees.

Manufacturing Process

I. Single Super Phosphate (SSP)



Our manufacturing process starts with procurement of raw materials. Major raw materials required for manufac-turing of SSP is Rock Phosphate and Sulphuric acid. The procurement of Rock Phosphate is fulfilled by importing the same from countries like Egypt, Iran, Jordan, Morocco, Syria, Togo, Tunisia, etc. The requirement of Sulphuric acid is met by purchasing the same from local vendors. After the procurement of raw materials, the manufacturing

process starts in Grinding mill where Rock Phosphate is grinded and then the grinded rock phosphate is moved to mixer where Sulphuric acid and water is added. The mixture is then mixed properly and is moved via the den machine to cutter to cut the huge chunks of mixture into powder form. Our Company manufactures both powder and granulated SSP. The manufacturing process of powdered and granulated SSP is same till the mixing process and after this process the mixture is then treated separately.

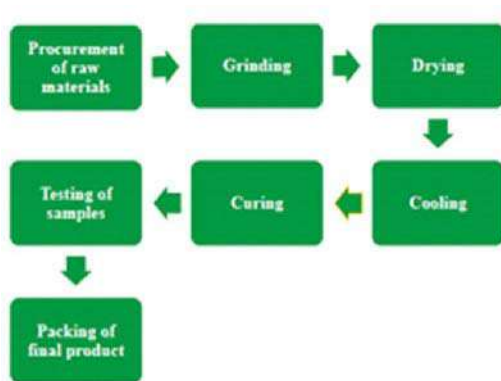
□ Powdered SSP

After the mixing process, the mixture is then moved for further curing process, wherein the drying and mixing of SSP takes place and samples of the final product is sent to the in house laboratory for testing and quality check to ensure that the final product contains the required chemical composition. Once the samples pass the final quality check the product is then sent to hopper for packing the same into HDPE bags for dispatch.

□ Granulated SSP

After the mixing process, the mixture is then moved for further curing process, wherein the drying and mixing of SSP takes place. After the curing process the mixture is moved via crane to granulation drum where water is added and then the granulated mixture is moved via conveyor belt to dryer drum wherein the mixture is heated at a temperature of around 1000 degree Celsius. After the heating process, the mixture is then moved to the cooler drum to extract moisture and then the product moves to the vibrating screen to ensure that the granules are of adequate and required size. The samples of granulated SSP now move to the in house laboratory for final testing and quality check and to determine whether the product contains the required chemical composition or not. After the samples pass the final quality check, the product is then sent to hopper for packing the same into HDPE bags for dispatch.

II. NPK Mixture Fertilizer



Our manufacturing process starts with procurement of raw materials. Major raw materials required for manufacturing of NPK is Nitrogen, Phosphate and Potassium. After the procurement of raw materials, actual manufacturing process starts with Granulation as the first step. In this step, raw materials are mixed with water to form granules. These granules are then moved to the drying drum via conveyor belt to dry the granules.

After this process, the granules are moved to the coolant drum to extract moisture and then the product passes through the vibrating screen to ensure that the product is available in various sizes. The final product then passes a quality check in the in house laboratory to ensure that the final product is of adequate quality and contains the required chemical composition. Our Company manufactures NPK of varied chemical compositions. Our in house laboratory checks whether different types of NPK contains the required chemical composition as per the said chemical formulae. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well.

III. Organic Manure

Our manufacturing process starts with procurement of raw materials. Major raw materials required for manufacturing of organic manure is Neem DOC, Castor DOC, Karanja DOC, Mahua DOC and Tobacco dust. These raw materials are procured from the local market and before the manufacturing process the raw material undergo a quality check to check the final quality and chemical composition.

These raw materials are feeded in the hopper as per the required chemical composition, stated as under:

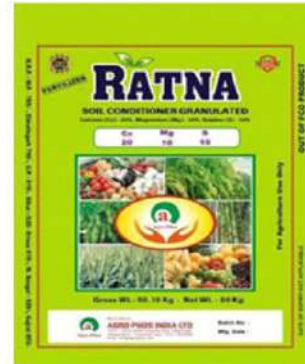
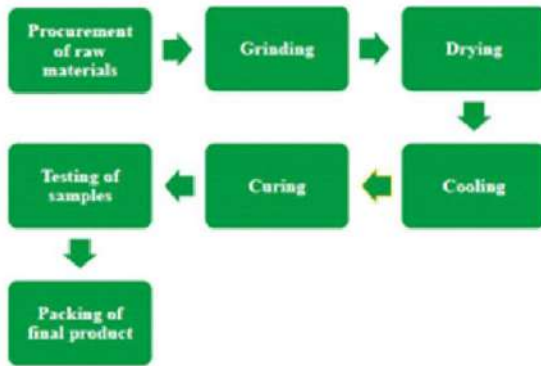
- Neem DOC: 30%
- Castor DOC: 25%
- Karanja DOC: 5%
- Mahua DOC: 5%
- Tobacco dust: 35%

The chemical composition of the required raw materials can be changed depending upon their availability.

After feeding the raw materials in the feeder, the materials are then moved to the blending machine via conveyor belt. The materials are blended properly in the blender and then the mixture moves to the drying machine to extract moisture from the final product.

The next process is the quality check to ensure that the final product is of adequate quality and contains the required chemical composition. If the final product passes the quality check, then the same is packed into HDPE bags for final dispatch. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well.

IV. Soil Conditioner (Calcium Sulphate)



Our manufacturing process starts with procurement of raw materials. Major raw materials required for manufacturing of soil conditioner is calcium sulphate, magnesium sulphate and sulphur. All the required raw materials are procured from the local market.

After the procurement of raw materials, the raw materials undergo a quality check to ensure that the raw materials are of required quality. The actual manufacturing process starts with Granulation as the first step. In this step, raw materials are mixed with water to form granules. These granules are then moved to the drying drum via conveyor belt to dry the granules.

After this process, the granules are moved to the coolant drum to extract moisture and then the product passes through the vibrating screen to ensure that the product is available in various sizes. The final product then passes a quality check in the in house laboratory to ensure that the final product is of adequate quality and contains the required chemical composition.

Our product, soil conditioner is sold under the brand name ? "Ratna"

Our Company manufactures soil conditioner of a notified chemical composition mentioned below: Soil Conditioner

(20, 10, 10): This fertilizer contains 20% Calcium Sulphate, 10% Magnesium Sulphate and 10% Sulphur

LETTER TO SHAREHOLDERS

Dear Shareholders this year proves to be very dynamic year for the company, with implementation of the tax reforms in the form of GST proved to be a mile stone for the business of the Company.

In addition to the subsidy reforms in the form of DBT, we expect corrections to happen in duty structure of raw materials to make domestic manufacturing more sustainable and foster innovation. This may reduce the imports of finished goods and promote manufacturing self-sufficiency which bodes well with 'Make in India' theme. Going forward, we expect the policy corrections to happen in this direction that can improve the productivity levels and farm returns.

I am confident that Agrophos can contribute significantly towards achieving the goal of self-sufficiency in fertiliser production. Over course of a decade, Agrophos has transformed from being product centric to a service oriented, customer centric organization. Our presence across the farming value chain positions us uniquely to understand the farming needs and deliver innovative solutions. With presence of around 200 Distributors across India, we have moved closer to the farming fraternity and are leveraging the technology and knowledge platform to bring difference to the farmer's life. We are committed towards partnering with the agriculture fraternity to usher a new phase of growth and prosperity.

Specialty nutrients and Organic manure businesses continued to offer balanced nutrition and customized crop solutions. It was heartening to see Government noting the importance of balanced nutrition as its reform initiatives spanned around soil health aspect and promoting organic manure usage through market development assistance. In addition, Single Super Phosphate(SSP) business improved its volume and market share, though margins remain under pressure. Our initiatives in SSP spanned around building quality differentiation through farmer awareness campaigns and has also started the manufacture of fortified fertilizers , it is a combination of Zinc and Boron , In this segment also your Board is looking positive to achieve the desired targets. Company has also started its own research and development to help in development of new products across all business segments.

As we move into the next year, I expect the agriculture reforms announced during 2017-18 to take shape and contribute in a significant way towards doubling the farm income. I would like to reiterate Agrophos's commitment towards partnering with all the stakeholders to ensure food security and farmer prosperity. With around 17 years of experience in serving the Indian fields, your Company is well positioned in terms of delivering quality fertilizers and strive towards excellence to fulfill farmer expectations and shape the future of Indian agriculture. I expect Agrophos to touch farmer's heart every moment and be his advisor and companion in his success story.

Lastly, I wish to thank the shareholders for showing their undeterred support, business associates for allying through our journey and employees for being Company's growth engine While the public listing opens up opportunities for us to take the business to new heights, it also adds additional challenges for the Company to meet increased expectations from all our stakeholders. We have laid strong foundations over the previous years and we are confident of meeting and exceeding the expectations. We believe we have a compelling story and we look forward with great passion to the future, creating greater value for our shareholders.



RAJKUMAR GUPTA
CHAIRMAN & MANAGING DIRECTOR

NOTICE

Notice is hereby given to all the members of the Company that the 16th Annual General Meeting of the Company will be held on Saturday, 29th September, 2018 at 3:30 P.M at Hotel Best Western Plus O2, 31/1, Main Road, South Tukoganj, Indore (M.P.) to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statement of the Company for the financial year ended on 31st March, 2018 and the report of the Directors & Auditors thereon.
2. To declare Dividend of Rs. 0.05/- Per Share on equity shares of the company for the Financial Year ended March, 31, 2018.
3. To appoint Director in place of Mr. Abhishek Kalekar, (DIN 07758751) liable to retire by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

4. **Appointment of Mr. Omprakash Chourey (DIN - 08178285) as an Independent Director of the Company:**

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of Mr. Omprakash Chourey (DIN - 08178285), appointed as Additional Director (Independent Director) with effect from July 12, 2018 and holds office up to the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director to hold office for five consecutive years for a term from July 12, 2018 up to July 11, 2023.”

5. **Appointment of Mrs. Vidhi Jain (DIN - 08178291) as an Independent Director of the Company:**

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 Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, consent of the members be and is hereby given to the appointment of, Mrs. Vidhi Jain (DIN - 08178291), appointed as Additional Director (Independent Director) with effect from July 12, 2018 and holds office up to the ensuing Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and being qualified for appointment as Independent Director and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director to hold office for five consecutive years for a term from July 12, 2018 up to July 11, 2023.”

6. **Confirmation of payment of remuneration of cost auditor**

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 148 and all other applicable provisions of the Companies Act, 2013 and the rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such Orders, Rules, Notifications, as may be promulgated by the appropriate authorities in this

regard, the remuneration of Rs. 25,000/- (Rs. Twenty Five Thou-sand only) plus service tax as applicable and reimbursement of out of pocket expenses for the financial year ending 31st March, 2019 as approved by the Board of Directors of the Company, payable to M.P. Turakhia & Associates., Cost Accountant (Firm Registration No. 000417) for conducting the audit of the cost records of the Company be and is hereby confirmed.”

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing a proxy should, however, be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.
2. A person can act as proxy for only 50 members and holding in aggregate not more than 10 percent of the total share capital of the company carrying voting rights. Member holding more than 10 percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other member.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representatives to attend and vote on their behalf at the meeting.
4. An Explanatory statement pursuant to Section 102 of the Companies Act, 2013 (the “Act”) in respect of item no. 5 to 6 of the notice set out above, is annexed hereto.
5. Change of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26th September, 2018 to Saturday, 29th September, 2018 (both days inclusive).
6. Members are requested to notify immediately any change in their address and E-Mail ID to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar and Share Transfer Agent of the Company viz. Bigshare Services Pvt. Ltd. Located at 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059, Maharashtra. having email Id investor@bigshareonline.com to receive the soft copy of Annual Report of the Company.
7. Members are requested to :
 - a. Complete the attendance slip and deliver the same at the entrance of the meeting hall.
 - b. Bring their copies of the Annual Report at the time of attending the Annual General Meeting.
 - c. Send their questions at least 10 days in advance of the Annual General Meeting about any further information on accounts so as to enable the Company to answer their question satisfactorily.
8. All documents referred to in the accompanying Notice and Explanatory Statements are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
9. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Nos. for easy identification of attendance at the meeting.
10. In terms of circulars issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, transmission of shares and transposition of shares.
11. The Notice of Annual General Meeting and Annual Report of the Company for the year 2017-18, circulated to the Members of the Company, is available on the Company’s website viz. www.agrophos.com.

12. Electronic copy of the Annual report for the year 2017-18 is being sent to the members whose email IDs are registered with the Share Transfer Agent of the Company/Depository Participants unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual reports being sent in the permitted mode.
13. SEBI has also mandated that for registration of transfer of securities the transferee(s) as well as the transferor(s) shall furnish a copy their PAN card to the company for registration of transfer of securities.
14. At the meeting, after all the items of the notice have been discussed, the Chairman will order poll in respect of all the items. Poll will be conducted and supervised under the Scrutinizer appointed for the same as stated above. After conclusion of the poll, the Chairman may declare the meeting as closed.
15. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.agrophos.com not later than 2 (two) days of passing of the resolution at the Annual General Meeting of the Company and will be communicated to the Stock Exchange(s).
16. Members may also note that the Notice of Annual General Meeting, Attendance Slip, Proxy Form, Route Map, Ballot/Poll Paper and the Annual Report for the year 2017-18 will also be available on the company website www.agrophos.com for their download. For any communication, the shareholders may also send request to the company on the aforementioned Email ID.
17. The Map of Venue of AGM is given at the last page of Annual Report.
18. The Brief profile of the director seeking Re-appointment at the ensuing Annual General Meeting is as follows:

Name of director	Mr. Abhishek Kalekar
Date of Birth	01 st May 1987
Designation	Director
Date of Appointment	08 th March 2017
Qualification	Graduate
Experience	
No. and % of Shares Held in Company	150000 (0.7399%)
Relation with other Directors and KMP of Company.	

**For and on behalf of the Board of Directors of
AGRO PHOS (INDIA) LIMITED**

**Place: Indore
Date: 03/09/2018**

**Sd/-
RAJ KUMAR GUPTA
MANAGING DIRECTOR
DIN: 00244925**

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT
(Pursuant to Section 102(1) of the Companies Act, 2013)

ITEM NO.4

Mr. Omprakash Chourey was appointed as an Additional Director of the Company in the category of Non-Executive Independent Director by the Board of Directors with effect from 12th July, 2018 in terms of the provisions of the companies Act 2013, he holds office till the conclusion of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member proposing the candidature of Mr. Omprakash Chourey for the office of Independent Director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Omprakash Chourey, being eligible for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to July 11th, 2023.

Mr. Omprakash Chourey is a versatile, high energy person and holds a degree in MSC with Agriculture, he is retired from the office of Deputy Director ,Agriculture (Government Services) in the state of Madhya Pradesh, Mr. Omprakash Chourey is holding a vide experience of 38 years in the field of Agricultural Production. during his term of employment/ Service, he was facilitated with various awarded for his great and dynamic work in the Field of Agriculture Developments and has major role played for making of various policies and schemes in this Field.

No director, Key Managerial Personnel or their relatives, except Mr. Omprakash Chourey, being the appointee is interested or concerned in the resolution.

ITEM NO. 5

Mrs. Vidhi Jain was appointed as an Additional Director in the category of Non-Executive Independent Director by the Board of Directors with effect from 12th July, 2018 in terms of the provisions of the companies Act 2013, she holds office till the conclusion of this Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member proposing the candidature of Mrs. Vidhi Jain for the office of Independent Director of the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Vidhi Jain, being eligible for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to July 11th, 2023.

Mrs. Vidhi Jain is a Freelancer/ Radio Jockey at Vividh Bharati, Mumbai and also has 11 years of experience as an Anchor, Theater writer and Teacher. She holds a degree in BE (Electronics & Communication) from Rewa (MP).

No director, Key Managerial Personnel or their relatives, except Mrs. Vidhi Jain, being the appointee is interested or concerned in the resolution.

ITEM NO. 6

The Board of Directors of the Company on the recommendation of the Audit Committee has approved the appointment and remuneration of M.P. Turakhia & Associates, Cost Accountant (Firm Registration No. 000417), to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019 at a remuneration of Rs. 25,000/-

(Rupees Twenty Five Thousand only) plus service tax as applicable and reimbursement of out of pocket expenses. In accordance with the provisions of Section 148 of the Companies Act, 2013, the remuneration payable to the cost auditors has to be determined by the shareholders of the Company. The Board recommends the Ordinary Resolution at Item No. 6 for approval of the members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested financially or otherwise in the Ordinary Resolution set out at Item No. 6 of the Notice.

Brief Profile of M/s M.P. Turakhia & Associates, Cost Accountants :

M.P. Turakhia & Associates, a partnership firm was promoted in the year 1998 by Cost Accountants with meticulous track record and sound professional background.

The firm is wonderful combination of experience and energy, comprising of three partners, namely:

MIHIR P TURAKHIA (AGE: 41 years) B.Com, LLB, FCMA. having experience of 17 years in the practice of cost and management consultancy.

DEEPIKA PRADHAN (AGE: 37 years) B.Com, FCMA having working experience of 12 years in various industries.

SNEHA C. TURAKHIA (AGE: 27 years) B.Com, ACMA. having exposure of 4 years and tech savvy.

The firm is handling assignments in consultancy and cost audit of various companies of repute, Export-Import Services, Excise and Service Tax Advisory, covering public sector, private sector and government sector.

The Head office of the firm is located at prime location in Indore (M.P.) and having branch office at Mumbai and Nagpur (MH).

The Firm is an Independent Firm of Cost Accountants and are maintaining arm's Length relationship with our Company.

The Firm is registered with the Institute of Cost Accountants of India under Registration No. 000417. No director, key managerial personnel or their relatives, is interested or concerned in the resolution.

**For and on behalf of the Board of Directors of
AGRO PHOS (INDIA) LIMITED**

**Place: Indore
Date: 03/09/2018**

**Sd/-
RAJ KUMAR GUPTA
MANAGING DIRECTOR
DIN: 00244925**

DIRECTORS' REPORT

Dear Members,

Your directors have pleasure in presenting their 16th Directors Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2018.

BUSINESS PERFORMANCE AND PROSPECTS:

Agro Phos (India) Ltd. is a Public Limited Company under Companies Act 2013 and currently listed on National Stock Exchange EMERGE Platform, the main Business activity of the company is to deal in Agro Products and Other related Items however seeing better opportunities in other Fields of Indian and Global Market it is seeking to Expand its Business in various other Fields.

1. FINANCIAL HIGHLIGHTS

During the year under review, performance of your company as under:

Particulars	Year ended 31 st march 2018	Year ended 31 st march 2017
Revenue from operation and Other Income	605,333,615	64,64,09,636
Less: Expenditure	585,568,684	617,772,190
Profit/(Loss) before tax	19,764,931	28,637,446
Less: Tax Expense		
Income tax (current year)	4,150,000.00	5,992,899
Income tax paid for earlier years	-	170,890
Deferred tax	6,632,991.00	10,489,886
Profit/(Loss) after tax	8,981,940.00	11,983,771

2. CHANGE IN NATURE OF BUSINESS

There was no change in nature of Business of the Company during the year under review. However the Company has planned to enter into business of import, export, manufacture, trading of all type of agriculture commodities, horticulture, organic, medicinal plant and forest produce all types of metals, steel and iron and other related activities, therefore Company has added new clause V3 with the existing clauses of Memorandum of Association of the Company after approval of members of the Company through Postal ballot on 16th January, 2018.

3. DIVIDEND

Board of Directors of the Company had recommended Dividend on Equity Shares of company at Rs 0.05/- Per Equity Share for the Financial Year 2017-18, subject to the approval of the Members at the ensuing Annual General meeting. The Dividend Distribution Policy is Annexed hereto as Annexure –“A”.

4. AMOUNT TRANSFERRED TO RESERVE

During the year, the Company has transferred amount of Rs. 8981940.00 in General Reserve.

5. DEPOSITS

The Company has not accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 read with the rules made there under.

6. SHARE CAPITAL

a) Authorized Capital

During the Financial year 2017-18 under review; there is no change in Authorized Capital of the Company

b) Issued Subscribed and Paid up Share Capital

▪ Issue of Bonus Equity Shares:

During the Financial year 2017-18 under review the Company has not issued any Bonus Share.

▪ Issue of Equity Shares:

During the Financial year 2017-18 under review the Company has not issued any Equity Share.

7. HUMAN RESOURCE & INDUSTRIAL RELATIONS

The Industrial relations of the company were harmonious with suppliers, customers, financial leaders and employees throughout the year. The Board wishes to place on record their sincere appreciation to the cooperation extended by all the employees in maintaining cordial relations.

8. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of the knowledge and belief and according to the information and explanations obtained by them, your Directors confirms the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. That in the preparation of the Annual accounts for the year ended 31st March, 2018, the applicable Accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. That such Accounting policies as mentioned in the Financial Statements have been selected and applied consistently. Such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs and of Profit of the Company for the financial year ended on March, 31st 2018.
- c. That they have 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;
- d. That they have prepared the Annual Accounts on a going concern basis;
- e. That they have laid down internal financial controls for the company and such internal financial controls were adequate and were operating effectively.
- f. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and such system is adequate and operating effectively.

9. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The following appointments were made during the year:

- Mr. Abhishek Kalekar (DIN: 07758751), appointed as additional director on 08/03/2017, and his appointment was approved by the shareholders in their Annual General Meeting held on the 29th September, 2017.
- Mr. Palash Gupta (DIN: 03599982), appointed as Additional Independent Director on 18/01/2018 and resigned on 12/06/2018 and Mrs. Vani Gupta (DIN: 07590997) has resigned from the Board on 26th June, 2018.
- Mrs. Vidhi Jain (DIN: 08178291) and Mr. Omprakash Chourey (DIN: 08178285), appointed as additional Independent directors on 12/07/2018, and their appointment is to be approved by the shareholders in ensuing Annual General Meeting, for a term of Five years.
- Mrs. Neelam Jain was appointed as Company Secretary on 28th August 2017 and Ms. Karishma Kakkar, Company Secretary resigned on 11th August 2017.

Retirement by Rotation

As per the provisions of the Companies Act, 2013 and article 145 (b) of Article of Association of the company, Mr. Abhishek Kalekar , is a Director of the Company , who has been longest in the office, retires by rotation at the ensuing AGM and, being eligible offer himself for reappointment. The Board recommends his reappointment. The Board consist of the following directors namely:-

DIN / PAN NO.	NAME	DESIGNATION	DATE OF APPOINTMENT	DATE OF CESSATION
00244925	Raj Kumar Gupta	Managing director	24/09/2002 (Reappointed on 08th March, 2017)	-
05233476	Vishnu Kant Gupta	Whole-time director	16/03/2012	-
07595771	Abhay Gupta	Director	24/08/2016	-
00017285	Vijay Singh Bharkatiya	Independent Director	16/08/2016	-
00527049	Mukesh Kumar Jhawar	Independent Director	16/08/2016	28/11/2017
07590997	Vani Gupta	Independent Director	16/08/2016	26/06/2018
07758751	Abhishek Kalekar	Director	08/03/2017 (Appointed as director from additional director as on 29th September, 2017)	-
03599982	Palash gupta	Independent Director	18/01/2018	12/06/2018
08178291	Vidhi Jain	Independent Director	12/07/2018	
08178285	Omprakash Chourey	Independent Director	12/07/2018	
BROPK5778F	Karishma Kakkar	Company Secretary	20/03/2017	11/08/2017
ANNPJ1325P	Neelam Jain	Company Secretary	28/08/2017	
BAVPG2982D	Vidit Garg	CFO	08/03/2017	-

11. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

As on March 31, 2018, the Company does not have any subsidiary or joint venture or associate Company.

12. NUMBER OF BOARD MEETINGS

During the Financial Year 2017-18, [9] meetings of the Board of Directors of the company were held.

S.NO	DATE OF BOARD MEETING	Total No. of Directors	No. of Directors attended the Meeting
01	29/05/2017	4	4
02	31/07/2017	4	4
03	28/08/2017	4	4
04	07/09/2017	4	4
05	15/09/2017	4	4
06	14/11/2017	4	4
07	28/11/2017	4	4

08	12/12/2017	4	4
09	18/01/2018	4	4

13. SEPARATE MEETING OF INDEPENDENT DIRECTORS:

As stipulated by the Code of Independent Directors under the Companies Act, 2013; a separate meeting of the Independent Directors of the Company was held on **19th March, 2018** to review the performance of Non-Independent Directors (including the Chairman) and the entire Board. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its' Committees which is necessary to effectively and reasonably perform and discharge their duties.

14. COMMITTEES OF THE BOARD

The Company has following four Committees: the Audit Committee, the nomination and remuneration committee, the stakeholder relationship committee, the Corporate Social responsibility committee. All committees consist of optimum number of Independent Directors as per Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

(a) Audit Committee: The Company has constituted Audit Committee as per section 177 of the Companies Act 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; vide resolution passed at the meeting of the Board of Directors held on 16th August, 2016. The terms of reference of Audit Committee are broadly in accordance with the provisions of SEBI (LODR) Regulations 2015 and Companies Act, 2013.

The Audit Committee comprises of the following Directors of the Company as on 31st March, 2018.

Name of director	Nature of Directorship	Designation in the Committee	Cessation
Mr. Vijay Singh Bharkatiya	Independent Director	Chairman	
Mr. Mukesh Kumar Jhavar	Independent Director	Member	28/11/2017
Ms. Vani Gupta	Independent Director	Member	
Mr. Palash Gupta	Independent Director	Member	18/01/2018

5 meeting of the Audit Committee were held during the Financial year 2017-18.

(b) Nomination and Remuneration Committee

The Company has constituted a Nomination and Remuneration Committee in accordance section 178 of the Companies Act, 2013. The constitution of the Nomination and Remuneration Committee was approved by a Meeting of the Board of Directors held on 16th August, 2016. The Nomination and Remuneration Committee comprises of the following Directors of the Company as on 31st March, 2018.

Name of director	Nature of Directorship	Designation in the Committee	Cessation
Mr. Vijay Singh Bharkatiya	Independent Director	Chairman	
Mr. Mukesh Kumar Jhavar	Independent Director	Member	28/11/2017
Ms. Vani Gupta	Independent Director	Member	
Mr. Palash Gupta	Independent Director	Member	18/01/2018

2 meeting of the Nomination and Remuneration Committee were held during the Financial year 2017-18. The Nomination and Remuneration Policy is Annexed as Annexure- "B".

(c) Stakeholders' Relationship Committee

The Company has constituted a shareholder/investors grievance committee ("Stakeholders Relationship Committee") to redress complaints of the shareholders. The Stakeholders' Relationship Committee was constituted vide resolution passed at the meeting of the Board of Directors held on 16th August, 2016. The Stakeholders' Relationship Committee comprises the following Directors as on 31st March, 2018:

Name of director	Nature of Directorship	Designation in the Committee	Cessation
Mr. Vijay Singh Bharkatiya	Independent Director	Chairman	
Mr. Mukesh Kumar Jhavar	Independent Director	Member	28/11/2017
Ms. Vani Gupta	Independent Director	Member	
Mr. Palash Gupta	Independent Director	Member	18/01/2018

1 meeting of the Stakeholders Relationship Committee was held during the Financial year 2017-18.

(d) Corporate Social Responsibility Committee

Company has constituted a Corporate Social Responsibility Committee in accordance section 135 of Companies Act, 2013. The constitution of the Corporate Social Responsibility was approved by a meeting of the Board of Directors held on April 15, 2014 and reconstituted by the Board of Directors at their meeting held on 16th August, 2016. The Corporate Social Responsibility Committee comprises the following Directors 31st March, 2018:

Name of director	Nature of Directorship	Designation in the Committee	Cessation
Mr. Vijay Singh Bharkatiya	Independent Director	Chairman	
Mr. Mukesh Kumar Jhavar	Independent Director	Member	28/11/2017
Ms. Vani Gupta	Independent Director	Member	
Mr. Palash Gupta	Independent Director	Member	18/01/2018

Further your company is in planning to make investment in CSR activities as prescribed in schedule VII, of the Companies Act, 2013. The detail CSR policy has enclosed in "Annexure-C."

15. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent director under section 149(7) of the companies Act, 2013 that he/she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All Related Party Transactions that were entered into during the Financial Year 2017-2018 were on Arm's Length Basis and were in Ordinary course of business and within the limit approved by members General Meeting held on 30th September 2016.

The Company has developed a Related Party Transaction Policy, Standard Operating Procedures for the purpose of identification and monitoring of such transactions.

The particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act 2013 for the Financial Year 2017-18 in the prescribed format, Form AOC 2 has been enclosed with the report as "Annexure – D"

17. VIGIL MECHANISM / WHISTLE BLOWER POLICY

As per the requirement of Section 177 (9) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism called the 'Whistle Blower Policy' for Directors and Employees to report concern of unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and the details of the Whistle Blower Policy has been annexed as Annexure- "E" and uploaded on the Company's website <http://www.agrophos.com>.

18. MATERIAL CHANGES AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statements relate and the date of this report.

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

The information on conservation of energy, technology absorption and foreign exchange earning and outgo stipulated under section 134 (3) (m) of the companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules, 2014 in annexed herewith as " Annexure-F"

20. RISK MANAGEMENT POLICY:

The Company has adequate risk management process to identify and notify the Board of Directors about the risks or opportunities that could have an adverse impact on the Company's operations or to that could be exploited to maximize the gains. The processes and procedures are in place to act in a time bound manner to manage the risks or opportunities.

21. SIGNIFICANT & MATERIAL ORDERS

There are no significant and material orders passed by the regulator or courts or tribunals impacting the going concern status of the Company and future operations.

22. REPORTING OF FRAUD BY AUDITOR

During the year under review, neither the statutory auditor nor the secretarial auditor have reported any instances of fraud committed against the company by its officers or employees, to the audit committee under section 143(12) of Companies Act, 2013.

23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186:

During the year under review, the company has not advanced any fresh loans/given fresh guarantees/ made fresh investments falling under section 186 of the Companies Act, 2013.

24. AUDITORS, THEIR REPORT & COMMENTS BY THE MANAGEMENT

Statutory Auditors

M/s. Ashok Khasgiwala & Company, Chartered Accountants, Indore, Firm Registration Number 0743C, appointed as Statutory Auditors of the Company in Annual General Meeting held on 29th September 2017 to hold office till the conclusion of Sixth Annual General Meeting as per the provisions of the Companies Act, 2013. In this regard the

Company has received eligibility certificate from the Auditors in accordance with the provisions of section 141 of the Companies Act, 2013.

There is no requirement for ratification of auditors in this Annual General Meeting as per the provision of Section 139 of the Companies Act, 2013 as amended.

Auditors' Report

Ashok Khasgiwala & Company, Chartered Accountants, Indore, Firm Registration Number 0743C have issued their Report for the Financial Year ended 31st March 2018.

There is no qualification, reservation, adverse remark or disclaimer by the Statutory Auditors in their report and hence no explanation or comments of the Board is required in this matter

Cost Auditor

The Board of Directors, in pursuance of an order under section 148 of the Companies Act, 2013, read with Rule 14 of the Companies (Audit & Auditors) Rules, 2014, issued by the Central Government, has appointed on the recommendation of Audit Committee M/s. M.P. Turakhia & Associates, Cost Accountants, Indore as Cost Auditors to conduct audit of the cost accounts maintained by the Company in respect of Fertilizers manufactured for the financial year 2018-19. As required under Companies Act, 2013 a resolution seeking members approval for the remuneration payable to cost Auditor forms part of the notice conveying the Annual General Meeting for their ratification.

Internal Auditor

M/s Pankaj Somaiya & Associates LLP, Chartered accountants is appointed as an Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2018-19, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014. The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit function is defined. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the Internal Control System and suggests improvements to strengthen the same. To maintain its objectivity and independence, the Internal Auditor reports to the Chairman of the Audit Committee of the Board. Based on the report of internal audit function, Company undertakes corrective action in their respective areas and thereby strengthen the controls. Recommendations along with corrective actions thereon are presented to the Audit Committee of the Board and accordingly implementation has been carried out by the Company.

Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereunder, the Company has appointed M/s Neelesh Gupta & Co., Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 is annexed herewith as "Annexure -G " forming part of this report. There are no adverse comments, qualifications or reservations or adverse remarks in the Secretarial Audit Report.

25. CORPORATE GOVERNANCE

The Company being listed on the Small and Medium Enterprise platform of NSE Limited; is exempted from provisions of corporate governance as per Regulation 15 of the SEBI (LODR) Regulations, 2015. Hence no Corporate Governance Report is required to be disclosed with Annual Report. It is pertinent to mention that the Company follows majority of the provisions of the corporate governance voluntarily.

26. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

CSR is made applicable to the Company pursuant to the profitability of the company in the year 2016. Your Board of Directors is in process to comply with the companies (corporate Social Responsibility Policy) Rules, 2014.

Company has entered into contract this year with Alok Jain Production for producing the episodes to educate the farmers and to motivate to the farmers and give them the message not to commit suicide, Title of the episode will be **HIMMAT NA HAR.**

Company has also approached the DD National Channel for broadcasting the episodes. Your Directors are hopeful to get the approval of the same at the earliest.

Your Board of Director is also in process to found out the other ways of implementation of the CSR policy of the Company.

27. MANAGERIAL REMUNERATION:

Company has paid total managerial remuneration amounting to Rs. 48,82,666/- during the year to its Directors.

28. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE(PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the year the Company has not received any complaint, which is appreciable as the management of the company endeavor efforts to provide safe environment for the female employees of the company.

29. EMPLOYEE'S REMUNERATION:

The company was not having any employee, who was in receipt of remuneration as specified under Rule 5 (2) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

30. INTERNAL FINANCIAL CONTROLS

The company is having adequate internal financial controls with reference to the financial statements in terms of Section 134 (3) (q) of Companies Act, 2013 read with Rule 8 (5) (viii) of Companies (Accounts) Rules, 2014.

31. CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and Senior Management and Independent Directors of the Company. All the Board members including Independent Directors and Senior Management Personnel have affirmed compliance with the code of conduct.

32. BOARD EVALUATION

Pursuant to the provisions of section 134 (3) (p) of the Companies Act, 2013 and applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and Individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors. The Directors were satisfied with the evaluation results, which reflected the overall engagement and effectiveness of the Board and its Committees with the Company.

33. BOARD DIVERSITY

The Company recognizes and embraces the importance of diverse board in overall Success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural, and geographical background, age, ethnicity, gender, and race that will help us retain our competitive advantage.

The current policy is to have an appropriate mix of executive, non executive and independent directors to maintain the independence of Board, and separate its function of governance and management.

34. OTHER BOARD POLICIES AND CONDUCT

Following policies have been approved and adopted by the Board, the details of which are available on the website of our company <http://www.agrophos.com> and for convenience given below:

Sr. No	Name of Policy	Web Link
1.	Related Party Transaction Policy	http://www.agrophos.com
2.	Preservation of Documents Policy	http://www.agrophos.com
3.	Archival Policy	http://www.agrophos.com
4.	Vigil Mechanism Policy	http://www.agrophos.com

35. EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure- I" forming part of this report.

36. LISTING OF SHARES

Shares of the Company is listed on The National Stock Exchange Limited (NSE), SME Platform, Mumbai, The Company has made all the compliances of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including payment of annual listing fees up to 31 March, 2018 to the NSE.

37. SECRETARIAL STANDARDS OF ICSI

The Secretarial Standards as specified by the Institute of Company Secretaries of India for Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1st July 2015. The Company is in compliance with the same.

38. GREEN INITIATIVES

Electronic copies of the Annual Report 2017-18 and the Notice of the 16th Annual General Meeting are sent to all members whose email addresses are registered with the Company / depository participant(s). For members who have not registered their email addresses, physical copies are sent in the permitted mode.

39. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

During the year under review, the provision of section 125(2) of Companies Act, 2013 do not apply as the company was not required to transfer any amount to the Investor Education Protection Fund (IEPF) established by Central Government of India.

40. ACKNOWLEDGMENT

Your Directors thank the various Central and State Government Departments, Organizations and Agencies for the continued help and co-operation extended by them. The Directors also gratefully acknowledge support of the NSE Ltd. Lead Manager, Share Transfer Agent and other intermediaries of the Public Issue of the Company and also to all stakeholders of the Company viz. customers, members, dealers, vendors, bankers and other business partners for the excellent support received from them during the year. The Directors place on record their sincere appreciation to all employees of the Company for their unstinted commitment and continued contribution to the Company.

For and on behalf of the Board of Directors of

AGRO PHOS (INDIA) LIMITED

Date: 03/09/2018

Place: Indore

**Sd/-
RAJ KUMAR GUPTA
MANAGING DIRECTOR
DIN: 00244925**

**Sd/-
VISHNU KANT GUPTA
WHOLE TIME DIRECTOR
DIN: 05233476**

“ANNEXURE- A”

DIVIDEND DISTRIBUTION POLICY

The Company’s Dividend Distribution Policy shall ensure that it returns cash from operations that is in excess of its immediate and foreseeable needs back to the shareholders over the long term. Interim dividend is considered for declaration by the Board based on the performance of the Company during the year and final dividend is based on the performance for the full year. The actual quantum of dividend pay-out on a yearly basis will be dependent on the existing and expected underlying financial performance, market conditions, cash flow position, interim dividend, if any, already declared during the year and future requirements of funds. As such any amount retained will be utilized for securing the long term growth objectives of the business. With this in mind, the Company shall strive to declare a steady stream of dividends to the shareholders that is in their best long term interest.

The declaration and distribution of dividends, whether interim or final, will, at all times, be in accordance with the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, such other applicable provisions of law and the Articles of Association of the Company as amended.

This Policy is issued with the consent of the Board of Directors of the Company and can be amended only with the authority of the Board of Directors.

“ANNEXURE- B”

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated/Constitute and approved by the Board of Directors on 16th August, 2016.

1. DEFINITIONS

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income tax Act, 1961;

“Key Managerial Personnel” means:

- i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii. Chief Financial Officer;
- iii. Company Secretary; and
- iv. such other officer as may be prescribed.

“Senior Managerial Personnel” means the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to Departmental/Functional Head.

2. OBJECTIVE

The objective of the policy is to ensure that

- i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel's and Senior Managerial Personnel's of the quality of work required to run the company successfully;
- ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

3. ROLE OF THE COMMITTEE

The role of the NRC will be the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
- ii. Formulation of criteria for evaluation of independent directors and the Board;
- iii. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- iv. Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- v. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- vi. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose;
- vii. Decide the amount of Commission payable to the Whole Time Director / Managing Directors;
- viii. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- ix. To formulate and administer the Employee Stock Option Scheme
- x. Devising a policy on Board diversity; and
- xi. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- i. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.
- ii. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

iii. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding his position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

5. TERM / TENURE

i. Managing Director/Wholetime Director:

The Company shall appoint or reappoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

ii. Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for reappointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

6. EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

7. REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

8. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

9. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

i. Remuneration to Managing Director / Whole-time Directors:

a. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.

b. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

ii. Remuneration to Non-Executive / Independent Directors:

a. The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

b. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

c. An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.

d. Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as the professional; and
- In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession

iii. Remuneration to Key Managerial Personnel and Senior Management:

a. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

b. The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, etc. as decided from to time.

c. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

10. IMPLEMENTATION

i. The clauses of policy shall be applicable as far as they are mandatory under the governing laws. In case if there is an exemption to company as per governing regarding implementation of the clause, it shall be voluntary for the Company to implement such a clause.

ii. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

iii. The Committee may delegate any of its powers to one or more of its members.

“ANNEXURE 'C'”
CORPORATE SOCIAL RESPONSIBILITY

1. Policy Statement

1.1 AGRO PHOS (INDIA) LIMITED (the “Company”) believes that Corporate Social Responsibility (“CSR”) extends beyond the ambit of business and should focus on a broad portfolio of assets human, physical, environmental and social.

1.2 This Policy is framed pursuant to the provisions of Section 135 of the Companies Act, 2013.

2. CSR Vision

Promote sustainable and inclusive development as a responsible corporate citizen

3. CSR Objective

Promote a comprehensive and integrated development through social and economic transformation.

4. Core CSR Commitments (Programs / Activities)

Addressing identified needs of the underprivileged through initiatives directed towards•

- improving livelihood,
- alleviating poverty,
- promoting education,
- empowerment through vocational skills and
- promoting health and well-being.
- Giving donation to old age home, orphanage homes.
- Promoting the education and awareness among the farmers and to inspire them for better farming and to discourage the suicidal events among them.

Preserve, protect and promote art, culture and heritage

- promoting India’s art, culture and heritage,
- conducting promotional and developmental activities / programs.
- Ensuring environmental sustainability, ecological balance and protection of flora and fauna
- conducting activities which promote biodiversity,
- conducting activities which promote ecological sustainability.

Any other activity falling within the scope of Schedule VII of the Companies Act, 2013 which would enable the Company to achieve its CSR objectives.

The CSR programs / activities of the Company, as above, are related / will relate to the activities included in Schedule VII of the Companies Act, 2013.

5. CSR Governance and Implementation

The Company would be carrying on its CSR programs / activities through any Independent trust and funds for CSR will be utilized for CSR programs / activities on behalf of the Company.

Company has entered into contract with Alok Jain Production for producing the episodes to educate the farmers and to motivate to the farmers and give them the message not to commit suicide; Title of the episode will be HIMMAT NA HAR.

Company has also approached the DD National Channel for broadcasting the episodes. However approval of the same is yet to be received. Your Directors are hopeful to get the approval of the same at the earliest.

6. Monitoring of CSR Activities

The CSR Committee of Directors of the Company will recommend to the Board of Directors of the Company the amount of expenditure to be incurred on CSR programs/activities monitor the CSR Policy of the Company and review its implementation.

7. CSR Reporting and Communication

The Company will report on the progress of its CSR initiatives in its Annual Report

8. Corporate Social Responsibility Committee (CSR Committee)

The Board of Directors will constitute a CSR Committee consisting of 3 or more directors, out of which atleast 1 director shall be an Independent Director.

The CSR Committee would formulate and recommend the draft CSR Policy to the Board of Directors and the Board of Directors would approve the Policy.

The Board would approve and adopt any changes in the CSR Policy subject to prevailing provisions of laws in this regard. The CSR Committee is responsible for decision making with respect to the CSR Policy.

The CSR Committee will meet as appropriate to review and monitor the implementation of CSR programs /activities of the Company

9. Budget

The Board shall ensure that a minimum of 2% of the average net profits of the Company of the last 3 years is spent on the CSR programs / activities of the Company.

company has not invested any amount for CSR for the reporting year, however the company has already taken an initiative for Farmers awareness through the broadcasting of above stated programs which are still in process and your directors assured you that as and when the said initiative will be completed your company will make proper investment in this regard , further the companies management is also finding some more better areas or projects for CSR investment purpose.

Any surplus generated out of the CSR programs / activities of the Company will not be added to the normal business profits of the Company.

Place: Indore
Date: 03/09/2018

For and on behalf of the Board of Directors
Agro Phos (India) Limited

Sd/-
RAJKUMAR GUPTA
(DIN: 00244925)
Managing Director

ANNEXURE D”

FORM NO. AOC -2

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

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

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

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

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

As per Note No. 33 Related party Transaction of financial Statement

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Mahadhan Phosphate Pvt. Ltd (Brother is Director)
	Nature of contracts/arrangements/transaction	Purchase of Goods
	Duration of the contracts/arrangements/transaction	5 years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Amounting to Rs. 10 crores with an increase of 15% per annum on the terms and conditions
	Date of approval by the Board	18/08/2016
	Amount paid as advances, if any	-

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Suhane Agro India Pvt. Ltd- (Brother is Director)
	Nature of contracts/arrangements/transaction	Purchase/Sales of Goods
	Duration of the contracts/arrangements/transaction	5 years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Amounting to Rs. 10 crores with an increase of 15% per annum on the terms and conditions
	Date of approval by the Board	18/08/2016
	Amount paid as advances, if any	-

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Madhav Agrochem Pvt. Ltd- (Brother is Director)
	Nature of contracts/arrangements/transaction	Purchase/Sales of Goods
	Duration of the contracts/arrangements/transaction	5 years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Amounting to Rs. 10 crores with an increase of 15% per annum on the terms and conditions
	Date of approval by the Board	18/08/2016
	Amount paid as advances, if any	-

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Nafco Commodities Pvt. Ltd (Company with Common Director)
	Nature of contracts/arrangements/transaction	Purchase/Sale of Goods
	Duration of the contracts/arrangements/transaction	5 years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Amounting to Rs. 10 crores with an increase of 15% per annum on the terms and conditions
	Date of approval by the Board	18/08/2016
	Amount paid as advances, if any	-

SL. No.	Particulars	Details
1.	Name (s) of the related party & nature of relationship	Madhav Sales Corp.(Entity Controlled by Relative)
	Nature of contracts/arrangements/transaction	Sale of Goods
	Duration of the contracts/arrangements/transaction	5 years
	Salient terms of the contracts or arrangements or transaction including the value, if any	Amounting to Rs. 10 crores with an increase of 15% per annum on the terms and conditions
	Date of approval by the Board	18/08/2016
	Amount paid as advances, if any	-

For and on behalf of the Board of Directors of

AGRO PHOS (INDIA) LIMITED

Date: 03/09/2018

Place: Indore

**Sd/-
RAJ KUMAR GUPTA
MANAGING DIRECTOR
DIN: 00244925**

**Sd/-
VISHNU KANT GUPTA
WHOLE TIME DIRECTOR
DIN: 05233476**

“ANNEXURE-E”

PREFACE

Agro Phos (India) Limited (hereinafter called ‘APIL’ or ‘the Company’) follows highest standards of business ethics and management practices in the conduct of its business.

Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. APIL is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, APIL Directors and Employees, with concerns about any aspect of the Company, are encouraged to come forward and voice their concerns to the Management.

Whistle Blower Policy is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or abrasion or irregularity in the Company practices without any fear or threat of being victimised.

Whistle Blower Policy expects Employees and Directors to be the guardian of APILL’s core values and the corporate purpose. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Policy provides an avenue to report matters directly to the Management or to the Chairman of the Audit Committee. The Policy also provides for reporting in confidence. Through this Policy, a vigil mechanism is established for every employee to report genuine concerns.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles to the Management is reinforced by the Whistle Blower Policy. In the process, it is also ensured that the Policy is not misused.

This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of the Listing Regulations, 2015.

VIGIL MECHANISM POLICY(WHISLE BLOWER POLICY)
Disclosure in Confidence with Confidence

1. AIM AND SCOPE OF THE POLICY

- (a) This Policy aims to:
- Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
 - Provide avenue for Employees and Directors to report breach of Company's policies;
 - Reassure Employees and Directors that they will be protected from reprisals or victimisation for Whistle Blowing in good faith.
- (b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blower Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:
- is unlawful or in breach of any law;
 - is against the Company's Policies;
 - falls below established standards or practices; or
 - amounts to improper conduct, unethical behaviour or suspected fraud.

2. SAFEGUARDS

(a) Harassment or Victimisation

The Company recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimisation and will take action to protect an individual when they raise a concern in good faith. In case, a Whistle Blower is already the subject of any disciplinary action those procedures will not be halted as a result of their Whistle Blowing.

(b) Confidentiality

The Company will do its best to protect an individual's identity when he/she raises a concern and does not want their name to be disclosed. It must be appreciated that a statement from the Whistle Blower may be required as part of the evidence in the investigation process.

(c) Anonymous Allegations

This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.

(d) Untrue Allegations

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

3. RAISING A CONCERN

- (a) Operational concerns shall be raised with Line Manager. Whistle Blowing mechanism should be used for potentially serious or sensitive issues.

- (b) Concerns are better raised in writing. agro@rediffmail.com is a email ID for communications by way of Whistle Blowing to be sent.
- (c) The background and history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is particularly concerned about the situation. Those who do not feel able to put their concern in writing can telephone or meet the appropriate officer.
- (d) The complainant is not expected to prove the truth of allegation, but should be able to demonstrate that there are sufficient grounds for concern. Employees must raise concerns immediately. This will support investigation process and enable faster implementation of corrective actions, if any.
- (e) Advice and guidance on how matters of concern may be pursued can be obtained from the Company Secretary.
- (f) In case of any serious concerns, the Whistle Blower may also directly approach the Chairperson of the Company.

4. HOW THE COMPLAINT WILL BE DEALT WITH

- (a) The concerns raised may:
 - form the subject of an independent inquiry;
 - be investigated internally;
 - be referred to the external Auditor; or
 - be referred to the police; if required.
- (b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.
- (c) After the concern has been evaluated, the Company will write to the complainant:
 - acknowledging that the concern has been received;
 - indicating how it is proposed to be dealt with;
 - informing whether further investigations will take place, and if not, why not.
- (d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.
- (e) The Company will take steps to protect the Whistle Blower from victimisation and minimise any difficulties which a person reporting under Whistle Blowing may experience as a result of raising a concern.
- (f) The Company accepts and would take such steps as may be required to assure the Whistle Blower that the matter has been appropriately addressed.

5. REPORTING

The concerns raised under Whistle Blowing shall be reported periodically to Board of the Company.

6. THE COMPLIANCE OFFICER

The Company Secretary as the Compliance Officer of the Company shall also act as the Compliance Officer under the Whistle Blower Policy. The Whistle Blower Policy will be integrated with and implemented through the structures created under the administration of the Code of Business Principles in APIL.

7. ADDRESS FOR REPORTING AND COMMUNICATION

E Mail: <cs@agrophos.com> or
<agro@rediffmail.com> or write to
Company Secretary
Agro Phos (India) Limited
M-87-91, Trade Centre,
18, South Tukoganj, Indore, Madhya Pradesh (452001), India

“ANNEXURE-F”

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

A. Conservation of Energy:

1. CONSERVATION OF ENERGY:

The steps taken or impact on conservation of energy:

The company has a energy conservation cell which consistently monitor all the energy conservation efforts and ensure implementation of its energy management policy. Efforts are put in continuously to conserve energy.

The company has taken below mentioned steps at its plant for conservation of energy during the year under review:

- Efforts were made to reduce Electrical energy in our different lines by:
 - (i) Installation of energy efficient machines.
 - (ii) Installation of energy efficient electronic equipments.

Efforts were also made to reduce the consumption of Piped Natural Gas (PNG) gas in our different process lines by multiple actions.

There was reduction in energy consumption on account of aforesaid steps taken by the company. The steps taken by the company for utilising alternate source of energy:

During the year the company has not taken any steps for utilising alternate sources of energy. Capital Investment on energy consumption equipments

Particular	2017-2018	2016-2017
Capital Investment on energy consumption equipments	NIL	NIL

2. TECHNOLOGY ABSORPTION

The efforts made towards technology absorption

During the year under review the company has not taken any steps, toward technology absorption. however the company takes necessary steps towards technology absorption whenever it feels necessary.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year foreign exchange and outgo of the Company as follows.

Particulars	Currency	For the period ended 31st March, 2018	For the period ended 31st March, 2017
Income:			
Moisture Rebate Received	USD		189908
	INR	30063344	12597115

Expenditure:

Import of Raw Material (at CIF/CFR Value)	USD		1499750
	INR	15931672	100695835
Cost of Marine Insurance for CFR Import (Paid in INR)	INR		17260
Foreign Tour & Travelling - Director	Indonesian Rupiah	NIL	47802823
	INR		254169
	USD		281
	INR		19865
	AED		60
	INR		1157
	SGD		1200
	INR		86549

Steps taken for conservation	The Company is taking every steps and efforts to conserve the energy resources and installing such equipments and devices so as to minimize the power Consumption.
Steps taken for utilizing alternate sources of energy	Nil
Capital investment on energy conservation equipments	Nil

B. Technology Absorption:

Efforts made for technology absorption	Nil
Benefits derived	Nil
Expenditure on Research & Development, if any	Nil
Details of technology imported, if any	Nil
Year of import	Nil
Whether imported technology fully absorbed	N. A.
Areas where absorption of imported technology has not taken place, if any	Nil

C. Foreign Exchange Earnings/ Outgo:

Earnings	Nil
Outgo	Nil

“ANNEXURE-G”

MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and

Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

**To,
The Members,
AGRO PHOS (INDIA) LIMITED
CIN- L24123MP2002PLC015285
M-87, TRADE CENTRE 18M,
SOUTH TUKOGANJ,
INDORE MP 452001 IN**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AGRO PHOS (INDIA) LIMITED** (hereinafter called ‘the company’). The 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.

Company’s Board of Directors is responsible for the matters of Compliances of the various provisions of the Companies Act, 2013 and other applicable laws. Our responsibility to conduct the audit of the Compliances made during the year upon test check basis, We have adopted such methods and procedure and based on our verification of the **AGRO PHOS (INDIA) LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended 31st March, 2018** has 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 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under
- (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;
 - (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:

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998:-

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

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

We further report that:

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

Adequate notice is given to all 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.

All decisions at Board Meetings and Committee Meetings were carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

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 of the company, there were instances of:

Appointment of Statutory Auditor

M/s. Ashok Khasgiwala & Company, Chartered Accountants, Indore, Firm Registration Number 0743C has appointed as statutory appointed of the Company in Annual General Meeting held on 29th September 2017 to hold the office for 5 years (in place of Auditor M/s Rajendra Goyal & Co., liable to retire as they have Completed the transition period of 3 years as well as completed period of 10 years and is not eligible to be re-appointed as per the provision of Section 139 of Companies Act, 2013.

Appointment of Internal Auditor

M/s Pankaj Somaiya & Associates LLP, Chartered accountants is appointed as an Internal Auditor of the Company to conduct the internal audit of the Company for the Financial Year 2018-19, as required under Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014.

Appointment of Cost Auditor

Company has appointed M/S M.P. TURAKHIA & ASSOCIATES AS COST AUDITOR under section 148 of the Companies act, 2013 and subject to the approval of Central Government for audit of its Cost Records for the Financial Year ending 31st March, 2018.

Appointment of Key Managerial Personnel under section 203 of Companies Act, 2013.

The following appointments were made during the year:

- Mr. Abhishek Kalekar (DIN: 07758751), appointed as additional director on 08/03/2017.
- Mr. Palash Gupta (DIN: 03599982), appointed as Additional Independent Director on 18/01/2018.
- Mrs. Neelam Jain was appointed as Company Secretary on 28th August 2017.

Change in Object Clause

Company has entered into business of import, export, manufacture, trading of all type of agriculture commodities, horticulture, organic, medicinal plant and forest produce all types of metals, steel and iron and other related activities, therefore Company has added new clause V3 with the existing clauses of Memorandum of Association of the Company after approval of members of the Company through Postal ballot on 16th January, 2018

Regarding Applicability of CSR

Provision relating to CSR is applicable to the Company however Company has failed to spent any amount on it.

Date: 21/08/2018

Place: Indore

**For Neelesh Gupta & Co.
Company Secretaries**

**Sd/-
CS. Neelesh Gupta
Proprietor
C.P. No.6846**

To,

The Members,

AGRO PHOS (INDIA) LIMITED
CIN- L24123MP2002PLC015285
M-87, TRADE CENTRE 18M,
SOUTH TUKOGANJ,
INDORE MP 452001 IN

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

- Company has held all requisite no. of Board Meetings/audit committee meetings/ Nomination & Remuneration committee complied with the provision of Companies Act, 2013.

- Management properly maintained minutes book and duly authenticated by the chairman.

- Management has kept and properly entered records in all statutory books in their registered office.

- Notice of Board meetings were duly sent to all the directors.

- Notice of annual general meeting has been duly sent to all the members.

-- company has not directly indirectly advanced any loans to any of the its Director or KMP or any other person in whom the director is interested or given any guarantee or provided any security in connection with any loan taken by him or such other person (under section 185 & 188)

- Company has not accept any deposit (u/s 73)

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, Standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:21/08/2018

Place: Indore

For Neelesh Gupta & Co.,
Company Secretaries

Sd/-
CS. Neelesh Gupta
Proprietor
C.P. No.6846

“ANNEXURE-H”

MANAGEMENT DISCUSSION ANALYSIS REPORT

OVERVIEW

Incorporated in 2002, our Company M/s. Agro Phos (India) Limited is an ISO 9001:2008 certified Company engaged in the manufacturing of fertilisers such as Single Super Phosphate (SSP), Nitrogen Phosphate and Potassium (NPK), Zinc Sulphate, Organic manure and Calcium Sulphate commonly known as soil conditioner or gypsum. Our Company also undertakes trading of Diammonium Phosphate (DAP), Urea, Ammonium Sulphate and other fertilizers depending upon the demand of the customer.

Our manufacturing facilities are located at Dewas and Meghnagar, Madhya Pradesh. Our Company is well equipped with in-house testing laboratory to test the products as per quality standards and relevant chemical composition. In our quest to maintain high standards of quality for our products, we have imported testing machine to test the product in real time basis. The final product has to pass special quality test to ensure that it is of the requisite quality and contains the requisite chemical composition. We use gazette bags for packing of our products. These bags are very easy to handle and facilitates easy stacking as well. Apart from providing quality products at an affordable cost, our company also emphasizes on the product reach through its distribution network. We have over 200 dealers and distributors.

The company has built Market capabilities and Distribution network to meet out the requirement in domestic markets & continually strives to enhance market presence as well as explore new markets & territories for growth.

INDIAN ECONOMY OVERVIEW

In India, agriculture is the largest sector of economic activity. It provides food, raw materials and above all, the employment to a very large proportion of population. The national output depends on the output in agriculture, as it is one of the most dominating sectors in India. For the same reason, it has to provide the capital required for its own development and make available surplus for national economic development. At the same time, the exports of primary produce earn valuable foreign exchange which can be used to import capital goods for the development of industry and infrastructure. Because of all these reasons, an improved and efficient agriculture is a dire necessity in our economy. The vital role of agriculture arises out of the position the agrarian sector occupies in the overall economy of the country. 80 percent per cent of the population resides in the rural areas and 72 per cent of the work force depends on agriculture for their livelihood. Agriculture is the back-bone of the Indian economy, and hence, the very existence of economic activities of entire people in the country is dependent on the state and health of its agriculture sector. Since last 40 years, the fertilizer industry in India has grown tremendously. The Government is keen to see that fertilizer reaches the farmers in the distant and hilly areas. This is the reason why it has been decided to decontrol the prices, distribution and movement of phosphatic and potassic fertilizers. Some steps are implemented to assure an increase in the supply of chemical fertilizers at reasonable prices. In India. Fertilizer Industry is the push on accelerating fertilizer consumption by fixing, on the one hand, low and similar price for fertilizers, and on the other hand providing the manufacturers ample compensation through the retention price and subsidy scheme. Due to such corrective steps, the fertilizer nutrient demand has gone up.

OUTLOOK AND PROSPECTS

Fertilizer is a substance to soil to improve plants' growth and yield. First used by ancient farmer's fertilizer technology developed significantly as the chemical needs of growing plants were discovered. Modern synthetic fertilizers are composed mainly of nitrogen, phosphorous and potassium compounds us the secondary nutrients added. The use of synthetic fertilizers has significantly improved the quality and quantity at the food available today and Government's ambitious target towards doubling the farmer income by 2022 so demand of the fertilizer will also increase in future.

Industry structure and developments:

The fertilizer industry in India consists of three major players; The Government owned Public Sector undertakings, Cooperative Societies like KRIBHCO, IFFCO and units from Private sector. There are about 33 major producers producing N, NP and NPK fertilizers in the country at present. The fertilizer industry of India had made constructive use of the fertilizer subsidy provided by the Government of India to ensure that the country achieved reasonable self-sufficiency in food grain production. The fertilizer industry has organized itself through Fertilizer Association of India to coordinate with the Government of India to achieve the macro-economic objectives related to agricultural sector and to provide other services. Indian fertilizer industry has succeeded in meeting almost fully the demand of all chemical fertilizers.

CONCERNS:

Our Company's future costs and revenues will be determined by demand/supply situation, government, policies, subsidies available and prices of raw material. Risk and Government policy risk, competition risk: In the fertilizer industry and pretty much any other commodity companies—revenue depends on fertilizer prices and the quantity of fertilizer companies sell. Fertilizer prices are driven by industry capacity, rivalry (competition among firms), marginal producers' cost, proximity to customers, inventory, and demand. Demand, in turn, is driven by fertilizer prices, crop economics, currencies, cycles, economic activity, and macro factors like subsidy programmes of government. Crop economics consist of factors like crop inventory, crop demand and supply, and crop prices, which depend on economic activity, food consumption, diet patterns, crop yields, nutrient application, weather, plantation, and energy consumption.

OUTLOOK:

It's universally accepted that the use of chemical fertilizer in an integral of the package of practice for raising the agricultural production to a higher place. Studies continued by the Food and Agricultural Organization of the United Nations (FAO) have established beyond about that there is a close relationship between the Gerry crop yields and fertilizer consumption level. More over the nutritional requirement of different crops could not be fully met with the use of organic manures like FYM and other bulky organic manures like neem cack, castor cack, groundnut cack etc. for want of their availability in adequate quantities And Increasing agriculture production in Indian by area increasing process is no longer possible as cultivable and left over is only marginal. Further a considerable cultivable land is being diverted year after year for housing and industrial etc. Hence self sufficiency in food lies in increasing the field per unit area per unit time through adoption of modern agricultural technology. Fertilizer have the advantages of smaller bulk easy transport relatively quick in an availability at plan- food constituents and the

facility of their application in proportion suited to the actual requirements of crops and soils and to improve our agriculture output India needs more fertilizers.

Internal Control Systems and their adequacy:

The Company has clearly laid down policies, guidelines and procedures that form a part of the internal control system which provide for automatic checks and balances. The Audit committee reviews the effectiveness and efficiency of these systems to ensure that all the assets are protected against loss and that the financial and operational information is complete and accurate.

Audits are finalized and conducted based on the internal risk assessment. Significant findings are brought to the notice of the Audit committee of the Board and corrective measures recommended for implementation. Our work opportunities and competitive compensation policy helps us in attracting and retaining our personnel.

Human relations:

The company lays special emphasis to the human resources function in our organization and believes.

The company has an elaborate performance evaluation system in place involving goal setting, and periodic re-views involving confirmation and annual reviews. The review sessions impress upon several aspects of the professionals careers such as career and competency development, financial rewards and recognition. We endeavor to link careers to competencies, individual preferences and organizational needs.

The compensation package has a fixed component and a variable component linked to the corporate and individual performance.

Safety:

Safety management is integrated with the Company's overall environment, health and safety (EHS) management system and zero accident is taken up as the Company's goal. The following measures have been taken by the Company:

- Identification of hazard and risk present in work environment and its rectification.
- Continuous monitoring of unsafe condition and unsafe acts through safety inspection.
- Safety induction training for all employees and specific job safety awareness programs on a continuous basis.

Our factory are well equipped with required facilities including machinery, crane, conveyor belt, other handling equipments to facilitate smooth manufacturing process and easy logistics. We endeavor to maintain safety in our premises by adhering to key safety norms. Our manufacturing process is completely integrated from procurement of raw materials and final testing and packing of fertilisers for direct use of our customers.

Environment friendly operations:

Environmental protection is a prime concern for us and we are aware of our core responsibility to the society in this regard

Cautionary Statement:

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among other things, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

A. Promoters.									
(I) Indian									
a) Individual/HUF	11002425	0	11002425	54.27	11002425	0	11002425	54.27	-
b) Central Govt.	0	0	0	0	0	0	0	0	-
c) State Govt.(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	0	0	0	0	0	0	0	0	-
e) Bank/FI	0	0	0	0	0	0	0	0	-
f) Any Other...	0	0	0	0	0	0	0	0	
Total Shareholding of Promoter (A)	11002425	0	11002425	54.27	11002425	0	11002425	54.27	-
B. Public share holding									
1. Institutions	0								
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Bank/ FI	0	0	0	0	0	0	0	0	-
c) Central Govt.(s)	0	0	0	0	0	0	0	0	-
d) State Govt.(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Fund	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture capital Funds	0	0	0	0	0	0	0	0	-
i) Others (Foreign Portfolio Investors)	24000	0	24000	0.12	576000	0	576000	2.84	2.72
Sub-Total (B) (1):-	24000	0	24000	0.12	576000	0	576000	2.84	2.72
2. Non Institutions									
a) Bodies Corp.									
i) Indian	1494000	0	1494000	7.37	1445998	0	1445998	7.13	(0.24)
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals									
i) Individual Shareholder	1818000	0	1818000	8.96	970939	0	970939	4.79	(4.17)

s holding nominal share capital upto Rs. 1 lakh									
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	5275690	0	5275690	26.02	4809194	0	4809194	23.72	(2.3)
c) Others (specify)	0	0	0	0	0	0	0	0	-
Non Resident Indians	6000	0	6000	0.03	0	0	0	0	(0.03)
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	-
Foreign Nationals	0	0	0	0	0	0	0	0	-
Clearing Members	654000		654000	3.23	1469559		1469559	7.25	4.02
Trust	0	0	0	0	0	0	0	0	-
Foreign Bodies DR	0	0	0	0	0	0	0	0	-
Sub Total (B)(2):-	9247690	0	9247690	45.62	8695690		8695690	42.89	(2.73)
Total Public shareholding(B) = (B)(1)+(B)(2)	9295690	0	9295690	45.74	9271690		9271690	45.73	(0.01)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	20274115	0	20274115	100	20274115	0	20274115	100	-

(B) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in share holding during the year
1.	Rajesh Chand Suhane	81000	0.4	0	81000	0.4	0	0
2	Rajesh Kumar Suhane (HUF)	8150	0.4	0	8150	0.4	0	0
3	Ramesh Chand Suhane	1795050	8.85	0	1795050	8.85	0	0
4	Ramesh Chand	242625	1.2	0	242625	1.2	0	0

	Suhane (HUF)							
5	Raj Kumar Gupta	4300435	21.21	0	4300435	21.21	23.25	-23.25
6	Raj Kumar Suhane (HUF)	408460	2.01	0	408460	2.01	0	0
7	Smt. Asha Gupta	551925	2.72	0	551925	2.72	0	0
8	Rakesh Kumar Gupta	88500	0.44	0	88500	0.44	0	0
9	Vinod Kumar Gupta	125000	0.62	0	125000	0.62	0	0
10	Vinod Kumar Suhane (HUF)	158000	0.78	0	158000	0.78	0	0
11	Vishnu Kant Gupta	1596075	7.87	0	1596075	7.87	0	0
12	Nitin Gupta (Suhane)	231000	1.14	0	231000	1.14	0	0
13	Abhay Gupta	407520	2.01	0	407520	2.01	0	0
14	Vishnu Kant Gupta, HUF	189985	0.94	0	189985	0.94	0	0
15	Shraddha gupta	100000	0.49	0	100000	0.49	0	0
16	Nitin Suhane HUF	82500	0.41	0	82500	0.41	0	0
17	Uma Gupta	636200	3.14	0	636200	3.14	0	0

(C) Change in Promoters' Shareholding:

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.					
	At the beginning of the year	11002425	54.27	11002425	54.27
	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): Decrease:	NIL		NIL	
	At the End of the year	11002425	54.27	11002425	54.27

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

Sr. no.	For Each of the Top 10 Shareholders	Shareholding at the beginning of 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
1	ASIAN FINTRADE SERVICES PRIVATE LIMITED	0	0	690350	3.4051

2	NEW LEAINA INVESTMENTS LIMITED	24000	0.1183	576000	2.8411
3	MOTILAL OSWAL SECURITIES LTD	6000	0.0295	40T7209	2.0085
4	BONANZA PORTFOLIO LTD	48000	0.2367	342000	1.6869
5	AMBE SECURITIES PRIVATE LIMITED	0	0	306000	1.5093
6	MULTIPLEX CAPITAL LTD	0	0	300000	1.4797
7	RAVI CHAUDA	255600	1.2607	255600	1.2607
8	MAHENDRA KUMAR RAJMAL BACHHWAT	0	0	252000	1.2430
9	ANUPAM NARAIN GUPTA	0	0	234000	1.1542
10	PREETI GUPTA	221250	1.0913	221250	1.0913

(E) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Mr. Raj Kumar Gupta (Managing Director)				
	At the beginning of the year	4300435	21.21	4300435	21.21
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the End of the year	4300435	21.21	4300435	21.21
	Mr. Vishnu Kant Gupta (Whole time Director)				
	At the beginning of the year	1596075	7.87	1596075	7.87
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the End of the year	1596075	7.87	1596075	7.87
	Mr. Abhay Gupta (Director)				
	At the beginning of the year	407520	2.01	407520	2.01
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the End of the year	407520	2.01	407520	2.01
	Mr. Abhishek Kalekar (Director)				

	At the beginning of the year	150000	0.74	150000	0.74
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment /transfer / bonus/ sweat equity etc):	NIL		NIL	
	At the End of the year	150000	0.74	150000	0.74

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				
i) Principal Amount	198219424	27271690	0	225491114
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	198219424	27271690	0	225491114
Change in Indebtedness during the financial year				
· Addition	0	0	0	0
· Reduction	0	0	0	0
Net Change	198219424	27271690	0	225491114
Indebtedness at the end of the financial year				
i) Principal Amount	184656943	0	0	184656943
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	184656943	0	0	184656943

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Raj Kumar Gupta	Vishnu Kant Gupta	
1.	Gross salary	3000000	1800000	4800000
	(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	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
2.	Stock Option	0	0	0

3.	Sweat Equity	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0
5.	Others, please specify	0	0	0
	Total (A)	3000000	1800000	4800000
	Ceiling as per the Act			

B. Remuneration to Executive Directors:

Sl. no.	Particulars of Remuneration	Remuneration to Executive Directors		Total Amount
		Mr. Abhay Gupta	-	
1.			-	-
	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	25000	-	25000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	-	0
2.	Stock Option	0	-	0
3.	Sweat Equity	0	-	0
4.	Commission - as % of profit - others, specify...	0	-	0
5.	Others, please specify	0	-	
	Total (A)	25000	-	25000
	Ceiling as per the Act			

C. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Vijay Singh Bharkatiya	Mr. Mukesh Kumar Jhavar	Miss Vani Gupta	
	1. Independent Directors	Mr. Vijay Singh Bharkatiya	Mr. Mukesh Kumar Jhavar	Miss Vani Gupta	
	· Fee for attending board / committee meetings	28000	15000	14666	57666
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	Total (1)	28000	15000	14666	57666
	2. Other Non-Executive Directors	-	-	-	-
	· Fee for attending board / committee meetings	0	0	0	0
	· Commission	0	0	0	0
	· Others, please specify	0	0	0	0
	Total (2)	0	0	0	0

	Total (B)=(1+2)	28000	15000	14666		57666
	Total Managerial Remuneration	28000	15000	14666		57666
	Overall Ceiling as per the Act					
		0	0	0		0

D. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD /MANAGER/W TD:

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary	Company Secretary	*CFO	TOTAL
		Ms Karishma Kakkar (From 10/03/2017 to 11/08/2017)	Mrs. Neelam Jain (Appointed on 28/08/2017)	Mr. Vidit Garg (Appointed on 08/03/2017)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	54323	112771	570588	737682
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
2.	Stock option	0	0	0	0
3.	Sweat Equity	0	0	0	0
4.	Commission - as % of profit - others, specify...	0	0	0	0
5.	Others, please specify	0	0	0	0
	Total	54323	112771	570588	737682

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: None

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

For and on behalf of the Board of Directors of
AGRO PHOS (INDIA) LIMITED

Date: 03/09/2018
Place: Indore

Sd/-
RAJ KUMAR GUPTA
MANAGING DIRECTOR
DIN: 00244925

Sd/-
VISHNU KANT GUPTA
WHOLE TIME DIRECTOR
DIN: 05233476

Independent Auditors Report

To,
The Members of
Agro Phos (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Agro Phos (India) Limited (“The Company”) which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss and 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

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

Auditor’s Responsibility

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. 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 accounting principles generally accepted in India, of the state of affairs of the company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended 31st March 2017 included in these financial statements are based on the statutory financial statements audited by the predecessor auditor whose report for the year ended 31st March, 2017 dated 29.05.2017 expressed an unmodified opinion on those financial statements. Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Act, we give in the Annexure A statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books.
 - c) The Balance Sheet, the 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 aforesaid financial statements comply with the accounting standards specified under section 133 of the act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March 2018 taken on records by the Board of Director, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to be best of our information and according to the explanations given to us:
 - i. The company has no pending litigations which impact its financial position.
 - ii. The Company did not have any long term contract including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 000743C)**

**Sd/-
CA Avinash Baxi
(Partner)
M. No. 079722**

**Date: 29.05.2018
Place: Indore**

Annexure A to Independent Auditor's Report

Referred to in paragraph (1) under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of Agro Phos (India) Limited on the financial statements for the year ended March 31, 2018.

i. In respect of its Fixed Assets :

- a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, the fixed assets of the Company have been physically verified by the management during the year, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. In respect of its Inventories:

The inventories has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed.

- iii. According to the information and explanations given to us, the Company has not granted loans secured or unsecured to company, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion provisions of para 3 clause (iii) of the order are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to investments made. The company has not given any loan or guarantee or provided any security in terms of section 185 and 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules, framed there under. As informed to us no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of Statutory dues :
 - a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion the Company is generally regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. There were no undisputed statutory dues in arrears, as at 31st March, 2018 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of sales tax, value added tax, income tax, service tax, duties of customs, duties of excise which have not been deposited with appropriate authorities on account of any dispute except professional tax amounting to Rs. 22376 is outstanding for more than six months.
- viii. According to the records of the company examined by us and as per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution, bank or government as on the balance sheet date. The Company has not issued any debenture.
- ix. In our opinion and according to the information and explanations given to us, the company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and In our opinion and according to the information and explanations given to us, the term loans obtained during the year have been applied for the purpose for which they were obtained.
- x. During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the company by employees or officers, noticed or reported during the year, nor have we been informed of such case by the management.
- xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company therefore, the provision of para 3 (xii) of the Order is not applicable to the company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year, therefore the provision of para 3 (xiv) of the Order is not applicable to the company.
- xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him during the year, hence the provision of para 3 (xv) of the Order is not applicable to the company.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 therefore, the provision of para 3 (xvi) of the Order is not applicable to the company for the year under audit.

For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 000743C)

CA Avinash Baxi
(Partner)
M.No. 079722

Date: 29.05.2018
Place: Indore

Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Agro Phos (India) Limited

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

We have audited the internal financial controls over financial reporting of Agro Phos (India) Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ashok Khasgiwala & Co.
Chartered Accountants
(Firm Reg. No. 000743C)

Date: 29.05.2018
Place: Indore

CA Avinash Baxi
(Partner)
M. No. 079722

AGRO PHOS (INDIA) LIMITED
(CIN:L24123MP2002PLC015285)
Balance Sheet as at 31st March, 2018

(Figures in `)

Particulars	Note No.	As at 31.03.2018	As at 31.03.2017
I. EQUITY AND LIABILITIES:			
1 Shareholders' funds			
a. Share capital	1	202741150	202741150
b. Reserves and surplus	2	178520416	169538476
		381261566	372279626
2 Non-current liabilities			
a. Long-term borrowings	3	13343938	11075840
b. Other long-term liabilities	4	661000	1007000
c. Long-term provisions	5	1059199	802784
		15064137	12885624
3 Current liabilities			
a. Short-term borrowings	6	171313005	214415274
b. Trade payables	7	167248528	231406133
c. Other current liabilities	8	9983695	24539815
d. Short-term provisions	9	1156509	2540806
		349701737	472902028
Total		746027440	858067278
II. ASSETS:			
1 Non - Current Assets			
a. Fixed assets	10		
(i) Tangible assets		148233833	157982073
(ii) Capital work-in-progress		1813779	1356128
b. Non current investments	11	3500000	3500000
c. Deferred Tax Asset	12	12283206	18916197
d. Long-term loans and advances	13	2675104	1244680
e. Other non-current assets	14	582689	605742
		169088611	183604820
2 Current assets			
a. Inventories	15	154150687	129302014
b. Trade receivables	16	243055772	295749094
c. Cash and cash equivalents	17	9325774	34175132
d. Short-term loans and advances	18	28598722	25764278
e. Other current assets	19	141807874	189471940
		576938830	674462458
Total		746027440	858067278
Notes Forming part of the Financial statements	1 to 40		
General Corporate information and significant Accounting policies	A-B		

AS PER OUR REPORT OF EVEN DATE
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

sd/-
CA Avinash Baxi
Partner
M. No. : 079722

Sd/-
Rajkumar Gupta
Managing Director
DIN: 00244925

Sd/-
Vishnukant Gupta
Whole Time Director
DIN: 05233476

Place : Indore
Date : 29th May, 2018

Sd/-
CS Neelam Jain
Company Secretary

Sd/-
Vidit Garg
Chief Financial Officer

AGRO PHOS (INDIA) LIMITED
(CIN:L24123MP2002PLC015285)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March, 2018

(Figures in `)

PARTICULARS	Note	For the year 2017-18	For the year 2016-17
I. REVENUE FROM OPERATIONS (GROSS)	20	596,968,951	646,859,612
Less : Excise duty		521,284	3,045,157
Revenue from operations (Net)		596,447,667	643,814,455
II. Other income	21	8,885,949	2,595,181
III. Total Revenue (I + II)		605,333,615	646,409,636
IV. EXPENSES			
Cost of materials consumed	22	207,291,449	272,638,487
Purchases of Stock-in-Trade	23	251,368,125	70,385,081
Changes in inventories of stock- in-trade, work in progress and finished goods	24	(60,774,192)	35,130,609
Employee benefits expense	25	21,029,251	17,734,102
Finance costs	26	26,065,544	30,600,832
Depreciation and amortisation expense	11	10,633,039	10,538,738
Other expenses	27	129,955,467	180,744,342
Total expenses		585,568,684	617,772,190
V. Profit before exceptional and extraordinary items and tax (III-IV)		19,764,931	28,637,446
VI. Exceptional items		-	-
VII. Profit before Extraordinary items (V- VI)		19,764,931	28,637,446
VIII Extraordinary items		-	-
IX Profit before Tax (VII- VIII)		19,764,931	28,637,446
X Tax expense :			
(1) Current tax		4,150,000	5,992,899
(2) Deferred tax		6,632,991	10,489,886
(3) Income Tax related to earlier year		-	170,890
s Profit for the year (IX - X)		8,981,940	11,983,771
Earning per equity share (face value of Rs.10 each)			
(1) Basic		0.44	0.72
(2) Diluted		0.44	0.72
NOTES FORMING AN INTEGRAL PART TO THE FINANCIAL STATEMENT	1 to 40		
GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES	A-B		

AS PER OUR REPORT OF EVEN DATE
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

sd/-
CA Avinash Baxi
Partner
M. No. : 079722

Sd/-
Rajkumar Gupta
Managing Director
DIN: 00244925

Sd/-
Vishnukant Gupta
Whole Time Director
DIN: 05233476

Place : Indore
Date : 29th May, 2018

Sd/-
CS Neelam Jain
Company Secretary

Sd/-
Vidit Garg
Chief Financial Officer

AGRO PHOS (INDIA) LIMITED
(CIN:L24123MP2002PLC015285)
Cash Flow Statement for the year ended 31st March, 2018

(Figures in `)

Particulars	2017-18	2016-17
A. Cash flow from Operating activities		
a. Net Profit/ (Loss) before Tax & Extraordinary item	19764931	28637446
Adjustment for :		
Depreciation	10633039	10538738
Finance costs	26065544	30600832
Interest Received	(510946)	(1269425)
Loss on sale of Fixed assets	682901	0
b. Operating profit/(loss) before working capital changes	56635470	68507591
Adjustment for :		
Trade and Other receivables	48190369	(142792054)
Inventories	(24848673)	2626971
Trade and other payables	(78937391)	15938000.18
c. Cash generated from Operations	1039775	(55719491)
Direct Taxes (paid)/Refund	(5594428)	(10038214)
Net Cash Flow from Operating activities	(4554653)	(65757705)
B. Cash flow from investing activities		
Purchase of Tangible Fixed Assets	(2422409)	(2263231)
Sale of Tangible Fixed Assets	397059	0
Purchase of Investment	0	(3500000)
Subsidy Received	47902151	(20198572)
Interest Received	733999	2236678
cash	4621500	(829427)
Net Cash Flow from Investing activities	51232300	(24554552)
C. Cash flow from Financing activities		
Issue of Equity Shares	0	58800000
Premium on issue of shares	0	70560000
Proceeds from Borrowings	2399599	59778726
Repayment of Borrowings	(43102269)	(46388918)
Finance costs	(26002833)	(32162816)
Net Cash flow from Financing activities	(66705504)	110586993
D. Net Increase / (Decrease)in Cash and Cash Equivalent	(20027857)	20274736
Cash and Cash Equivalent at the beginning of the year	20753632	478895
Cash and Cash Equivalent at the end of the year	725774	20753632
Net Increase / (Decrease)in Cash and Cash Equivalent	(20027857)	20274736
	0	(0)

AS PER OUR REPORT OF EVEN DATE
FOR ASHOK KHASGIWALA & CO.
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD OF DIRECTORS

Sd/-
CA Avinash Baxi
Partner
M. No. : 079722

Sd/-
Rajkumar Gupta
Managing Director
DIN: 00244925

Sd/-
Vishnukant Gupta
Whole Time Director
DIN : 05233476

Place : Indore
Date : 29th May, 2018

Sd/-
CS Neelam Jain
Company Secretary

Sd/-
Vidit Garg
Chief Financial Officer

A. General Information

Agro Phos (India) limited is a public limited company incorporated under the Companies Act, 1956 bearing Corporate Identity No. U24123MP2002PLC015285 dt. 19.09.2002 having registered office at M-87, Trade Centre 18M, South Tukoganj, Indore, MP -452001. The Company was initially incorporated as a private limited company and has been converted into public limited company w.e.f. 28.02.2004. Company established its manufacturing facilities at Industrial Area, Dewas (M.P.) during the year 2014-15 and its new manufacturing facility at Meghnagar Distt. Jhabua (M.P.). The Shares of the Company are listed at the National Stock exchange SME Platform

B. Statement Of Significant Accounting Policies

i. Basis Of Accounting

The Accounts have been prepared in accordance with the historical cost convention. The financial statements are prepared as a going concern under the historical cost convention on an accrual basis of accounting in accordance with the Generally Accepted Accounting Principles (GAAP) in India.

These financial statements have been prepared to comply in all material aspects with the Accounting Standards notified under Rule 7 of the Companies (Accounts) Rules, 2014 in respect of section 133 of the Companies Act, 2013 and other recognized accounting practices and policies.

ii. Use Of Estimates

The preparation and presentation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates and difference between actual results and estimates are recognized in the period in which the results are known/materialized.

iii. Fixed Assets

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition, net of tax/duty credit availed if any, including any cost attributable for bringing the assets to its working condition for its intended use; less accumulated depreciation.

Assets under erection / installation and advances given for capital expenditure are shown as "Capital work in progress". Expenditure during construction period are shown as "pre-operative expenses" to be capitalized on completion of erection / installations of the assets.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow in the company.

Intangible Assets

Intangible assets are held at cost less accumulated amortization and impairment loss.

Depreciation

Depreciation on property, plant and equipment is provided in the manner specified in Schedule II to the Companies Act, 2013. Depreciation of an asset is the difference between Original cost / revalued amount and the estimated residual value and is charged to the statement of profit and loss over the useful life of an asset on Straight line basis. The estimated useful life of assets and estimated residual value is taken as prescribed under Schedule II to the Companies Act, 2013.

Depreciation on additions to fixed assets has been charged from the quarter next following the quarter in which the assets have been acquired /created. Similarly Depreciation on assets disposed /discarded is charged upto immediately preceding quarter in which the assets are sold/ discarded.

Intangible assets are amortized over its useful life.

iv. Valuation of Inventories

Inventories are valued at lower of cost and Net realisable value on FIFO basis except work in progress valued at cost incurred up to the stage of production. Cost of inventory generally comprises of cost of purchase, cost of conversion and other cost incurred in bringing the inventory to their present location and condition.

v. Investments

Non-Current Investments are stated at cost of Acquisition. No provision is made for Diminution in the value of investments, where in the opinion of the Board of Directors such of Diminution is temporary, Diminution value in long term Investments being determined and made for each investments individually.

vi. Borrowing Costs

Borrowing costs attributable to acquisitions and construction of qualifying assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to statement of Profit and Loss.

vii. Foreign Currency Transaction

- i. All transactions in foreign currency, are recorded at the rates of exchange prevailing at the date of transaction. Any gain / loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.
- ii. Monetary items in the form of Loans, Current assets and Current liabilities in foreign currencies, outstanding at the close of the year are converted in Indian currency at the appropriate rates of exchange prevailing on the date of Balance Sheet. Resultant gain or loss on account of the fluctuation in the rate of exchange is recognized in the statement of Profit and Loss.

viii. Revenue Recognition

The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties.

Sales revenue is recognized on transfer of significant risks and rewards of ownership of the goods to the buyer and stated net of sales tax, VAT, GST, trade discounts and rebates but includes excise duty.

Interest income is recognized on time proportion basis.

ix. Taxes on Income

Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax is recognized on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Deferred Tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

x. Impairment Of Assets

An asset is impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. An impairment loss recognized in prior period is reversed if there has been a change in the estimate of recoverable amount.

xi. Employee Benefits

(a) Post-employment benefit plans

Defined Contribution Plan - Contributions to provident fund and Family Pension Fund are charged to the Statement of Profit & Loss.

(b) Defined Benefit plan – The liability in respect of gratuity is determined using actuarial valuation of gratuity as at balance sheet date, using Projected Unit Credit Method as required by AS 15 “Employee Benefits” (Revised 2005). Actuarial gain / losses are recognized in full in Statement of Profit and Loss account for the year in which they occur.

(c) Short term employment benefits - The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employees render the services.

xii. Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the financial statements. Contingent assets are neither recognized nor disclosed in the financial statements.

xiii. Cash Flow Statement

Cash flows are reported using indirect method, whereby profit/(loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

xiv. Government Grants

Subsidy received under Nutrient Based Subsidy Policy of Department of Fertilizers, Ministry of Chemicals & Fertilizers, Govt. of India, against concessional sale of SSP is credited to the Statement of Profit & Loss and shown as a part of Sale.

AGRO PHOS (INDIA) LIMITED
(CIN:L24123MP2002PLC015285)

NOTES FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st, March , 2018

NOTE-1 SHARE CAPITAL

(Figures in `)

PARTICULARS		As at March 31, 2018	As at March 31, 2017
A	Authorised i) Equity Shares 2,10,00,000 (Previous year 2,10,00,000) of face value of Rs. 10/- each	210,000,000	210,000,000
		210,000,000	210,000,000
B	Issued,Subscribed and fully paid-up 2,02,74,115 (Previous year 2,02,74,115) Equity Shares of Rs.10/- each fully paid up	202,741,150	202,741,150
		202,741,150	202,741,150

1.1 The reconciliation of the number of shares and amount outstanding is set out below:

PARTICULARS	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount	No. of Shares	Amount
Equity Shares :				
Balance at the beginning of the year	20,274,115	202,741,150	2,878,823	28,788,230
Add: Bonus shares issued during the year	-	-	11,515,292	115,152,920
Add: Shares issued during the year			5,880,000	58,800,000
Balance at the end of the year	20,274,115	202,741,150	20,274,115	202,741,150

1.2 Rights, Preference and restrictions attached to Shares :

The company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

1.3 The details of shares held by shareholders holding more than 5% shares in the Company :

Name of the Shareholders	As at March 31, 2018		As at March 31, 2017	
	No. of shares held	% Held	No of shares held	% Held
EQUITY SHARES				
Raj Kumar Gupta	4,300,435	21.21	4,300,435	21.21
Vishnu Kant Gupta	1,596,075	7.87	1,596,075	7.87
Ramesh Chand Suhane	1,795,050	8.85	1,795,050	8.85

1.4 For a period of five years immediately preceding the date of Balance Sheet i.e. 31st March 2018 the company has :-

- (i) Not allotted shares as fully paid up pursuant to contract (s) without payment being received in cash.
- (ii) Allotted 11515292 equity shares as fully paid up by way of bonus shares during F.Y. 2016-17.
- (iii) Not bought back any shares .

NOTE-2 RESERVES AND SURPLUS

(Figures in `)

	PARTICULARS		As at March 31, 2018		As at March 31, 2017
A	Securities Premium Account				
	At the beginning of the year	70,560,000		15,178,870	
	Add : Received during the year	-		70,560,000	
		70,560,000		85,738,870	
	Less : Utilised for Bonus Shares Issued	-		15,178,870	
	As at the end of the year		70,560,000		70,560,000
B	Capital Reserve				
	At the beginning of the year	1,999,500		1,999,500	
	Add : Transfer from statement of Profit & Loss	-		-	
	As at the end of the year		1,999,500		1,999,500
C	Surplus in Statement of Profit and Loss				
	At the beginning of the year	96,978,976		184,969,255	
	Add : Profit for the year	8,981,940		11,983,771	
		105,960,916		196,953,026	
	Less : Utilised for Bonus Shares Issued	-		99,974,050	
	As at the end of the year		105,960,916		96,978,976
	Total Reserves and Surplus		178,520,416		169,538,476

NOTE-3 LONG -TERM BORROWINGS

Particulars	As at 31.03.2018	As at 31.03.2017
a. Secured Loans		
Term Loans		
From Banks		
(See Notes (i) below)	731,861	-
b. From Financial Institutions		
(See Notes (ii) below)	12,743,578	11,075,840
	13,475,439	11,075,840
Less : Amount disclosed under the head Current Maturities of Long Term Debt (Refer Note 8 (a))	131,501	-
	13,343,938	11,075,840

Nature of Security and terms of repayment for secured borrowings

(i)	Name of the lender	Rate of Interest	Nature of Security	Terms of Repayment
	Term loan from Axis Bank, Sanctioned amount Rs. 7,65,000/-, Outstanding amount Rs. 7,31,861/- (March 31, 2017: Nil)	8.36% p.a.(Pre.Year Nil)	Secured by hypothecation of asset purchased.	Repayable in 60 monthly instalments of Rs. 15644 (including interest) each, commenced from January, 2018 and last instalment due in December 2022.
(ii)	Term loan from MPFC , Sanctioned amount Rs. 6,50,00,000/-, Outstanding amount Rs. 1,27,43,578 (March 31, 2017: Rs. 1,10,75,840/-)	14.25% p.a.(Pre.Year 14.25 % p.a.)	Secured by first charge by way of equitable mortgage of land (leasehold), factory building, plant & machinery, furniture & fixtures (existing & future) of the company, situated at plot no. 135-A, 136-A, 137-A and 137-A Industrial Area, Meghnagar & Personal guarantee of directors.	Repayable in 24 quarterly instalments, first 8 instalments of Rs. 12,50,000 each, next 4 instalments of Rs. 25,00,000 each and balance 12 instalments of Rs. 37,50,000each. (including interest) each, commenced from January, 2018 and last instalment due in December 2022.

Secured long term borrowings from financial institution aggregating to Rs.1,32,22,771/- (Previous year Rs.1,14,92,322/- [including interest accrued and due Rs.4,79,193/- (Previous year Rs.4,16,482/-)] are secured by personal guarantee of directors.

NOTE-4 OTHER LONG TERM LIABILITIES

Dealership Deposit	661,000	1,007,000
	661,000	1,007,000

NOTE-5 LONG TERM PROVISIONS

Provision for employee benefits (Refer Note 32 for disclosure as per AS - 15)	1,059,199	802,784
	1,059,199	802,784

NOTE-6 SHORT TERM BORROWINGS

A. Loans repayable on demand		
a. Secured Loans		
Working Capital Loan		
From Banks	171,313,005	187,143,584
(See Notes (i) below)		
b. Unsecured Loans		
From Banks	-	27,271,690
(See Notes (ii) below)		
	171,313,005	214,415,274

I Working Capital Loans from Axis Bank Rs. 171313005/- (Pre.Year Nil) is secured by :

a) Hypothecation of stocks of raw materials, finished goods, stores and spares, stock in process, packing materials and book debts, and all other movable fixed assets, both present and future, of the Company and personal guarantee of Directors.

b) Further secured by Equitable Mortgage on following property:

1. Factory land and building situated at 13A/2, Dewas Industrial Area ,Office premises of M-91-92 Trade Center, 18 South Tukoganj Indore and Office premises at gold plaza, MG Road Indore .

2. Resident Plot no. 120 PLCC DLF Garden city Indore, 37 & 38 Megha Apartment , Ram Nagar, Annex ,Dewas , Residential Plot no. WB-93, Sector B, Scheme No. 94, IDA, Ring road Indore and Residential Plot No. 40 Ramanagar Annex, A.B road ,Dewas in the name of Rajkumar Gupta (Director),

3. Residential House A-7, Mangal Murti Nagar, Navlakha Main Road Indore in the name of Mrs. Uma Gupta,

4. Residential House WA-12, Sector A, Scheme No. 94, Ring Road Indore in the name of Ms. Shraddha Gupta and

5. Pledge of 10 Lacs Equity shares of promoters having market value of Rs. 2.12 crore as on 24.07.2017

Working Capital Loans from Union Bank of India Rs. Nil (Pre.Year Rs.14,76,97,680/-) are secured by :

Secured by hypothecation of Inventories & Book debts. Also Secured by personal guarantee of Directors of the company.

Working Capital Loans from Punjab National Bank Rs. Nil (Pre.Year Rs.3,94,45,904/-) are secured by :

Secured by pledge of Warehouse Receipts of the agriculture commodities and fertilizers which have been stored or may be stored with the Central/State Warehousing Corporation. Also Secured by personal guarantee of Directors of the company.

Short term borrowings aggregating to Rs. 17,13,13,005 (Pre. Year Rs.18,71,43,584/-) is personally guaranteed by directors.

II Unsecured loan is Over Draft against LC Bills from Union Bank of India, Siyaganj, Indore.

NOTE-7 TRADE PAYABLES

Due to Micro and Small Enterprises	-	-
Due to Others	167,248,528	231,406,133
	167,248,528	231,406,133

a) Trade Payables includes Rs. NIL (Previous Year Nil) amount due to micro and small enterprises registered under the Micro, Small and Medium Enterprises Development Act , 2006 (MSMED) Act.

b) The details of amount outstanding to Micro and Small Enterprises are as under :

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Principle amount due and remain unpaid	--	--
Interest due on above and unpaid interest	--	--
Interest paid	--	--
Payment made beyond appointed day during the year	--	--
Interest due and payable for the period of delay	--	--
Interest accrued and remaining unpaid	--	--
Amount of further interest due and payable in succeeding years	--	--

c) The information has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

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NOTE-8 OTHER CURRENT LIABILITIES

a	Current maturities of long-term borrowing (Refer Note 3)	131,501	-
b	Interest accrued but not due on borrowings	479,193	416,482
d	Security and Other Deposits	92,600	177,000
e	Bank overdraft- as per books	1,460,841	575,441
f	Other Payables		
	Statutory Dues	1,620,367	10,814,193
	Advances from Customers	1,725,748	8,742,152
	Other Liabilities **	4,473,444	3,814,546
		9,983,695	24,539,815

* There are no amount due for payments to the Investors Education and Protection Fund.

** Other liabilities includes payable to employees and expenses payable etc.

NOTE-9 SHORT TERM PROVISIONS

Provision for taxation (net of advance tax)	1,081,341	2,525,769
Provision for employee benefits (Refer Note 32 for disclosure as per AS - 15)	75,168	15,037
	1,156,509	2,540,806

NOTE-10 FIXED ASSETS

(Figures in `)

PARTICULARS	GROSS BLOCK			DEPRECIATION/AMORTISATION				NET BLOCK		
	As at April 1,2017	Additions	Deductions/ Adjustments	As at March 31,2018	Upto March 31,2017	for the year	Deductions/ Adjustments	Upto March 31,2018	As at March 31,2018	As at March 31,2017
TANGIBLE ASSETS										
LAND - LEASEHOLD	4,686,210	-	-	4,686,210	-	-	-	-	4,686,210	4,686,210
BUILDINGS	71,430,649	-	-	71,430,649	7,424,294	2,254,055	-	9,678,349	61,752,300	64,006,355
PLANT AND MACHINERY	109,230,703	554,800	229,500	109,556,003	25,564,803	7,234,704	32,703	32,766,804	76,789,199	83,665,900
OFFICE EQUIPMENTS	2,207,286	204,582	-	2,411,868	1,508,034	309,515	-	1,817,549	594,319	699,252
FURNITURE & FIXTURES	2,606,177	50,501	-	2,656,678	297,669	253,244	-	550,913	2,105,765	2,308,508
VEHICLES	5,434,810	1,154,875	2,014,796	4,574,889	2,818,962	581,521	1,131,633	2,268,850	2,306,039	2,615,848
TOTAL	195,595,835	1,964,758	2,244,296	195,316,298	37,613,762	10,633,039	1,164,336	47,082,465	148,233,833	157,982,073
Previous year	192,954,416	2,641,419	-	195,595,835	27,075,024	10,538,738	-	37,613,762	157,982,073	

NOTE-11 NON CURRENT INVESTMENTS

(Figures in `)

Long Term Investment: Quoted (Non Trade) In Mutual Funds		
350000 (Previous year 350000) Units of Union Capital Protection Oriented Fund Series 7 Regular Plan Growth INF582M01CN2	3,500,000	3,500,000
	3,500,000	3,500,000
Aggregate Amount of Quoted investments	3,500,000	3,500,000
Market Value of Quoted investments	3,742,585	3,515,645
Aggregate Provision for diminution in value of Quoted investments	-	-

Basis of Valuation: The Non current investments are valued at cost of acquisition, no provision is made for diminution in the value of investment where diminution is temporary

NOTE-12 DEFERRED TAX ASSETS (Net)

Deferred Tax Liabilities		
Due to depreciation difference on Fixed Assets		
	-	-
Deferred Tax Assets		
Other timing Difference	12,283,206	18,916,197
	12,283,206	18,916,197
Deferred Tax Liabilities (Net)	12,283,206	18,916,197

NOTE-13 LONG -TERM LOANS AND ADVANCES

Unsecured ,considered good		
Security Deposits	2,675,104	1,244,680
	2,675,104	1,244,680

NOTE-14 OTHER NON CURRENT ASSETS

Interest Accrued on deposits /Investment	225,297	448,350
Balance with Bank in Deposit Accounts Having maturity of more than 12 months		
Earmarked against credit facility with bank (Refer note 18)	357,392	157,392
	582,689	605,742

NOTE-15 INVENTORIES

(As valued and certified by the management)

PARTICULARS			
a	Raw Materials	39,625,899	75,296,574
b	Work-in-progress	10,700,130	6,575,668
c	Finished goods	43,530,511	7,979,939
d	Stock in trade	58,712,110	37,612,952
e	Consumables, Stores & Spares	1,582,037	1,836,881
		154,150,687	129,302,014

Basis of Inventory Valuation : Valued at lower of cost or net reliable value , except scrap is valued at net realisable value .

Broad Category of Inventories			
Raw Materials			
	Calcium Sulphate	6,132,940	1,036
	Magnesium	358,916	358,916
	NPK	17,927,864	45,087,139
	SSP	12,723,559	28,085,065
	Zinc	2,482,619	1,764,417
	Total	39,625,899	75,296,574
Work In Progress			
	SSP	10,700,130	6,575,668
	Total	10,700,130	6,575,668
Finished Goods			
	Calcium Sulphate	6,559,536	145,721
	NPK	36,365,274	2,252,026
	Organic Manure	-	16,949
	SSP	597,588	5,560,532
	Zinc	8,113	4,710
	Total	43,530,511	7,979,939
Stock In Trade			
	Cattle Feed	3,409,960	-
	Organic Manure	13,793,025	4,285,498
	Phosphate Rich Organic Manure (PROM)	8,142,500	1,060,500
	Urea	15,001,120	1,102,632
	Boron	2,700,000	-
	Amonium Sulphate	232,200	6,150,750
	Zinc Ash	6,902,628	9,632,628
	NPK 10:26:26	-	6,506,014
	MAP LITE	-	4,428,573
	Others	8,530,677	4,446,357
	Total	58,712,110	37,612,952

NOTE-16 TRADE RECEIVABLES

PARTICULARS	As at March 31, 2018	As at March 31, 2017
(Unsecured ,considered Good)		
Outstanding for a period exceeding six months from the date they were due for payment	56,450,835	70,014,081
Other trade receivable	186,604,937	225,735,014
	243,055,772	295,749,094

NOTE-17 CASH AND BANK BALANCES

PARTICULARS			
A	Cash and cash equivalent		
	a) Balances with Banks		
	i) In Current Accounts	181,975	20,045,527
	b) Cash on hand	543,799	708,105
		725,774	20,753,632
B	Other bank balances		
	Deposit Accounts with maturity more than 3 months and upto 12 months	-	-
	Earmarked against credit facility	8,600,000	13,421,500
	Others		
		9,325,774	34,175,132

NOTE-18 SHORT-TERM LOANS AND ADVANCES

PARTICULARS			
	(Unsecured, considered good)		
a	Security Deposits	11,608,637	15,352,861
b	Other Loans and Advances		
	i) Balance with Government Authorities	6,440,657	-
	ii) Other Advances recoverable in cash or in kind for which value to be received	10,549,428	10,411,417
		28,598,722	25,764,278

NOTE-19 OTHER CURRENT ASSETS

PARTICULARS			
	SSP Subsidy Receivable	141,569,789	189,471,940
	VAT incentive receivable	238,085	-
		141,807,874	189,471,940

NOTE 20. REVENUE FROM OPERATIONS

(Figures in `)

Particulars	For the year 2017-18	For the year 2016-17
Sales of Products	517617435	511639005
Other Operating Revenues	79351516	135220607
	<u>596968951</u>	<u>646859612</u>
Less : Excise duty	521284	3045157
Revenue from operations (net)	Total	Total
	<u>596447667</u>	<u>643814455</u>

Details of Sales of product

NPK Products	56214178	105720684
SSP Products	185371251	296809520
Magnesium Sulphate	0	3102857
Calcium Sulphate	9484000	309524
Zinc Sulphate	20041013	11348001
	<u>271110442</u>	<u>417290586</u>

Details of Sales of traded goods

DAP	5880000	0
Amonium Sulphate/Amonium Chloride	6462000	9666404
Cal phos sales A/C	259008	0
Organic manure sales	64150000	0
Calcium Sulphate	1182382	481904
Urea	4602908	576190
ZINC ASH	18862250	33000
Others	145108445	76512921
	<u>246506992</u>	<u>87270419</u>

NOTE 21. OTHER INCOME

Interest Received	510946	1269425
Other Non operating income		
Rent Received	574280	888000
Vat incentive received	3430058	0
Excess provision of gratuity reversed	0	73756
Miscellaneous Income	4370665	364000
Total	<u>8885949</u>	<u>2595181</u>

NOTE 22. COST OF MATERIALS CONSUMED

Raw Materials Consumed	190207633	256537928
Packing Materials Consumed	17083816	16100559
Total	<u>207291449</u>	<u>272638487</u>

Raw Materials Consumed

NPK	64132980	62910566
SSP	105768905	189211270
Zinc	20305748	3996827
Magnesium	0	419265
Total	<u>190207633</u>	<u>256537928</u>

	FY 2017-18		FY 2016-17	
	Value	%	Value	%
Raw Materials Consumed				
Imported	31586120	17	111662075	44
Indigenous	158621513	83	144875853	56

	FY 2017-18		FY 2016-17	
	Value	%	Value	%
Packing Materials Consumed				
Imported	0	0	0	0
Indigenous	17083816	100	16100559	100

NOTE 23. PURCHASES OF STOCK IN TRADE

(Amount in `)

Particulars	For the year 2017-18	For the year 2016-17
Purchases of traded goods	251368125	70385081
Total	251368125	70385081

Details of Purchases of Traded Goods

DAP	4717500	4227782
Urea	18678942	1552161
MAP	0	4428573
ZINC ASH	10566250	6150750
Organic Manure	61420910	30309943
Triple Super Sulphate (GTSP)	35522955	12197568
Seeds	56757940	0
Rock Phosphate	9720000	0
Other Items	53983628	11518305
Total	251368125	70385081

NOTE 24. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

Closing stocks

Finished Goods	43530511	7979939
Work in Progress	10700130	6575668
Stock in Trade	58712110	37612952
	<u>112942751</u>	<u>52168559</u>

Less : Opening Stocks

Finished Goods	7979939	9650598
Work in Progress	6575668	315099
Stock in Trade	37612952	77333472
	<u>52168559</u>	<u>87299168</u>

Changes in Inventories

Total	(60774192)	35130609
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NOTE 24. EMPLOYEE BENEFIT EXPENSES

Salaries and Wages	20097117	17078661
Contribution to Provident and other fund	505630	652901
Staff Welfare Expenses	426504	2540
Total	21029251	17734102

NOTE 25. FINANCE COSTS

Interest Expenses	23548334	28481077
Other Borrowing costs	2517210	2119754

Total	<u>26065544</u>	<u>30600832</u>
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NOTE 26. OTHER EXPENSES

Power and Fuel	9388873	10662247
Stores, spares and consumables	9024359	12907031
Processing Charges	1863775	1183667
Rent	3992433	4149827
Repairs to Machinery	1868415	4572859
Repairs to Buildings	327372	65719
Repairs to Others	1776758	1447342
Insurance	336723	222122
Rates & Taxes excluding taxes on income	1948398	4952606
Factory Expenses	231307	130825
Legal and Professional Charges	2712262	1705434
Travelling & Conveyance Expenses	2514354	3327127
Vehicle Expenses	803608	993661
Selling and Distribution expenses	13067781	34910058
Loading & Unloading	2733551	2610682
Freight and Forwarding	74027653	87962160
Net Loss on Foreign Currency Transactions and Translations	82139	-2546643
Loss on Sales of Fixed Assets	682901	0
Miscellaneous Expenses	2572806	11487616

Total	<u>129955467</u>	<u>180744342</u>
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AGRO PHOS (INDIA) LIMITED

(CIN:L24123MP2002PLC015285)

Notes forming part of the financial statements for the period ended 31.03.2018

28. Contingent liabilities and commitments (to the extent not provided for)

Particulars	2017-2018	2016-2017
Contingent liabilities for		
a) Claims against company not acknowledged as debts	Nil	Nil
b) Capital Commitments	Nil	Nil

29. In the opinion of the Board of Directors, Current Assets, Loans & Advances have value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and that the provision for known liabilities is adequate and reasonable.

30. Earnings per share

	2017-18	2016-17
Nominal value per Equity Share (Rs.)	10	10
Profit after Tax (Rs.)	89,81,940	1,19,83,771
Weighted Avg. No. of Equity Shares	2,02,74,115	1,66,81,677
Basic and diluted Earnings per Share (Rs.)	0.44	0.72

31. Auditors Remuneration

	2017-18	2016-17
For Audit Fees	175000	138000
For Tax Audit	75000	84724
For IPO related services	Nil	230000
For other Services	Nil	29902

32. Disclosure as per AS - 15 "Employee Benefits"(Revised 2005):

	2017-18	2016-17
	Gratuity	Gratuity
I. Change in Benefit Obligation		
Liability at the beginning of the year	817821	843549
Interest Cost	62972	62423
Current Service Cost	197717	200138
Past Service Cost (Non-Vested Benefit)	-	-
Past Service Cost (Vested Benefit)	-	-
Liability Transfer in	-	-
Liability transfer out	-	-
Benefit Paid	-	-
Actuarial (gain)/loss on obligations	55857	(288289)
Liability at the end of the year	1134367	817821
II. Amount Recognized in the Balance Sheet		
Liability at the end of the year	1134367	817821
Fair Value of Plan Assets at the end of the year	-	-

Difference	-	-
Unrecognized Past Service Cost	-	-
Unrecognized Transition Liability	-	-
Amount Recognized in the Balance Sheet	1134367	817821
III. Expenses Recognized in Profit and Loss Account		
Current Service Cost	197717	200138
Interest Cost	62972	62423
Expected Return on Plan Assets	-	-
Past Service Cost (Non-Vested Benefit) Recognized	-	-
Past Service Cost (Vested Benefit) Recognized	-	-
Recognition of Transition Liability	-	-
Actuarial Gain or Loss	55857	(288289)
Expense Recognized in P& L	316546	(25728)
IV. Balance Sheet Reconciliation		
Opening Net Liability	817821	843549
Expense as above	316546	(25728)
Employers Contribution	-	-
Amount Recognized in Balance Sheet	1134367	817821
V. Assumptions :		
Discount Rate Current	7.70%	7.40%
Salary Escalation Current	7.00%	7.00%

33. RELATED PARTY DISCLOSURES

A) RELATIONSHIPS

a. Key Management Personnel :

Raj Kumar Gupta	Managing Director
Vishnukant Gupta	Whole Time Director
Abhay Gupta	Executive Director
Vidit Garg	Chief Financial Officer (w.e.f. 08.03.17)
Prashant Jain	Chief Financial Officer (16.08.16-16.01.17)
CS Neetu Dubey	Company Secretary (16.08.16 – 20.01.17)
CS Karishma Kakkad	Company Secretary (10.03.17 – 11.08.17)
CS Neelam Jain	Company Secretary (w.e.f. 28.08.17)

b. Entities where key Management Personnel and / or their relative having significant influence, with whom transaction have taken place during the year :

Mrs. Uma Gupta-Relative of Director (Director till 24.08.2016)
Shri Nitin Suhane-Relative of Director
Shradhha Gupta-Relative of Director
Mahadhan Phosphate Pvt. Ltd.-Brother is Director
Suhane Agro India Pvt. Ltd.-Brother is Director
Suhane Housing & Construction Co. - Brother is Partner
Madhav Agrochem Pvt. Ltd.-Brother is Director
Nafco Commodities Pvt.Ltd.- Company with common Director

Note: Related party relationship are as identified by the Company and relied upon by the Auditors.

B). Transactions carried out with related parties Referred inabove

Nature of Transaction	Related parties referred in 2017-18	Related parties referred in 2016-17
Managerial Remuneration		
Raj Kumar Gupta	3000000	1596774
Mr. Vishnukant Gupta	1800000	958064
Abhay Gupta	25000	Nil
Mrs. Uma Gupta	Nil	190000
Rent		
Raj Kumar Gupta	Nil	162000
Rent - Godown Rent		
Suhane Housing & Construction Co	Nil	540000
Salary		
Mrs. Uma Gupta	440000	280000
Shradhha Gupta	300000	244500
Shri Nitin Suhane	480000	480000
Prashant Jain	Nil	131558
CS Neetu Dubey	Nil	104806
Vidit Garg	536000	36000
CS Karishma Kakkad	54323	Nil
CS Neelam Jain	112771	Nil
Purchase of Goods		
M/s. Vinod Trading Co	Nil	5172650
Mahadhan Phosphate Pvt. Ltd	165000	1060500
Suhane Agro India Pvt. Ltd	24543481	18231585
Madhav Agrochem Pvt. Ltd	22230533	Nil
Nafco Commodities Pvt.Ltd	16557200	4043200
Sales of Goods		
M/s. Vinod Trading Co	10763252	9974000
Suhane Agro India Pvt. Ltd	23859630	20792400
Madhav Agrochem Pvt. Ltd	54648845	10149722
Madhav Sales Corp.	12664827	Nil
Nafco Commodities Pvt.Ltd.	10889500	Nil
Trade Discount/ Rate Difference Allowed		
M/s. Vinod Trading Co	187658	1337000
Mahadhan Phosphate Pvt. Ltd	Nil	500
Suhane Agro India Pvt. Ltd	1927923	587500
Nafco Commodities Pvt.Ltd.	Nil	3500

Madhav Sales Corp.	635344	Nil
Trade Receivables		
Madhav Agrochem Pvt. Ltd	25284547	1403043
Madhav sales Corp.	Nil	2130085
Suhane Agro India Pvt. Ltd	Nil	3708000
Nafco Commodities Pvt.Ltd.	Nil	9000
Trade Payables		
Suhane Housing & Construction Co	Nil	121500
Other Payables		
Mr. Vishnukant Gupta	1456516	63098
Shri Nitin Suhane	782192	836500
Raj Kumar Gupta	231109	117666
Shraddha Gupta	84700	175030
Uma Gupta	257000	17500
Vidit Garg	5988	Nil
Madhav Sales Corporation	Nil	7803655

34. The company is mainly engaged in the business of Manufacturing and trading of Fertilizers. This is the only product in which company is dealing and Company's all business located in India, hence disclosure as per AS 17 – Segment Reporting is not required.

35. Leases (Where company is Lessee)

The Company has taken various premises under operating leases with no restrictions and are renewable / cancellable at the option of either parties. The aggregate amount of operating lease payments recognized in the statement of profit and loss is Rs. 39,92,433 (Pre. Year Rs. 41,49,827). The company has not recognized any contingent rent as expense in the statement of profit and loss.

36. Disclosure as required under section 186 (4) of the Companies Act, 2013 the following are the details thereof :

Investments made are classified under respective heads and are utilized for the purposes as mentioned in their object clause.

37. Value Of Import Calculated on CIF/CFR Basis

	2017-2018	2016-2017
Raw Material	1,59,31,672	10,06,95,835

38. Earning In Foreign Currency

Income	2017-2018	2016-2017
Trade Discount and rate difference	3,00,63,344	1,25,97,115

39. EXPENDITURE IN FOREIGN CURRENCY

Expenditure	2017-2018	2016-2017
Tour & Travelling	Nil	3,61,740

40. Previous year's figures are regrouped or re arranged wherever considered necessary to make them comparable with current year's figures.

As per our report of even date
FOR ASHOK KHASGIWALA & CO.
Chartered Accountants.

For and on behalf of the Board of Directors

CA Avinash baxi
Partner
M. No. 079722

Sd/-
Rajkumar Gupta
Managing Director
DIN-00244925

Sd/-
Visnukant Gupta
Whole time Director
DIN-05233476

Place: Indore
Date: 29Th May,2018

Sd/-
Vidit Garg
Chief Financial Officer

Sd/-
CS Neelam Jain
Company Secretary

Form No. MGT-11 Proxy

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

CIN : **L24123MP2002PLC015285**
Name of the company : **Agro Phos (India) Limited**
Registered office : M-87, Trade Centre 18m, South Tukoganj Indore MP, 452001
Name of the member (s) :
Registered address :
E-mail Id :
Folio No/ Client Id :
DP ID :

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

1. Name:Address:..... E-mail
Id:..... Signature:..... or failing him/her
2. Name:Address:..... E-mail
Id:..... Signature:..... or failing him/her
3. Name:Address:..... E-mail
Id:..... Signature:..... or failing him/her

as my/our 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 the Saturday 29th September 2018 At 3.30 P.M. at HOTEL BEST WESTERN PLUS O2, 31/1, MAIN ROAD, SOUTH TUKOGANJ, INDORE (M.P.) and at any adjournment thereof in respect of such resolutions as are indicated below:

S. No.	Resolution type	Description	For	Against
1.	Ordinary Resolution	To receive and adopt the Audited Balance Sheet as at 31st March, 2018 and Profit and Loss Account of the Company for the year ended on 31st March, 2018 and the report of the Directors & Auditors thereon.		
2.	Ordinary Resolution	To declare Dividend on Equity Shares of Re 0.05/- Per Equity Share each of the Company for the Financial Year ended March, 31, 2018.		

3.	Ordinary Resolution	To appoint Director in place of Mr Abhishek Kalekar, (DIN 07758751), who retires by rotation and being eligible offers himself for re-appointment.		

Signed this..... day of..... 2018

Signature of Shareholder.....

Signature of Proxy holder(s).....

Affix Rs.1 Revenue Stamp

Note:

- 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. This is only optional. Please put "x" in the appropriate column against the resolution indicated in the box. If you leave the "For" or "Against" column blank against any or all resolutions. Your proxy will be entitled to be vote in the manner/as he/she thinks appropriate.

ATTENDENCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company being held on, Saturday, 29th September, 2018 at 3.30 P.M. at Hotel Best Western Plus O2, 31/1, Main Road, South Tukoganj, Indore (M.P.)

NAME (S) OF THE MEMBER (S)	Registered Folio No.
	Client ID No.

Name of Proxy (in block letters)

(To be filled in, if the proxy attends instead of the Member)

signature

Member's/Proxy's

AGRO PHOS (INDIA) LIMITED
M-87, Trade Centre 18m, South Tukoganj Indore MP 452001

FORM NO. MGT.12
POLLING PAPER / BALLOT PAPER

S No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No./*Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/Special resolution enumerated below by recording my assent or dissent to the said resolution in the following manner:

No	Particulars	Type of Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
Ordinary Business					
1.	To receive, consider and adopt the Audited Standalone Financial Statements as well as Audited Financial Statements of the Company for financial year ended 31 st March, 2018 together with the Report of the Board of Directors and the Auditors thereon.	Ordinary Resolution			
2.	To declare Dividend on Equity Shares of Re 0.05/- Per Equity Share each of the Company for the Financial Year ended March, 31, 2018.	Ordinary Resolution			
3	To appoint a Director in place of Mr. Abhishek Kalekar, (DIN 07758751, who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary Resolution			
Special Business					
1.	Appointment of MR. Omprakash Chourey (DIN - 08178285) as Director who was appointed as an Additional Director of the Company by the Board of Directors.	Ordinary Resolution			
2.	Appointment of Mrs. Vidhi Jain (DIN - 08178291), who was appointed as an Additional Director of the Company by the Board of Directors.	Ordinary Resolution			
3.	Confirmation of Payment of Remuneration of Cost Auditor M.P. Turakhia & Associates., Cost Accountant (Firm Registration No. 000417)	Ordinary Resolution			

Place : Indore
Date: 29/09/2018

(Signature of the shareholder)



Route Map to the venue of the AGM

Hotel Best Western Plus O2

31/1, Main Road, South Tukoganj, Inodre, Madhya Pradesh-452001

