

**Board of Directors**

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

**Auditors**

Messrs Rao & Kumar  
Chartered Accountants  
Soudamani  
Siripuram  
Visakhapatnam 530 003

**Bankers**

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

**Registered Office & Factory**

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

Phone: (91 891) 254 8568, 257 7077  
Fax: (91 891) 254 8567  
Email: [contact@alufluoride.com](mailto:contact@alufluoride.com)  
Web: [www.alufluoride.com](http://www.alufluoride.com)

**Registrars & Share Transfer Agents**

XL Softech Systems Ltd.  
3, Sagar Society  
Road No.2, Banjara Hills  
Hyderabad 500 034

Phone: (91 40) 2354 5913, 2354 5914, 2354 5915  
Fax: (91 40) 2355 3214  
Email: [mail@xlsoftech.com](mailto:mail@xlsoftech.com)  
[xlfield@rediffmail.com](mailto:xlfield@rediffmail.com)

## NOTICE TO SHARE HOLDERS

NOTICE is hereby given that Annual General Meeting of Alufluoride Limited will be held at the Registered office, Mulagada, Mindi, Visakhapatnam 530 012 on Wednesday, the 25th September, 2013 at 11.00 AM to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31 March, 2013 and Balance Sheet as at that date and the Directors' and Auditors' Report hereon.
2. To elect a Director in place of Sri A.V.V.S.S.Ch.B.Sekhar Babu, Director who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

### SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution.

Re-appointment of Sri Venkat N.R.Akkineni as Managing Director.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 316, read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956, consent of the members be and is hereby accorded for the re-appointment of Sri Venkat N.R. Akkineni as the Managing Director of the Company for a further period of 3 years w.e.f 16.06.2013, at a remuneration aggregating to 5% of the Net Profits of the Company. However in case inadequate or absence of profits, he shall be entitled to the following remuneration:

#### 1. Remuneration:

- i) Salary - Rs. 1,25,000/- P.M.
- ii) Commission at 1% on the net profits of the Company computed in the manner laid down in Section 309 (5) of the Companies Act, 1956.

#### 2. Perquisites:

In addition to the Salary and Commission, the Managing Director shall be entitled to the Perquisites, classified under Category A, B, and C, as per statement annexed, provided that the Perquisites in the said Category 'A' shall be restricted to an amount equivalent to the annual salary.

"RESOLVED FURTHER THAT the Salary and perquisites aforesaid be paid and allowed, as minimum remuneration to the Managing Director during the remaining period of his tenure, in the event of loss of inadequacy of profits in any financial year".

### STATEMENT OF PERQUISITES REFERRED TO IN THE RESOLUTIONS RELATING TO THE REMUNERATION OF THE MANAGING DIRECTOR

#### CATEGORY 'A'

##### i) Housing:

- a) The expenditure incurred by the Company on hiring furnished accommodation for him will be subject to a ceiling of 60% of salary.
- b) Where accommodation in the company owned house is provided, he shall pay to the Company, by way of rent 10% of the salary. Wherever the Company does not provide accommodation, House rent allowance shall be paid in accordance with (a) above, and
- c) The expenditure incurred by the Company on gas, electricity, water and furnishing will be evaluated as per Income-Tax rules, 1962. This will, however, be subject to a ceiling of 10% of the salary paid to him.

##### ii) Medical benefits for self and family:

Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary in a year or three months' salary over a period of three years.

##### iii) Leave Travel concession:

For self and family, once in a year, incurred in accordance with the rules of the company.

##### iv) Club fees:

Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.

##### v) Personal accident insurance:

Of an amount, the annual premium of which, does not exceed Rs.4,000/-.

The perquisites, under this category, shall be restricted to an amount equivalent to the annual salary proposed to the Managing Director.

**CATEGORY 'B'**

Contribution to Provident Fund, Superannuation Fund or Annuity Fund, as per the rules of the Company, to the extent, these are not taxable, under the Income-Tax Act, either singly or put together. Gratuity payable, shall not exceed, half a month's salary, for each completed year of service. The Perquisites, under this Category, shall not be included in the computation of the ceiling on remuneration specified in the resolution.

**CATEGORY 'C'**

- a. Free use of Company's car with driver for the business of the Company. Use of car for private purposes shall be billed by the Company.
- b. Free telephone facility at residence. All personal long distance calls shall be billed by the Company.
- c. Leave on full pay and allowances as applicable to other employees of the Company but not exceeding one month's salary for every 11 months service;
- d. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company; and
- e. Any other Perquisites that may be allowed as per the guidelines issued by the Central Government from time to time.

The Perquisites, under this Category, shall not be included in the computation of the ceiling on remuneration specified in the Resolution."

5. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution.

Re-appointment of Smt Jyothsana Akkineni as Executive Director.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311, 316, read with Schedule XIII and other applicable provisions if any of the Companies Act, 1956, consent of the members be and is hereby accorded for the re-appointment of Smt. Jyothsana Akkineni as the Executive Director of the Company for a further period of three years, w.e.f 06.05.2013, without any remuneration".

6. To consider and, if thought fit, to pass with or without modification the following resolution as a Special Resolution.

Re-appointment of Sri K.Purushotham Naidu as Director (Finance & Admn).

RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310, 311, 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 consent of the members be and is hereby accorded for the re-appointment of, Sri K.Purushotham Naidu as the DIRECTOR - FINANCE & ADMINISTRATION of the Company for a further period of 3 years, w.e.f 06.05.2013, and who shall be paid the following remuneration:

1. Salary & allowances - Up to Rs. 1,25,000/- P.M.
2. Perquisites: As per the Company's policy - like Medical, LTA, PF, Gratuity etc.

By order of the Board  
For **ALUFLUORIDE LIMITED**

Visakhapatnam  
1 August, 2013

**VENKAT AKKINENI**  
Managing Director

**NOTES :**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of himself/ herself and such proxy or proxies need not be a member or members of the Company. The proxy form duly signed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
2. The Share Transfer Register and Register of Members of the Company will remain closed from 23 September, 2013 to 25 September, 2013 (both days inclusive).
3. Any change of address of the Member may please be notified to the Company quoting the Registered Folio.
4. The Company has listed its shares at:  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai 400 001.

**EXPLANATORY STATEMENT (PURSUANT TO SECTION 173(2)) OF THE COMPANIES ACT, 1956****ITEM No.4**

The tenure of Sri Venkat N.R.Akkineni whose appointment as Managing Director, for a period of five years, approved by the share holders at their Annual General Meeting held on 25th September, 2008 has expired on 15th June, 2013.

The Remuneration Committee during their meeting held on 6th May, 2013 have recommended re-appointment of Sri Venkat N.R.Akkineni as Managing Director for a further period of three years i.e., from 16th June, 2013 to 15th June, 2016 and recommended to continue the existing remuneration package which is being paid to Sri Venkat N.R.Akkineni with effect from 16th June, 2008. The recommendations of the Remuneration Committee were approved by the Board of Directors of the Company during their meeting held on 6th May, 2013 and re-appointed Sri Venkat N.R.Akkineni as Managing Director of the Company for a further period of three years, at the remuneration package approved by the Remuneration Committee.

In accordance with the provisions of the section 269 and Schedule XIII of the Companies Act, 1956, the re-appointment of Sri Venkat N.R.Akkineni as Managing Director of the Company requires the approval of the share holders by way of a Special Resolution.

None of the Directors excepting Sri Venkat N.R.Akkineni, Smt.Jyothsana Akkineni and Sri Vemulapalli Ashok are interested in the proposed special resolution.

This explanatory statement together with the terms of re-appointment mentioned in the accompanying notice should be treated as an abstract under section 302 of the Companies Act, 1956, in the respect of the contract proposed to be entered into between the Company and Sri Venkat N.R.Akkineni, Managing Director.

**ITEM No.5**

The Remuneration Committee during their meeting held on 6th May, 2013 have recommended for

re-appointment of Smt Jyothsana Akkineni as Executive Director without remuneration for a further period of three years i.e., from 6th May, 2013 to 5th May, 2016.

In accordance with the provisions of the section 269 and Schedule XIII of the Companies Act, 1956, the re-appointment of Smt Jyothsana Akkineni, without remuneration, requires the approval of the share holders by way of a Special Resolution.

None of the Directors excepting Sri Venkat N.R.Akkineni and Sri Vemulapalli Ashok are interested in the proposed special resolution.

This explanatory statement together with the terms of re-appointment mentioned in the accompanying notice should be treated as an abstract under section 302 of the Companies Act, 1956, in the respect of the contract proposed to be entered into between the Company and Smt Jyothsana Akkineni, Executive Director.

**ITEM No.6**

The Remuneration Committee during their meeting held on 6th May, 2013 have recommended for re-appointment of Sri K.Purushotham Naidu, as Director (Finance & Admn) for a further period of three years i.e., from 6th May, 2013 to 5th May, 2016 and the terms of remuneration will be considered by the Remuneration Committee of the Company.

In accordance with the provisions of the section 269 and Schedule XIII of the Companies Act, 1956, the re-appointment of Sri K.Purushotham Naidu as Director (Finance & Admn) of the Company requires the approval of the share holders by way of a Special Resolution.

None of the Directors are interested in the proposed special resolution.

This explanatory statement together with the terms of re-appointment mentioned in the accompanying notice should be treated as an abstract under section 302 of the Companies Act, 1956, in the respect of the contract proposed to be entered into between the Company and Sri K.Purushotham Naidu, Director (Finance & Admn).

## DIRECTORS' REPORT

To The Members

Your Directors take pleasure in presenting their Annual Report together with the Audited Statements of Accounts for the year ended 31st March, 2013.

### FINANCIAL RESULTS

The financial results of the Company for the year 2012-13 are summarized below :

	(Rs. in lakhs)	
	<b>31-03-2013</b>	31-03-2012
Sales and other revenue	<b>2,678.29</b>	2,560.42
Profit before Finance charges, Depreciation, Tax & other adj's	<b>244.77</b>	258.40
Less : Finance charges	<b>0.75</b>	0.55
Profit before Depreciation, Tax & other adj's	<b>244.02</b>	257.85
Less: Depreciation	<b>80.40</b>	80.19
Profit before Tax & other adj's	<b>163.62</b>	177.66
Less: Extraordinary & Exceptional Expenses	<b>46.36</b>	---
Provision for current tax	<b>54.66</b>	55.80
Taxes of earlier years	<b>4.23</b>	(0.29)
Deferred Tax Asset/Liability adj's	<b>(19.33)</b>	(10.58)
Profit before appropriations and carried to Balance Sheet	<b>77.70</b>	132.73

### OPERATIONS

Your Directors are to report that, the Company produced 4,477 MT of AIF3 during the year under review as against 4,436 MT during 2011-12. During the year the Company sold 4,172 MT AIF3 as against 4,451 MT in 2011-12. With the increased sale price of AIF3, Sales and other Income during the year under review, reported at Rs. 2,678.29 lakhs as against Rs.2,560.42 lakhs during 2011-12. With efficient working capital management, planned other income and with effective cost control measures, though there was fatal accident in the plant effecting one month's production as well spending of Rs.46.36 lakhs towards compensation etc, the Company

posted a net profit of Rs.77.70 lakhs for the year under review as against net profit of Rs.132.73 lakhs in 2011-12.

### DIVIDEND

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

### OUTLOOK FOR THE CURRENT YEAR

The sale price of Aluminium Fluoride for the current year has reduced by 5 % and the Company is planning to complete the old pending export order which is to be executed at the 2009 recession price levels. With the adjacent fertilizer complex assurance for increasing their acid supplies for the current year, as against their low supplies of 1235 MT acid in 2012-13 and with the availability of balance acid supplies from long distance acid suppliers, the company is hoping to post good returns in the current year.

### EXPORTS

During the year under review, the Company registered an Export sale of Rs.553.34 lakhs as against Rs.85.78 lakhs during 2011-12.

### ENVIRONMENT & SAFETY MEASURES

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

### INSURANCE

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

**DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company Sri A.V.V.S.S.Ch.B. Sekhar Babu, Director will be retiring at the Annual General Meeting and is eligible for re-appointment.

**AUDITORS**

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

**COST AUDIT**

M/s D.V.J. Rao & Associates, Cost Accountants, Visakhapatnam as Cost Auditors have been appointed to conduct Cost Audit for the year ended 31 March, 2013. They will submit their report to the Board of Directors before filing it to the Ministry of Corporate Affairs, New Delhi.

**RESPONSIBILITY STATEMENT**

As per the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors state:

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit and Loss of the Company for that period.
- iii. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. The Directors have prepared the accounts on a going concern basis.

**PARTICULARS OF EMPLOYEES**

There are no employees falling within the purview of the Section 217(2A) of the Companies Act, 1956 read with Company's (Particulars of Employees) Rules, 1975.

**ADDITIONAL INFORMATION**

Additional information on conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be disclosed in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is given in Annexure - 1 and forms part of this report.

**CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreement, your Company has to mandatorily comply with the requirements of Corporate Governance. A report of compliance of Corporate Governance is annexed together with a Certificate from the Auditors of the Company on compliance.

**ACKNOWLEDGEMENTS**

The Board of Directors of the Company take this opportunity to place on record their appreciation of the cooperation and support extended by State Bank of India, IDBI Bank Ltd., HDFC Bank Ltd., Axis Bank Ltd. and Punjab National Bank. Your Directors also appreciate the sincere and efficient services rendered by the Employees of the Company at all levels towards successful working of the Company.

For and on behalf of the Board

**VENKAT AKKINENI**  
Managing Director

Visakhapatnam  
1 August, 2013

**Dr. T.R. RAMACHANDRAN**  
Director

**ANNEXURE - 1**

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 for the year ended 31 March, 2013.

**A. CONSERVATION OF ENERGY:**

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

**A. Power and Fuel Consumption**

	01-04-2012 to 31-03-2013	01-04-2011 to 31-03-2012
<b>1. Electricity</b>		
<b>(a) Purchased Unit (KWH)</b>	<b>16,44,674</b>	<b>19,92,680</b>
Total Amount Rs.	<b>1,19,57,948</b>	<b>87,21,897</b>
Average Rate / Unit (Rs.)	<b>7.27</b>	<b>4.38</b>
<b>(b) Own Generation –</b>		
Through Diesel Generator – 380 + 125 KVA - Unit (KWH)	<b>6,60,040</b>	<b>1,70,760</b>
Average Unit Per litre of Diesel Oil	<b>3.21</b>	<b>3.25</b>
Cost of Diesel per KWH (Rs.)	<b>15.06</b>	<b>13.58</b>
<b>2. Furnace Oil &amp; Coal</b>		
<b>(a) Furnace oil:</b>		
Quantity (Kilo Liters)	<b>12</b>	<b>92</b>
Total Amount (Rs.)	<b>6,22,065</b>	<b>32,93,345</b>
Average Rate (Rs.)	<b>51,839</b>	<b>35,960</b>
<b>(b) Coal:</b>		
Quantity (MT)	<b>6,821</b>	<b>6,016</b>
Total Amount (Rs.)	<b>3,15,70,928</b>	<b>3,06,47,143</b>
Average Rate (Rs.)	<b>4,628</b>	<b>5,094</b>
<b>B. Consumption per ton of Production</b>		
<b>Aluminium Fluoride:</b>		
(a) Electricity (KWH)	<b>476</b>	<b>488</b>
(b) Furnace Oil (Kilo Liters)	<b>0.333</b>	<b>0.354</b>
(c) Coal (MT)	<b>1.525</b>	<b>1.441</b>
(Furnace oil & Coal consumptions) Quantity of Furnace oil/Coal consumed / quantity of Aluminium Fluoride produced)		
<b>C. Foreign Exchange Earnings</b>		
(a) Foreign Exchange – F.O.B. (Rs.)	<b>5,55,03,695</b>	<b>79,29,250</b>
(b) Foreign Exchange out go:	<b>25,75,558</b>	<b>4,01,030</b>
(c) <b>Other Components, spare parts &amp; foreign travel (Rs.)</b>	<b>---</b>	<b>84,533</b>

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Alufluoride Ltd (AL) is the only Company in Andhra Pradesh producing high purity Aluminium Fluoride (AlF<sub>3</sub>) with technology developed by Alusuisse, Switzerland. This technology facilitates conversion of Fluorine effluents from Phosphatic Fertilizer Complex into Hydrofluosilicic Acid and then to Aluminium Fluoride. The project ensures pollution abatement, import substitution, conservation of natural resources like Fluorspar & Sulphur, cost effective product, conversion of waste into wealth and earning valuable foreign exchange to the Nation. AlF<sub>3</sub> is used as flux in reducing the melting point of Alumina during the electrolytic process of producing Aluminium. Many Aluminium Smelters in India and abroad are using the Company's product with repeat orders for increased quantities due to its quality and service.

### **FUTURE OUTLOOK, OPPORTUNITIES, THREATS, RISKS & CONCERNS**

Alufluoride Ltd (AL) set up the project in 1995 to produce AlF<sub>3</sub> and related products, based on an agreement between AL and Coromandel Fertilizers Ltd, Visakhapatnam (CFL). As per the agreement, CFL is to supply 4,000 TPA of Hydrofluosilicic Acid (Acid) exclusively to AL. However, since inception CFL was unable to supply the contracted quantity and the supplies from them were deteriorating year after year. Consequently, AL's financial results were adversely affected.

It is reported that, all the Aluminium smelters in India and abroad are increasing their Aluminium production capacities and also new Aluminium smelters are coming up with high capacities, resulting in an increased demand for AlF<sub>3</sub>.

The only risk & concern for the Company is availability of Acid. When the acid is procured from other sources, the landed cost increases significantly due to transport cost. As the Company is now Debt-free, with efficient working capital management, improved AlF<sub>3</sub> sales realization, etc., your Directors are hopeful of improved financial results.

The Company is getting offers from Acid producers that they would like to supply the Acid on a long-term basis. The Company is pursuing these various sources for assured supplies from them on a long-term basis. If these efforts are successful, the Company can post good financial results.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has an internal control system which provide for:

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

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

### **HUMAN RESOURCE DEVELOPMENT**

The continued Certification of Quality and Environmental Management System adopted by the Company to ISO 9001, 14001 and OHSAS 18001 manifests to the commitment of all the employees to excellence. Committed human resources is principal core strength of your Company and is attribute to the extremely cordial atmosphere prevailing in the Company. The total number of employees stood at 81 as on 31 March, 2013.



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**REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED 31 MARCH, 2013**
**CORPORATE GOVERNANCE :**

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

**COMPANY'S PHILOSOPHY:**

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

**BOARD OF DIRECTORS:**

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

Director	No. of Board Meetings attended	Attendance at the Previous AGM held on 25 September, 2012	No. of outside Directorships held	Executive / Non Executive/ Independent
Mr. Venkat N.R. Akkineni	4	Present	7	Executive
Mr. Ashok Vemulapalli	3	Present	5	Non – Executive
Mrs. Jyothsana Akkineni	4	Present	3	Executive
Dr. T.R. Ramachandran	4	Present	1	Independent
Mr. K. Purushotham Naidu	4	Present	--	Executive
Mr. A.V.S.S.Ch.B. Sekhar Babu	4	Present	--	Independent

**BOARD MEETINGS HELD DURING THE YEAR 2012-13**

During the Financial year 2012-13, four Board Meetings were held on 28 April, 2012, 30 July, 2012, 15 October, 2012 and 31 January, 2013.

**BOARD COMMITTEES:**
**Audit Committee:**

The Audit Committee comprises of two independent Directors and one Non-Executive Director. The Audit Committee met on 28 April, 2012, 30 July, 2012, 15 October, 2012 and 31 January, 2013. The Company Secretary acts as the Secretary of the Committee.

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

- a) Overview of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payments of any other services.
- c) Reviewing with management the annual financial statements before submission to the Board.
- d) Reviewing with management, external and internal auditors, the adequacy of internal control system.
- e) Reviewing the adequacy of internal audit reporting structure, coverage and frequency of internal audit.
- f) Discussions with internal auditors on any significant findings and follow-up thereon;
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or failure of internal control systems of a material nature and reporting the matter to the Board;
- h) Discussion with external auditors before the audit commences - nature and scope of audit as well as has post audit discussions to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

#### **Shareholders' Grievances Committee:**

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

#### **Remuneration Committee:**

The Committee comprises of two Independent Directors.

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

Details of remuneration and payments to Directors during the financial year 2012-13 are given below

Name of the Director	Sitting Fee – Board Committee (Rs.)	Salary & Perks (Rs.)	Other Transaction (Rs.)
Mr. Venkat N.R. Akkineni	—	30,51,821	—
Mr. Ashok Vemulapalli	3,000	—	9,000
Mrs. Jyothsana Akkineni	—	—	25,673
Dr. T.R. Ramachandran	4,000	—	12,000
Mr. K. Purushotham Naidu	—	13,19,600	—
Mr. A.V.S.S.Ch.B. Sekhar Babu	4,000	—	12,000

**GENERAL BODY MEETINGS:**

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

Year	Venue	Date	Time
2012	Registered Office	25 September, 2012	11.00 A.M.
2011	Registered Office	16 September, 2011	11.00 A.M.
2010	Registered Office	24 September, 2010	11.00 A.M.

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

**C.E.O./C.F.O. Certification :**

The C.E.O. (Managing Director) and the C.F.O. certified to the Board on the prescribed matters as required under Clause 49 of the Listing Agreement and the said Certificate was considered by the Board at its meeting held on 1 August, 2013.

**MEANS OF COMMUNICATION:**

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

**LISTING ON STOCK EXCHANGES:**

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

**REGISTRARS AND TRANSFER AGENTS, SHARE TRANSFER SYSTEM:**

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

**MARKET PRICE DATA:**

High/Low prices during the financial year 2012-13 on Bombay Stock Exchange Ltd, Mumbai.

Month	High Rs.Ps.	Low Rs.Ps.	Month	High Rs.Ps.	Low Rs.Ps.
April, 2012	9.40	8.20	October, 2012	9.63	8.11
May, 2012	9.96	6.65	November, 2012	9.33	7.89
June, 2012	8.58	6.15	December, 2012	8.65	6.84
July, 2012	8.27	6.80	January, 2013	8.75	6.91
August, 2012	9.79	7.14	February, 2013	8.50	6.60
September, 2012	10.30	7.88	March, 2013	9.40	7.99

**CATEGORIES OF SHARE HOLDING AS ON  
31ST MARCH, 2013**

Sl. No.	Category	No. of Shares	%
1.	Promoters, Directors, relatives and associated companies	36,74,070	52.48
2.	Financial Institutions	1,00,100	1.43
3.	Mutual Funds	----	----
4.	Banks	----	----
5.	Foreign Institutional Investors	----	----
6.	Non- Resident Indians	4,02,210	5.75
7.	Private Bodies corporate	4,45,366	6.36
8.	Public	23,78,350	33.98
9.	Others	304	0.00
<b>Total</b>		<b>70,00,400</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDINGS AS ON  
31 MARCH, 2013**

No. of Shares	No. of Share holders	No. of Shares	Percentage
Upto 500	6,238	8,14,739	11.64
501 to 1,000	263	2,21,952	3.17
1,001 to 2,000	152	2,27,608	3.25
2,001 to 3,000	57	1,47,523	2.11
3,001 to 4,000	26	92,376	1.32
4,001 to 5,000	41	1,95,358	2.79
5,001 to 10,000	54	3,80,319	5.43
10,001 and above	58	49,20,525	70.29
<b>Total</b>	<b>6,889</b>	<b>70,00,400</b>	<b>100.00</b>

**DEMATERIALISATION OF SHARES AND LIQUIDITY:**

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

**Factory, Registered Office and  
address for correspondence**  
Company Secretary  
Alufluoride Limited  
Mulagada, Mindi  
Visakhapatnam 530 012 A.P.

**Annual General Meeting**

Time : 11.00 A.M.

Date : 25 September, 2013

Venue : Mulagada, Mindi  
Visakhapatnam 530 012

**BOOK CLOSURE DATES :** 23 September, 2013 to  
25 September, 2013  
(Both days inclusive)

## **CERTIFICATE**

To  
The Members,  
Alufluoride Limited,  
Visakhapatnam,

We have examined the compliance of conditions of Corporate Governance by M/s. ALUFLUORIDE LIMITED, VISAKHAPATNAM, for the period ended 31<sup>st</sup> March 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the Financial Statements of the Company.

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

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

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

Visakhapatnam  
6 May, 2013

**CA. V.V. RAM MOHAN**  
Partner  
Membership No.18788

**INDEPENDENT AUDITORS' REPORT**

To

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of ALUFLUORIDE LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements:**

Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the

financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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.

**Opinion**

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Profit and Loss Statement, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1) As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- 2) As required by section 227(3) of the Act, we report that:
  - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e) on the basis of written representations received from the Directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

**CA V.V.RAM MOHAN**  
Partner  
Memb. No. 18788

Place : Visakhapatnam  
Date : 6 May, 2013

**ANNEXURE TO AUDITORS' REPORT**

As required by the Companies' (Auditor's Report) Order, 2003 and according to the information and explanations given to us during the course of the audit and on the basis of such checks as were considered appropriate we report that:

1. a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The fixed assets have been physically verified by the management during the year. There is a phased program of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The frequency of verification is reasonable and no material discrepancies were noticed on such physical verification.  
c) No substantial part of fixed assets of the company has been disposed-off during the year, which would affect its status as a going concern.
2. a) Inventories have been physically verified during the year by the management at reasonable intervals.  
b) The procedure for physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
c) The Company has maintained proper records of inventories and discrepancies noticed on physical verification as compared to the book records were not material. However, the same have been properly dealt with, in the Books of Accounts.
3. a) According to the information and explanations given to us, the Company has not taken any loans from companies, firms or other parties covered in the Register, maintained under Section 301 of the Companies Act, 1956. The company has not granted any loans to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956.  
b) The company has neither taken nor granted any loans to companies, firms or other parties covered in the register, maintained under Section 301 of the Companies Act, 1956 and hence the sub-clauses (b), (c) & (d) are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods & services. In our opinion, there is no continuing failure to correct major weaknesses in internal control.
5. In our opinion and according to the information and explanations given to us, the Company has not entered into any transactions of purchase and sale of goods, materials and services with any party, that needs to be entered in the register maintained under Section 301 of the Companies Act, 1956. As there are no such transactions, clause (b) of paragraph 4(v) is inapplicable.
6. The Company had not accepted any deposits from the public. As such, the directives issued by the Reserve Bank of India and the provisions of Section 58A & 58AA of the Act and the rules framed there under are inapplicable.
7. In our opinion, the company has an Internal Audit system, the scope and coverage of which, in our opinion is required to be enlarged to be commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained in respect of the



- applicable products. We have however not made a detailed examination of the records with a view to determine whether they are accurate and complete.
9. a) According to the records of the company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
  - b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, wealth-tax, sales-tax, customs duty, excise duty and cess are in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.
  - c) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute except for Rs.15,00,000/- payable on Income Tax Assessment pending before CIT (Appeals) for the Assessment Year 2007-08.
  10. In our opinion, the Company has no accumulated losses and has not incurred cash losses either in the current financial year or in the immediately preceding financial year.
  11. In our opinion the company does not have any dues to banks and financial institutions. The Company has not issued any debentures.
  12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion, the company does not deal or trade in shares, securities, debentures and other investments with a view to make profits. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  15. We are informed that the company has not given any guarantee for loans taken by others from banks or financial institutions.
  16. According to information and explanations given to us, the Company had not availed any term loan during the year.
  17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment. The Company has not raised any funds on long-term basis during the year.
  18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act, during the year.
  19. According to the information and explanations given to us, the Company had not issued debentures during the year.
  20. According to the information and explanations given to us, the company has not raised money by public issues during the year.
  21. On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

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

**CA V.V.RAM MOHAN**  
Partner  
Memb. No. 18788

Place :Visakhapatnam  
Date : 6 May, 2013

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2013**

Particulars	Notes	As at 31-03-2013		As at 31-03-2012	
		Rs.	Rs.	Rs.	Rs.
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. SHARE HOLDERS FUNDS</b>					
(a) Share Capital	2	<b>7,00,04,000</b>		7,00,04,000	
(b) Reserves & Surplus	3	<b>7,43,97,498</b>	<b>14,44,01,498</b>	<b>6,66,27,912</b>	13,66,31,912
<b>2. NON - CURRENT LIABILITIES</b>					
(a) Differed Tax Liabilities (Net)	4	<b>63,11,580</b>		82,44,760	
(b) Long Term Provisions	5	<b>40,97,795</b>	<b>1,04,09,375</b>	<b>33,64,713</b>	1,16,09,473
<b>3. CURRENT LIABILITIES</b>					
(a) Trade Payables	6	<b>1,62,94,355</b>		84,86,422	
(b) Other Current Liabilities	7	<b>38,85,317</b>		34,33,420	
(c) Short Term Provisions	8	<b>92,94,157</b>	<b>2,94,73,829</b>	<b>69,95,168</b>	1,89,15,010
<b>TOTAL</b>			<b>18,42,84,702</b>		<b>16,71,56,395</b>
<b>II. ASSETS</b>					
<b>1. NON CURRENT ASSETS</b>					
(a) Fixed Assets					
- Tangible Assets	9	<b>4,53,14,671</b>		5,17,57,467	
- Long Term Loans & Advances	10	<b>40,92,624</b>	<b>4,94,07,295</b>	<b>40,92,624</b>	5,58,50,091
<b>2. CURRENT ASSETS</b>					
(a) Current Investments	11	<b>4,40,78,667</b>		3,75,05,174	
(b) Inventories	12	<b>2,94,64,396</b>		1,00,45,111	
(c) Trade Receivables	13	<b>1,08,32,559</b>		1,10,52,061	
(d) Cash & Bank Balances	14	<b>2,95,56,585</b>		3,68,09,617	
(e) Short Term Loans & Advances	15	<b>2,05,09,446</b>		1,49,88,592	
(f) Other Current Assets	16	<b>4,35,754</b>	<b>13,48,77,407</b>	<b>9,05,749</b>	11,13,06,304
<b>TOTAL</b>			<b>18,42,84,702</b>		<b>16,71,56,395</b>

**NOTES TO THE ACCOUNTS** 1

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

Per our separate report of even date

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

For and on behalf of the Board

**CA.V.V.RAM MOHAN**  
Partner  
Memb. No.18788  
Visakhapatnam  
6 May, 2013

**VENKAT AKKINENI**  
Managing Director

**Dr. T.R.RAMACHANDRAN**  
Director

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDING 31<sup>ST</sup> MARCH, 2013**

Particulars	Notes	Current Year 2012-13		Previous Year 2011-12	
		Rs.	Rs.	Rs.	Rs.
<b>I. Revenue From Operations</b>					
Sales (Gross)	17	<b>28,10,13,234</b>		26,84,26,376	
Less : Excise Duty		<b><u>2,48,25,513</u></b>	<b>25,61,87,721</b>	<b><u>2,44,24,472</u></b>	24,40,01,904
<b>II. Other Income</b>	18		<b><u>1,16,41,006</u></b>		<b><u>1,20,40,039</u></b>
<b>III. Total Revenue (I + II)</b>			<b><u>26,78,28,727</u></b>		<b><u>25,60,41,943</u></b>
<b>IV. Expenses</b>					
(a) Cost of Materials Consumed	19	<b>16,37,94,810</b>		15,20,41,047	
(b) Increase / Decrease in Inventories	20	<b>(1,79,65,545)</b>		7,20,089	
(c) Employee Benefits Expenses	21	<b>1,74,23,334</b>		1,51,56,237	
(d) Financial Charges (Bank Charges)	22	<b>74,763</b>		55,749	
(e) Depreciation	9	<b>80,39,636</b>		80,19,194	
(f) Other Expenses	23	<b><u>8,00,99,880</u></b>	<b><u>25,14,66,878</u></b>	<b><u>6,22,83,569</u></b>	<b><u>23,82,75,885</u></b>
<b>V. Profit before Extra-ordinary &amp; Exceptional expenses &amp; tax (III-IV)</b>			<b>1,63,61,849</b>		<b>1,77,66,058</b>
<b>VI. Extraordinary &amp; Exceptional Expenses</b>	21		<b>46,36,127</b>		---
<b>VII. Profit before Tax (V-VI)</b>			<b>1,17,25,722</b>		<b>1,77,66,058</b>
<b>VIII. Tax expenses</b>					
(a) Provision for Current Tax		<b>54,66,000</b>		55,80,000	
(b) Taxes of Earlier Years		<b>4,23,316</b>		(29,121)	
(c) Deferred Tax Asset/Liability adj's	4	<b><u>(19,33,180)</u></b>	<b><u>39,56,136</u></b>	<b><u>(10,58,222)</u></b>	<b><u>44,92,657</u></b>
<b>IX. Profit/Loss for the year after Taxation (VII-VIII)</b>			<b><u>77,69,586</u></b>		<b><u>1,32,73,401</u></b>
<b>X. Basic/Diluted Earning per share in Rs. (face value of Rs. 10/- each)</b>	24		<b>1.11</b>		<b>1.90</b>

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

Per our separate report of even date

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

**CA.V.V.RAM MOHAN**  
Partner  
Memb. No.18788  
Visakhapatnam  
6 May, 2013

For and on behalf of the Board

**VENKAT AKKINENI**  
Managing Director

**Dr. T.R.RAMACHANDRAN**  
Director

**Notes to Account****1. Significant Accounting Policies:****It is the Policy of the Company -****(a) Fixed Assets:**

- (i) To state assets at cost of acquisition inclusive of Inward Freight, Taxes and Incidental expenses related to acquisition but exclusive of taxes & duties for which credit is availed, Interest on Loans, during the period of construction, is added to the cost of Fixed Assets.
- (ii) Fixed Assets exclude items individually costing of Rs.5,000/- or less which are not capitalized.

**(b) Capitalization of Project:**

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

**(c) Depreciation:**

- i) To provide for Depreciation on Fixed Assets under the 'Straight line method' at the rates provided by and in accordance with schedule XIV to the Companies Act, 1956.
- ii) To charge Depreciation on pro-rata basis on all additions/deletions and on the assets that are put to use.

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

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

**(e) Disclosure of other Income etc.:**

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

**(f) Amortization and Write Offs :**

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

**(g) Foreign Currency Transactions:**

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

**(h) Sales & Purchases:**

- i) To disclose all sales at net of sales tax.
- ii) To account for all purchases exclusive of taxes & duties for which credit is availed.
- iii) To disclose sale of DEPB licenses at the time of realization.

**(i) Valuation of Inventories:**

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

**(j) Valuation of Investments:**

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

**(k) Employee Benefits:**

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

**(l) Taxes on Income:**

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

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

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

**(n) Impairment of Assets:**

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

**(o) Leases:**

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

- (p)** The Company has re-classified previous year's to confirm to this year's classifications. However, the adoption of revised Schedule VI does not impact recognition, measurement, principles - presentation and disclosures.
- (q)** Derivative Instruments: Derivative contracts entered into by the company for hedging of foreign currency fluctuation risks on certain firm commitments & forecasted transactions, or otherwise outstanding as on the year end are marked to market. Changes in values thereof and on closed contracts are recognized in the Statement of Profit & Loss based on the principles of prudence as enunciated in Accounting Standard -1 (AS-1) "Disclosure of Accounting Policies".

**2 Share Capital :**

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rs.	Rs.	Rs.	Rs.

**Authorized:**

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

**Issued, Subscribed & Paid up:**

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

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

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

Outstanding at the beginning of the year	<b>70,00,400</b>		70,00,400	
Outstanding at the end of the year	<b>70,00,400</b>		70,00,400	

Shares held by each shareholder holding more than 5% shares

<b>Promoter's Holding:</b>	%	No.	%	No.
a) V. Sunitha	<b>20.19</b>	<b>14,13,195</b>	20.19	14,13,195
b) V. Sarojini	<b>11.93</b>	<b>8,34,885</b>	11.69	8,18,609
c) Kaiser Finance & Leasing (P) Ltd	<b>11.24</b>	<b>7,86,975</b>	11.24	7,86,975

**NON-PROMOTER'S HOLDING**

--- --- --- ---

**3 Reserves & Surplus :**

General Reserve	<b>6,00,000</b>		6,00,000	
-----------------	-----------------	--	----------	--

**Surplus:**

Opening Balance	<b>6,60,27,912</b>		5,27,54,511	
Add: Profit/(Loss) for the year after taxation as per statement of Profit & Loss account	<b>77,69,586</b>	<b>7,37,97,498</b>	1,32,73,401	6,60,27,912
Total		<b>7,43,97,498</b>		6,66,27,912

**4 Deferred Tax Liability (Net):**

Deferred Tax Liability:				
Depreciation Difference	<b>79,09,173</b>		94,19,579	
Deferred Revenue Expenditure		---	1,57,502	
Total	<b>79,09,173</b>		95,77,081	
Less; Deferred Tax Asset				
Gratuity	<b>11,37,436</b>		9,29,016	
Leave Encashment	<b>4,60,157</b>		4,03,305	
Total	<b>15,97,593</b>		13,32,321	
Net Deferred Tax Asset/Liability	<b>63,11,580</b>		82,44,760	
Deferred Tax Asset / Liability Adj's	<b>(19,33,180)</b>		(10,58,222)	

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rs.	Rs	Rs.	Rs.
<b>5 Long Term Provisions:</b>				
Provision for Employee Benefits:				
Gratuity (see note 25)		30,81,159		25,18,052
Leave Encashment (see note 25)		10,16,636		8,46,661
Total		<u>40,97,795</u>		<u>33,64,713</u>
<b>6 Trade Payables:</b>				
Acceptances		1,62,94,355		84,86,422
Other than acceptances		---		---
Total		<u>1,62,94,355</u>		<u>84,86,422</u>
Based on the information available with the Company, there are no dues/interest outstanding to Micro, Small and Medium enterprises, as defined under the MSMED Act, 2006 as on 31 March, 2013 (as on 31 March, 2012 - Nil).				
Information relating to `supplier' under the provisions of Micro, Small and Medium Enterprise Development Act, 2006.				
i) The amounts due thereon remaining unpaid to any supplier as at the end of the year				
Principal		NIL		NIL
Interest		NIL		NIL
ii) Payments made beyond the appointed day and interest during the year		NIL		NIL
iii) The amount of interest due and payable for the period of delay in making payments but with out adding the interest specified in the Act		NIL		NIL
iv) The amount of interest accrued and remaining unpaid at the end of the year		NIL		NIL
v) The amount of further interest remaining due and payable in the succeeding year until the date such interest is actually paid		N.A.		N.A.
Disclosure of Sundry Creditors is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006".				
<b>7 Other Current Liabilities:</b>				
Statutory dues		7,29,401		6,81,378
Others		31,55,916		27,52,042
Total		<u>38,85,317</u>		<u>34,33,420</u>
<b>8 Short Term Provisions:</b>				
a) Provision for Employee Benefits				
Provision for Gratuity	4,23,897		3,44,747	
Provision for Leave Encashment	4,01,356		3,96,141	
Provision for Bonus	<u>7,74,988</u>	16,00,241	<u>6,74,280</u>	14,15,168
b) Unpaid Excise duty:				
Provision for unpaid excise duty on finished goods		22,27,916		---
c) Current Tax				
Provision for Income Tax		54,66,000		55,80,000
Total		<u>92,94,157</u>		<u>69,95,168</u>

**FIXED ASSETS - 9**

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As at 31-03-2012 Rs.	Additions Rs.	Deductions/ Adjustments Rs.	As at 31-03-2013 Rs.	Upto 31-03-2012 Rs.	For the Year Rs.	Deductions/ Adjustments Rs.	Upto 31-03-2013 Rs.	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
	<b>TANGIBLE ASSETS :</b>										
1.	Buildings	1,62,41,528	22,060	----	<b>1,62,63,588</b>	67,36,958	4,03,146	----	<b>71,40,104</b>	<b>91,23,484</b>	95,04,570
2.	Plant & Machinery	15,01,61,884	15,27,915	----	<b>15,16,89,799</b>	10,89,90,567	74,76,254	----	<b>11,64,66,821</b>	<b>3,52,22,978</b>	4,11,71,317
3.	Furniture, Fixtures & Air Conditioners	5,64,197	25,150	10,060	<b>5,79,287</b>	2,76,323	27,917	2,975	<b>3,01,265</b>	<b>2,78,022</b>	2,87,874
4.	Office Vehicles	12,85,830	----	----	<b>12,85,830</b>	5,58,370	1,16,047	----	<b>6,74,417</b>	<b>6,11,413</b>	7,27,460
5.	Computers	2,35,436	28,800	----	<b>2,64,236</b>	1,69,190	16,272	----	<b>1,85,462</b>	<b>78,774</b>	66,246
	<b>GRAND TOTAL</b>	<b>16,84,88,875</b>	<b>16,03,925</b>	<b>10,060</b>	<b>17,00,82,740</b>	<b>11,67,31,408</b>	<b>80,39,636</b>	<b>2,975</b>	<b>12,47,68,069</b>	<b>4,53,14,671</b>	<b>5,17,57,467</b>
	Previous Year	16,50,98,489	34,18,871	28,485	16,84,88,875	10,87,38,143	80,19,194	25,929	11,67,31,408	5,17,57,467	5,63,60,346

*The plant is constructed on operating lease hold land taken from Visakhapatnam Port Trust*



Particulars	As at 31-03-2013		As at 31-03-2012	
	Rs.	Rs	Rs.	Rs.
<b>10 Long Term Loans &amp; Advances:</b>				
Secured considered good				
1 Security Deposits		<b>40,92,624</b>		40,92,624
Total		<b>40,92,624</b>		40,92,624
<b>11 Current Investments:</b>				
Trade Investments - Investments in Mutual funds & Equity shares of listed companies, which are traded in exchanges				
<b>(a) Investment in Mutual Funds :</b>				
1 Kotak Bond Regular Growth				
2,52,659.89 units of Rs.10/- each Fully paid-up		<b>82,00,000</b>		---
2 Birla Sunlife Income Plus				
1,47,281.99 units of Rs.10/- each Fully paid-up		<b>77,50,000</b>		---
3 HDFC Income Fund Growth				
2,43,842.05 units of Rs.10/- each Fully paid-up		<b>65,00,000</b>		---
4 Kotak Bond Short term plan				
4,95,069.01 units of Rs.10/- each Fully paid-up		<b>50,00,000</b>		---
5 Birla Capital Protect DR Fund				
65,000 units of Rs.10/- each Fully paid-up		<b>6,50,000</b>		6,50,000
6 Shriram Transport Fin Co Ltd				
10,000.000 units of Rs.1000/- each Fully paid-up		<b>1,00,00,000</b>		1,00,00,000
7 Reliance Fixed Horizon Fund				
14,10,000.000 units of Rs.10/- each Fully paid-up		---		1,41,00,000
8 Religare Finvest Ltd (Bonds)				
5,000.000 units of Rs.1000/- each Fully paid-up		<b>50,00,000</b>		50,00,000
9 Tata Fixed Income portfolio Fund				
5,92,220.070 units of Rs.10/- each Fully paid-up		---		59,99,900
<b>b) Investment in Listed Company Shares :</b>				
10 Alphageo India				
3,674 Equity Share of Rs.10/- each Fully paid-up		<b>1,14,261</b>		4,48,986
11 Coromandel International Ltd				
4,500 Equity Share of Rs.1/- each Fully paid-up		<b>8,32,500</b>		12,50,111
12 BPL Ltd				
2,279 Equity Share of Rs.10/- each Fully paid-up		<b>31,906</b>		56,177
Total		<b>4,40,78,667</b>		3,75,05,174
Aggregate market value as on 31 March, 2013 of Mutual Funds Rs.4,37,31,639/- and Listed Company Shares is Rs.9,78,667/-				

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rs.	Rs	Rs.	Rs.
<b>12 Inventories:</b>				
(Refer Note 1 (i) on valuation)				
At cost as ascertained, valued and certified by the Management.				
1. Stock of Stores and Spares		15,66,015		12,19,805
2. Stock of Stores in Transit		14,45,016		3,20,784
3. Stock of Raw Materials		61,75,775		84,20,393
4. Loose Tools		24,462		24,462
5. Stock of Finished Goods		2,02,53,128		59,667
Total		<u>2,94,64,396</u>		<u>1,00,45,111</u>
<b>13 Trade Receivables:</b>				
Unsecured considered Good				
Debts outstanding for a period exceeding six months		—		—
Others		1,08,32,559		1,10,52,061
Total		<u>1,08,32,559</u>		<u>1,10,52,061</u>
<b>14 Cash &amp; Bank balances:</b>				
1. Cash in Hand		6,000		5,609
2. Bank Balances (with scheduled Banks):				
a) in Current Accounts	1,54,05,506		2,25,07,196	
b) in Various Deposit accounts	<u>1,41,45,079</u>	<u>2,95,50,585</u>	<u>1,42,96,812</u>	<u>3,68,04,008</u>
Total		<u>2,95,56,585</u>		<u>3,68,09,617</u>
<b>15 Short Term Loans and Advances:</b>				
1. Advances recoverable in Cash or in kind or for value to be received:				
a) Prepaid Expenses	6,52,782		87,061	
b) Advance to suppliers & others	72,60,641		48,51,303	
c) Income tax Payments				
Advance Tax Payments	56,00,000		56,00,000	
Tax Deducted at Source	2,37,643		4,72,737	
Payments for disputed Tax Liability	<u>56,93,260</u>	<u>1,94,44,326</u>	<u>36,93,260</u>	<u>1,47,04,361</u>
2. Balances with Central Excise, Customs, Port Trust, etc.				
a) Central Excise Deposits	10,65,120		2,84,231	
b) Others	—	<u>10,65,120</u>	—	<u>2,84,231</u>
Total		<u>2,05,09,446</u>		<u>1,49,88,592</u>
<b>16 Other Current Assets:</b>				
1. Interest receivable		4,35,754		4,20,401
2. Deferred Revenue expenditure	---		9,70,696	
Less: written off during the year	---	---	<u>(4,85,348)</u>	<u>4,85,348</u>
Total		<u>4,35,754</u>		<u>9,05,749</u>

Particulars	As at 31-03-2013		As at 31-03-2012	
	Rs.	Rs.	Rs.	Rs.
<b>17 Revenue from Operations:</b>				
<b>Sales:</b>				
1 Export Sales		5,53,34,444		85,77,626
2 Domestic Sales	22,56,78,790		25,98,48,750	
Less: Excise duty	2,48,25,513	20,08,53,277	2,44,24,472	23,54,24,278
Total		<u>25,61,87,721</u>		<u>24,40,01,904</u>
<b>18 Other Income:</b>				
1 Interest on TDR's,				
Deposits & Advances		37,99,335		39,67,753
2 Miscellaneous Receipts		78,41,671		80,72,286
Total		<u>1,16,41,006</u>		<u>1,20,40,039</u>
(Miscellaneous receipts includes Sale of Silica (By-product) of Rs.72,51,805/- (previous year Rs.98,64,307/-) and Sale of Coal dust (rejections) of Rs.1,29,31,272/- (previous year Rs.1,21,79,281/-) which is net off from coal dust transfer price and both products sale price is inclusive of excise duty)				
<b>19 Cost of Materials Consumed:</b>				
1 Consumption of Raw Materials		10,89,92,445		9,66,90,513
2 Packing Materials		13,93,891		13,72,440
3 Inward Freight		5,34,08,474		5,39,78,094
Total		<u>16,37,94,810</u>		<u>15,20,41,047</u>
<b>20 Changes in Inventories:</b>				
1 Opening Inventory		59,667		7,79,756
2 Closing Inventory	2,02,53,128		59,667	
Less: Provision for unpaid excise duty on finished goods	22,27,916	1,80,25,212	---	59,667
Net changes ((1)-(2))		<u>(1,79,65,545)</u>		<u>7,20,089</u>
<b>21 Employee Benefits expenses:</b>				
(Excludes compensation paid to employees, Hospitalization and medical expenses of Rs.46,36,127/- due to accident)				
1 Salaries, Wages & Bonus		1,54,71,114		1,32,84,229
2 Contribution to ESI & EPF		13,82,017		13,46,168
3 Staff welfare expenses		5,70,203		5,25,840
Total		<u>1,74,23,334</u>		<u>1,51,56,237</u>
<b>22 Financial Charges:</b>				
1 Bank Charges		74,763		55,749
Total		<u>74,763</u>		<u>55,749</u>

Particulars	As at 31-03-2013 Rs.	As at 31-03-2012 Rs.
<b>23 Other Expenses:</b>		
1 Power, Fuel & Water	5,73,21,791	4,54,26,279
2 Repairs & Maintenance		
- Plant	98,02,855	83,95,557
- Others	4,52,081	3,98,915
3 Deferred revenue expenses w/off	4,85,348	4,85,348
4 Other manufacturing expenses	17,45,965	15,65,054
5 Rent, Rates & Taxes	10,97,168	10,46,488
6 Insurance	1,55,286	1,31,209
7 Postage & telephone	2,57,803	2,53,653
8 Printing & Results publication charges	5,08,908	6,13,333
9 Travelling & conveyance	10,52,237	6,42,979
10 Professional expenses	5,32,500	93,500
11 Payments Auditors		
- Towards audit fee	75,000	50,000
- Tax Representation fee	15,000	20,000
12 Security charges	3,49,804	3,45,960
13 Shipment & other selling expenses	18,76,070	7,15,456
14 Loss on sale of Investments	7,29,889	4,33,187
15 Dimunition in value of Investments	7,76,607	----
16 Exchange Rate Variation (net)	2,06,058	6,65,734
17 Power linings for taking open access power	16,09,179	---
18 Other expenses	10,50,333	10,00,917
Total	<b>8,00,99,880</b>	<b>6,22,83,569</b>
<b>24 Earning per Share:</b>		
1 Net Profit/(Loss) after current and deferred tax	<b>77,69,586</b>	1,32,73,401
2 Weighted average number of equity shares of Rs.10/- each	<b>70,00,400</b>	70,00,400
3 EPS (Rs.) – Basic and Diluted	<b>1.11</b>	1.90

**25 Employee Benefits:**

- i) General Description of the Post Employment Benefits - Defined Benefit Plans
- a) **Gratuity:** Payable to employees, who render continuous service of 5 years or more, on separation, at 15 days of last drawn pay for each completed year of service.
- b) **Compensated Absence:** Encashment of accumulated earned leave, subject to maximum permissible limits as per the terms of appointment, will be paid to the employee on separation.
- i). Reconciliation of present value of defined benefit obligations

Particulars	Gratuity	Compensated Absences
	Rs.	Rs.
Opening Balance	28,62,799	12,42,802
Current Service Cost	5,13,266	1,41,889
Interest	2,25,060	97,393
Benefits Paid	99,121	50,783
Actuarial Gain/Loss	3,052	(13,309)
Closing Balance	35,05,056	14,17,992

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

Particulars	Gratuity	Compensated Absences
	Rs.	Rs.
Current Service Cost	5,13,266	1,41,889
Interest	2,25,060	97,393
Actuarial Gain/Loss	3,052	(13,309)
Total	7,41,378	2,25,973

- iv). Actuarial Assumptions

Interest / Discount rate - 8%	Salary Escalation - 10%
Age - 58%	Withdrawal Rate - 10%

**26 Pending Forward Contracts:**

Statement of forward contracts for hedging of foreign currency fluctuation risk on certain firm commitments and forecasted transactions, outstanding as on 31-03-2013:

S.No	Particulars	As on 31-03-2013		As on 31-03-2012	
		No of contracts	Amount Rs.	No of contracts	Amount Rs.
1	Currency swaps	15	7,51,74,750	13	5,17,13,725

**27 Contingent liabilities:**

1. Claims against the Company not acknowledged as debts
- a. In respect of matters under dispute with Income Tax Department amounting to Rs.71.93 lakhs (previous year Rs.71.93 lakhs), out of which Rs.56.93 lakhs has been paid under dispute.
- b. Legal notice issued by a supplier for capital goods against the Company for which the Company is disputing and had already provided sufficient liability in the books of account to the tune of Rs.12,35,756/-
2. Bank guarantees/Letter of Credit in force (Previous year - Rs. Nil) - Rs. **Nil**.

- 28** The Company availed CENVAT benefit, on Capital Goods, the balance of which is identified and disclosed separately. Fixed assets of the Company are disclosed at a value exclusive of Excise Duty paid. Opening & Closing stock of finished goods includes applicable Excise duty of Rs.22,27,916/- and Rs.6,561/- respectively.

**29 Segment Reporting:**

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

**30 Related Party Transaction:**

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

Associated Companies:	M/s Anar Enterprises Private Ltd, M/s Kaiser Finance & Leasing Private Ltd and M/s Visakha Finance Ltd
Key Management Personnel:	Mr. Venkat Akkineni, Managing Director, Mrs. Jyothsana Akkineni, Executive Director and Mr. K. Purushotham Naidu, Director (Finance).
Rent to M/s Anar Enterprises (P) Ltd:	Rs. 1,38,000 (Previous year Rs. 1,38,000)
Rent to M/s Kaiser Finance & Leasing (P) Ltd.:	Rs. 2,01,600 (Previous year Rs. 2,01,600)
Rent to M/s Visakha Finance Ltd:	Rs. 60,000 (Previous year Rs. 60,000)

Managerial Remuneration:

– Salary & Commission:	Rs. 36,14,660 (Previous year Rs.35,22,575)
– Perquisites & Contributions:	Rs. 7,84,758 (Previous year Rs. 5,87,441)
– Director's Sitting Fee:	Rs. 11,000 (Previous year Rs. 11,000)
– Director's Travelling Expenses:	Rs. 7,09,270 (Previous year Rs. 3,11,769)

**31 Foreign Exchange Details:**

S.No	Particulars	For the year ended 31-03-2013 Rs.	For the year ended 31-03-2012 Rs.
1	<b>Foreign Exchange Earnings/Imports:</b>		
(a)	Foreign Exchange – FOB	5,55,03,695	79,29,250
(b)	Values of imports computed on CIF Basis (Components & spare parts)	25,75,558	4,01,030
(c)	Expenditure in Foreign Currency Travelling & Others (Technical Consultant's fee)	---	84,533

Per our separate report of even date

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

For and on behalf of the Board

**CA V. V. RAM MOHAN**  
Partner

**VENKAT AKKINENI**  
Managing Director

**Dr. T.R. RAMACHANDRAN**  
Director

Member No.18788  
Visakhapatnam  
6 May, 2013

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2013.**

Particulars	2012-13 Rs.	2011-12 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit after Extra-ordinary items and before tax	1,17,25,722	1,77,66,058
<b>Adjustments for :</b>		
Income Tax Refund	(423,316)	29,121
Depreciation	80,39,636	80,19,194
Loss on sale of Asset	---	556
Deferred Revenue expenditure written off	4,85,348	4,85,348
<b>Operating Profit before working capital changes</b>	<b>1,98,27,390</b>	<b>2,63,00,377</b>
<b>Changes in Working capital :</b>		
<b>Adjustments for :</b>		
Trade & other Receivables	(53,16,705)	(38,90,498)
Inventories	(1,94,19,285)	(18,16,074)
Trade payables & other Payables	58,25,901	(28,56,600)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>9,17,301</b>	<b>1,77,37,105</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (net)	(15,96,840)	(34,16,871)
Investments in Shares/Mutual Funds	(65,73,493)	(1,33,00,663)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(81,70,333)</b>	<b>(1,67,17,534)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issue of Share Capital	-NIL	-NIL
Proceeds from borrowings	-NIL	-NIL
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>-NIL</b>	<b>-NIL</b>
Net changes in Cash and Cash equivalent (A+B+C)	(72,53,032)	10,19,571
Cash and Cash equivalent at the beginning of the year	3,68,09,617	3,57,90,046
Cash and Cash equivalent at the end of the year	2,95,56,585	3,68,09,617

For and on behalf of the Board

Visakhapatnam  
6 May, 2013

**VENKAT AKKINENI**  
Managing Director

**AUDITORS' CERTIFICATE**

The above cash flow statement has been compiled from and is based on the audited accounts of Alufluoride Limited for the year ended 31st March, 2013. According to the information and explanations given the aforesaid cash flow statement has been prepared pursuant to Clause 32 of Listing Agreements with Stock Exchanges and the reallocations required for the purpose are as made by the Company.

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

Visakhapatnam  
6 May, 2013

**CA V.V.RAM MOHAN**  
Partner  
Memb No.18788

BOOK - POST  
PRINTED MATTER



To

**Alufluoride Limited**

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

*If undelivered, Please return to:*

**ALUFLUORIDE LIMITED**  
MULAGADA, MINDI,  
VISAKHAPATNAM 530 012, INDIA

Phone: (91 891) 254 8568  
Fax: (91 891) 254 8567  
Email: [contact@alufluoride.com](mailto:contact@alufluoride.com)  
Web: [www.alufluoride.com](http://www.alufluoride.com)

**Annual Report  
2012 - 2013**





**ALUFLUORIDE LIMITED**  
**MULAGADA, MINDI, VISAKHAPATNAM - 530 012 INDIA**  
**PHONE: 91-891-2548568 FAX No. 91-891-2548567**  
**EMAIL: contact @alufluoride.com, WEB: http://www.alufluoride.com**

**ATTENDANCE SLIP**

**Annual General Meeting on 25 September, 2013 at 11.00 A.M. at Mulagada, Mindi,  
Visakhapatnam – 530 012 (A.P.).**

Name of the Shareholder

Folio No.

- A member/proxy wishing to attend the meeting must complete this Attendance Slip and hand it over at the entrance.
- If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office 48 hours before the meeting. Please ensure that the proxy brings this Attendance Slip with him for the meeting.

I hereby record my presence at the Annual General Meeting of the Company held at Mulagada, Mindi, Visakhapatnam 530 012, on 25 September, 2013.

Name of the Proxy (if any) in Block Letters

Signature of the Member/Proxy



**ALUFLUORIDE LIMITED**  
**Mulagada, Mindi, VISAKHAPATNAM - 530 012 INDIA**  
**PHONE: 91-891-2548568 FAX No. 91-891-2548567**  
**EMAIL: contact@alufluoride.com, WEB: http://www.alufluoride.com**

Name of the Shareholder

Folio No.

**PROXY FORM**

I/We..... of.....  
in the district of ..... being  
a member/members of ALUFLUORIDE LIMITED, hereby appoint .....  
of..... in the district of .....  
or failing him..... of.....  
in the district of ..... as my/our Proxy to attend and vote for me/us on my/our behalf at the Annual  
General Meeting of the Company to be held on the 25 September, 2013 and at any adjournment thereof.

Signed this..... day of..... 2013.

Signature:\_\_\_\_\_

Affix 1  
Rupee  
Revenue  
Stamp

Note : The Proxy Form duly completed, must be deposited at the Mulagada, Mindi, Visakhapatnam - 530 012 (A.P.) not less than 48 hours before the time for holding the meeting.



# ALUFLUORIDE LIMITED

MULAGADA MINDI, VISAKHAPATNAM - 530 012. INDIA

PHONE : 2548568, 2577077 FAX : 91 - 891 - 2548567

E.mail : contact@alufluoride.com

Web : http://www.alufluoride.com



The Department of Corporate Services  
Bombay Stock Exchange Limited  
Floor 25, PJ Towers  
Dalal Street,  
MUMBAI - 400 001

17 December, 2013

Dear Sir,

Sub: Annual Report - 2012-13 AGM scheduled on 25 September, 2013  
Ref: Clause 31(a) of the Listing Agreement.

## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	Alufluoride Ltd.
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2013
3.	Type of Audit observation	Un-qualified / Matter of Emphasis
4.	Frequency of observation	Nil
5.	To be signed by- <ul style="list-style-type: none"><li>• CEO/Managing Director</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit Committee Chairman</li></ul>	(K.Purushotham Naidu) Director Finance

Find attached herewith 6 copies of Annual Reports for your information & records

For Alufluoride Limited

(K.Purushotham Naidu)  
Director Finance

Factory : Mulagada Mindi, Visakhapatnam - 530 012. A.P. INDIA Ph. : 2577094