



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## GENERAL INFORMATION

### **Chairman & Managing Director**

Sh. Pankaj Ostwal

### **Whole Time Director & Chief financial officer**

Sh. Sourabh Gupta

### **Company Secretary & Compliance Officer**

Ms. Pallavi Sukhwal

### **Statutory Auditor**

Ashok Kanther & Associates  
Chartered Accountants  
90, Indira Market,  
Bhilwara (Raj) 311 001  
Ph. No. 01482-227154

### **Registrar & Transfer Agent**

Bigshare Services Pvt. Ltd  
E-2, Ansa Industrial Estate, Sakhivihar Road,  
Sakinaka, Andheri (East), Mumbai 400072  
Ph. No. +91-22-40430200/91-22-28475201

### **Our Bankers**

#### **HDFC Bank**

Shop 2,3,4, S.K.Plaza, Pur Road  
Bhilwara (Raj.)

#### **State Bank of India**

Industrial Estate Bhilwara (Raj.)

### **Listed on**

National Stock Exchange "SME Emerge"

### **Non-Executive Director**

Sh. Sushil Kumar Surana

Sh. Arvind Kothari

Sh. Paras Mal Surana

Sh. Praveen Ostwal

Smt. Aruna Kothari

### **Secretarial Auditor**

SP Jethlia & Co.  
Company Secretaries  
1-A-23, R.C. Vyas Colony,  
Bhilwara, 311 001  
Ph. No. 01482-238944

### **Registered & Corporate Office**

5-O-21, Basement, R.C. Vyas Colony  
Bhilwara (Raj.) 311001  
Ph:- 01482-237104  
E- Mail - accounts@mbapl.com

### **Works**

Unit-I : Village- Rajoua  
Distt.- Sagar (M.P.)

Unit-II : Village: Sourai  
Tehsil- Banda  
Distt.- Sagar (M.P.)

### **Website address**

<http://www.mbapl.com>



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### MANAGING DIRECTOR'S MESSAGE

Dear Shareholder,

On behalf of the Board of Directors, it gives me great pleasure to present the 20th Annual Report and financial performance of the company for the year ended 31st March, 2017.

The Company has achieved tremendous progress in its operation since its establishment in the year 1997. The Net turnover for the year under review is Rs. 7866.09 Lakh. The Net Profit for the year is Rs. 1172.89 Lakh. I would say the performance of the company during 2016-17 was satisfactory. My management team along with myself strive hard to deliver superior performance.

Fertilizers demand in India mainly been influenced by the changing and interconnected aspects such as economic growth, population, growth of agriculture sector, and monsoon to ensure balanced nutrition to the crops, soil, increasing food grain production, diversification in consumption pattern of different crops, rising awareness among the farmers and government initiatives, prices & production. These factors would continue to drive the fertilizer demand in India in the future years.

The year 2016-17 your Company made its landmark move by entering into the capital market on September 12, 2016. The shares of your Company were listed on SME Platform of "NSE EMERGE", by way of offer for sales. This has casted additional responsibilities on our shoulders to meet expectations of the market and the confidence reposed by the public in our capabilities and future prospects of the company.

Our vision is to work towards a happier India by providing best quality fertilizers to the poor farmers of our nation. We have an outstanding strategic advantage, association with 'Shriram' a great brand, committed work force & a remarkable future ahead.

Our strength lies in consistent quality, availability & regular supply with management philosophy of commitment to satisfying customers.

To conclude, I am sincerely thankful all my colleagues on the Board, especially Independent Directors for their continued assistance, support and wise counsel and I express my profound gratitude to all of the shareholders, for their steadfast confidence reposed in the company and to all employees, bankers, financial institutions, suppliers, customers and social institutions for their consistent support which has greatly contributed towards our growth. At the end, I say that I strongly believe that your continued support and our collective endeavors will enable Company to touch great heights and scale new peaks of excellence in the current year and all the years to come.

Thank you,  
Yours sincerely

Sd/-  
Pankaj Ostwal  
(Managing Director)



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## COMPANY INFORMATION

MBAPL is one of the quality Single Super Phosphate (SSP) fertilizer manufactures of India in private sector. Present installed capacity of SSP 60000TPY (200 TPD) at unit I & BRP processing is 99000 TPY (300 TPD), This year company commenced commercial production of its newly installed SSP unit 120000TPY (400 TPD) and Sulphuric Acid 36000TPY (120 TPD) at Unit II. Further putting up a Chemicals and Infrastructure Projects comprising of Phosphoric Acid, Triple Super phosphate, Chemicals and other allied products and Expansion of SSP, GSSP, BRP, Sulphuric Acid, etc. are underway at its Unit II at Village - Sourai, Dist. Sagar, Madhya Pradesh.

The company is performing well in producing Sulphuric Acid, Beneficiated Rock Phosphate (BRP) and Single Super Phosphate (SSP) during the current Financial Year 2015-16 and GSSP, Phosphoric Acid, Chemicals and other Allied Product projects is work in progress.

Sulphuric acid is generally mother chemical for all chemicals, putting up sulphuric acid plant play significant milestone role in boost up of company growth. Fertilizers generally consist of organic and inorganic fertilizers. Organic manures and some mined minerals have been used for many centuries as organic fertilizers, whereas chemically - synthesized inorganic fertilizers were only extensively developed during the industrial revolution.

### **SSP (Single Super Phosphate)**

Single Super Phosphate is a fertilizer produced by treating Rock Phosphate with Sulphuric Acid. It is the carrier of phosphate ( $P_2O_5$ ), the form of phosphorus usable by plant & is one of the world's most important fertilizers. SSP provides the cheapest source of sulphur to the soil also.

### **BRP (Beneficiated Rock Phosphate)**

Phosphorite Phosphate rock or rock phosphate is a non- detrital Sedimentary rock which contains high amounts of phosphate bearing Minerals. Rock phosphate is mainly used for the production of single super phosphate & dia ammonium phosphate, which are mainly used as fertilizers.

### **SA (Sulphuric Acid)**

Sulphuric Acids only raw material is Sulphur, which is now available near to unit at economic and competitive price at newly established Govt. refinery.



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## FINANCIAL HIGHLIGHTS

(Rs. In Lakhs)

Particulars	2016-17	2015-16
Net Sales	7866.09	6466.27
Depreciation	710.07	344.05
Misc. Exp. W/off	0.00	9.38
Profit Before Tax	1325.59	592.88
Profit After Tax	1172.89	920.69
<b>Financial Position</b>		
Gross Fixed Assets	11371.94	10142.24
Net Fixed Assets	10318.86	8836.53
Non Current Investments	0.00	117.00
Other Non Current Assets	320.21	180.78
Current Assets	4245.16	2170.57
<b>Total Assets</b>	<b>14884.23</b>	<b>11304.88</b>
Equity Share Capital	2190.67	2190.67
Reserves & Surplus	7982.72	6938.31
Non Current Liabilities	2125.00	1607.27
Current Liabilities	2585.84	568.63
<b>Total Sources</b>	<b>14884.23</b>	<b>11304.88</b>

<b>Profit Before Tax Margin (%)</b>	<b>16.85</b>	<b>9.17</b>
<b>Profit After Tax Margin (%)</b>	<b>14.91</b>	<b>14.24</b>
<b>EPS</b>	<b>5.35</b>	<b>4.61</b>

### **PROFIT BEFORE TAX**

The Profit before tax for the FY 2016-17 was Rs. 1325.59 Lakhs i.e. 16.85% of Sales as against Rs. 592.88 Lakhs i.e. 9.17% of Net Sales in FY 2015-16.

### **TAXATION**

Your company's total tax liability for the year was Rs. 288.22 Lakhs comprising of deferred tax liability/ (Assets) of (Rs.135.52 Lakhs).

### **PROFIT AFTER TAX**

The profit after tax was Rs. 1172.89 Lakhs (14.91 % of Net Sales) in current year as compared to Rs. 920.69 Lakhs (14.24 % of Net Sales) in the previous year.

### **EARNING BEFORE INTEREST, TAX & DEPRECIATION**

Your company achieved EBITD of Rs. 2547.77 Lakhs i.e. 32.39% of Net Sales. The EBITD of the previous year of Rs. 1219.49 Lakhs i.e. 18.86% of Net Sales.



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## DIRECTORS' REPORT

*For the Year 2016-17*

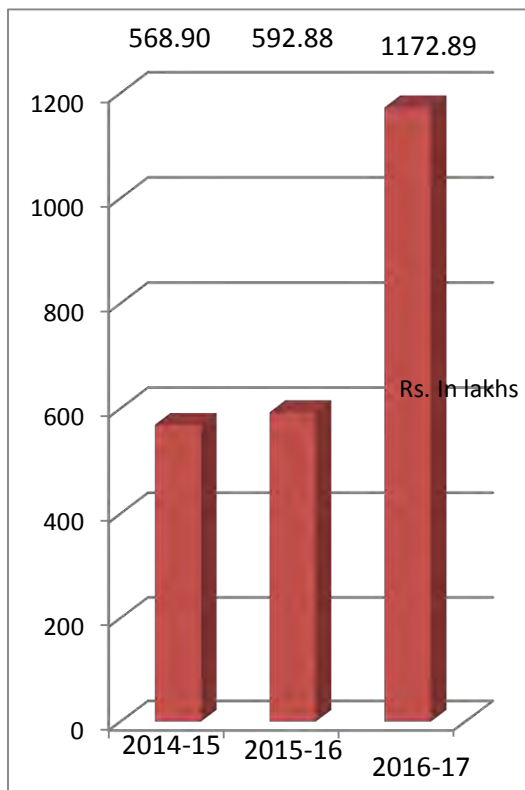
Dear Members,

Your Directors have pleasure in presenting the 20<sup>th</sup> Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

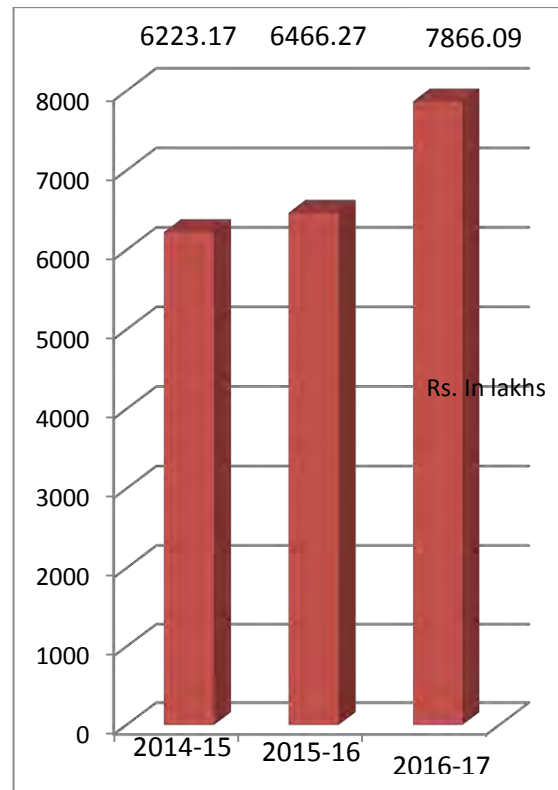
### FINANCIAL RESULTS

(Rs. in Lakhs)

Particulars	2016-17	2015-16
Turnover	7866.09	6466.27
Profit Before Taxation	1325.59	592.88
Taxation/Deferred Tax	152.70	-327.81
Profit / (Loss) after Tax	1172.89	920.69
Transfer from Revaluation Reserve	7.64	7.64
Proposed Dividend & Dividend Tax	128.48	-
Add: Balance brought forward from Previous year	2791.02	1862.69
Profit transferred to Balance Sheet	3843.07	2791.02



**Profit**



**Turnover**



# *MADHYA BHARAT AGRO PRODUCTS LIMITED*

## **STATE OF COMPANY'S AFFAIR**

Your Company has achieved turnover of Rs.7866.09 Lakh for the current financial year 2016-17 as against of Rs. 6466.26 Lakhs previous financial year. Similarly the Company profit for the current financial year 2016-17 has Rs. 1172.89 Lakhs up from Rs. 920.69 Lakhs in previous financial year.

## **CHANGE IN THE NATURE OF BUSINESS OF COMPANY**

During the year under review, there is no change in the nature of business of Company

## **LISTING OF THE COMPANY**

Your Company made its landmark move by entering into the capital market on September 12, 2016. The shares of your Company were listed on SME Platform of "NSE EMERGE", by way of offer for sales of 57,90,000 equity shares of face value of Rs. 10.00 each for cash at a price of Rs. 24.00 per equity share (share premium of Rs. 14.00 per equity share).

## **ANNUAL RETURN:**

The information required pursuant to the provisions of Section 134 (3) (a) and Section 92 (3) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 the extract of the Annual Return in Form MGT-9 for the financial year ended on March 31<sup>st</sup>, 2017 is provided in Annexure I forming part of this report.

## **AUDITORS & AUDITORS' REPORT**

The term of M/s Ashok Kanther & Associates, Chartered Accountants, statutory auditors of the company will be expires in the conclusion of this 20<sup>th</sup> Annual General Meeting, therefore, the Company has appointed M/s. Rajneesh Kanther & Associates Statutory Auditors of the Company for a term of 05 years from the conclusion of this annual general meeting till the conclusion of 25<sup>th</sup> AGM held in the year 2022 subject to the ratification at each annual general meeting held after forthcoming annual general meeting.

They have confirmed their eligibility to the effect that their appointment, if made, would be within the prescribed limits under the Act and that they are not disqualified for appointment.

The Auditor's Report is self-explanatory and therefore, do not call for any further comments/clarifications and Auditor's report does not contain any qualification, reservation or adverse remarks.

## **SECRETARIAL AUDITOR & SECRETARIAL AUDITORS' REPORT**

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2014, the company has appointed M/s SP Jethlia & Co., a Proprietorship firm of company Secretaries in practice to undertake the Secretarial Audit of the Company for financial year 2016-17. The Secretarial Audit report is provided in Annexure II forming part of this report.

The Secretarial Audit report does not contain any qualification, reservation or adverse remarks.



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

### **COST AUDITOR & AUDITORS' REPORT**

M/s K.C. Moondra & Associates, Cost Accountant, was appointed Cost Auditors of Company for FY 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee, the Board has appointed M/s K.C. Moondra & Associates, Cost Accountants (Registration No. 101814), for remuneration at Rs. 30000 plus applicable service tax and out of pocket expenses to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018. The appointment and the remuneration of the cost Auditor is required to be ratified subsequently by the Members of the Company and further subject to the approval of the Central Government.

### **INTERNAL AUDITOR & INTERNAL CONTROL SYSTEM**

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The company has made appointment of Mrs. Priyanka Jain, Chartered Accountants, as the Internal Auditor of the Company and she reports directly to the chairman and the Audit Committee of the Board. The scope and functions of internal auditor is defined and reviewed by the Audit Committee.

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

### **RESERVES**

During the year under review, The Board of Director of Company Proposed to transfer Rs 1180.53 lakhs to general reserve thereby taking it to Rs 3843.07 lakhs.

### **DIVIDEND**

The Board of Directors are pleased to recommend final dividend of Rs. 0.50 per equity share (face value of Re. 10/- per share) for the financial year 2016-2017.

### **DEPOSITS**

The Company has not accepted any deposits covered under section 73 of the Companies Act, 2013.

### **NO DEFAULT**

The company has not defaulted in payment of interest and/or repayment of loan to any of the financial institutions and/or bank.



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with provisions of Companies Act, 2013 and Company's Articles of Association, Sh. Sourabh Gupta (DIN 07177647), Director of the Company, retire by rotation and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

During the year under review, Board of Directors of the Company appointed Mrs. Aruna Kothari as Additional Director of the Company with effect from June 04, 2016 and shall hold office up to the date of the ensuing Annual General meeting of the Company.

Mrs. Aruna Kothari is appointed as a woman Independent Director of the company w.e.f. 28th September 2016, pursuant to the section of 152 & 149 of the Companies Act, 2013 and the Articles of Association of the Company.

Your Company has received the requisite notice proposing her appointment as a woman Independent Director of the Company.

Mr. Sourabh Gupta, Director and Chief Financial officer of the Company re-designated as Whole Time Director & Chief Financial officer of the Company for a period of 5 (five) w.e.f. 11<sup>th</sup> June 2016.

During the year, Mr. Pankaj Ostwal, Chairman & Managing Director of the Company, Mr. Sourabh Gupta, Whole Time Director & Chief Financial Officer and Ms. Pallavi Sukhwai, Company Secretary of the Company were designated as Key Managerial Personnel of the Company pursuant to Section 203 of the Companies Act, 2013.

### **NUMBER OF MEETINGS OF BOARD OF DIRECTORS:**

The Board of Directors duly met 10 (Ten) times 18<sup>th</sup> April, 2016, 04<sup>th</sup> June, 2016, 20<sup>th</sup> June, 2016, 30<sup>th</sup> July, 2016, 17<sup>th</sup> August, 2016, 19<sup>th</sup> September, 2016, 10<sup>th</sup> October, 2016, 10<sup>th</sup> November, 2016, 12<sup>th</sup> December, 2016 and 08<sup>th</sup> March, 2017 in F.Y. 2016-17 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. However, the Board passed no circular resolution.

### **PARTICULARS OF EMPLOYEES**

The information required pursuant to the Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of ratio of remuneration of each director to the median remuneration of the employees of the Company is provided in Annexure III forming part of this report.

### **ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING**

The details as required under section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 of Companies (Account) Rule, 2014 for conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo are given in Annexure IV forming part of this report.





## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

### **PARTICULAR OF LOAN, GUARANTEE AND INVESTMENT UNDER SECTION 186**

The information required for loans given, investment made or guarantee given or security provided during the year under section 186 of the Companies Act, 2013 read with the rule 11 of Companies (Meetings of Board and its power) Rule, 2014 is provided in Annexure V forming part of this report.

### **RISK MANAGEMENT:**

Proper Risk Management Practices have followed for the purpose of risk identification, analysis, response planning and monitoring, controlling, and reporting. Although, all risks cannot be eliminated, but mitigation and contingency plans has been developed to lessen their impact if they occur.

### **RELATED PARTY TRANSACTION UNDER SECTION 188**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the company during the financial year which were in the conflict of interest of the company.

Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure VI in Form AOC-2 and the same forms part of this report.

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORTS**

The Corporate Governance and Management Discussion & Analysis Report, as required pursuant to the SEBI ((Listing Obligations & Disclosure Requirements) Regulations, 2015, is provided in Annexure VII and Annexure VIII forming part of this report.

### **DECLARATION OF INDEPENDENT DIRECTORS:**

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, to the effect that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013. The terms and conditions of the Independent Directors are incorporated on the website of the Company.

### **BOARD EVALUATION:**

Pursuant to the relevant provisions of the Companies Act, 2013 and the Listing regulations, the Board has carried out an annual performance evaluation of its own, working of its Committees and the Directors. The Nomination and Remuneration Committee has carried out evaluation of every Director. The Independent Directors evaluated performance of the Non-Independent Directors, the Board as whole and the Chairperson of the Company.

### **COMMITTEES OF BOARD:**

#### **AUDIT COMMITTEE DISCLOSURE UNDER SECTION 177:**

The Audit Committee of the Company consists of 2 Independent Directors and 1 Executive Director. The Chairman of the Audit Committee is financially literate and majority of them having accounting or



## MADHYA BHARAT AGRO PRODUCTS LIMITED

related financial management experience. Representative of Statutory Auditor is permanent invitee. Company Secretary acts as Secretary to the Committee.

The following Directors are the members of Audit Committee.

- |                              |          |
|------------------------------|----------|
| (1) Shri Arvind Kothari      | Chairman |
| (2) Shri Pankaj Ostwal       | Member   |
| (3) Shri Sushil Kumar Surana | Member   |

During the year the Committee had 5 Meetings i.e. on 05<sup>th</sup> April 2016, 01<sup>th</sup> August 2016, 25 October 2016, 25 November 2016, and 18<sup>th</sup> January 2016.

### **NOMINATION & REMUNERATION COMMITTEE DISCLOSURE UNDER SECTION 178:**

In pursuant to the provisions of section 178 (4) of the Companies Act, 2013, the Nomination and Remuneration Policy recommended by the Nomination and Remuneration committee is duly approved by the Board of Directors of the Company and is provided in Annexure IX forming part of this report.

The following Directors are the members of nomination and Remuneration Committee.

- |                              |          |
|------------------------------|----------|
| (1) Shri Sushil Kumar Surana | Chairman |
| (2) Shri Arvind Kothari      | Member   |
| (3) Shri Paras Mal Surana    | Member   |

The Committee will meet as and when any remuneration is to be fixed for any Director /Managing Director and Key Managerial Personnel. During the year the Committee had 2 Meetings i.e. on 16 May 2016 And 17<sup>th</sup> March 2017.

### **STAKEHOLDER RELATIONSHIP COMMITTEE:**

The following Committee of Directors looks after the Investor Grievances:

- |                              |          |
|------------------------------|----------|
| (1) Shri Arvind Kothari      | Chairman |
| (2) Shri Pankaj Ostwal       | Member   |
| (3) Shri Sushil Kumar Surana | Member   |

During the year the 4 Stakeholder Relationship Committee Meetings were held on 27 June 2016, 10 August 2016, 17 October 2016, And 18 January 2017.

### **CORPORATE SOCIAL RESPONSIBILITY:**

In pursuant to the provisions of section 135 and schedule VII of the Companies Act, 2013, CSR Committee of the Board of Directors was formed to recommend (a) the policy on Corporate Social Responsibility (CSR) and (b) implementation of the CSR Projects or Programs to be undertaken by the Company as per CSR Policy for consideration and approval by the Board of Directors. CSR Policy is disclosed on the website of the Company viz. <http://www.mbapl.com>.

As per provision of new enacted Company Act, 2013, the Board of Directors have framed Corporate Social Responsibilities Committee having the following members:-



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

(1) Shri Arvind Kothari	Chairman
(2) Shri Paras Mal Surana	Member
(3) Shri Sushil Kumar Surana	Member

The company has incurred as per recommendation of committee a sum of Rs. 17.88 Lakhs during the year 2016-17 as against Rs. 11.31 Lakhs as per provisions of Company Act, 2013.

Your company as part of its responsibility towards society has been taking welfare measures from time to time.

The CSR Report of the Company is provided in Annexure X forming part of this report.

### **WHISTLE BLOWER POLICY / VIGIL MECHANISM**

The Company has established vigil mechanism policy for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy. Vigil Mechanism Policy is disclosed on the website of the Company viz. <http://www.mbapl.com>.

### **MATERIAL CHANGES AND COMMITMENTS:**

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

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

### **SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANY:**

The Company does not have any Subsidiary, Joint Venture and Associate Company.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainee) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17.

No. of complaints received: Nil

No. of complaints disposed off: Nil



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 (3) (c) & 134 (5) of the Companies Act, 2013 with respect to Directors Responsibility Statement, it is hereby confirmed:

- a) That in the preparation of the Accounts for the Financial Year ended 31<sup>st</sup> March, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit of the company for the year under review.
- c) That the Directors 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 the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2017 on a going concern basis.
- e) That the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- f) That the directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system were adequate and operating effectively.

### HEALTH, SAFETY AND QUALITY MANAGEMENT

Your Company is ISO 9001:2015 certified and maintains high quality of product and processes and the company is conscious about its responsibility towards the upkeep of environment and maintenance of high safety and health standards at its work places.

### ACKNOWLEDGEMENT

We wish to place on record the cooperation received from the M.P. State Mining Corporation Ltd., Shriram Fertilizers & Chemicals, Banks and customers, suppliers, business associates and shareholders of the Company. The Directors also wish to place on record the appreciation to the team of executives, staff and workers, who have shown devotion and efficiency in performing their jobs.

**For and on Behalf of the Board of Directors**

Place	Bhilwara (Raj)	Sd/ (Pankaj Ostwal) <b>Managing Director</b>	Sd/- (Sourabh Gupta) <b>Whole Time Director</b> & <b>Chief Financial Officer</b>
Date	25.05.2017	<b>DIN 02586806</b>	<b>DIN 07177647</b>

# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE I

Form No. MGT-9

As on the financial year ended on 31.03.2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### REGISTRATION AND OTHER DETAILS

i)	CIN	L24121RJ1997PLC029126
ii)	Registration Date	22-10-1997
iii)	Name of the Company	Madhya Bharat Agro Products Limited
iv)	Category / Sub-Category of the Company	Public Company Company Limited by Share
v)	Address of the Registered office and contact details	5-O-21, Basement, R.C. Vyas Colony Bhilwara (Raj.)
vi)	Whether listed company (Yes / No)	Yes NSE "Emerge"
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai-400 072, Maharashtra, India Tel No.:+91-22-40430200 Fax No.:+91-22-28475201 Email: ipo@bigshareonline.com

### PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated –

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Beneficiated Rock Phosphate	20121	10.65
2	Single Super Phosphate	20121	71.40
3	Sulphuric Acid	20112	09.38
4	Trading Goods	-	08.57

### PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Ostwal Phoschem India Limited	U26933RJ1989PLC032188	Holding	31.62	Section 2(46) of the Companies Act ,2013



## MADHYA BHARAT AGRO PRODUCTS LIMITED

a) Bodies Corp.									
Indian	0	2846000	2846000	12.99	4868000	0	4868000	22.22	9.23
Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
Individual shareholders holding nominal share capital up to Rs. 1 lakh	0	0	0	0	1116000	0	1116000	5.10	5.10
Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	1530000	1530000	6.98	2544000	0	2544000	11.61	4.63
Others									
Clearing Member	0	0	0	0	108000		108000	0.49	0.49
<b>Sub-total (B)(2):-</b>	<b>0</b>	<b>4376000</b>	<b>4376000</b>	<b>19.97</b>	<b>8636000</b>	<b>0</b>	<b>8636000</b>	<b>39.42</b>	<b>19.45</b>
Total Public Shareholding (B)=(B)(1)+ (B)(2)	<b>0</b>	<b>4376000</b>	<b>4376000</b>	<b>19.97</b>	<b>8636000</b>	<b>0</b>	<b>8636000</b>	<b>39.42</b>	<b>19.45</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>21906735</b>	<b>21906735</b>	<b>100.00</b>	<b>21906735</b>	<b>0</b>	<b>21906735</b>	<b>100.00</b>	<b>0</b>

### Shareholding of Promoters

S No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledge d / encumbered to total shares	
1	Pankaj Ostwal	1220130	5.57	-	201015	0.92	-	-4.65
2	Praveen Ostwal	332700	1.52	-	332700	1.52	-	-
3	Ekta Jain	661840	3.02	-	661840	3.02	-	-
4	Pankaj Ostwal (HUF)	57120	0.26	-	57120	0.26	-	-
5	Mahendra Kumar Ostwal	8500	0.04	-	8500	0.04	-	-
6	Smt. Nitu Jain	5000	0.02	-	5000	0.02	-	-
7	Praveen Ostwal (HUF)	6000	0.03	-	6000	0.03	-	-
8	Seasons Agro Chem India Private Limited	2310800	10.55		2066790	9.43	-	-1.12
9	Ostwal Phoschem (India) Private Limited	9730520	44.42	-	6926770	31.62	-	-12.80

## MADHYA BHARAT AGRO PRODUCTS LIMITED

10	Nirmala Realinfrastructure Private Limited	900000	4.11	-	900000	4.11	-	-
11	Chunri Prints Private Limited	1207625	5.51	-	1089500	4.97	-	-0.54
12	Paneri Textiles Private Limited	1090500	4.98	-	1015500	4.64	-	-0.34
	<b>Total</b>	<b>17530735</b>	<b>80.03</b>	<b>0</b>	<b>13270735</b>	<b>60.58</b>	<b>0</b>	<b>-19.45</b>

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

S. No.	Name of Promoter	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	17530735	80.03	17530735	80.03
	Offer for sale	(4260000)	(19.45)	13270735	60.58
	At the End of the year	13270735	60.58	13270735	60.58

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

S. No.	Name of shareholder	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	<b>Suswani Textiles Pvt Ltd</b>				
	At the beginning of the year	1000000	4.56	1000000	4.56
	Increase /Decrease in Share Holding during the year	468000	2.14	1468000	6.70
	At the End of the year	1468000	6.70	1468000	6.70
2	<b>Visualize Tradecom Pvt Ltd.</b>				
	At the beginning of the year	846000	3.86	846000	3.86
	Increase /Decrease in Share Holding during the year	432000	1.97	1278000	5.83
	At the End of the	1278000	5.83	1278000	5.83
3	<b>Vesta Tex Pvt Ltd.</b>				
	At the beginning of the year	1000000	4.56	1000000	4.56
	Increase /Decrease in Share Holding during the year	-	-	-	-
	At the End of the year	1000000	4.56	1000000	4.56
4	<b>Swastik Clothtex Private Limited</b>				
	At the beginning of the year	0	0	0	0



## MADHYA BHARAT AGRO PRODUCTS LIMITED

	Increase /Decrease in Share Holding during the year	384000	1.75	384000	1.75
	At the End of the year	384000	1.75	384000	1.75
<b>5</b>	<b>Hem Finlease Private Limited</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	1980000	0.90	1980000	0.90
	At the End of the year	1980000	0.90	1980000	0.90
<b>6</b>	<b>Mahavir Texturising Pvt Ltd</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	174000	0.79	174000	0.79
	At the End of the year	174000	0.79	174000	0.79
<b>7</b>	<b>Bhupendra Dangi</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	150000	0.68	150000	0.68
	At the End of the year	150000	0.68	150000	0.68
<b>8</b>	<b>Vaishnavi Creation Private Limited</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	144000	0.66	144000	0.66
	At the End of the year	144000	0.66	144000	0.66
<b>9</b>	<b>Kan Singh Ostwal</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	108000	0.49	108000	0.49
	At the End of the year	108000	0.49	108000	0.49
<b>10</b>	<b>Anita Dangi</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	108000	0.49	108000	0.49
	At the End of the year	108000	0.49	108000	0.49

### **Shareholding of Directors and Key Managerial Personnel:**

S. No.	Name of shareholder	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
<b>1</b>	<b>Sh. Praveen Ostwal</b>				
	At the beginning of the year	332700	1.84	332700	1.84
	Increase /Decrease in Share	-	-	-	-

## MADHYA BHARAT AGRO PRODUCTS LIMITED

	Holding during the year				
	At the End of the year	332700	1.52	332700	1.52
<b>2</b>	<b>Sh. Pankaj Ostwal</b>				
	At the beginning of the year	1220130	6.74	1220130	6.74
	Increase /Decrease in Share Holding during the year	(1019115)	(5.82)	201015	0.92
	At the End of the year	201015	0.92	201015	0.92
<b>3</b>	<b>Sh. Arvind Kothari</b>				
	At the beginning of the year	0	0	0	0
	Increase /Decrease in Share Holding during the year	18000	0.08	18000	0.08
	At the End of the year	18000	0.08	18000	0.08

### INDEBTEDNESS

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

(In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1766.03	5.00	0	1771.03
ii) Interest due but not paid	18.63	0	0	18.63
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>1784.66</b>	<b>5.00</b>	<b>0</b>	<b>1789.66</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1501.56	257.00	0	1758.56
Reduction	234.42	262.00	0	496.42
<b>Net Change</b>	<b>1267.14</b>	<b>-5.00</b>	<b>0</b>	<b>1262.14</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	3033.17	0	0	3033.17
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>3033.17</b>	<b>0</b>	<b>0</b>	<b>3033.17</b>

## MADHYA BHARAT AGRO PRODUCTS LIMITED

### REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(In Lakhs)

S.no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Pankaj Ostwal	Sourabh Gupta	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.02	5.67	29.69
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify	-	-	-
	Total (A)	24.02	5.67	29.69
	Ceiling as per the Act			

#### B. Remuneration to other directors - N.A.

(In Lakhs)

S. no.	Particulars of Remuneration	Name of Director				Total Amount
		Arvind Kothari	Sushil Kumar Surana	Parasmal Surana	Aruna Kothari	
<b>1.</b>	Independent Directors					
1	Fee for attending board committee meetings	0.08	0.08	0.08	0.07	0.31
2	Commission	-	-	-	-	-
3	Others, please specify	-	-	-	-	-
	Total (1)	0.08	0.08	0.08	0.07	0.31
<b>2.</b>	Other Non-Executive Directors	Praveen Ostwal				
1	Fee for attending board committee meetings					
2	Commission					-
3	Others, please specify					-
	Total (2)					
	Total (B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors				

## MADHYA BHARAT AGRO PRODUCTS LIMITED

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

(In Lakhs)

S. no.	Particulars of Remuneration	Key Managerial Personnel			Total Amount
		CEO	Company Secretary	CFO	
			Pallavi Sukhwai		
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.44	-	1.44
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	0	-	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	0	-	0
2	Stock Option	-	0	-	0
3	Sweat Equity	-	0	-	0
4	Commission				
	- as % of profit	-	0	-	0
	- others, specify	-	0	-	0
5	Others, please specify	-	0	-	0
	<b>Total</b>	-	1.44	-	1.44

### PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

**For and on Behalf of the Board of Directors**

Place Bhilwara (Raj)

Sd/  
(Pankaj Ostwal)  
**Managing Director**

Sd/-  
(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**  
DIN 07177647

Date 25.05.2017

DIN 02586806

## ANNEXURE II

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2016-17

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 2016-17

To,  
The Members,  
Madhya Bharat Agro Products Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Madhya Bharat Agro Products Limited**. Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Madhya Bharat Agro Products 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 my/our opinion, the company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Madhya Bharat Agro Products Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit Period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit Period);

(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; and (Not Applicable to the Company during the Audit Period);

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

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

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

(ii) The Listing Agreements entered into by the Company with Stock Exchange

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**I 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

**I 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.

**I further report that** during the audit period the company has:

1. Company made 57, 90,000 Equity Shares as Offer for sale in Initial Public Offer.

For S P Jethlia & Company  
Company Secretaries

Sd/-  
(S. P. Jethlia)  
Proprietor  
C.P. No. 4844  
M. No. 3464

Date: 25.05.2017  
Place: Bhilwara



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE 'III'

### PARTICULARS OF EMPLOYEES

Details Pertaining to Remuneration as Required Under Section 197(12) of the Companies Act, 2013 Read With Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	1. Mr. Pankaj Ostwal - 14.83 2. Mr. Sourabh Gupta - 3.35
(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	1. Pankaj Ostwal (Managing Director) - No Change 2. Sourabh Gupta (Whole Time Director & Chief Financial Officer) - 9.05%
(iii) The percentage increase in the median remuneration of employees in the financial year	The percentage increase in the median remuneration of employees in the financial year was 15.84 %.
(iv) The number of permanent employees on the rolls of company.	115 Employee
(v) Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in remuneration of employees other than the Managerial Personnel - 18.53%  Average increase in remuneration of Managerial Personnel - 1.55%
(vi) Affirmation that the remuneration is as per the remuneration policy of the company.	The company affirmed that the remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

#### Details of the employees of the Company - Pursuant to Section 197 (Rule 5) of the Companies Act, 2013.

- (i) No Employee was employed throughout the financial year at an aggregate salary of not less than Rs. One Crore and Two Lakhs.





## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

- (ii) No Employee was employed for a part of the financial year at an aggregate salary of not less than Rs. Eight Lakhs and Fifty Thousand per month.
- (iii) No one was employed throughout the financial year or part thereof receiving remuneration in excess of the amount drawn by Managing Director.

**For and on Behalf of the Board of Directors**

Sd/-

Sd/-

Place Bhilwara (Raj)

(Pankaj Ostwal)  
**Managing Director**

(Sourabh Gupta)  
**Whole Time Director**  
&

Date 25.05.2017

**DIN 02586806**

**Chief Financial Officer**  
**DIN 07177647**



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE IV

### DETAIL OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to section 134 (3) (m) of the Companies Act, 2013 read with the Rule 8 of (Companies (Account) Rule, 2014) and forming part of the Director's Report for the year ended 31<sup>st</sup> March 2017.

#### CONSERVATION OF ENERGY

(a) The Company takes adequate steps for the conservation of energy at every stage of production and remains conscious about conserving energy resources.

(b) The Company has made adequate investment on various measures for conservation of energy which has resulted in optimizing energy consumption and saving in cost.

(c) The information pertaining to total energy consumption and energy generation per unit of production:

		2016-17	2015-16
1.	Electricity:		
(a)	Purchase of Units	4934254	2356803
	Amount in Lacs.	364.07	196.88
	Rate / unit Rs.	7.38	8.35
(b)	Own Generation		
	Through Steam		-
	Units generated	726825	
	Through Diesel		
	Units generated	255113	558492
	Units per liter of oil	4.53	5.50
	Cost/ unit (Rs.)	13.13	9.63
Energy Consumption per unit of production (Unit/MT)			
1.	Single Super Phosphate	16.18	12.72
2.	Beneficiated Rock Phosphate	43.93	54.00
3.	Sulphuric Acid	64.08	0.00



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### TECHNOLOGY ABSORPTION

The Company has strengthened the infrastructure for R & D and carried out improvement in quality systems. This has resulted into consistency in achieving standard quality parameters as per Government of India. The Company will continue to thrust on R & D activities of the Company.

### FOREIGN EXCHANGE EARNINGS AND OUTGO

The figure of earnings and expenditure in foreign currency during the year is as under:

	2016-17	2015-16
Foreign Currency Earning	-	-
Foreign Currency Used	200559 EURO	-

For and on Behalf of the Board of Directors

Sd/-

Sd/-

Place Bhilwara (Raj)

(Pankaj Ostwal)  
Managing Director

(Sourabh Gupta)  
Whole Time Director  
&

Date 25.05.2017

DIN 02586806

Chief Financial Officer  
DIN 07177647



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE V

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

(Pursuant to clause (g) of sub-section (3) of section 134 & section 186(4) of the Companies Act, 2013)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2017	As at 31 <sup>st</sup> March, 2016
(A)	<b>Loan Given</b>	NIL	NIL
(B)	<b>Investment made</b>		
	Non-current Investment:-Fully paid up Equity Share of Krishna Phoschem Ltd.	NIL	Rs. 117.00 Lacs
(C)	<b>Guarantee given</b>		
	Guarantee given to Seasons International Private Limited	NIL	Rs. 2035.00 Lacs

For and on Behalf of the Board of Directors

Sd/-

Sd/-

(Pankaj Ostwal)  
Managing Director

(Sourabh Gupta)  
Whole Time Director  
&  
Chief Financial Officer

Place Bhilwara (Raj)

Date 25.05.2017

DIN 02586806

DIN 07177647



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE VI

### FORM NO. - AOC- 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 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 arm's length transactions under third proviso thereto**

1. Details of contracts or arrangements or transactions not at arm's length basis -N.A.
2. Details of material contracts or arrangement or transactions at arm's length basis:-

Name(s) of the related party	Nature of relationship	Duration of contract	Salient terms	Amount (In Lacs)
<b>Purchase of Material</b>				
		<b>FY 16-17</b>		
Krishana Phoschem Ltd	A public Company in which Pankaj Ostwal is a Director.		See note-1	6.87
Seasons Agrochem (India) Pvt Ltd	A Private Company in which Director is member		See note-1	287.08
Ostwal Phoschem India Limited	Holding		See note-1	2.92
<b>Rent payment of Immovable Property</b>				
		<b>FY 16-17</b>		
Ostwal Phoschem India Limited	Holding		See note-1	0.05
<b>Sale of Material</b>				
		<b>FY 16-17</b>		
Krishana Phoschem Ltd	A public Company in which Pankaj Ostwal is a Director.		See note-1	386.65
Seasons Agrochem (India) Pvt Ltd	A Private Company in which Director is member		See note-1	7.48



## MADHYA BHARAT AGRO PRODUCTS LIMITED

Ostwal Phoschem India Limited	Holding		See note-1	1.80
<b>Loan Taken</b>				
		<b>FY 16-17</b>		
Ostwal Phoschem India Limited	Holding		See note-1	530.00
<b>Loan Given</b>				
		<b>FY 16-17</b>		
Ostwal Phoschem India Limited	Holding		See note-1	405.00

Note:

1. Terms of the contract conform to the prevailing market rates and all the care has been taken to ensure reasonability of prices compare to the prevailing rates in the market, better quality products and timely supply.
2. Appropriate approvals have been taken for related party transactions.
3. Advance paid have been adjusted against billing, wherever applicable.

**For and on Behalf of the Board of Directors**

Sd/-

Sd/-

(Pankaj Ostwal)  
**Managing Director**

(Sourabh Gupta)  
**Whole Time Director**  
&  
**Chief Financial Officer**

Place Bhilwara (Raj)

Date 25.05.2017

**DIN 02586806**

**DIN 07177647**



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE VII

### CORPORATE GOVERNANCE REPORT- 2016-17

#### 1. Corporate Governance Philosophy on Code of Corporate Governance

The Company believes that sound ethical practices, transparency in operations and timely disclosures go a long way in enhancing long-term shareholders' value while safeguarding the interest of all the stakeholders. It is this conviction that has led the Company to make strong corporate governance values intrinsic to all its operations. The Company is led by a distinguished Board, which includes independent directors. The Board provides strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company is well-informed and well-equipped to fulfill its oversight responsibilities and to provide management the strategic direction it needs. In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of compliances, are as follows:-

#### 2. Board of Directors

##### Composition of the Board

As on March 31, 2017, the Company's Board comprised of 7(seven) Directors viz., 4 (Four) Independent Non-Executive Directors; 1 (One) Promoter and Non-Executive Director, 1 (One) Promoter and Managing Director and (One) Whole time Director. The Chairman of the Board is a Managing Director.

**Details of Board of Director's category, attendance at the Board Meetings and last Annual General Meeting (AGM), number of other Directorships and Committee positions as on 31st March, 2017 are given below:**

Sr. No.	Name of the Director	Category/ Status of Directorship	No. of Board Meetings attended during year	Whether Attended AGM	No. of Directorships in other Public Limited Companies	No. of Committee positions held in Public Limited Companies		No. of Equity Shares held in the Company
						Chairman	Member	
1	Pankaj Ostwal	Chairman cum Managing Director	10	Yes	1	-	3	201015
2	Sourabh Gupta	Whole Time Director and Chief Financial Officer	10	No	-	-	-	-
3	Praveen Ostwal	Non- Executive Director	10	Yes	1	-	2	332700



## MADHYA BHARAT AGRO PRODUCTS LIMITED

4	Sushil kumar Surana	Non-Executive Independent Director	10	Yes	-	2	3	-
5	Arvind Kothari	Non-Executive Independent Director	10	Yes	-	2	3	18000
6	Paras Mal Surana	Non-Executive Independent Director	10	Yes	-	-	2	-
7	Aruna Kothari*	Non- Executive Women Independent Director	6	No	-	-	1	-

\* Mrs. Aruna Kothari was appointed as Non-Executive Women Independent Directors w.e.f.04<sup>th</sup> June, 2016.

### Number of Board Meetings

During the financial year from 1st April, 2016 to 31st March 2017, the Board of Directors met 10 (Ten) times 18<sup>th</sup> April, 2016, 04<sup>th</sup> June, 2016, 20<sup>th</sup> June, 2016, 30<sup>th</sup> July, 2016, 17<sup>th</sup> August, 2016, 19<sup>th</sup> September, 2016, 10<sup>th</sup> October, 2016, 10<sup>th</sup> November, 2016, 12<sup>th</sup> December, 2016 and 08<sup>th</sup> March, 2017. The maximum time gap between any two consecutive board meetings was less than 120 days.

### Disclosure of relationships between directors inter-se

Sh. Pankaj Ostwal, Managing Director on the Board of Directors is the Brother of Sh. Praveen Ostwal, Non-Executive Director.

### Number of shares and convertible instruments held by non- executive directors

None of the Non-Executive Directors holds any share in the Company except for Sh. Praveen Ostwal, who holds 332700 Equity Shares and Sh. Arvind Kothari who holds 18000 Equity Shares in the Company.

### Web link where details of familiarization programmes imparted to Independent Directors is disclosed:

All Independent Directors are familiarized with the Company and their roles, rights, responsibilities, nature of the industry in which the Company operates, business model of the Company, etc. from time to time.

The details regarding Independent Directors' Familiarization Programmes are given on the website of the Company and can be accessed at <http://www.mbapl.com>.

### Separate Meeting of the Independent Directors

During the reporting financial year, a separate Meeting of the Independent Directors of the Company, was held on 17<sup>th</sup> March, 2017, at the Registered Office of the Company at 5-O-21,





## MADHYA BHARAT AGRO PRODUCTS LIMITED

Basement, R.C. Vyas Colony, Bhilwara 311001, whereat the following items as enumerated under Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were discussed:

- a) Review of performance of Non-Independent Directors and the Board as a whole.
- b) Review of performance of the Chairperson of the Company.
- c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### 3. Audit Committee

#### (a) Brief description of terms of reference:

The terms of reference of the Audit Committee are in line with the provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The role of the Audit Committee is to provide oversight over the accounting systems, financial reporting and internal controls of the Company.

The powers and role of the Audit Committee are as set out in the Listing Agreement and Section 177 of the Companies Act, 2013.

#### (b) Composition, Name of Members and Chairperson:

The Audit Committee comprises 3 (Three) Directors as members. All members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee of the Company, is given below:

Sr. No.	Name	Name Designation	Position in Committee
1.	Shri Arvind Kothari	Non-Executive-Independent Director	Chairman
2.	Shri Pankaj Ostwal	Chairman cum Managing Director	Member
3.	Shri Sushil Kumar Surana	Non-Executive-Independent Director	Member

#### (c) Meetings and attendance during the year:

Four Audit Committee Meetings were held during the year ended March 31, 2017. The maximum time gap between any of the two meetings was not more than one hundred and twenty days.



## MADHYA BHARAT AGRO PRODUCTS LIMITED

The dates on which the Audit Committee meetings held are April 05, 2016, August 1, 2016, October 25, 2016, November 25, 2016 and January 18, 2017.

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Arvind Kothari	Chairman	5	5
Pankaj Ostwal	Member	5	5
Sushil Kumar Surana	Member	5	5

#### **4. Nomination and Remuneration Committee**

##### **(a) Brief description of terms of reference:**

Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;

Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;

Formulation of criteria for evaluation of performance of independent directors and the board of directors;

Devising a policy on diversity of board of directors;

Whether to extend or continue the term of appointment of the independent director, on the basis of the repo performance evaluation of independent directors;

Determine our Company's policy on specific remuneration package for the Man4th June 2016aging Director / Executive Director including pension rights;

Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;

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.

Decide the amount of Commission payable to the Whole time Directors;



## MADHYA BHARAT AGRO PRODUCTS LIMITED

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. and

To formulate and administer the Employee Stock Option Scheme.

### **(b) Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with three Independent Directors. The Chairman of this Committee is Independent Director.

The Company Secretary acts as the Secretary of the Committee.

The Nomination and Remuneration Committee of the Company as under:-

Sr. No.	Name	Designation	Position in Committee
1.	Sushil Kumar Surana	Non-Executive-Independent Director	Chairman
2.	Arvind Kothari	Non-Executive-Independent Director	Member
3.	Paras Mal Surana	Non-Executive-Independent Director	Member

### **(c) Meetings and attendance during the year:**

Two Committee Meetings were held during the year ended March 31, 2017.

The dates on which the Committee meetings held are May 16, 2016, and March 17, 2017.

Details of the Members participation at the Meetings of the Committee are as under:

Name of Director	Designation	Number of Meetings	
		Held	Attended
Sushil Kumar Surana	Chairman	2	2
Arvind Kothari	Member	2	2
Paras Mal Surana	Member	2	2

### **(d) Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Committee of the Board laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee. The evaluation of all directors (including Independent Directors) was done by the entire Board of Directors (excluding the Director being evaluated).



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### 5. Remuneration of director

(a) All pecuniary relationship or transactions of the non-executive director's visà- vis Company:

None except for the Sitting Fee to Independent Directors.

(b) **Criteria of making payments to Non-Executive Directors:**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company [www.mbapl.com](http://www.mbapl.com) in the 'Investor Handbook' section in 'Investor Relation'.

### 6. Stakeholders' Relationship Committee

**Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee was constituted by the Board with two Independent Directors and one executive Director. The Chairman of this Committee is Independent Director.

The Company Secretary acts as the Secretary of the Committee.

The constituted Stakeholders Relationship Committee comprises the following:

Sr. No.	Name	Designation	Position in Committee
1.	Arvind Kothari	Non-Executive-Independent Director	Chairman
2.	Sushil Kumar Surana	Non-Executive-Independent Director	Member
3.	Pankaj Ostwal	Managing director	Member

(a) **Name of Non-Executive Director heading the Committee:**

Shri Arvind Kothari, Non-Executive Independent Director was appointed as the Chairman of the Stakeholders Relationship / Grievance Redressal Committee.

(b) **Name and designation of Compliance officer:** Ms. Pallavi Sukhwai, Company Secretary

(c) **A Summary of complaints received and resolved by the Company during the period under review is given below:**



## MADHYA BHARAT AGRO PRODUCTS LIMITED

No. of Investor Complaints received	No. of Investor Complaints disposed	No. of Investor Complaints those remaining unresolved
0	0	0

### Corporate Social Responsibility Committee

In compliance of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board has constituted a Corporate Social Responsibility Committee. The composition of the Corporate Social Responsibility (CSR) Committee as at March 31, 2017 is as under:

Name of the Director	Designation	Nature of Directorship
Arvind Kothari	Chairman	Non-Executive Independent Director
Sushil Kumar Surana	Member	Non-Executive Independent Director
Paras Mal Surana	Member	Non-Executive Independent Director

### 7. General Body Meetings

Particulars of last three Annual General Meetings:

AGM	Year Ended	Venue	Date	Time
19th	March 31, 2016	5-O-21, Basement, R.C. Vyas Colony, Bhilwara - 311001	28th September, 2016	10:00 A.M.
18th	March 31, 2015	5-O-21, Basement, R. C. Vyas Colony, Bhilwara - 311001	17th September, 2015	10:00 A.M.
17th	March 31, 2014	5-O-1, Basement Office, R.C. Vyas Colony, Bhilwara-311001	17th September, 2014	10:00 A.M.

### Special Resolutions passed in previous three Annual General Meetings

Following Special resolutions were passed by the Company during the last three Annual General Meetings (AGM) of the Company:



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Date	Particulars
28th September, 2016	No Special Resolutions were passed
17th September, 2015	<ol style="list-style-type: none"><li>1. Adoption of new set of Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013</li><li>2. Adoption of new set of Memorandum of Association of the Company containing regulations in conformity with the Companies Act, 2013</li></ol>
17th September, 2014	No Special Resolutions were passed

### Postal Ballot

No resolution requiring postal ballot was placed before the last Annual General Meeting.

### Means of Communication

- 1). The unaudited quarterly results are announced within forty five days from the close of the quarter and the Audited results are announced within sixty days from the close of the financial year. The financial results are immediately sent to the Stock Exchanges and also uploaded on the website of the Company -[www.mbapl.com](http://www.mbapl.com).
- 2). The Company's corporate website, [www.mbapl.com](http://www.mbapl.com) provides comprehensive information to the Shareholders.
- 3). The Company has not made any presentation to the institutional investors or analysts.

### 8. General Shareholders Information

Sr. No.	Salient Items of Interest	Particulars
1.	<b>Annual General Meeting</b> Date and Day Time Venue	On Saturday, September 23, 2017. 04.00 PM Hotel Kanchi Resorts, Pur Road, Bhilwara (Raj) 311001
2.	<b>Financial Year</b>	April 1st 2016 to March 31st, 2017
3.	<b>Dividend Payment Date</b>	Dividend will be paid within 30 days of the approval of the same in the Annual General Meeting
	<b>Listing on Stock Exchanges</b>	The Company's equity shares are listed on SME Platform of NSE on 12th September, 2016. The listing fee for the same has been paid.



## MADHYA BHARAT AGRO PRODUCTS LIMITED

<b>Symbol</b>		MBAPL ISIN : INE900L01010		
<b>Market Price Data: High, Low during each month in Last Financial Year</b>				
<b>Month</b>	<b>High</b>	<b>Low</b>		
Sep-16	32.00	26.00		
Oct-16	41.70	29.60		
Nov- 16	48.50	34.10		
Dec-16	48.25	36.00		
Jan-17	52.00	47.00		
Feb-17	52.50	49.00		
Mar-17	52.75	49.00		
<b>Register and Transfer Agents</b>		<b>BIGSHARE SERVICES PRIVATE LIMITED</b> E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai-400 072, Maharashtra, India Tel No.:+91-22-40430200 Fax No.:+91-22-28475201 Email: ipo@bigshareonline.com Investor Grievance Email: investor@bigshareonline.com Website: www.bigshareonline.com Contact Person: Mr. Ashok Shetty SEBI Regn. No.: MB/INR000001385		
<b>Share Transfer System</b>		As all the shares are held in dematerialized mode, the transfer takes place instantaneously between the transferor, transferee, and the Depository Participant through electronic debit/credit of the accounts involved.		
<b>Distribution of Shareholding (as on 31.03.2017)</b>				
<b>Shareholding</b>	<b>No. of Shareholder</b>	<b>Percentage of Shareholder</b>	<b>No. of Share</b>	<b>Percentage of Shareholding</b>
4001-5000	1	0.3413	5000	0.0228
5001-10000	195	66.5529	1172500	5.3522
10001-99999999	97	33.1058	20729235	94.6249
<b>Total</b>	<b>293</b>	<b>100</b>	<b>21906735</b>	<b>100</b>
<b>Dematerialization of shares and liquidity</b>		All the Equity shares i.e. 100 % of the total issued, subscribed and paid-up equity share capital of the Company was held in dematerialized form.		
<b>Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity</b>		Not Applicable		
<b>Plant Locations</b>		Unit I : Village Rajoua Distt:- Sagar (M.P.) Unit II : Village: Soural Tehsil – Band, Distt:- Sagar (M.P.)		
<b>Address for correspondence</b>		5-O-21, Basement R C Vyas Colony, Bhilwara – 311001, Rajasthan, India. Ph. No. 91-1482-237104/ 239091/ 230060 Email:secretarial@mbapl.com; Website: www.mbapl.com		



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### **Other Disclosures**

#### **(a) Related Party Transactions:**

During the year, none of the transactions with the related parties were in conflict with the interest of the Company at large.

All the related party transactions have been disclosed in the notes to the accounts of the Balance Sheet presented in the Annual Report.

#### **(b) Details of non-compliance:**

There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any Statutory Authority for non-compliance of any matter related to the capital markets during the last three years.

#### **(c) Vigil Mechanism / Whistle Blower Policy:**

The Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's Code of Conduct. None of the person of the Company has been denied access to the Audit Committee.

The Whistle Blower Policy is displayed on the Company's website viz. <http://www.mbapl.com>.

#### **(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Web link where policy for determining 'material' subsidiaries is disclosed:** The policy for determining 'material' subsidiaries is available on the website of the Company at [www.mbapl.com](http://www.mbapl.com)

**(f) Web link where policy on dealing with related party transactions is disclosed:**

The policy on dealing with related party transactions is available on the website of the Company at [www.mbapl.com](http://www.mbapl.com)

#### **Instance of non-Compliance of any requirement of corporate governance report:**

There has been no instance of non-compliance of any requirement of corporate governance report.

#### **Disclosure of compliance of regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.





## MADHYA BHARAT AGRO PRODUCTS LIMITED

### **Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

### **CEO and CFO Certification**

The Chairman and Managing Director and Chief Financial Officer of the Company give annual Compliance Certificate in accordance with Regulation 17(8) read with Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange(s). The annual Compliance Certificate given by Chairman and Managing Director and Chief Financial Officer is attached with this Report an integral part of the Annual Report.

### **Code of conduct for Board Members and Senior Management Personnel**

The Board had approved a code of conduct for Board Members and Senior Management Personnel of the company which also incorporates the duties of Independent directors as laid down in Companies act, 2013. The Code has been displayed on the company's website [www.mbapl.com](http://www.mbapl.com). The Board Members and Senior Management Personnel have affirmed compliance with the aforesaid code.

### **Compliance certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance:**

The Company taken Certificate from the Practicing Company secretaries, M/s. SP Jethlia & Co, regarding compliance of conditions of corporate governance is attached with this Report an integral part of the Annual Report.

**For and on Behalf of the Board of Directors**

Sd/-

Sd/-

(Pankaj Ostwal)  
**Managing Director**

(Sourabh Gupta)  
**Whole Time Director  
&  
Chief Financial Officer**

Place Bhilwara (Raj)

**DIN 02586806**

**DIN 07177647**

Date 25.05.2017

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS  
OF CORPORATE GOVERNANCE**

To The Members,  
Madhya Bharat Agro Products Limited

We have examined the compliance conditions of corporate governance by Madhya Bharat Agro Products Limited for the Financial year ended March 31, 2017 as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to 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 in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For S P Jethlia & Company  
Company Secretaries

Sd/-

(S. P. Jethlia)  
Proprietor  
C.P. No. 4844  
M. No. 3464

Date: 25.05.2017  
Place: Bhilwara

## CERTIFICATION FROM THE MANAGING DIRECTOR AND THE CFO

In terms of Regulation 34(3) of the SEBI (LODR) Regulation, 2015, we hereby certify as under:

a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and that to the best of our knowledge and belief:

- i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violates the Code of Conduct of the Company.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We do further certify that there has been:

- i. No Significant changes in internal control over financial reporting during the year;
- ii. No Significant changes in accounting policies during the year;
- iii. No Instances of fraud of which we have become aware and the involvement therein, of the management or an employee having significant role in the Company's internal control system over financial reporting.

**For and on Behalf of the Board of Directors**

Place	Bhilwara (Raj)	Sd/ (Pankaj Ostwal) <b>Managing Director</b>	Sd/- (Sourabh Gupta) <b>Whole Time Director &amp; Chief Financial Officer</b>
Date	25.05.2017	<b>DIN 02586806</b>	<b>DIN 07177647</b>



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE VIII

### MANAGEMENT DISCUSSION & ANALYSIS REPORTS

#### INDUSTRY SCENARIO AND DEVELOPMENTS

The Company is engaged in the manufacturing of Single Super Phosphate (SSP), Beneficiated Rock Phosphate (BRP) and Sulphuric Acid (SA). Beneficiated Rock Phosphate and Sulphuric Acid is basic raw material for Single Super Phosphate.

Basically, SSP is used in for replenishing "P" (Phosphorus) in the soil which gets depleted steadily with each crop and Sulphuric Acid fulfill Sulphur deficit in the soil & makes phosphate water soluble so it easily absorbable or used by plant.

#### OPPORTUNITIES

MBAPL has undertaken backward integration and there exists good scope for various expansion and development of new product due to availability of ample land and skill manpower and comparable position. Scope of produce new chemicals products as sulphuric acid is a mother chemical and vastly applicable in manufacturing of various chemicals. Following opportunities are also available for MBAPL:

- Increase in product line covering Macro and Micro nutrients
- Government Initiatives for fertilizer Industry
- Strong Marketing network in India through tie up with Shree Ram Fertilizer
- Substantial infrastructure Facilities
- Scope for expansion as mentioned above
- Premium Product in the fertilizer segment Containing Sulphur.
- High Growth Potential

#### THREATS

- Competition from other Fertilizer manufacturing companies as we are in leading position through tie up with Shree Ram Fertilizer.
- Inconsistent Government policies for fertilizer industry.

#### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Detail of Unit wise or Product wise performance is furnished separately in the Annual Report.

#### FUTURE OUTLOOK- EXPANSION & INFRASTRUCTURE PROJECT

After successful completion of Sulphuric Acid project with capacity of 36000 TPAY and additional Single Super Phosphate capacity of 120000 TPAY and GSSP 1,20,000 your directors have further envisaged to set up a chemicals and fertilizer projects i.e. Phosphoric Acid, Ollium etc. and BRP expansion. The Company has obtained necessary clearance and statutory permissions, civil constructions, plant & machinery installation and marketing, tie ups are under progress and projects may be the finished very soon in future.



## MADHYA BHARAT AGRO PRODUCTS LIMITED

### RISK & CONCERN

Our business is mostly dependent upon the growth of agriculture and Agri-products which are subject to substantial risks faced by the weather condition in India. Weather condition such as delayed monsoon or less rainfall may affect our business, the dependence on Government policies which ultimately impact the overall performance of the industry. These are all factors which are beyond the control of the private enterprise and would continue to be a challenge.

### INTERNAL CONTROL SYSTEM

The company has in place an adequate internal control system, which is commensurate with the size, scale and complexity of the company. The internal auditors independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit compliance is ensured by the direct reporting of Internal Audit Division and Internal Auditors to the Audit Committee of the Board.

During the period under review the Internal Financial Control were tested and no reportable material weakness in the design or operation were observed.

### OPERATIONAL PERFORMANCE

During the year under review, your Company could perform well and Company almost achieved its targets. Your Company has achieved turnover of Rs. 7866.09 Lakh as against of Rs. 6466.26 lakh and the net profit after tax for the current year stands at Rs. 1172.89 Lakh as against Rs. 920.69 lakh in previous year.

### HUMAN RESOURCE DEVELOPMENT

As a part of ongoing exercise of the restructuring and re-organisation of the Company's business, the Company undertakes periodic comprehensive reviews of its HR policies and amends the same suitably from time to time, to meet the emerging business requirements. We have had cordial relations with the staff throughout the year.

### CAUTIONARY STATEMENT

There are certain statements in this report which the Company believes are forward looking. The forward looking statements stated in this report could significantly differ from the actual results due to certain risks and uncertainties, including but not limited to economic developments, Government actions, etc.

**For and on Behalf of the Board of Directors**

Place	Bhilwara (Raj)	Sd/- (Pankaj Ostwal) Managing Director	Sd/- (Sourabh Gupta) Whole Time Director & Chief Financial Officer
Date	25.05.2017	DIN 02586806	DIN 07177647



# MADHYA BHARAT AGRO PRODUCTS LIMITED

## ANNEXURE-IX

### NOMINATION AND REMUNERATION POLICY

*(Pursuant to clause (e) of sub-section (3) of section 134 of the Companies Act, 2013)*

#### **Introduction:**

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee, in compliances with Section 178 of the Companies Act, 2013 read along with applicable rules thereto.

#### **Objectives of the Committee:**

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of the Independent Director and to carry out evaluation of every Director's performance and to provide necessary report to the Board for further evaluation.
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- vi. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- vii. Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- viii. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- ix. To perform such other functions as may be necessary or appropriate for the performance of its duties.
- x. To develop a succession plan for the Board and to regularly review the plan.

#### **Definitions:**

- **"Board"**:-Board means Board of Directors of the Company.
- **"Director"**:-Directors means Directors of the Company.
- **"Key Managerial Personnel"**:- Key Managerial Personnel (KMP) means-



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

- (i) The Chief Executive Officer or the managing director or the manager;
- (ii) The Whole-Time Director;
- (iii) The Company Secretary;
- (iv) The Chief Financial Officer; and
- (v) Such other officer as may be prescribed under the applicable statutory provisions/ regulations

• **“Nomination and Remuneration Committee”** shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

• **“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.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **Chairman:**

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### **Frequency of Meetings:**

The Committee shall meet at such regular intervals as may be required.

### **Committee Members' Interests:**

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### **Voting:**

- (a) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.



## *MADHYA BHARAT AGRO PRODUCTS LIMITED*

(b) In the case of equality of votes, the Chairman of the meeting will have a casting vote.

### **General Appointment Criteria:**

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

### **Evaluation:**

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

### **Criteria for Evaluation of the Board:**

Following are the Criteria for evaluation of performance of the Board:

#### **1. Executive Directors:**

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time

#### **2. Non Executive Director:**

The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- (a) Act objectively and constructively while exercising their duties;
- (b) Exercise their responsibilities in a bona fide manner in the interest of the Company;
- (c) Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) Do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;





## MADHYA BHARAT AGRO PRODUCTS LIMITED

- (e) Refrain from any action that would lead to loss of his independence
- (f) Inform the Board immediately when they lose their independence,
- (g) Assist the Company in implementing the best corporate governance practices.
- (h) Strive to attend all meetings of the Board of Directors and the Committees;
- (i) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) Strive to attend the general meetings of the Company;
- (k) Keep themselves well informed about the Company and the external environment in which it operates;
- (l) Do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- (n) Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

### **Remuneration:**

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks.

### **Deviations from this policy**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**For and on Behalf of the Board of Directors**

Place	Bhilwara (Raj)	Sd/ (Pankaj Ostwal) <b>Managing Director</b>	Sd/- (Sourabh Gupta) <b>Whole Time Director</b> & <b>Chief Financial Officer</b>
Date	25.05.2017	DIN 02586806	DIN 07177647

**ANNEXURE X****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**

*(Information pursuant to section 134 (3) (0) of the Companies Act, 2013 read with the Rule 8 & 9 of (Companies CSR Rule, 2014)*

**1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes-**

In adherence to section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 29<sup>th</sup> September, 2014, approved a CSR Policy of the Company.

In accordance with the primary CSR philosophy of the group and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as Tree Plantation, School Bags Distribution, Promoting Education, Environmental Sustainability, Eradicating Hunger and healthcare.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company <http://www.mbapl.com> in the 'Investor Handbook' under 'Investor Relation'.

**2. Composition of CSR Committee-**

CSR Committee shall consist of following persons:

- |                              |          |
|------------------------------|----------|
| (1) Shri Arvind Kothari      | Chairman |
| (2) Shri Paras Mal Surana    | Member   |
| (3) Shri Sushil Kumar Surana | Member   |

**3. Average net profit of the company for last three financial years-**

Year	Net profit (In Lacs)
2015-2016	592.88
2014-2015	568.90
2013-2014	534.94
Total	1696.72
Avg. Profit	565.57

**4. CSR Expenditure - CSR Expenditure for financial year 2016-17 of Company is 11.31 Lacs i.e. 2% of Rs. 565.57 lacs.**

**5. Details of CSR Spent during the financial year 2016-2017-**

- (a) Total amount spent for the financial year Rs. 17.88 Lacs



## MADHYA BHARAT AGRO PRODUCTS LIMITED

(b) Amount unspent for the financial year Rs. NIL

(c) Manner in which the amount spent during the financial year is detailed below:

(Rs. in Lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR Project or activity Identified	Sector in which the Project is covered	Projects or Programs (1) Local Area or other (2) Specify The State and District where Projects or Programs was undertaken	Amount outlay (budget) Project Program Wise	Amount Spent on The Projects or programs <b>Sub heads-</b> (1) Direct Expenditure On projects or programs (2)Overheads	Cumulative expenditure Up to the Reporting period	Amount Spent : Direct or Through Implementing Agency
1	School Bags Distribute	Promoting Education	Banda (Madhya Pradesh)	13.14	13.14 (Direct Expenditure)	13.14	Direct
2	Tree Plantation	Environmental Sustainability	Banda (Madhya Pradesh)	0.08	0.08 (Direct Expenditure)	0.08	Direct
3	Road Construction	Environmental Sustainability	(Madhya Pradesh)	4.23	4.23 (Direct Expenditure)	4.23	Direct
4	Food & other	Eradicating Hunger	(Madhya Pradesh)	0.43	0.43 (Direct Expenditure)	0.43	Direct
<b>Total</b>				17.88	17.88	17.88	`

6. In case the Company has failed to spend the 2% of the average net profit of the last 3 FYs or any part thereof, the Company shall provide the reason for not spending the amount in its Board Report- N.A.

7. **Responsibility Statement-**

We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Sd/-  
Pankaj Ostwal  
Member

Sd/-  
Arvind Kothari  
Chairman

Sd/-  
Parasmal Surana  
Member

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**INDEPENDENT AUDITORS' REPORT**

To  
**The Members,**  
**Madhya Bharat Agro Products Limited,**  
**Bhilwara**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **MADHYA BHARAT AGRO PRODUCTS LIMITED** which comprise the Balance Sheet as at **31st March, 2017** and the Statement of Profit and Loss and Cash Flow Statement for the year 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 in section 134(5) of the Companies Act, 2013 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 Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical 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 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 Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2017.
- b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and

**Report on Other Legal and Regulatory Requirements**

1. 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 dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statement comply with the Accounting Standards specified under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2017, from being appointed as a director in terms of section 164(2) of the Act.
  - f) With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company;
    - iv. The company had provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.
    - v. The company did not hold as well as deal in any Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the company.
2. 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 paragraphs 3 and 4 of the Order.

**For M/s. Ashok Kanther & Associates**  
Chartered Accountants  
FRN 050014C

Sd/-  
**CA. Ashok Kanther**  
(Partner)  
M.No. - 043571

Place : Bhilwara (Raj.)  
Date : 25/05/2017

**ANNEXURE TO THE AUDITORS' REPORT**  
**(Referred to in our report of even date)**

Annexure referred to in Point 2 of the Auditor's Report of even date to the members of Madhya Bharat Agro Products Limited for the year ended 31<sup>st</sup> March, 2017.

On the basis of such checks as considered appropriate and in terms of the information and explanation given to us, we state as under:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
(b) As per the information and explanation given to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) As per the information given to us the title deeds of the immovable properties are held in the name of the company.
- (ii) As per the information and explanation given to us, the inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on such verification.
- (iii) As per the information and explanation given to us and on the basis of our examination of the books of account, the company has not granted loans to any parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus clause iii (a), iii (b) iii (c) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, in respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 has been complied with by the company.
- (v) In our opinion and as per the information and explanations given to us and on the basis of our examination of the books of account, the company has not accepted any deposits covered under section 73 of the Companies Act, 2013.
- (vi) As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

(vii) (a) According to the information and explanations given to us and the records examined by us, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues with appropriate authorities wherever applicable. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding, as at 31st March 2017 for a period of more than 6 months from the date they became due.

(b) According to the record of the company, there is no amounts payable in respect of income tax or sales-tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess, which have not been deposited on account of any disputes, except below:-

S. No.	Particulars	Rs.	Remarks
1.	Demand raised by commercial tax department for Entry tax for the F.Y. 2012-13.	371718/-	Appeal made to Appellate authority, APP DC Sagar Division

(viii) Based on our audit procedures and the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions or banks or government. There are no debenture holders of the company.

(ix) According to the record of the company, no money has been raised by way of initial public offer or further public offer but Company has been made offer for sale by way of initial public offer. Further company raised money of Rs. 25.00 Crores by way of term loan. The loan has been utilized for the purpose for which it has been sanctioned.

(x) Based on our audit procedures performed and on the information and explanations given to us, we have neither come across any instances of fraud on or by the company noticed or reported during the year, nor we have been informed for such case by the management.

(xi) According to the records of the company and on the basis of information and explanation given to us, we are of the opinion that the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with schedule V to the Companies Act.

(xii) In our opinion, the Company is not a nidhi. Therefore, clause 12 of the Companies (Auditor's Report) order, 2016 is not applicable to the Company.

(xiii) In our opinion and according to the record of the company all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

(xiv) According to the record of the company, the company has not made any preferential allotment or fully or partly convertibles debentures during the year. Company has made private

# ASHOK KANTHER & ASSOCIATES

Chartered Accountants  
FRN - 050014C

90, Indira Market  
Bhilwara (Raj)  
Phone : 01482-227154 (O),  
9414287289(M)

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placements of shares during the year in compliance of section 42 of Companies Act, 2013 and amount raised has been utilized for the purpose for which it has been raised.

- (xv) According to the information and explanations given to us and the records examined by us the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the record of the company, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For M/s. Ashok Kanther & Associates**  
Chartered Accountants  
FRN. 050014C

Sd/-

**CA. Ashok Kanther**  
(Partner)  
M.No. - 043571

Place : Bhilwara (Raj)  
Date : 25/05/2017



**MADHYA BHARAT AGRO PRODUCTS LTD.**  
**AUDITED BALANCE SHEET AS AT 31st March 2017**



( Amount In Lacs)

Particulars		Note No.	As at 31st March 2017	As at 31st March 2016
<b>I. EQUITY AND LIABILITIES</b>				
<b>1 Shareholders' funds</b>				
(a)	Share capital	2	2190.67	2190.67
(b)	Reserves and surplus	3	7982.72	6938.31
			<b>10173.39</b>	<b>9128.98</b>
<b>2 Non-current liabilities</b>				
(a)	Long-term borrowings	4	2125.00	1607.27
(b)	Deferred tax liabilities (Net)	5	0.00	0.00
			<b>2125.00</b>	<b>1607.27</b>
<b>3 Current liabilities</b>				
(a)	Short-term borrowings	6	855.99	32.04
(b)	Trade payables	7	691.76	168.62
(c)	Other current liabilities	8	467.86	182.46
(d)	Short-term provisions	9	570.23	185.51
			<b>2585.84</b>	<b>568.63</b>
<b>TOTAL</b>			<b>14884.23</b>	<b>11304.88</b>
<b>II. ASSETS</b>				
<b>Non-current assets</b>				
<b>1 (a) Fixed assets</b>				
(i)	Tangible assets	10	9394.84	8836.53
(ii)	Intangible assets		0.00	0.00
(iii)	Capital work-in-progress		924.02	0.00
(iv)	Intangible assets under development		0.00	0.00
(b)	Non-current investments	11	0.00	117.00
(c)	Deferred tax Assets (Net)	5	257.47	121.96
(d)	Long-term loans and advances	12	62.74	58.82
(e)	Other non-current assets	13	0.00	0.00
			<b>10639.07</b>	<b>9134.31</b>
<b>2 Current assets</b>				
(a)	Inventories	14	1760.50	583.01
(b)	Trade receivables	15	1270.62	700.00
(c)	Cash and cash equivalents	16	10.72	56.38
(d)	Short-term loans and advances	17	1203.32	831.18
(e)	Other Current Assets	18	0.00	0.00
			<b>4245.16</b>	<b>2170.57</b>
<b>TOTAL</b>			<b>14884.23</b>	<b>11304.88</b>

Summary of significant accounting policies

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

As per our report of even date

**For: M/s Ashok Kanther & Associates**

**Chartered Accountants**

FRN 050014C

For and on behalf of the Board of Directors

Sd/-  
(Ashok Kanther)

Sd/-  
(Pallavi Sukhwai)

Sd/-  
(Sourabh Gupta)  
**Whole Time Director  
& Chief Financial**

Sd/-  
(Pankaj Ostwal)

**Partner**  
M.no. 043571

**Company Secretary**  
**ACS 43744**

**Officer**  
**DIN 07177647**

**Managing Director**  
**DIN 02586806**

Place: Bhilwara

Date : 25/05/2017

**MADHYA BHARAT AGRO PRODUCTS LTD.**  
**AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st March 2017**



Particulars		Note No.	For the year ended 31st March 2017	For the year ended 31st March 2016
I.	Gross Sale of Products	19	7917.11	6498.66
	Excise Duty		51.02	32.39
	Net Sale of Products		7866.09	6466.27
II.	Other income	20	714.25	11.98
<b>III.</b>	<b>Total Revenue</b>	<b>(I + II)</b>	<b>8580.34</b>	<b>6478.25</b>
<b>IV.</b>	<b>Expenses:</b>			
	Cost of materials consumed	21	3184.37	2406.26
	Purchase of Traded goods	22	674.89	1355.26
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	23	-703.58	-62.25
	Employee benefits expense	24	206.23	133.49
	Finance costs	25	512.11	282.56
	Depreciation and amortization expense	26	710.07	353.43
	Other expenses	27	2670.66	1416.62
	<b>Total expenses</b>		<b>7254.75</b>	<b>5885.37</b>
<b>V.</b>	<b>Profit before exceptional and extraordinary items and tax</b>	<b>(III - IV)</b>	1325.59	592.88
VI.	Exceptional items		0.00	0.00
<b>VII.</b>	<b>Profit before extraordinary items and tax</b>	<b>(V - VI)</b>	1325.59	592.88
VIII.	Extraordinary Items		0.00	0.00
<b>IX.</b>	<b>Profit before tax</b>	<b>(VII- VIII)</b>	1325.59	592.88
<b>X.</b>	<b>Tax expense:</b>			
	(1) Current tax		288.22	120.91
	(2) Deferred tax		-135.52	-448.72
	(3) Earliyer Year's Tax		0.00	0.00
	<b>Total Tax Expense</b>		<b>152.70</b>	<b>-327.81</b>
<b>XI.</b>	<b>Profit (Loss) for the period from continuing operations</b>	<b>(IX-X)</b>	1172.89	920.69
XII.	Profit/(loss) from discontinuing operations		0.00	0.00
XIII.	Tax expense of discontinuing operations		0.00	0.00
<b>XIV.</b>	<b>Profit/(loss) from Discontinuing operations (after -tax)</b>	<b>(XII-XIII)</b>	0.00	0.00
<b>XV.</b>	<b>Profit (Loss) for the period</b>	<b>(XI-XIV)</b>	1172.89	920.69
	<b>Earning Per Share</b>	31	5.35	4.61

Summary of significant accounting policies

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

As per our report of even date

**For: M/s Ashok Kanther & Associates**  
**Chartered Accountants**

FRN 050014C

For and on behalf of the Board of Directors

Sd/-  
(Ashok Kanther)

Sd/-  
(Pallavi Sukhwai)

Sd/-  
(Sourabh Gupta)  
**Whole Time**

Sd/-  
(Pankaj Ostwal)

**Partner**  
M.no. 043571  
Place: Bhilwara  
Date : 25/05/2017

**Company Secretary**  
**ACS 43744**

**Director & Chief**  
**Financial Officer**  
**DIN 07177647**

**Managing Director**  
**DIN 02586806**

**MADHYA BHARAT AGRO PRODUCTS LTD**  
**CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH 2017**



(Amount In Lacs)

	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit before tax	1,325.59	592.88
<b>Adjustments for:</b>		
Depreciation and Amortisation	710.07	353.43
Interest Expenses	511.57	280.81
Interest Income	(3.92)	(4.22)
Loss / (Profit) from sale of investment	(409.38)	
Loss / (Profit) on foreign Exchange Fluctuation		
Loss / (Profit) on sale of Fixed Assets	17.69	1.18
Loss by fire of Fixed Assets	-	3.24
Balance Write off	-	-
Provisions Write off	-	-
<b>Operating profit before working capital change</b>	<b>2,151.62</b>	<b>1,227.32</b>
<b>Adjustments for:</b>		
Increase/(Decrease) in Trade payable	523.14	(536.68)
Increase/(Decrease) in Other Current Liability	285.40	20.31
Increase/(Decrease) in Short Term Provisions	88.93	17.52
(Increase)/Decrease in Inventories	(1,177.47)	303.30
(Increase)/Decrease in Trade Receivable	(570.62)	(130.67)
(Increase)/Decrease in Short Term Loan and Advances	(282.30)	323.93
<b>Net changes in working capital</b>	<b>(1,132.92)</b>	<b>(2.29)</b>
<b>Cash Generated from/(used in) operations</b>	<b>1,018.70</b>	<b>1,225.03</b>
Direct Taxes paid	210.75	120.72
<b>Net cash from/(Used in) operating activities (A)</b>	<b>807.95</b>	<b>1,104.31</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(2,234.56)	(2,656.34)
Sale/Decrease of Fixed Assets	24.46	1.22
Increase & Decrease in Investment	117.00	-
Loss / (Profit) from sale of investment	409.38	
Interest Received	3.92	4.22
(Increase)/Decrease in Long term Loan and Advances	(3.92)	(12.04)
<b>Net cash from investing activities (B)</b>	<b>(1,683.72)</b>	<b>(2,662.94)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	380.00
Proceeds from issuance of share capital Share Premium	-	608.00
Proceeds/(Repayment) of Long Term Borrowings	517.73	1,299.59
Proceeds/(Repayment) of short term borrowings	823.95	(446.70)
Interest paid	(511.57)	(280.82)
<b>Net cash from financing activities (C)</b>	<b>830.11</b>	<b>1,560.08</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(45.66)</b>	<b>1.45</b>
Cash and cash equivalents as at (Opening Balance)	56.38	54.93
Cash and cash equivalents as at (Closing Balance)	10.72	56.38
<b>Net Cash Flow During The Year</b>	<b>(45.66)</b>	<b>1.45</b>

Summary of significant accounting policies

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

As per our report of even date

**For: M/s Ashok Kanther & Associates**  
**Chartered Accountants**

FRN 050014C

For and on behalf of the Board of Directors

Sd/-  
(Ashok Kanther)

Sd/-  
(Pallavi Sukhwai)

Sd/-  
(Sourabh Gupta)  
**Whole Time Director**  
**& Chief Financial**

Sd/-  
(Pankaj Ostwal)

**Partner**  
M.no. 043571  
Place: Bhilwara  
Date : 25/05/2017

**Company Secretary**  
**ACS 43744**

**Officer**  
**DIN 07177647**

**Managing Director**  
**DIN 02586806**

## **1. ACCOUNTING POLICIES**

### **BASIS OF ACCOUNTING:**

The Financial Statements of the Company have been prepared in accordance with the requirements of the Companies Act, 2013, including the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India, as per the historical cost convention, going concern concept and on the accrual system of accounting.

### **FIXED ASSETS:**

The Fixed Assets are stated at revalued (2008-09) figures based on registered valuers report. The land stated at revalued (2013-14) value done during the year as per registered valuers report. The basis of valuation/revaluation as mentioned into the report of external valuer is market rate in the case of land and plant & Machinery. In respect of major projects involving construction // fabrication, related pre-operational expenses from part of the value of the assets, which are allotted on the respective assets in the year of commencement of the project. An expenses capitalized also includes applicable borrowing cost.

No amortization is provided in the accounts in respect of leasehold land in view of long-term tenure, which is akin to ownership.

### **INVENTORIES:**

Inventories are valued as:

- a) Raw Material: At lower of cost or net realisable value
- b) Finished goods: At lower of cost or net realisable value
- c) Stores & spares parts: At cost price

Cost of inventories comprise of all cost of purchase. Cost of conversion and other cost incurred in bringing them to their respective present location and condition.

### **BORROWING COST:**

Borrowing cost that is attributable to the acquisition of qualifying assets is capitalized as a part of cost of such assets. All other borrowing costs are charged to revenue.

### **DEPRECIATION:**

a) Depreciation for the year on fixed assets has been provided on straight line method as per useful life and in the manner specified in Schedule II to the Companies Act, 2013. In respect of additions to fixed assets, depreciation is provided on pro-rata basis from the date the assets have been put to use.

b) Useful life of assets used for double shift / triple shift has been reviewed and readjusted on each Balance Sheet date on the basis of shift used / depreciation charged.

c) Scrap value of the assets are determined at the rate of 5% of original cost.

### **INCOME RECOGNITION:**

Revenue in respect of purchases/sale of product and scraps is recognized at the point of receipt/dispatch from parties at/from factory.

Income and expenditures are recognized on accrual basis. However, since it is not possible to ascertain with reasonable accuracy, the quantum of accrual in respect of discount receivable/payable from/to parties, the same continue to be accounted for as and when received/settled.

### **PRICE CONCESSION FROM GOVERNMENT:**

The price concession from Government on sale of single super phosphate is recognized at the point of sale at the prevailing rates announced by the Government of India. Any shortfall in actual receipt or deduction made by the Government is written off as an expense in the year in which the same is determined. The Company treats the price concession as part of the sale proceeds

### **BENEFITS TO WORKMEN:**

Contributions to employee benefits plan in the form of Provident Fund and Gratuity are charged to the profit & Loss Account of the year when the contributions are due, as per the provisions of the respective statutes.

The company has taken group gratuity policy with Life Insurance Corporation of India (LIC) for future payment of gratuity. The gratuity liability is determined on the basis of an actuarial valuation performed by LIC.

### **TAXES ON INCOME:**

Provision for current tax is determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax expenses or benefits are recognized for timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted as on the balance sheet date.

### **AMORTIZATION:**

Preliminary expenditure is amortized over a period of five years.

### **CONTINGENT LIABILITIES:**

In the opinion of Board of Directors of the Company there is no contingent Liabilities as on 31st March 2017.

**2. SHARE CAPITAL**

(Amount In Lacs)

Share Capital	As at 31st March 2017		As at 31st March 2016	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs.10/- each	22,000,000	2200.00	22,000,000	2200.00
<b>Issued</b>				
Equity Shares of Rs. 10/- each	21,906,735	2190.67	21,906,735	2190.67
<b>Subscribed &amp; Paid up</b>				
Equity Shares of Rs 10/- each fully paid	21,906,735	2190.67	21,906,735	2190.67
<b>Subscribed but not fully Paid up</b>				
Equity Shares of Rs 10/- each not fully paid up	-	-	-	-
<b>Total</b>	<b>21,906,735</b>	<b>2190.67</b>	<b>21,906,735</b>	<b>2190.67</b>

i) a reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.

(Amount In Lacs)

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the period	21,906,735	2190.67
Shares Issued during the period	-	-
Shares bought back during the period	-	-
Shares outstanding at the end of the period	21,906,735	2190.67

ii) Details of shares held by shareholders holding more than 5% shares of the company.

Name of Shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Visualize Tradecom Pvt. Ltd.	1278000	5.83%	846000	3.86%
Paneri Textiles Pvt. Ltd.	1015500	4.64%	1090500	4.98%
Seasons Agrochem India Pvt. Ltd.	2066790	9.43%	2310800	10.55%
Ostwal Phoschem (India) Limited.	6926770	31.62%	9730520	44.42%
Chunri Prints Pvt. Ltd.	1089500	4.97%	1207625	5.51%
Vesta Tex Pvt. Ltd.	1000000	4.56%	1000000	4.56%
Suswani Textiles Pvt. Ltd.	1468000	6.70%	1000000	4.56%

iii) 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 held. 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 to their shareholding.

iv) 3800000 equity shares of Rs. 10/- each fully paid up were allotted and issued on premium in 2015-2016.

v) Disclosure pursuant to Note no. 6(A)(i) of Part-I of schedule VI to the companies Act,2013

Particulars	Years				
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<b>Equity Shares:</b>					
Fully paid up pursuant to contract(s)	-	-	-	-	-
Fully paid up by way of bonus shares	-	-	-	-	-
Shares Bought back	-	-	-	-	-

**3. RESERVES & SURPLUS****(Amount In Lacs)**

RESERVE & SURPLUS	As at 31st March 2017	As at 31st March 2016
<b>i) Revaluation Reserves</b>		
Opening Balance	2,460.77	2,468.41
(+) Addition during the year	-	-
(-) revaluation Write off due to lapse of useful life transfer to General Reserve	-	-
(-) Depreciation on revaluation transfer to General Reserve	7.64	7.64
Closing Balance	<b>2,453.13</b>	<b>2,460.77</b>
<b>ii) Surplus \ General Reserve</b>		
Opening Balance	2,791.02	1,862.69
(+) Net Profit/(Net Loss) For the current year	1,172.89	920.69
(+) Transfer from Revaluation Reserves (Depreciation amount related to revaluation of Assets)	7.64	7.64
(+) Transfer from Revaluation Reserves (Revaluation portion of FA retire)	-	-
(-) FA Retirement amount related to revaluation portion	-	-
(-) FA Retirement amount related to Original cost portion	-	-
Amount available for appropriation	3,971.55	2,791.02
Appropriations:		
(-) Proposed Dividends	109.53	-
(-) Interim Dividends	-	-
Total Dividend	109.53	-
Dividend tax	18.95	-
<b>Amount Transferred to General Reserve / Closing Balance</b>	<b>3,843.07</b>	<b>2,791.02</b>
<b>iii) Security Premium</b>		
Opening Balance	1,686.52	1,078.52
(+) Current Year addition	-	608.00
(-) Bonus issue	-	-
Closing Balance	<b>1,686.52</b>	<b>1,686.52</b>
<b>Total</b>	<b>7,982.72</b>	<b>6,938.31</b>

**4. LONG TERM BORROWING****(Amount In Lacs)**

LONG TERM BORROWING	As at 31st March 2017	As at 31st March 2016
<b>Secured</b>		
(a) Term Loan		
From Bank	2,125.00	1,602.27
	<b>2,125.00</b>	<b>1,602.27</b>
<b>Unsecured</b>		
(b) From Directors	-	5.00
(c) From Other Companies	-	-
	-	<b>5.00</b>
<b>Total</b>	<b>2,125.00</b>	<b>1,607.27</b>

**a) Term Loan**

i) Nature of Security – The term loans 30.00 Cr. sanctioned from SBBJ closed on avilment of 25.00 Cr. is secured by way of 1st charge in the form of mortgage of assets of the company's immovable properties at Banda Unit Sulphuric and SSP unit (present and future) at village Sorai, Tehsil Banda, Distt Sagar, (MP) owned by the company. Term Loan of HDFC is paid and square off during the year Banda BRP Unit having first charge on it.

ii) Terms of repayment – The SBBJ Term loans to be repaid in equated quarterly installments of Rs.1.25 Cr. each. The last instalment is in July 2024. The rate of interest charged on the term loan by SBBJ Bank @ 10.70% P.A.

Name of Banks	Date of Maturity	No. of Instalments outstanding as on 31.03.2017	As at 31st March 2017			As at 31st March 2016		
			Total Outstanding	Current Maturities	Net Long Term Borrowings	Total outstanding	Current maturities	Net Long Term Borrowings
HDFC Bank Ltd.	7-Mar-17	NA	-	-	-	234.42	132.15	102.27
SBBJ	30-Jul-24	NA	2,500.00	375.00	2,125.00	1,500.00	-	1,500.00
<b>Total</b>			<b>2,500.00</b>	<b>375.00</b>	<b>2,125.00</b>	<b>1,734.42</b>	<b>132.15</b>	<b>1,602.27</b>

iii) Secured loans are guaranteed by personal guarantee of Sh.Pankaj Ostwal, Managing Director and Sh. Praveen Ostwal, Director.

**5. DEFERRED TAX LIABILITIES**

- i) The company has recognized a provision for deferred tax Assets of Rs. 135.52 Lacs, P.Y. Rs. 448.72 Lacs Deferred Tax Assets in the Profit and Loss A/c. The balance of Deffered Tax Assets as on 31.03.2017 is Rs. 257.47 Lac (previous year Rs. 121.96 Lac DTA) determined on account of timing differences in accordance with Accounting Standard-22 "Accounting for Taxes on Income" as under :-

(Amount In Lacs)		
DEFERRED TAX LIABILITIES	As at 31st March 2017	As at 31st March 2016
Deffered tax liabilities		
A. Deffered tax liabilities (depreciation on fixed assets)	1,742.13	1,366.40
B. Deffered tax assets (Carried forward of losses)	1,590.46	1,367.45
Deffered Tax Liability (A-B)	151.67	(1.05)
Less: Mat Credit	409.14	120.91
<b>Net Deffered Tax Liabilities</b>	<b>257.47</b>	<b>121.96</b>

- ii) Deffered tax assets and deffered tax liabilities have been offset as they relate to the same governing taxation laws.

**6. SHORT-TERM BORROWING**

(Amount In Lacs)		
SHORT-TERM BORROWING	As at 31st March 2017	As at 31st March 2016
<b>UnSecured</b>		
a) Other loans and advances	307.50	
<b>Secured</b>		
a) Working Capital Loan from HDFC Bank Ltd. repayable on demand	548.49	32.04
<b>Total</b>	<b>855.99</b>	<b>32.04</b>

- i) **Nature of Security** – The advance shall be secured by 1st charge on Company's movable assets of Unit II including movable plant and machinery, machinery spares, tools and accessories, furnitur, fixture, vehicles, and all other movable assets present and future, intangible, goodwill, uncalled capital, present and future.
- ii) **Terms of repayment** – The bank loan for working capital is repayable on demand and having interest rate 9.00 % as on 31/03/2017
- iii) The bank loan for working capital is guaranteed by personal guarantee of Sh.Pankaj Ostwal, Managing Director.

**7. TRADE PAYABLES**

(Amount In Lacs)		
TRADE PAYABLES	As at 31st March 2017	As at 31st March 2016
Trade payables	691.76	168.62
<b>Total</b>	<b>691.76</b>	<b>168.62</b>

There are no Micro, small and medium enterprises to whom the company owes dues, which are outstanding for more than 45 days as at 31st March, 2017. This information as required to be disclosed under the Micro-small and medium enterprises development Act,2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**8. OTHER CURRENT LIABILITIES**

(Amount In Lacs)		
OTHER CURRENT LIABILITIES	As at 31st March 2017	As at 31st March 2016
a) Current Maturities of Long Term Debt ( Refer note no.4)	375.00	132.15
b) Others Payables	-	
i) Statutory dues including Provident Fund and Tax deducted at source etc.	53.33	22.40
ii) Liability Towards Staff & Workers	32.24	26.64
iii) Advances from Customer	2.72	-
iv) Other Liabilities	4.57	1.27
<b>Total</b>	<b>467.86</b>	<b>182.46</b>

**9. SHORT TERM PROVISION****(Amount In Lacs)**

SHORT TERM PROVISION		As at 31st March 2017	As at 31st March 2016
Other (Specify nature)			
a)	Provision for Income Tax	288.22	120.91
b)	Provision for Expenses	153.53	64.60
c)	Provision for Proposed Dividend	109.53	-
d)	Provision for Tax on Dividend	18.95	-
<b>Total</b>		<b>570.23</b>	<b>185.51</b>

**10. FIXED ASSETS**

- i) The Company has provided depreciation on fixed assets on useful life of assets on triple shift basis on BRP & SSP & SA plant in accordance with the provisions of Section 123 read with the Part C of Schedule II to the Companies Act, 2013. Depreciation on the additions to fixed assets during the year has been provided on pro-rata basis from the date when put to use.
- ii) Disposal from Gross Block represents sale of fixed assets.
- iii) Deduction in depreciation is on account of sale of fixed assets.
- iv) The Land stated at revalued as per registered valuers report.
- v) No provision is required for impairment of assets according to AS-28 'Impairment of Assets' as the value in use as estimated by the management, is higher than the carrying amount of the assets as on Balance Sheet date. In order to arrive at the value in use, the company has reviewed the future earnings of the remaining useful life of all its cash generating units as at Balance Sheet date which has been discounted at the average long term lending rate of the Company.

**11. NON CURRENT INVESTMENT****(Amount In Lacs)**

Name of Investment		As at 31st March 2017	As at 31st March 2016
Fully paid up Equity Shares		-	117.00
<b>Total</b>		<b>-</b>	<b>117.00</b>

**12. LONG TERM LOANS AND ADVANCES****(Amount In Lacs)**

LONG TERM LOANS AND ADVANCES		As at 31st March 2017	As at 31st March 2016
a.	Capital Advances		
	Unsecured, considered good	-	-
<b>Total</b>			<b>-</b>
b.	Security Deposit		
	Unsecured, considered good	62.74	58.82
<b>Total</b>		<b>62.74</b>	<b>58.82</b>
c.	Other Loan & advances		
	Vat Credit	-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>Total</b>		<b>62.74</b>	<b>58.82</b>

**13. OTHER NON CURRENT ASSETS****(Amount In Lacs)**

OTHER NON CURRENT ASSETS		As at 31st March 2017	As at 31st March 2016
a.	Preliminary expenses	-	-
<b>Total</b>		<b>-</b>	<b>-</b>



#### 14. INVENTORIES

(Amount In Lacs)

INVENTORIES		As at 31st March 2017	As at 31st March 2016
a.	Raw materials	562.26	99.65
b.	Finished Goods	996.83	261.48
c.	Finished Goods WIP	13.98	45.76
d.	Stores & spares	154.61	143.88
e.	Other Consumables	32.82	32.24
<b>Total</b>		<b>1,760.50</b>	<b>583.01</b>

#### 15. TRADE RECEIVABLES

(Amount In Lacs)

TRADE RECEIVABLES		As at 31st March 2017	As at 31st March 2016
Unsecured, considered good			
a.	Trade receivables outstanding for a period less than six months from the date they are due for payment	1,270.62	700.00
b.	Trade receivables outstanding for a period exceeding six months from the date they are due for payment	-	-
<b>Total</b>		<b>1,270.62</b>	<b>700.00</b>

#### 16. CASH AND CASH EQUIVALENT

(Amount In Lacs)

CASH AND CASH EQUIVALENT		As at 31st March 2017	As at 31st March 2016
a)	Balance With Bank	6.06	30.53
b)	Cash on hand	4.43	7.65
c)	Fixed Deposit with Bank	0.23	18.20
<b>Total</b>		<b>10.72</b>	<b>56.38</b>

#### 17. SHORT TERM LOANS AND ADVANCES

(Amount In Lacs)

SHORT TERM LOANS AND ADVANCES		As at 31st March 2017	As at 31st March 2016
Other loans & Advances (Unsecured considered good unless otherwise stated)			
i)	Advance Taxes	190.02	100.18
ii)	Prepaid expenses	11.36	8.72
iii)	Loans to employees	0.79	0.96
iv)	Advances to suppliers	129.32	79.11
v)	VAT Credit	860.38	586.59
vi)	Excise Cenvat Credit	6.16	52.12
vii)	Other loans & Advances	5.29	3.50
<b>Total</b>		<b>1,203.32</b>	<b>831.18</b>

#### 18. OTHER CURRENT ASSETS

(Amount In Lacs)

OTHER CURRENT ASSETS		As at 31st March 2017	As at 31st March 2016
Other Current Assets		-	-
<b>Total</b>		<b>-</b>	<b>-</b>

#### 19. REVENUE

(Amount In Lacs)

REVENUE		As at 31st March 2017	As at 31st March 2016
Sale of products		7,917.11	6,498.65
<b>Total</b>		<b>7,917.11</b>	<b>6,498.65</b>

#### 20. OTHER INCOME

(Amount In Lacs)

OTHER INCOME		As at 31st March 2017	As at 31st March 2016
a.	Interest income	3.92	4.22
b.	other non-operating income	710.33	7.76
<b>Total</b>		<b>714.25</b>	<b>11.98</b>

## 21. COST OF RAW MATERIAL CONSUMED

(Amount In Lacs)

COST OF RAW MATERIAL CONSUMED		As at 31st March 2017	As at 31st March 2016
	Opening Stock	131.90	525.76
	Add: Purchases	3,647.55	2,012.40
	Less: Closing Stock	595.08	131.90
	<b>Total</b>	<b>3,184.37</b>	<b>2,406.26</b>

## 22. PURCHASE OF TRADED GOODS

(Amount In Lacs)

PURCHASE OF STOCK IN TRADE		As at 31st March 2017	As at 31st March 2016
	Purchases	674.89	1,355.26
	<b>Total</b>	<b>674.89</b>	<b>1,355.26</b>

## DETAILS OF RAW MATERIAL CONSUMED AND TRADED GOODS

(Amount In Lacs)

Particulars		As at 31st March 2017		As at 31st March 2016	
		Qty (MT)	Amount	Qty (MT)	Amount
<b>A. Raw Material Consumed</b>					
a.	Rock phosphate consumed	85677.894	1,359.28	69897.160	1,047.37
b.	Beneficiated Rock Phosphate	98.592	103.20	2441.310	305.21
c.	Sulphuric acid consumed	22306.909	421.52	18687.790	703.23
d.	Sulphur Consumed	10733.140	779.40	20.331	1.77
e.	Boron Consumed	9.210	4.19	7.500	3.41
f.	Zinc Consumed	157775.155	101.36	38.594	10.59
g.	HDPE bags consumed (Nos.)	1613510	225.59	1089260	148.75
h.	Others (Regents )	-	189.82	-	185.93
	<b>Total Raw Material Consumed</b>		<b>3,184.37</b>	-	<b>2,406.26</b>
<b>B. Total Trading goods purchased</b>					
			<b>674.89</b>	-	<b>1,355.26</b>

## 23. CHANGES IN INVENTORY OF FINISHED GOODS

(Amount In Lacs)

CHANGES IN INVENTORY OF FINISHED GOODS		As at 31st March 2017	As at 31st March 2016
	Stock at the beginning of the year (A)	261.48	242.26
	Stock at the end of the year (B)	996.84	261.48
	<b>(Increase)/Decrease in stocks (A-B)</b>	<b>(735.36)</b>	<b>(19.22)</b>
	WIP Stock at the beginning of the year (A)	45.76	2.73
	WIP Stock at the end of the year (B)	13.98	45.76
	<b>(Increase)/Decrease in stocks (A-B)</b>	<b>31.78</b>	<b>(43.03)</b>
	<b>Total (Increase)/Decrease in stocks (A-B)</b>	<b>(703.58)</b>	<b>(62.25)</b>

### 23(A) TRADING GOODS

(Amount In Lacs)

CHANGES IN INVENTORY OF FINISHED GOODS		As at 31st March 2017	As at 31st March 2016
	Stock at the beginning of the year (A)	-	-
	Stock at the end of the year (B)	-	-
	<b>(Increase)/Decrease in stocks (A-B)</b>	<b>-</b>	<b>-</b>

## 24. EMPLOYEE BENEFIT EXPENSES

(Amount In Lacs)

EMPLOYEE BENEFIT EXPENSES		As at 31st March 2017	As at 31st March 2016
a.	Salaries & Incentives	177.95	113.19
b.	Contribution to Provident Fund & ESI	14.67	8.72
c.	Gratuity Fund contribution	0.34	2.32
d.	Staff welfare expenses	13.27	9.26
	<b>Total</b>	<b>206.23</b>	<b>133.49</b>

## 25. FINANCE COSTS

FINANCE COST	(Amount In Lacs)	
	As at 31st March 2017	As at 31st March 2016
Interest Expenses	495.17	280.81
Other Bank Charges	16.94	1.75
<b>Total</b>	<b>512.11</b>	<b>282.56</b>

## 26. DEPRECIATION AND AMORTIZATION EXPENSES

DEPRECIATION AND AMORTIZATION EXPENSES	(Amount In Lacs)	
	As at 31st March 2017	As at 31st March 2016
Current year depreciation	710.07	344.05
less: Charged from Revaluation Reserve	-	-
<b>Total</b>	<b>710.07</b>	<b>344.05</b>
Preliminary Exp Write off	-	9.38
<b>Total</b>	<b>710.07</b>	<b>353.43</b>

## 27. OTHER EXPENSES

OTHER EXPENSES	(Amount In Lacs)	
	As at 31st March 2017	As at 31st March 2016
<b>A. Manufacturing Expenses</b>		
Consumption of Stores & Spares parts	282.02	231.04
Power & Fuel	397.56	250.68
Repairs & Maintenance to Plant & Machinery	7.27	5.59
Other manufacturing expenses	284.24	150.38
<b>Total (A)</b>	<b>971.09</b>	<b>637.69</b>
<b>B. Administration Expenses</b>		
Insurance	19.72	10.97
Repairs to buildings	4.77	2.70
Directors' Remuneration	29.69	28.82
Auditors' Remuneration	0.95	0.95
Miscellaneous Expenditure	111.50	69.63
CSR	17.88	12.06
<b>Total (B)</b>	<b>184.51</b>	<b>125.13</b>
<b>C. Selling &amp; Distribution Expenses</b>		
Freight & Transport	480.87	321.37
Advertisement & Business promotion	4.50	8.55
Others	1,029.69	323.88
<b>Total (C)</b>	<b>1,515.06</b>	<b>653.80</b>
<b>Total</b>	<b>2,670.66</b>	<b>1,416.62</b>

## 28. RELATED PARTY TRANSACTIONS

a) Key Managerial persons & their relatives

i) Mr. Pankaj Ostwal  
ii) Mr. Praveen Ostwal  
iii) Mr. Sourabh Gupta  
iv) Miss Pallavi Sukhwil

b) Enterprises over which Key Management Personnel exercises significant influence

i) Krishana Phoschem Limited  
ii) Ostwal Phoschem (India) Ltd.  
iii) Seasons Agro Chem India Pvt. Ltd.

c) Transactions with the related parties

Particulars	As at 31st March 2017	As at 31st March 2016
Directors remunerations	29.69	28.82
Purchases of goods	296.87	60.28
Sale of goods	395.92	488.97
Issue of Shares on premium	-	988.00
Loan and advances given	405.00	-
Loan and advances taken	530.00	-
Loan and advances repayment	210.35	-
Interest Paid	3.11	-

## 29. EMPLOYMENT BENEFIT PLANS

The Company has complied with Accounting Standard 15 (Revised 2005) and the required disclosure are given here under:

### (a) Defined Benefit Plans:

Particulars		As at 31st March 2017	As at 31st March 2016
i)	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	a) At the beginning of the year	20.65	17.25
	b) Current Service Cost	3.09	3.10
	c) Interest Cost	1.65	1.38
	d) Actuarial (Gain) Loss	-3.37	-0.78
	e) Benefits paid	-0.19	-0.30
	f) Defined Benefits Obligation at year end	21.83	20.65
ii)	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
	a) At beginning of the year	24.93	21.22
	b) Expected Return on plan assets	2.01	2.01
	c) Actuarial Gain / (Loss)	0.00	0.00
	d) Employer Contributions	0.00	2.00
	e) Benefits paid	-0.19	-0.30
	f) Fair Value of the plan assets at the year end	26.75	24.93
iii)	<b>Reconciliation of fair value of obligation and Assets</b>		
	a) Present value of obligation as at year end	21.83	20.65
	b) Fair value of plan assets as at year end	26.75	24.93
	c) Amount recognized in Balance Sheet (a-b)	4.92	4.28
iv)	<b>Expense recognized during the year:</b>		
	a) Current Service Cost	3.09	3.10
	b) Interest Cost	1.65	1.38
	c) Expected return on plan assets	-2.01	-2.01
	d) Actuarial (gain) / loss	-3.37	-0.78
	e) Net Cost (a+b+c+d)	-0.64	1.69
v)	Investment Details of Plan Assets :		
	<b>Name of retirement benefit</b>	<b>Name of Trust</b>	<b>Policy No.</b>
	Gratuity	Madhya Bharat Agro Products Limited., Employees Group Gratuity Trust	G.G. TRU 101000392
			<b>Investment with</b>
			LIC of India
vi)	There are no amount included in the fair value of plan assets for		
	i) Company's own financial instruments.		
	ii) Property occupied by or other assets used by the Company.		
vii)	Assumptions at the		
		<b>31st March 2017</b>	<b>31st March 2016</b>
i)	Discount Rate	8% per annum	8% per annum
ii)	Expected Rate of return on plan assets	8% per annum	8% per annum
iii)	Future Salary Increase	7% per annum	8% per annum
viii)	The overall expected rate of return on assets is assumed based on the market prices prevailing on that date over the accounting period. The Company is having approved gratuity trust and leave encashment policy, which is having insurer Managed Fund.		
ix)	Experience Adjustment:		
	<b>Gratuity</b>	<b>31st March 2017</b>	<b>31st March 2016</b>
	Defined Benefits Obligation	21.83	20.65
	Plan assets	26.75	24.93
	Surplus/(deficit)	4.92	4.28
	Experience adjustment on plan Liabilities (loss)/ gain	-3.37	-0.78
	Experience adjustment on plan Assets (loss)/ gain	0.00	0.00
	<b>(b) Defined Contribution Plans:</b>		
	Amount recognized as an expense and also included in the Note no. 21		
		<b>31st March 2017</b>	<b>31st March 2016</b>
i)	Employers Contribution to Provident Fund	14.67	8.72

### 30. FOREIGN CURRENCY EXPOSURE

During the year 2016-17, there is no foreign currency exposure made by the company.

### 31. EARNING PER SHARE

EARNING PER SHARE		As at 31st March 2017	As at 31st March 2016
Net profit available to equity shareholders (Rs in lacs)		1,172.89	920.69
Weighted average number of equity shares outstanding during the year (Nos.)		21,906,735	19,965,205
Basic and Diluted Earnings (Rs per Share)		5.35	4.61

### 32. PAYMENT TO AUDITOR

PAYMENT TO AUDITOR		As at 31st March 2017	As at 31st March 2016
To Statutory Auditor		0.60	0.60
To Cost Auditor		0.35	0.27
<b>Total</b>		<b>0.95</b>	<b>0.87</b>

### 33. STATEMENT OF ADDITIONAL INFORMATION

#### a) Quantitative Detail of Finished Goods

S. No.	Particulars	SSP (MT)
		<b>Unit I</b>
1	Opening Stock	3,310.294
2	Qty Manufactured during the year	54,613.166
3	Sales during the year	49,318.700
4	Closing Stock at the end of the year	8,603.810
5	Shortage/destroyed	0.950

S. No.	Particulars	GSSP (MT)	BRP (MT)	SSP (MT)	SA (MT)
		Unit II	Unit II	Unit II	Unit II
1	Opening Stock	0.000	1,102.565	459.449	60.690
2	Qty Manufactured during the year.	17621.500	55581.709	14588.466	32296.855
3	Transfer to Unit-I during the year	0.000	28,749.704	0.000	6799.520
4	Sales during the year	14169.000	9,269.527	9962.200	17180.510
5	Closing Stock at the end of the year	3452.500	4602.090	5085.715	869.090
6	Captive consumption at Banda SSP Unit	0.000	10,629.494	0.000	7508.425
7	Shortage/Destroyed	0.000	3,433.459	0.000	0.000

#### b) Quantitative Detail of Finished Goods WIP

S. No.	Particulars	Inter Unit BRP (MT)
		<b>Unit I</b>
1	Opening Stock	848.576
2	Received from Unit-II during the year	28,749.704
3	Consumed during the year	29,240.944
4	Closing Stock at the end of the year	357.336
5	Shortage/destroyed	-

**34. IMPORTED & INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARE PARTS CONSUMED** – All raw material are indigenous except partly raw material (rock phosphate) imported through high sea agreement basis. components and spare parts consumed by the company are indigenous.

#### QUANTITATIVE DETAIL OF RAW MATERIAL

S. No.	Particulars	Zinc	Boron	Sulphur	S.Acid	Bags	Zinc	Boron	Egypt Rock	Rock Phosphate (MT)		S. Acid	Bags
		MT	MT	MT (Unit II)	MT (Unit II)	(Nos) Unit II	MT (Unit II)	MT (Unit II)	MT (Unit II)	Unit I (other than interunit BRP)	Unit II	(MT)	(Nos)
1	Opening Stock	23.406	12.500	392.269	136.372	0.000	0.000	0.000	0.000	98.592	1408.050	459.843	15353.000
2	Purchased during the year	219.000	0.000	11200.450	3919.637	825000.000	184.000	8.000	11186.000	0.000	91375.374	18724.494	1097000.000
3	Consumption during the year	235.155	9.045	10733.140	3549.609	579450.000	157.540	0.165	6864.244	98.592	78813.650	18757.301	1034060.000
4	Sales during the year	0.000	0.000	0.000	0.000							0.000	0.000
5	Yield of finished product (N) during the year	235.155	9.045	10733.140	3549.609	579450.000	157.540	0.165	6864.244	98.592	78813.650	18757.301	1034060.000
6	Closing Stock - at Factory	7.251	3.455	859.579	506.400	245550.000	26.460	7.835	4321.756	0.000	13969.774	427.036	78293.000
7	Percent of yield	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
8	Transfer BRP Consumed									29240.944			

**35. Discloser of the details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016 as provided in the Table below (Rs. In Lacs) :-**

Particular	SBNs	Other Denomination Notes	Total
Closing cash in hand as on 08.11.2016	0.00	19.91	19.91
(+) Permitted receipts	0.00	7.56	7.56
(-) Permitted payments	0.00	22.97	22.97
(-) Amount deposited in Banks	0.00	0.34	0.34
Closing cash in hand as on 30.12.2016	0.00	4.16	4.16

**36. Segment Reporting**

Segment Reporting		As at 31st March 2017	As at 31st March 2016
<b>1</b>	<b>Segment Revenue</b>		
a	Manufacturing of Fertilisers	7603.35	7290.33
b	Manufacturing of Chemicals	1343.23	0.00
c	Trading	678.65	1371.23
	<b>Total</b>	<b>9625.23</b>	<b>8661.56</b>
	Less: Inter segment revenue	1759.14	2195.30
	<b>Net sales/Income from Operations</b>	<b>7866.10</b>	<b>6466.26</b>
<b>2</b>	<b>Segment Results (Profit/Loss before tax and intersert from each segment)</b>		
a	Manufacturing of Fertilisers	1167.54	860.20
b	Manufacturing of Chemicals	-47.84	0.00
c	Trading	3.76	3.27
	<b>Total</b>	<b>1123.46</b>	<b>863.47</b>
	Less: (i) Interest	512.11	282.57
	(ii) other Unallocated expenditure net off	0.00	0.00
	(iii) Unallotable income	714.25	11.98
	<b>Total Profit before Tax</b>	<b>1325.60</b>	<b>592.88</b>

37 The company has taken a plan from SBI Life & HDFC Life in compliance of terms of sanction of Cash Credit Limit taken from HDFC. The company has paid premium & debited to the profit & Loss account. As per the assignment of the policy the maturity value will be received to Managing Director Mr. Pankaj Ostwal. The Managing Director Mr. Pankaj Ostwal of the company has been duly undertake to derive no benefit out of that & consented to deposit the entire amount into the company as and when received to him. The maturity value will be credited to profit & Loss A/c in the year of receipt.

38. a) Figures of Previous year have been regrouped, rearranged and/or reclassified wherever consider necessary to make these comparable with the current year. comparable with the current year.

b) Figures have been shown in Lacs except otherwise stated.

Signatures to Notes 1 to 38

As per our report of even date

**For: M/s Ashok Kanther & Associates**  
**Chartered Accountants**  
FRN 050014C

Sd/-  
(Ashok Kanther)

**Partner**  
**M.no. 043571**  
Place: Bhilwara  
Date : 25/05/2017

For and on behalf of the Board of Directors

Sd/- Sd/- Sd/-  
(Pallavi Sukhwai) (Sourabh Gupta) (Pankaj Ostwal)  
**Whole Time**  
**Company Director & Chief**  
**Secretary Financial Officer Managing**  
**ACS 43744 DIN 07177647 Director**  
**DIN 02586806**

**10. FIXED ASSETS**

Depreciation Chart as on 31st March 2017 as per Companies Act

Particulars	{ GROSS BLOCK }					{ DEPRECIATION }							{ NET BLOCK }	
	Opening Balance as on 01.04.2016	Revalued during the year	Addition during the year	Deduction/sold during the year	Total as at 31.03.2017	Upto 01.04.2016	For the period					Balance As on 31.03.2017	Balance As on 31.03.2016	
							On Original Value	On revaluation	On Addition	Total as on 31-03-2017	With Drawn during the			Up to 31.03.2017
Land & Site Development	2588.35	0.00	0.00	-	2588.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2588.35	2588.35
Factory Building	2293.68	0	419.82	-	2713.50	244.87	68.63	5.81	6.65	81.09	0.00	325.96	2387.54	2048.81
Office Building	163.47	0	0.00	-	163.47	12.57	2.51	0.09	0.00	2.60	0.00	15.17	148.30	150.90
Plant & Machinery	4530.05	0	783.32	80.25	5233.12	873.75	536.13	1.72	27.99	565.84	38.52	1401.07	3832.05	3656.30
Plant Electricals	468.03	0	80.47	-	548.50	123.97	44.37	0.00	3.82	48.19	0.00	172.16	376.34	344.06
OE-Office Equipments	10.70	0	1.46	-	12.16	7.32	2.03	0.00	0.09	2.12	0.00	9.44	2.72	3.38
Tools & Spares	1.39	0	0.00	-	1.39	1.00	0.08	0.02	0.00	0.10	0.00	1.10	0.29	0.39
Furniture & Fixtures	29.83	0	0.54	-	30.37	11.06	3.01	0.00	0.03	3.04	0.00	14.10	16.27	18.77
Vehicles	34.42	0	22.51	0.60	56.33	17.53	4.26	0.00	1.06	5.32	0.18	22.67	33.66	16.89
Quality Control Laborator	11.75	0	0.00	-	11.75	4.30	1.06	0.00	0.00	1.06	0.00	5.36	6.39	7.45
Computers	10.44	0	2.42	-	12.86	9.29	0.25	0.00	0.45	0.70	0.00	9.99	2.87	1.15
Gas Cylander	0.14	0	0.00	-	0.14	0.07	0.01	0.00	0.00	0.01	0.00	0.08	0.06	0.07
<b>Total :</b>	<b>10142.25</b>	<b>0.00</b>	<b>1310.54</b>	<b>80.85</b>	<b>11371.94</b>	<b>1305.73</b>	<b>662.34</b>	<b>7.64</b>	<b>40.09</b>	<b>710.07</b>	<b>38.70</b>	<b>1977.10</b>	<b>9394.84</b>	<b>8836.52</b>
<b>WIP</b>													<b>924.02</b>	<b>0.00</b>