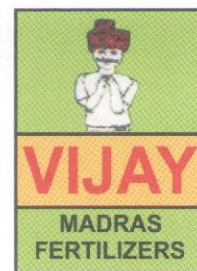




मद्रास फर्टिलाइज़र्स लिमिटेड Madras Fertilizers Limited

(भारत सरकार का उपक्रम / A Government of India Undertaking)

पोस्ट बैग सं. 2, मणालि, चेन्नै - 600 068. भारत दूर : 25941001 / फ़ैक्स सं. 044-25941010
Post Bag No. 2, Manali, Chennai - 600 068. INDIA. Tel : 25941001 / Fax No. 044-25941010
कामिक / Per 25945210 संयंत्र / Plant 25941133 विप. / Mktg 25941285 वित्त / Fin 25941072
Website : www.madrasfert.nic.in email : gmpasec@madrasfert.co.in CIN : L32201TN1966GO1005469



CS/NSE/2017/723

May 30, 2017

Mr K Hari
Asst Vice President
National Stock Exchange of India Ltd
Plot No.C/I "G" Block
Bandra Kurla Complex
Bandra (E)
Mumbai – 400 051

Fax No: 22 – 26598237 / 38
Email : cmlist@nse.co.in

Dear Sir,

**Sub: Audited Financial Results for the quarter and Year
ending March 31, 2017 and Audited Report**

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith a copy of Audited Financial Results for the quarter and year ended March 31, 2017 and Auditor's Certificate of the Audited Financial Results of the Company for the above period for your information and records.

Very truly yours

V. Muralidharan
30/5/2017

V Muralidharan
Company Secretary

Enc : a/a

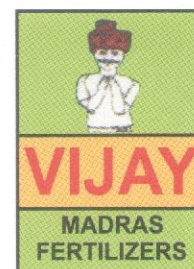
एम.एफ.एल.



मद्रास फर्टिलाइज़र्स लिमिटेड Madras Fertilizers Limited

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MADRAS FERTILIZERS LIMITED
(A Govt. of India Undertaking)
Regd. Office : Manali, Chennai 600 068

Part I					
Statement of Audited Results for the Quarter and Year ended 31/03/2017					
(₹ in lakhs)					
Particulars	3 months ended (31/03/2017)	Preceding 3 months ended (31/12/2016)	Corresponding 3 months ended in the previous year (31/03/2016)	Year to date figures for Current period ended (31/03/2017) (12 months)	Previous year ended (31/03/2016) (12 months)
	audited	Unaudited	Unaudited	Audited	Audited
1 Income from Operations					
(a) Net Sales/Income from Operations (inclusive of Excise Duty)	45421	30483	38594	140333	120451
(b) Other Operating Income					
Total income from Operations (net)	45421	30483	38594	140333	120451
2 Expenses					
(a) Cost of Materials consumed	38821	29543	30391	117703	100687
(b) Purchase of stock-in-trade	42	46	33	227	720
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(4407)	(6159)	(344)	(10343)	(2464)
(d) Employee benefits expense	2767	2241	2361	9679	8960
(e) Depreciation and amortisation expense	213	547	175	1853	1815
(f) Other Expenses	5076	3466	4730	16846	14567
Total Expenses	42512	29684	37346	135965	124285
3 Profit / (Loss) from Operations before Other Income, finance costs and Exceptional Items (1-2)	2909	799	1248	4368	(3834)
4 Other Income	426	45	1944	821	2312
5 Profit/ (Loss) from Ordinary activities before finance costs and exceptional items (3+4)	3335	844	3192	5189	(1522)
6 Finance costs	1914	1865	2315	7400	8232
7 Profit/ (Loss) from Ordinary activities after finance costs but before exceptional items (5+6)	1421	(1021)	877	(2211)	(9754)
8 Exceptional Items	2	-	-	2	-
9 Profit / (Loss) from Ordinary Activities before tax (7 + 8)	1419	(1021)	877	(2213)	(9754)
10 Tax Expense	-	-	-	-	-
11 Net Profit / (Loss) from Ordinary Activities after tax (9 - 10)	1419	(1021)	877	(2213)	(9754)
12 Extraordinary Items (net of tax expense)	118	-	9200	118	9200
13 Net Profit / (Loss) for the period (11+12)	1301	(1021)	(8323)	(2331)	(18954)
14 Share of Profit/(Loss) of associates	-	-	-	-	-
15 Minority Interest	-	-	-	-	-
16 Net Profit / (Loss) after taxes, minority interest and share of profit /(Loss) of associates (13+14+15)	1301	(1021)	(8323)	(2331)	(18954)
17 Paid-up equity share capital (Face Value ₹ 10 per Share)	16110	16110	16110	16110	16110
18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	(69429)	(69429)	(50475)	(69429)	(50475)
19 i Earnings Per Share (before extraordinary items) (of ₹ 10/- each) (not annualised):					
- (a) Basic	0.88	(0.63)	0.54	(1.37)	(6.05)
- (b) Diluted	0.88	(0.63)	0.54	(1.37)	(6.05)
19 ii Earnings Per Share (after extraordinary items) (of ₹ 10/- each) (not annualised):					
- (a) Basic	0.81	(0.63)	(5.17)	(1.45)	(11.77)
- (b) Diluted	0.81	(0.63)	(5.17)	(1.45)	(11.77)

For J.V. RAMANUJAM & Co.,
CHARTERED ACCOUNTANTS

Sri Narayana Jakhota
PARTNER M.No.233192

(Signature)

A.B. KHARE
Chairman and Managing Director
MADRAS FERTILIZERS LIMITED
Manali, Chennai - 600 068



Part II					
Select Information for the Quarter and Year Ended 31/03/2017					
Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for Current period ended	Previous year ended
	(31/03/2017)	(31/12/2016)	(31/03/2016)	(31/03/2017) (12 months)	(31/03/2016) (12 months)
	Unaudited	Unaudited	Unaudited	Audited	Audited
A PARTICULARS OF SHAREHOLDING					
1. Public Shareholding					
- Number of Shares	23733100	23733100	23733100	23733100	23733100
- Percentage of shareholding	14.73	14.73	14.73	14.73	14.73
2. Promoters and Promoter Group					
a) Pledged / Encumbered					
- Number of Shares	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	Nil	Nil	Nil	Nil	Nil
- Percentage of shares (as a % of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil
b) Non-Encumbered					
- Number of Shares	137368200	137368200	137368200	137368200	137368200
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100	100	100	100	100
- Percentage of shares (as a % of the total share capital of the company)	85.27	85.27	85.27	85.27	85.27

Particulars		3 months ended 31/03/2017
B INVESTOR COMPLAINTS		
Pending at the beginning of the quarter		Nil
Received during the quarter		12
Disposed of during the quarter		12
Remaining unresolved at the end of the quarter		Nil

For J.V. RAMANUJAM & Co.,
CHARTERED ACCOUNTANTS
Sri Narayana Jakhotia
SRI NARAYANA JAKHOTIA
PARTNER M.No.233192

A.B. Khare
A.B. KHARE
Chairman and Managing Director
MADRAS FERTILIZERS LIMITED
Manali, Chennai - 600 068



MADRAS FERTILIZERS LIMITED
(A Govt. of India Undertaking)
Regd. Office : Manali, Chennai 600 068

(₹ in lakhs)		
Statement of Assets and Liabilities		
Particulars	As at year end (31/03/2017)	As at previous year end (31/03/2016)
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share Capital	16214	16214
(b) Reserves and Surplus	(71760)	(69429)
(c) Money received against share warrants	-	-
Sub-total - Shareholders' fund	(55546)	(53215)
2 Share application money pending allotment	-	-
3 Minority interest	-	-
4 Non-current liabilities		
(a) Long-term borrowings	13601	16610
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities		
(d) Long-term provisions	1721	1794
Sub-total - Non-current liabilities	15322	18404
5 Current liabilities		
(a) Short-term borrowings	20582	43199
(b) Trade payables	24629	22667
(c) Other current liabilities	104502	93486
(d) Short-term provisions	719	651
Sub-total - Current liabilities	150432	160003
TOTAL - EQUITY AND LIABILITIES	110208	125192
B ASSETS		
1 Non-current assets		
(a) Fixed assets	18283	19440
(b) Goodwill on consolidation	-	-
(c) Non-current investments	40	40
(d) Deferred tax assets (net)	-	-
(e) Long-term loans and advances	1571	1624
(f) Other non-current assets		
Sub-total - Non-current assets	19894	21104
2 Current assets		
(a) Current investments	-	-
(b) Inventories	34464	21107
(c) Trade receivables	4364	932
(d) Cash and cash equivalents	240	3233
(e) Short-term loans and advances	210	317
(f) Other current assets	51036	78499
Sub-total - Current assets	90314	104088
TOTAL - ASSETS	110208	125192

For J.V. RAMANUJAM & Co.,
CHARTERED ACCOUNTANTS

Sri Narayana Jakhota
SRI NARAYANA JAKHOTIA
PARTNER M.No.233192

A.B. Khare
A.B. KHARE
Chairman and Managing Director
MADRAS FERTILIZERS LIMITED
Manali, Chennai - 600 068

**Note :**

1. Ammonia & Urea Plant were shut down for 5 days during the quarter on account of Vardha Cyclone and other maintenance jobs.
2. Complex Fertilizer Plants were not in line for 35 days due to raw material limitation and maintenance jobs during the quarter.
3. Fertilizer manufacture is the only main business segment and trading operations are less than 10% of the total revenue. Further, the Company is engaged in providing and selling its products in single economic environment in India i.e., there is a single geographical segment. Hence, there is no requirement of segment reporting for the Company as per AS 17 (Segment Reporting).
4. The Company has incurred loss during the period ending March 31, 2017 and hence the provision for current tax does not arise.
5. The draft rehabilitation scheme (DRS) for revival of Madras Fertilizers Limited was earlier submitted by the Operating Agency to BIFR. In the meantime as per Government of India notification dated 25.11.2016, the Board for Industrial Finance and Reconstruction (BIFR) has been wound up effective December 1, 2016.

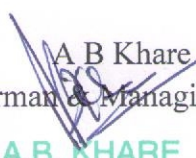
Based on DoF letter No. 19071/07/2015-FCA dated February 11, 2016, the Company has engaged M/s PDIL as a consultant for drawing of business, operational and financial restructuring plans for revival. M/s PDIL has submitted their final report and the same has been presented to Department of Fertilizers, Government of India, for their consideration.

6. The above results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 30.05.2017.

By order of the Board

Date : May 30, 2017

Place : Chennai


Chairman & Managing Director

For J.V. RAMANUJAM & Co.,
CHARTERED ACCOUNTANTS

SRI NARAYANA JAKHOTIA
PARTNER M.No.233192

A.B. KHARE
Chairman and Managing Director
MADRAS FERTILIZERS LIMITED
Manali, Chennai - 600 068



INDEPENDENT AUDITORS' REPORT

To the Members of Madras Fertilizers Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madras Fertilizers Limited, Manali**, which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss, and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting 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 adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting





J.V. RAMANUJAM & CO.,
CHARTERED ACCOUNTANTS

policies used and the reasonableness of the accounting estimates made by the 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2017;
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

- i. We draw attention to Note 24(B)(i) regarding accounting of a sum of Rs.40.48 Crores towards escalation in input prices which has been considered as receivable from Fertilizer Industry Coordination Committee (FICC) for the year ended 31st March 2017 under New Pricing Scheme (NPS) for Urea. Adjustments may arise in future in respect of the above on final payment.
- ii. We draw attention to Note 24(B)(ii) regarding accounting of a sum of Rs.15.71 Crores of subsidy claim for additional fixed cost of Rs.350/MT of Urea.
- iii. We draw attention to Note 29(f) regarding balances in Long term borrowings and Other current liabilities from GOI, Trade Receivable/ Payables, Claim recoverable and loans and advances are subject to confirmation and consequential adjustments;

Our opinion is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those;
 - c) The Balance Sheet, the Statement of Profit and Loss, the statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.





J.V. RAMANUJAM & CO.,
CHARTERED ACCOUNTANTS

- e) The Ministry of Corporate Affairs has clarified that the provisions of sub section (2) of Section 164 the Companies Act, 2013 are not applicable to Government Companies.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law and Accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the investor's education and protection fund by the Company.
 - iv. the Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 29 (e) to the standalone financial statements.
- (3) As required by section 143(5) of the Act, we have considered the directions issued by the Comptroller and Auditor General of India, the action taken thereon and its impact on the accounts and financial statements of the company – "Annexure C"

for J. V. RAMANUJAM & Co.,
Chartered Accountants
FRN: 02947S

(SRI NARAYANA JAKHOTIA)
Partner
M. No: 233192



Place : Chennai
Date : 30th May, 2017

“Annexure A” to Independent Auditors’ Report

(Referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date on the accounts of Madras Fertilizers Limited, Manali (“the Company”), for the year ended March 31, 2017)

- i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
(b) According to the information and explanations given to us, physical verification of movable fixed assets is being conducted in a phased manner by the management under a programme designed to cover all the movable fixed assets over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and nature of its business, last physical verification was done during 2014, and the same is due to be done for 2017. As per the information and explanations provided by the management, the same is in progress as on date. Immovable Fixed Assets like plant and machinery is being inspected every year by a independent chartered engineer.
(c) Title deeds of immovable properties were not provided to us for verification; hence we are unable to comment on the same.
- ii) (a) Physical verification of inventories inside factory premises and at Chennai Port has been carried out by a independent surveyor at year end and the physical verification of stocks of stores and spare parts has been conducted by an independent firm of Chartered Accountants on a ongoing basis so as to complete the verification of all items over the period of one year. Finished goods at warehouse are taken as per warehousing certificates. Warehousing certificates has not been received in a few cases, which however is not significant in value.
(b) In our opinion and according to the information and explanations given to us, the procedures for physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion, the company has maintained proper records of inventory. We are informed that no major discrepancies were noticed on verification between the physical stock and book records.
- iii) According to the information given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore clauses (iii) (a), (iii) (b) and (iii)(c) of Paragraph 3 of the Order are not applicable to the Company.
- iv) The Company has complied with the provisions of the section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.



- v) According to the information and explanations given to us, the Company has complied with the provisions of Section 73 to 76, other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to deposits accepted from public. The Company has not accepted any deposits from public during the year within the meaning of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014.
- vi) We have broadly reviewed the books of account and records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules 2014 prescribed by the Central Government under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate and complete.
- vii) (a) According to the information and explanations given to us, in our opinion, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues as applicable to it .
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and any other statutory dues were outstanding as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income Tax Act, Sales Tax and Service Tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of duty of Excise, Customs and Value Added Tax have not been deposited by the Company on account of disputes:

S No	Name of the statute	Nature of dues/ demand	Period of dispute	Amount (Rs lakhs)	Forum where dispute is pending
1.	Central Excise act, 1944	With regard to dispute on levy of excise duty for the period from 26.08.1995 to 16.11.2006	1995	542.25	CESTAT
2.	Customs Act	Differential customs duty claimed by Commissioner of Customs	1998	6586.00	Commissioner of Customs (Appeals)
3.	Kerala Value Added Taxes	Levy of VAT on subsidy	2009-10 2010-11	510.57	High Court of Kerala



- viii) Based on our audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, or dues to debenture holders except in respect of the default of repayment of principal amount of the following Government of India (GOI) Loans:

Nature of Loan	Year of default	Amount (in Crores)
GOI Loans	2004-05	23.49
GOI Loans	2005-06	23.49
GOI Loans	2006-07	24.89
GOI Loans	2007-08	26.08
GOI Loans	2008-09	27.03
GOI Loans	2009-10	26.44
GOI Loans	2010-11	27.34
GOI Loans	2011-12	28.63
GOI Loans	2012-13	38.33
GOI Loans	2013-14	45.78
GOI Loans	2014-15	32.68
GOI Loans	2015-16	32.68
GOI Loans	2016-17	31.28
	Total *	388.14

* The above loan consists of Plan loans, Non Plan Loans and Revamp Loans.

- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi) In respect of sl. no. (xi), being a Govt. Company, Section 197 of the Companies Act, 2013 is not applicable to the Company in view of Notification no. G.S.R. 463(E) dtd. 05-06-2015
- xii) The company is not a Nidhi Company. Therefore clause 3 (xii) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiii) According to the records of the Company examined by us and the information and explanations given to us, there are no related party transactions; accordingly clause (xi) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.
- xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible

debentures during the year under review, and therefore clause 3(xiv) of the Companies (Auditor's Report) Order, 2016 is not applicable to the Company.

- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **J. V. RAMANUJAM & Co.,**
Chartered Accountants
FRN: 02947S

Sri Narayana Jakhotia

(SRI NARAYANA JAKHOTIA)
Partner
M. No: 233192



Place : Chennai
Date : 30th May, 2017

“ANNEXURE B” to the Independent Auditor’s Report of even date on the Standalone Financial Statements of Madras Fertilizers Limited

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

We have audited the internal financial controls over financial reporting of M/s Madras Fertilizers Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and jointly controlled companies, which are companies incorporated in India, as of that date.

for **J. V. RAMANUJAM & Co.,**
Chartered Accountants
FRN: 02947S

Sri Narayana Jakhotia

(SRI NARAYANA JAKHOTIA)

Partner

M. No: 233192



Place : Chennai
Date : 30th May, 2017

“Annexure C”

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of Madras Fertilizers Limited (Standalone) for the year 2016-17 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013

Sl No	Areas Examined	Suggested Replies
1	Whether the Company has clear title/ lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	a) Clear Title/ lease deeds : - Yes b) If answer to (a) above is No, then : (i) Freehold area (Acres) : Not Applicable (ii) Leasehold area (Acres) : Not Applicable
2	Whether there are any cases of waiver/ write off of debts/ loans/ interest etc. If yes, the reasons thereof and amount involved.	As informed to us by the Management, no cases of waiver of debt/ loan/ interest by the Company for any of the debts/loans given.
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Govt. or other authorities.	As informed to us by the Management, there are no amounts of inventories lying with third parties. Further, during the year there are no instances of assets received as gift(s)/ grant(s) from Govt. or other authorities.

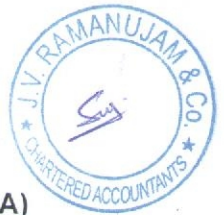
for **J. V. RAMANUJAM & Co.,**
Chartered Accountants
FRN: 02947S

Sri Narayana Jakhotia

(SRI NARAYANA JAKHOTIA)

Partner

M. No: 233192



Place : Chennai
Date : 30th May, 2017

Date : May 30, 2017

DECLARATION

M/s. J V RAMANUJAM & CO., Chartered Accountants, Statutory Auditors of the Company have given an unmodified opinion with respect to the Standalone Audited Financial Results for the quarter and year ended March 31, 2017.

This declaration is submitted in compliance with Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2016, as issued by SEBI vide Notification No.SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016.

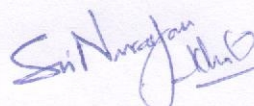
For Madras Fertilizers Limited



A B Khare
Chairman & Managing Director

A.B. KHARE
Chairman and Managing Director
MADRAS FERTILIZERS LIMITED
Manali, Chennai - 600 068

For J V Ramanujam & Co.,
Chartered Accountants
FRN 002947S



CA SRI NARAYANA JAKHOTIA
Partner
M No.233192

