

22ND
ANNUAL REPORT
2013-2014



ASHOK ALCO-CHEM LIMITED

ASHOK ALCO-CHEM LIMITED

BOARD OF DIRECTORS : Mr. Sridhar Chari Whole Time Director
Mr. Manoj Ganatra Independent Director
Dr. Umesh Kulkarni Independent Director
Mr. Sunil Shah Promoter Director

COMPANY SECRETARY & COMPLIANCE OFFICER : Ms. Seema Gangawat

AUDITORS : M/s. R. A. KUVADIA & Co.
Chartered Accountants, Mumbai

REGISTERED OFFICE : 104, Venkatesh Chambers, 1st Floor,
Ghanshyam Talwatkar Marg, Fort,
Mumbai - 400 001.
CIN: L24110MH1992PLC069615
Tel. No.: 022-6144900/01, Fax No.: 022-66104355
Email: info@ashokalcochem.com
Website: <http://www.ashokalcochem.com>

PLANT : Plot No. A-22/2/1, Mahad Industrial Area,
Village Kamble, Mahad - 402 301.
Dist : Raigad, Maharashtra.

REGISTRAR AND SHARE TRANSFER AGENT : LINK INTIME INDIA PVT. LTD.
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (W),
Mumbai - 400 078.
Tel. No.: 022-25946970, Fax No.: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

BANKERS : AXIS BANK LTD.

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ASHOK ALCO-CHEM LIMITED

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Ashok Alco-Chem Limited will be held on Friday, September 26, 2014 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Sunil Shah (DIN: 03567415), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. A. Kuvadia & Co., Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 140 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. R. A. Kuvadia & Co., Chartered Accountants (Registration No. 105487W), be and are hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of Twenty Fifth Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Board of Directors and the Auditors of the Company."

SPECIAL BUSINESS:

4. Appointment of Mr. Manoj Ganatra (DIN 00568914) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Manoj Ganatra (DIN : 00568914) a non-executive director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from September 26, 2014 up to September 25, 2019."

5. Appointment of Dr. Umesh Kulkarni (DIN 00394291) as an Independent Director

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr Umesh Kulkarni (DIN:00394291), a non-executive director of the Company, who has submitted a declaration that he meets the criteria for Independence as provided in Section 149 (6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from September 26, 2014 up to September 25, 2019."

6. Payment of Remuneration to the Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the remuneration of Rs. 40,000/- plus service tax and out-of-pocket expenses payable at actual to M/s. N. Ritesh & Co., who are appointed as Cost Auditors of the Company to conduct the audit of cost accounting records maintained by the Company relating to "Chemicals" for the Financial Year 2014-15."

7. Borrowing Limits

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT in supersession of the earlier resolution passed earlier in this regards, the consent of the Company be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013, the Company hereby authorizes the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution) to borrow from time to time on behalf of the Company, any sum or sums of money on such terms and conditions which shall be in the interest of the Company and with or without security as the Board may think fit, which together with the money already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate paid-up share capital of the Company and its free reserves, not including the reserves set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any time exceed the limit of Rs. 100,00,00,000/- (Rupees One Hundred Crores) only.

RESOLVED FURTHER THAT pursuant to section 180(1)(a) of the Companies Act, 2013 the consent of the Members be and is hereby accorded to the Board to mortgage or charge all or any part of the undertaking of the Company of any nature and kind whatsoever and / or creating a floating

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charge in all or any immovable properties of the Company, in certain events, to or in favour of banks, financial institutions, any other lenders to secure the amount borrowed/to be borrowed by the Company, from time to time, for the due payment of the principal monies together with the interest payable by the Company in respect of such borrowings.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and settle the terms and conditions with the concerned Banks/ Financial Institutions etc, to finalize the agreements/contracts and documents for creating the aforesaid mortgages and / or charges and / to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to any Committee(s) of the Company or to any Director of the Company or any principal officer of the Company as it may consider appropriate in order to give effect to this Resolution and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient to give effect to this resolution and to file the necessary forms with the concerned authorities."

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2014

Seema Gangawat
Company Secretary & Compliance Officer

Registered Office:

CIN: L24110MH1992PLC069615
104, Venkatesh Chambers,
1st Floor, Ghanshyam Talwatkar Marg,
Fort, Mumbai – 400 001
Tel: 022-61446900/01 Fax: 022-66104355
Email: info@ashokalcochem.com
Website: <http://www.ashokalcochem.com>

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY (IES) TO ATTEND AND VOTE ON A POLL ON HIS/ HER BEHALF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company duly completed and signed not less than 48 hours before the commencement of the Meeting.

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books will remain closed from Monday, September 22, 2014 to Friday, September 26, 2014 (both days inclusive).
4. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance pertaining to appointment of the Directors/re-appointment of the retiring Director(s), a statement containing details of the concerned Directors is attached herewith.
5. Members are requested to notify changes, if any, in their registered address to the Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078, in case of shares held in physical form and details about their email addresses to their respective Depository Participants, in case of shares held in dematerialized/electronic form at the earliest.
6. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the venue of the Meeting.
7. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the Meeting so that the information required can be readily available at the Meeting.
8. Pursuant to SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 all the work related to share registry in terms of both physical and electronic are being done by the Company's R&T Agents M/s. Link Intime India Pvt. Ltd. Therefore, Members are requested to send their communication directly to them in future.
9. Corporate Members are required to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11 a.m. to 4.00 p.m. except Saturdays and public holidays upto the date of this Meeting.
11. The Notice of the AGM along with the Annual Report 2013-14 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members, who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with the Company's Registrar & Share Transfer Agent / Depository Participant.

Members may please note that notices, annual reports etc. will also be available on the Company's website viz. www.ashokalcochem.com.

12. Voting through electronic means:

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its Members with facility to exercise their right to vote at the 22nd Annual General Meeting by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services (India) Limited (CDSL).

Process for e-Voting

In case of members receiving e-mail:

- (i) Log on to the e-Voting website www.evotingindia.com.
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the Company Name viz. "Ashok Alco-Chem Limited" from the drop down menu and click on "SUBMIT".
- (iv) Now enter your USER ID
 - a. For CDSL: 16 digits beneficiary ID
 - b. For NSDL: 8 Character DP ID followed by 8 digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the image verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

| | |
|------|--|
| PAN* | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field. |
| DOB# | Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format. |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for "Ashok Alco-Chem Limited" on which you choose to vote.
- (xii) On the voting page, you will see the "RESOLUTION DESCRIPTION" and against the same the option "Yes/No" for voting. Select the option YES or NNO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolutions details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

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- Corporate / Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case the members receiving the physical copy: Please follow all steps from sl. No. (i) to sl.no. (xvii) above to cast vote.

General Information:

- (A) Every Client ID No./ Folio No. shall have one e-vote. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
- (B) Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member as on Friday, August 22, 2014.
- (C) E-voting right cannot be exercised by a proxy.
- (D) **The voting period begins on Thursday, September 18, 2014, (10.00 a.m.) and ends on Friday, September 19, 2014 (6.00 p.m.).** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of August 22, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (E) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdsl.com.
- (F) Ms. Kumudini Paranjape, Partner, Makarand M. Joshi and Co., Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the e-voting and poll procedure in a fair and transparent manner.
- (G) The Scrutinizer shall, within a period not exceeding three (3) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two (2) witnessed not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour of or against, if any, forthwith to the Chairman of the Company.
- (H) **The Results will be declared on or after the date of the AGM i.e. Friday, September 26, 2014.** The declared Results, along with the Scrutinizer's Report, will be available on the Company's website www.ashokalcochem.com under the section "Investor Relations" and on the website of CDSL; such Results will also be forwarded to the Stock Exchange where the Company's shares are listed.

Details of Directors seeking appointment / re-appointment at the Annual General Meeting

| Name of Director | Mr. Sunil Shah | Mr. Manoj Ganatra | Dr. Umesh Kulkarni |
|---|--|--|--|
| Date of Birth | November 7, 1962 | November 21, 1962 | March 12, 1964 |
| Date of Appointment | February 8, 2013 | April 8, 2011 | June 17, 2002 |
| Expertise in specific functional areas | Project Management & Marketing | Accounts, Finance & Taxation | Expertise in Pollution control |
| Qualifications | DME, AIME, (Mechanical Engineer) | B.Com, LLB & FCA | M.Sc. Ph.D. |
| List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies. | Nil | Orient Abrasives Limited | Nil |
| Chairman/ Member of the Committee of the Board of Directors of the Company. | - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Stakeholders Relationship Committee (Member) | - Audit Committee (Chairman) - Nomination and Remuneration Committee (Member) - Stakeholders Relationship Committee (Member) | - Audit Committee (Member) - Nomination and Remuneration Committee (Member) - Stakeholders Relationship Committee (Member) |
| Chairman/ Member of the Committee of the Board of Directors of other companies in which he/she is a Director Audit Committee b. Investor Grievances Committee | Nil | Nil | Nil |
| No. of Shares Held in the Company | Nil | Nil | Nil |

ASHOK ALCO-CHEM LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

Item No. 4 & 5:

Pursuant to the provisions of Clause 49 of the Listing Agreement entered into with Stock Exchanges, Mr. Manoj Ganatra and Dr. Umesh Kulkarni, current Non Executive Independent Directors, whose office are liable to retirement by rotation, were appointed on the Board of Directors of the Company on April 8, 2011 and on June 17, 2002 respectively.

Pursuant to the provisions of Section 149 (4) of the Companies Act 2013, which came into effect from April 1, 2014, every listed public company is required to have at least one third of total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014, *inter alia*, stipulates the conditions for the appointment of Independent Directors by a Listed Company.

Mr. Manoj Ganatra and Dr. Umesh Kulkarni have given a declaration to the Board that they meet the criteria of Independence as provided under Section 149(6) of the Act. In the opinion of the Board, the above Independent Director fulfills the conditions specified in the Act and Rules made thereunder for appointment as Independent Director and they are Independent of Management.

Brief resume of Mr. Manoj Ganatra and Dr. Umesh Kulkarni, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, are provided in the statement giving details under Clause 49 of the Listing Agreement with Stock Exchanges in respect of Directors proposed to be appointed / re-appointed, annexed to this Notice.

The terms and conditions of appointment of Independent Directors shall be open for inspection by the Members at the Registered Office on all working days between 11 a.m. to 4.00 p.m. except Saturdays and public holidays up to the date of the Meeting.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members for their approval.

The Board recommends the Ordinary Resolution Nos. 4 & 5 of the Notice for approval by the Members of the Company.

Except the concerned directors, none of the other Directors and Key Managerial Personnel of the Company or their respective relatives is interested or concerned in the Resolutions Nos. 4 & 5 of the Notice.

Item No. 6:

In terms of the provisions of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by cost accountant in practice. On the recommendation of Audit Committee of the Board of Directors of the Company, the Board of Directors has approved the appointment of M/s N. Ritesh & Co. as the Cost Accountant of the Company to conduct audit of cost records maintained by the Company relating to "Chemicals" for the financial year 2014-15, at remuneration of Rs. 40,000 plus service tax and out-of-pocket expenses payable at actual.

M/s N. Ritesh & Co., have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of Cost Audit and have conducted the audit of the cost records of the Company for the previous year under the provisions of the Companies Act, 1956.

The Board recommends the Resolution No. 6 of the Notice for ratification by the Members of the Company.

None of the Directors and Key Managerial Personnel or their respective relatives is interested or concerned in the Resolution No. 6 of the Notice.

Item No. 7:

The Board of Directors of the Company was authorized pursuant to Section 293(1)(d) of the Companies Act, 1956 to borrow moneys in excess of aggregate of its Paid up Capital and Free Reserves, as may be permitted by Law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 100 crore as prescribed in the Ordinary Resolution passed by the Members at Annual General Meeting held earlier. The Board was also authorized for creation of any mortgage / charge, if needed in connection with the borrowings under Section 293(1)(a) of the Companies Act, 1956.

The Company has been executing such powers in terms of the said Resolutions passed by the Members under the provisions of Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956. Corresponding Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013 empowers the Board to borrow moneys in excess of the aggregate of its Paid up Capital and Free Reserves, and to create any mortgage/charge in connection with such borrowings, subject to the approval of the Members of the Company by way of Special Resolution in General Meeting.

In view of the enactment of the new Companies Act, 2013, the Company would be required to pass a fresh resolution as aforesaid enabling it to exercise powers under Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013.

The proposed Special Resolution will have to be considered in the above context. This will enable the Board to borrow funds and create any mortgage/charge in connection with such borrowings, as and when considered appropriate.

ASHOK ALCO-CHEM LIMITED

The Board recommends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel or their respective relatives is interested or concerned in the Resolution No. 7 of the Notice.

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2014

Seema Gangawat
Company Secretary & Compliance Officer

Registered Office:

CIN: L24110MH1992PLC069615

104, Venkatesh Chambers,

1st Floor, Ghanshyam Talwatkar Marg,

Fort, Mumbai – 400 001

Tel: 022-61446900/01 Fax: 022-66104355

Email: info@ashokalcochem.com

Website: <http://www.ashokalcochem.com>

ASHOK ALCO-CHEM LIMITED

DIRECTORS' REPORT

The Members,

Ashok Alco-Chem Limited

Mumbai.

Your Directors present their 22nd Annual Report together with the Audited Statement of Accounts of your Company for the year ended March 31, 2014.

The following figures summaries the financial performance of your Company during the year under review:

1. FINANCIAL RESULTS:

| Particulars | (Rs. in Lacs) | |
|--|-------------------|-------------------|
| | March 31, 2014 | March 31, 2013 |
| Turnover (Net of Excise & Sales Tax) | | |
| and Other Income | 22260.33 | 23754.11 |
| Profit (Loss) before Interest, Depreciation and Tax | 934.37 | 1145.38 |
| Less: Finance Cost | 57.16 | 75.61 |
| Depreciation | 110.47 | 116.89 |
| Deferred Tax Surplus/ (Provision) | (8.88) | 342.13 |
| Current Tax | 248.00 | 51.04 |
| Add: MAT Entitlement Credit | - | (51.04) |
| Prior Period Adjustments | 45.76 | - |
| Net Profit / (Loss) for the year | 481.86 | 610.75 |
| Balance in Statement of Profit & Loss | (738.53) | (1349.29) |
| Balance Carried Forward | (256.66) | (738.53) |

2. DIVIDEND:

Considering the carry forward loss, your Board of Directors do not recommend payment of dividend to the Shareholders for the year under review.

3. OPERATION IN BUSINESS PERFORMANCE:

Your Company during the reviewed year showed moderate performance by registering Total Income of Rs. 22,260.33 lacs (Net of Excise and Sales Tax) as against of Rs. 23,754.11 lacs of previous year. Your Company also earned Net Profit of Rs. 481.86 lacs as against Net Profit of Rs. 610.75 lacs in the previous year.

Your Company during the year faced as adverse and unfavorable conditions with regards to its Chemical Division. In spite of non availability of Working Capital facilities and dumping of imported raw materials at cheaper price, increase in cost of other inputs suppressed the margins the Chemical Division has generated Gross Income of Rs. 8,163.02 lacs against Rs. 7,918.66 lacs of previous year, increase of 3% at the Top line.

In the trading segment as a result of restrictions being eased, your Company has performed well in the bauxite and bleaching earth segment. These products having high revenue earning capacity increased the margins for the trading segment. Your Company has made efforts to focus on niche markets to generate high margins rather than volume based sales in its Trading

Segment; as a result, while the volumes have not grown, profits have been stable at Rs. 1,072.84 lacs.

The overall profit for the year under review is of Rs. 481.86 lacs, as against profit of Rs. 610.75 lacs, of the previous year.

With effective penetration of market and undertaking of systematic and planned approach, your Company hopes to bring improved results in coming years on a consolidate level. Your Company endeavors to optimize its capacity utilization in Chemical Division by investing in process modification and better efficacy. In order to avail better discounts in procurement of raw materials, your Directors envisage perusing availment of working capital facilities for resource optimization.

4. PREFERENTIAL ALLOTMENT & CAPITAL:

Pursuant to special resolution passed by the shareholders through Postal Ballot on February 17, 2014 [in compliance with Companies (passing of the Resolution by Postal Ballot) Rules, 2011], the Board of Directors had, during the year under review, in its Meeting held on March 26, 2014, issued and allotted 3,75,000 Equity Share of Rs. 10/- each at a premium of Rs. 20/- each and 4,50,000 warrants of face value of Rs 30/- each, fully convertible into equity shares, to Aura Alkalies and Chemicals Private Limited, a Promoter Group Company, on a preferential basis. The said issue and allotment was made pursuant to Section 81 (1A) of the Companies Act, 1956 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

Each such warrant is convertible at the option of the holder of the warrants into one equity share of face value of Rs. 10/- each and at a premium of Rs. 20/- per equity share in one or more tranches but not later than 18 months from the date of their allotment i.e. on or before September 25, 2015.

Further, the Company had received Rs. 1,46,25,000 towards allotment of 3,75,000 Equity Shares and 4,50,000 Warrants (received 25% of total consideration) and the same were utilized for the purpose for which they have been raised i.e. for augment of working capital or enhancement of Net Worth of the Company or enhancement of Company's ability to raise institutional finance in future.

Accordingly, during the year under review, the Issued, Subscribed and Paid-Up Equity Share Capital of your Company has increased from Rs. 377,53,430/- divided into 37,75,343 Equity Shares of Rs. 10/- each to Rs. 415,03,430/- divided into 41,50,343 Equity Shares of Rs. 10/- each.

However, the Authorized Share Capital of your Company remain unchanged at Rs. 5,00,00,000 divided into 50,00,000 Equity Shares of Rs. 10/- each and Rs. 2,00,00,000 divided into 20,00,000 11% Cumulative Redeemable Preference Shares of Rs. 10/- each.

Consequent to aforesaid allotment of Equity Shares, the Promoter's stake has been increased from 44.86% to 49.84% in the Company.

5. MANAGEMENT DISCUSSION AND ANALYSIS:

(a) Industry Structure and Development:

The Chemical & Metal industries are expected to be fairly

favourable in the near term. In this scenario, your Company envisages to sustain volumes on one hand and focus in enhancing its margins thereon. The conducive growth rates of the economy at global level and domestic level and also the efforts of the Management favoured your Company in increasing its market share and sustain it.

(b) Outlook:

The overall scenario for Chemical Industry is expected on upward scale to peg a fairly good upward trend in the near future. High volatility on account of inconsistent pricing of raw material and also the fluctuating exchange rates have become the main challenges that the Chemical industry need to overcome in the year ahead. In order to sustain and increase its market share alongwith better margins, your Company envisages to achieve the same by via flexible sourcing and enhanced distribution network.

Your Company expects to nurture the Chemical Division on the export front alongwith the Trading Division which is largely export oriented. Your Company expects to continue its strategy of seeking niche markets, broad customer base yielding higher margins with moderate volume growth. The global metal industry to which your Company's Trading Division caters to has been experiencing a reasonable growth rates over the last few quarters in terms of capacity addition wherein the existing demand there from is expected to be fairly resilient. Your Company also envisages expansion of the existing capacity by modifying idle capacity resulting addition of new products in the existing bucket.

(c) Segment-wise Performance:

Your Company's Chemicals division has shown sustained capacity utilization throughout the year despite challenging market conditions.

Though the revenue of the Trading Division reduced by 11% the profits before interest and tax reduced only by 0.50% as your Company had focused only on customers which could realize better margins.

Your Company's overall profit after tax for FY 2013-14 was Rs. 481.86 lacs against Rs. 610.75 lacs in FY 2012-13.

(d) Opportunities, Threats, Risks and Concerns:

Your Directors considering the vast market endeavors to increase the base of the Customer broadly in numbers and volumes. The optimization of capacity of the Chemical Division expects to cater to broad Customer base. Threats and risks to be reckoned in the Industry is mainly due to volatile pricing of the raw materials on the domestic as well as import front which are mitigated by other players who are financially capable. Your Company being a part of the highly volatile Chemical Industry is faces threats, risks and uncertainties as the industry is commodity oriented.

Your Company in order to mitigate the impact of risks namely Price Risk, Credit Risk, Exchange Risk and freight rates seeks entering into suitable hedging / forward contracts, and effective risk management tools.

(e) Financial Performance:

Financial Performance achieved by your Company during the year under review, are shown in the Directors' Report to the Shareholders.

(f) Internal Control Systems and Adequacy:

The Internal Control Systems are continuously and periodically strengthened by updating the systems periodically realizing the need for the same. The overall activities / transactions were closely supervised with proper checks and controls.

(g) Human Relations:

There have been cordial relations in your Company during the period. Your Company wishes to thank the workers, its union and leaders, its staff at higher, middle and lower positions for their timely extended support for achieving the goals of the Management.

(h) Cautionary Statement:

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

6. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, in relation to the Financial Statements of your Company for the year ended March 31, 2014, the Board of Directors reports-

- a. that in the preparation of the annual accounts for the year ended March 31, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- b. that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that date;
- 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, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the Directors have prepared the annual accounts on a going concern basis.

7. BOARD OF DIRECTORS:

During the year under review, Mr. Rajendra Shah and Mr. Sanjay Bhatia resigned from the Board of the Company w.e.f. April 5, 2013 and January 1, 2014 respectively.

Pursuant to the provisions of the new Companies Act, 2013, Mr. Manoj Ganatra and Dr. Umesh Kulkarni, Independent Directors of the Company, whose present term of office is liable to retire by rotation, be re-appointed as Independent Directors, not liable to retire by rotation and shall hold office for a term of 5 consecutive years from the conclusion of the ensuing Annual General Meeting.

ASHOK ALCO-CHEM LIMITED

Your Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act 2013 and under the said Clause 49.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Sunil Shah, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment.

8. AUDIT COMMITTEE:

As required in terms of Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited, the duly constituted Audit Committee performed its duties as required in terms thereof.

9. STATUTORY DISCLOSURES:

Information as per Section 217 (1) (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report, is annexed to this report as **Annexure- A**.

As per Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, as amended, are not furnished as no employee is covered there under, during the year under review.

10. COMPLIANCE CERTIFICATE:

In terms of Section 383 A of the Companies Act, 1956, the Company has received Compliance Certificate from Practicing Company Secretaries which is annexed to this Report as **Annexure – B**.

11. CORPORATE GOVERNANCE:

As per the Listing Agreement with the Bombay Stock Exchange Limited, your Company has complied with the requirements of Corporate Governance and Report thereon forms part of this Report as **Annexure- C**.

12. CORPORATE SOCIAL RESPONSIBILITY:

Your Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. As per the requirements of the Companies Act, 2013, the Company has duly constituted Corporate Social Responsibility Committee; refer Corporate Governance Report for details.

13. HEALTH SAFETY AND ENVIRONMENT:

Your Company's commitment to excellence in Health and Safety is embedded in your Company's core values. Your Company has a stringent policy of 'safety for all', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate on sites. Your Company is aware of the environmental impact of its operations and it continually strives to reduce such impact.

14. AUDITORS:

M/s. R. A. Kuvadia & Co., Chartered Accountants, who are the Statutory Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting of the Company. Pursuant to the provisions of Section 138 of the

Companies Act, 2013 and rules framed thereunder, it is proposed to re-appoint them as Statutory Auditors from the conclusion of this Annual General Meeting till the conclusion of twenty fifth Annual General Meeting to be held in the year 2017, subject to ratification of their appointment at every Annual General Meeting. M/s. R. A. Kuvadia & Co. have, under section 139 (1) and other applicable provisions of the said Act and Rules framed thereunder, furnished a certificate of their eligibility and consent of re-appointment.

15. AUDITORS' OBSERVATIONS:

Remarks and observation made by the Statutory Auditors in their Report are self explanatory and do not call for any further explanation and clarification.

16. COST AUDITORS:

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and pursuant to the approval of Central Government received by the Company, M/s N. Ritesh & Co. having registration no. 100675, were appointed as the Cost Auditors of the Company for auditing the cost accounting records maintained by the Company relating to "Chemicals" for the financial year 2013-14. The Cost Audit for the year ended March 31, 2013 was completed within specified time and report was duly filed within the prescribed time limit with ROC.

The Board of Directors at its Meeting held on May 29, 2014 has, on the recommendation of the Audit Committee, appointed M/s N. Ritesh & Co., Cost Accountants to conduct the audit of Cost accounting records maintained by the Company relating to "Chemicals" for the Financial Year 2014-15 on a remuneration of Rs. 40,000/- plus applicable taxes and out-of-pocket expenses payable at actual. The said remuneration is subject to the ratification by the Members of the Company in terms of Section 148 of the Companies Act 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014. The payment of remuneration to M/s. N. Ritesh & Co., approved by the Board, is accordingly placed for ratification.

17. FIXED DEPOSITS:

Your Company has not accepted any fixed deposit from public attracting the provisions of Section 58 A of The Companies Act, 1956 and the rules made there under.

18. INSURANCE:

The properties and insurable assets of your Company including buildings, plant and machinery and inventories are adequately insured.

19. EMPLOYEES:

Cordial atmosphere of understanding prevailed at all levels of employees of your Company.

20. ACKNOWLEDGMENT:

The Board acknowledges with thanks the contributions and support received from the Government, Local Authorities, Financial Institutions and Banks, Creditors and Suppliers, Valued Customers, Employees and the Shareholders of your Company.

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2014

Sridhar Chari
Whole Time Director

Sunil Shah
Director

ASHOK ALCO-CHEM LIMITED

Annexure "A"

Information as per section 217 (1) (e) read with companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended and forming part of the Directors' Report for the year ended March 31, 2013.

A. CONSERVATION OF ENERGY:

(a) Measures taken:

The Company undertook various energy conservation measures at its manufacturing units which, *inter alia*, include:

- (i) Cooling tower at Mahad shows improved performance by use of non-conventional parts and accessories.
- (ii) Power factor improved by Installation of capacitors.

(b) Additional Investments & Proposals:

- (i) Painting and insulation of pipelines and equipments periodically.
- (ii) Replacement of out-dated/old parts and accessories on regular basis

(c) Impact of the measures:

The measures have benefited the Company in optimizing the energy consumption per unit of production under continuous operation.

(d) Total energy consumption and energy consumption per unit of production.

A. Power and fuel Consumption:

| | (Rs. in Lacs) | |
|---|---------------|---------|
| | 2013-14 | 2012-13 |
| 1) ELECTRICITY | | |
| a) Purchased - | | |
| Unit (Knh in lacs) | 22.96 | 20.64 |
| Total Amount (Rs. In Lacs) | 180.52 | 162.29 |
| Cost Per Unit | 7.86 | 7.86 |
| b) Own Generation | | |
| Through Diesel Generator- | | |
| Unit (Knh in lacs) | Nil | Nil |
| Units per liter of Diesel Oil | Nil | Nil |
| Cost per Units | Nil | Nil |
| 2) FURNACE OIL | | |
| Quantity (K. Ltrs.) | Nil | Nil |
| Total Amount (Rs. in lacs) | Nil | Nil |
| Average Rate (per K.ltrs) | Nil | Nil |
| 3) DIESEL OIL | | |
| Quantity (K. Ltrs.) | Nil | Nil |
| Total Amount (Rs. in lacs) | Nil | Nil |
| Average Rate (per K. Ltrs.) | Nil | Nil |
| 4) COAL | | |
| (Steam Coal of Grade A/B used as fuel for Boiler) | | |
| Quantity (MT) | 9689 | 8816 |
| Total Cost (Rs. in lacs) | 560.40 | 475.16 |
| Average Rate (per K. Ltrs.) | 5.78 | 5.40 |

B. Consumption per unit production:

(Please refer Notes given here in below)

| | 2013-14 | 2012-13 |
|--------------------|---------|---------|
| (i) Acetic Acid: | | |
| Electricity Kwh/MT | 460 | 460 |

| | | |
|---------------------|-----|-----|
| Furnace Oil Ltr./MT | Nil | Nil |
| Coal Kg./MT | 560 | 560 |
| (ii) Ester: | | |
| Electricity Kwh/MT | 131 | 121 |
| Furnace Oil Ltr./MT | Nil | Nil |
| Coal Kg./MT | 672 | 592 |
| (iii) Acetaldehyde | | |
| Electricity | 304 | 262 |
| Coal Kg./MT | 644 | 540 |

Notes:-

1. The consumption per unit of production gives only broad indication as it is arrived at without taking into consideration the variations in grade, quality and purity of the products.
2. The consumption of power per unit of production includes the consumption for ETP.

B. I. TECHNOLOGY ABSORPTION:

Efforts made in technology absorption: Nil

RESEARCH & DEVELOPMENT:

1) Specific area in which R & D carried out by the Company.

Processes are modified on on-going basis for enhancing the efficiency and energy conservation.

2) Benefits derived as a result of above R & D

- a) Higher production and productivity
- b) Better product quality
- c) Reduced Pollution

3) Future plan of action:

Continuous efforts are made to save energy and to improve the quality. The Company has embarked on ISO 9001:2008 implementation.

4) Company has not incurred any expenditure on R & D.

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION:

1) Efforts, in brief, made towards technology absorption, adaptation & innovation.: N. A.

2) Benefits derived as a result of the above efforts.: N.A.

C. FOREIGN EXCHANGE EARNING AND OUT GO:

1. Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.

Efforts are being to exports products

2. Total Foreign Exchange earned and used.

| | (Rs. in Lacs) | |
|-----------------------------|---------------|---------------|
| | Current Year | Previous Year |
| i) Foreign Exchange used | 1,019.98 | 2,232.53 |
| ii) Foreign Exchange earned | 10,838.38 | 13,826.21 |

For and on behalf of the Board

Place: Mumbai
Date: August 13, 2014

Sridhar Chari
Whole Time Director

Sunil Shah
Director

ASHOK ALCO-CHEM LIMITED

Annexure "B"

CIN : L24110MH1992PLC069615
Authorised Capital : Rs. 70,000,000/-
Paid up Capital : Rs. 41,503,430/-

COMPLIANCE CERTIFICATE

To,
The Members of
ASHOK ALCO-CHEM LIMITED
Room No 104, Venkatesh Chambers,
1st Floor, Ghanshyam Talwatkar Marg, Fort,
Mumbai - 400001.

We have examined the registers, records, books and papers of **ASHOK ALCO-CHEM LIMITED** (the Company) as required to be maintained under the Companies Act, 1956 and Rules made there under and 98 Sections of Companies Act, 2013 notified vide Ministry of Corporate Affairs Gazette Notification No. S.O. 2754 (E) dated 12th September, 2013 and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March 2014**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies.
3. The Company is a public limited Company hence the provisions of Section 3(1) (iii) of the Companies Act are not applicable.
4. The Board of Directors duly met 6 times on 29th May, 2013; 8th August, 2013; 31st October, 2013; 9th January, 2014; 13th February, 2014 and 26th March, 2014; 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.
5. The Company closed its Register of Members from 19th September, 2013 to 24th September, 2013 and necessary compliance of section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2013 was held on 24th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for that purpose.
7. No Extra Ordinary Meeting was held during the financial year.
8. The Company has not advanced any loans to the Directors of the Company under Section 295 of the Companies Act, 1956 and under Section 185 of the Companies Act, 2013 during the year under consideration.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries, if any, in the register maintained under Section 301 of the Act.
11. No approvals were required from the Board of Directors, Members pursuant to Section 314 of the Act during the period under consideration.
12. No issue of duplicate share certificate was made by the Company during the period under scrutiny.
13.
 - (i) The Company has delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with provisions of the Act.
 - (ii) The Company has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - (iii) The Company was not required to post warrants to any member of the Company as no dividend was declared during the financial year.
 - (iv) No provisions as to transferring the amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund are applicable.
 - (v) The Company has duly complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and the appointment and resignation of Director has been duly made during the financial year.
15. The Company has not appointed Managing Director/Whole-time Director/Manager during the period under consideration.
16. No sole-selling agents were appointed by the Company, for the financial year under review.
17. No approvals of the, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act were required for the financial year under review. However, approval of Central Government was taken for appointment of Cost Auditor.

ASHOK ALCO-CHEM LIMITED

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has issued 375,000 Equity Shares of Rs. 10/- each at premium of Rs. 20/- per share during the financial year and complied with the Provisions of the Act.
20. The Company has not bought back any shares during the financial year under review.
21. There being no preference shares/ debentures, the provisions as to redemption of preference shares/ debentures are not applicable.
22. The provisions as to keeping in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares are not applicable.
23. The Company has not invited/accepted deposits including unsecured loans during the period under consideration.
24. The Company has Complied with provisions of Section 293(1)(d) of the Companies Act, 1956 and Section 180(1)(c) of the Companies Act, 2013 as the borrowings were well within the limits during the period under consideration.
25. The Company has not made loans and investments, or given guarantees or provided securities to other bodies corporate and thus there was no requirement to make necessary entries in the register kept for the purpose.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. The Company has not altered its Articles of Association during the financial year under review.
31. As explained to us no prosecution was initiated against or show cause notices received by the Company for alleged offences under the Act and also no fines and penalties or any other punishment were imposed on the Company.
32. The Company has not received security from its employees during the year under certification and therefore the provisions of section 417(1) of the Companies Act, 1956 are not applicable.
33. The provisions of depositing both employee's and employer's contribution to Provident Fund with prescribed authorities pursuant to section 418 of the Act are not applicable to the Company.

For Makarand M. Joshi & Co.

Sd/-
Kumudini Paranjape
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: August 13, 2014

Annexure A

Registers as maintained by the Company

1. Register of Charges-u/s 143
2. Register of Members -u/s 150
3. Minutes Book for Board, Committee and General Meetings - u/s 193
4. Books of Accounts- u/s 209
5. Register of particulars of contract in which the Directors are interested u/s - 301
6. Register of Directors and Managing Director, Manager and Secretary u/s - 303
7. Register of Directors' shareholdings u/s 307
8. Share Transfer Register
9. Register of Investments - u/s 372A

ASHOK ALCO-CHEM LIMITED**Annexure B**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2014.

| Sr. No. | Form no./ Return | Filed u/s | Date of Filing / registration | Filed within Time | If delay whether additional fee paid |
|----------------|---|------------------|--------------------------------------|--------------------------|---|
| 1 | Form 32 for cessation of Mr. Rajendra Shah as Director | 303 | 19/04/2013 | Yes | No |
| 2 | Form 32 for change in designation of Mr. Sridhar Chari | 303 | 24/04/2013 | Yes | No |
| 3 | Form 25C for return of appointment of Whole-time Director | 269(2) | 25/04/2013 | Yes | No |
| 4 | Form 23D for information by Cost Auditor to Central Government | 233B | 16/09/2013 | Yes | No |
| 5 | Form 32 for regularization of Mr. Sunil Shah and Mr. Sridhar Chari as Directors at Annual General Meeting | 303 | 04/10/2013 | Yes | No |
| 6 | Form 62 for filling Calendar of Events for Postal Ballot | N.A. | 15/01/2014 | Yes | No |
| 7 | Form 32 for cessation of Mr. Sanjay Bhatia as Director | 303 | 22/01/2014 | Yes | No |
| 8 | Form 23 for filing of Special Resolution passed u/s 81, 81(1A) | 192 | 10/03/2014 | Yes | No |
| 9 | Form 66 for Compliance Certificate for the financial year ended 31 st March, 2013. | 383A | 04/10/2013 | Yes | No |
| 10 | Form 23AC XBRL for Balance Sheet as at 31 st March 2013 and Form 23ACA XBRL for Statement of Profit & Loss for the year ended 31 st March, 2013 adopted at the Annual General Meeting held, 24 th September, 2013. | 220 | 23/10/2013 | Yes | No |
| 11 | Form 20B for Annual Return as at the Annual General Meeting held on 24 th September, 2013 | 159 | 22/11/2013 | Yes | No |
| 12 | Form I-XBRL for filing of Cost Audit Report for the financial year 2012-13 | 233B | 30/09/2013 | Yes | No |
| 13 | Form 23 C- Application to Central Government for appointment of Cost Auditor | 233B(2) | 25/06/2013 | Yes | No |

ASHOK ALCO-CHEM LIMITED

Annexure "C" REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance:

Your Company believes in good Corporate Governance in tune with the guidelines recommended by SEBI and in terms of the Listing Agreements. Your Company aims at achieving transparency, accountability, equity and ethics in all facets of its operations and in all interaction with its stakeholders. Your Company believes that all its operations and actions must result in enhancement of overall shareholders value over a sustained period of time without compromising in any way compliance with laws and regulations.

Your Company confirms the compliance of Corporate Governance as contained in Clause 49 of the Listing Agreement, the details of which for the Financial Year ended March 31, 2014 are as follows:

2. Board of Directors:

As on March 31, 2014, your Company's Board of Directors comprises of 4 Directors including a Whole Time Director; of these, 2 Directors are Independent Directors. During the year under review, Mr. Rajendra Shah and Mr. Sanjay Bhatia, Independent Directors, resigned from Board of the Company w.e.f. April 5, 2013 and January 1, 2014 respectively.

Clause 49 of the Listing Agreement requires that if the Chairman of the Board is executive then at least one-half of the Board of the Company should consist of Independent Directors and that if the Chairman of the Board is non-executive then at least one-third of the Board of the Company should consist of Independent Directors, we are in compliance with the above requirements.

None of the Directors on the Board is a Member of more than 10 Committee or a Chairman of more than 5 Committee (as specified in Clause 49), across all the Companies in which he is a Director. All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

The details of the attendance of each Director at the Board Meetings and Annual General Meeting held during the year and Directorships, Membership/ Chairmanship in Board Committees of other Companies are as follows:

| Sr. No. | Name of Directors | Category of Directorship | No. of Board Meetings attended | Attendance at last AGM held on September 24, 2013 | No. of other Directorship held# | No. of Committee (Other than your Company) in which Chairman / Member |
|---------|--------------------------------|----------------------------------|--------------------------------|---|---------------------------------|---|
| 1 | Mr. Sridhar Chari | Whole Time Director | 6 | Yes | - | - |
| 2 | Mr. Manoj Ganatra | Non-Executive, Independent | 6 | Yes | 1 | - |
| 3 | Dr. Umesh Kulkarni | Non-Executive, Independent | 1 | No | - | - |
| 4 | Mr. Sunil Shah | Non-Executive, Promoter Director | 4 | Yes | - | - |
| 5 | Mr. Sanjay Bhatia ¹ | Non-Executive, Independent | 3 | Yes | - | - |
| 6 | Mr. Rajendra Shah ² | Non-Executive, Independent | - | NA | NA | NA |

Notes:

Other Directorship includes directorship held in Indian Listed Companies only.

1 ceased to be director w.e.f. January 1, 2014.

2 ceased to be director w.e.f. April 5, 2013.

Appointment of Independent Directors

Pursuant to the provisions of the new Companies Act, 2013, Mr. Manoj Ganatra and Dr. Umesh Kulkarni, Independent Directors of the Company, whose present term of office is liable to retire by rotation, be re-appointed as Independent Directors, not liable to retire by rotation and shall hold office for a term of 5 consecutive years from the conclusion of the ensuing Annual General Meeting (AGM).

The brief resume and other information as required under clause 46(IV) (G) of the Listing Agreement in respect of the said Independent Directors is provided in the Notice of 22nd AGM dated August 13, 2014.

Board's functioning and Procedure:

Company's Board of Directors play the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders.

ASHOK ALCO-CHEM LIMITED

Board Meetings:

During the year under review, six Board Meetings were held as detailed below:

| Sr. No. | Date of Board Meeting |
|---------|-----------------------|
| 1 | May 29, 2013 |
| 2 | August 8, 2013 |
| 3 | October 31, 2013 |
| 4 | January 9, 2014 |
| 5 | February 13, 2014 |
| 6 | March 26, 2014 |

The maximum interval between any two meetings was well within the maximum allowed gap of four months.

3. Audit Committee:

Your Company has an Audit Committee at the Board level which acts as a link between the management, the Statutory & Internal Auditors and the Board of Directors and effectively supervises the Company's financial reporting process. The Committee presently comprises three Non-Executive Directors; two are Independent Directors.

During the year under review, 4 meetings of the Audit Committee were held on May 29, 2013, August 8, 2013, October 31, 2013 and February 13, 2014. The details of the attendance by the Committee members are as follows:

| Name of Director | Category | No of Meeting | |
|--------------------------------|----------|---------------|----------|
| | | Held | Attended |
| Mr. Manoj Ganatra | Chairman | 4 | 4 |
| Dr. Umesh Kulkarni | Member | 4 | 1 |
| Mr. Sanjay Bhatia ¹ | Member | 4 | 3 |
| Mr. Sunil Shah ² | Member | 4 | 1 |

1 - ceased to be director / member of the Committee w.e.f. January 1, 2014.

2 - appointed as a member of the Committee w.e.f. August 8, 2013.

The current composition of the Committee is as given below:

- Mr. Manoj Ganatra - Chairman
- Dr. Umesh Kulkarni
- Mr. Sunil Shah

Mr. Manoj Ganatra, Chairman of the Audit Committee was present at the Annual General Meeting held on September 24, 2013.

The Company Secretary acts as the Secretary of the Audit Committee.

As per the requirements of the Companies Act 2013 and the guidelines set out in the Listing Agreement entered into with the Stock Exchange the terms of reference, *inter alia*, broadly includes:

- discussion and review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- the recommendation for appointment, remuneration and terms of appointment of auditors viz Statutory Auditors, Internal Auditors and Cost Auditors of the Company;
- evaluation of internal financial controls and risk management systems;
- to hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, Internal Control System, scope of the audit and observations of the Auditors / Internal Auditors;
- review of Cost Audit Report;
- monitoring the end use of funds raised through public offers and related matters.

4. Shareholders' Grievance Committee (now renamed as "Stakeholders Relationship Committee"):

Pursuant to the provisions of Section 178 of the Companies Act 2013, the Company renamed the erstwhile "Shareholders' Grievance Committee" as the "Stakeholders Relationship Committee" w.e.f. May 29, 2014.

ASHOK ALCO-CHEM LIMITED

During the year under review, the Committee comprised of the following Directors:

| Name of Director | Category | No of Meeting | |
|--------------------------------|-----------------------------------|---------------|----------|
| | | Held | Attended |
| Mr. Manoj Ganatra ¹ | Non-Executive / Independent | 1 | 1 |
| Dr. Umesh Kulkarni | Non-Executive / Independent | 1 | - |
| Mr. Sanjay Bhatia ² | Non-Executive / Independent | 1 | 1 |
| Mr. Sunil Shah ³ | Non-Executive / Promoter Director | NA | NA |

1 appointed as chairman of the Committee w.e.f. March 26, 2014.

2 ceased to be director / member of the Committee w.e.f. January 1, 2014.

3 appointed as a member of the Committee w.e.f. March 26, 2014.

The current composition of the Committee is as given below:

- Mr. Manoj Ganatra - Chairman
- Mr. Sunil Shah
- Dr. Umesh Kulkarni

During the year under review, the Committee met once on August 8, 2013.

The role of Committee is to overview the investor grievance handling mechanism of the Company and other incidental matters and to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/ Annual Reports, etc. In addition, the Committee also looks into other issues including status of dematerialisation / rematerialisation of shares, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

Ms. Seema Gangawat, Company Secretary & Compliance Officer, may be contacted for any matter relating to share transfers/ transmissions, non-receipt of Annual Reports etc.

The status of Investors' complaints received and dealt within the year 2013-14 are as given below:

| No. of Investor Complaints received | Pending at the end of the year | No. of pending Share Transfer |
|-------------------------------------|--------------------------------|-------------------------------|
| 2 | Nil | Nil |

Details of Shareholding of Directors as on March 31, 2014 is as follows:

| Name of Directors | No of Shares held |
|--------------------------------|-------------------|
| Mr. Sridhar Chari | Nil |
| Mr. Manoj Ganatra | Nil |
| Dr. Umesh Kulkarni | Nil |
| Mr. Sunil Shah | Nil |
| Mr. Sanjay Bhatia ¹ | Nil |
| Mr. Rajendra Shah ² | Nil |

1 ceased to be director on resignation w.e.f. January 1, 2014.

2 ceased to be director on resignation w.e.f. April 5, 2013.

5. Remuneration Committee (now renamed as "Nomination and Remuneration Committee"):

Pursuant to the provisions of Companies Act 2013, the Company renamed the erstwhile "Remuneration Committee" as the "Nomination and Remuneration Committee" w.e.f. May 29, 2014.

The Company has constituted Remuneration Committee of Board of Directors to recommend /review remuneration of the Executive Director based on their performance and defined assessment criteria. Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

During the year under review, no meetings of the Committee were held.

ASHOK ALCO-CHEM LIMITED

During the year under review, the Committee comprised of the following Directors

| Name of Director | Category |
|--------------------------------|----------------------------------|
| Mr. Manoj Ganatra ¹ | Non-Executive, Independent |
| Dr. Umesh Kulkarni | Non-Executive, Independent |
| Mr. Rajendra Shah ² | Non-Executive, Independent |
| Mr. Sanjay Bhatia ³ | Non-Executive, Independent |
| Mr. Sunil Shah ⁴ | Non-Executive, Promoter Director |

- 1 appointed as chairman of the Committee w.e.f. March 26, 2014.
- 2 ceased to be director / member on resignation w.e.f. April 5, 2013.
- 3 ceased to be director / member on resignation w.e.f. January 1, 2014.
- 4 appointed as member of the Committee w.e.f. March 26, 2014.

The current composition of the Committee is as given below:

Mr. Manoj Ganatra- Chairman
 Dr. Umesh Kulkarni
 Mr. Sunil Shah

Based on the requirements of the Companies Act, 2013 and the provisions of Listing Agreement, the Committee, *inter alia*, has following terms of reference:

1. To identify persons who are qualified to become directors and who 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.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees at Senior Management.
3. Formulate the policy.

Executive / Non Executive Directors' compensation and Disclosure

All fees/compensation including sitting fee paid to the Non-Executive Directors of your Company, fixed by Board of Directors, are within the limits as per Companies Act, 1956.

The remuneration paid to Mr. Sridhar Chari, Whole Time Director, for the period from 01.04.2013 to 31.03.2014, was approved by the Board and shareholders are within the overall limit fixed under the law and in compliance with Schedule XIII of the Companies Act, 1956.

No other Directors are being paid remuneration except sitting fees for meeting attended by independent Directors.

The details of Sitting fees / Remuneration paid to Directors for the year ended March 31, 2014

- a. Sitting fees of Non- Executive Directors:

| Name of Director(s) | Sittings fees paid for attending Board/Committee Meetings (Rs.) |
|---------------------|---|
| Mr. Manoj Ganatra | 40,000 |
| Mr. Sunil Shah | 22,000 |
| Dr. Umesh Kulkarni | 7,000 |
| Mr. Sanjay Bhatia | 23,000 |

None of the Non-Executive Directors of your Company have any pecuniary relationship or transaction with your Company.

- b. Remuneration paid to Executive Director(s):

| Name of the Director | Business Relationship, if any, with the Company | Salaries & Perquisites (including privilege entitlement) paid during 2013-14 (Rs.) |
|----------------------|---|--|
| Mr. Sridhar Chari | Whole Time Director | 36,31,525/- |

The Company has not issued any stock options to the above executive directors.

ASHOK ALCO-CHEM LIMITED

6. Corporate Social Responsibility Committee:

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors of the Company at its Meeting held on August 13, 2014 have constituted Corporate Social Responsibility Committee comprising Mr. Manoj Ganatra as Chairman and Mr. Sunil Shah and Mr. Sridhar Chari as other Members.

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities.

7. General Body Meetings:

The details in respect of last three Annual General Meetings are furnished as under:

| Year | Location | Date | Time |
|-----------|--|------------|------------|
| 2012-2013 | Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghada, Fort, Mumbai - 400 001. | 24.09.2013 | 11.00 a.m. |
| 2011-2012 | Kilachand Conference Room, Indian Merchant's Chamber, Churchgate, Mumbai - 400 020. | 06.09.2012 | 10.00 a.m. |
| 2010-2011 | H. T. Parekh Board Room, Indian Merchant's Chambers, Churchgate, Mumbai - 400 020. | 04.08.2011 | 12.30 p.m. |

All the resolutions set out in the Notices, including Special Resolutions, were passed by the Shareholders.

Postal Ballot

Your Company has not passed any resolution at the above Annual General Meetings which was required to be passed through Postal Ballot as per the provisions of the Companies Act, 1956 and the rules framed thereunder.

Pursuant to Section 192A of the Companies Act 1956, your Company, during the year under review, conducted postal ballot exercise following the provisions and rules framed thereunder the Companies Act, 1956 for conducting postal ballot.

At this meeting also, there is no special resolution requiring passing by way of postal ballot.

No special resolution is proposed to be passed through postal ballot at present.

8. Disclosures:

Basis of related party transaction:

All the related party transactions are strictly done on arm's length basis. The Company places all the relevant details before the Audit Committee from time to time. Details of related party transactions form part of Notes to Accounts.

Non-compliance/Strictures/Penalties/Imposed

The Company has complied with the requirements of SEBI and other statutory authorities on all the matters relating to capital market and complied with all the requirements of the corporate governance as per the listing agreement.

Compliance of Non Mandatory Requirements

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

Policy on Insider Trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading ('the Code') in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Company Secretary is the Compliance Officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trades, monitoring of trades and implementation of the Code of Conduct under the overall supervision of the Board. The Company's Code, *inter alia*, prohibits purchase and/or sale of shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

Utilization of funds raised through Preferential Issue:

During the year under review, the Company allotted 3,75,000 Equity Shares and 4,50,000 Warrants on preferential basis to Aura Alkalies and Chemicals Private Limited. The amount received towards these allotment of 3,75,000 Equity Shares and 4,50,000 Warrants (received 25% of total consideration) were utilized for the purpose for which they have been raised i.e. for augment of working capital or enhancement of Net Worth of the Company or enhancement of Company's ability to raise institutional finance in future. The aforementioned equity shares have been listed on Bombay Stock Exchange.

ASHOK ALCO-CHEM LIMITED

9. Means of Communication:

The unaudited quarterly, half-yearly and yearly financial results are communicated to the BSE Limited where the shares of your Company are listed and published in Free Press Journal (English) and Navshakti (Marathi) newspapers.

The results are also uploaded on the Company's Website at www.ashokalcochem.com.

The Company has not made any presentation to any institutional investor or to any analyst during the year under review.

10. General Shareholders' information:

i. Annual General Meeting

| | |
|-------|---|
| Date | September 26, 2014 |
| Time | 11.00 a.m. |
| Venue | Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghada, Fort, Mumbai - 400 001 |

ii. Financial Year

April 1, 2013 to March 31, 2014

iii. Date of Book Closure

September 22, 2014 to September 26, 2014 (both days inclusive)

iv. Dividend Payment Date

Your Company has not declared any dividend for the period April 1, 2013 to March 31, 2014.

v. Listing on Stock Exchanges

BSE Limited
P. J. Towers, Dalal Street, Mumbai - 400 001.
The Listing Fee for the year 2014-15 has been paid to BSE.

vi. Stock Code

524594

vii. ISIN No.

INE994D01010

viii. Financial Calendar for the period April 1, 2014 to March 31, 2015 is as given below:

| | |
|---|--------------------------------|
| Financial Reporting for the quarter ending June 30, 2014 | On or before August 14, 2014 |
| Financial Reporting for the quarter ending September 30, 2014 | On or before November 14, 2014 |
| Financial Reporting for the quarter ending December 31, 2014 | On or before February 14, 2015 |
| Audited Financial Results for the quarter and year ending on March 31, 2015 | On or before May 30, 2015 |

ix. Market Price Data

| Months | Rate (Rs.) | | Indices (Rs.) | |
|------------|------------|-------|---------------|----------|
| | High | Low | High | Low |
| April 2013 | 17.50 | 14.05 | 19622.68 | 18144.22 |
| May 2013 | 17.40 | 15.15 | 20443.62 | 19451.26 |
| Jun 2013 | 16.55 | 16.00 | 19860.19 | 18467.16 |
| Jul 2013 | 16.80 | 16.00 | 20351.06 | 19126.82 |
| Aug 2013 | 24.50 | 15.90 | 19569.20 | 17448.71 |
| Sept 2013 | 23.30 | 16.50 | 20739.69 | 18166.17 |
| Oct 2013 | 27.65 | 22.30 | 21205.44 | 19264.72 |
| Nov 2013 | 25.00 | 20.55 | 21321.53 | 20137.67 |
| Dec 2013 | 24.90 | 19.05 | 21483.74 | 20568.70 |
| Jan 2014 | 23.05 | 18.05 | 21409.66 | 20343.78 |
| Feb 2014 | 22.50 | 17.00 | 21140.51 | 19963.12 |
| Mar 2014 | 20.75 | 15.85 | 22467.21 | 20920.98 |

x. Registrar and Share Transfer Agent

: **Link Intime India Pvt. Ltd.**

C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078.
Tel No. 022-25946970, Fax No: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

xi. Share Transfer System

: Your Company's shares are traded on the stock exchange in Demat Mode as well as in Physical Mode.

In Demat Mode, the transfers are effected through NSDL & CDSL. Majority of the Share Transfer take place in this form.

In Physical Mode, the Transfer of Shares is processed and approved, whenever necessary and the certificates are returned to the shareholders within 15 days from the date of receipt, subject to documents being valid and complete in all respects.

ASHOK ALCO-CHEM LIMITED

xii. Distribution of Shareholding:

The Distribution of Shareholding as on March 31, 2014.

| No of Shares | No. of Shareholders | % of Shareholders | No. of Shares Held | % of Total Shareholders |
|---------------|---------------------|-------------------|--------------------|-------------------------|
| 1-500 | 2817 | 91.08 | 365404 | 8.80 |
| 501-1000 | 129 | 4.17 | 103822 | 2.50 |
| 1001-2000 | 65 | 2.10 | 94506 | 2.28 |
| 2001-3000 | 24 | 0.78 | 61182 | 1.47 |
| 3001-4000 | 9 | 0.29 | 31488 | 0.76 |
| 4001-5000 | 19 | 0.61 | 87088 | 2.10 |
| 5001-10000 | 13 | 0.42 | 92527 | 2.23 |
| 10001 & above | 17 | 0.55 | 3314326 | 79.86 |
| Total | 3093 | 100.00 | 4150343 | 100.00 |

Category Wise Distribution of Shareholdings as on March 31, 2014

| Sr. No. | Category | No of Shareholders | % of Share Holdings | No of Shares Held |
|--------------|----------------------------------|--------------------|---------------------|-------------------|
| 1 | Promoter and Promoter Group | 1 | 49.84 | 2068632 |
| 2 | Mutual Funds | 1 | 0.00 | 100 |
| 3 | Financial Institutions / Banks | 2 | 9.27 | 384692 |
| 4 | Bodies Corporate | 46 | 9.76 | 405018 |
| 5 | Individual Shareholders | 3022 | 30.74 | 1275987 |
| 6 | Clearing Member | 14 | 0.19 | 7770 |
| 7 | Non Resident Indians (Repat) | 4 | 0.06 | 2394 |
| 8 | Non Resident Indians (Non Repat) | 3 | 0.14 | 5750 |
| Total | | 3093 | 100.00 | 4150343 |

xiii. Dematerialization of Shares : 94.57% of the paid up capital was held in dematerialized form as on March 31, 2014.

The Members are requested to get their shares demated to facilitate better custody and easy dealings.

xiv. Outstanding GDRs/ADRs Warrants : Your Company has not issued GDRs/ADRs/Warrants.

xv. Plant Location : Plot No.A-22/2/1, Mahad Industrial Area,
Village - Kamble, Mahad - 402301,
Dist. Raigad, Maharashtra.

xvi. Address for correspondence : Shareholders correspondence should be addressed to your Company's Registrar and Share Transfer Agents:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West),
Mumbai-400 078.
Tel No. 022-25946970 Fax No: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code has been posted on the Company's website.

I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the Senior Management Team of the Company and the Members of the Board, a declaration of Compliance with the Code of Conduct as applicable to them.

Place: Mumbai
Date: August 13, 2014

Sridhar Chari
Whole Time Director

ASHOK ALCO-CHEM LIMITED

CEO/CFO CERTIFICATION

To,
The Board of Directors
Ashok Alco-Chem Limited
Mumbai.

This is to certify that:

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2014 and that to the best of our knowledge and belief, these statements do not contain any Materially untrue statement or omit any material fact or contain statements that might be misleading, 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.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2014 which are fraudulent, illegal or violative of the Company's code of conduct.

We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company.

We have indicated to the auditors and the Audit Committee that:

- there are no significant changes in Internal Control during the year ended March 31, 2014;
- there are no significant changes in accounting policies during the year ended March 31, 2014 and that the same have been disclosed in the notes to the financial statements; and
- there are no instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Ashok Alco-Chem Limited

Place: Mumbai
Date: May 29, 2014

Sridhar Chari **V. Shashidharan**
Whole Time Director AGM - Finance & Accounts

CERTIFICATE ON COMPLIANCE WITH CLAUSE 49 OF THE LISTING AGREEMENT BY ASHOK ALCO-CHEM LIMITED

We have examined compliance by Ashok Alco-Chem Limited (the Company) with the requirements under Clause 49 of the Listing Agreement entered into by the Company with the Bombay Stock Exchange for the year ended on 31st March, 2014.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance under Clause 49. The examination is neither an audit nor an expression of opinion on the financial statements of the Company or the Corporate Governance Report of the Company.

We state that no investor's grievance is pending unresolved by the Company for a period exceeding one month against the Company as per the records maintained by the Investor Grievance Committee.

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

For Makarand M. Joshi & Co.

Sd/-
Kumudini Paranjape
Partner
FCS No. 6667
CP No. 6690

Place: Mumbai
Date: August 13, 2014

ASHOK ALCO-CHEM LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of

ASHOK ALCO CHEM LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **ASHOK ALCO CHEM LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs) and in the accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) In the case of the Statement of Profit and Loss Account, of the PROFIT for the year ended on that date
- c) In case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of section 227 (4A) of the Act, we state that the matters specified in paragraphs 4 and 5 of the said order
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
 - e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a Director in terms of Section 274 (1) (g) of the Act.

For **R.A. KUVADIA & Co.**
Chartered Accountants

(**R. A. KUVADIA**)

Proprietor

M. No. 40087

FRN NO.: 105487W

Place: Mumbai

Date: 29.05.2014

Annexure referred in paragraph 1 under ' Report on Other Legal and Regulatory Requirements' section of our report of even date

1. (a) The Company is in the process of updating the records showing particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the management & we are informed that no major discrepancies were noticed on such verification;
- (c) In our opinion and according to the information and explanations given to us, during the year the Company has not disposed of substantial part of fixed assets and the going concern status of the Company is not affected.
2. (a) The stock of Finished Goods, Raw materials, Stores and consumables were physically verified by the Management at the year end;
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.

ASHOK ALCO-CHEM LIMITED

3. In respect of loans granted or taken to/from Companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956.
 - (a) According to the information and explanations given to us, the Company has neither taken nor given unsecured loans (excluding Trade Advances) to/from parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its Business with regard to Purchases of Inventory, Fixed Asset and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internals. There are certain operational areas, which needs improvement for which the company is taking necessary steps.
5. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956.
 - (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section;
 - (b) In our opinion and according to the information and explanation given to us, there are no contracts or arrangements that are required to be entered in the Register maintained in pursuance of section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from public and as such provisions of Section 58A and the rules framed there under.
7. In our opinion the Company has an internal audit system commensurate with the size and nature of its Business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory and other dues:
 - (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - (b) According to the records of the Company and subject to method of accounting consistently followed by it the undisputed amount payable to appropriate authorities in respect of -

| Name of the Statute | Nature of Dues | Amount Rs in lacs | Financial Year /s to which the amount relates | Forum where dispute is pending |
|---------------------|-----------------|----------------------|--|-----------------------------------|
| Sales Tax | Assessment dues | 199.21 | 1993-1994 To 2004-2005 | Commissioner of Sales Tax |
| Sales Tax * | Deferral | 16.34 | 1998-1999 to 2000-2001 | Commissioner of Sales Tax |
| Income Tax Act | Demand Notice | 45.76 | 1997-1998 | ITAT, Mumbai |

* (The Company has obtained Installment facility in respect of the Deferral dues and is regular in remitting the installments as stipulated.)

10. The Company does not have accumulated losses exceeding fifty percent of its net worth. The company has not incurred cash loss during the year under review nor in the immediately preceding financial year.
11. The Company has not defaulted in repayment of dues to financial institution or banks or debenture holders.
12. The Company has not given any guarantees for loan taken by others from banks and financial institutions.
13. According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) are not applicable to the Company.
15. The Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not taken any term loan during the year under review.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, prima facie, have been used during the year for long-term investments.
18. The Company has made any preferential allotment of Equity shares and fully convertible warrants to the promoter Company covered in the Register maintained under section 301 of the Act, are in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.
19. The Company has not raised any money through a public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year under review.

For R.A. KUVADIA & Co.
Chartered Accountants

(R. A. KUVADIA)
Proprietor
M. No. 40087
FRN NO.: 105487W

Place: Mumbai
Date: 29.05.2014

ASHOK ALCO-CHEM LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rs.)

| Particulars | Note No. | 31st March 2014 | | 31st March 2013 | |
|---------------------------------------|----------|-----------------|--------------------|-----------------|--------------------|
| <u>EQUITY AND LIABILITIES:</u> | | | | | |
| Shareholders' Funds | | | | | |
| Share Capital | 2 | 41,503,430 | | 37,753,430 | |
| Reserves and Surplus | 3 | 138,593,082 | | 82,906,707 | |
| Money Received Against Share Warrants | | 3,375,000 | 183,471,512 | - | 120,660,137 |
| Non-Current Liabilities | | | | | |
| Long Term Provisions | 4 | | 595,059 | | 618,232 |
| Current Liabilities | | | | | |
| Short Term Borrowings | 5 | 17,041,476 | | 58,007,991 | |
| Trade Payables | 6 | 657,725,843 | | 681,177,831 | |
| Other Current Liabilities | 7 | 81,834,482 | | 96,898,906 | |
| Short-term Provisions | 8 | 337,836 | 756,939,637 | 250,395 | 836,335,123 |
| Total ... | | | 941,006,208 | | 957,613,492 |
| <u>ASSETS :</u> | | | | | |
| Non Current Assets | | | | | |
| <u>Fixed Assets</u> | | | | | |
| Tangible Assets | 9 | 111,158,625 | | 119,635,867 | |
| Intangible Assets | | 913 | | 2,734 | |
| Capital Work-in-Progress | | 10,165,597 | | - | |
| | | 121,325,135 | | 119,638,601 | |
| Non Current Investments | 10 | 14,000 | | 14,000 | |
| Deferred Tax Asset (Net) | | (9,909,223) | | (10,797,296) | |
| Long Term Loans and Advances | 11 | 48,827,243 | | 37,108,700 | |
| Other Non Current Assets | 12 | - | 160,257,155 | 5,103,587 | 151,067,592 |
| Current Assets | | | | | |
| Inventories | 13 | 137,004,047 | | 82,054,128 | |
| Trade Receivables | 14 | 302,659,031 | | 428,115,121 | |
| Cash and Cash Equivalents | 15 | 39,905,574 | | 33,577,920 | |
| Short Term Loans and Advances | 16 | 301,180,401 | 780,749,053 | 262,798,731 | 806,545,900 |
| Total ... | | | 941,006,208 | | 957,613,492 |

The accompanying Notes 1 to 23 are an integral part of these Financial Statements.

As per our report of even date

**For R. A. KUVADIA & Co.
Chartered Accountants**

(R. A. KUVADIA)

**Proprietor
Membership No. 40087
F.No. 105487W**

**Place: Mumbai
Date: 29th May, 2014**

For and on behalf of the Board

**Sridhar Chari
Whole Time Director**

**Sunil Shah
Director**

**Seema Gangawat
Company Secretary**

**Place: Mumbai
Date: 29th May, 2014**

ASHOK ALCO-CHEM LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2014

(Amount in Rs.)

| Particulars | Note No. | 2013-2014 | 2012-2013 |
|---|----------|----------------------|----------------------|
| REVENUE: | | | |
| Revenue from Operations | 17 | 2,198,134,314 | 2,332,281,985 |
| Other Income | 18 | 27,898,435 | 43,129,200 |
| Total Revenue | | 2,226,032,749 | 2,375,411,185 |
| EXPENSES : | | | |
| Cost of Materials Consumed | 19 | 698,906,798 | 663,656,871 |
| Purchases of Stock in Trade | | 674,974,956 | 727,635,722 |
| Changes in Inventories | 20 | (21,731,113) | (43,051,388) |
| Employee Benefit Expenses | 21 | 29,176,865 | 21,366,402 |
| Finance Costs | 22 | 5,716,022 | 7,560,587 |
| Depreciation and Amortization | | 11,047,178 | 11,688,643 |
| Other Expenses | 23 | 751,267,844 | 891,265,059 |
| Total Expenses | | 2,149,358,550 | 2,280,121,896 |
| Profit Before Tax | | 76,674,199 | 95,289,289 |
| Tax Expenses | | | |
| Current Tax | | 24,800,000 | 5,103,587 |
| Less : MAT Entitlement Reversal/(Credit) | | - | (5,103,587) |
| Earlier Year's Tax | | 4,575,897 | - |
| Deferred Tax | | (888,073) | 34,213,349 |
| Net Profit for the year | | 48,186,375 | 61,075,940 |
| Earnings per Equity Share of Face Value Rs. 10/- | | | |
| Basic | | 12.74 | 16.18 |
| Diluted | | 12.74 | 16.18 |

The accompanying Notes 1 to 23 are an integral part of these Financial Statements.

As per our report of even date

**For R. A. KUVADIA & Co.
Chartered Accountants**

**(R. A. KUVADIA)
Proprietor
Membership No. 40087
F.No. 105487W**

**Place: Mumbai
Date: 29th May, 2014**

For and on behalf of the Board

**Sridhar Chari
Whole Time Director**

**Sunil Shah
Director**

**Seema Gangawat
Company Secretary**

**Place: Mumbai
Date: 29th May, 2014**

ASHOK ALCO-CHEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Rs. in Lacs)

| | 2013-2014 | 2012-2013 |
|--|-------------------|-------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit Before Tax | 766.74 | 1074.87 |
| Adjustments for: | | |
| Depreciation | 110.47 | 116.89 |
| Foreign Exchange (Gain) / Loss | (166.61) | (203.85) |
| Sundry Balance w/off/ (w/back) (net) | (3.65) | (40.57) |
| Prior period item(net of Depreciation) | 0.00 | (67.65) |
| Interest & Finance Charges | 57.16 | 75.61 |
| Interest Received | (4.13) | (32.20) |
| (Profit) / Loss on Sale of Asset | 9.39 | 0.00 |
| Sale of Scrap | (0.05) | (5.99) |
| Dividend Income | (20.81) | (19.14) |
| | 748.51 | 897.97 |
| Operating Profit before Working Capital Charges | | |
| Adjustments for: | | |
| Decrease/(Increase) in Receivables | 1254.56 | 2186.02 |
| Decrease/(Increase) in Advances & others | (593.32) | (1133.92) |
| Decrease/(Increase) in Inventories | (549.50) | (472.39) |
| Increase/(Decrease) in Payables | (234.52) | (1250.53) |
| Increase/(Decrease) in Other Current Liabilities | (149.98) | 76.47 |
| Foreign Exchange Gain / Loss | 166.61 | 203.85 |
| Sundry Balance w/off/ (w/back) (net) | 3.65 | 40.57 |
| | 646.01 | 548.04 |
| Cash generated from operations | | |
| Taxes (Paid) / Received (Net of TDS) | (150.41) | 50.00 |
| Net Cash flow from Operating activities | 495.60 | 498.04 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (142.06) | (565.79) |
| Sale of Fixed Assets | 5.33 | 181.55 |
| Sale of Scrap | 0.05 | 5.99 |
| Interest Received | 4.12 | 32.20 |
| Dividend Income | 20.81 | 19.14 |
| | (111.75) | (326.91) |
| Net Cash used in Investing activities | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Short term Borrowings | | |
| Secured | (408.99) | 22.65 |
| Unsecured | (0.67) | (5.65) |
| Issue of Fresh Share Capital, Warrant & Premium | 146.25 | 0.00 |
| Interest paid | (57.16) | (75.61) |
| | (320.57) | (58.61) |
| Net Cash used in financing activities | | |
| Net increase in cash & Cash Equivalents | 63.28 | 112.52 |
| Cash and Cash equivalents as at 01.04.13 | 335.78 | 223.26 |
| Cash and Cash equivalents as at 31.03.14 | 399.06 | 335.78 |
| | As on | As on |
| Cash & Cash Equivalents | 31.03.2014 | 31.03.2013 |
| Cash in Hand | 32.79 | 27.31 |
| Cash at Bank | 366.27 | 308.47 |
| Cash & Cash equivalents as stated | 399.06 | 335.78 |

Note: Previous year's figures have been regrouped/recast wherever necessary to correspond with the current year's classification disclosure.

As per our report of even date

For R. A. KUVADIA & Co.
Chartered Accountants

(R. A. KUVADIA)
Proprietor
Membership No. 40087
F.No. 105487W

Place: Mumbai
Date: 29th May, 2014

For and on behalf of the Board

Sridhar Chari
Whole Time Director

Sunil Shah
Director

Seema Gangawat
Company Secretary

Place: Mumbai
Date: 29th May, 2014

ASHOK ALCO-CHEM LIMITED

NOTE : 1

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2014

SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006.

II. USE OF ESTIMATES:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of the assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

III. FIXED ASSETS AND DEPRECIATION/ AMORTIZATION

- (i) Gross Fixed Assets are stated at historical cost of acquisition / construction net of Cenvat credit/Input Credit under VAT on capital goods. Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to The Companies Act, 1956. Lease hold land is amortised over the period of lease.
- (ii) Fixed Assets are eliminated from financial statements either on disposal or when retired from active use. The retired assets are disposed off or discarded immediately.
- (iii) Depreciation is provided on pro-rata basis from the month in which assets have been put to use and up to the month on which assets have been used by the company.

IV. IMPAIRMENT OF ASSETS:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

V. FOREIGN CURRENCY TRANSACTIONS:

- a) Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognised over the life of the contract.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss account.

VI. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue from sale of goods is recognized when the significant risk and reward of ownership of the goods have passed to the buyer which normally coincides with the despatch of goods from the factory of the company. Sales are disclosed net off trade discount, Sales returns. Revenue in respect of insurance, interest, cash subsidy and other claims is recognized only when it is reasonably certain that the ultimate collection will be made.

VII. OPERATING LEASES:

Lease arrangements where risk and rewards incidental to ownership of an asset, substantially vests with the Lessor, are classified as operating leases. Rental expenses on assets (land) obtained under operating lease arrangement are recognized on a straight line basis over a term of the lease, and in respect of Immovable Equipments are recognized as per the terms of the Lease agreement.

VIII. INVESTMENTS:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long - term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long - term investments are carried at cost.

IX. INVENTORIES:

- i) Raw materials and packing materials are valued at landed cost determined on FIFO Basis net off VAT/CENVAT, wherever applicable.

ASHOK ALCO-CHEM LIMITED

ii) The finished and trading goods have been valued at cost or net realizable value whichever is less.

iii) Semi finished goods have been valued at estimated cost, as certified by the management.

iv) Stores & Spares have been valued at cost or market price whichever is lower.

X. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS:

In respect of derivative contract, premium paid, gains/losses on settlement and losses on restatement are recognized in the Statement of Profit and Loss.

XI. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Post -Employment Benefit Plans:

i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

ii. Defined Benefit Plan : The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out at the Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit & Loss Account for the period in which they occur.

Contribution in respect gratuity are made to the Group Gratuity Scheme with Life Insurance Corporation of India. Employee benefits recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost and as reduced by the fair value of respective fund.

iii. Short Term Employee Benefits: The undiscounted amount of short - term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

XII. BORROWING COSTS:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized, as applicable. Other borrowing costs are recognized as an expense in the period in which they are incurred.

XIII. TAXES ON INCOME:

Tax expense comprises of Current and Deferred Tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of The Income Tax Act, 1961. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XIV. EARNINGS PER SHARE:

Basic Earnings per Share is computed by dividing the net profit attributable to Equity Shareholders for the year, by weighted average number of Equity Shares outstanding during the year. Diluted earning per share is computed using the weighted average number of Equity and dilutive Equity equivalent share outstanding at year-end.

XV. PROVISIONS AND CONTINGENT LIABILITIES:

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

XVI. ACCOUNTING POLICIES:

Accounting Policies not specifically referred to, are consistent and in consonance with generally accepted Accounting principles.

ASHOK ALCO-CHEM LIMITED

| Particulars | 31st March 2014 Rs. | 31st March 2013 Rs. |
|-------------|------------------------|------------------------|
|-------------|------------------------|------------------------|

Note No. 2

2.1 Share Capital:

Authorised

| | | |
|--|-------------------|-------------------|
| 50,00,000 (50,00,000) Equity Shares of Rs.10 (Rs.10) | 50,000,000 | 50,000,000 |
| 20,00,000 (20,00,000) 11% Preference Shares of Rs.10 (Rs.10) | 20,000,000 | 20,000,000 |
| | 70,000,000 | 70,000,000 |

Issued, Subscribed and Paid up

| | | |
|--|-------------------|-------------------|
| 41,50,343 (37,75,343) Equity Shares of Rs.10 (Rs.10) | 41,503,430 | 37,753,430 |
| | 41,503,430 | 37,753,430 |

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

| Reconciliation of number of Shares | 31st March 2014 | | 31st March 2013 | |
|--------------------------------------|------------------|------------|------------------|------------|
| | Number of Shares | Rupees | Number of Shares | Rupees |
| Balance at the beginning of the year | 3,775,343 | 37,753,430 | 3,775,343 | 37,753,430 |
| Issued during the year | 375,000 | 3,750,000 | - | - |
| Bought back during the year | - | - | - | - |
| Balance at the end of the year | 4,150,343 | 41,503,430 | 3,775,343 | 37,753,430 |

2.2 Shares held by each Shareholder holding more than Five percent Shares

| Name of Shareholder | 31st March 2014 | | 31st March 2013 | |
|--|-----------------|--------------|-----------------|--------------|
| | No. of Shares | % of Holding | No. of Shares | % of Holding |
| SICOM ARC Limited | 384,592 | 9.27 | 500,100 | 13.25 |
| Aura Alkalies & Chemicals Pvt. Ltd. | 2,068,632 | 49.84 | 1,693,632 | 44.86 |
| Kodai Investment And Trading Co. Pvt. Ltd. | 227,951 | 5.49 | 280,631 | 7.43 |

Note No. 3

Reserves and Surplus

a. Capital Reserve

| | | |
|--------------------------------------|-------------------|-------------------|
| Balance at the beginning of the year | 94,881,000 | 94,881,000 |
| Current year transfer | - | - |
| | 94,881,000 | 94,881,000 |

b. Securities Premium

| | | |
|--|-------------------|-------------------|
| Balance at the beginning of the year | 61,879,025 | 61,879,025 |
| Amount Received on account of issue of Equity Shares | 7,500,000 | - |
| | 69,379,025 | 61,879,025 |

c. Surplus in Statement of Profit and Loss

| | | |
|--------------------------------------|---------------------|---------------------|
| Balance at the beginning of the year | (73,853,318) | (134,929,258) |
| Net Profit for the current year | 48,186,375 | 61,075,940 |
| | (25,666,943) | (73,853,318) |
| | 138,593,082 | 82,906,707 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 31st March 2014 Rs. | 31st March 2013 Rs. |
|---|------------------------|------------------------|
| Note No. 4 | | |
| <u>Long Term Provisions</u> | | |
| Provision for Leave Encashment | 595,059 | 618,232 |
| | 595,059 | 618,232 |
| Note No. 5 | | |
| <u>Short Term Borrowings</u> | | |
| <u>a. Secured</u> | | |
| Working Capital from Bank (Secured Against Receivables & Stock of Global Trading Division) | 14,794,459 | 55,693,550 |
| | 14,794,459 | 55,693,550 |
| <u>b. Unsecured</u> | | |
| Car Loan (Secured Against Hypothecation of Car) | - | 67,424 |
| Loan from Others | 2,247,017 | 2,247,017 |
| | 2,247,017 | 2,314,441 |
| | 17,041,476 | 58,007,991 |
| Note No. 6 | | |
| <u>Trade Payables</u> | | |
| <u>Sundry Creditors:</u> | | |
| Micro, Medium and Small Enterprises | - | - |
| Other than Micro, Medium and Small Enterprises | 657,725,843 | 681,177,831 |
| | 657,725,843 | 681,177,831 |
| Note No. 7 | | |
| <u>Other Current Liabilities</u> | | |
| Current Maturities of Long Term Debt | 1,305,084 | 6,440,025 |
| Advances from Customers | 1,013,369 | 31,879,649 |
| Statutory Liabilities | 15,253,534 | 23,453,967 |
| Other Liabilities | 64,262,495 | 35,125,265 |
| | 81,834,482 | 96,898,906 |
| Note No. 8 | | |
| <u>Short Term Provisions</u> | | |
| Provision for Leave Encashment | 337,836 | 250,395 |
| | 337,836 | 250,395 |

ASHOK ALCO-CHEM LIMITED

**Note No. 9
Fixed Assets**

| Particulars | Gross Block | | | Accumulated Depreciation | | | Net Block | |
|--------------------------|----------------------|-------------------|------------------|--------------------------|----------------------|-----------------------|-----------------------|----------------------|
| | As at 1st April 2013 | Additions | Deductions | As at 31st March 2014 | As at 1st April 2013 | As at 31st March 2014 | As at 31st April 2013 | As at 1st April 2013 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Tangible Assets | | | | | | | | |
| Land under Lease | 7,304,000 | – | – | 7,304,000 | 6,340,543 | 12,677 | – | 950,780 |
| Buildings | 24,413,395 | – | – | 24,413,395 | 11,960,963 | 245,398 | – | 12,207,034 |
| Plant & Equipment | 310,529,895 | 3,414,582 | – | 313,944,477 | 206,761,862 | 10,479,665 | – | 96,702,950 |
| Furniture & Fixtures | 1,157,029 | 361,064 | – | 1,518,093 | 918,688 | 16,735 | – | 582,670 |
| Vehicles | 6,724,072 | 265,000 | 1,911,776 | 5,077,296 | 5,031,006 | 133,543 | 439,244 | 351,991 |
| Office Equipment | 1,244,617 | – | – | 1,244,617 | 1,000,421 | 79,529 | – | 164,667 |
| Air Conditioners | 599,050 | – | – | 599,050 | 506,942 | 26,537 | – | 65,571 |
| Computers | 2,600,645 | – | – | 2,600,645 | 2,416,410 | 51,273 | – | 132,962 |
| Sub Total | 354,572,703 | 4,040,646 | 1,911,776 | 356,701,573 | 234,924,343 | 11,045,357 | 439,244 | 111,158,625 |
| Intangible Assets | | | | | | | | |
| Computer Software | 11,232 | – | – | 11,232 | 8,498 | 1,821 | – | 913 |
| Sub Total | 11,232 | – | – | 11,232 | 20,990 | 1,821 | – | 913 |
| Capital Work-in-Progress | – | 10,165,597 | – | 10,165,597 | – | – | – | 10,165,597 |
| Total | 354,583,935 | 14,206,243 | 1,911,776 | 366,878,402 | 234,945,333 | 11,047,178 | 439,244 | 121,325,135 |
| Previous Year | 316,160,130 | 56,578,603 | 18,154,798 | 354,583,935 | 223,256,690 | 11,688,643 | – | 119,638,601 |
| | | | | | | | | 98,336,887 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 31st March 2014 Rs. | 31st March 2013 Rs. |
|---|------------------------|------------------------|
| Note No. 10 | | |
| <u>Non Current Investments</u> | | |
| <u>Investments in Equity Instruments</u> | | |
| <u>Unquoted (at cost)</u> | | |
| Chhatrapati Sahakari Sakhar Karkhana Limited | | |
| 7 (7) shares @ Rs.2,000/–, fully paid up | 14,000 | 14,000 |
| | 14,000 | 14,000 |
| | 14,000 | 14,000 |
| | | |
| Note No. 11 | | |
| <u>Long-term Loans and Advances</u> | | |
| Security Deposits | 21,563,075 | 4,478,613 |
| Balances With Revenue Authorities | 27,264,168 | 32,630,087 |
| | 48,827,243 | 37,108,700 |
| | 48,827,243 | 37,108,700 |
| | | |
| Note No. 12 | | |
| <u>Other Non – Current Assets</u> | | |
| MAT Credit Entitlement | – | 5,103,587 |
| | – | 5,103,587 |
| | – | 5,103,587 |
| | | |
| Note No. 13 | | |
| <u>Inventories</u> | | |
| (As taken valued and certified by the Management; Valuation as stated in Note No. 1) | | |
| Raw Materials | 15,271,461 | 12,392,290 |
| Work-in-Progress | 3,042,020 | 2,339,851 |
| Finished Goods | 30,501,639 | 27,431,374 |
| Traded Goods | 55,023,175 | 37,064,496 |
| Stores/ Spares & Packing Material | 12,574,664 | 1,700,496 |
| Fuel | 1,153,329 | 687,865 |
| Goods In Transit | 19,437,759 | 437,756 |
| | 137,004,047 | 82,054,128 |
| | 137,004,047 | 82,054,128 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 31st March 2014 | | 31st March 2013 | |
|---|-----------------|--------------------|-----------------|--------------------|
| | | Rs. | | Rs. |
| Note No. 14 | | | | |
| <u>Trade Receivables (Unsecured considered goods unless otherwise stated)</u> | | | | |
| <u>Outstanding for a period exceeding 6 months from the date they are due for payment:</u> | | | | |
| Considered Good | 618,579 | | 102,476,294 | |
| Considered Doubtful | 105,635,005 | | 105,635,005 | |
| | 106,253,584 | | 208,111,299 | |
| Less: Provision for doubtful debts | 105,635,005 | 618,579 | 105,635,005 | 102,476,294 |
| <u>Other Trade Receivables:</u> | | | | |
| Considered Good | 301,378,803 | | 325,638,827 | |
| Considered Doubtful | 661,649 | | - | |
| | 302,040,452 | | 325,638,827 | |
| Less: Provision for Doubtful Debts | - | 302,040,452 | - | 325,638,827 |
| | | 302,659,031 | | 428,115,121 |
| Note No. 15 | | | | |
| <u>Cash and Cash Equivalents</u> | | | | |
| (a) <u>Balances with Banks:</u> | | | | |
| Current Accounts | | 36,127,044 | | 20,846,615 |
| Short Term Deposit | | 500,000 | | 10,000,000 |
| (b) Cash on Hand | | 3,278,530 | | 2,731,305 |
| | | 39,905,574 | | 33,577,920 |
| Note No. 16 | | | | |
| <u>Short-Term Loans and Advances</u> | | | | |
| <u>Unsecured (Considered Good, unless otherwise stated)</u> | | | | |
| Trade Advances to Vendors | | 231,772,732 | | 172,303,843 |
| Loans and Advances to Staff | | 11,800 | | 129,915 |
| Prepaid Expenses | | 692,400 | | 414,085 |
| Balances With Revenue Authorities/Claim Receivables | | 57,561,562 | | 44,267,364 |
| Other Loans and Advances | | 14,395,401 | | 39,705,758 |
| Advance Income Tax (Net of Provisions) | | (3,253,494) | | 5,977,766 |
| | | 301,180,401 | | 262,798,731 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 2013-2014 Rs. | 2012-2013 Rs. |
|--|----------------------|----------------------|
| Note No. 17 | | |
| <u>Revenue from Operations</u> | | |
| <u>Sale of Products</u> | | |
| <u>Manufactured Goods</u> | | |
| Local Sales | 853,236,310 | 846,506,060 |
| Export Sales | 79,012,056 | 53,688,049 |
| <u>Traded Goods</u> | | |
| Local Sales | 155,305,808 | 57,644,321 |
| Export Sales | 1,226,494,953 | 1,489,904,245 |
| | 2,314,049,127 | 2,447,742,675 |
| Less : Excise Duty | 87,115,309 | 88,688,388 |
| Less : VAT | 28,799,504 | 26,772,302 |
| | 2,198,134,314 | 2,332,281,985 |
| | 2,198,134,314 | 2,332,281,985 |
| <u>Details of Manufactured Goods:</u> | | |
| Ethyl Acetate | 774,825,007 | 783,847,735 |
| Acetaldehyde | 156,045,418 | 98,361,900 |
| Others | 1,377,941 | 17,984,474 |
| | 932,248,366 | 9,00,194,109 |
| <u>Details of Traded Goods:</u> | | |
| Bauxite | 954,891,229 | 723,949,165 |
| Bentonite | 190,237,872 | 592,952,378 |
| Bleaching Earth | 169,263,772 | 126,810,446 |
| China Clay | 25,429,439 | 13,705,398 |
| Potash Feldspar | 22,819,810 | - |
| Iron Ore | - | 80,987,674 |
| 3 Ply 80 GSM Craft Paper Bags | 7,041,746 | - |
| Ball Clay | 6,362,150 | - |
| Others | 5,754,743 | 9,143,505 |
| | 1,381,800,761 | 1,547,548,566 |
| Note No. 18 | | |
| <u>Other Income</u> | | |
| Interest Income | 412,548 | 3,219,615 |
| Dividend Received | 2,080,611 | 1,914,107 |
| Sundry Balances written back | 364,700 | 4,056,646 |
| Foreign Currency Fluctuation Gain | 16,660,894 | 20,385,030 |
| Miscellaneous Income | 8,379,682 | 13,553,802 |
| | 27,898,435 | 43,129,200 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 2013-2014 | | 2012-2013 | |
|--|--------------------|---------------------|--------------------|---------------------|
| | Rs. | | Rs. | |
| Note No. 19 | | | | |
| <u>Cost of Materials Consumed</u> | | | | |
| Opening Stock | 12,392,290 | | 7,795,864 | |
| Add : Purchases | 701,785,969 | | 668,253,297 | |
| | 714,178,259 | | 676,049,161 | |
| Less : Closing Stock | 15,271,461 | 698,906,798 | 12,392,290 | 663,656,871 |
| | | 698,906,798 | | 663,656,871 |
| <u>Details of Raw Materials:</u> | | | | |
| Acetic Acid | 311,047,095 | | 297,731,143 | |
| Alcohol for Ethyl Acetate | 277,749,172 | | 296,782,430 | |
| Alcohol for Acetaldehyde | 108,852,028 | | 68,117,015 | |
| Others | 1,258,503 | | 1,026,283 | |
| | 698,906,798 | | 663,656,871 | |
| Note No. 20 | | | | |
| <u>Changes in Inventories</u> | | | | |
| <u>Opening Stock</u> | | | | |
| Finished Goods | 27,431,374 | | 20,452,659 | |
| Traded Goods | 37,064,496 | | 1,055,740 | |
| Work-in-Progress | 2,339,851 | 66,835,721 | 2,275,934 | 23,784,333 |
| <u>Closing Stock</u> | | | | |
| Finished Goods | 30,501,639 | | 27,431,374 | |
| Traded Goods | 55,023,175 | | 37,064,496 | |
| Work-in-Progress | 3,042,020 | 88,566,834 | 2,339,851 | 66,835,721 |
| | | (21,731,113) | | (43,051,388) |
| Note No. 21 | | | | |
| <u>Employee Benefit Expenses</u> | | | | |
| Salaries, Wages, Allowances and Bonus | | 26,892,053 | | 19,706,310 |
| Contribution to Employee Benefit Funds | | 1,713,002 | | 1,215,660 |
| Staff Welfare Expenses | | 571,810 | | 444,432 |
| | | 29,176,865 | | 21,366,402 |
| Note No. 22 | | | | |
| <u>Finance Costs</u> | | | | |
| <u>Interest</u> | | | | |
| Working Capital Finance | 5,091,757 | | 5,973,164 | |
| Others | 138,377 | 5,230,134 | 118,166 | 6,091,330 |
| Other Financial Costs | | 485,888 | | 1,469,257 |
| | | 5,716,022 | | 7,560,587 |

ASHOK ALCO-CHEM LIMITED

| Particulars | 2013-2014 | | 2012-2013 | |
|---|-------------|--------------------|-------------|--------------------|
| | Rs. | | Rs. | |
| Note No. 23 | | | | |
| <u>Other Expenses</u> | | | | |
| <u>Manufacturing Expenses</u> | | | | |
| Stores and Spares Consumed | 2,558,556 | | 4,299,082 | |
| Packing Materials and Charges | 9,339,080 | | 12,327,552 | |
| Power & Fuel | 68,322,481 | | 65,831,809 | |
| Repairs to: | | | | |
| Machinery | 2,536,459 | | 883,205 | |
| Others | 1,370,627 | | 1,318,618 | |
| Rent | - | | 3,130,884 | |
| Other Expenses | 1,910,521 | 86,037,724 | 1,306,991 | 89,098,141 |
| <u>Selling and Distribution Expenses</u> | | | | |
| Shipment Expenses | 15,479,515 | | 54,700,860 | |
| Export Freight and Insurance | 97,719,455 | | 226,293,920 | |
| Export Carting , Stevedoring & Port Charges | 506,508,767 | | 448,838,234 | |
| Other Selling Expenses | 16,039,495 | 635,747,232 | 9,290,812 | 739,123,826 |
| <u>Administrative and Other Expenses</u> | | | | |
| Travelling Expenses | 2,036,125 | | 1,667,182 | |
| Rent ,Rates and Taxes | 1,307,776 | | 547,367 | |
| Insurance Premium | 1,537,384 | | 1,299,947 | |
| Advertisement and Business Promotion | 220,944 | | 154,518 | |
| Bad Debts | 10,149,552 | | 38,133,559 | |
| Legal and Professional Fees | 2,830,331 | | 2,895,670 | |
| Directors Sitting Fees | 92,000 | | 135,000 | |
| Payments to Auditor | 263,484 | | 282,810 | |
| Donation | 17,000 | | 14,001 | |
| Loss on Sale of Assets | 939,199 | | - | |
| Prior Period Expenses | 521,146 | | 12,198,278 | |
| General Expenses | 9,567,947 | 29,482,888 | 5,714,760 | 63,043,092 |
| | | 751,267,844 | | 891,265,059 |

Note (i) Payments to Auditors

| <u>Payments to Auditors</u> | 2013-2014 | 2012-2013 |
|------------------------------------|------------------|------------------|
| | Rs. | Rs. |
| a. Audit Fees | 117,978 | 117,978 |
| b. Taxation Matters | 73,034 | 73,034 |
| c. Tax Audit | 39,326 | 39,326 |
| d. Other Services | 33,146 | 52,472 |
| | 263,484 | 282,810 |

ASHOK ALCO-CHEM LIMITED

NOTES TO ACCOUNTS:

1. Contingent Liabilities:

Contingent Liabilities not provided for in respect of:

| Sr. No. | Particulars | 2013-2014 Rs. | 2012-2013 Rs. |
|---------|----------------------------|------------------|--------------------|
| 1. | Income Tax matters | 43,24,222 | 3,99,38,826 |
| 2. | Sales Tax | 13,96,998 | 13,96,998 |
| 3. | Excise/Service tax matters | 3,75,855 | 10,35,125 |
| | Total | 60,97,075 | 4,23,70,949 |

2. In the opinion of the Board of Directors of the Company, the Current Assets, Loans and Advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of Business.
3. *The provision for doubtful debts continues at an amount of Rs. 1056.35 Lacs (PY.1056.35 Lacs). In the opinion of the management these debts have not become bad and they are hopeful of recovery of the amount.*
4. The Company has provided for Gratuity to employees based on the actuarial valuation report. However the said liabilities aggregating to Rs. 9.59 are not funded.

5. Segment Reporting:

Business Segment

The Company is having two Business Segments viz. Chemical Division (Manufacturing) and Global Trading Division. (Rs. In Lacs)

| | Chemical Division (Manufacturing) | | Global Trading Division | | Total for the year ended 31 st March | |
|------------------------|--------------------------------------|-----------|----------------------------|-----------|--|-----------|
| | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 |
| Segment Revenue | 8,213 | 7,919 | 14,148 | 15,835 | 22,361 | 23,754 |
| Segment Results (P&L) | (306) | (127) | 1,073 | 1,080 | 767 | 953 |
| Provision for Taxation | 285 | 342 | - | - | 285 | 342 |
| Net Profit / (Loss) | (591) | (469) | 1,073 | 1,080 | 482 | 611 |
| Segment Assets | 4,465 | 3,393 | 6,458 | 5,342 | 10,924 | 8,735 |
| Total Assets | 4,465 | 3,393 | 6,458 | 5,342 | 10,924 | 8,735 |
| Segment Liabilities | 1,606 | 1,306 | 5,968 | 6,115 | 7,574 | 7,421 |
| Total Liabilities | 1,606 | 1,306 | 5,508 | 6,115 | 7,574 | 7,421 |

Geographical Segment

| Particulars | India | | Rest of the World | | Total | |
|--|-----------|-----------|-------------------|-----------|-----------|-----------|
| | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 | 2013-2014 | 2012-2013 |
| Segment Revenue | 9,306 | 8,079 | 13,055 | 15,675 | 22,361 | 23,754 |
| Carrying cost of Segment Assets | 10,924 | 8,735 | - | - | 10,924 | 8,735 |
| Net Addition to Fixed Assets and Intangible Assets | 123 | 413 | - | - | 123 | 413 |

6. Related Party Transactions :

A. Associate Concerns :

- Aura Alkalies and Chemicals Private Limited

B. Key Management Personnel and Relatives :

- Sridhar Chari - Whole Time Director

ASHOK ALCO-CHEM LIMITED

C. Relatives of Key Management Personnel :

(Rs. in Lacs)

| Particulars | Associates | Key Mgt. | Relatives |
|------------------------------|------------|----------|-----------|
| Remuneration | – | 36.32 | – |
| Debts payable by the Company | 7.82 | – | |

7. Deferred Tax:

Considering the market trend for company's product and Management's perception on future outlook of the Company, the Deferred Tax Surplus for current year is accounted to Profit & Loss Account. The deferred tax adjustment in terms of Accounting Standard 22 is assessed out on the basis of following timing differences.

| Particulars | Deferred Tax Surplus / (Deficit) as on 31.03.2014 |
|---|---|
| Surplus-arising from claim u/s 43B net of reversal | 79,50,986 |
| Reversal of Liability-Depreciation difference as per Books compared to Income-Tax | (1,78,60,209) |
| Deferred Tax Surplus(Deficit) | (99,09,223) |

8. Earnings Per Share:

| | 2013-14 Rs. In Lacs | 2012-13 Rs. In Lacs |
|--------------------------------------|------------------------|------------------------|
| Profit (Loss) after Tax. | 481.86 | 610.76 |
| Of Weighted average Shares | 12.74 | – |
| Outstanding during the year | 4,15,03,43 | 3,77,53,43 |
| Basic and Diluted Earnings Per Share | 12.74 | 16.18 |

9. Payment to Auditors:

(Amount in Rupees)

| Sr. No. | Particulars | 2013-14 | 2012-13 |
|---------|------------------|-----------------|-----------------|
| a. | Audit Fees | 1,17,978 | 1,17,978 |
| b. | Taxation Matters | 73,034 | 73,034 |
| c. | Tax Audit | 39,326 | 39,326 |
| d. | Other Services | 33,146 | 52,472 |
| | Total | 2,63,484 | 2,82,810 |

10. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/ payable under this Act, has not been given.
11. Balances for Trade Payables, Trade Receivables, for Loans and Advances are subject to confirmations from the respective parties and reconciliations, if any, in many cases. In absence of such confirmations, the balances as per books have been relied upon by the auditors.
12. The Management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS)-28 prescribed under the Companies (Accounting Standards) Rules, 2006. Based on the judgement of the management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
13. The Company has during the year issued 3,75,000 convertible Equity Warrants of Rs.10 each to Aura Alkalies and Chemicals Private Limited a body corporate under the promoters group on preferential basis at a premium of Rs.20 per share/ warrant. These warrants are convertible into one equity share against each warrant within a period of 18 months from the date of the issue.
14. Remuneration includes Rs.36.32 Lacs paid to Whole Time Director (P.Y. Rs.16.29 Lacs paid to Managing Director upto 26.11.2012 and a Whole Time Director).

ASHOK ALCO-CHEM LIMITED

15. Production, Stocks and Sales:

CHEMICAL DIVISION (Segment 1)

| | Product | Opening Stock | Production/ Purchase | Sales | Closing Stock |
|-----|-----------------------------|----------------|-------------------------|-------------------|-----------------|
| i | Glacial Acetic Acid : | | | | |
| | Qty. (MT) | 0 | 6 | 6 | 0 |
| | | (0) | (422) | (422) | (0) |
| | Value (Rs.in lacs) | 0 | Nil | 3.87 | 0 |
| | | (0) | Nil | (172.88) | (0) |
| ii. | Ethyl Acetate: | | | | |
| | Qty. (MT) | 457 | 12,205 | 12,241 | 420 |
| | | (395) | (13,389) | (13,327) | (457) |
| | Value (Rs.in lacs) | 249.63 | - | 7,748.25 | 275.62 |
| | | (83.29) | (-) | (7,838.42) | (249.63) |
| iii | Acetaldehyde | | | | |
| | Qty. (MT) | 42 | 2,305 | 2,302 | 45 |
| | | (1) | (1,468) | (1,427) | (42) |
| | Value (Rs.in lacs) | 24.69 | - | 1,560.45 | 29.40 |
| | | (0.42) | - | (983.62) | (24.69) |
| iv. | Others : | 0 | - | 9.91 | 0 |
| | Value (Rs.in lacs) | (0) | (-) | (6.96) | (0) |
| | Total (Rs.in lacs) I | 274.32 | - | 9,322.48 | 305.02 |
| | Total (Rs. In Lacs) | (83.71) | (-) | (9,001.94) | (274.32) |

GLOBAL TRADING DIVISION (Segment 2)

| Product | Opening Stock | Production/ Purchase | Sales | Closing Stock |
|--------------------------------|---------------|-------------------------|-------------|---------------|
| Minerals | | | | |
| Qty. (MT) | 48,271 | 19,42,428 | 19,24,085 | 66,614 |
| | (1,409) | (13,15,413) | (12,68,551) | (48,271) |
| Value (Rs.in lacs) | 370.65 | 6,749.75 | 13,818 | 550.23 |
| | (10.56) | (7,276.36) | (15,475.49) | (370.65) |
| Total(Rs. In Lacs) II | 370.65 | 6,749.75 | 13,818 | 550.23 |
| | (10.56) | (7,276.36) | (15,475.49) | (370.65) |
| Grand Total I+II (Rs. In Lacs) | 644.97 | 6,749.75 | 23,140.48 | 855.25 |
| | (94.27) | (7,276.36) | (24,477.43) | (644.97) |

- Notes: (i) Figures in brackets are in respect of the previous year.
(ii) Sales includes Excise Duty and Sales Tax.
(iii) Loss / Gain of goods and captive consumption during the year are adjusted in sales quantity.

Analysis of Raw Materials consumed for manufacturing activities:

| | Particulars | Unit | 2013-2014 | | 2012-2013 | |
|----|---------------------|-----------|-----------|--------------|-----------|--------------|
| | | | Qty. | Value (Rs.) | Qty. | Value (Rs.) |
| I | Alcohol | Lac Ltrs. | 124.99 | 38,66,01,200 | 120.03 | 36,58,34,032 |
| II | Glacial Acetic Acid | MT | 8754 | 31,10,47,095 | 9914 | 29,78,22,839 |

Note: Values are inclusive of Incidental Expenses like Transport, Freight etc.

ASHOK ALCO-CHEM LIMITED

16. Value of Raw Materials, Stores & Packing Materials Consumed:

| | 2013-2014 | | 2012-2013 | |
|--------------|------------------------|---------------------|------------------------|---------------------|
| | % of Total Consumption | Value (Rs.) | % of Total Consumption | Value (Rs.) |
| Imported | Nil | Nil | Nil | Nil |
| Indigenous | 100 | 71,08,04,434 | 100 | 68,02,83,505 |
| Total | 100 | 71,08,04,434 | 100 | 68,02,83,505 |

17. CIF Value of Imports:

| | | |
|-------------------------------|-----------|--------------|
| Value of Imports on CIF Basis | 33,03,061 | 16,25,58,424 |
|-------------------------------|-----------|--------------|

18. Expenditure in Foreign Currency:

| | | |
|-----------------------|-------------|--------------|
| - For Travelling | Nil | 1,24,296 |
| - Freight & Demurrage | 9,76,78,688 | 22,31,28,471 |
| - Others | 10,16,241 | Nil |

19. Remittance in Foreign Currency on account of:

| | | |
|---------------------------------------|-----|-----|
| Dividend of Non-Resident Shareholders | Nil | Nil |
|---------------------------------------|-----|-----|

20. FOB value of Exports:

| | | |
|---|---------------|---------------|
| Earning in Foreign Exchange (FOB Value) | 108,38,38,286 | 138,26,21,035 |
|---|---------------|---------------|

21. Previous year's figures have been regrouped/recast wherever necessary to correspond with the current year's classification disclosure.

As per our report of even date

For R. A. KUVADIA & CO
Chartered Accountants

(R. A. KUVADIA)
Proprietor
Membership No. 40087
F.No. 105487W

Place: Mumbai
Date: 29th May, 2014

For and on behalf of the Board

Sidhar Chari
Whole Time Director

Sunil Shah
Director

Seema Gangawat
Company Secretary

Place: Mumbai
Date: 29th May, 2014

ASHOK ALCO-CHEM LIMITED

Registered Office: 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001.

CIN: L24110MH1992PLC069615 **Tel:** 022-61446900/01 **Fax:** 022-66104355

Email: info@ashokalcochem.com; **Website:** http://www.ashokalcochem.com

ATTENDANCE SLIP

(To be handed over at the entrance of the Meeting Hall)

DP ID* : _____ Folio No. : _____

Client ID* : _____ No. of Shares : _____

Name and Address of the Shareholder(s): _____

I hereby record my presence at the **Twenty Second Annual General Meeting** of the Company being held on Friday, September 26, 2014, at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001.

Signature of Attending Member / Proxy / Representative: _____

Notes:

- 1) Please complete and sign this attendance slip and handover at the entrance of the Meeting Hall.
- 2) Only Member(s) or their Proxies with this attendance slip will be allowed entry to the Meeting.

* Applicable for investors holding shares in electronic (demat) form.

ASHOK ALCO-CHEM LIMITED

Registered Office: 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001.

CIN: L24110MH1992PLC069615 **Tel:** 022-61446900/01 **Fax:** 022-66104355

Email: info@ashokalcochem.com; **Website:** http://www.ashokalcochem.com

PROXY FORM

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

| | |
|----------------------|--|
| Name of Member(s): | |
| Registered Address: | |
| Email Id: | |
| Folio No/ Client ID: | |
| DP ID: | |

I/We, being a Member(s) of _____ Shares of **Ashok Alco-Chem Limited**, hereby appoint:

- (1) Name: _____ Address: _____
Email Id _____ Signature: _____ or failing him/her
- (2) Name: _____ Address: _____
Email Id _____ Signature: _____ or failing him/her
- (3) Name: _____ Address: _____
Email Id _____ Signature: _____

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Second Annual General Meeting of the Company to be held on Friday, September 26, 2014, at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Description of Resolution |
|--------------------------|---|
| Ordinary Business | |
| 1. | Adoption of the Audited Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2014 and the reports of the Directors' and Auditors' thereon. |
| 2. | Appointment of Director in place of Mr. Sunil Shah who retires by rotation and being eligible offers himself for re-appointment. |
| 3. | Appointment of Auditors and fixing of their remuneration. |
| Special Business | |
| 4. | Appointment Mr. Manoj Ganatra as an Independent Director of the Company. |
| 5. | Appointment Dr. Umesh Kulkarni as an Independent Director of the Company. |
| 6. | Payment of Remuneration to Cost Auditors. |
| 7. | Borrowing Limits. |

Signed this _____ day of _____ 2014

Signature of Shareholder : _____

Signature of Proxy holder(s) : _____

Affix
₹ 1/-
Revenue
Stamp

Notes:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the aforesaid Meeting.

REGD. BOOK-POST

TO,

If undelivered, please return to:

ASHOK ALCO-CHEM LIMITED

Regd. Office: 104, Venkatesh Chambers, 1st Floor,
Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001.

CIN: L24110MH1992PLC069615

Tel. No.: 022-6144900/01, Fax No.: 022-66104355

Email: info@ashokalcochem.com

Website: <http://www.ashokalcochem.com>