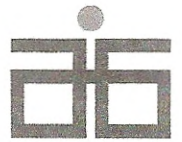


# ASHOK ALCO-CHEM LIMITED



Regd. Office : Room No. 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001, INDIA.  
Tel : 022-61446900/01 Fax : 66104355  
Email : info@ashokalcochem.com Web Site : http://www.ashokalcochem.com

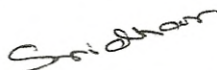
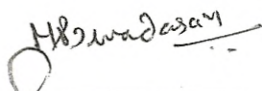
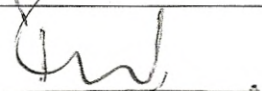
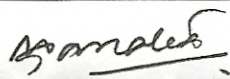
Date: 02/09/2013

To,  
The Department of Corporate Services  
Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai -400 001

Dear Sir,

In terms of Clause 31(a) of the Listing Agreement, we hereby submit six copies of Annual Report for the Financial Year 2012-13 in the prescribed manner:

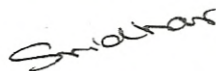
### "Form A"

1.	Name of the Company	<b>Ashok Alco-Chem Limited</b>
2.	Annual financial statement for the year ended	<b>March 31, 2013</b>
3.	Type of Audit observation	<b>Un-qualified</b>
4.	Frequency of observation	<b>Not applicable</b>
5.	To be signed by	
	Mr. Sridhar Chari, Whole Time Director	
	Mr. M. P. Devdasan, Senior Manager - Accounts	
	M/s. R. A. Kuvadia & Co., Statutory Auditors of the Company	
	Mr. Manoj Ganatra, Chairman of the Audit Committee of the Board of Directors of the Company	

Kindly acknowledge receipt.

Thanking you,

Yours faithfully,  
**For Ashok Alco-Chem Limited**



**Whole Time Director**

Encl: as above



Plant : Plot No. A-22/2/1, Mahad Industrial Area, Village Kamble, Mahad, Dist. Raigad, INDIA.  
Tel : 02145 - 232209 / 232827 Fax : 232208



**21<sup>ST</sup>  
ANNUAL REPORT  
2012-2013**



**ASHOK ALCO-CHEM LIMITED**

## ASHOK ALCO-CHEM LIMITED

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

**BANKERS** : AXIS BANK LTD.

**AUDITORS** : R. A. KUVADIA & Co.  
Chartered Accountants, Mumbai

**REGISTERED OFFICE** : 104, Venkatesh Chambers, 1<sup>st</sup> Floor,  
Ghanshyam Talwatkar Marg, Fort,  
Mumbai – 400 001.  
Tel. No.: 022-61446900, Fax No.: 022-66104355

**PLANTS** : **ACETIC ACID UNIT & ETHYL ACETATE UNIT**  
Plot No. A-22/2/1, Mahad Industrial Area,  
Village Kamble, Mahad - 402 301.  
Dist: Raigad, Maharashtra.

**REGISTRAR AND SHARE** : **LINK INTIME INDIA PVT. LTD.**

**TRANSFER AGENT** C-13, Pannalal Silk Mills Compound,  
LBS Marg, Bhandup (W),  
Mumbai – 400 078.  
Tel. No.: 022-25946970, Fax No.: 25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

# ASHOK ALCO-CHEM LIMITED

## NOTICE

Notice is hereby given that the Twenty First Annual General Meeting of the Members of Ashok Alco-Chem Limited will be held on Tuesday, September 24, 2013 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6<sup>th</sup> 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, 2013 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. Manoj Ganatra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. A. Kuvadia & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration and to pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. R. A. Kuvadia & Co., Chartered Accountants (Registration No. 105487W), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors and the Auditors of the Company."

### SPECIAL BUSINESS:

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

**"RESOLVED THAT** Mr. Sunil Shah, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing from a Member of the Company pursuant to the provisions of Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

**"RESOLVED THAT** Mr. Sridhar Chari, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 134 of the Articles of Association of the Company and in respect of whom the Company has received a Notice in writing from a Member of the Company pursuant to the provisions of Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, to hold office pursuant to the provisions of the Articles of Association of the Company."

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

**"RESOLVED THAT** in accordance with Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII of the Act or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Sridhar Chari as a Whole Time Director of the Company for a period of 3 years commencing from March 25, 2013 and ending on March 24, 2016, on the terms and conditions stated in the Agreement dated March 25, 2013, executed by and between the Company and Mr. Sridhar Chari.

**RESOLVED FURTHER THAT** Mr. Sanjay Bhatia, Director, be and is hereby authorised to prepare, sign, execute and file such document(s), paper(s) and form(s), as may be required, with the Registrar of Companies, Maharashtra and other regulatory authorities and to do all such acts, things, deeds and matters as may be necessary in this regard to give effect to this resolution."

**For and on behalf of the Board**

Place: Mumbai  
Date: August 8, 2013

**Sridhar Chari**  
**Whole Time Director**

### Registered Office:

104, Venkatesh Chambers,  
1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,  
Fort, Mumbai – 400 001.

### NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, 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 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 not less than 48 hours before the commencement of the Meeting.

## ASHOK ALCO-CHEM LIMITED

3. The Register of Members and Share Transfer Books will remain closed from Thursday, September 19, 2013 to Tuesday, September 24, 2013 (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 Directors, 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 pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General 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 1.00 p.m. except Saturday, Sundays and public holidays upto the date of this Annual General Meeting.
11. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered email addresses of shareholders.

To support this green initiative and to receive communication from the Company through electronic mode, Members who have not registered their e-mail addresses and holding shares in physical form are requested to contact the Company's Registrar & Share Transfer Agent and register their e-mail ID and Members holding shares in dematerialised form are requested to contact their Depository Participant. Members may please note that notices, annual reports etc. will also be available on the Company's website viz. [www.ashokalcochem.com](http://www.ashokalcochem.com).

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

Name of Director	Mr. Manoj Ganatra	Mr. Sunil Shah	Mr. Sridhar Chari
Date of Birth	November 21, 1962	November 7, 1962	January 15, 1963
Date of Appointment	April 8, 2011	February 8, 2013	March 25, 2013
Expertise in specific functional areas	Accounts, Finance & Taxation	Project Management & Marketing	Material Management & Commercial Operations Professional
Qualifications	B.Com, LLB & FCA	DME, AIME, (Mechanical Engineer)	BSC (Statistics), MSC (Econometrics & Mathematical Economics) and MBA (in materials and supply chain management)
List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies.	Nil	Nil	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	- Audit Committee (Chairman) - Investor Grievances Committee (Member) - Remuneration Committee (Member)	- Audit Committee (Member)	Nil
Chairman/ Member of the Committee of the Board of Directors of other companies in which he/she is a Director a. 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 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 4:

Mr. Sunil Shah was appointed as an Additional Director (category Independent and Non-Executive) of the Company with effect from February 8, 2013 and holds office as Director up to the date of this Annual General Meeting.

Mr. Sunil Shah holds degrees of DME & AIME. Being Mechanical Engineer he is having vast experience in construction and earth moving technology. He has successfully completed major projects. He is involved in marketing activities in Gujarat State. He is also associated with many charity activities.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying intention to propose the appointment of Mr. Sunil Shah as a Director of the Company at this Annual General Meeting.

In view of the expertise and experience of Mr. Sunil Shah, his appointment as Director of the Company is recommended by the Board.

Mr. Sunil Shah does not hold any shares in the Company.

Your Directors recommend the Ordinary Resolution set out in Item No. 4 of the Notice for approval by the Members.

None of the Directors other than Mr. Sunil Shah is interested or concerned in the Resolution.

#### Item No. 5 & 6:

During the year under review, Dr. Anil M. Kadakia (Dr. Kadakia), Chairman & Managing Director of the Company, resigned w.e.f. November 26, 2012. To fill up the vacancy caused by the retirement of Dr. Kadakia, the Company started looking for suitable managerial executive who could handle the day to day operations of the Company. Accordingly, the Board of Directors of the Company at its Meeting held on March 25, 2013 appointed Mr. Sridhar Chari (Mr. Chari) as an Additional Director.

Mr. Chari is a Graduate in Statistics, Post Graduate in Econometrics and Mathematical Econometrics and Mathematical Economics, PGDBM – from MSPI, Delhi and MBA in materials & supply chain management. Mr. Chari comes with a rich & varied experience of 27 years, across several industries and reputed companies. He has experience in unit operations, commercial activities and in setting up green field projects in India and Overseas.

Pursuant to Section 260 of the Companies Act, 1956, Mr. Chari holds office as Director up to the date of this Annual General Meeting. Notice, under Section 257 of the Companies Act, 1956, has been received from a Member signifying intention to propose the appointment of Mr. Chari as a Director of the Company at this Annual General Meeting.

Considering Mr. Chari's qualifications & vast experience and at the recommendation of and on remuneration determined by Remuneration Committee, the Board of Directors of the Company at its Meeting held on March 25, 2013 appointed him as a Whole Time Director of the Company for a period of three years commencing from March 25, 2013 and ending on March 24, 2016, subject to approval of the shareholders, pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and MCA's General Circular No. 14/03/2011/CL.VII dated July 14, 2011.

The Material terms of the Agreement dated March 25, 2013, entered into between the Company and Mr. Chari, are given herein below:-

1. Designation: Whole Time Director
2. Period: Three (3) years with effect from March 25, 2013 to March 24, 2016.
3. In consideration of the performance of his duties, Mr. Sridhar Chari shall be entitled to receive salary and perquisites as stated below:
  - (I) Salary : Up to Rs. 2,65,967/- (Rupees Two Lakhs Sixty Five Thousand Nine Hundred Sixty Seven only) per month.
  - (II) Perquisites & Allowances : Provision of use of Company's car for official duties, Petrol / Diesel reimbursement, Driver's Salary and other reimbursement incurred for official purpose, in accordance with the Company's rules, the monetary value of such perquisites being restricted to Rs. 67,367/- (Rupees Sixty Seven Thousand Three Hundred Sixty Seven only) per month.
4. Mr. Chari shall not be paid any sitting fees from the Company for attending meetings of the Board of Directors or Committee thereof.
5. Mr. Chari's appointment can be terminated by either party by giving three months notice in writing.

## ASHOK ALCO-CHEM LIMITED

**In terms of the requirements as per sub-clause (iv) of the proviso to sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, the information is as furnished below:**

<b>I. General Information:</b>																					
1)	Nature of Industry Manufacturing of Organic Chemicals and Trading of Minerals.																				
2)	Date of Commencement of commercial production The Company is already in operation. It is a commercial production running Company, since 1992.																				
3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the Prospectus Not applicable																				
4)	Financial Performance based on given indicators : <div style="text-align: right;"><b>(Rupees in Lacs)</b></div> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 5px;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">FY 2011-12</th> <th style="text-align: center;">FY 2010-11</th> <th style="text-align: center;">FY 2009-10</th> </tr> </thead> <tbody> <tr> <td>Gross Income -Turnover</td> <td style="text-align: center;">32,162</td> <td style="text-align: center;">28,692</td> <td style="text-align: center;">19,909</td> </tr> <tr> <td>Net Profit before Interest &amp; Depreciation</td> <td style="text-align: center;">658</td> <td style="text-align: center;">293</td> <td style="text-align: center;">65</td> </tr> <tr> <td>Net Profit after Tax</td> <td style="text-align: center;">348</td> <td style="text-align: center;">174</td> <td style="text-align: center;">(36)</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: center;">596</td> <td style="text-align: center;">247</td> <td style="text-align: center;">83</td> </tr> </tbody> </table>	Particulars	FY 2011-12	FY 2010-11	FY 2009-10	Gross Income -Turnover	32,162	28,692	19,909	Net Profit before Interest & Depreciation	658	293	65	Net Profit after Tax	348	174	(36)	Net Worth	596	247	83
Particulars	FY 2011-12	FY 2010-11	FY 2009-10																		
Gross Income -Turnover	32,162	28,692	19,909																		
Net Profit before Interest & Depreciation	658	293	65																		
Net Profit after Tax	348	174	(36)																		
Net Worth	596	247	83																		
5)	Export performance and net foreign exchange collaboration The Company is an Exporting Company with income earned on export of Rs. 15,030 lacs during the year 2011-12 and Rs. 16,235 lacs during the year 2010-11.  There is no foreign collaboration.																				
6)	Foreign Investments or collaborators, if any Not Applicable																				
<b>II. Information about the Appointee</b>																					
1)	Background details Please refer Paragraph 2 of this Explanatory Statement.																				
2)	Past remuneration Not Applicable																				
3)	Recognition or awards -																				
4)	Job profile & his suitability In view of Mr. Chari's rich & varied experience, he will be responsible for the overall management and supervision of the Company's commercial & operational functions.																				
5)	Remuneration proposed Please refer Paragraph 5 of this Explanatory Statement - Material terms of the Agreement summarized above.																				
6)	Comparative remuneration profile with respect to industry, size of Company, Profile of the position & person Taking into consideration the profile of the incumbent, the responsibilities shouldered by him, the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.																				
7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any Mr. Chari, Whole Time Director, is not related to any managerial personnel in the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel nor does he have any direct or indirect interest in the Equity Shares capital of the Company beside the remuneration set out above in para 5 above.																				

## ASHOK ALCO-CHEM LIMITED

III	Other information:	
1)	Reasons of loss or inadequate profits	Under utilization of production capacity of the Company due to paucity of Working Capital, keen Competition prevailing in the Market and availability of imported goods at cheaper rates.
2)	Steps taken or proposed to be taken for Improvement	<ul style="list-style-type: none"><li>i. Exploring new markets to increase sales;</li><li>ii. Increasing production capacity and Installing new Plant &amp; Machineries to manufacture New products;</li><li>iii. Undertaking expansion of business activity relating to Global Trading of Minerals &amp; other items;</li><li>iv. By expansion of capacities followed by increase in production, fixed operative cost would get minimized.</li></ul>
3)	Expected increase in productivity	Optimum utilization of Capacity and Profits in measurable terms, expansion of Global Trading activities on larger scale would likely to generate sizeable volume of business with adequate surplus in coming years.

Mr. Chari does not hold any shares in the Company.

In compliance of Section 302 of the Companies Act, 1956, an abstract of his appointment and of remuneration payable to him as a Whole Time Director was despatched to all the Members of the Company vide notice dated April 4, 2013.

Your Directors recommend the Ordinary Resolution and Special Resolution set out in Item Nos. 5 & 6 respectively of the Notice for approval by the Members.

None of the Directors other than Mr. Chari is interested or concerned in the Resolution.

**For and on behalf of the Board**

Place: Mumbai  
Date: August 8, 2013

**Sridhar Chari**  
**Whole Time Director**

**Registered Office:**  
104, Venkatesh Chambers,  
1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.

# ASHOK ALCO-CHEM LIMITED

## DIRECTORS' REPORT

The Members,

**Ashok Alco-Chem Limited**

Mumbai.

Your Directors submit their 21<sup>st</sup> Annual Report together with the Statement of Account for the year ended on March 31, 2013.

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

**1. Financial Results:**

	(Rs. in Lacs)	
Particulars	March 31, 2013	March 31, 2012
<b>Turnover</b> (Net of Excise & Sales Tax) and Other Income	<b>23754</b>	32162
Profit (Loss) before Interest, Depreciation and Tax	<b>1146</b>	658
Less: Finance Cost	<b>76</b>	104
Depreciation	<b>117</b>	99
Deferred Tax Surplus/ (Provision)	<b>(342)</b>	(109)
Current Tax	<b>51</b>	-
Add: MAT Entitlement Credit	<b>51</b>	-
Prior Period Adjustments	-	2
<b>Net Profit / (Loss) for the year</b>	<b>611</b>	348
Balance in Statement of Profit & Loss	<b>(1349)</b>	(1697)
Balance Carried Forward	<b>(738)</b>	(1349)

**2. Dividend:**

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

**3. Operation in Retrospect:**

During the Year under review, your Company showed moderate performance by registering Total Income of Rs. 23,754 lacs (Net of Excise and Sales Tax) as against of Rs. 32,162 lacs of previous year. Your Company also earned Net Profit of Rs. 611 lacs as against Net Profit of Rs 348 lacs in the previous year.

In spite of the odds faced by Chemical division, such as adverse and unfavorable conditions due to dumping of imported products at cheaper price, increase in cost of other inputs, non availability of Working Capital facilities, etc. suppressing available margins, the Chemical Division has generated Gross Income of Rs. 7,919 lacs against Rs. 8,439 lacs of previous year.

In respect of the Global Trading Division, your Company has made efforts to concentrate on margin rich markets rather than volume based sales; as a result, while the volumes have not grown, profits have increased to Rs. 1,080 lacs in respect of Trading Division.

The overall profit for the year under review is of Rs. 611 lacs, as against profit of Rs. 348 lacs of the previous year.

Your Company has been as in past continuing to put thrust upon increasing productivity with utilization of its optimum capacity in Chemical Division and promotion of its Trading Division. With effective penetration of market and undertaking of systematic and planned approach, your Company hopes to bring improved results in coming years.

**4. Registered Office:**

During the year under review, your Company's registered office shifted from 404, Sharda Chambers, Sir Vithaldas Thackersey Marg, 33,

New Marine Lines, Mumbai - 400 020 to Room No. 104, Venkatesh Chambers, 1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001 w.e.f. November 27, 2012.

**5. Management Discussion And Analysis:**

**(a) Industry Structure and Development:**

Although, the overall growth rates of the global and the Indian Economy were relatively muted last year, your Company succeeded in sustaining its market share and increasing its profits. The Chemical & Metal industries are expected to be fairly resilient in the near term. In this scenario, your Company expects to sustain its volumes on one hand and focus in enhancing its margins thereon.

**(b) Outlook:**

The Industrial Chemical Industry in India is expected to register a moderate growth in the near future. Raw material cost volatility on account fluctuating exchange rates, below par industrial growth are some of the key challenges that the industry would need to overcome this year. Your Company expect to achieve a flexible sourcing and distribution network to garner higher market share and margins.

The Trading Division which is largely export oriented is expect to continue its strategy of seeking higher margins with moderate volume growth. The global metal industry to which your Company's Trading Division caters to has been experiencing a mild growth rates over the last few quarters in terms of capacity addition but the existing demand there from is expected to be fairly resilient.

**(c) Segment-wise Performance:**

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

Although the revenues for the Trading Division in FY 2012-13 were lower than the previous financial year, the profits before interest and tax in the Trading Division grew in excess of 150%. Your Company's overall profit after tax for FY 2012-13 was Rs. 611 lacs against Rs. 348 lacs in FY 2011-12.

**(d) Opportunities, Threats, Risks and Concerns:**

The uncertainties faced by the Indian economy through movements in crude prices in international market as well as changes in government policies as to molasses and alcohol, towards allocation of the same for portable and automobile sector and export of molasses and alcohol, represent threats and risks to be reckoned in the Industry. Your Company being a part of the Industry is affected by these threats, risks and uncertainties as to Chemical division.

Trading is highly exposed to various risks: Price risk, Credit risk, Exchange risk and Freight rates. Your Company tries to minimize the impact of these risks by 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 being updated and strengthened, realizing the need for the same. The overall activities / transactions were closely monitored 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 for their tremendous support.

# ASHOK ALCO-CHEM LIMITED

**(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, 2013, the Board of Directors reports-

- a. that in the preparation of the annual accounts for the year ended March 31, 2013, 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, 2013 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; and
- d. that the Directors have prepared the annual accounts on a going concern basis.

**7. Board of Directors:**

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Manoj Ganatra, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment.

During the year under review, following changes took place:

Sr. No.	Name of the Director	Remark
1.	Mr. Sanjay Bhatia	Appointed as an Additional Director on August 9, 2012 and got appointed as a Director of the Company in the Annual General Meeting held on September 6, 2012.
2.	Dr. Anil M. Kadakia, Chairman & Managing Director	Resigned w.e.f. November 26, 2012.
3.	Mr. Vandravan P. Shah	Passed away on February 6, 2013.
4.	Mr. Sunil Shah	Appointed as an Additional Director w.e.f. February 8, 2013.
5.	Mr. Sridhar Chari	Appointed as an Additional Director and Whole Time Director w.e.f. March 25, 2013.

Subsequent to the year under review, Mr. Rajendra Shah, Director, resigned from the Company w.e.f. April 5, 2013.

**8. Audit Committee:**

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

**9. Remarks made by Auditors in their Report:**

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

**10. 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.

**11. 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**.

**12. 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**.

**13. Report on Corporate Social Responsibility:**

Your Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at large. Management's commitment, work ethics and business processes at your Company encourages all its employees and other participants to ensure a positive impact and its commitment towards Corporate Social Responsibility.

Your Company respects human rights, values its employees, and invests in technologies and solutions for economic growth. Your Company has initiated to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations.

**14. 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.

**15. Auditors:**

M/s R. A. Kuvadia & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment.

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of Central Government, the Company has appointed M/s N. Ritesh & Co. as the cost auditor(s) of the Company to conduct the audit of cost accounting records maintained by the Company relating to "Chemicals" for the financial year 2013-14.

**16. 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.

**17. Insurance:**

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

**18. Employees:**

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

**19. 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 8, 2013**

**Sridhar Chari**

**Whole Time Director**

**Sanjay Bhatia**

**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 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)	
	2012-13	2011-12
<b>1) ELECTRICITY</b>		
a) Purchased -		
Unit (Knh in lacs)	20.64	18.90
Total Amount (Rs. In Lacs)	162.29	128.14
Cost Per Unit	7.86	6.78
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
<b>2) FURNACE OIL</b>		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs. in lacs)	Nil	Nil
Average Rate (per K.ltrs)	Nil	Nil
<b>3) DIESEL OIL</b>		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average Rate (per K. Ltrs.)	Nil	Nil
<b>4) COAL</b>		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	8816	8117
Total Cost (Rs. In lacs)	475.16	450.83
Average Rate (per K. Ltrs.)	5.40	5.55

#### B. Consumption per unit production:

(Please refer Notes given here in below)

	2012-2013	2011-2012
(i) Acetic Acid:		
Electricity Kwh/MT	460	460
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	560	560

(ii) Ester:		
Electricity Kwh/MT	121	116
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	592	561
(iii) Acetaldehyde		
Electricity	262	397
Coal Kg./MT	540	879

#### 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.

	(Amount in Rs.)	
	Current Year	Previous Year
i) Foreign Exchange used	Nil	715363144
ii) Foreign Exchange earned	1382621035	1503022433

For and on behalf of the Board

Place: Mumbai	Sridhar Chari	Sanjay Bhatia
Date: August 8, 2013	Whole Time Director	Director

# ASHOK ALCO-CHEM LIMITED

## Annexure "B"

**CIN** : **L24110MH1992PLC069615**  
**Authorised Capital** : **Rs. 70,000,000.00/-**  
**Paid up Capital** : **Rs. 37,753,430.00/-**

### COMPLIANCE CERTIFICATE

To,  
The Members of  
**ASHOK ALCO-CHEM LIMITED**  
Room No 104, Venkatesh Chambers,  
1<sup>st</sup> 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, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2013**. 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, 22<sup>nd</sup> May, 2012; 9<sup>th</sup> August, 2012; 9<sup>th</sup> November, 2012; 27<sup>th</sup> November, 2012; 8<sup>th</sup> February, 2013 and 25<sup>th</sup> March, 2013 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 1<sup>st</sup> September, 2012 to 6<sup>th</sup> September, 2012 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2012 was held on 6<sup>th</sup> September, 2012 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 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 was not required to deliver the Certificates on allotment of securities and on lodgement thereof for Transfer/ Transmission or any other purpose in accordance with the 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 appointment of Managing Director and Whole Time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act.

## ASHOK ALCO-CHEM LIMITED

16. No sole-selling agents were appointed by the Company, for the financial year under review.
17. No approvals of the Central Government, 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.
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 not issued shares/ debentures/ other securities during the financial year under consideration.
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 as the borrowings were well within the limits during the period under consideration.
25. There were no reportable events in the Company necessitating compliance of the Section 372A of the Companies Act, 1956. Hence the provisions of the said Section were not applicable to the Company during the year.
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. As explained to us the provisions of Section 418 of the Act pertaining to provident fund payments were not applicable to the Company.

**For Makarand M. Joshi & Co.**

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

**Place: Mumbai  
Date: August 8, 2013**

### **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 31<sup>st</sup> March, 2013.

<b>Sr. No.</b>	<b>Form no./ Return</b>	<b>Filed u/s</b>	<b>Date of Filing/ registration</b>	<b>Filed within Time</b>	<b>If delay whether additional fee paid</b>
1	Form 32	303	17/08/2012	Yes	No
2	Form 32	303	15/09/2012	Yes	No
3	Form 18	146	1/12/2012	Yes	No
4	Form 32	303	06/12/2012	Yes	No
5	Form 32	303	21/02/2013	Yes	No
6	Form 32	303	26/03/2013	Yes	No
7	Form 66 for Compliance Certificate for the financial year ended 31st March, 2012.	383A	05/10/2012	Yes	No
8	Form 23AC XBRL for Balance Sheet as at 31st March 2012 and Form 23ACA XBRL for Statement of Profit & Loss for the year ended 31st March, 2012 adopted at the Annual General Meeting held on 6th September, 2012.	220	12/01/2013	Yes	No
9	Form 20B for Annual Return as at the Annual General Meeting held on 6th September, 2012.	159	15/10/2012	Yes	No
10	Form 23C for appointment of Cost Auditors.	233B (2)	26/09/2012	No	Yes
11	Form A – XBRL for filing XBRL document in respect of compliance report and other documents with the central government.	209 (1) (d) & 600 (3) (b)	30/01/2013	Yes	-

# 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, 2013 are as follows:

#### 2. Board of Directors:

As on March 31, 2013, your Company's Board of Directors comprises of 6 Directors including a Whole Time Director; of these, 5 Directors are Independent Directors. Subsequent to the year under review, consequent upon the resignation of Mr. Rajendra Shah effective April 5, 2013, your Company's Board of Directors comprise 5 Directors including a Whole Time Director; of these, 4 Directors are Independent Directors.

Clause 49 of the Listing Agreement requires 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 and we are in compliance with the above requirement.

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 6, 2012	No. of other Directorship held#	No. of Committee (Other than your Company) in which Chairman / Member
1	Mr. Sanjay Bhatia <sup>1</sup>	Non-Executive, Independent	4	Yes	-	-
2	Dr. Anil M. Kadakia <sup>2</sup>	Promoter, Chairman & Managing Director	3	Yes	NA	NA
3	Mr. Manoj Ganatra	Non-Executive, Independent	5	No	-	-
4	Dr. Umesh Kulkarni	Non-Executive, Independent	3	Yes	-	-
5	Mr. Vandravan Shah <sup>3</sup>	Non-Executive, Independent	3	No	NA	NA
7	Mr. Sunil Shah <sup>4</sup>	Non-Executive, Independent	1	NA	-	-
8	Mr. Sridhar Chari <sup>5</sup>	Whole Time Director	-	NA	-	-
6	Mr. Rajendra Shah <sup>6</sup>	Non-Executive, Independent	5	No	NA	NA

#### Notes:

# Other Directorship includes directorship held in Indian Listed Companies only.

<sup>1</sup> appointed as an additional director w.e.f. August 9, 2012 and subsequently appointed as a Director at the Annual General Meeting of the Company held on September 6, 2012.

<sup>2</sup> ceased to be Managing Director on resignation w.e.f. November 26, 2012 and consequently ceased to be Promoter of the Company.

<sup>3</sup> passed away on February 6, 2013.

<sup>4</sup> appointed as an additional director w.e.f. February 8, 2013.

<sup>5</sup> appointed as an additional director and Whole Time Director w.e.f. March 25, 2013.

<sup>6</sup> ceased to be director w.e.f. April 5, 2013.

The constitution of the Board of Directors of your Company effective April 5, 2013, is as follows:

- Mr. Sridhar Chari - Whole Time Director
- Mr. Sanjay Bhatia - Non-Executive Independent Director
- Mr. Manoj Ganatra - Non-Executive Independent Director
- Dr. Umesh Kulkarni - Non-Executive Independent Director
- Mr. Sunil Shah - Non-Executive Independent Director

# ASHOK ALCO-CHEM LIMITED

## **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. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion.

## **Board Meetings:**

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

Sr. No.	Date of Board Meeting
1	May 22, 2012
2	August 9, 2012
3	November 9, 2012
4	November 27, 2012
5	February 8, 2013
6	March 25, 2013

## **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 four Non-Executive Directors; all of them are Independent Directors.

During the year under review, 4 meetings of the Audit Committee were held on May 22, 2012, August 9, 2012, November 9, 2012 and February 8, 2013. 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	3
Mr. Vandravan P. Shah <sup>1</sup>	Member	4	3
Dr. Umesh Kulkarni	Member	4	1
Mr. Rajendra Shah <sup>2</sup>	Member	4	3
Mr. Sanjay Bhatia <sup>3</sup>	Member	4	2

<sup>1</sup> passed away on February 6, 2013.

<sup>2</sup> ceased to be director / member of the Committee w.e.f. April 5, 2013.

<sup>3</sup> appointed as a member of the Committee w.e.f. August 9, 2012.

Subsequent to the year under review, Mr. Sunil Shah, Independent & Non-Executive Director, has been appointed as a Member of the Audit Committee of the Board of Director of the Company w.e.f. August 8, 2013.

The current composition of the Committee is as given below:

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

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement entered into with the Stock Exchange.

This reference, *inter alia*, broadly includes:

- i. discussion and review of quarterly, half yearly and annual financial results;
- ii. review of financial reporting systems and ensuring its compliance with regulatory guidelines;
- iii. discussion and review of quarterly/ annual internal audit report;
- iv. recommendation for appointment of, *inter alia*, statutory auditors, internal auditors and cost auditors and their remuneration.

## **4. Shareholders'/Investors' Grievance Committee:**

The Company has a "Shareholders' / Investors' Grievance Committee" at the Board level 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 and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

During the year under review, the Committee met once on August 9, 2012.

## 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. Vandravan P. Shah <sup>1</sup>	Non-Executive / Independent	1	1
Dr. Umesh Kulkarni	Non-Executive / Independent	1	-
Mr. Rajendra Shah <sup>2</sup>	Non-Executive / Independent	1	1
Mr. Manoj Ganatra	Non-Executive / Independent	1	1
Mr. Sanjay Bhatia <sup>3</sup>	Non-Executive / Independent	NA	NA

<sup>1</sup> Mr. Vandravan P. Shah, Chairman of the Committee, passed away on February 6, 2013.

<sup>2</sup> ceased to be director / member of the Committee w.e.f. April 5, 2013.

<sup>3</sup> appointed as a member of the Committee w.e.f. August 9, 2012 and appointed as a Chairman of the Committee w.e.f. February 8, 2013.

The current composition of the Committee is as given below:

- Mr. Sanjay Bhatia - Chairman
- Mr. Manoj Ganatra
- Dr. Umesh Kulkarni

During the year under review, consequent to resignation of Mr. V. B. Parikh, Compliance Officer, w.e.f. December 26, 2012, Ms. Neelam Samant was appointed as a Compliance Officer of the Company, w.e.f. February 8, 2013. Subsequently, Ms. Neelam Samant resigned from the services of the Company and consequently ceases to be the Compliance Officer of the Company w.e.f. close of business hours of March 26, 2013. Subsequent to the year under review, Ms. Seema Gangawat, Deputy Manager - Company Secretary, is appointed as a Compliance Officer of your Company w.e.f. May 29, 2013.

The status of Investors' complaints received and dealt within the year 2012-13 are as given below:

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

**Details of Shareholding of Directors as on March 31, 2013 is as follows:**

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

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

### 5. Remuneration Committee:

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, one meeting of the Committee was held on March 25, 2013.

During the year under review, the Committee comprised of the following Directors: Composition and Attendance by the Committee members is as follows:

Name of Director	Category	No of Meeting	
		Held	Attended
Mr. Vandravan P. Shah <sup>1</sup>	Chairman Non-Executive / Independent	-	-
Mr. Manoj Ganatra	Non-Executive, Independent	1	1
Dr. Umesh Kulkarni	Non-Executive, Independent	1	-
Mr. Rajendra Shah <sup>2</sup>	Non-Executive, Independent	1	1
Mr. Sanjay Bhatia <sup>3</sup>	Non-Executive, Independent	1	1

<sup>1</sup> Mr. Vandravan P. Shah, Chairman of the Committee, passed away on February 6, 2013.

<sup>2</sup> ceased to be director / member on resignation w.e.f. April 5, 2013.

<sup>3</sup> appointed as member of the Committee w.e.f. August 9, 2012 and chairman of the Committee w.e.f. February 8, 2013.

## ASHOK ALCO-CHEM LIMITED

The current composition of the Committee is as follows:

Mr. Sanjay Bhatia - Chairman

Mr. Manoj Ganatra

Dr. Umesh Kulkarni

### 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. During the year under review, the Board of Directors have increased the sitting fees from Rs. 2,500 to Rs. 5,000 per Board Meeting and from Rs. 1,000 to Rs. 2,000 per Audit Committee Meeting and Shareholder Grievance Committee Meeting w.e.f. May 22, 2012.

The remuneration paid to Dr. Anil M. Kadakia, Managing Director, for the period from 01.04.2012 to 26.11.2012, 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.

During the year under review, the Board of Directors of the Company, at the recommendation of and on remuneration determined by the Remuneration Committee of the Board of Directors of the Company, appointed Mr. Sridhar Chari as a Whole Time Director of the Company for period of three years effective March 25, 2013, subject to approval of the shareholders of the Company. His appointment and payment of remuneration are in compliance with the provisions of Section 198, 26, 309 read with Schedule XIII of Companies Act, 1956 and MCA's General Circular No. 14/03/2011/CL.VII dated 14th July, 2011.

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, 2013

#### a. Sitting fees paid to Non- Executive Directors:

Name of Director(s)	Sittings Fees Paid attending Board/Committee Meetings (Rs.)
Mr. Vandravan P. Shah	23,000
Dr. Umesh Kulkarni	17,000
Mr. Rajendra Shah	33,000
Mr. Manoj Ganatra	33,000
Mr. Sanjay Bhatia	24,000
Mr. Sunil Shah	5,000

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

#### b. Remuneration paid to Executive Directors

Name of the Director	Business Relationship, if any, with the Company	Salaries & Perquisites (including privilege entitlement) paid during 2012-2013 (Rs.)
Dr. Anil M. Kadakia (for the period from 01.04.2012 to 26.11.2012) <sup>+</sup>	Managing Director	15,73,333/-
Mr. Sridhar Chari (for the period from March 25, 2013 to March 31, 2013) <sup>©</sup>	Whole Time Director	55,466/-

<sup>+</sup> ceased to be Managing Director on resignation w.e.f. November 26, 2012.

<sup>©</sup> appointed as a Whole Time Director w.e.f. March 25, 2013

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

### 6. General Body Meetings:

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

Year	Location	Date	Time
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.
2009-2010	R. S. Bhatt Seminar Room, 6 <sup>th</sup> floor, Above Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai – 400 020.	17.09.2010	10.30 a.m.

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

## ASHOK ALCO-CHEM LIMITED

### 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.

Your Company has not conducted any postal ballot exercise for passing any resolution during the year under review.

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.

### 7. 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.

### 8. Means of Communication:

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

The results are also uploaded on the Company's Website at [www.ashokalcochem.com](http://www.ashokalcochem.com).

### 9. General Shareholders' information:

i. Annual General Meeting

Date	:	September 24, 2013
Time	:	11.00 a.m.
Venue	:	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001

ii. Financial Year : April 1, 2012 to March 31, 2013

iii. Date of Book Closure : September 19, 2013 to September 24, 2013 (both days inclusive)

iv. Dividend Payment Date : Your Company has not declared any dividend for the period April 1, 2012 to March 31, 2013.

v. Listing on Stock Exchanges : Bombay Stock Exchange Limited  
P. J. Towers, Dalal Street, Mumbai - 400 001.  
The Listing Fee for the year 2013-14 has been paid to BSE.

vi. Stock Code : 524594

vii. ISIN No. : INE994D01010

viii. Financial Calendar for the period April 1, 2013 to March 31, 2014 is as given below:

Financial Reporting for the quarter ending June 30, 2013	On or before August 14, 2013
Financial Reporting for the quarter ending September 30, 2013	On or before November 14, 2013
Financial Reporting for the quarter ending December 31, 2013	On or before February 14, 2014
Audited Financial Results for the quarter and year ending March 31, 2014	On or before May 30, 2014

## ASHOK ALCO-CHEM LIMITED

ix. Market Price Data

Months	Share Price of Ashok Alco-Chem Limited			BSE Sensex	
	High	Low	Volume	High	Low
April 2012	18.90	16.30	2,210	17,664.10	17,010.16
May 2012	19.65	16.20	17,597	17,432.33	15,809.71
Jun 2012	19.50	15.50	6,760	17,448.48	15,748.98
Jul 2012	23.25	18.50	17,524	17,631.19	16,598.48
Aug 2012	24.30	20.75	13,862	17,972.54	17,026.97
Sep 2012	24.50	21.00	8,312	18,869.94	17,250.80
Oct 2012	24.30	21.00	3,488	19,137.29	18,393.42
Nov 2012	24.80	20.95	2,64,708	19,372.70	18,255.69
Dec 2012	22.90	19.95	2,266	19,612.18	19,149.03
Jan 2013	22.00	18.10	3,947	20,203.66	19,508.93
Feb 2013	22.90	16.35	12,220	19,966.69	18,793.97
Mar 2013	18.25	14.25	11,668	19,754.66	18,568.43

- 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 affected 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.

xii. Distribution of Shareholding:

The Distribution of Shareholding as on March 31, 2013.

No of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Total Share holders
1-500	2849	91.67	372032	9.85
501-1000	128	4.12	102152	2.71
1001-2000	62	1.99	88302	2.34
2001-3000	19	0.61	48580	1.29
3001-4000	8	0.26	27788	0.74
4001-5000	15	0.48	68176	1.81
5001-10000	13	0.42	93066	2.46
10001 & above	14	0.45	2975247	78.80
<b>Total</b>	<b>3108</b>	<b>100.00</b>	<b>3775343</b>	<b>100.00</b>

Category Wise Distribution of Shareholdings as on March 31, 2013

Sr. No.	Category	No of Share Holders	% of Share Holdings	No of Shares Held
1	Promoter and Promoter Group	1	44.86	1693632
2	Mutual Funds	1	0.00	100
3	Financial Institutions / Banks	1	13.25	500100
4	Bodies Corporate	45	8.64	326274
5	Individual Shareholders	3042	32.86	1240516
6	Clearing Member	10	0.15	5577
7	Non Resident Indians (Repat)	4	0.06	2394
8	Non Resident Indians (Non Repat)	4	0.18	6750
<b>Total</b>		<b>3108</b>	<b>100.00</b>	<b>3775343</b>

## ASHOK ALCO-CHEM LIMITED

- xiii. Dematerialization of Shares : 82.73 % of the paid up capital was held in dematerialized form as on March 31, 2013.  
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](mailto: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, 2013, 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.

For the purpose of this declaration, Senior Management Team means the Board Members, Senior Management and all employees in and above officer level as on March 31, 2013.

**Place: Mumbai**  
**Date: August 8, 2013**

**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, 2013 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, 2013 which are fraudulent, illegal or volatile 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 and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit Committee:

- significant changes in Internal Control during the year ended March 31, 2013;
- significant changes in accounting policies during the year ended March 31, 2013 and that the same have been disclosed in the notes to the financial statements; and
- 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, 2013**

**Sridhar Chari**                      **M. P. Devdasan**  
Whole Time Director              Senior Manager - 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 Limited for the year ended on March 31, 2013.

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 generally 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 8, 2013**

# ASHOK ALCO-CHEM LIMITED

## INDEPENDENT AUDITORS' REPORT

To the Members of  
**ASHOK ALCO - CHEM LIMITED.**

### 1. 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, 2013, and the Statement of Profit and Loss and Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### 2. Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### 3. Auditors' 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 Auditors' 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.

### 4. Opinion

In our opinion and to the best of our information and according

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

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

### 5. Report on Other Legal and Regulatory Requirements

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

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

**(R. A. KUVADIA)**  
**Proprietor**  
**M. No. 40087**

**FRN NO.: 105487W**

**Place: Mumbai**  
**Date: 29.05.2013**

### 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
2. (a) the going concern status of the Company is not affected. 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.

## ASHOK ALCO-CHEM LIMITED

- (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.
3. According to the information and explanations given to us, the Company has neither taken nor given unsecured loans 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, the existing internal control needs to be strengthened commensurate with the size of the Company and the nature of its Business with regard to purchases of inventory, Fixed Asset and with regard to the sale of goods.* During the course of our Audit, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the internal control system.
  5. (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 explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding value of Rupees Five Lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
  6. The Company has not accepted any deposits from public and as such provisions of Section 58A and Rules made there under, coupled with directives issued by Reserve Bank of India are not applicable.
  7. The Company has an Internal Audit system commensurate with the size and nature of its business
  8. The Company has to maintain cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, for its manufacturing activities and the same are proper as certified by the Cost Accountant appointed by the Company. We have however not made a detailed examination of the same.
  9. (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	37.95	1998-1999 to 2000-2001	Commissioner of Sales Tax
Income Tax Act	Demand Notice	37.87	1998-1999	Mumbai High Court

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

10. The Company has accumulated losses in excess of free reserves. The Company has not incurred Cash Loss during the year under review.
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 has invested in Mutual Funds. The Company has maintained proper records of transactions and contracts and the same have been held in the name of 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.
  - a. 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 by the Company.
17. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
18. The Company has not raised any money through a public issue during the year.
19. 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: 29.05.2013**

# ASHOK ALCO-CHEM LIMITED

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

(Amounts in INR)

Particulars	Note No.	31st March 2013		31st March 2012	
<b><u>EQUITY AND LIABILITIES:</u></b>					
<b>Shareholders' Funds</b>					
Share Capital	2	37,753,430	37,753,430		
Reserves and Surplus	3	82,906,707	120,660,137	21,830,767	59,584,197
<b>Non-Current Liabilities</b>					
Long Term Provisions	4		1,263,286		1,969,482
<b>Current Liabilities</b>					
Short Term Borrowings	5	58,007,991		56,308,110	
Trade Payables	6	681,177,831		806,231,183	
Other Current Liabilities	7	95,896,123		87,584,952	
Short-Term Provisions	8	608,124	835,690,069	566,366	950,690,611
<b>Total...</b>			<b>957,613,492</b>		<b>1,012,244,290</b>
<b><u>ASSETS:</u></b>					
<b>Non Current Assets</b>					
<b><u>Fixed Assets</u></b>					
Tangible Assets	9	119,606,959		95,489,476	
Intangible Assets		31,642		4,555	
Capital Work-in-Progress		-		2,842,856	
		119,638,601		98,336,887	
Non Current Investments	10	14,000		14,000	
Deferred Tax Asset (Net)		(10,797,296)		23,416,053	
Long Term Loans and Advances	11	115,766,706		156,351,204	
Other Non Current Assets	12	11,081,353	235,703,364	726,764	278,844,908
<b>Current Assets</b>					
Current Investments	13	-		2,460,757	
Inventories	14	82,054,128		34,815,327	
Trade Receivables	15	432,615,121		651,216,695	
Cash and Cash Equivalents	16	33,577,920		22,326,019	
Short Term Loans and Advances	17	173,662,959	721,910,128	22,580,584	733,399,382
<b>Total...</b>			<b>957,613,492</b>		<b>1,012,244,290</b>

The accompanying Notes 1 to 24 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, 2013**

**For and on behalf of the Board**

**Sridhar Chari  
Whole Time Director**

**Sanjay Bhatia  
Director**

**Place: Mumbai  
Date: 29th May, 2013**

# ASHOK ALCO-CHEM LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013

(Amounts in INR)

Particulars	Note No.	2012-2013		2011-2012
<b>REVENUE:</b>				
Revenue from Operations	18	2,332,281,985		3,188,318,855
Other Income	19	43,129,200		27,851,603
<b>Total Revenue</b>		<b>2,375,411,185</b>		<b>3,216,170,458</b>
<b>EXPENSES:</b>				
Cost of Materials Consumed	20	663,656,871		616,455,649
Purchases of Stock-in-Trade		727,635,722		1,561,928,682
Changes in Inventories	21	(43,051,388)		8,991,393
Employee Benefit Expenses	22	21,366,402		22,755,936
Finance Costs	23	7,560,587		10,426,275
Depreciation and Amortization		11,688,643		9,911,547
Other Expenses	24	891,265,059		940,195,716
<b>Total Expenses</b>		<b>2,280,121,896</b>		<b>3,170,665,198</b>
<b>Profit Before Tax</b>		<b>95,289,289</b>		<b>45,505,260</b>
<b>Tax Expenses</b>				
Current Tax		5,103,587		-
Less: MAT Entitlement Credit		(5,103,587)		-
Earlier Year Adjustments		-		(237,982)
Deferred Tax		34,213,349	34,213,349	10,896,743
<b>Net Profit for the year</b>		<b>61,075,940</b>		<b>34,846,499</b>
<b>Earnings per Equity Share of Face Value Rs. 10/-</b>				
Basic and Diluted		16.18		9.23

The accompanying Notes 1 to 24 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, 2013

For and on behalf of the Board

Sridhar Chari  
Whole Time Director

Sanjay Bhatia  
Director

Place: Mumbai  
Date: 29th May, 2013

# ASHOK ALCO-CHEM LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013

	2012-2013	2011-2012
<b>Net Profit Before Tax</b>	<b>1074.87</b>	<b>455.05</b>
<b>Adjustments for:</b>		
Depreciation	116.89	99.12
Foreign Exchange (Gain) / Loss	(203.85)	(83.03)
Sundry Balance w/off/ (w/back)	(40.57)	(7.25)
Extra Ordinary item	0.00	0.00
Prior period item (Net of Depreciation)	(67.65)	2.38
Interest & Finance Charges	75.61	104.26
Interest Received	(32.20)	(33.33)
Profit on Sale of Asset	0.00	0.00
Sale of Scrap	(5.99)	(2.61)
Share Trading Loss/(Income)	0.00	0.00
Dividend Income	(19.14)	(57.45)
	<b>897.97</b>	<b>477.14</b>
<b>Operating Profit before Working Capital Charges</b>		
<b>Adjustments for:</b>		
Decrease/(Increase) in Receivables	2186.02	(1691.42)
Decrease/(Increase) in Inventories	(472.39)	159.14
Increase/(Decrease) in Payables	(1174.06)	2949.79
Foreign Exchange Gain / Loss	203.85	83.03
Sundry Balance w/off	40.57	7.25
	<b>783.99</b>	<b>7.25</b>
<b>Cash generated from operations</b>	<b>1681.96</b>	<b>1984.93</b>
Income Tax paid	50.00	15.00
<b>Net Cash flow from Operating activities</b>	<b>1631.96</b>	<b>1969.93</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(565.79)	(167.23)
Mutual Fund	0.00	(24.61)
Sale of Fixed Assets	181.55	0.00
Increase in Advances & others	(1133.92)	(979.62)
Share Trading Income	0.00	0.00
Sale of Scrap	5.99	2.61
Interest Received	32.20	33.33
Dividend Income	19.14	57.45
	<b>(1460.83)</b>	<b>(1078.07)</b>
<b>Net Cash flow from Investing activities</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long term Borrowings		
Secured	22.65	34.02
Unsecured	(5.65)	(784.55)
Issue of Fresh Share Capital	0.00	0.00
Interest paid	(75.61)	(104.26)
	<b>(58.61)</b>	<b>(854.79)</b>
<b>Net Cash flow from Financing activities</b>		
Net increase in cash & Cash Equivalents	112.52	37.07
Cash and Cash equivalents as at 01.04.12	223.26	186.19
<b>Cash and Cash equivalents as at 31.03.13</b>	<b>335.78</b>	<b>223.26</b>

**Note:** Previous year's figures are regrouped / recast wherever necessary.

**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, 2013

**For and on behalf of the Board**

Sridhar Chari  
Whole Time Director

Sanjay Bhatia  
Director

Place: Mumbai

Date: 29th May, 2013

**NOTE:1****NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****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 Statement of Profit and Loss.

**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.

## ASHOK ALCO-CHEM LIMITED

### 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.
- 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 Liability in respect of Gratuity is determined on the basis of the actuarial valuation carried out at the Balance Sheet date by Life Insurance Corporation of India under Death cum Retirement Gratuity Scheme and Actuarial Gains and Losses are recognized in full in the Statement of Profit & Loss for the period in which they occur. In respect of Gratuity the Company has approved Gratuity trust linked with Life Insurance Corporation of India and Company every year provides towards differential Liability on the basis of actuarial valuation.
- iii. Other long term Employee Benefits: Other long term employee benefits are recognized as an expense in the Statement of Profit & Loss and are valued as per Company's Policy.

### 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

## Note No. 2

### 2.1 Share Capital:

	31st March 2013 Rs.	31st March 2012 Rs.
<b>Authorised</b>		
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
	<b>70,000,000</b>	<b>70,000,000</b>
<b>Issued, Subscribed and Paid up</b>		
37,75,343 (37,75,343) Equity Shares of Rs. 10 (Rs. 10)	37,753,430	37,753,430
(Of the above, 5,00,000 Shares allotted to SICOM ARC Ltd. are for consideration other than cash in terms of Resolution passed by the members at the Extra-Ordinary General Meeting held on 29.01.2009)		
	<b>37,753,430</b>	<b>37,753,430</b>

- (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.
- (b) There is no change in Issued and Subscribed Share Capital during the year.

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

Name of Shareholder	31st March 2013		31st March 2012	
	No. of Shares	% of holding	No. of Shares	% of holding
Anil M. Kadakia	-	-	1,233,558	32.67
SICOM ARC Limited	500,100	13.25	500,100	13.25
Aura Alkalies & Chemicals Pvt. Ltd.	1,693,632	44.86	906,082	24.00
Kodai Investment and Trading Co. Pvt. Ltd.	280,631	7.43	-	-

## Note No. 3

### Reserves and Surplus

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>a. Capital Reserve</b>		
Balance at the beginning of the year	94,881,000	92,381,000
Current year transfer		2,500,000
Balance at the end of the year	<b>94,881,000</b>	<b>94,881,000</b>
<b>b. Capital Subsidy</b>		
Balance at the beginning of the year	-	2,500,000
Transfer to Capital Reserve	-	(2,500,000)
Balance at the end of the year	-	-
<b>c. Securities Premium</b>		
Balance at the end of the year	<b>61,879,025</b>	<b>61,879,025</b>
<b>d. Surplus in Statement of Profit and Loss</b>		
Balance at the beginning of the year	(134,929,258)	(169,775,757)
Net Profit for the current year	61,075,940	34,846,499
Balance at the end of the year	<b>(73,853,318)</b>	<b>(134,929,258)</b>
	<b>82,906,707</b>	<b>21,830,767</b>

## ASHOK ALCO-CHEM LIMITED

### Note No. 4 Long Term Provisions

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
Provision for Leave Encashment	868,627	618,232
Provision for Gratuity	394,659	1,351,250
	<b>1,263,286</b>	<b>1,969,482</b>

### Note No. 5 Short Term Borrowings

#### a. Secured

Working Capital from Bank (Secured Against Receivables & Stock of Global Trading Division)	55,693,550	53,429,288
	<b>55,693,550</b>	<b>53,429,288</b>

#### b. Unsecured

Car Loan (Secured Against Hypothecation of Car)	67,424	447,805
Loan from Directors	-	184,000
Loan from Others	2,247,017	2,247,017
	<b>2,314,441</b>	<b>2,878,822</b>
	<b>58,007,991</b>	<b>56,308,110</b>

### Note No. 6 Trade Payables

#### Sundry Creditors:

Micro, Medium and Small Enterprises	-	703,720
Other than Micro, Medium and Small Enterprises	681,177,831	805,527,463
	<b>681,177,831</b>	<b>806,231,183</b>

### Note No. 7 Other Current Liabilities

Current Maturity of Long Term Debt	6,440,025	13,884,965
Advances from Customers	31,879,649	29,762,620
Statutory Liabilities	22,845,843	7,621,744
Other Liabilities	34,730,606	36,315,623
	<b>95,896,123</b>	<b>87,584,952</b>

### Note No. 8 Short Term Provisions

Provision for Bonus	608,124	566,366
	<b>608,124</b>	<b>566,366</b>

# ASHOK ALCO-CHEM LIMITED

## Note No. 9 Fixed Assets

Particulars	Gross Block			Accumulated Depreciation			Net Block	
	As at 1st April 2012	Additions	Deductions	As at 31st March 2013	As at 1st April 2012	Depreciation / Ammortisation For the Year	As at 31st March 2013	As at 1st April 2012
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>Tangible Assets</b>								
Land	15,311,942	-	15,311,942	-	-	-	-	15,311,942
Land under Lease	7,304,000	-	-	7,304,000	4,707,912	1,632,631	6,340,543	6,024,069
Buildings	23,621,395	792,000	-	24,413,395	10,939,721	1,021,242	11,960,963	13,941,006
Plant & Equipment	254,890,773	55,664,010	-	310,554,783	198,166,578	8,584,849	206,751,427	57,470,329
Furniture & Fixtures	1,142,026	81,193	-	1,223,219	902,192	140,632	1,042,824	239,834
Vehicles	6,724,072	-	-	6,724,072	4,736,030	294,976	5,031,006	1,989,042
Office Equipment	1,182,739	-	-	1,182,739	925,607	-	925,607	257,132
Air Conditioners	569,850	-	-	569,850	482,445	-	482,445	87,405
Computers	2,559,245	-	-	2,559,245	2,389,528	-	2,389,528	169,717
<b>Sub Total</b>	<b>313,306,042</b>	<b>56,537,203</b>	<b>15,311,942</b>	<b>354,531,303</b>	<b>223,250,013</b>	<b>11,674,330</b>	<b>234,924,343</b>	<b>95,489,476</b>
<b>Intangible Assets</b>								
Computer Software	11,232	41,400	-	52,632	6,677	14,313	20,990	4,555
<b>Sub Total</b>	<b>11,232</b>	<b>41,400</b>	<b>-</b>	<b>52,632</b>	<b>6,677</b>	<b>14,313</b>	<b>20,990</b>	<b>4,555</b>
Capital Work-in-Progress	2,842,856	-	2,842,856	-	-	-	-	2,842,856
<b>Total</b>	<b>316,160,130</b>	<b>56,578,603</b>	<b>18,154,798</b>	<b>354,583,935</b>	<b>223,256,690</b>	<b>11,688,643</b>	<b>234,945,333</b>	<b>98,336,887</b>
Previous Year	299,436,917	16,723,213	-	316,160,130	207,911,695	9,911,547	224,241,924	91,525,222

## ASHOK ALCO-CHEM LIMITED

### Note No. 10 Non Current Investments

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>Investments in Equity Instruments</b>		
<b>Unquoted (at cost)</b>		
Chhatrapati Sahakari Sakhar Karkhana Limited 7 (7) shares @ Rs. 2,000/-, fully paid up	14,000	14,000
<b>Total</b>	<b>14,000</b>	<b>14,000</b>
<b>Aggregate amount of Unquoted Investments</b>	<b>14,000</b>	<b>14,000</b>

### Note No. 11 Long-term Loans and Advances

Capital Advances	-	8,600,798
Security Deposits	4,478,613	4,478,613
Balances With Revenue Authorities	76,897,451	75,536,603
Loans to Related Parties	27,819,152	26,519,152
Other Loans and Advances (Unsecured considered good)	6,571,490	41,216,038
<b>Total</b>	<b>115,766,706</b>	<b>156,351,204</b>

### Note No. 12 Other Non - Current Assets

Advance payments of Income Tax (Net of Provisions)	5,977,766	726,764
MAT Credit Entitlement	5,103,587	-
<b>Total</b>	<b>11,081,353</b>	<b>726,764</b>

### Note No. 13 Current Investments

Particulars	No. of Units	31st March 2013 Rs.	No. of Units	31st March 2012 Rs.
<b>Traded in Mutual Funds</b>				
Franklin Templeton Investment Mutual Fund - Dividend Reinvestment Plan	-	-	137,989	2,460,757
<b>Total</b>	<b>-</b>	<b>-</b>	<b>137,989</b>	<b>2,460,757</b>
Aggregate amount of quoted Investments (Market value of Rs. NIL) (Previous Year Rs.24,60,757/-)	-	-	-	2,460,757

### Note No. 14 Inventories

Particulars	31st March 2013 Rs.	31st March 2012 Rs.
<b>(As taken valued and certified by the Management; Valuation as stated in Note No. 1)</b>		
Raw Materials	12,392,290	7,795,864
Work-in-Progress	2,339,851	2,275,934
Finished Goods	27,431,374	20,452,659
Traded Goods	37,064,496	1,055,740
Stores/ Spares & Packing material	1,700,496	1,672,410
Fuel	687,865	1,005,699
Goods In Transit	437,756	557,021
<b>Total</b>	<b>82,054,128</b>	<b>34,815,327</b>

## ASHOK ALCO-CHEM LIMITED

### Note No. 15

#### Trade Receivables (Unsecured considered goods unless otherwise stated)

Particulars	31st March 2013		31st March 2012	
	Rs.		Rs.	
<u>Outstanding for a period exceeding six months from the due date of payment</u>				
Outstanding for a period exceeding 6 months from the date they are due for payment:				
Considered Good	177,587,539		9,545,579	
Considered Doubtful	<u>105,635,005</u>		<u>105,635,005</u>	
	283,222,544		115,180,584	
Less: Provision for doubtful debts	<u>105,635,005</u>	177,587,539	<u>105,635,005</u>	9,545,579
Other Trade Receivables:				
Considered Good	255,027,582		641,671,116	
Considered Doubtful	<u>-</u>		<u>-</u>	
	255,027,582		641,671,116	
Less: Provision for Doubtful Debts	<u>-</u>	255,027,582	<u>-</u>	641,671,116
		<u><b>432,615,121</b></u>		<u><b>651,216,695</b></u>

### Note No. 16

#### Cash and Cash Equivalents

a. <u>Balances with Banks:</u>				
Current Accounts	20,846,615		11,139,654	
Short Term Deposits	<u>10,000,000</u>	30,846,615	<u>10,000,000</u>	21,139,654
b. Cash on Hand		<u>2,731,305</u>		<u>1,186,365</u>
		<u><b>33,577,920</b></u>		<u><b>22,326,019</b></u>

### Note No. 17

#### Short-Term Loans and Advances

##### Unsecured (Considered Good, unless otherwise stated)

Trade Advances to Vendors	172,303,843		4,255,060	
Loans and Advances to Staff	129,915		72,442	
Prepaid Expenses	414,085		474,390	
Other Loans and Advances	<u>815,116</u>		<u>17,778,692</u>	
		<u><b>173,662,959</b></u>		<u><b>22,580,584</b></u>

## ASHOK ALCO-CHEM LIMITED

### Note No. 18 Revenue from Operations

Particulars	2012-2013 Rs.	2012-2013 Rs.
<b><u>Sale of Products</u></b>		
Manufactured Goods	900,194,109	828,109,917
Traded Goods	1,547,548,566	2,461,707,664
	<u>2,447,742,675</u>	<u>3,289,817,581</u>
Less: Excise Duty	88,688,388	74,967,006
Less: VAT	26,772,302	26,531,720
	<u>2,332,281,985</u>	<u>3,188,318,855</u>
	<b><u>2,332,281,985</u></b>	<b><u>3,188,318,855</u></b>

#### **Details of Manufactured Goods:**

Ethyl Acetate	783,847,735	704,335,474
Acetaldehyde	98,361,900	9,278,680
Others	17,984,474	114,495,763
	<u>900,194,109</u>	<u>828,109,917</u>

#### **Details of Traded Goods:**

Bauxite	723,949,165	1,116,226,392
Bentonite	592,952,378	841,101,920
Bleaching Earth	126,810,446	151,698,937
China Clay	13,705,398	11,129,297
Fillers	-	553,122
Iron Ore	80,987,674	59,611,809
Kaolin	-	44,186,025
Gypsum	-	226,350,929
Others	9,143,505	10,849,233
	<u>1,547,548,566</u>	<u>2,461,707,664</u>

### Note No. 19

#### **Other Income**

Interest Income	3,219,615	3,333,315
Dividend Received	1,914,107	5,745,485
Sundry Balances written back	4,056,646	725,154
Foreign Currency Fluctuation Gain	20,385,030	8,345,343
Miscellaneous Income	13,553,802	9,702,306
	<u>43,129,200</u>	<u>27,851,603</u>

## ASHOK ALCO-CHEM LIMITED

### Note No. 20

#### Cost of Materials Consumed

Particulars	2012-2013		2012-2013	
	Rs.		Rs.	
Opening Stock	7,795,864		13,527,523	
Add: Purchases	668,253,297		610,723,990	
	676,049,161		624,251,513	
Less: Closing Stock	12,392,290	663,656,871	7,795,864	616,455,649
		<b>663,656,871</b>		<b>616,455,649</b>

#### Details of Raw Materials:

Acetic Acid	297,731,143		307,167,044	
Alcohol for Ethyl Acetate	296,782,430		295,298,731	
Alcohol for Acetaldehyde	68,117,015		5,189,600	
Others	1,026,283		3,068,615	
	<b>663,656,871</b>		<b>610,723,990</b>	

### Note No. 21

#### Changes in Inventories

##### Opening Stock

Finished Goods	20,452,659		10,692,055	
Traded Goods	1,055,740		19,686,077	
Work-in-Progress	2,275,934	23,784,333	2,397,594	32,775,726

##### Closing Stock

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

**(43,051,388)**

**8,991,393**

### Note No. 22

#### Employee Benefit Expenses

Salaries, Wages, Allowances and Bonus		19,706,310		20,439,922
Contribution to Employee Benefit Funds		1,215,660		1,259,383
Staff Welfare Expenses		444,432		1,056,631
		<b>21,366,402</b>		<b>22,755,936</b>

### Note No. 23

#### Finance Costs

##### Interest

Working Capital Finance	5,973,164		7,348,799	
Others	-	5,973,164	2,370,000	9,718,799
Other Financial Costs		1,587,423		707,476
		<b>7,560,587</b>		<b>10,426,275</b>

## ASHOK ALCO-CHEM LIMITED

### Note No. 24

#### Other Expenses

Particulars	2012-2013		2012-2013	
	Rs.		Rs.	
<b><u>Manufacturing Expenses</u></b>				
Stores and Spares Consumed	4,299,082		4,521,024	
Packing Materials and Charges	12,327,552		8,012,870	
Power & Fuel	65,831,809		59,360,802	
<b><u>Repairs to:</u></b>				
Building	-		773,465	
Machinery	883,205		1,017,171	
Others	1,318,618		2,290,406	
Rent	3,130,884		3,557,746	
Other Expenses	1,306,991	89,098,141	1,542,651	81,076,135
<b><u>Selling and Distribution Expenses</u></b>				
Shipment Expenses	54,700,860		18,206,791	
Export Freight and Insurance	226,293,920		593,124,118	
Export Carting , Stevedoring & Port Charges	448,838,234		218,284,654	
Other Selling Expenses	9,290,812	739,123,826	16,216,299	845,831,862
<b><u>Administrative and Other Expenses</u></b>				
Travelling Expenses	1,667,182		2,304,828	
Rent ,Rates and Taxes	547,367		2,225,672	
Insurance Premium	1,299,947		852,527	
Advertisement and Business Promotion	154,518		142,306	
Bad Debts	38,133,559		-	
Legal and Professional Fees	2,895,670		2,945,361	
Directors Sitting Fees	135,000		34,500	
Payments to Auditor	282,810		248,175	
Donation	14,001		8,001	
Prior Period Expenses	12,198,278		-	
General expenses	5,714,760	63,043,092	4,526,349	13,287,719
		<b>891,265,059</b>		<b>940,195,716</b>

Note (i) Payments to Auditors

Payments to Auditors	2012-2013	2011-2012
	Rs.	Rs.
a. Audit Fees	117,978	115,815
b. Taxation Matters	73,034	71,695
c. Tax Audit	39,326	38,605
d. Other Services	52,472	22,060
<b>Total</b>	<b>282,810</b>	<b>248,175</b>

# ASHOK ALCO-CHEM LIMITED

## NOTES TO ACCOUNTS:

### 1. Contingent Liabilities:

Contingent Liabilities not provided for in respect of:

Sr. No.	Particulars	2012-2013 Rs.	2011-2012 Rs.
1.	Income Tax matters	3,99,38,826/-	NIL
2.	Sales Tax	13,96,998/-	13,96,998/-
3.	Excise/Service tax matters	10,35,125/-	5,85,376/-
4.	Bank Guarantee	NIL	7,22,300/-
	<b>Total</b>	<b>4,23,70,949/-</b>	<b>27,04,674/-</b>

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 (P.Y. Rs. 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. 3.95 Lacs 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 <sup>st</sup> March, 2013	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Segment Revenue	7,919	7,400	15,835	24,781	23,754	32,181
Segment Results (P&L)	(127)	83	1080	391	953	474
Unallocable Income		-		-		-
Unallocable Expenses		-		-		-
Provision for Taxation	342	-	-	-	342	-
Net Profit / (Loss)	(469)	83	1080	391	611	474
Segment Assets	3,393	2,602	5,342	6,966	8,735	9,568
Unallocable Assets		-		-		-
Total Assets	3,393	2,602	5,342	6,966	8,735	9,568
Segment Liabilities	1,306	1,127	6,115	7,277	7,421	8,404
Unallocable Liabilities		-		-		-
Total Liabilities	1,306	1,127	6,115	7,277	7,421	8,404

#### Geographical Segment

Particulars	India		Rest of the World		Total	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Segment Revenue	8,802	17,868	15,675	15,030	24,477	32,898
Carrying cost of segment assets	8,735	9,568	-	-	8,735	9,568
Net Addition to Fixed Assets and Intangible Assets	413	139	-	-	413	139

### 6. Related Party Transactions (upto 26.11.2012):

#### A. Associate Concerns:

- Kumaka Industries Limited (Formerly Known as Ashok Organic Industries Limited)
- Kadakia Alkalies & Chemicals Limited
- Ashok Cellulose Limited
- Ashok Chem Pharma International
- USM Enterprise

## ASHOK ALCO-CHEM LIMITED

- Aqua Alco Bio-Tech Pvt. Ltd.
- Ashok Pharmaceuticals Pvt. Ltd.
- Ashok & Brothers, Ashok M. Kadakia HUF
- Anil M. Kadakia HUF
- Pankaj M. Kadakia HUF
- Aura Alkalies and Chemicals Private Limited

**B. Key Management Personnel and Relatives:**

- Dr. Anil M. Kadakia (resigned on 26.11.2012)

**C. Relatives of Key Management Personnel:**

- Mrs. Urvashi Ashok Kadakia Proprietor of Raj Enterprises (Wife of Mr. Ashok M. Kadakia)
- Mrs. Shobhana Anil Kadakia (Wife of Dr. Anil M. Kadakia)

(Figures in Lacs)

Particulars	Associates	Key Mgt.	Relatives
Purchase of Assets & Services (Aura Alkalies & Chemicals Pvt. Ltd)	-	-	551.25
Utilisation of Services (Aura Alkalies & Chemicals Pvt. Ltd)	-	-	31.31
Remuneration and Sitting Fees	-	16.29	-
Debts due to the Company (Loans & Advances)	168.30	-	96.88
Debts payable by the Company	-	12.97	-

**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 Statement of Profit & Loss. 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 31.03.2013
Surplus-arising from claim u/s 43B net of reversal	83,01,979
Reversal of Liability-Depreciation difference as per Books compared to Income-Tax	(1,96,99,067)
Surplus-unabsorbed Depreciation and Loss Adjusted	5,99,792
Deferred Tax Surplus / (Deficit)	(1,07,97,296)

**8. Earnings Per Share:**

	2012-13 Rs. In Lacs	2011-12 Rs. In Lacs
Profit / (Loss) after Tax.	610.76	348.47
Of Weighted Average Shares		
Outstanding during the year	3,77,53,43	3,77,53,43
Basic and Diluted Earnings Per Share	16.18	9.23

**9. Payment to Auditors:**

(Amount in Rupees)

Sr. No.	Particulars	2012-13	2011-12
a.	Audit Fees	1,17,978	1,15,815
b.	Taxation Matters	73,034	71,695
c.	Tax Audit	39,326	38,605
d.	Other Services	52,472	22,060
	<b>Total</b>	<b>2,82,810</b>	<b>2,48,175</b>

- 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 amounts unpaid as at the year -end together with interest paid/ payable under this Act have not been given.

## ASHOK ALCO-CHEM LIMITED

11. 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 issued by the Institute of Chartered Accountants of India. Based on the judgment 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.
12. Remuneration includes Rs.16.29 Lacs (P.Y. Rs. 23.93 Lacs) paid to Managing Director upto 26<sup>th</sup> November, 2012 and a whole time Director.
13. Capacities, Production, Stocks and Sales:

**A. Capacities:**

(i)	Glacial Acetic Acid	MT	13,000 (13,000)	13,000 (13,000)
(ii)	Ethyl Acetate	MT	27,000 (27,000)	27,000 (27,000)
(iii)	Acetaldehyde	MT	10,400 (10,400)	10,400 (10,400)

**B. Production, Stocks and Sales:**

**CHEMICAL DIVISION (Segment 1)**

	Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
i	Glacial Acetic Acid:				
	Qty. (MT)	0	422	422	0
		(0)	(12)	(12)	(0)
	Value (Rs.in Lacs)	0	Nil	172.88	0
		(0)	Nil	(21.78)	(0)
ii.	Ethyl Acetate:				
	Qty. (MT)	395	13,389	13,327	457
		(185)	(14,231)	(14,021)	(395)
	Value (Rs.in Lacs)	83.29	-	7,838.48	249.63
		(93.85)	(-)	(8,167.28)	(83.29)
iii	Acetaldehyde				
	Qty. (MT)	1	1,468	1,427	42
		(26)	(160)	(185)	(1)
	Value (Rs.in Lacs)	0.42	-	983.62	24.69
		(13.07)	-	(105.71)	(0.42)
iv.	Others:	0	-	6.96	0
	Value (Rs.in Lacs)	(0)	(-)	(6.03)	(0)
	<b>Total (Rs.in Lacs) I</b>	<b>83.71</b>	<b>-</b>	<b>9,001.94</b>	<b>274.32</b>
	<b>Total (Rs. In Lacs)</b>	<b>(106.92)</b>	<b>(-)</b>	<b>(8,300.80)</b>	<b>(83.71)</b>

**GLOBAL TRADING DIVISION (Segment 2)**

Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
<b>Minerals</b>				
Qty. (MT)	1,409	13,15,413	12,68,551	48,271
	(14,395)	(10,36,651)	(10,49,637)	(1,409)
Value (Rs.in Lacs)	10.56	7,276.36	15,475.49	370.65
	(198.86)	(15,619.29)	(24,617.07)	(10.56)
<b>Total (Rs. In Lacs) II</b>	<b>10.56</b>	<b>7,276.36</b>	<b>15,475.49</b>	<b>370.65</b>
	(198.86)	(15,619.29)	(24,617.07)	(10.56)
<b>Grand Total I+II (Rs. In Lacs)</b>	<b>94.27</b>	<b>7,276.36</b>	<b>24,477.43</b>	<b>644.97</b>
	<b>(305.78)</b>	<b>(15,619.29)</b>	<b>(32,917.87)</b>	<b>(94.27)</b>

## ASHOK ALCO-CHEM LIMITED

- 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.  
(iv) Installed Capacities are as certified by management.

### Analysis of Raw Materials consumed for manufacturing activities:

	Particulars	Unit	2012-2013		2011-2012	
			Qty.	Value (Rs.)	Qty.	Value (Rs.)
I	Alcohol	Lac Ltrs.	120.03	36,58,34,032	104.75	29,07,08,942
II	Glacial Acetic Acid	MT	9914	29,78,22,839	9918	32,62,59,252

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

### 14. Value of Raw Materials, Stores & Packing Materials Consumed:

	2012-2013		2011-2012	
	% of Total Consumption	Value (Rs.)	% of Total Consumption	Value (Rs.)
Imported	Nil	Nil	Nil	Nil
Indigenous	100	68,02,83,505	100	62,89,89,543
<b>Total:</b>	<b>100</b>	<b>68,02,83,505</b>	<b>100</b>	<b>62,89,89,543</b>

### 15. CIF Value of Imports:

Value of Imports on CIF Basis	NIL	16,25,58,424
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### 16. Expenditure in Foreign Currency:

Technical Knowhow	Nil	Nil
- Travelling	1,24,296	Nil
- Freight	22,31,28,471	55,28,04,720

### 17. Remittance in Foreign Currency on account of:

Dividend of Non-Resident Shareholders	Nil	Nil
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### 18. FOB value of Exports:

Earning in Foreign Exchange (FOB Value)	138,26,21,035	1,50,30,22,433
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19. 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, 2013

For and on behalf of the Board

Sridhar Chari  
Whole Time Director

Sanjay Bhatia  
Director

Place: Mumbai  
Date: 29th May, 2013





# ASHOK ALCO-CHEM LIMITED

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

## ATTENDANCE SLIP

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

Full Name of Shareholder in Block Letters : \_\_\_\_\_

Folio No. : \_\_\_\_\_

DP ID. / Client ID No. : \_\_\_\_\_

No. of Shares Held : \_\_\_\_\_

I hereby record my presence at the **Twenty First Annual General Meeting** of the Company being held on Tuesday, September 24, 2013 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001.

**Signature of Attending Member / Proxy:** \_\_\_\_\_

### 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.

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# ASHOK ALCO-CHEM LIMITED

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

## PROXY FORM

Folio No.:	
DP ID. / Client ID No.:	
No. of Shares held:	

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of **Ashok Alco-Chem Limited**, hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him/her

\_\_\_\_\_ of \_\_\_\_\_ as my/our Proxy

to attend and vote for me/us and on my/our behalf at the Twenty First Annual General Meeting of the Company to be held on Tuesday, September 24, 2013 at 11.00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013

Affix Re. 1  
Revenue  
Stamp  
Here

### Notes:

- 1) The Form should be signed across the stamp as per specimen signature registered with the Company.
- 2) The Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the aforesaid Meeting.

BOOK - POST

TO,

*If undelivered, please return to:*

**ASHOK ALCO-CHEM LIMITED**

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