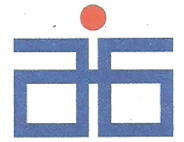


# ASHOK ALCO-CHEM LIMITED



Regd. Office : Room No. 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001, INDIA.  
Tel : 022-61446900/01 Fax : 66104355 CIN : L24110MH1992PLC069615  
Email : info@ashokalcochem.com Web Site : http://www.ashokalcochem.com

Date: September 26, 2018

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

Dear Sir(s)/Madam(s),

## Sub: Annual Report 2017-18

In compliance with the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit Annual Report for the financial year 2017-18, approved and adopted by the Members of the Company at its 26<sup>th</sup> Annual General Meeting held on September 24, 2018.

Kindly take the same on record.

Thanking you,

Yours faithfully,

**For Ashok Alco-Chem Limited**



**Seema Gangawat**  
**Company Secretary & Compliance Officer**



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



**26<sup>th</sup>**

A N N U A L R E P O R T  
2 0 1 7 - 1 8



**Ashok Alco-Chem Limited**



# Ashok Alco-Chem Limited

<b>Board of Directors</b>	Mr. Purab Shah (DIN : 07490952)	Executive Director & CEO
	Mr. Manoj Ganatra (DIN : 00568914)	Independent Director
	Mr. Sunil Shah (DIN : 03567415)	Non - Executive Director
	Mrs. Neeta Shah (DIN : 07134947)	Non - Executive Director
	Mr. Shekhaar Shetty (DIN : 07824778)	Independent Director
<b>Chief Financial Officer</b>	Mr. Vaize Ahmed Kampli (Appointed w.e.f. August 14, 2018)	
<b>Company Secretary &amp; Compliance Officer</b>	Ms. Seema Gangawat	
<b>Auditors</b>	M/s. R A Maru & Associates Chartered Accountants, Mumbai	
<b>Registered Office</b>	104, Venkatesh Chambers, 1 <sup>st</sup> Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001. CIN: L24110MH1992PLC069615 Tel. No.: 022-61446900 / 01, Fax No.: 022-66104355 Email: secretarial@ashokalcochem.com Website : <a href="http://www.ashokalcochem.com">http://www.ashokalcochem.com</a>	
<b>Plant</b>	Plot No. A-22/2/1, Mahad Industrial Area, Village Kamble, Mahad - 402 301. Dist : Raigad, Maharashtra.	
<b>Registrar &amp; Share Transfer Agent</b>	LINK INTIME INDIA PVT. LTD. C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No: +9122 49186000 Fax: +91 22 49186060 Email: rnt.helpdesk@linkintime.co.in	
<b>Bankers</b>	IDBI Bank Ltd.	

INDEX OF CONTENTS	PAGE NO.
NOTICE OF 26 <sup>TH</sup> AGM	1 - 9
DIRECTORS' REPORT & CORPORATE GOVERNANCE REPORT	10 - 55
STANDALONE INDEPENDENT AUDITORS' REPORT	56 - 59
STANDALONE FINANCIAL STATEMENTS	60 - 105
CONSOLIDATED INDEPENDENT AUDITORS' REPORT	106 - 108
CONSOLIDATED FINANCIAL STATEMENTS	110 - 157
PROXY FORM	-



## NOTICE

**NOTICE** is hereby given that the Twenty Sixth Annual General Meeting of the Members of Ashok Alco-Chem Limited will be held on Monday, September 24, 2018 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 Standalone & Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors and the Auditors' thereon.
2. To declare a dividend of Re. 1/- per equity share for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Sunil Shah (DIN:03567415) who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

4. **Re-appointment of Mr. Purab Shah (DIN: 07490952) as an Executive Director & CEO**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of sections 196, 197, 198, 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and subject to such other consents and permissions, as may be required under law, the consent of the Members of the Company be and is hereby accorded to re-appoint Mr. Purab Shah (DIN: 07490952) as an Executive Director and Chief Executive Officer (CEO) of the Company for a further period of one year with effect from April 19, 2018, on such terms and conditions, including remuneration, as set out under the agreement executed by and between the Company and Mr. Purab Shah.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Purab Shah, including annual performance increments /incentives, as set out under the aforesaid agreement shall be within the limits as prescribed under Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits during the currency of tenure of Mr. Purab Shah as Executive Director & CEO of the Company, the remuneration be paid to Mr. Purab Shah as per the terms of the agreement shall be minimum remuneration, subject to requisite approval, if any.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and Ms. Seema Gangawat, Company Secretary & Compliance Officer, be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to the above resolution including filing of necessary forms with the Registrar of Companies."

5. **Re-appointment and Payment of Remuneration to Cost Auditors**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company ratifies the re-appointment of M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration No.R100675), as the Cost Auditors of the Company at the remuneration of Rs. 50,000/-

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

---

(Rupees Fifty Thousand only) plus applicable taxes and out-of-pocket expenses payable at actual, to conduct the audit of cost records maintained by the Company relating to "Chemical Division" for the financial year 2018-19."

**For and on behalf of the Board**

**Place : Mumbai**  
**Date: August 14, 2018**

**Sd/-**  
**Seema Gangawat**  
**Company Secretary & Compliance Officer**

### **Registered Office:**

CIN: L24110MH1992PLC069615  
104, Venkatesh Chambers,  
1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.  
Tel: 022-61446900 / 01 Fax: 022-66104355  
Email: [secretarial@ashokalcochem.com](mailto:secretarial@ashokalcochem.com)  
Website: [www.ashokalcochem.com](http://www.ashokalcochem.com)

### **NOTES:**

- 1) The explanatory statement pursuant to section 102 of the Companies Act, 2013 ("the Act") in respect of the business as set out in item nos. 4 and 5 of the notice is annexed hereto.

The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI LODR Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed as "**Annexure-1**".

- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY (IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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

- 3) Corporate Members intending to send their authorized representatives to attend the meeting pursuant to section 113 of the Act, are requested to send to the Company, a certified copy of the relevant board resolution together with the specimen signature(s) of the representative(s) who are authorized to attend and vote on their behalf at the AGM.
- 4) The Register of Members and Share Transfer Books of the Company shall remain closed on Tuesday, September 18, 2018.
- 5) The dividend, if declared, at the AGM, will be paid on or after Tuesday, September 25, 2018:-
  - to those Members holding shares in physical form, whose names appear on the Register of Members of the Company on close of business hours on Monday, September 17, 2018 ("Record Date");
  - in respect of the shares held in dematerialized form, the dividend will be paid to the Members whose names are furnished by



the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on Monday, September 17, 2018 (“Record Date”).

- 6) The Company will disburse the dividend vide ECS/NECS to those shareholders whose requisite particulars are available and to other shareholders vide dividend warrants/cheques. The intimation of dividend payout/dispatch will be sent within the statutory period.
- 7) In accordance with SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 & BSE Circular No. LIST/COMP/15/2018-19 dated July 5, 2018, the Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, permanent account number (PAN), bank mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their respective Depository Participants (DP) in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents ( “RTA”) viz. Link Intime India Pvt. Ltd in case the shares are held by them in physical form.

The address of Company's RTA is as follows:

**M/s. Link Intime India Pvt. Ltd.,**

C-101, 247 Park,

L. B. S. Marg, Vikhroli (West),

Mumbai - 400 083.

Phone: Tel - 022-49186000 Fax - 022-49186060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

- 8) SEBI vide notification dated June 8, 2018, has mandated that securities of listed companies shall be transferred only in dematerialized form w.e.f. December 5, 2018. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company's RTA - Link Intime India Pvt. Ltd for assistance in this regard.
- 9) Members, Proxies and Authorized Representatives are requested to bring, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No., along with their copy of the Annual Report at the time of attending the meeting. Please note that Annual Report copies shall not be available/distributed at the AGM venue.
- 10) Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company's RTA - Link Intime India Pvt. Ltd, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
- 11) In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
- 12) Members desirous of seeking any information with regard to 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.
- 13) 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 RTA - M/s. Link Intime India Pvt. Ltd. Therefore, Members are requested to send their communication directly to them in future.
- 14) Relevant documents referred to in the accompanying Notice and in the Explanatory Statement are open for inspection by the Members at the registered office of the Company on all working days between 11 a.m. to 4.00 p.m. except Saturday, Sunday and public holidays upto the date of the AGM.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

---

- 15) The Notice of the 26<sup>th</sup> AGM along with the Annual Report 2017-18 are being sent through the electronic mode to Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the Annual Report. For Members, who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may also note that Annual Report for the financial year ended March 31, 2018 including Notice of the 26<sup>th</sup> AGM is also available on the Company's website at [www.ashokalcochem.com](http://www.ashokalcochem.com)
- 16) To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's RTA - Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.
- 17) As per the provisions of section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to the Company's RTA - M/s. Link Intime India Pvt. Ltd., Members holding shares in electronic form may submit the same to their respective DP.
- 18) Unclaimed Dividend - details are available on website - <http://www.ashokalcochem.com/InvestorUpdate.html>
- 19) The route map showing directions to reach the venue of the 26<sup>th</sup> AGM is annexed.
- 20) Voting through electronic means:
  - I. In compliance with provisions of section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and the provisions of Regulation 44 of SEBI LODR Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by National Securities Depository Limited ("NSDL") on all resolutions set forth in this notice, through remote e-voting. The instructions for e-voting are given herein below.
  - II. The facility for voting through ballot paper shall be made available at the venue of the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The Board of Directors has appointed M/s. Jay Mehta & Associates, Company Secretaries (Certificate of Practice No. 8694) as the Scrutinizer to scrutinize the remote e-voting process as well as voting at AGM in a fair and transparent manner.
  - V. The details of the process and manner for remote e-voting are explained herein below:
    - Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>
    - Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-voting website?

    1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
    3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.



4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. 16 Digit Beneficiary ID
b) For Members who hold shares in demat account with CDSL.	For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
- b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. **Select "EVEN" of Company, which is 109150.**
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

- 1 Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [jaymehtaandassociates@gmail.com](mailto:jaymehtaandassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### Other Instructions

- (i) The remote e-voting period commences on Thursday, September 20, 2018 (9:00 am) and ends on Sunday, September 23, 2018 (5:00 pm). During this period, Members holding shares either in physical form or in dematerialized form, as on Monday, September 17, 2018, i.e. cut-off date, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- (ii) The voting rights of Members shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the Register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (iii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the notice and holding shares as of the cut-off, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) However if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- (iv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (v) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company at [www.ashokalcochem.com](http://www.ashokalcochem.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.



**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE ACT, IS GIVEN BELOW:**

**Item No. 4:**

Pursuant to the provisions of section 196, 197, 203 read with Schedule V and other relevant provisions of the Act, the Board of Directors of the Company had appointed Mr. Purab Shah as an Executive Director & CEO of the Company for a period of two years effective April 19, 2016 up to April 18, 2018, which was subsequently approved by the Members at the 24<sup>th</sup> AGM of Company held on September 22, 2016.

The term of Mr. Purab Shah as Executive Director & CEO was getting over on April 18, 2018, however, considering the current affairs of the Company, valuable contribution provided by him during his tenure and his expertise, rich experience and business insight, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, re-appointed Mr. Purab Shah as an Executive Director & CEO of the Company at its meeting held on February 12, 2018 for a further period of one year with effect from April 19, 2018 and the same is placed before the Members for approval.

**Brief Profile**

Mr. Purab Shah holds a degree in M.Sc. (Chemistry) from Mumbai University along with an MBA. He started his career as an Entrepreneur - Chemical Manufacturer with a successful Chemical Business and has around 20 years of extensive experience and expertise in chemical business along with Manufacturing, R & D, Project and New Business Developments.

Brief resume of Mr. Purab Shah, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, as required under Regulation 36 of the SEBI LODR Regulations and Secretarial Standards are as below:

Name of Director	Mr. Purab Shah
Director Identification Number (DIN)	07490952
Date of Birth (Age)	September 14, 1977 (41 years)
Nationality	Indian
Date of first appointment	April 19, 2016
Qualifications	M.Sc. & MBA
Expertise in specific functional areas	Extensive experience and expertise in chemical business along with manufacturing, R&D, project and new business development
Terms and conditions of re-appointment	As per the agreement executed by and between the Company and Mr. Purab Shah.
Number of Meetings of the Board attended during the year ended March 31, 2018	Five
Relationship with other Directors / Managers/ Key Managerial Personnel	Not Applicable
Shareholding in Ashok Alco-Chem Limited	Nil
Directorships held in other Companies (excluding foreign, private and section 8 Companies)	Nil
Chairman/ Member of the Committee of the Board of Directors of other companies in which he is a Director	Nil
Remuneration details	Rs. 29,74,572 p.a.*

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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### \* **Terms of re-appointment including Remuneration :**

1. He shall be entitled to encashment of earned leave at the end of his tenure as per Company's Rules/Policies, from time to time.
2. Additionally, he shall be entitled to annual/performance increments/incentives as shall be approved by the Board of Directors of the Company and which shall be within the limits as prescribed under Schedule V and other applicable provisions, if any, of the Act.
3. He shall not be paid any fees for attending meetings of the Board of Directors and/or any Committee thereof.
4. He shall not be liable to retire by rotation.

The terms and conditions of the appointment of Mr. Purab Shah as Executive Director & CEO shall be as stated in the agreement executed by and between the Company and Mr. Purab Shah. The copy of the agreement is available for inspection at the registered office of the Company, on all working days between 11.00 a.m. to 4.00 p.m., except Saturday, Sunday and Public holidays up to the date of the AGM.

Mr. Purab Shah, is not disqualified from being re-appointed as a Director in terms of section 164 of the Act and has given his consent to act as an Executive Director & CEO of the Company.

It is proposed to seek the Member's approval for the re-appointment and payment of remuneration to Mr. Purab Shah as an Executive Director & CEO, in terms of the applicable provisions of the Act and the relevant Rules made thereunder.

Except Mr. Purab Shah, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives, are concerned or interested financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 4 for approval of the Members.

### **Item No. 5:**

In terms of the provisions of section 148 of the Act, the Company is required to have its cost records pertaining to "Chemical Division" audited by cost accountant in practice.

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the re-appointment of M/s. N. Ritesh & Associates, Cost Accountants, as Cost Auditors of the Company to conduct audit of the cost records maintained by the Company relating to "Chemicals Division" for the financial year 2018-19, at remuneration of Rs. 50,000 plus applicable taxes and out-of-pocket expenses incurred by them in connection with the aforesaid audit.

M/s. N. Ritesh & Associates, Cost Accountants, have consented to the said appointment and have furnished a certificate regarding their eligibility for re-appointment as Cost Auditors of the Company.

In terms of the provisions of Section 148(3) of the Act read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the re-appointment of M/s N. Ritesh & Associates, Cost Auditors and payment of remuneration for the financial year 2018-19.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the proposed resolution.

The Board recommends the Ordinary Resolution as set out at Item No. 5 for approval of the Members.

**For and on behalf of the Board**

**Place : Mumbai**  
**Date: August 14, 2018**

**Sd/-**  
**Seema Gangawat**  
**Company Secretary & Compliance Officer**

**Registered Office:**

CIN: L24110MH1992PLC069615

104, Venkatesh Chambers, 1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,

Fort, Mumbai - 400 001.

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

Email: [secretarial@ashokalcochem.com](mailto:secretarial@ashokalcochem.com)Website: [www.ashokalcochem.com](http://www.ashokalcochem.com)**Annexure 1 - Pursuant to Regulation 36 of SEBI LODR Regulations, the details of Director(s) seeking appointment / re-appointment at the AGM are given herein below :**

Name of Director	Mr. Sunil Shah
Director Identification Number (DIN)	03567415
Date of Birth (Age)	November 7, 1962 (56 years)
Nationality	Indian
Date of first appointment	February 8, 2013
Qualifications	DME, AIME, (Mechanical Engineer)
Expertise in specific functional areas	Project Management & Marketing
Terms and conditions of appointment or re-appointment	Mr. Sunil Shah retires by rotation at the ensuing AGM and being eligible, seeks re-appointment.
Number of Meetings of the Board attended during the year ended March 31, 2018	Five
Relationship with other Directors/ Mangers / Key Managerial Personnel	Spouse of Mrs. Neeta Shah
Shareholding in Ashok Alco-Chem Limited	1000 Equity Shares
Directorships held in other Companies (excluding foreign, private and section 8 Companies)	Nil
Chairman/ Member of the Committee of the Board of Directors of other companies in which he is a Director	Nil
Remuneration details	NA

**Ashok Alco-Chem Limited-Route Map for the 26<sup>th</sup> AGM****Prominent Land Mark: Rhythm House, Kala Ghoda.**

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### DIRECTORS REPORT

The Members,  
**Ashok Alco-Chem Limited**

Your Directors are pleased to present their 26<sup>th</sup> Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2018. The section on Management Discussion and Analysis (MD&A) forms a part of this report.

### FINANCIAL RESULTS

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Income from Operations	15,931.23	15,874.48	16,074.39	17,212.08
Other Income	454.23	324.82	454.23	335.20
<b>Total Income</b>	<b>16,385.46</b>	<b>16,199.30</b>	<b>16,528.62</b>	<b>17,547.28</b>
Less : Total Expenditure	15,646.21	15,672.11	15,851.96	16,779.11
Profit/(Loss) before Interest, Depreciation and Tax	739.25	527.20	676.66	768.17
Less : Interest	97.94	128.97	98.08	129.38
Profit/(Loss) before Depreciation and Tax	641.31	398.23	578.59	638.79
Less : Depreciation	111.88	102.36	113.93	105.23
<b>Profit/(Loss) before Tax</b>	<b>529.44</b>	<b>295.88</b>	<b>464.66</b>	<b>533.57</b>
Less : Tax Expenses				
Current Tax	200.00	92.00	200.00	180.02
Deferred Tax	(25.28)	10.40	(25.07)	10.79
Tax adjustment earlier year	-	-	0.14	-
<b>Profit for the year</b>	<b>354.72</b>	<b>193.48</b>	<b>289.59</b>	<b>342.76</b>
Add: Other Comprehensive Income				
i. Remeasurement gain/(loss) on the Defined Benefit Plans	1.46	(6.50)	1.46	(6.50)
ii. Income Tax on (I) above	(0.51)	2.25	(0.51)	2.25
<b>Total Comprehensive Income for the year</b>	<b>355.67</b>	<b>189.23</b>	<b>290.55</b>	<b>338.51</b>

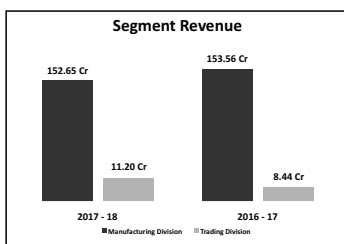
### INDIAN ACCOUNTING STANDARDS (Ind AS)

Pursuant to the Ministry of Corporate Affairs notification dated February 16, 2015 notifying the Companies (Indian Accounting Standards) Rules, 2015, your Company has adopted Ind AS with effect from April 1, 2017 with the transitional date as April 1, 2016. Accordingly, the Company has prepared the 'Ind AS' compliant Financial Statements for the Financial Year 2017-2018. Ind AS replaced the existing Indian GAAP prescribed under section 133 of the Companies Act, 2013 ("The Act") read with Rule 7 of the Companies (Account) Rules, 2014.

The reconciliation and description of the effect of transition from Indian GAAP to Ind AS has been provided in note no 43 in the notes to account of the financial statements of the Company.



## OVERVIEW OF THE FINANCIAL PERFORMANCE

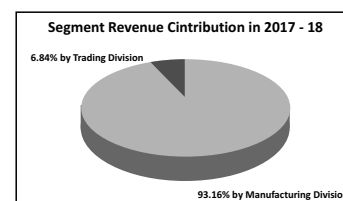


The performance of the Manufacturing Division of your Company has seen a static growth, which has witnessed 0.59% fall in its revenue vis a vis previous year 2016-17.

The performance of the Trading Division has shown the growth of 32.79% compared to previous year 2016-17. The demand of various chemicals globally has boosted the merchant trade which leads to the growth impact year on year.

The Manufacturing Division has contributed up to 93.16% to total revenue during 2017-18 as compared to 94.79% during previous year 2016-17.

The Trading Division has contributed up to 6.84% to total revenue during 2017-18 as compared to 5.21% during previous year 2016-17.



## HIGHLIGHTS OF PERFORMANCE OF SUBSIDIARIES AND THEIR CONTRIBUTION TO OVERALL PERFORMANCE OF THE COMPANY

The performance of subsidiary of your Company has declined and has negatively contributed to the extent of 13.94% to the Profit Before Tax in the consolidated profit and loss account of parent Company. The revenue from subsidiary of your Company has declined by 89.38% and the profit reduced up to 127.25% during 2017-18 as compared to its contribution to profit before tax during 2016-17.

## DIVIDEND

Considering the performance and to appropriately reward the Members while conserving resources to meet future financial requirements, your Directors are pleased to recommend a dividend of Re. 1/- (i.e. 10%) per equity share of Rs. 10/- each for the financial year ended March 31, 2018 amounting to Rs. 55.37 lakhs (inclusive of dividend distribution tax of Rs. 9.37 lakhs). This dividend is subject to the approval of the Members at the forthcoming Annual General Meeting ("AGM") and if approved, Members whose names appear on the Register of Members on record date i.e. September 17, 2018 will be entitled to dividend.

In the previous year the Company paid a dividend of Re. 1/- per equity share (10%) of Rs. 10/- each of the Company.

## TRANSFER TO GENERAL RESERVES

Your Directors have proposed to transfer Rs. 50,00,000/- (Rupees Fifty Lakhs Only) to the general reserves of the Company.

## SHARE CAPITAL

During the financial year 2017-18, there is no change in the authorized, issued, subscribed and paid-up share capital of the Company. As on March 31, 2018, the Company is having authorized share capital of Rs. 7,00,00,000/- comprising of 50,00,000 equity shares of Rs 10/- each and 20,00,000 11% preference shares of Rs 10/- each.

The issued, subscribed and paid-up equity share capital of the Company as on March 31, 2018 is Rs. 4,60,03,430/- comprising of 46,00,343 equity shares of Rs. 10/- each.

During the year under review, the Company has not issued shares with differential rights as to dividend, voting or otherwise or bought back any of its securities. The Company has not issued any sweat equity/bonus shares/employee stock option plan, under any scheme.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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### HOLDING COMPANY

Aura Alkalies and Chemicals Private Limited continues to be the Holding Company of the Company by holding 25,18,632 Equity Shares of the Company i.e. 54.75%, at the end of the financial year March 31, 2018.

### SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

The Company continues to be a Holding Company of Ashwa Minerals Private Limited as on March 31, 2018.

The Company does not have any Associate or Joint Venture Companies within the meaning of Section 2(6) of the Act.

Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiary in Form AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the audited standalone and consolidated financial statements and other relevant documents and audited accounts of the said subsidiary company, are available on the website of the Company at [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

### PROMOTERS

There has been no change in the shares of the Company under the "Promoter and Promoter Group". The present promoters of the Company are:

Sr. No.	Name	No. of Shares held	% to total paid up capital
1.	Aura Alkalies and Chemicals Private Limited	25,18,632	54.75
2.	Mr. Sunil Shah	1,000	0.02
3.	HK Dealers Private Limited	1,000	0.02
	<b>Total Promoters' holding</b>	<b>25,20,632</b>	<b>54.79</b>

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Appointment/Re-appointment

During the year under review, the following changes were occurred in the Directorate / structure of the Board of Directors of the Company:

1. Cessation of Dr. Umesh Kulkarni as an Independent Director w.e.f. May 12, 2017.
2. Appointment of Mr. Shekhaar Shetty as an additional director (Category - Non - Executive / Independent) of the Company w.e.f. May 17, 2017 for a period of three years which was approved by the Members of the Company at the AGM held on September 22, 2017.

Subsequent to the year under review, Mr. Purab Shah - Executive Director & Chief Executive Officer ("Executive Director & CEO") of the Company was re-appointed for a further period of one year effective from April 19, 2018. The Members' approval is being sought for the said re-appointment which forms part of notice convening 26<sup>th</sup> AGM.



### **Retirement by Rotation**

Mr. Sunil Shah retires by rotation and being eligible, has offered himself for re-appointment.

### **Independent Directors**

Consequent to appointment of Mr. Shekhaar Shetty and cessation of Dr. Umesh Kulkarni as Independent Director, the following Non-Executive Directors are Independent Directors in terms of the provisions of section 149(6) of the Act read with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations").

- a) Mr. Manoj Ganatra;
- b) Mr. Shekhaar Shetty (appointed w.e.f. May 17, 2017)

The said Independent Directors are not liable to retire by rotation. They have submitted a declaration to the effect that they meet the criteria of Independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

### **Non-Executive Directors**

During the year there was no change in Non-Executive Directors of the Company. The Non-Executive Directors were not paid any remuneration other than the sitting fees and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company.

### **Key Managerial Personnel**

During the year under review, Mr. V. Shashidharan ceased as a Chief Financial Officer of the Company w.e.f. May 1, 2017.

Further, pursuant to notification issued by the Ministry of Corporate Affairs on February 9, 2018 amending section 2(51) of the Act, the Board of Directors, on recommendation of Nomination and Remuneration Committee, designated Mr. Vaize Ahmed Kampli, Manager - Finance & Accounts, as Key Managerial Personnel (KMP) of the Company w.e.f. February 12, 2018 and accordingly, following are KMPs of the Company as on March 31, 2018:

- a) Mr. Purab Shah - Executive Director & CEO
- b) Ms. Seema Gangawat - Company Secretary & Compliance Officer
- c) Mr. Vaize Ahmed Kampli- Manager - Finance & Accounts (w.e.f. February 12, 2018)

Subsequent to the year under review, the Board of Directors, on recommendation of Nomination and Remuneration Committee and Audit Committee, appointed Mr. Vaize Ahmed Kampli as Chief Financial Officer of the Company w.e.f. August 14, 2018.

### **NUMBER OF MEETINGS OF THE BOARD**

The Board of Directors of the Company met five times during the financial year 2017-18 viz. on May 18, 2017, August 11, 2017, September 12, 2017, December 13, 2017 and February 12, 2018.

### **FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The familiarisation programme seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

## **ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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The policy on Company's familiarisation programme for Independent Directors is posted on the Company's website [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

### **NOMINATION AND REMUNERATION POLICY**

Pursuant to the provisions of the Act and the Part D of Schedule II of SEBI LODR Regulations, the Company has Nomination and Remuneration Policy and the same is available on the Company's website [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

### **BOARD EVALUATION**

Pursuant to the provisions of the Act and the SEBI LODR Regulations, annual evaluation of the Board, its Committee and of individual Directors has been made. The manner in which the evaluation has been carried out, is explained in the Corporate Governance Report.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to section 134(3)(c) and section 134(5) of the Act, your Company's Directors, based on the representations received from the management, confirm that:

- a. in the preparation of the annual accounts for the financial year ended March 31, 2018, the Indian Accounting Standards have been followed along with proper explanation relating to material departures;
- b. they have 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 at the end of the financial year and the profit of the Company for that period;
- c. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **MANAGEMENT DISCUSSION AND ANALYSIS**

#### **Cautionary Statement**

*Statements made under this section describing the Company's projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Important factors that could make a difference to the Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.*

*Although the expectations are based on reasonable assumptions, the actual results might differ.*



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## **Economy Outlook**

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organization (CSO) and International Monetary Fund (IMF) and it is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

## **Industry Scenario Outlook**

Chemical industry has always been the backbone of the industrial and agricultural developments around the world. The Indian chemical industry is ranked 6<sup>th</sup> largest in the world and 3<sup>rd</sup> in Asia, in terms of output. The chemical companies in India support a sizable and highly diversified industry that includes commodities, specialties, polymers, agrochemicals and a range of other groups.

The country is also the largest consumer of its own products accounting for around 33% of its output. It has witnessed robust growth in the past and is anticipated to rise at a CAGR of 8-9% by 2025. This is on account of the government's initiatives to encourage business growth by eliminating unnecessary laws & regulations, and simplifying bureaucratic processes.

Furthermore, the chemical industry is one of the major factors driving our country's GDP. It accounts for nearly 16% of the manufacturing sector in GDP and the government aims to expand it to 25% by 2025. In view of this, the Department of Chemicals and Petrochemicals, has announced to draft chemical policy that aims at increasing the demand for chemicals in the domestic market and at the same time reduce our dependency on the imports, which implies that the department will focus on increasing the capacity of the industry to meet the domestic demand.

## **Segment-wise Performance**

Your Manufacturing Segment has seen the decline in the production figures by 5.19% vis a vis financial year 2016-17.

The overall Profits Before Interest and Tax of your company has increased by 47.67% as compared to previous financial year 16-17. In this growth of PBIT 68.58% was contributed by the Manufacturing Segment and 31.42% by Trading Segment.

Your Company's overall Profit After Tax for financial year 2017-18 was Rs. 354.72 lacs against Rs. 193.48 lacs in financial year 2016-17.

The Total Comprehensive Income of your company for financial year 2017-18 was Rs. 355.67 lacs against Rs. 189.23 lacs in financial year 2016-17.

## **Opportunities, Threats, Risks and Concerns**

The manufacturing industry and the demand thereof are influenced by general economic conditions, including, among other things, rates of economic growth, credit availability, Infrastructure spending, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. Negative trends in any of these factors impacting the regions where the Company operates could materially and adversely affect the results of operations and scalability of the Company's business financially. Your Company recognizes that every business have its inherent risks and what is required is a proactive approach to identify and mitigate them in time, so that they do not impact the business negatively. We endeavor to regularly scan the internal and external environment to identify risks and decide on possible mitigation measures and costs for overcoming them and incorporate them in Company's strategic, business and operational plans. The Company has developed systems and processes to map the risks across segments, products and geographies and respond effectively to counter them and achieve the organizational goals. Sustained action is taken to further strengthen the system.

## **ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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### **Financial Performance**

Financial performance achieved by your Company, during the year under review, is as disclosed in this Report under the heads “Financial Results” and “Overview of the Financial Performance”.

### **Internal Control Systems and Adequacy**

Your Company has effective and adequate internal control systems which ensure reliable and accurate financial reporting, safeguarding of assets, keeping constant check on cost structure and adhering to management policies.

The Company is committed to good corporate governance practices and has well defined systems and processes covering all corporate functions and units. The internal controls are commensurate with the size, scale and complexity of our operations and facilitate timely detection of any irregularities and early remedial steps against factors such as loss from unauthorized use and disposition. Company policies, guidelines and procedures provide for adequate checks and balances which are meant to ensure that all transactions are authorized, recorded and reported correctly. The internal controls are continuously assessed and improved/modified to meet changes in business conditions, statutory and accounting requirements.

Statutory Auditors of the Company has audited the financial statements included in this annual report and has issued report on our internal control over financial reporting (as defined in section 143 of the Act.)

Independent Internal Auditors appointed by the Company performs regular audits and checks the operating effectiveness of the Internal Control system to provide a credible assurance to the Audit Committee regarding the adequacy and effectiveness of the internal control system. The Internal Controls are upgraded based on Internal Audit recommendations. Every quarter significant audit findings, the corrective steps recommended and their implementation status are presented to the Audit Committee of the Board of Directors of the Company.

### **Human Resource and Industrial Relations**

As on March 31, 2018, the Company had a total head count of 126. The Directors wish to place on record their appreciation for the contributions made by the employees to the Company during the year under review at all levels.

During the year under review, industrial relations in the factory/plant were cordial and pro-active and all employees and the Union supported productivity and process improvement measures undertaken at all the functions of the Company.

The Company has in place Health, Safety and Environment policy for Mahad operations.

### **Credit Rating**

The Company enjoys a good reputation for its sound financial management and the ability to meets its financial obligation. Acuite Rating & Research, a reputed rating agency, has assigned BBB- (stable) rating for long-term and A3 rating for short-term.

### **PARTICULARS OF EMPLOYEES**

Information as per section 197 of the Act, read with the Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, forms part of this report as "**Annexure A**".

Further, none of the employees of the Company were in receipt of remuneration in excess of the limits as set out under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time.



## AUDITORS

### STATUTORY AUDITORS AND AUDITORS REPORT

M/s. R A Maru & Associates, Chartered Accountants (Firm registration No. 141914W) were appointed as statutory auditors of the Company at the 25<sup>th</sup> AGM held on September 22, 2017, for a period of five years from the conclusion of the 25<sup>th</sup> AGM until the conclusion of the 30<sup>th</sup> AGM, subject to ratification by Members of the Company at every AGM to be held thereafter. However, pursuant to notification issued by the Ministry of Corporate Affairs on May 7, 2018 amending section 139 of the Act and the rules framed thereunder, the mandatory requirement for ratification of appointment of auditors by the Members at every AGM has been omitted and accordingly, the Company is not proposing ratification of appointment of auditors at this AGM.

The Audit Report for the financial year 2017-18 does not contain any qualification, reservation or adverse remarks.

### COST AUDITORS AND COST AUDIT REPORT

The Board of Directors, on recommendation of the audit committee, has re-appointed M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration No. R100675) as Cost Auditors of the Company, for the financial year 2018-19, for conducting the audit of Cost Records maintained by the Company relating to "Chemical Division" at remuneration as mentioned in the notice convening the AGM of the Company.

A resolution seeking Member's ratification for the remuneration payable to the Cost Auditors for the financial year 2018-19 forms part of the notice of the 26<sup>th</sup> AGM of the Company and the same is recommended for your consideration and approval.

The Cost Audit Report for the financial year ended March 31, 2017 issued by M/s. N. Ritesh & Associates, Cost Accountants, was filed on September 26, 2017 by the Company. The Cost Audit Report for the financial year ended March 31, 2018 will be filed in due course.

As per the requirements of Section 148(1) of the Act, the Cost Accounts and Records of the Company are duly made and maintained during the financial year 2017-18.

### SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

M/s. Jay Mehta & Associates, Company Secretaries were appointed as secretarial auditors to conduct the secretarial audit of the Company, for the financial year 2017-18.

The Secretarial Audit Report in Form MR-3 is annexed to this report as "**Annexure B**".

The Secretarial Audit Report for the financial year 2017-18, contains the following qualification, reservation or adverse remarks:

(a) *The composition of the Board of Directors of the Company is not in accordance with the provisions of Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

#### **Board's Explanation / Comments on above remarks:**

The Company is looking for suitable person to induct on the Board of the Company as an Independent Director and to comply with the provisions of Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(b) *The Chief Financial Officer had resigned w.e.f. 1st May 2017. In accordance with the provisions of section 203(4) of the Companies Act, 2013, the said vacancy was required to be filled by the Board within a period of six months from the date of*

## **ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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*such vacancy. However, the Company has not filled the said vacancy within the time period prescribed under section 203(4) of the Companies Act, 2013.*

### **Board's Explanation / Comments on above remarks:**

The Company was looking for suitable person to be appointed as Chief Financial Officer (CFO) of the Company. However, during the year under review, in absence of CFO, the Board of Directors designated Mr. Vaize Ahmed Kampli, Manager - Finance & Accounts, who is looking after Finance and Accounts of the Company as Key Managerial Personnel of the Company w.e.f February 12, 2018.

Subsequent to the year under review, the Board of Directors, on the recommendation of Nomination and Remuneration Committee and Audit Committee and considering his financial and accounting expertise, appointed Mr. Vaize Ahmed Kampli as Chief Financial Officer of the Company w.e.f. August 14, 2018.

Accordingly, the Company has complied with Section 203 of the Act.

### **INTERNAL AUDITORS AND INTERNAL AUDIT REPORT**

M/s. N.P. Patwa & Co, Chartered Accountants, were re-appointed as Internal Auditors of the Company for the Financial Year 2017-18. The Audit Committee reviews the Findings made by the Internal Auditors in their Report on quarterly basis and makes necessary recommendations to the management.

### **REPORTING OF FRAUDS**

There have been no instances of fraud reported by the statutory auditors under section 143(12) of the Act and rules framed thereunder either to the Company or to the central government.

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

In accordance with the provisions of Section 177(9) of the Act read with Regulation 22 of SEBI LODR Regulations, the Company has formulated and adopted vigil mechanism / Whistle Blower policy to enable the Directors and employees to report about unethical behavior and instances of fraud or mismanagement, if any. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.

The policy can be accessed at the website of the Company at [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

During the year under review, no complaint has been received under the Whistle Blower Policy (Vigil Mechanism).

### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Particulars of loans, guarantees and investments covered under Section 186 of the Act, form part of the notes to the financial statements provided in this annual report.

### **TRANSACTIONS WITH RELATED PARTY**

The Company has formulated a policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The said policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

During the year under review, the Company has not entered into any transactions with related parties. Accordingly, the disclosure



under section 134(3)(h) in Form AOC-2 is not applicable.

### **CORPORATE SOCIAL RESPONSIBILITY**

In compliance with the provisions of section 135 of the Act, the Board of Directors of the Company has formed a Corporate Social Responsibility (CSR) Committee and has also framed a CSR Policy.

The terms of reference, details of meetings held during the year, attendance of Members and details pertaining to composition of CSR Committee are included in Corporate Governance Report, which forms part of this Report.

The detailed report about CSR activities undertaken during the year is annexed as "**Annexure - C**", as required under the Companies (Corporate Social Responsibilities Policy) Rules, 2014.

The CSR policy can be accessed at the website of the Company at [www.ashokalcochem.com/InvestorUpdate.html](http://www.ashokalcochem.com/InvestorUpdate.html)

### **RISK MANAGEMENT POLICY**

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. In line with corporate best practices, the Company assesses the risks in the internal and external environment which will monitor, evaluate and execute all mitigation actions in this regards and takes all measures necessary to effectively deal with incidences of risk. Adequate risk management framework capable of addressing the risks is in place.

### **EXTRACT OF THE ANNUAL RETURN**

The extract of the Annual Return as provided under section 92(3) of the Act and prescribed in Form No. MGT- 9 of the Companies (Management and Administration) Rules, 2014, is annexed as "**Annexure - D**" to this Report.

### **AUDIT COMMITTEE**

The terms of reference, details of meetings held during the year, attendance of Members and details pertaining to composition of Audit Committee are included in Corporate Governance report, which forms part of this Report.

During the year under review, the board has accepted all recommendations of audit committee and accordingly no disclosure is required to be made in respect of non-acceptance of any recommendation of the audit committee by the Board.

### **CORPORATE GOVERNANCE**

Your Company observes high standards of corporate governance in all areas of its functioning with strong emphasis on transparency, integrity and accountability. As required under the SEBI LODR Regulations, a detailed report on corporate governance along with the auditors' certificate thereon forms part of this report as "**Annexure - E**".

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TILL THE DATE OF THE REPORT**

There have been no material changes and commitments which have occurred between the end of financial year till the date of this report affecting the financial position of the Company.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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### **PUBLIC DEPOSITS**

The Company has not accepted any deposit, within the meaning of Section 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

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

There have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and the operations of the Company.

### **DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company has zero tolerance towards any action on the part of any employee which may fall under the ambit of 'Sexual Harassment' at workplace, and is fully committed to uphold and maintain the dignity of every woman employee working in the Company.

The Company's Policy provides for protection against sexual harassment of women employees at workplace and for prevention and redressal of such complaints. The Company has constituted Internal Complaints Committee.

During the year under review, the Company has not received any complaints regarding sexual harassment.

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

In terms of Rule 8 (3) of the Companies (Accounts) Rules, 2014, the required details are as below:

#### **Conservation of energy:**

##### **(i) The steps taken or impact on conservation of energy**

Your Company is committed to ensure a clean & green, pollution free environment as well a safe and healthy work place at all locations of the Company. Your Company has made all efforts to optimize the use of energy and minimize its wastage. To ensure minimum consumption of energy for a given level of production, operating parameters of production have been standardized. The Key Initiatives towards conservation of Energy were:

- | Internal periodic energy audits to improve energy performance and benchmarks.
- | The advance technology of Steam Turbine and upgradation of cooling tower and the high efficient motors replacement has enhanced the energy conservation to a greater extent.
- | Change of CFL to LED at plant.

##### **(ii) The steps taken by the Company for utilising alternate sources of energy**

Major energy conservation initiatives had been taken for steam saving which has helped the Company to reduce the Coal consumption which in turn resulted in to reduction of emission of CO<sub>2</sub> in atmosphere.

##### **(iii) The capital investment on energy conservation equipment - Nil**



### Technology absorption:

The Company is constantly trying to provide its customers with products that incorporate latest available materials and technology are preferred, efforts are being made, wherever possible, to make use of best contemporary technology.

- (i) Efforts made towards Technology Absorption: We have developed the new technology for the engineering modification required in the plant for the consumption of the imported alcohol as a raw material.

The Company's R & D department is making constant efforts in absorbing and updating themselves with the technological advancements in the product portfolio of the Company.

- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: With the source of raw material and the plant modification, we are able to improve the product quality with the yield of the raw material.

- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(a) the details of technology imported - NA

(b) the year of import - NA

(c) whether the technology been fully absorbed - NA

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof - NA

- (iv) The expenditure incurred on Research and Development - Rs. 4,91,467/-

### Foreign exchange earnings and outgo

(Amount in Rs. )

	2017-2018	2016-2017
i. Foreign Exchange used	4,26,742	2,90,18,244
ii. Foreign Exchange earned	25,67,50,488	29,07,98,816

### ACKNOWLEDGMENT

The Board take this opportunity to express and place on record their appreciation for the continued support, cooperation, trust and assistance extended by shareholders, employees, customers, principals, vendors, agents, bankers, financial institutions, suppliers, distributors and other stakeholders of the Company.

For and on behalf of the Board

Place: Mumbai  
Date: August 14, 2018

Sd/-  
Purab Shah  
Executive Director & CEO

Sd/-  
Sunil Shah  
Director

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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### “Annexure A”

#### **Particulars of Employees:**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

#### **a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:**

Name of Director	Ratio to median Remuneration
Mr. Purab Shah, Executive Director & CEO	8.58

#### **b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year**

Name	% increase in remuneration in the financial year
Mr. Purab Shah, Executive Director & CEO	6%
Ms. Seema Gangawat, Company Secretary	4%

#### **c. The percentage increase in the median remuneration of employees in the financial year: -5.40%**

#### **d. The number of permanent employees on the rolls of Company: 126**

#### **e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

During the course of year, the total increment pegged approximately at 9.23% after accounting for promotion and other event based compensation revisions.

Increase in the managerial remuneration for the year was 6%.

#### **f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

The information required under Section 197 of the Act read with rule 5 sub rule (2) & sub rule (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, are given below:



**A) Top Ten Employees of the Company (in terms of remuneration drawn):**

Sr. No	Name of Employee	Designation	Remuneration Received	Nature of employment (Contractual or otherwise)	Date of commencement of employment	age of employee	the last employment held by such employee	% of equity shares held	Whether relative of any director / manager of the Company
1	Mr.Purab D Shah	Executive Director	2974565	Payroll	09-07-2013	41	Business	0	NO
2	Mr. Shivanand S. Kalgi	AGM-Plant	2064828	Payroll	03-02-2014	40	Eternis (erstwhile HPFL)	0	NO
3	Mr. Shamrao D. Khot #	AGM Maintenance	1862856	Payroll	05-10-2015	53	Vinati Organics Ltd	0	NO
4	Mr. Parshuram M. Chavan	Sr. Manager QC/QA	1315608	Payroll	01-01-2015	52	BEC Chemicals	0	NO
5	Mr. Prasad V. Alpe	R & D - Sr. Manager	1108943	Payroll	21-11-2013	47	Aarti Industries Ltd.	0	NO
6	Mr. Kishor. P. Joshi	Production Manager	1086564	Payroll	27-11-2006	40	Satyam Petrochem	0	NO
7	Ms. Seema Gangawat	Co. Secretary	1071324	Payroll	01-04-2013	38	Kingfisher Airlines Limited	0	NO
8	Mr. Vaize Ahmed Kampli	Manager - Finance & Accounts	1055004	Payroll	21-11-2016	38	Middle East Mining Resources DMCC	0	NO
9	Rahul Wani *	Manager - purchase	1042728	Payroll	01-11-2017	42	Asahi India Ltd.	0	NO
10	Mr. Kartikprasad M. Prajapati **	Deputy Manager Marketing	900157	Payroll	17-09-2012	38	Pornpure Chem Pvt. Ltd.	0	NO

# Resigned w.e.f. 5-5-2018

\*- joined w.e.f. 1-11-2017

\*\* Resigned w.e.f. 8-12-2017

**B) Employees drawing remuneration above specified limits - NA**

**"Annexure - B"**

**Form No. MR-3**

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

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

To,  
The Members,  
**ASHOK ALCO-CHEM LIMITED,**  
104, Venkatesh Chambers, 1<sup>st</sup> Floor,  
Ghanshyam Talwatkar Marg, Fort,  
Mumbai - 400001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ashok Alco-Chem Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit period)



- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) License for Manufacturing from the Ministry of Commerce & Industry, Secretariat for Industrial Assistance and other Sector specific Act/Rules/Regulations, as applicable to the Company, as per the representations made by the Management.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited.

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

- a) *The composition of the Board of Directors of the Company is not in accordance with the provisions of Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*
- b) *The Chief Financial Officer had resigned w.e.f. 1st May 2017. In accordance with the provisions of section 203(4) of the Companies Act, 2013, the said vacancy was required to be filled by the Board within a period of six months from the date of such vacancy. However, the Company has not filled the said vacancy within the time period prescribed under section 203(4) of the Companies Act, 2013.*

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (*except as stated above*). The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there was no event / action which has major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. referred to above.

For **Jay Mehta & Associates**  
**Company Secretaries**

Sd/-  
**Jay Mehta**  
**Proprietor**

FCS No.: 8672  
C.P. No.: 8694

Date: August 14, 2018  
Place: Mumbai

**"ANNEXURE C"**  
**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY**  
**{Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014}**

<b>1.</b>	<p><b>A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs</b></p>	<p>Your Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society where we operate, to conserve natural resources and to develop sustainable products.</p> <p>The CSR Commitment of your Company is centered around three areas viz. Women Empowerment, Promoting Education and Promoting Healthcare.</p> <p>The CSR Policy of the Company is available on the Company's website at <a href="http://www.ashokalcochem.com/InvestorUpdate.html">http://www.ashokalcochem.com/InvestorUpdate.html</a></p> <p><b>Brief overview of CSR projects/programmes</b></p> <p>Some of the key CSR projects/programmes of Ashok Alco-Chem Limited during 2017-18 are as follows:</p> <p><b>Women Empowerment:</b> The Company's CSR projects /programmes on Women Empowerment are intended to equip women with skills and providing livelihood for a secure future.</p> <p><b>Education:</b> The Company's CSR projects/programmes on Education are intended to support promoting and providing access to basic education for underprivileged children. The Company's CSR projects/programmes included expenditure for installation of computers with printers.</p> <p><b>Healthcare:</b> The Company's CSR projects/programmes on Education are intended to promote better health by providing medical assistance to under privilege civilization.</p>
<b>2.</b>	<p><b>The Composition of the CSR Committee</b></p>	<p>The Company has a CSR Committee of directors comprising of:</p> <ul style="list-style-type: none"> <li>▮ Mr. Manoj Ganatra - Chairman</li> <li>▮ Mr. Sunil Shah - Member</li> <li>▮ Mr. Purab Shah - Member</li> </ul>
<b>3.</b>	<p><b>Average net profit of the Company for last three financial year</b></p>	<p>Rs. 14,95,06,475</p>
<b>4.</b>	<p><b>Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)</b></p>	<p>Rs. 29,90,129</p>
<b>5.</b>	<p><b>Details of CSR Spend during the financial year</b></p>	
	<p><b>a) Total amount to be spent for the financial year</b></p>	<p>Rs. 29,90,129</p>
	<p><b>b) Total amount spent during the year</b></p>	<p>Rs. 30,34,450</p>
	<p><b>c) Amount unspent, if any</b></p>	<p>Not Applicable</p>



Manner in which the amount was spent during the financial year is detailed below

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2) Overheads:	(7) Cumulative expenditure upto to the reporting period	(8) Amount spent: Direct or through implementing agency
1.	Promoting Education	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Mahad, Maharashtra	5,00,000	5,34,450	5,34,450	Through Implementing Agency
			Bhuj- Kutch, Gujarat	3,00,000	3,00,000	3,00,000	
2.	Promoting Health care	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation Including contribution to the Swach Bharat Kosh set-up by the central government for the promotion of sanitation and making available safe drinking water.	Mahad, Maharashtra	2,00,000	2,00,000	2,00,000	Through Implementing Agency
			Bhuj -Kutch, Gujarat	8,00,000	8,00,000	8,00,000	
3.	Women Empowerment	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Mahad, Maharashtra	1,00,000	1,00,000	1,00,000	Through Implementing Agency
			Bhuj - Kutch, Gujarat	11,00,000	11,00,000	11,00,000	
		<b>Total</b>		<b>30,00,000</b>	<b>30,34,450</b>	<b>30,34,450</b>	

## **ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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- 6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report - NA**
- 7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.**

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

**Place: Mumbai**

**Date: August 14, 2018**

**sd/-  
Manoj Ganatra  
Chairman of  
CSR Committee**

**sd/-  
Purab Shah  
Executive Director & CEO**



**"Annexure -D"**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24110MH1992PLC069615
2.	Registration Date	18/11/1992
3.	Name of the Company	Ashok Alco-Chem Limited
4.	Category/Sub-category of the Company	Company limited by Shares/ Indian Non-Government Company
5.	Address of the Registered office & contact details	104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai-400001 Phone: Tel - 022-61446900 Fax- 022-66104355 E-mail: secretarial@ashokalcochem.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S Marg, Vikhroli(West), Mumbai- 400083 Phone: Tel - 022-49186000 Fax- 022-49186060 E-mail: rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Chemical Manufacturing	2411	94.79

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1.	Aura Alkalies and Chemicals Pvt. Ltd.	U24299MH2008PTC188070	Holding Company	54.75	2(46)
2.	Ashwa Minerals Private Limited	U14290MH2011PTC219386	Subsidiary Company	100	2(87)

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	1,000	-	1,000	0.02	1,000	-	1,000	0.02	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	2,519,632		2,519,632	54.77	2,519,632	-	2,519,632	54.77	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1):-</b>	<b>2,520,632</b>	<b>-</b>	<b>2,520,632</b>	<b>54.79</b>	<b>2,520,632</b>	<b>-</b>	<b>2,520,632</b>	<b>54.79</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-	-	-
e) Any other...	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter(A) = (A)(1)+(A)(2)</b>	<b>2,520,632</b>	<b>-</b>	<b>2,520,632</b>	<b>54.79</b>	<b>2,520,632</b>	<b>-</b>	<b>2,520,632</b>	<b>54.79</b>	<b>-</b>
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds/UTI	-	100	100	0.00	-	100	100	0.00	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-



Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs/FPIs	-	-	-	-	44,515	-	44,515	0.97	0.97
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	100	100	0.00	44,515	100	44,615	0.97	0.97
<b>2. Non-Institutions</b>									
a) Bodies Corp.	268,542	800	269,342	5.85	277,057	800	277,857	6.04	0.19
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,086,573	184,750	1,271,323	27.64	1,060,262	180,500	1,240,762	26.97	(0.67)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	399,739	-	399,739	8.69	408,161	-	408,161	8.87	0.18
c) Others (specify)									
Hindu Undivided Family	63,328	-	63,328	1.38	52,248	-	52,248	1.14	(0.24)
Non Resident Indians	34,972	5,400	40,372	0.88	26,044	5,400	31,444	0.68	(0.20)
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	35,507	-	35,507	0.77	24,624	-	24,624	0.54	(0.23)
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	1,888,661	190,950	2,079,611	45.21	1,848,396	186,700	2,035,096	44.24	(0.97)

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

Category of Shareholders	No. of Shares held at the beginning of the year[As on 1-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public Shareholding (B)=(B)(1)+(B)(2)	1,888,661	191,050	2,079,711	45.21	1,892,911	186,800	2,079,711	45.21	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>4,409,293</b>	<b>191,050</b>	<b>4,600,343</b>	<b>100.00</b>	<b>4,413,543</b>	<b>186,800</b>	<b>4,600,343</b>	<b>100.00</b>	<b>-</b>

### B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2017)			Shareholding at the end of the year (As on 31.03.2018)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Aura Alkalies and Chemicals Pvt. Ltd	2,518,632	54.75	-	2,518,632	54.75	-	-
2	HK Dealers Pvt. Ltd.	1,000	0.02	-	1,000	0.02	-	-
3	Sunil Shah	1,000	0.02	-	1,000	0.02	-	-
	<b>Total</b>	<b>2,520,632</b>	<b>54.79</b>	<b>-</b>	<b>2,520,632</b>	<b>54.79</b>	<b>-</b>	<b>-</b>



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

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year.	
		No. of Shares	% of total shares of Company	No. of Shares	% of total shares of Company
1	Aura Alkalies and Chemicals Pvt. Ltd. At the beginning of the year (01.04.2017) Changes during the year At the end of the year (31.03.2018)	NO CHANGE			
2	HK Dealers Pvt. Ltd. At the beginning of the year (01.04.2017) Changes during the year At the end of the year (31.03.2018)				
3	Sunil Shah At the beginning of the year (01.04.2017) Changes during the year At the end of the year (31.03.2018)				

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Kodai Investment and Trading Co. Pvt. Ltd.</b>  At the beginning of the year (01.04.2017)  Changes during the year  At the end of the year (31.03.2018)	217109  -  -	4.72  -  -	217109  -  217109	4.72  -  4.72

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2	<b>Subramanian P</b>				
	At the beginning of the year (01.04.2017)	89743	1.95	89743	1.95
	Acquired on 21.04.2017	1047	-	90790	1.97
	21.07.2017	5884	-	96674	2.10
	28.07.2017	3130	-	99804	2.17
	04.08.2017	2686	-	102490	2.23
	11.08.2017	4765	-	107255	2.33
	18.08.2017	855	-	108110	2.35
	08.09.2017	459	-	108569	2.36
	15.09.2017	2021	-	110590	2.40
	13.10.2017	3300	-	113890	2.48
	27.10.2017	4800	-	118690	2.58
	03.11.2017	5670	-	124360	2.70
	17.11.2017	1890	-	126250	2.74
	24.11.2017	1197	-	127447	2.77
	01.12.2017	243	-	127690	2.78
	15.12.2017	1800	-	129490	2.81
	29.12.2017	900	-	130390	2.83
	12.01.2018	2610	-	133000	2.89
	19.01.2018	2400	-	135400	2.94
02.02.2018	1290	-	136690	2.97	
09.02.2018	943	-	137633	2.99	
16.02.2018	900	-	138533	3.01	
31.03.2018	762	-	139295	3.03	
	At the end of the year (31.03.2018)			139295	3.03
3	<b>Shobhna Anil Kadakia</b>				
	At the beginning of the year (01.04.2017)	153897	3.35	153897	3.35
	Transferred on 29.09.2017	(100)	-	153797	3.34
	27.10.2017	(2283)	-	151514	3.29
	10.11.2017	(11500)	-	140014	3.04
	15.12.2017	(7000)	-	133014	2.89
	22.12.2017	(574)	-	132440	2.88
	05.01.2018	(1680)	-	130760	2.84
	12.01.2018	(10000)	-	120760	2.63
	19.01.2018	(323)	-	120437	2.62
	26.01.2018	(1557)	-	118880	2.58
	16.02.2018	(6501)	-	113404	2.47
	Acquired on 09.02.2018	1025	-	119905	2.61
	At the end of the year (31.03.2018)			113404	2.47



Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	<b>Anil Manilal Kadakia</b>				
	At the beginning of the year (01.04.2017)	60860	1.32	60860	1.32
	Transferred on 07.04.2017	(4063)	-	56797	1.23
	21.04.2017	(529)	-	56268	1.22
	28.04.2017	(1289)	-	54979	1.20
	05.05.2017	(11)	-	54968	1.19
	12.05.2017	(500)	-	54468	1.18
	19.05.2017	(2259)	-	52209	1.13
	07.07.2017	(6000)	-	46209	1.00
	13.10.2017	(110)	-	46099	1.00
	15.12.2017	(3000)	-	43099	0.94
	At the end of the year (31.03.2018)			43099	0.94
5	<b>Chetan Navnitlal Shah</b>				
	At the beginning of the year (01.04.2017)	29,352	0.64	29,352	0.64
	Changes during the year	-	-	-	-
	At the end of the year (31.03.2018)	-	-	29,352	0.64
6	<b>India Max Investment Fund Limited</b>				
	At the beginning of the year (01.04.2017)	-	-	-	-
	Acquired on 15.12.2017	25000	-	25000	0.54
	At the end of the year (31.03.2018)			25,000	0.54
7	<b>Grovsnor Investment Fund Limited</b>				
	At the beginning of the year (01.04.2017)	-	-	-	-
	Acquired on 15.12.2017	9515	-	9515	0.21
	02.02.2018	10000	-	19515	0.42
	At the end of the year (31.03.2018)			19515	0.42

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8	<b>Sejal Sanjay Dalal</b>				
	At the beginning of the year (01.04.2017)	16000	0.35	16000	0.35
	Changes during the year	-	-	-	-
	At the end of the year (31.03.2018)			16,000	0.35
9	<b>Bijal Suresh Dalal</b>				
	At the beginning of the year (01.04.2017)	15000	0.33	15000	0.33
	Changes during the year	-	-	-	-
	At the end of the year (31.03.2018)			15,000	0.33
10	<b>Shri Parasram Holdings Private Limited</b>				
	At the beginning of the year (01.04.2017)	700	0.02	700	0.02
	Acquired on				
	07.04.2017	100	-	800	0.02
	14.04.2017	1100	-	1900	0.04
	23.06.2017	3959	-	5559	0.12
	30.06.2017	541	-	6100	0.13
	07.07.2017	353	-	6453	0.14
	21.07.2017	425	-	1525	0.03
	04.08.2017	2015	-	3540	0.08
	25.08.2017	1101	-	4241	0.09
	15.09.2017	5906	-	9647	0.21
	13.10.2017	200	-	9847	0.21
	17.11.2017	200	-	9847	0.21
	08.12.2017	1975	-	11822	0.26
	22.12.2017	1000	-	11042	0.24
	29.12.2017	800	-	11842	0.26
	05.01.2018	2790	-	14632	0.32
	19.01.2018	4	-	14586	0.32
	16.02.2018	1067	-	15653	0.34



Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during theyear	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Transferred on 02.06.2017	(200)	-	1700	0.04
	16.06.2017	(100)	-	1600	0.03
	14.07.2017	(5353)	-	1100	0.02
	11.08.2017	(400)	-	3140	0.07
	08.09.2017	(500)	-	3741	0.08
	27.10.2017	(60)	-	9787	0.21
	03.11.2017	(140)	-	9647	0.21
	15.12.2017	(1780)	-	10042	0.22
	12.01.2018	(50)	-	14582	0.32
	23.02.2018	(617)	-	15036	0.33
	02.03.2018	(500)	-	14536	0.32
	At the end of the year (31.03.2018)			14536	0.32
11	<b>Sanjaykumar Sarawagi</b>				
	At the beginning of the year (01.04.2017)	12714	0.28	12714	0.28
	Acquired on 16.03.2018	1000	-	13714	0.30
	At the end of the year (31.03.2018)			13714	0.30
12	<b>Sneha Sinha</b>				
	At the beginning of the year (01.04.2017)	13462	0.29	13462	0.29
	Changes during the year	-	-	-	-
	At the end of the year (31.03.2018)			13462	0.29
13	<b>B. Lavanya</b>				
	At the beginning of the year (01.04.2017)	20000	0.43	20000	0.43
	Transferred on 08.09.2017	(5000)	-	15000	0.33
	15.09.2017	(5000)	-	10000	0.22
	At the end of the year (31.03.2018)			10000	0.22

Note:

- 1) Date of Transfer and Acquisition has been considered as the date on which details was provided by the Registrar and Transfer Agent to your Company.
- 2) The details of holding has been clubbed based on PAN.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (i.e. 01.04.2017)		Cumulative Shareholding during the year (i.e. 31.03.2018)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Purab Shah</b>	NIL	NIL	NIL	NIL
2.	<b>Mr. Manoj Ganatra</b>	NIL	NIL	NIL	NIL
3.	<b>Mr. Sunil Shah</b> At the beginning of the year (01.04.2017) Changes during the year At the end of the year (31.03.2018)	1,000 -	0.02 -	1,000 - 1,000	0.02 - 0.02
4.	<b>Ms. Neeta Shah</b>	NIL	NIL	NIL	NIL
5.	<b>Mr. Shekhaar Shetty</b>	NIL	NIL	NIL	NIL
6.	<b>Ms. Seema Gangawat</b>	1	0.00	1	0.00
7.	<b>Mr. Vaize Ahmed Kampli</b>	NIL	NIL	NIL	NIL

### V) INDEBTEDNESS -

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

(Amount in ₹)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,76,89,259	-	-	7,76,89,259
ii) Interest due but not paid	7,46,800	-	-	7,46,800
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	7,84,36,059	-	-	7,84,36,059
<b>Change in Indebtedness during the financial year</b>				
*Addition	8,16,80,628	-	-	8,16,80,628
*Reduction	-	-	-	-
<b>Net Change</b>	8,16,80,628	-	-	8,16,80,628
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	8,24,27,428	-	-	8,24,27,428
ii) Interest due but not paid	4,14,255	-	-	4,14,255
iii) Interest accrued but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>8,28,41,683</b>	-	-	<b>8,28,41,683</b>



**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

(Amount in ₹)

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

**B. Remuneration to other directors**

(Amount in ₹)

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. Manoj Ganatra	Mr. Shekhaar Shetty	Mr. Sunil Shah	Ms. Neeta Shah	
1	Independent Directors			NA	NA	-
	Fee for attending board committee meetings	2,85,000	2,70,000	-	-	5,55,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	2,85,000	2,70,000	-	-	5,55,000
2	Other Non-Executive Directors	NA	NA			
	Fee for attending board committee meetings	-	-	2,85,000	1,40,000	4,25,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	2,85,000	1,40,000	4,25,000
	Total (B)=(1+2)	2,85,000	2,70,000	2,85,000	1,40,000	9,80,000
	Total Managerial Remuneration	NA.	NA	NA	NA	NA
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Purab Shah (CEO*)	Ms Seema Gangawat (CS**)	Mr Vaize Kampli (Designated KMP#)	Mr. V. Shahsidharan (CFO##)	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26,46,420	10,70,263	10,16,595	18,95,332	66,28,610
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	5,000	5,000	5,000	5,000	20,000
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	Others specify...	-	-	-	-	-
5	Others (Allowances & LTA)	6,92,330	37,650	33,409	1,31,868	8,95,257
	<b>Total</b>	<b>33,43,750</b>	<b>11,12,913</b>	<b>10,55,004</b>	<b>20,32,200</b>	<b>75,43,867</b>

\*Remuneration (Net Paid) to Executive Director & CEO: Rs. 30.29 Lakhs.

\*\* Remuneration (Net Paid) to CS: Rs.10.73 Lakhs.

#Remuneration (Net Paid) to Designated KMP : Rs.10.22 Lakhs.

##Remuneration (Net Paid) to CFO :Rs. 6.70 Lakhs. Mr. Shashidharan ceased as CFO w.e.f. May 1, 2017.

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



## “ANNEXURE - E”

### CORPORATE GOVERNANCE REPORT

#### 1. Company's Philosophy on Corporate Governance

Your Company follows the Corporate Governance guidelines and best practices in tune with the guidelines recommended by Securities and Exchange Board of India (SEBI). Your Company considers its responsibility to disclose timely and accurate information regarding its financials, operations, performance as well as governance of the Company.

Your Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value and wealth for its stakeholders without compromising in any way on compliance with the extant laws and regulations. Integrity, transparency, fairness, accountability and compliance are embedded in the Company's business practices. Our endeavor is to follow good governance both in letter as well as in spirit.

#### 2. Board of Directors

##### Size and Composition of the Board

The Board of Directors ("the Board") has an optimum combination of Executive, Non-Executive and Women Director as required under the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI LODR Regulations").

As on March 31, 2018, the Board comprised of Five Directors viz. one (1) promoter Director, one (1) Executive Director, one (1) Woman Director and two (2) Non-Executive Independent Directors.

The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of Independence as mentioned under the provisions of SEBI LODR Regulations read with the relevant provisions of the Act.

The Profiles of the Directors can be found on [https://www.ashokalcochem.com/about\\_us.html#2](https://www.ashokalcochem.com/about_us.html#2)

##### Directors' Attendance and Directorships held

The details of the number of Board Meetings and Annual General Meeting (“AGM”) attended by each director during the year under review and Directorship and/or Membership / Chairmanship of the Committees of Board held by each of them as on March 31, 2018, are given below:

Sr. No.	Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM held on September 22, 2017	No. of other Directorship held <sup>1</sup>	No. of Committee (Other than your Company) in which Chairman / Member <sup>5</sup>
1.	Mr. Purab Shah <sup>1</sup>	Executive Director & CEO	5 of 5	Yes	-	-
2.	Mr. Manoj Ganatra	Non - Executive, Independent	5 of 5	Yes	1	-
3.	Mr. Sunil Shah	Non - Executive Director	5 of 5	Yes	1	-
4.	Mrs. Neeta Shah	Non - Executive Director	5 of 5	No	-	-
5.	Mr. Shekhaar Shetty <sup>2</sup>	Non - Executive, Independent	5 of 5	Yes	-	-
6.	Dr. Umesh Kulkarni <sup>3</sup>	Non - Executive, Independent	NA	NA	-	-

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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Notes:

- 1 Mr. Purab Shah has been re-appointed as Executive Director & CEO for further period of one year w.e.f. April 19, 2018.
- 2 During the year under review, Mr. Shekhaar Shetty has been appointed as an Additional Director (category-Non Executive,Independent) of the Company w.e.f. May 17, 2017 for a period of three years which was subsequently approved by the Members of the Company at AGM held on September 22, 2017.
- 3 During the year under review, Dr. Umesh Kulkarni ceased as Director (category - Non-Executive, Independent) w.e.f. May12, 2017.
- 4 Exclude directorships in Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Act and Alternate Directorships.
- 5 Represents only Membership/Chairmanship of the Audit Committee and the Stakeholders Relationship Committee of Indian Public Companies.

None of the Directors are related to each other except Mr. Sunil Shah and Mrs. Neeta Shah.

Mrs. Neeta Shah is a spouse of Mr. Sunil Shah.

### Number of Board Meetings

During the year under review, Five Board Meetings were held on May 18, 2017, August 11, 2017, September 12, 2017, December 13, 2017 and February 12, 2018. The time gap between two consecutive meetings did not exceed one hundred and twenty days at any point in time. The necessary quorum was present for all the meetings.

### Number of shares held by Non-Executive Directors

The details of shares of the Company held by the Non-Executive Directors as on March 31, 2018 are as follows:

Name of the Director	Category	No. of shares held
Mr. Sunil Shah	Non - Executive Promoter Director	1,000
Mrs. Neeta Shah	Non - Executive Woman Director	Nil
Mr. Manoj Ganatra	Non - Executive Independent Director	Nil
Mr. Shekhaar Shetty	Non - Executive Independent Director	Nil

### Independent Directors

Independent Directors play a vital role in the governance process of the Board. With their expertise in various fields, they enrich the decision making process at the Board.

The appointment of Independent Directors is made in a structured manner. The Nomination and Remuneration Committee identifies potential candidates based on certain criteria and considers the diversity of the Board.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Act and SEBI LODR Regulations.

During the year 2017-18, the Independent Directors met on February 12, 2018, *inter-alia*;

- 1 To evaluate the performance of non-independent directors and the Board as a whole.
- 1 To assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board members to effectively and reasonably perform their duties.
- 1 Other related matters.



### **Familiarization Programmes for Independent Directors**

The Familiarization Programme is an ongoing process. The Company has familiarized its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The Independent Directors are provided with necessary information, documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

The familiarization programme for Independent Directors is disclosed on the Company's website <https://www.ashokalcochem.com/InvestorUpdate.html>

### **Performance Evaluation of the Board and Individual Directors**

In terms of the applicable provisions of the Act, read with Rules made thereunder and the provisions of SEBI LODR Regulations, the annual evaluation of the Board, its Committee and of individual Directors has been made.

The evaluation framework for assessing the performance of Directors, *inter alia*, comprises of the following key areas:

- i. Expertise;
- ii. Objectivity and Independence
- iii. Guidance and support in context of the Company's operations;
- iv. Understanding of the Company's business;
- v. Understanding and commitment to duties and responsibilities;
- vi. Willingness to devote the time needed for effective contribution to Company;
- vii. Participation in discussions in effective and constructive manner at the Meetings;
- viii. Responsiveness in approach;
- ix. Ability to encourage and motivate the Management for continued performance and success.

## **3. Committees of the Board**

### **A. Audit Committee**

#### **Terms of Reference**

The Audit Committee of the Board of Directors of the Company is duly constituted in line with the provisions of Regulation 18 of SEBI LODR Regulations read with Section 177 of the Act.

The terms of reference of the Audit Committee, *inter alia*, includes the following:

- | the recommendation for appointment, remuneration and terms of appointment of auditors viz Statutory Auditors, Internal Auditors and Cost Auditors of the Company;
- | discussion and review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- | review and monitor the auditor's independence and performance and effectiveness of audit process;
- | examination of the financial statement and the auditors' report thereon;
- | approval or any subsequent modification of transactions of the company with related parties;
- | scrutiny of inter-corporate loans and investments;
- | valuation of undertakings or assets of the company, wherever it is necessary;
- | evaluation of internal financial controls and risk management systems;
- | monitoring the end use of funds raised through public offers and related matters;
- | review of Cost Audit Report;
- | to hold periodic discussions with Statutory Auditors and Internal Auditors of the Company concerning the accounts of the Company, Internal Control System, scope of the audit and observations of the Auditors / Internal Auditors;
- | in addition, the powers and role of the Audit Committee are as laid down under SEBI LODR Regulations and the Act and rules made thereunder;
- | any other matter referred to by the Board of Directors.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### Composition and Attendance at Meeting

The Audit Committee of the Board of Directors of the Company comprises of three Directors out of which two are Independent Directors. The members of the Committee are well versed in finance matters, accounts, company law and general business practices.

During the year under review, the Committee met five (5) times on May 18, 2017, August 11, 2017, September 12, 2017, December 13, 2017 and February 12, 2018. The attendance of the members at the meeting is stated below:

Name of Director	Category	No. of Meeting	
		Held	Attended
Mr. Manoj Ganatra (Chairman)	Independent, Non-Executive Director	5	5
Mr. Sunil Shah	Non-Executive Director	5	5
Mr. Shekhaar Shetty <sup>#</sup>	Independent, Non-Executive Director	5	5
Dr. Umesh Kulkarni <sup>*</sup>	Independent, Non-Executive Director	NA	NA

<sup>#</sup> Appointed as a Member of the Committee w.e.f. May 17, 2017.

<sup>\*</sup> Dr. Umesh Kulkarni ceased as a director and consequently a member of this Committee w.e.f. May 12, 2017.

Mr. Manoj Ganatra, Chairman of the Audit Committee, was present at the 25<sup>th</sup> AGM of the Company held on September 22, 2017.

Ms. Seema Gangawat - Company Secretary & Compliance Officer acts as the secretary of the Audit Committee.

### B. Nomination and Remuneration Committee

#### Terms of Reference

The Nomination and Remuneration Committee of the Board of Directors of the Company is duly constituted in line with the provisions of Regulation 19 of SEBI LODR Regulations read with Section 178 of the Act.

The terms of reference of the Committee, *inter alia*, includes the following:

- To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, Key Managerial Personnel and other employees at Senior Management.
- Formulate the policy.
- Undertake any other matter as the Board may decide from time to time.

#### Composition and other details

The Nomination and Remuneration Committee of the Board of Directors of the Company comprises of three Non-Executive Directors out of which two are Independent Directors.

During the year under review, the Committee met two (2) times on May 17, 2017 and February 12, 2018. The attendance of the members at the meeting is stated below:



Name of Director	Category	No. of Meeting	
		Held	Attended
Mr. Manoj Ganatra (Chairman)	Independent, Non-Executive Director	2	2
Mr. Sunil Shah	Non-Executive Director	2	2
Mr. Shekhaar Shetty <sup>#</sup>	Independent, Non-Executive Director	1	1
Dr. Umesh Kulkarni <sup>*</sup>	Independent, Non-Executive Director	NA	NA

<sup>#</sup> Appointed as a member of the Committee w.e.f. May 18, 2017.

<sup>\*</sup>Dr. Umesh Kulkarni ceased as a director and consequently a member of this Committee w.e.f. May 12, 2017.

Mr. Manoj Ganatra, Chairman of the Committee, was present at the 25<sup>th</sup> AGM of the Company held on September 22, 2017 to answer the queries of shareholders.

#### Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors is determined by the Nomination and Remuneration Committee. The performance evaluation was carried out based on the factors viz. attendance and participation by a director, expertise of and knowledge shared by director, maintenance of confidentiality & code of conduct of the Company, duties and responsibilities, maintenance of independence etc.

#### C. Stakeholders Relationship Committee

##### Terms of Reference

The Stakeholders Relationship Committee of the Board of Directors of the Company is duly constituted in line with the provisions of Regulation 20 of SEBI LODR Regulations read with Section 178 of the Act.

The terms of reference of the Committee, *inter alia*, includes the following:

1. Consider and resolve the grievances of the shareholders of the Company, including but not limited to complaints related to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.
1. Set forth the policies relating to and to oversee the implementation of the code of conduct for prevention of Insider Trading.

The Company has appointed Link Intime India Private Limited as its Registrar and Share Transfer Agent (RTA).

##### Composition and other details

The Stakeholders Relationship Committee of the Board of Directors of the Company comprises of three Directors out of which two are Independent Directors:

During the year under review, the Committee met Four (4) times on May 4, 2017, August 11, 2017, November 22, 2017 and March 26, 2018. The attendance of the members at the meeting is stated below:

Name of Director	Category	No. of Meeting	
		Held	Attended
Mr. Manoj Ganatra (Chairman)	Independent, Non-Executive Director	4	4
Mr. Sunil Shah	Non-Executive Director	4	4
Mr. Shekhaar Shetty <sup>#</sup>	Independent, Non-Executive Director	3	3
Dr. Umesh Kulkarni <sup>*</sup>	Independent, Non-Executive Director	NA	NA

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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# Appointed as a member of the Committee w.e.f. May 18, 2017.

\* Dr. Umesh Kulkarni ceased as a director and consequently a member of this Committee w.e.f. May 12, 2017.

Ms. Seema Gangawat, Company Secretary of the Company act as the Compliance Officer of the Company.

### Name, designation & Address of Compliance Officer:

Ms. Seema Gangawat  
Company Secretary & Compliance Officer  
104, Venkatesh Chambers, 1<sup>st</sup> Floor,  
Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.

### Details of investor's complaints received and resolved during the financial year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
Nil	2	2	Nil

There were no pending transfers/grievances as on March 31, 2018.

### D. Corporate Social Responsibility Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company is duly constituted in line with the provisions of Section 135 of the Act.

#### Terms of Reference

The terms of reference of the Committee, inter alia, includes the following:

- | Recommend the amount of expenditure to be incurred on the CSR activities;
- | Monitor, implementation and adherence to the CSR Policy of the Company from time to time;
- | Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
- | Such other activities as the Board may determine from time to time.

#### Composition and other details

The Chairman of the Committee is Mr. Manoj Ganatra. The other members are Mr. Sunil Shah and Mr. Purab Shah. The Company Secretary is the Secretary of the Committee.

During the year ended March 31, 2018, the Committee met once on August 11, 2017. All the members were present at the meeting.

### 4. Remuneration of Directors

#### I) Non-Executive Directors & Independent Directors

The Company has no pecuniary relationship or transaction with its Non-executive Directors & Independent Directors other than payment of sitting fees for attending the meetings of the Board and its Committees.

Sitting fees paid to Non-Executive Directors & Independent Directors are within limits as provided in the Act.

The details of sitting fees paid to Non- Executive Directors & Independent Directors for the year ended March 31, 2018 are as under:



Name of Director(s)	Sittings fees paid for attending Board/Committee Meetings (Rs.)
Mr. Manoj Ganatra	2,85,000
Mr. Sunil Shah	2,85,000
Mrs. Neeta Shah	1,40,000
Mr. Shekhaar Shetty	2,70,000
<b>Total</b>	<b>9,80,000</b>

#### Criteria of making payments to Non-Executive Director

While fixing the remuneration for Directors, the Company shall consider industry benchmarks and the competence of the persons and ensure that the level and composition of the remuneration is reasonable and sufficient to attract, retain and motivate them.

#### II) Executive Director

The remuneration paid to Mr. Purab Shah, Executive Director & CEO, was approved by the Board and shareholders are within the overall limit fixed under the law and in compliance with Schedule V of the Act.

Presently, the Company do not have stock option scheme for its employees/directors.

The details of Remuneration paid to Executive Director for the year ended March 31, 2018 are as under:

Name of the Directors	Salaries & Perquisites including allowance (p.a.)	Tenure as per agreement upto	Notice Period
Mr. Purab Shah (designated as Executive Director & CEO)	Salary: Rs. 20,88,024 Perquisites & Allowance: Rs. 8,86,548 Total Rs. 29,74,572*	Re-appointed for a further period of one year w.e.f. April 19, 2018.	3 months

\* Terms of re-appointment including Remuneration:

1. He shall be entitled to encashment of earned leave at the end of his tenure as per Company's Rules/Policies, from time to time.
2. Additionally, he shall be entitled to annual/performance increments/incentives as shall be approved by the Board of Directors of the Company and which shall be within the limits as prescribed under Schedule V and other applicable provisions, if any, of the Act.
3. He shall not be paid any fees for attending meetings of the Board of Directors and/or any Committee thereof.
4. He shall not be liable to retire by rotation.

#### 5. General Body Meetings

Particulars of Annual General Meetings held and Special Resolution passed during the last three years:

Financial Year	Date	Time	Venue	Special Resolution passed
2014-15	25.09.2015	11.00 am	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai -400001	Approval for alteration in Articles of Association under section 14 of the Companies Act, 2013
2015-16	22.09.2016			No Special Resolution passed in this Annual General Meeting.
2016-17	22.09.2017			No Special Resolution passed in this Annual General Meeting.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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All the resolutions as set out in the notices were passed unanimously/by requisite majority by the members of the Company.

### **Postal Ballot**

During the year under review, your Company has not conducted any postal ballot for passing any resolution.

Resolutions, if any, to be passed through Postal Ballot during the financial year 2018-19 will be taken up as and when necessary.

## **6. Means of Communication**

### **A) Publication of quarterly results**

The Quarterly, Half Yearly and Annual Financial Results of the Company are published in Free Press Journal (English) and Navshakti (Marathi) newspapers as required under Regulation 47 of the SEBI LODR Regulations.

### **B) Website**

The Company's website contains a separate dedicated section for "Investor Update" which provides comprehensive information for Members like copies of the Annual Report, quarterly, half yearly and annual financial results, Stock Exchange filings, corporate governance policies and descriptions about the Company, the Board of Directors and Management. Members may visit the website at [www.ashokalcochem.com](http://www.ashokalcochem.com)

### **C) Filing with Stock Exchange**

All periodical compliances required to be filed with the stock exchanges, such as the Corporate Governance Report, Shareholding Pattern and other corporate announcements, are filed electronically with the BSE Limited.

### **D) Presentations(s) to Analysts and Institutional Investors**

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

## **7. Other Disclosures**

### **a) Related Party Transaction**

In terms of the Regulation 23(1) of the SEBI LODR Regulations, the Board has approved a policy for related party transactions which has been uploaded on the Company's website <https://www.ashokalcochem.com/InvestorUpdate.html>

During the year under review, the Company has not entered into any transaction with its related parties. Refer to Note No. 38 to the Financial Statements for disclosure of related parties.

### **b) Non-compliance/Strictures/Penalties/Imposed**

Your Company has complied with all the statutory requirements comprised in the Listing Agreement/ Regulations / Guidelines / Rules of the Stock Exchanges / SEBI except for the following:

*The composition of the Board of Directors of the Company is not in accordance with the provisions of Regulation 17(1) (b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.*

The Board's reply to the above non-compliance has been duly mentioned in the Directors Report.

There were no instances of non-compliance by your Company nor have any penalties, strictures have been imposed by stock exchanges or SEBI or any statutory authorities, on any matter related to capital markets, during the last three years.

### **c) Vigil Mechanism and Whistle Blower Policy**

Pursuant to the provisions of Section 177 of the Act and Regulation 22 of SEBI LODR Regulations, the Company has



adopted a Whistle Blower Policy and has established the necessary vigil mechanism to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The mechanism provides for adequate safeguard against victimization of Director(s)/employee(s) who avail of the mechanism and provides for direct access to the Chairman of the Audit Committee in exceptional cases. We affirm that no employee / personnel of the Company were denied access to the Chairman of the audit committee. The said policy is available on the Company's website at <https://www.ashokalcochem.com/InvestorUpdate.html>

**d) Details of Compliance with Mandatory requirements and adoption of Non Mandatory Requirements**

The Company has complied with all the applicable mandatory requirements except as stated above. The status of adoption of Non-mandatory requirement provided under Schedule II Part (E) of the SEBI LODR Regulation is as below;

**I. Shareholder Rights**

The Company publishes its quarterly/half yearly and annual financial results in English and Marathi newspapers. The financial results and significant events, if any, are communicated by the Company to the Stock Exchange and are also uploaded on its website i.e. <https://www.ashokalcochem.com/InvestorUpdate.html>

**ii. Modified opinion(s) in audit report**

The Company's financial statements for the financial year 2017-18 does not contain any modified audit opinion.

**iii. Reporting of Internal Auditor**

The internal Auditor reports directly to the Audit Committee and attends the Audit Committee meetings and interacts directly with the Audit Committee members.

**e) The Company has adopted policy on Determination of Material Events and Policy for preservation of Documents.**

The said policy can be accessed at <https://www.ashokalcochem.com/InvestorUpdate.html>

**f) Subsidiary Company**

The Company has a policy on Material Subsidiary and the same is available on the website <https://www.ashokalcochem.com/InvestorUpdate.html>

The Audit Committee reviews the consolidated financial statements of the Company and the investment made by its unlisted subsidiary Company. The minutes of the Board Meetings of the subsidiary company are periodically placed before the Board Meeting of the Company.

The Company does not have any material subsidiary.

**g) Code of Conduct**

The members of the board and senior management personnel have affirmed the compliance with Code of conduct applicable to them during the year ended March 31, 2018. The Certificate is annexed and forms part of this Annual Report.

**h) CEO/CFO Certification**

As required under Regulation 17(8) of SEBI LODR Regulations, the CEO/CFO certificate for the financial year ended March 31, 2018, signed by Mr. Purab Shah, Executive Director and CEO and Mr. Vaize Kampli, Manager- Finance & Accounts of the Company, is annexed and forms part of this report.

**i) Compliance with Corporate Governance requirements**

Except otherwise stated, the Company confirms with the Compliance of Corporate Governance requirements specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI LODR Regulations.

**ASHOK ALCO-CHEM LIMITED**

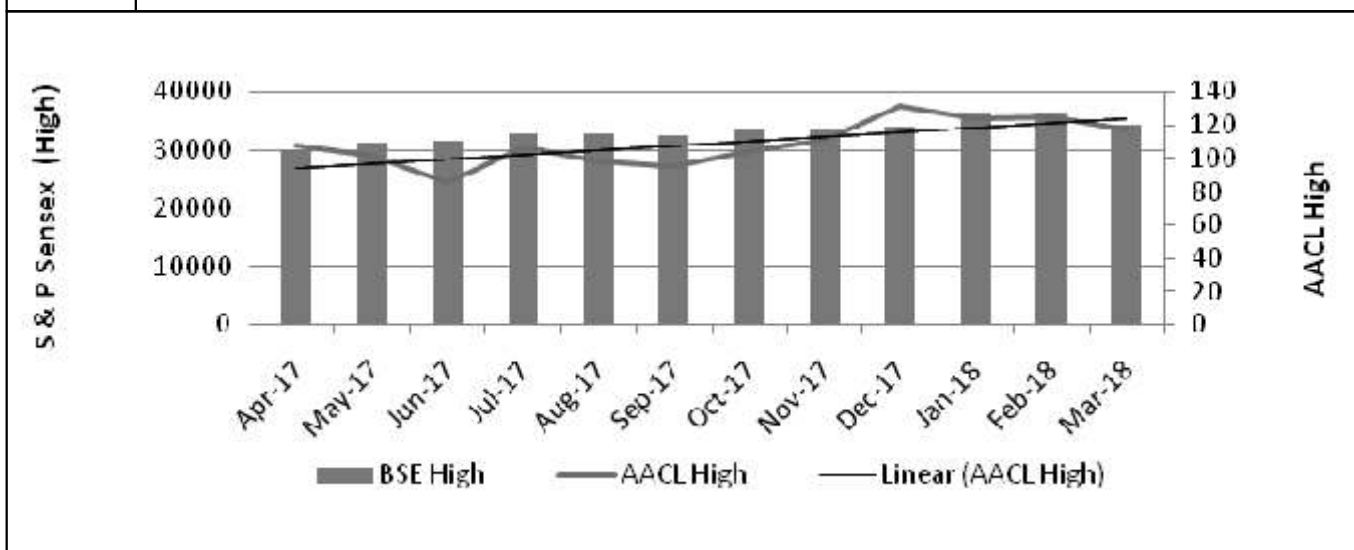
Annual Report 2017-2018

**11. General Shareholder Information**

i	26 <sup>th</sup> Annual General Meeting	
	Date	Monday, September 24, 2018
	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	The financial year covers the period from 1 <sup>st</sup> April to 31 <sup>st</sup> March
iii	Date of Book Closure	Tuesday, September 18, 2018
iv	Dividend Payment Date	Dividend would be paid on or after September 25, 2018, subject to the approval by shareholders at the ensuing Annual General Meeting.
v	Listing on Stock Exchange	Listed on: BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai -400 001  The requisite listing fee for the financial year 2018-19 has been paid to BSE Limited
vi	Stock Code	524594
vii	ISIN No.	INE994D01010
viii	Scores	The Company is registered with SEBI Scores
ix	Financial Calendar (tentative) for the period April 1, 2018 to March 31, 2019 is as given below:	
	Financial Reporting for the quarter ending June 30, 2018	On or before August 14, 2018
	Financial Reporting for the quarter ending September 30, 2018	On or before November 14, 2018
	Financial Reporting for the quarter ending December 31, 2018	On or before February 14, 2019
	Audited Financial Results for the quarter and year ending on March 31, 2019	On or before May 30, 2019



Months	Rate (Rs.)		Indices (Rs.)	
	High	Low	High	Low
April 2017	108.00	90.80	30184.22	29241.48
May 2017	100.95	75.00	31255.28	29804.12
Jun 2017	84.95	75.10	31522.87	30680.66
Jul 2017	106.75	77.00	32672.66	31017.11
Aug 2017	98.70	82.10	32686.48	31128.02
Sept 2017	95.00	80.00	32524.11	31081.83
Oct 2017	104.80	80.00	33340.17	31440.48
Nov 2017	110.90	92.05	33865.95	32683.59
Dec 2017	131.45	90.60	34137.97	32565.16
Jan 2018	123.90	98.65	36443.98	33703.37
Feb 2018	125.00	92.00	36256.83	33482.81
Mar 2018	117.00	92.15	34278.63	32483.84



xi	Registrar and Share Transfer Agent:	<p><b>Link Intime India Pvt. Ltd.</b>  C-101, 247 Park,  L. B. S. Marg, Vikhroli (West)  Mumbai - 400 083.  Tel No. 022 - 49186000  Fax No: 022 - 49186060  Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>
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## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

		<p>For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to our RTA at the aforesaid address.</p> <p>The e-mail ID, <a href="mailto:secretarial@ashokalcochem.com">secretarial@ashokalcochem.com</a> has been created for redressal of investor complaints and the same is disclosed on the Company's website.</p>			
xii	Share Transfer System:	<p>Your Company's shares are traded on the stock exchange in Demat Mode as well as in Physical Mode.</p> <p>In Demat Mode: The transfers are effected through NSDL &amp; CDSL. Majority of the Share Transfer takes place in this form.</p> <p>*In Physical Mode: Applications for transfer of shares held in physical form are received at the office of the Registrars &amp; Share Transfer Agents of the Company. All valid transfers are processed and registered within 15 days from the date of receipt.</p> <p><b>* Note:</b> SEBI vide notification dated June 8, 2018, has mandated that securities of listed companies shall be transferred only in dematerialized form from December 5, 2018. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form.</p>			
xiii	Distribution of Shareholding: The distribution of shareholding as on March 31, 2018				
	<b>Share Range (from - to)</b>	<b>No. of Shareholders</b>	<b>% of total Shareholders</b>	<b>No. of Shares held</b>	<b>% of Total issued capital</b>
	1-500	4452	89.54	572898	12.45
	501-1000	274	5.51	220868	4.80
	1001-2000	131	2.64	193798	4.21
	2001-3000	41	0.83	104773	2.28
	3001-4000	21	0.42	74667	1.62
	4001-5000	14	0.28	62584	1.36
	5001-10000	23	0.46	167802	3.65
	10001 & above	16	0.32	3202953	69.62
	<b>Total</b>	<b>4972</b>	<b>100.00</b>	<b>4600343</b>	<b>100.00</b>



Category Wise Distribution of Shareholdings as on March 31, 2018																												
Sr. No.	Category	No of Share holders	% of Share Holdings	No of Shares held																								
1	Promoter and Promoter Group	3	54.79	2520632																								
2	Mutual Funds	1	0	100																								
3	Bodies Corporate	60	6.04	277857																								
4	Individual Shareholders	4687	35.83	1648923																								
5	Clearing Member	40	0.54	24624																								
6	Hindu Undivided Family	121	1.14	52248																								
7	Non Resident Indians	39	0.34	15532																								
8	Non Resident Indians (Non Repat)	19	0.35	15912																								
9	Foreign Portfolio Investors	2	0.97	44515																								
	<b>Total</b>	<b>4972</b>	<b>100.00</b>	<b>4600343</b>																								
xiv	Dematerialization of Shares and liquidity:	<table border="1"> <thead> <tr> <th rowspan="2">Particulars of Equity Holding</th> <th colspan="2">Equity Shares of Rs. 10/- each</th> </tr> <tr> <th>Number</th> <th>% of Total</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Dematerialized form:</b></td> </tr> <tr> <td>NSDL</td> <td>1348868</td> <td>29.32</td> </tr> <tr> <td>CDSL</td> <td>3064675</td> <td>66.62</td> </tr> <tr> <td>Sub -total</td> <td>4413543</td> <td>95.94</td> </tr> <tr> <td>Physical form</td> <td>186800</td> <td>4.06</td> </tr> <tr> <td><b>Total</b></td> <td><b>4600343</b></td> <td><b>100.00</b></td> </tr> </tbody> </table>				Particulars of Equity Holding	Equity Shares of Rs. 10/- each		Number	% of Total	<b>Dematerialized form:</b>			NSDL	1348868	29.32	CDSL	3064675	66.62	Sub -total	4413543	95.94	Physical form	186800	4.06	<b>Total</b>	<b>4600343</b>	<b>100.00</b>
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xv	Outstanding GDRs/ADRs Warrants / convertible securities:	N.A.																										
xvi	Commodity Price Risk or foreign exchange risk and hedging activities	The Company use foreign exchange future and option contracts to hedge the exposure to movements in foreign exchange rates. The use of these foreign exchange future and option contracts reduces the risk or cost to the Company and the Company does not use those for trading or speculative purpose.																										
xvii	Plant Location	Plot No.A-22/2/1, Mahad Industrial Area, Village.-Kamble, Mahad- 402301, Dist. Raigad, Maharashtra.																										
xviii	Address for correspondence	Shareholders correspondence should be addressed to your Company's Registrar and Share Transfer Agents: <b>Link Intime India Pvt. Ltd.</b> C-101, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai - 400 083. Tel No. 022 - 49186000 IFax No: 022 - 49186060 Email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>																										

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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### 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 is available on the Company's website [www.ashokalcochem.com](http://www.ashokalcochem.com)

I declare that the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year 2017-18.

**For Ashok Alco-Chem Limited**

**Place: Mumbai**  
**Date: August 14, 2018**

**Sd/-**  
**Purab Shah**  
**Executive Director & CEO**

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### CEO/CFO CERTIFICATE

To  
The Board of Directors  
**Ashok Alco-Chem Limited**

This is to certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2018 which is fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiency in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee that:
1. there are no significant changes in Internal Control during the year ended March 31, 2018;
  2. there are changes in accounting policies during the year on account of Ind AS adoption and the same have been disclosed in the notes to the financial statement; and
  3. there are no instances of significant fraud of which we 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 over financial reporting.

**For Ashok Alco-Chem Limited**

**Place: Mumbai**  
**Date: May 24, 2018**

**Sd/-**  
**Purab Shah**  
**Executive Director & CEO**

**Sd/-**  
**Vaize Ahmed Kampli**  
**Manager-Finance&Accounts**



## COMPLIANCE CERTIFICATE

To  
The Members  
**Ashok Alco-Chem Limited**

We have examined the compliance of conditions of Corporate Governance by Ashok Alco-Chem Limited (the Company) for the year ended on March 31, 2018, as stipulated in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. 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.

In our opinion and to the best of our information and according to the explanations given to us and the representation by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, except as stated below:

1. *The composition of the Board of Directors of the Company is not in accordance with the provisions of Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

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 Jay Mehta & Associates  
Company Secretaries**

**Place: Mumbai  
Date: August 14, 2018**

**Sd/-  
Jay Mehta  
Proprietor  
FCS No.: 8672  
C.P. No.: 8694**

## Independent Auditor's Report

To  
The Members of  
**ASHOKALCO-CHEM LIMITED**

### Report on the Financial Statements

We have audited the accompanying financial statements of **ASHOK ALCO-CHEM LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and

fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2018 and its **PROFIT** for the year ended on that date.

### Other Matters

The comparative financial information of the Company for the year ended 31st March, 2017 and the transition date opening Balance Sheet as at 1st April, 2016 included in these standalone Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the previous auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 18th May, 2017 and 20th May, 2016 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the Directors as on 31st March 2018 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2018 from being appointed as a director in terms of Section 164 (2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For RA Maru & Associates**  
**Chartered Accountants**  
**FRN: 141914W**

**sd/-**  
**Rumeet Anil Maru**  
**Proprietor**  
**M No: 166417**

**Place: Mumbai**  
**Date: 24.05.2018**



**“(ANNEXURE - A)” to the Auditor's Report**  
**(Referred to in Paragraph 1 under 'Report on other Legal and Regulatory Requirements' section of our report of even date)**

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
(b) The fixed assets have been physically verified by the management at the year end and no material discrepancies were noticed on such physical verification.  
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of freehold immovable properties are held in the name of the Company and those taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. (a) The stock of Finished Goods, Raw materials, Stores and consumables were physically verified by the Management at each half year end;  
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
(c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. The company has not granted unsecured loan to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year. Accordingly, paragraph 3 (v) of the order is not applicable.
6. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of sales tax including value added tax, service tax, provident fund, employees' state insurance, income tax, duty of custom, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.  
(c) The particulars of dues of income tax, sales tax including value added tax, at 31st March 2018 which has not been deposited on account of dispute, are as follows:

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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
Income Tax Act	Demand Notice	2.69	1997-1998	Assessing Officer 2 (1) (1), Mumbai
Income Tax Act	Demand Notice - Regular Assessment	49.45	2014-2015	Rectification u/s 154 of The I.T. Act, 1961 - Assessing Officer 2(1)(1) Mumbai
Income Tax Act	Demand Notice - Penalty u/s 271 (1) (c)	49.45	2014-2015	Commissioner of Income Tax (Appeals)
Income Tax Act	Demand Notice - Regular Assessment	0.82	2015-2016	Rectification u/s 154 of The I.T. Act, 1961 - Assessing Officer 2(1)(1) Mumbai

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.
9. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the company.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanation given to us, the Company has entered into transaction with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For R A Maru & Associates**  
**Chartered Accountants**  
**FRN: 141914W**

**Place: Mumbai**  
**Date: 24.05.2018**

**Rumeet Anil Maru**  
**Proprietor**  
**M No: 166417**



## **“Annexure –B” to the Auditors' Report**

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

We have audited the internal financial controls over financial reporting of **ASHOK ALCO-CHEM LIMITED ("the Company")** as of 31st March 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For R A Maru & Associates**  
**Chartered Accountants**  
**FRN: 141914W**

**sd/-**  
**Rumeet Anil Maru**  
**Proprietor**  
**M No: 166417**

**Place: Mumbai**  
**Date: 24.05.2018**

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

## BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	3A	1,518.55	1,500.71	1,380.77
(b) Capital Work-in-Progress	3B	5.41	52.20	-
(c) Other Intangible Assets	3C	0.17	0.44	0.71
<b>Financial Assets</b>				
(i) Investments	4	73.10	73.10	73.24
(ii) Loans	5	180.71	34.32	38.46
<b>Sub-Total</b>		<b>1,777.94</b>	<b>1,660.76</b>	<b>1,493.18</b>
<b>Current Assets</b>				
(a) Inventories	6	2,395.53	2,152.95	1,246.87
<b>Financial Assets</b>				
(i) Trade Receivables	7	2,400.04	3,045.93	6,024.82
(ii) Cash and Cash Equivalents	8	581.11	91.93	1,751.29
(iii) Bank Balance other than (ii) above	9	178.57	111.04	20.24
(iv) Loans	10	287.70	281.05	250.31
(v) Other Financial Assets	11	5.16	21.26	17.22
(c) Current Tax Assets	12	74.28	190.59	470.65
(d) Other Current Assets	13	1,496.82	2,944.16	2,044.41
<b>Sub-Total</b>		<b>7,419.21</b>	<b>8,838.90</b>	<b>11,825.81</b>
<b>Total Assets</b>		<b>9,197.15</b>	<b>10,499.66</b>	<b>13,318.99</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share Capital	14	460.03	460.03	460.03
(b) Other Equity	15	4,230.84	3,913.81	3,779.96
<b>Sub-Total</b>		<b>4,690.88</b>	<b>4,373.85</b>	<b>4,239.99</b>
<b>Liabilities</b>				
<b>Non-current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	16	119.35	119.35	258.33
(b) Provisions	17	17.96	22.52	18.87
(c) Deferred Tax Liabilities (Net)	18	70.23	95.51	87.36
<b>Sub-Total</b>		<b>207.54</b>	<b>237.38</b>	<b>364.56</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	19	912.08	842.31	394.13
(ii) Trade Payables	20	1,566.11	3,284.56	5,547.86
(iii) Other Financial Liabilities	21	243.59	1,291.77	1,795.99
(b) Other Current Liabilities	22	1,360.98	260.53	229.74
(c) Provisions	23	6.81	6.13	2.07
(d) Current Tax Liabilities	24	209.17	203.15	744.64
<b>Sub-Total</b>		<b>4,298.73</b>	<b>5,888.44</b>	<b>8,714.44</b>
<b>Total Liabilities</b>		<b>4,506.27</b>	<b>6,125.82</b>	<b>9,079.00</b>
<b>Total Equity and Liabilities</b>		<b>9,197.15</b>	<b>10,499.66</b>	<b>13,318.99</b>

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements

3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

For and on behalf of the Board of Directors

Sd/-  
**R A Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ in Lakhs except EPS)

Sr. No.	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations	25	15,931.23	15,874.48
II	Other Income	26	454.23	324.82
<b>III</b>	<b>Total Income (I+II)</b>		<b>16,385.46</b>	<b>16,199.30</b>
<b>IV</b>	<b>EXPENSES</b>			
	Cost of Materials Consumed	27	11,470.38	11,452.67
	Purchases of Stock-in-Trade	28	646.51	488.84
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	29	119.25	(66.48)
	Excise Duty		353.17	1,140.33
	Employee Benefits Expense	30	594.86	496.15
	Finance Costs	31	202.99	177.48
	Depreciation and Amortisation Expense	3A & 3C	111.88	102.36
	Other Expenses	32	2,356.98	2,112.07
	<b>Total Expenses</b>		<b>15,856.02</b>	<b>15,903.42</b>
<b>V</b>	<b>Total Profit before Exceptional items and Tax (III-IV)</b>		<b>529.44</b>	<b>295.88</b>
<b>VI</b>	Exceptional Items		-	-
<b>VII</b>	<b>Profit Before Tax (V-VI)</b>		<b>529.44</b>	<b>295.88</b>
<b>VIII</b>	Tax Expense			
	(a) Current Tax		(200.00)	(92.00)
	(b) Deferred Tax		25.28	(10.40)
	<b>Total Tax Expense</b>		<b>(174.72)</b>	<b>(102.40)</b>
<b>IX</b>	<b>Profit For The Year (VII-VIII)</b>		<b>354.72</b>	<b>193.48</b>
<b>X</b>	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified subsequently to profit or loss			
	i. Remeasurement gain/(loss) on the Defined Benefit Plans		1.46	(6.50)
	ii. Income tax on (i) above		(0.51)	2.25
	B. Items that will be reclassified subsequently to profit or loss		-	-
	<b>Total Other Comprehensive Income</b>		<b>0.95</b>	<b>(4.25)</b>
<b>XI</b>	<b>Total Comprehensive Income For The Year (IX+X)</b>		<b>355.67</b>	<b>189.23</b>
<b>XII</b>	<b>Earnings Per Equity Share (Face Value of ₹ 10 Per Share)</b>			
	Basic and Diluted (₹)		<b>7.71</b>	<b>4.21</b>

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements

3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

For and on behalf of the Board of Directors

Sd/-  
**RA Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit (Loss) Before Tax		529.44		295.88
	Adjustments for:				
	Depreciation	111.88		102.36	
	Foreign Exchange (Gain) / Loss	(11.08)		(100.58)	
	Sundry Balance w/off/ (w/back)	249.56		76.48	
	Interest & Finance Charges	202.99		177.48	
	Interest Received	(110.39)		(48.80)	
	Profit on Sale of Asset	-		(0.99)	
	Dividend Income	-	442.96	(13.63)	192.33
	<b>Operating Profit Before Working Capital Changes</b>		<b>972.40</b>		<b>488.21</b>
	Adjustments For Changes in Working Capital				
	Decrease/(Increase) in Receivables	645.88		2,978.89	
	Decrease/(Increase) in Loans	(6.65)		(30.74)	
	Decrease/(Increase) Other Financial assets	16.10		(4.03)	
	Decrease/(Increase) Non current Loans	(146.39)		4.14	
	Decrease/(Increase) in Inventories	(242.58)		(906.07)	
	Decrease/(Increase) Other Current Assets	1,447.34		(899.75)	
	Increase/(Decrease) in Payables	(1,718.45)		(2,263.30)	
	Increase/(Decrease) in Other Current Liabilities	1,100.44		(4.62)	
	Increase/(Decrease) in Other Financial Liabilities	(1,048.00)		(504.22)	
	Increase/(Decrease) in Provision	0.68		4.05	
	Increase/(Decrease) in Long term Provision	(4.56)		3.65	
	Foreign Exchange (Gain) / Loss	11.08		100.58	
	Sundry Balance w/off	(249.56)	(194.67)	(76.48)	(1,597.90)
	<b>Cash Generated From Operations</b>		<b>777.72</b>		<b>(1,109.70)</b>
	Income Tax Paid		(115.96)		(379.89)
	<b>Net Cash Flow From Operating Activities</b>		<b>661.77</b>		<b>(1,489.59)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	(82.69)		(287.99)	
	Sale/Adjustments of Fixed Assets	0.45		14.74	
	Decrease/(Increase) in Investments	-		0.14	
	Dividend Income	-		13.63	
			<b>(82.24)</b>		<b>(259.48)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Long Term Borrowings				
	Secured - Working Capital	69.77		448.18	
	Secured - Term Loan	-		(138.98)	
	Interest Received	110.39		48.80	
	Interest paid	(202.99)		(177.48)	
	<b>Net Cash Used in Financing Activities</b>		<b>(22.83)</b>		<b>180.51</b>
	Net increase in cash & Cash Equivalents (A+B+C)		556.70		(1,568.56)
	Cash and Cash equivalents as at 01.04.17		202.97		1,771.53
	Cash and Cash equivalents as at 31.03.18		759.67		202.97
	<b>Cash &amp; Cash Equivalents</b>		<b>As on</b>		<b>As on</b>
			<b>31/03/2018</b>		<b>31/03/2017</b>
	Cash in Hand		2.73		10.38
	Cash at Bank		756.94		192.59
	<b>Cash &amp; Cash Equivalents as Stated</b>		<b>759.67</b>		<b>202.97</b>



## Note 1

### Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities:

Effective from April 1, 2017, the Company has adopted the amendment to Ind As 7, which requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the Financial Statements.

Changes in liabilities arising from financing activities	As at March 31, 2017	Cash Flow	Non cash changes	As at March 31, 2018
Borrowing Non Current	119.35	-	-	119.35
Borrowing Current	842.31	69.77	-	912.08
<b>Total</b>	<b>961.66</b>	<b>69.77</b>	<b>-</b>	<b>1,031.43</b>

## Note 2

Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## Note 3

Figures in brackets represent outflows / deductions.

**Significant Accounting Policies** 2

**See accompanying notes forming part of the financial statements** 3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

Sd/-  
**RA Maru**  
Proprietor  
Membership No. 166417

Place : Mumbai  
Date : May 24, 2018

For and on behalf of the Board of Directors

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018****A. Equity Share Capital****(₹ in Lakhs)**

Particulars	Amount
<b>Balance as at April 1, 2016</b>	<b>460.03</b>
Changes in Equity Share Capital during the year 2016-17	-
<b>Balance as at March 31, 2017</b>	<b>460.03</b>
Changes in Equity Share Capital during the year 2017-18	-
<b>Balance as at March 31, 2018</b>	<b>460.03</b>

**B. Other Equity****(₹ in Lakhs)**

Particulars	Reserves & Surplus			
	Securities Premium	General Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2016</b>	<b>783.79</b>	<b>1,000.00</b>	<b>1,996.17</b>	<b>3,779.96</b>
Profit for the period	-	-	193.48	193.48
- Remeasurement gain/(loss) on the Defined Benefit Plans	-	-	(4.25)	(4.25)
Dividend Paid (Includes Dividend Distribution Tax)	-	-	(55.37)	(55.37)
Transfer (to) / from Retained Earnings	-	50.00	(50.00)	-
<b>Balance as at March 31, 2017</b>	<b>783.79</b>	<b>1,050.00</b>	<b>2,080.03</b>	<b>3,913.81</b>
Profit for the period	-	-	354.72	354.72
- Remeasurement gain/(loss) on the Defined Benefit Plans	-	-	0.95	0.95
Dividend Paid (Includes Dividend Distribution Tax)	-	-	(55.37)	(55.37)
Ind AS Other adjustments	-	-	16.74	16.74
Transfer to General Reserve	-	50.00	(50.00)	-
<b>Balance as at March 31, 2018</b>	<b>783.79</b>	<b>1,100.00</b>	<b>2,347.06</b>	<b>4,230.84</b>

**Significant Accounting Policies****2****See accompanying notes forming part of the financial statements****3 to 49**

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

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

Sd/-  
**RA Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer



## **Notes Forming Part Of The Financial Statements And Other Explanatory Information's For the Year Ended March 31, 2018**

### **Note 1 Corporate Information**

Ashok Alco-Chem Limited ("the Company") is engaged in Manufacturing of Organic Chemicals & Trading in Minerals. The company is a public limited company incorporated and domiciled in India and has Registered Office at 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai 400 001. The Equity shares of the company are listed on Bombay Stock Exchange Limited (BSE).

The financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors on May 24, 2018.

### **Note 2 Significant Accounting Policies**

#### **Basis of Preparation**

These financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

For all periods upto and including for the financial year ended March 31, 2017, the Company prepared its financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures for the year ended March 31, 2017 have now been restated as per Ind AS to provide comparability.

These financial statements for the year ended March 31, 2018 are the Company's first Ind AS standalone financial statements. The Company has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First-Time Adoption of Indian Accounting Standards", and the date of transition to Ind AS being April 1, 2016. Refer Note 43 for details of adoption of Ind AS.

These financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value:

- i. Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- ii. Defined Benefits Plans- Plan assets measured at fair value.

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency and all amounts are rounded off to the nearest lakhs (INR '00,000) upto two decimals, except when otherwise indicated.

#### **Operating cycle for current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### **2.1 Property, Plant and Equipment (PPE)**

- i. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

- | If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.
- | Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment".
- | The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of Profit and Loss.

**Capital Work-in-Progress**

Property, Plant and Equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, will be provided on the same basis as other property assets are ready for their intended use.

**2.2 Depreciation**

Depreciation on Property, Plant and Equipment (other than Freehold Land and Capital Work-in-progress) is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013.

The Company has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein.

Land under finance lease is amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

**2.3 Intangible Assets and Amortisation**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per Schedule II of Companies Act, 2013.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**2.4 Impairment of Non-Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount which is the higher of its value in use or its fair value less costs of disposal of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.



## 2.5 Inventories

- | Inventories are valued at lower of cost and net realizable value.
- | Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- | Cost of raw materials, packing materials, including materials in transit, work in progress and finished goods are arrived at on the first in first out method of valuation, including manufacturing overheads wherever applicable.
- | Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## 2.6 Statement of Cash Flows

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

## 2.7 Segment Reporting

- | The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.
- | The accounting policies adopted for segment reporting are in line with the accounting policies of the Company.
- | Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/ assets/liabilities" respectively.

## 2.8 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

## 2.9 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events,

the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

## **2.10 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

### **Sale of Goods**

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, while neither continuing managerial involvement nor effective control over the goods sold is retained. Sales include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

### **Rental Income**

Rental Income is accounted as and when accrues.

### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

### **Dividends**

Dividend Income is accounted for when Company's right to receive income is established.

## **2.11 Leases**

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

### **Finance Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

### **Operating Leases:**

Lease agreements where risk and rewards incidental to ownership of an assets, substantially vests with the Lessor, are classified as operating lease.



## 2.12 Employee Benefits

### (i) Short term Employee Benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

### (ii) Long-term Benefits:

#### 1 Defined Contribution Plan:

##### **Provident and Family Pension Fund:**

The eligible employees of the Company are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to AACL Trust -Provident Fund Trust. Provident Fund classified as Defined Contributions Plans as the Company has no further obligation beyond making the contribution. The Company's contribution is charged to the statement of profit and loss as incurred.

#### 1 Defined Benefit Plan:

##### **Gratuity:**

The Company has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The Company makes contribution to AACL Gratuity Fund Trust based thereon.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

##### **Compensated absences:**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

## 2.13 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

### **Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the

Income Tax Act, 1961 and other tax laws, as applicable.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**Current and Deferred Tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**2.14 Earnings Per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

**2.15 Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

**2.16 Financial Instruments**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and



financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- | the entity's business model for managing the financial assets; and
- | the contractual cash flow characteristics of the financial assets.

**Amortised Cost:**

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- | the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- | the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Other Comprehensive Income:**

A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:

- | the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- | the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of financial assets:**

The impairment provision for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Credit Policy approved by the Company for bad debts considering past history of bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Company makes provision for doubtful debts based on specific by Board. The Company will reassess the model periodically and make the necessary adjustments for loss allowance.

**Derecognition of financial assets:**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Financial liabilities and equity instruments:****i Classification as debt or equity:**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**i Equity instruments:**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Company are recognised at the proceeds received.

**Derecognition of financial liabilities:**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**Derivative Financial Instruments:**

The Company enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

**2.17 Research and Development:**

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is considered as an addition to Property, Plant and Equipment/ Intangible Assets.

**2.18 Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Income taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 34.

**Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Company's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**Employee Benefit Plans**

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the

valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

**Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

**Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**Impairment of Assets**

The Company has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to assess impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

**Provisions & Contingent liabilities**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

**2.19 First-time adoption-mandatory exceptions, optional exemptions****Overall Principle**

The Company has prepared the Opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company detailed below:

**Significant items are as discussed below:****i) Deemed cost for Property, Plant and Equipment and Intangible Assets**

The Company has elected to continue with the carrying value of all of its Property, Plant and Equipment and



Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii) **Investments**

The Company has elected to measure investments in Equity shares of subsidiary company at deemed cost, which is previous GAAP carrying amount at the entity's date of transition to Ind AS in its separate financial statements. Accordingly, under Ind AS, the Company has recognised investments as follows:

- i) Equity shares of subsidiary company - At deemed cost.

**2.20 Ind AS issued but not effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to IndAS's :

**Ind AS 21: The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction, for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income (or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Company has evaluated the effect of this on its financial statements and the impact is not material.

**Ind AS 115: Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard IndAs 18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two possible methods of transition:

- i) Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- i) Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) only to contracts that are not completed contracts on that date. Under this method, cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018.

**ASHOK ALCO-CHEM LIMITED**Annual Report 2017-2018

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**2.21. Disclosure pursuant to Ind-AS 27 "Separate Financial Statements"**

Investment in subsidiary company is accounted at cost.

Name of Investee	Principal place of business	Proportionate ownership interest		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a. Particulars of Subsidiaries</b>				
i. Ashwa Minerals Private Limited	<b>India</b>	100%	100%	100%

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Note 3

**3A. Property, Plant and Equipment**

(₹ in Lakhs)

Particulars	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Air Conditioner	Total
<b>(I) Gross Carrying Value</b>									
Balance as at April 1, 2016	9.25	181.01	1,174.84	2.66	2.56	5.23	2.94	2.28	1,380.77
Additions during the year	-	1.00	231.43	0.29	-	0.68	0.71	1.68	235.80
Deductions/Adjustments during the year	-	-	(14.25)	(0.59)	(0.47)	(0.48)	(0.33)	(0.29)	(16.42)
<b>Balance as at March 31, 2017</b>	<b>9.25</b>	<b>182.01</b>	<b>1,392.02</b>	<b>2.36</b>	<b>2.09</b>	<b>5.43</b>	<b>3.32</b>	<b>3.67</b>	<b>1,600.15</b>
Additions during the year	-	3.19	118.22	2.17	-	4.11	1.37	0.43	129.48
Deductions/Adjustments during the year	-	-	-	-	-	(0.48)	-	-	(0.48)
<b>Balance as at March 31, 2018</b>	<b>9.25</b>	<b>185.20</b>	<b>1,510.24</b>	<b>4.53</b>	<b>2.09</b>	<b>9.06</b>	<b>4.69</b>	<b>4.10</b>	<b>1,729.15</b>
<b>(II) Accumulated Depreciation</b>									
Balance as at April 1, 2016	-	-	-	-	-	-	-	-	-
Depreciation expense for the year	0.13	5.72	91.53	0.37	0.43	1.54	1.70	0.69	102.09
Deductions/Adjustments during the year	-	-	(1.85)	-	-	(0.24)	(0.31)	(0.24)	(2.65)
<b>Balance as at March 31, 2017</b>	<b>0.13</b>	<b>5.72</b>	<b>89.68</b>	<b>0.37</b>	<b>0.43</b>	<b>1.30</b>	<b>1.39</b>	<b>0.44</b>	<b>99.44</b>
Depreciation expense for the year	0.13	5.73	101.03	0.43	0.32	1.78	1.23	0.97	111.62
Deductions/Adjustments during the year	-	-	-	-	-	(0.45)	-	-	(0.45)
<b>Balance as at March 31, 2018</b>	<b>0.26</b>	<b>11.45</b>	<b>190.71</b>	<b>0.80</b>	<b>0.75</b>	<b>2.63</b>	<b>2.62</b>	<b>1.41</b>	<b>210.60</b>
<b>(III) Net Carrying Value (I-II)</b>									
Balance as at April 1, 2016	9.25	181.01	1,174.84	2.66	2.56	5.23	2.94	2.28	1,380.77
Balance as at March 31, 2017	9.13	176.29	1,302.34	1.98	1.66	4.14	1.93	3.23	1,500.71
<b>Balance as at March 31, 2018</b>	<b>8.99</b>	<b>173.75</b>	<b>1,319.53</b>	<b>3.73</b>	<b>1.34</b>	<b>6.43</b>	<b>2.07</b>	<b>2.69</b>	<b>1,518.55</b>



**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**3B Capital Work-in-Progress****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Capital work-in-Progress	5.41	52.20	–
<b>Total</b>	<b>5.41</b>	<b>52.20</b>	–

**3C Other Intangible Assets****(₹ in Lakhs)**

<b>Particulars</b>	<b>Computer Software</b>
<b>(I) Gross Carrying Value</b>	
<b>Balance as at April 1, 2016</b>	<b>0.71</b>
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
<b>Balance as at March 31, 2017</b>	<b>0.71</b>
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
<b>Balance as at March 31, 2018</b>	<b>0.71</b>
<b>(II) Accumulated Depreciation</b>	
<b>Balance as at April 1, 2016</b>	<b>-</b>
Depreciation expense for the year	<b>0.27</b>
Deductions/Adjustments during the year	-
<b>Balance as at March 31, 2017</b>	<b>0.27</b>
Depreciation expense for the year	<b>0.27</b>
Deductions/Adjustments during the year	-
<b>Balance as at March 31, 2018</b>	<b>0.54</b>
<b>(III) Net Carrying Value (I-II)</b>	
<b>Balance as at April 1, 2016</b>	<b>0.71</b>
<b>Balance as at March 31, 2017</b>	<b>0.44</b>
<b>Balance as at March 31, 2018</b>	<b>0.17</b>



**Note 4.**

**Non-Current Investments**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments measured at Cost			
Investments In Equity Shares			
Unquoted			
Subsidiaries			
10,000 (As at March 31, 2017 - 10,000) (As at April 1, 2016 - 10,000) Equity Shares of Ashwa Minerals Pvt Ltd. of face value of ₹ 10/- each	73.10	73.10	73.10
<b>Investments measured at Fair Value through Profit and Loss</b>			
Investments In Equity Shares			
Unquoted			
As at April 1, 2016 - 7 Equity Shares of ₹ 2,000/- each in Chhatrapati Sahakari Karkhana Ltd.	-	-	0.14
<b>Total</b>	<b>73.10</b>	<b>73.10</b>	<b>73.24</b>

Aggregate Amount Of Quoted Investments	-	-	-
Aggregate Amount Of Unquoted Investments	73.10	73.10	73.24
Aggregate provision made for diminution in value of Investments	-	-	-

**Note 5**

**Loans**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits			
Unsecured, Considered Good	180.71	34.32	38.46
Unsecured, Considered Doubtful	-	101.88	101.88
Incurred Loss Provision	-	(101.88)	(101.88)
<b>Total</b>	<b>180.71</b>	<b>34.32</b>	<b>38.46</b>

**Note 6**

**Inventories**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,376.53	1,022.15	302.97
Add : Goods in Transit	195.93	186.96	43.42
	1,572.46	1,209.11	346.39
Work in progress	46.21	46.08	-
Finished goods	393.46	389.09	271.70
Stock-in-Trade (Trading)	346.02	469.88	566.88
Fuel	12.89	6.67	8.19
Add : Goods in Transit	-	-	25.60
	12.89	6.67	33.79
Stores, Spares and Packing Material	24.48	32.11	28.12
<b>Total</b>	<b>2,395.53</b>	<b>2,152.95</b>	<b>1,246.87</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 7****Trade Receivables****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Unsecured, Considered Good	2,400.04	3,045.93	6,024.82
Unsecured, Considered Doubtful	103.07	84.85	55.57
Provision for Doubtful Debts	(103.07)	(84.85)	(55.57)
<b>Total</b>	<b>2,400.04</b>	<b>3,045.93</b>	<b>6,024.82</b>

**Note 8****Cash & Cash Equivalents****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Balances with Banks</b>			
Current Accounts	578.37	86.22	1,740.91
<b>Cash and Cash Equivalents</b>			
Cash on hand	2.73	5.71	10.38
<b>Total</b>	<b>581.11</b>	<b>91.93</b>	<b>1,751.29</b>

**Note 9****Bank Balances other than Cash and Cash Equivalents****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Other Bank Balances</b>			
Term deposit with bank to the extent held as margin money and security against BG and other commitments	174.52	108.23	18.87
Unclaimed Dividend	4.05	2.81	1.37
<b>Total</b>	<b>178.57</b>	<b>111.04</b>	<b>20.24</b>

**Note 10****Loans (Current)****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
<b>Unsecured, Considered Good</b>			
Loans to Corporates (Refer Note No. 36)	276.39	269.96	241.61
Loans and Advances to Staff	0.30	1.22	0.80
Loans and Advances to Others	11.01	9.87	7.90
<b>Total</b>	<b>287.70</b>	<b>281.05</b>	<b>250.31</b>



**Note 11**

**Other Financial Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, Considered good</b>			
Interest Accrued on FDR	-	4.68	0.64
Other Receivables - LIC Policy Staff Leave Encashment	5.16	16.58	16.58
<b>Total</b>	<b>5.16</b>	<b>21.26</b>	<b>17.22</b>

**Note 12**

**Current Tax Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax	74.28	190.59	470.65
<b>Total</b>	<b>74.28</b>	<b>190.59</b>	<b>470.65</b>

**Note 13**

**Other Current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	18.00	34.13	9.44
Balances with Government Authorities	903.35	1,713.80	1,534.18
Advance to Suppliers	575.47	1,178.92	500.79
Advance Against Expenses	-	17.31	-
<b>Total</b>	<b>1,496.82</b>	<b>2,944.16</b>	<b>2,044.41</b>

**Note 14**

**Equity Share Capital**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised</b>			
50,00,000 Equity shares of ₹ 10/- each	500.00	500.00	500.00
20,00,000 11% Preference shares of ₹10/- each	200.00	200.00	200.00
<b>Total Authorised Share Capital</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>			
46,00,343 Equity shares of ₹10/- each fully paid up	460.03	460.03	460.03
<b>Total Issued, Subscribed and Paid up Share Capital</b>	<b>460.03</b>	<b>460.03</b>	<b>460.03</b>

**Terms/Rights attached to Equity Shares**

- i The Company has issued only one class of shares referred to as Equity shares having a par value of ₹ 10/- per share. Each holder of equity shares is entitled for one vote per share.
- ii In the Event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### a. Reconciliation of the number of shares outstanding :

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amounts in ₹	No. of Shares	Amounts in ₹	No. of Shares	Amounts In ₹
Shares at the beginning	46,00,343	460.03	46,00,343	460.03	46,00,343	460.03
Add: Share warrants issued during the year	-	-	-	-	-	-
Add: Calls in arrears received during the year	-	-	-	-	-	-
Less: Shares forfeited during the year	-	-	-	-	-	-
Add : Re-issue of forfeited shares	-	-	-	-	-	-
<b>Shares at the end</b>	<b>46,00,343</b>	<b>460.03</b>	<b>46,00,343</b>	<b>460.03</b>	<b>46,00,343</b>	<b>460.03</b>

### b. Shareholders having more than 5% holding

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Aura Alkalies & Chemicals Pvt Ltd.	25,18,632	54.75%	25,18,632	54.75%	25,18,632	54.75%

#### Note 15

#### Other Equity

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Securities Premium Reserve</b>			
As per last Balance Sheet	783.79	783.79	-
Add: Additions during the year	-	-	-
Less: (Deductions) during the year	-	-	-
	<b>783.79</b>	<b>783.79</b>	<b>783.79</b>
<b>General Reserve</b>			
As per last Balance Sheet	1,050.00	1,000.00	-
Add: Additions during the year	50.00	50.00	-
Less: (Deductions) during the year	-	-	-
	<b>1,100.00</b>	<b>1,050.00</b>	<b>1,000.00</b>
<b>Retained Earnings</b>			
As per last Balance Sheet	2,080.03	1,996.17	-
Add: Net Profit after Tax transferred from Statement of Profit and Loss	354.72	193.48	-
Add: Other Comprehensive Income	0.95	(4.25)	-
Less: Transfer to General Reserve	(50.00)	(50.00)	-
Less: Proposed Dividend (including DDT)	(55.37)	(55.37)	-
Add: Deferred Tax on OCI	0.51	-	-
Add: Ind AS Adjustments	16.23	-	-
	<b>2,347.06</b>	<b>2,080.03</b>	<b>1,996.17</b>
<b>Total</b>	<b>4,230.84</b>	<b>3,913.81</b>	<b>3,779.96</b>



### Description of the nature and purpose of Other Equity

**(a) Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(b) General Reserve**

The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed /utilised by the Company in accordance with the Companies Act, 2013.

**(c) Retained Earnings**

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to general reserves such as amount distributed as dividend and adjustments on account of transition to Ind AS.

**Note :**

The Board of Directors has proposed the dividend of Rs.1.00 per fully paid up equity share of ₹10/- each, aggregating ₹ 55.37 Lakhs, including ₹ 9.37 Lakhs as dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on 31st March, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date /book closure.

**Note 16**

**Borrowings (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Term Loan</b> {First and exclusive charges on assets created out of term loan and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present and future) residential property located at MIDC Mahad & personal guarantee of Director to be repaid in balance 7 installments as against 28 (36) equal instalments}.	119.35	119.35	258.33
<b>Total</b>	<b>119.35</b>	<b>119.35</b>	<b>258.33</b>

**Note 17**

**Provisions (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Leave Encashment	17.96	22.52	18.87
<b>Total</b>	<b>17.96</b>	<b>22.52</b>	<b>18.87</b>

**Note 18**

**Deferred Tax Liabilities (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liabilities (Net) (Refer Note No. 34 C)	70.23	95.51	87.36
<b>Total</b>	<b>70.23</b>	<b>95.51</b>	<b>87.36</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 19****Borrowings (Current)****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Loans (Repayable on demand from Banks) Secured Working Capital loan (Cash Credit Accounts)  {First and exclusive charge on current assets (present and future) and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present and future), residential property located at MIDC Mahad & personal guarantee of Director}.	912.08	842.31	394.13
<b>Total</b>	<b>912.08</b>	<b>842.31</b>	<b>394.13</b>

**Note 20****Trade Payables****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Due to Micro, Medium and Small Enterprises* Due to Others	- 1,566.11	- 3,284.56	- 5,547.86
<b>Total</b>	<b>1,566.11</b>	<b>3,284.56</b>	<b>5,547.86</b>
* The Company has not received the information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under this Act, has not been given.			

**Note 21****Other Financial Liabilities (Current)****(₹ in Lakhs)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Current Maturities of Long Term Debt	-	200.04	41.67
Advances Received From Customers	-	995.22	1,013.20
Unclaimed Dividend*	4.05	2.81	1.37
Provision For Expenses	95.12	74.19	721.42
Employee Related Liabilities	23.47	19.51	18.33
Other Liabilities	119.69	-	-
Derivative Financial Instruments	1.27	-	-
<b>Total</b>	<b>243.59</b>	<b>1,291.77</b>	<b>1,795.99</b>
* There are no amounts due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31st March, 2018. Unclaimed dividend, if any, shall be transferred to IEPF as and when they become due.			


**Note 22**
**Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	364.02	257.06	209.21
Advances Received from Customers	996.96	3.47	20.53
<b>Total</b>	<b>1,360.98</b>	<b>260.53</b>	<b>229.74</b>

**Note 23**
**Provisions (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Leave Encashment	6.81	6.13	2.07
<b>Total</b>	<b>6.81</b>	<b>6.13</b>	<b>2.07</b>

**Note 24**
**Current Tax Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Income Tax	209.17	203.15	744.64
<b>Total</b>	<b>209.17</b>	<b>203.15</b>	<b>744.64</b>

**Note 25**
**Revenue From Operations**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Sale of Products</b>		
<b>Manufactured Goods</b>		
Local Sales	12,033.72	11,192.25
Export Sales	3,068.22	4,032.42
<b>Traded Goods</b>		
Local Sales	367.35	636.54
Merchant Trade Sales	461.94	13.27
<b>Total</b>	<b>15,931.23</b>	<b>15,874.48</b>

**Note 26**
**Other Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	110.39	48.80
Dividend Received	-	13.63
Scrap Sales	4.78	3.57
Foreign Currency Fluctuation Gain	11.08	100.58
Sundry Balances Written Back	262.37	83.12
Miscellaneous Income	65.61	74.13
Profit on Sale of Asset	-	0.99
<b>Total</b>	<b>454.23</b>	<b>324.82</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 27****Cost of Materials Consumed**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Raw Material		
Opening Stock	1,022.15	302.97
Purchases	11,824.76	12,171.85
Closing Stock	(1,376.53)	(1,022.15)
<b>Total</b>	<b>11,470.38</b>	<b>11,452.67</b>

**Note 28****Purchases of Stock-in-Trade**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	646.51	488.84
<b>Total</b>	<b>646.51</b>	<b>488.84</b>

**Note 29****Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Finished Goods</b>		
Opening Stock	389.09	271.70
Closing Stock	(393.46)	(389.09)
	(4.37)	(117.40)
<b>Stock in Trade</b>		
Opening Stock	469.88	566.88
Closing Stock	(346.02)	(469.88)
	123.86	97.00
<b>Work-in-Progress</b>		
Opening Stock	46.08	-
Closing Stock	(46.32)	(46.08)
	(0.24)	(46.08)
<b>Total</b>	<b>119.25</b>	<b>(66.48)</b>

**Note 30****Employee Benefit Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages, Allowances and Bonus	543.03	465.64
Contribution to Provident and Other Funds	32.66	13.19
Staff Welfare Expenses	19.17	17.32
<b>Total</b>	<b>594.86</b>	<b>496.15</b>


**Note 31**
**Finance Costs**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Cost	97.94	128.97
Bank Charges & Other Financial Charges	105.05	48.51
<b>Total</b>	<b>202.99</b>	<b>177.48</b>

**Note 32**
**Other Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Stores and Spare Parts Consumed	110.53	81.87
Packing Material Consumed	161.74	180.47
Power and Fuel	980.75	807.72
<b>Repairs and Maintenance</b>		
- Buildings	41.36	25.46
- Machinery	4.37	4.99
- Others	25.21	15.40
Export Expenses	619.17	674.94
Advertisement and Sales Promotion	2.26	1.94
Insurance Premium	29.90	24.37
Bad Debts	12.81	6.64
Rent, Rates and Taxes	16.84	17.13
Auditors Remuneration (footnote 'i')	5.75	4.00
Provision For Doubtful Debts	55.62	39.07
Corporate Social Responsibility (CSR) Expenses	30.34	9.71
Donation	0.11	0.18
Director's Sitting Fees	9.80	8.85
Conveyance and Travelling Expenses	33.09	31.89
Legal and Professional Fees	38.90	38.14
Mark-to-Market loss	1.27	-
Other Expenses	177.16	139.30
<b>Total</b>	<b>2,356.98</b>	<b>2,112.07</b>

**Footnote (i)**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Payment to Auditors</b>		
Audit Fees	4.25	2.50
Tax Audit	1.00	1.00
Taxation Matters	0.50	0.50
<b>Total</b>	<b>5.75</b>	<b>4.00</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**NOTES TO ACCOUNTS****Note 33****Contingent Liabilities and Commitments (to the extent not provided for)****(₹ in Lakhs)**

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A.</b>	<b>Contingent Liabilities</b>			
	Claims against the Company not acknowledged as debt :			
	i. Income-tax matters under appeal	271.59	271.59	271.59
	ii. Sales Tax	9.55	9.55	13.97
	iii Disputed excess service tax refund	2.29	2.29	2.29
	<b>Total</b>	<b>283.43</b>	<b>283.43</b>	<b>287.85</b>
<b>B.</b>	<b>Bank Guarantee</b>	10.00	10.00	10.00
	<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

Note : In respect of item (A) & (B) above, it is not possible for the Company to estimate the timings of cash outflow which

- would be determinable only on receipt of judgement pending at various forums/authorities.
- The Company does not expect any reimbursements in respect of the above Contingent Liabilities.

**Note 34****Disclosure pursuant to Ind-AS 12 on "Income Taxes"****A. Components of Tax Expenses/(Income)****(₹ in Lakhs)**

a. Profit or Loss Section	Year ended March 31, 2018	Year ended March 31, 2017
Current Income Tax	200.00	92.00
Deferred Tax	(25.28)	10.40
<b>Income Tax Expense Reported in the Statement of Profit or Loss</b>	<b>174.72</b>	<b>102.40</b>

**(₹ in Lakhs)**

b. Other Comprehensive Income Section	Year ended March 31, 2018	Year ended March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(0.51)	2.25
<b>Income Tax Expense Charged to OCI</b>	<b>(0.51)</b>	<b>2.25</b>



**B. Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India**

(₹ in Lakhs)

<b>a. Profit or Loss Section</b>	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Profit before Tax	529.44	295.88
Corporate Tax rate as per Income Tax Act, 1961	33.06%	33.06%
Tax on Accounting Profit	175.05	97.83
<b>Tax effect of :</b>		
Income Exempt from Tax	-	(4.83)
Expenses Allowed separately	(78.53)	(67.39)
Tax on Expense not deductible	98.53	54.46
Chapter VI A Deduction	(4.75)	-
Others	9.71	11.94
<b>Current Tax Provision (A)</b>	<b>200.00</b>	<b>92.00</b>
Deferred Tax Liability recognised	11.33	21.33
Deferred Tax Asset recognised	36.61	10.93
<b>Deferred tax Provision (B)</b>	<b>(25.28)</b>	<b>10.40</b>
<b>Tax expenses recognised in statement of Profit and Loss (A+B)</b>	<b>174.72</b>	<b>102.40</b>
Effective tax rate	33.00%	34.61%

**C. Deferred Tax**

**FY 2017-18**

**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

(₹ in Lakhs)

<b>Particulars</b>	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in other Comprehensive Income</b>	<b>Closing Balance</b>
Property, Plant and Equipment and Intangible Assets	243.03	6.29	-	249.32
Provision for Doubtful Debts and Advances	(27.01)	(31.87)	-	(58.88)
Provision for Security Deposit	(35.27)	0.01	-	(35.26)
Accrued Expenses deductible on cash basis	(82.83)	2.79	-	(80.04)
Actuarial gain/(loss) on employee defined benefits obligation	(2.41)	(2.50)	(0.51)	(4.91)
<b>Total</b>	<b>95.51</b>	<b>(25.28)</b>	<b>(0.51)</b>	<b>70.23</b>

**FY 2016-17**

**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

(₹ in Lakhs)

<b>Particulars</b>	<b>Opening Balance</b>	<b>Recognised in Profit or Loss</b>	<b>Recognised in other Comprehensive Income</b>	<b>Closing Balance</b>
Property, Plant and Equipment and Intangible Assets	217.23	25.80	-	243.03
Provision for Doubtful Debts and Advances	(13.48)	(13.53)	-	(27.01)
Provision for Security Deposit	(35.26)	(0.01)	-	(35.27)
Accrued Expenses allowable on cash basis	(79.40)	(3.42)	-	(82.83)
Actuarial gain/(loss) on employee defined benefits obligation	(1.73)	1.56	(2.25)	(2.41)
<b>Total</b>	<b>87.36</b>	<b>10.40</b>	<b>(2.25)</b>	<b>95.51</b>

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### Note 35

#### Earnings Per Share (EPS)

(Amount in ₹)

Particulars	As at March 31, 2018	As at March 31, 2017
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	3,54,71,757	1,93,48,066
Weighted Average number of Equity Shares used as denominator for calculating Basic EPS (No. of Shares)	46,00,343	46,00,343
Face Value per Equity Share (₹)	10	10
Basic & Diluted Earnings per Share (₹)	7.71	4.21

### Note 36

#### Disclosure Pursuant to Section 186 of the Companies Act, 2013

The loan provided to corporate @ 14% p.a. has been utilised by them for meeting their working capital requirement.

### Note 37

#### Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"

##### A. List of Related Parties

###### (I) Holding Company

Aura Alkalies and Chemicals Private Limited

###### (II) Parties where control exists

Subsidiary Company	Principal place of Business	Proportionate Ownership Interest		
		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Ashwa Minerals Private Limited	India	100%	100%	100%

###### (III) Other Related Parties

Associates:

- | Altga Stone Crushing Industries
- | Aditya Minerals
- | Avni Minerals
- | Bharat Abrasives and Chemical Industries
- | Kantilal Mohanlal Mehta
- | Manohar Daryayani
- | Nilesh Mines
- | Prabhudas Vithaldas
- | Prachi Mines
- | Saurashtra Traders
- | Shyam Minerals
- | Shiva Mines & Minerals
- | Sandeep Abrasives Industries
- | Vinod Pandya
- | Yogita Allied & Calcined Products

###### (IV) Key Managerial Personnel of the Company

- | Independent Director
  - | Independent Director
  - | Non Executive Director
  - | Non Executive Director
  - | Executive Director & CEO
  - | Chief Financial Officer (Resigned w.e.f. May 1, 2017)
  - | Company Secretary & Compliance Officer
  - | Manager - Finance & Accounts (w.e.f. February 12, 2018)
- Mr. Manoj Ganatra  
Mr. Shekhaa Shetty  
Mr. Sunil Shah  
Mrs. Neeta Shah  
Mr. Purab Shah  
Mr. V. Shashidharan  
Ms. Seema Gangawat  
Mr. Vaize Ahmed Kampli



## B. Transactions (In Aggregate) with Related Parties

(₹ in Lakhs)

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
	<b>Remuneration to Directors/KMP*</b>		
i.	Mr. Purab Shah	30.29	26.63
ii.	Mr. V. Shashidharan	6.71	19.60
iii.	Ms. Seema Gangawat	10.74	9.80
iv.	Mr. Vaize Kampli	10.22	3.35
	*Excluding provision for Gratuity and Contribution for Provident Fund.		
	<b>Total Remuneration</b>	<b>57.96</b>	<b>59.38</b>
	<b>Sitting Fees paid to Directors/KMP</b>		
i.	Mr. Manoj Ganatra	2.85	2.65
ii.	Mr. Shekhaar Shetty	2.70	-
iii.	Mr. Sunil Shah	2.85	2.65
iv.	Mrs. Neeta Shah	1.40	1.40
v.	Mr. Umesh Kulkarni	-	2.15
	<b>Total Sitting Fees</b>	<b>9.80</b>	<b>8.85</b>

### Note 38

#### Financial Risk Management and Policies

##### A. Capital Management

For the purpose of the Company's Capital Management, Capital includes issued Equity Share Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholder's value. The Company's Capital Management objective are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

#### Debt Equity Ratio - Total Debt divided by Total Equity

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt	119.35	119.35	258.33
Total Equity	4,690.88	4,373.85	4,239.99
Debt Equity Ratio	0.03	0.03	0.06

##### B. Financial Risk Management and Policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's capital structure is managed using equity and debt ratios as part of the Company's financial planning.

##### a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The Company has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

The above mentioned risks may affect the Company's income and expenses, or the value of its financial instruments. The Company's exposure to and management of these risks are explained below:

### i. Foreign Currency Risk:

The company is subject to the risk that changes in foreign currency values impact the company export and import.

The company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The company manages currency exposures within prescribed limits, through use of derivative instruments such as Options, Futures and Forward contracts etc. Foreign currency transactions are covered with strict limits placed on the amount of

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹	Amount in Foreign Currency	Amount in ₹
<b>USD Exposure</b>						
Receivable	USD 5,61,261	365.07	USD 5.38	348.90	USD 3.50	232.32
Payable	USD 8,57,516	557.76	USD 9.46	613.19	USD 0.21	13.61
<b>Netoff (Receivable &amp; Payable)</b>	USD (2,96,255)	(192.70)	USD (4.08)	(264.29)	USD 3.30	218.71
<b>Derivatives to hedge USD Exposure</b>						
Options Contract - USD/INR	USD 7,46,000	485.20	-	-	-	-
<b>Net Exposure</b>	USD 4,49,745	292.50	USD (4.08)	(264.29)	USD 3.30	218.71

### ii. Foreign Currency Sensitivity:

The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant 5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
<b>If INR has (Strengthened)/Weakened against USD</b>						
Net Impact on Profit and Loss	(9.63)	9.63	(13.21)	13.21	10.94	(10.94)
Net Impact on Equity	(6.45)	6.45	(8.85)	8.85	7.32	(7.32)

### iii. Forward Foreign Exchange Contracts/ Options/ Derivatives

It is the policy of the Company to enter into forward foreign exchange contracts/Options & Derivatives to cover foreign currency payments in USD. The Company enters into contracts with terms upto 90 days. The Company's philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

The Company will alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time. Based on the outstanding details of import payable and exports receivable (on event basis) the net trade import exposure is arrived at (i.e. Imports - Exports = Net trade exposures).

Forward cover or options covers is obtained from Banks or Merchant House for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The open contract as on March 31, 2018 for USD 7,46,000 was covered with buy exchange rate ₹ 65.93/- per US Dollar.

### b. Credit Risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Company is exposed to credit risk arising from its operating activities primarily from trade receivables, financing activities and relating to parking of surplus funds as Deposits with Banks. The Company considers probability of default upon initial recognition of assets and where there has been a significant increase in credit risk and on an ongoing basis throughout the reporting period.

The carrying amount of Financial Assets represents the maximum credit exposure



### Financial Instruments and Cash Deposit

Credit risk from balances with Banks and Financial Institutions is managed by the Company's finance department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and thereby mitigate financial loss through counterparty's potential failure to make payments.

### Trade Receivables

The Marketing department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits/advances received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to whom credit terms in the normal course of business are provided. The allowance for impairment of Trade receivables is created to the extent and as and when required, based on the actual collectability of accounts Receivables. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The company measures the expected credit loss of trade receivables and loans from customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss exposure and past trends.

### c. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company maintains a cautious liquidity strategy, with a positive cash balance throughout the year. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

The below table provides details regarding the remaining contractual maturities of Company's financial liabilities:

(₹ in Lakhs)

Particulars	Less than 1 Year	1 to 5 years	More than 5 years	Total
<b>As at March 31, 2018</b>				
Non-derivative financial liabilities				
Borrowings	912.08	119.35	-	1,031.43
Trade Payables	1,366.48	-	-	1,366.48
Unpaid dividend	4.05	-	-	4.05
Other payables	239.54	-	-	239.54
	2,522.15	119.35	-	2,641.49
Derivative financial liabilities				
Options	1.27	-	-	1.27
	1.27	-	-	1.27
<b>As at March 31, 2017</b>				
Non-derivative financial liabilities				
Borrowings	842.31	119.35	-	961.66
Trade Payables	3,284.56	-	-	3,284.56
Unclaimed dividend	2.81	-	-	2.81
Other payables	-	-	-	-
	4,129.67	119.35	-	4,249.02
<b>As at April 1, 2016</b>				
Non-derivative financial liabilities				
Borrowings	394.13	258.33	-	652.47
Trade Payables	5,547.86	-	-	5,547.86
Unclaimed dividend	1.38	-	-	1.38
Other payables	41.67	-	-	41.67
	5,985.03	258.33	-	6,243.37

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### Note 39

#### Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

- i) Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Company to make decisions for performance assessment and resource allocation.
- ii) The Company has two operating Segments i.e. Organic Chemicals and Traded Goods. Thus the segment revenue, segment results, total carrying value of segment assets and segment liabilities and total amount of charge of depreciation during the year are all reflected in the financial statements as at and for the year ended March 31, 2018 and March 31, 2017.

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>[A] Segment Revenue</b>		
a) Own Manufactured		
Organic Chemicals		
Revenue from Operations	15,101.94	15,224.67
Other Income	163.08	130.86
<b>Total</b>	<b>15,265.02</b>	<b>15,355.53</b>
b) Traded Goods		
Revenue from Operations	829.29	649.81
Other Income	291.15	193.96
<b>Total</b>	<b>1,120.44</b>	<b>843.77</b>
<b>Net Sales/Income from Operations</b>	<b>16,385.46</b>	<b>16,199.30</b>
<b>[B] Segment Results</b>		
Profit/(Loss) before Interest, Exceptional items and tax from each segment		
a) Own Manufactured		
Organic Chemicals		
Profit- Operations	267.14	246.01
Other Income	163.08	130.86
<b>Total</b>	<b>430.22</b>	<b>376.87</b>
b) Traded Goods		
Profit - Trading	(94.01)	(146.00)
Other Income	291.15	193.96
<b>Total</b>	<b>197.14</b>	<b>47.96</b>
<b>Total ( a + b )</b>	<b>627.36</b>	<b>424.83</b>
Less :		
(i) Interest ( Finance Cost )	97.94	128.97
<b>Profit Before Tax</b>	<b>529.44</b>	<b>295.86</b>
Current Tax	(200.00)	(92.00)
Deferred Tax	25.28	(10.40)
<b>Total Tax Expense</b>	<b>(174.72)</b>	<b>(102.40)</b>
<b>Profit After Tax</b>	<b>354.72</b>	<b>193.48</b>



(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>[C] Capital Employed</b>			
Other Information :			
Segment Assets			
a) Organic Chemicals	7,030.74	6,935.53	7,553.37
b) Traded Goods	2,166.41	3,564.14	5,765.62
<b>Total</b>	<b>9,197.15</b>	<b>10,499.66</b>	<b>13,318.99</b>
Segment Liabilities			
a) Organic Chemicals	3,146.72	4,131.43	3,040.22
b) Traded Goods	1,359.55	1,994.39	6,038.78
<b>Total</b>	<b>4,506.27</b>	<b>6,125.82</b>	<b>9,079.00</b>
(Segment Assets -Segment Liabilities)			
a) Organic Chemicals	3,884.02	2,804.10	4,513.16
b) Traded Goods	806.86	1,569.74	(273.16)
<b>Total</b>	<b>4,690.88</b>	<b>4,373.85</b>	<b>4,239.99</b>
Depreciation during the year			
a) Organic Chemicals	110.37	100.43	86.64
b) Traded Goods	1.51	1.93	2.07

iii) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

iv) Geographical Segement in terms of Ind AS 108 on "Operating Segments".

Particulars	India		Rest of The World		Total	
	2017-2018	2016-2017	2017-2018	2016-2017	2017-2018	2016-2017
Segment Revenue	12,855.30	12,153.66	3,530.16	4,045.69	16,385.46	16,199.30
Carrying Cost of Segment Assets	9,197.15	10,499.66	-	-	9,197.15	10,499.66
Net Addition to Fixed Assets and Intangible Assets	134.89	287.99	-	-	134.89	287.99

#### Note 40

##### Employee Benefits

The Company has classified various employee benefits as under:

##### A. Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
  - i. Employers Contribution to Employees State Insurance
  - ii Employers Contribution to Employees Pension Scheme 1995

The Provident Fund is operated by the Regional Provident Fund Commissioner and is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

The Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a. Contribution to Provident Fund	5.49	4.83
b (i) Contribution to Employees' State Insurance Scheme	0.75	0.66
b (ii) Contribution to Employees' Pension Scheme	12.47	10.96
<b>TOTAL</b>	<b>18.70</b>	<b>16.44</b>

### B. Defined Benefit Plans

#### a. Gratuity

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, subject to a payment ceiling of ₹ 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

#### Gratuity is defined benefit plan and Company is exposed to following Risks:

**Investment risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

**Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

**Mortality Risk** - Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

**Salary risk** - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

#### Gratuity Valuation

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

(₹ in Lakhs)

Particulars	Valuations as at		
	March 31, 2018	March 31, 2017	April 1, 2016
i. Discount Rate (per annum)	7.67%	7.40%	8.00%
ii. Rate of Increase in Compensation Levels (per annum)	4.00%	4.00%	4.00%
iii. Mortality Rate During The Employment	Indian Assured Lives Mortality (2006-08)		
iv. Actuarial Valuation Method	Projected Unit Credit Method		
v. Attrition Rate	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%
vi. Retirement Age	60 Years	60 Years	60 Years

vii. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

viii. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

ix. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
	Gratuity Funded	Gratuity Funded
<b>i. Changes in Present Value of Obligation</b>		
Present value of defined benefit obligation at the beginning of the year	48.40	35.76
Current Service Cost	6.67	6.25
Interest Cost	3.53	2.75
Actuarial (Gains)/Loss		
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumption	(1.63)	-
Actuarial (gains)/ losses arising from changes in experience adjustment	0.44	6.48
Past Service cost - Vested Benefits	-	-
Benefits Paid	(1.31)	(2.83)
Present value of defined benefit obligation at the end of the year	56.10	48.40
<b>ii. Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	33.56	31.09
Interest Income	2.66	2.49
Return on Plan Assets excl. interest income	0.27	(0.02)
Adjustment to Opening Fair Value of Plan Asset	0.03	
Employer's Contributions	6.02	2.84
Benefits Paid	(1.31)	(2.83)
Fair value of plan assets at the end of the year	41.23	33.56
<b>iii. Amount to be recognised in the Balance Sheet and Statement of Profit and Loss Account</b>		
PVO at end of period	56.10	48.40
Fair Value of Plan Assets at end of period	41.23	33.56
Funded Status	(14.87)	(14.84)
Net Assets/(Liability) recognised in the Balance Sheet	(14.87)	(14.84)
<b>iv. Net Benefit (Asset) /Liability</b>		
Defined benefit obligation at beginning of period	48.40	35.76
Fair value of plan assets at beginning of period	33.56	31.09
Net Benefit Asset /(Liability)	(14.84)	(4.67)
<b>v. Net Interest Cost for Current Period</b>		
Interest Cost	3.53	2.75
(Interest Income)	(2.66)	(2.49)
Net Interest Cost for Current Period	0.87	0.26
<b>vi. Return on plan assets</b>		
Actual Return on plan assets	2.93	2.47
Interest income included in above	2.66	2.49
Return on plan assets excluding interest income	0.27	(0.02)
<b>vii. Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	6.67	6.25
Interest cost on benefit obligation (net)	0.87	0.26
Total Expenses recognised in the Statement of Profit and Loss	7.54	6.51
<b>viii. Remeasurement Effects Recognised in Other Comprehensive Income for the year</b>		
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumption	(1.63)	-
Actuarial (gains)/ losses arising from changes in experience adjustment	0.44	6.48
Return on plan asset	(0.27)	0.02
Recognised in Other Comprehensive Income	(1.46)	6.50

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
	Gratuity Funded	Gratuity Funded
<b>ix. Movements in the Liability recognised in Balance Sheet</b>		
Opening Net Liability	14.84	4.67
Adjustment to opening balance	(0.03)	-
Expenses as above	7.54	6.51
Contribution paid	(6.02)	(2.84)
Other Comprehensive Income (OCI)	(1.46)	6.50
Closing Net Liability	14.87	14.84
<b>x. Cash flow Projection: From the Fund</b>		
Within the next 12 months (next annual reporting period)	1.51	1.28
2nd following year	3.15	2.57
3rd following year	4.54	4.03
4th following year	6.10	5.15
5th following year	7.74	6.56
Sum of Years 6 To 10	57.10	49.30
<b>xi. Sensitivity Analysis</b>		
"Projected Benefit Obligation on Current Assumptions"		
Delta Effect of +1% Change in Rate of Discounting	50.59	43.41
Delta Effect of -1% Change in Rate of Discounting	62.46	54.18
Delta Effect of +1% Change in Rate of Salary Increase	62.56	54.32
Delta Effect of -1% Change in Rate of Salary Increase	50.42	43.21

### Note on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
- In presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

### b. Privilege Leave Encashment (Unfunded)

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation at the rate of daily salary, as per current accumulation of leave days.

### Note 41

#### Corporate Social Responsibility (CSR)

a. Amount required to be spent by the Company during the year, ₹ 30.34 Lakhs

b. Amount spent during the year,

(₹ in Lakhs)

Sr. No.	Particulars	Amount Paid	Amount Yet to be Paid	Total
i.	Construction/acquisition of any asset	-	-	-
ii.	On purposes other than (i) above	30.34	-	30.34



## Note 42.

### Financial Instruments

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Valuation

All financial instruments are initially recognised & subsequently re-measured at fair value as described below

- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of over the counter Foreign Currency Options contracts is determined using the mark-to-market from Bank.
- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

#### Fair Value measurement hierarchy

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

**The carrying amounts and fair values of financial instruments by class are as follows:**

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>												
Measured at Amortised Cost												
Loans	468.41	-	-	-	315.37	-	-	-	288.77	-	-	-
Trade Receivable	2,400.04	-	-	-	3,045.93	-	-	-	6,024.82	-	-	-
Cash Balance	581.11	-	-	-	91.93	-	-	-	1,751.29	-	-	-
Other Financial Assets	5.16	-	-	-	21.26	-	-	-	0.95	-	-	-
	<b>3,454.72</b>	-	-	-	<b>3,474.49</b>	-	-	-	<b>8,065.83</b>	-	-	-
Measured at Fair Value Through Profit and Loss												
Investment in Equity Shares	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Financial Assets</b>	<b>3,454.72</b>	-	-	-	<b>3,474.49</b>	-	-	-	<b>8,065.83</b>	-	-	-
<b>Financial Liabilities</b>												
Measured at Amortised Cost												
Borrowing	1,031.43	-	-	-	961.66	-	-	-	652.47	-	-	-
Trade Payables	1,566.11	-	-	-	3,284.56	-	-	-	5,547.86	-	-	-
Other Financial Liabilities	243.59	-	-	-	1,291.77	-	-	-	43.04	-	-	-
	<b>2,841.13</b>	-	-	-	<b>5,537.99</b>	-	-	-	<b>6,243.36</b>	-	-	-
Measured at Fair Value Through Profit and Loss												
Derivative financial instruments	1.27	-	1.27	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>2,842.40</b>	-	<b>1.27</b>	-	<b>5,537.99</b>	-	-	-	<b>6,243.36</b>	-	-	-

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

## Note 43.

### Disclosure pursuant to Ind AS 101 "First-time adoption of Ind AS"

#### A. Effect of Ind-AS adoption on the balance sheet as at March 31, 2017 & April 1, 2016

(₹ in Lakhs)

Particulars	As at March 31, 2017			As at April 1, 2016		
	Previous GAAP	Effect of Ind AS Transition	Ind AS	Previous GAAP	Effect of Ind AS Transition	Ind AS
<b>ASSETS</b>						
<b>Non-current Assets</b>						
(a) Property, Plant and Equipment	1,500.71	-	1,500.71	1,380.77	-	1,380.77
(b) Capital work-in-progress	52.20	-	52.20	-	-	-
(c) Other Intangible Assets	0.44	-	0.44	0.71	-	0.71
(d) Financial Assets						
(i) Investments	73.10	-	73.10	73.24	-	73.24
(ii) Loans	136.20	(101.88)	34.32	140.34	(101.88)	38.46
<b>Sub-total</b>	<b>1,762.64</b>	<b>(101.88)</b>	<b>1,660.76</b>	<b>1,595.06</b>	<b>(101.88)</b>	<b>1,493.18</b>
<b>Current Assets</b>						
(a) Inventories	2,101.99	50.96	2,152.95	1,238.94	7.94	1,246.87
(b) Financial Assets						
(i) Trade Receivables	3,170.89	(124.96)	3,045.93	6,080.39	(55.57)	6,024.82
(ii) Cash and Cash Equivalents	202.97	(111.04)	91.93	1,771.53	(20.24)	1,751.29
(iii) Bank Balance other than (ii) above	-	111.04	111.04	-	20.24	20.24
(iv) Loans	3,461.16	(3,180.11)	281.05	2,265.21	(2,014.89)	250.31
(v) Other Financial Assets	-	21.26	21.26	-	17.22	17.22
(c) Current Tax Assets (net)	-	190.59	190.59	-	470.65	470.65
(d) Other Current Assets	-	2,944.16	2,944.16	-	2,044.41	2,044.41
<b>Sub-total</b>	<b>8,937.01</b>	<b>(98.11)</b>	<b>8,838.90</b>	<b>11,356.06</b>	<b>469.75</b>	<b>11,825.81</b>
<b>Total Assets</b>	<b>10,699.65</b>	<b>(199.99)</b>	<b>10,499.66</b>	<b>12,951.12</b>	<b>367.87</b>	<b>13,318.99</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share Capital	460.03	-	460.03	460.03	-	460.03
(b) Other Equity	4,206.20	(292.39)	3,913.81	4,052.62	(272.66)	3,779.96
<b>Sub-total</b>	<b>4,666.23</b>	<b>(292.39)</b>	<b>4,373.85</b>	<b>4,512.65</b>	<b>(272.66)</b>	<b>4,239.99</b>
<b>Liabilities</b>						
<b>Non-current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	119.35	-	119.35	258.33	-	258.33
(b) Provisions	22.52	-	22.52	18.87	-	18.87
(c) Deferred Tax Liabilities (Net)	150.89	(55.38)	95.51	136.10	(48.74)	87.36
<b>Sub-total</b>	<b>292.76</b>	<b>(55.38)</b>	<b>237.38</b>	<b>413.30</b>	<b>(48.74)</b>	<b>364.56</b>
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	842.31	-	842.31	394.13	-	394.13
(ii) Trade Payables	2,278.46	1,006.09	3,284.56	3,859.74	1,688.12	5,547.86
(iii) Other Financial Liabilities	-	1,291.77	1,291.77	3,769.22	(1,973.23)	1,795.99
(b) Other Current Liabilities	2,613.76	(2,353.23)	260.53	-	229.74	229.74
(c) Provisions	6.13	-	6.13	2.07	-	2.07
(d) Current Tax Liabilities (Net)	-	203.15	203.15	-	744.64	744.64
<b>Sub-total</b>	<b>5,740.66</b>	<b>147.78</b>	<b>5,888.44</b>	<b>8,025.16</b>	<b>689.27</b>	<b>8,714.44</b>
<b>Total Liabilities</b>	<b>6,033.42</b>	<b>92.40</b>	<b>6,125.82</b>	<b>8,438.46</b>	<b>640.53</b>	<b>9,079.00</b>
<b>Total Equity and Liabilities</b>	<b>10,699.65</b>	<b>(199.99)</b>	<b>10,499.66</b>	<b>12,951.12</b>	<b>367.87</b>	<b>13,318.99</b>



**B. Effect of Ind-AS adoption of Statement of Profit and Loss for the year ended March 31, 2017**

(₹ in Lakhs)

Sr. No.	Particulars	Previous GAAP	Effect of Ind AS Transition	Ind AS
I	Revenue from Operations	14,784.35	1,090.13	15,874.48
II	Other Income	324.82		324.82
III	<b>Total Income (I+II)</b>	<b>15,109.17</b>	<b>1,090.13</b>	<b>16,199.30</b>
IV	<b>EXPENSES</b>			-
	Cost of materials consumed	11,452.67	-	11,452.67
	Purchases of Stock-in-Trade	488.84	-	488.84
	Changes in inventories of Finished goods, Stock-in-Trade and Work-in-progress	(23.46)	(43.02)	(66.48)
	Excise Duty	-	1,140.33	1,140.33
	Employee benefits expense	502.65	(6.50)	496.15
	Finance costs	177.48	-	177.48
	Depreciation and amortisation expense	102.36	-	102.36
	Other expenses	2,092.89	19.19	2,112.07
V	<b>Total expenses</b>	<b>14,793.43</b>	<b>1,110.00</b>	<b>15,903.42</b>
VI	Total Profit before Exceptional items and Tax (III-IV)	315.74	(19.87)	295.88
VII	Exceptional Items	-	-	-
VIII	<b>Profit before tax (V-VI)</b>	<b>315.74</b>	<b>(19.87)</b>	<b>295.88</b>
	Tax Expense			
	(a) Current Tax	(92.00)	-	(92.00)
	(b) Deferred Tax	(14.79)	4.39	(10.40)
IX	Total Tax Expense	(106.79)	4.39	(102.40)
X	<b>Profit for the year (VII-VIII)</b>	<b>208.95</b>	<b>(15.48)</b>	<b>193.48</b>
	Other Comprehensive Income			
	A. Items that will not be reclassified subsequently to profit or loss			
	i. Remeasurement gain/(loss) on the Defined Benefit Plans	-	(6.50)	(6.50)
	ii. Income tax on (i) above	-	2.25	2.25
	B. Items that will be reclassified subsequently to profit or loss	-	-	-
XI	Total Other Comprehensive Income	-	(4.25)	(4.25)
	<b>Total Comprehensive Income for the year (IX+X)</b>	<b>208.95</b>	<b>(19.73)</b>	<b>189.23</b>

**C. Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Previous GAAP	Effect of Ind AS Transition	Ind AS
Net cash flows from operating activities	(1,647.83)	158.24	(1,489.59)
Net cash flows from investing activities	(210.82)	(48.66)	(259.48)
Net cash flows from financing activities	290.08	(109.58)	180.51
<b>Net increase in cash and cash equivalents</b>	<b>(1,568.56)</b>	-	<b>(1,568.56)</b>
Cash and cash equivalents as on April 1, 2016	1,771.53	-	1,771.53
Cash and cash equivalents as on March 31, 2017	202.97	-	202.97

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**D. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at April 1, 2016
<b>Total Equity as per previous GAAP</b>		4,666.23	4,512.65
Adjustments :			
Reversal of proposed Dividend & tax thereon	5	55.37	55.37
Short Provision for Taxation		(203.15)	(203.15)
Provision for Sales Returns	4	(9.03)	(1.86)
Incurred loss Provision for Security Deposits	7	(101.88)	(101.88)
Incurred loss Provision for Doubtful Debts	6	(64.97)	(45.78)
Deferred Tax Adjustments	3	31.28	24.64
Total Ind AS Adjustments		(292.39)	(272.66)
<b>Total Equity as per Ind AS</b>		<b>4,373.85</b>	<b>4,239.99</b>

**E. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	Year Ended March 31, 2017
<b>Net Profit / (Loss) as per Indian GAAP</b>		208.95
<b>Add/(less) : Adjustments in statement of Profit and Loss :</b>		
Actuarial Loss considered in Other Comprehensive Income	1	6.50
Impact on account of Provision for Doubtful Debts	7	(19.19)
Others		(7.18)
Deferred Tax (net)	3	4.39
Total Effect of transition to Ind AS		(15.48)
<b>Net profit as per Ind AS</b>		<b>193.48</b>
Other Comprehensive Income (Net of tax)		(4.25)
<b>Total Comprehensive Income</b>		<b>189.23</b>

**Notes to the Reconciliation:****1. Defined Benefit Plans**

Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/asset are recognised in the Other Comprehensive Income under Ind AS instead of profit or loss. The actuarial loss for the year ended March 31, 2017 were ₹ 6,49,791, with tax ₹ 2,24,880. This change does not effect total equity, but there is an increase in profit before tax by ₹ 6,49,791 and decrease in total profit after tax by ₹ 4,24,911 for the year ended March 31, 2017.

**2. Property, Plant and Equipment**

The company has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**3. Deferred Tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

**4. Provision For Sales reversal**

As required under Paragraph 17 of IND AS 18 - Revenue Recognition, provision has been made for the estimated sales returns of ₹ 59,99,026 as at March 31, 2017 (As at April 1, 2016 - ₹ 9,79,427) and consequently Retained earnings as at transition date and profit and loss for the year ended March 31, 2017 have been adjusted accordingly.



#### 5. Proposed Dividend (including DDT)

Under previous GAAP, dividend on equity shares, which was recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2017 by ₹ 55,36,862 including DDT (₹ 55,36,862 as at April 1, 2016), but does not affect profit before tax and total profit for the year ended March 31, 2017.

#### 6. Trade Receivable - Provision on Doubtful Debts

The company is not significantly exposed to the credit risk since the amount involved is not material, the company does not calculate any credit loss for the trade receivable and advances to parties as required under IND-AS 109 "Financial Instruments". However, the company provide for doubtful advances and trade receivables based on its judgement about recoverability of its amount.

#### 7. Credit Loss for Security Deposit

The company has recognised credit loss in respect of security deposit amounting to ₹ 1,01,88,000. Accordingly, the total equity balance was decreased to the extent as on March 31, 2017.

#### 8. Short Provision for Taxation

The short provision for tax amounting to ₹ 2,03,14,766/- is on account of arrears of tax dues under regular assessments.

#### Note 44

##### a. Production, Stocks and Sales : (As Certified by the Management)

##### CHEMICAL DIVISION ( Segment I)

Sr No	Products	Particulars	Opening Stock	Production/ Purchase	Sales	Closing Stock
I	Glacial Acetic Acid	Qty (MT)	-	7.02	7.02	-
			-	(9.64)	(9.64)	-
		₹ In Lakhs	-	3.64	3.64	-
			-	(3.07)	(3.07)	-
II	Ethyl Acetate	Qty (MT)	576.18	18,731.70	18,726.85	581.03
			(418.00)	(20,381.00)	(20,222.82)	(576.18)
		₹ In Lakhs	366.52	11,694.77	11,688.48	372.81
			(221.01)	(12,215.68)	(12,070.18)	(366.51)
III	Acetaldehyde	Qty (MT)	-	5,474.84	5,457.80	17.04
			(35.00)	(5,149.02)	(5,180.28)	(3.74)
		₹ In Lakhs	13.16	3,340.53	3,333.04	20.65
			(23.05)	(3,140.47)	(3,150.36)	(13.16)
IV	Others	₹ In Lakhs	55.51	67.59	76.78	46.32
			(27.63)	(28.94)	(1.06)	(55.51)
Total (₹) I			435.17	15,106.55	15,101.94	439.78
			(271.70)	(15,388.15)	(15,224.67)	(435.18)

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### GLOBAL TRADING DIVISION (Segment II)

Sr No	Products	Particulars	Opening Stock	Production/ Purchase	Sales	Closing Stock
I	Minerals	Qty (MT)	51,657.00	1,63,663.44	1,71,313.26	44,007.18
			(62,309.00)	(25,237.00)	(35,889.00)	(51,657.00)
		₹ In Lakhs	469.88	646.51	829.29	346.02
			(566.88)	(488.84)	(649.81)	(469.88)
Total (₹) II			469.88	646.51	829.29	346.02
			(566.88)	(488.84)	(649.81)	(469.88)
Grand Total (₹) I+II			905.05	15,753.06	15,931.23	785.80
			(838.58)	(15,877.00)	(15,874.48)	(905.06)

Notes :

(i) Figures in brackets are in respect of the previous year.

(ii) Loss/ Gain of goods and captive consumption during the year are adjusted in sales quantity.

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

Particulars	2017-18		2016-17	
	Qty (MT)	₹ In Lakhs	Qty (MT)	₹ In Lakhs
Alcohol	21,313.54	6,877.79	23,530.76	7,572.68
Glacial Acetic Acid	13,450.32	4,504.34	14,400.32	3,842.12

Note : Values are inclusive of incidental expenses like transport, freight etc.

#### Note 45

#### Value of Raw Materials, Stores & Packaging Materials consumed:

Particulars	2017-18		2016-17	
	% of Total Consumption	₹ In Lakhs	% of Total Consumption	₹ In Lakhs
Imported	42.02	4,934.74	24.73	2,896.80
Indigenous	57.98	6,807.90	75.27	8,818.21
<b>Total</b>	<b>100.00</b>	<b>11,742.64</b>	<b>100.00</b>	<b>11,715.01</b>

#### Note 46

#### CIF Value of Imports :

(₹ in Lakhs)

Particulars	2017-18	2016-17
Value of Imports - Chemical Division	4,934.74	2,896.80
Value of Imports - Trading Division	497.52	294.59

**Note 47****Expenditure in Foreign Currency:**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Travelling	2.32	-
Freight & Demurrage	-	124.48
Commission Paid	1.95	13.00
Others	-	152.71
<b>Total</b>	<b>4.27</b>	<b>290.18</b>

**Note 48****FOB value of Exports :**

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sale of Goods	2,567.50	2,907.99

**Note 49**

Balances for Trade Payables, Trade Receivables, Loans and Advances are subject to confirmations from the respective parties and reconciliations, if any, in many cases. In absence of such confirmations, the balances as per books have been relied upon by the auditors.

**As per our report of even date**  
For **RA MARU & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 141914W

Sd/-  
**RA Maru**  
Proprietor  
Membership No. 166417

Place : Mumbai  
Date : May 24, 2018

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

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer

## Consolidated Independent Auditor's Report

To  
The Members,  
Ashok Alco-Chem Limited  
Mumbai

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Ashok Alco-Chem Limited** ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance sheet as at 31st March, 2018, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("hereinafter referred to as the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

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

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

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

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group as at 31st March, 2018.

### Other Matter

We did not audit the financial statement/financial information of subsidiary,

whose financial statement/financial information reflect total assets of Rs. 5,80,66,911/- as at 31st March, 2018, total revenues of Rs. 1,43,16,107/- and net cash outflows amounting to Rs. 1,49,42,748/- for the year ended on that date, as considered in the consolidated financial statements. The financial statement/financial information are audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on reports of such other auditors.

The comparative financial information of the Group audits wholly owned subsidiary for the year ended 31st March, 2017 and the transition date opening balance sheet as at 1st April, 2016 included in these consolidated financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by previous auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 18th May, 2017 and 20th May, 2016 respectively expressed an unmodified opinion on those consolidated financial statements and have been restated to comply with Ind AS. Adjustments made to the said consolidated financial information prepared in accordance with the Companies (Accounting Standards) Rules, 2006 to comply with Ind AS have been audited by us.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The consolidated Balance Sheet, dealt with by this Report is in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group Companies incorporated in India is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**" and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Group does not have any pending litigations which would impact its consolidated financial position.
  - ii. The Group did not have any long term contracts including derivative contracts for which there are any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to Investor Education and Protection Fund.

For R A Maru & Associates  
Chartered Accountants  
FRN: 141914W

sd/-  
Rumeet Anil Maru  
(Proprietor)  
M. No. 166417

Place: Mumbai  
Date: 24.05.2018



**"Annexure - A" TO THE INDEPENDENT AUDITORS' REPORT  
on Consolidated Financial Statements of ASHOK ALCO-CHEM LIMITED**

**Report on the Internal Financial Controls over Financial Reporting under Clause (I)  
of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of consolidated financial statements of the company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of **ASHOK ALCO-CHEM LIMITED** ("the Holding Company") and its subsidiary (the holding company and its subsidiary together referred to as "the Group") for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that

## **ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

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the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors as referred to in the Other Matters paragraph the Holding Company and its Subsidiary have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by these entities considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls over the financial reporting in so far as it relates to subsidiary company, which is the Company incorporated in India, is based on the corresponding reports of the auditors of such Company incorporated in India. Our opinion is not qualified in respect of this matter.

**For RA Maru & Associates  
Chartered Accountants  
FRN: 141914W**

**sd/-  
Rumeet Anil Maru  
(Proprietor)  
M. No. 166417**

**Place: Mumbai  
Date: 24.05.2018**



# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

## ASHOK ALCO-CHEM LIMITED CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
a) Property, Plant and Equipment	3A	1,523.11	1,507.03	1,389.87
b) Capital Work-in-Progress	3B	5.41	52.20	-
c) Other Intangible Assets	3C	0.17	0.44	0.71
d) Financial Assets				
(i) Investments	4	-	-	0.14
(ii) Loans	5	180.71	34.32	38.46
(e) Other Non-Current Assets	6	-	-	0.07
<b>Sub-total</b>		<b>1,709.39</b>	<b>1,593.98</b>	<b>1,429.24</b>
<b>Current Assets</b>				
a) Inventories	7	2,400.63	2,160.82	1,327.53
b) Financial Assets				
(i) Trade Receivables	8	2,827.63	3,396.62	6,450.67
(ii) Cash and Cash Equivalents	9	680.99	194.79	1,859.72
(iii) Bank Balances other than (ii) above	10	178.57	111.04	20.64
(iv) Loans	11	287.70	281.75	251.01
(v) Others Financial Assets	12	9.95	21.26	17.22
c) Current Tax Assets	13	74.28	190.59	470.65
d) Other Current Assets	14	1,534.70	3,292.11	2,407.80
<b>Sub-total</b>		<b>7,994.45</b>	<b>9,648.98</b>	<b>12,805.24</b>
<b>Total Assets</b>		<b>9,703.85</b>	<b>11,242.96</b>	<b>14,234.48</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a) Equity Share Capital	15	460.03	460.03	460.03
b) Other Equity	16	4,413.12	4,213.34	3,930.22
<b>Sub-total</b>		<b>4,873.16</b>	<b>4,673.37</b>	<b>4,390.25</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	17	119.35	121.86	263.35
b) Provisions	18	17.96	22.52	18.87
c) Deferred Tax Liabilities (Net)	19	69.36	94.13	85.59
<b>Sub-total</b>		<b>206.67</b>	<b>238.51</b>	<b>367.81</b>
<b>Current Liabilities</b>				
a) Financial Liabilities				
(i) Borrowings	20	912.08	842.31	394.13
(ii) Trade Payables	21	1,810.38	3,632.49	6,002.28
(iii) Other Financial Liabilities	22	295.70	1,291.77	1,795.99
b) Other Current Liabilities	23	1,386.92	322.40	471.68
c) Provisions	24	9.78	8.58	5.08
d) Current Tax Liabilities (Net)	25	209.17	233.53	807.26
<b>Sub-total</b>		<b>4,624.02</b>	<b>6,331.08</b>	<b>9,476.42</b>
<b>Total Liabilities</b>		<b>4,830.69</b>	<b>6,569.59</b>	<b>9,844.23</b>
<b>Total Equity and Liabilities</b>		<b>9,703.85</b>	<b>11,242.96</b>	<b>14,234.48</b>

**Significant Accounting Policies**

See accompanying notes forming part of the financial statements

2  
3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

For and on behalf of the Board of Directors

Sd/-  
**RA Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer



**ASHOK ALCO-CHEM LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs except EPS)

Sr. No.	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from Operations	26	16,074.39	17,212.08
II	Other Income	27	454.23	335.20
III	<b>Total Income (I+II)</b>		<b>16,528.62</b>	<b>17,547.28</b>
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed	28	11,481.28	11,612.31
	Purchases of Stock-in-Trade	29	694.77	900.12
	Changes in Inventories of Finished Goods, Stock-in-Trade and Work-In-Progress	30	119.78	(59.61)
	Excise Duty Expenses		353.17	1,140.33
	Employee Benefit Expenses	31	638.86	539.95
	Finance Costs	32	205.46	182.40
	Depreciation and Amortisation Expense	3A & 3C	113.93	105.23
	Other Expenses	33	2,456.72	2,592.99
	<b>Total Expenses</b>		<b>16,063.97</b>	<b>17,013.72</b>
V	<b>Total Profit/(Loss) Before Exceptional Items and Tax (III-IV)</b>		464.66	533.57
VI	<b>Exceptional Items</b>		-	-
VII	<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>464.66</b>	<b>533.57</b>
VIII	Tax Expense			
	a) Current Tax		(200.00)	(180.02)
	b) Deferred Tax	35	25.07	(10.79)
	c) Tax Adjustment of Earlier Years		(0.14)	-
	<b>Total Tax Expense</b>		<b>(175.06)</b>	<b>(190.81)</b>
IX	<b>Profit/(Loss) For The Year (VII-VIII)</b>		<b>289.59</b>	<b>342.76</b>
X	<b>Other Comprehensive Income</b>			
	A. Items that will not be reclassified subsequently to profit or loss :			
	(i) Remeasurement [Gain/(Loss)] of Net Defined Benefit Liability		1.46	(6.50)
	(ii) Income Tax on (i) Above		(0.51)	2.25
	B. Items That Will Be Reclassified Subsequently To Profit or Loss :		-	-
	<b>Total Other Comprehensive Income</b>		<b>0.96</b>	<b>(4.25)</b>
XI	<b>Total Comprehensive Income For The Year (IX+X)</b>		<b>290.55</b>	<b>338.51</b>
XII	Earnings Per Equity Share (Face Value ₹ 10 Per Share) Basic and Diluted (₹)		<b>6.30</b>	<b>7.45</b>

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements

3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

For and on behalf of the Board of Directors

**R A Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**ASHOK ALCO-CHEM LIMITED  
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018**

(₹ in Lakhs)

Sr. No.	Particulars	Year ended March 31, 2018		Year ended March 31, 2017	
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
	Net Profit (loss) before Tax		<b>464.66</b>		<b>533.57</b>
	<b>Adjustments for:</b>				
	Depreciation	113.93		105.23	
	Foreign Exchange (Gain) / Loss	(11.08)		(100.58)	
	Preliminary Expenses	-		0.07	
	Sundry Balance w/off/ (w/back)	249.56		76.48	
	Interest & Finance Charges	202.99		177.48	
	Interest Received	(110.39)		(48.80)	
	Interest on car loan	0.14		0.41	
	Profit on Sale of Asset	-		(0.99)	
	Sales of Investment (gain)/loss	-		(10.30)	
	Dividend Income	-	445.15	(13.63)	185.38
	<b>Operating Profit before Working Capital Changes</b>		<b>909.81</b>		<b>718.95</b>
	<b>Adjustments for changes in working capital</b>				
	Decrease/(Increase) in Receivables	879.06		3,069.48	
	Decrease/(Increase) in Loans	(6.65)		(30.74)	
	Decrease/(Increase) Other Financial assets	46.60		(4.05)	
	Decrease/(Increase) Non current Loans	(146.39)		4.14	
	Decrease/(Increase) in Inventories	(239.80)		(833.30)	
	Decrease/(Increase) Other Current Assets	1,447.34		(899.75)	
	Increase/(Decrease) in Payables	(1,822.12)		(2,369.79)	
	Increase/(Decrease) in Other Current Liabilities	1,034.13		(184.67)	
	Increase/(Decrease) in Other Financial Liabilities	(1,048.00)		(504.22)	
	Increase/(Decrease) in Provision	1.19		3.50	
	Increase/(Decrease) in Long term Provision	(4.56)		3.65	
	Foreign Exchange (Gain) / Loss	11.08		100.58	
	Sundry Balance w/off	(249.56)	(97.68)	(76.48)	(1,721.66)
	<b>Cash generated from operations</b>		<b>812.13</b>		<b>(1,002.71)</b>
	Income Tax Expenses		(150.39)		(500.15)
	<b>Net Cash flow from Operating activities</b>		<b>661.74</b>		<b>(1,502.86)</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
	Purchase of Fixed Assets	(82.98)		(288.07)	
	Sale/Adjustments of Fixed Assets	0.45		14.74	
	Decrease/(Increase) in Investments	-		10.44	
	Dividend Income	-		13.63	
			<b>(82.53)</b>		<b>(249.26)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
	Proceeds from Long term Borrowings				
	Secured - Working Capital	67.26		448.18	
	Secured - Term Loan	-		(141.49)	
	Interest Received	110.39		48.80	
	Interest paid	(203.13)		(177.89)	
	<b>Net Cash used in financing activities</b>		<b>(25.48)</b>		<b>177.60</b>
	<b>Net increase in cash &amp; Cash Equivalents (A+B+C)</b>		<b>553.73</b>		<b>(1,574.53)</b>
	Cash and Cash equivalents as at 01.04.17		305.83		1,880.36
	Cash and Cash equivalents as at 31.03.18		859.56		305.83
	<b>Cash &amp; Cash Equivalents</b>		<b>As on</b>		<b>As on</b>
			<b>31-03-2018</b>		<b>31-03-2017</b>
	Cash in Hand		2.95		6.31
	Cash at Bank		856.61		299.52
	<b>Cash &amp; Cash equivalents as stated</b>		<b>859.56</b>		<b>305.83</b>



Note:

1. Disclosure in terms of amendment to Ind AS 7 on "Statement of Cash Flows" to evaluate changes in Liabilities arising from financial activities:

Effective April 1, 2017, the Group adopted the amendment to Ind As 7, which require the entities to provided disclosures that enable users of Financial Statements to evaluate changes in liabilities arising from financial activities, including both changes arising from cash flow and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheets for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of the amendment did not have any material impact on the Financial Statements.

<b>Changes in liabilities arising from financing activities</b>	<b>As at 31st March 2017</b>	<b>Cash Flow</b>	<b>Non cash changes</b>	<b>As at 31st March 2018</b>
Borrowing non current	121.86	-	-	121.86
Borrowing current	842.31	67.26	-	909.57
<b>Total</b>	<b>964.17</b>	<b>67.26</b>	<b>-</b>	<b>1,031.43</b>

2. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

3. Figures in brackets represent outflows / deductions.

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements

3 to 49

As per our report of even date  
For **R A MARU & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 141914W

For and on behalf of the Board of Directors

**R A Maru**  
Proprietor  
Membership No. 166417

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Place : Mumbai  
Date : May 24, 2018

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

### A. Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
<b>Balance as at April 1, 2016</b>	<b>460.03</b>
Changes in Equity Share Capital during the year 2016-17	-
<b>Balance as at March 31, 2017</b>	<b>460.03</b>
Changes in Equity Share Capital during the year 2017-18	-
<b>Balance as at March 31, 2018</b>	<b>460.03</b>

### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus				
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Total
<b>Balance as at April 1, 2016</b>	<b>150.26</b>	<b>783.79</b>	<b>1,000.00</b>	<b>1,996.17</b>	<b>3,930.22</b>
Profit for the period	-	-	-	342.76	342.76
Other Comprehensive Income for the year, net of income tax					
- Remeasurement gain/(loss) on the Defined Benefit Plans	-	-	-	(4.25)	(4.25)
Dividend Paid (Includes Dividend Distribution Tax)	-	-	-	(55.37)	(55.37)
Transfer (to) /from Retained Earnings	-	-	50.00	(50.00)	-
<b>Balance as at March 31, 2017</b>	<b>150.26</b>	<b>783.79</b>	<b>1,050.00</b>	<b>2,229.29</b>	<b>4,213.34</b>
Profit for the period	-	-	-	289.59	289.59
Other Comprehensive Income for the year, net of income tax	-	-	-	0.95	0.95
Dividend Paid (Includes Dividend Distribution Tax)	-	-	-	(55.37)	(55.37)
Reserve for Doubtful debts	-	-	-	(52.11)	(52.11)
Deferred tax Impact on OCI	-	-	-	-	-
Deferred tax Provision	-	-	-	(0.30)	(0.30)
Ind AS Other adjustments	-	-	-	16.74	16.74
Transfer to General Reserve	-	-	50.00	(50.00)	-
<b>Balances as at March 31, 2018</b>	<b>150.26</b>	<b>783.79</b>	<b>1,100.00</b>	<b>2,378.80</b>	<b>4,413.12</b>

Significant Accounting Policies

2

See accompanying notes forming part of the financial statements

3 to 49

As per our report of even date  
For RA MARU & ASSOCIATES  
Chartered Accountants  
Firm Registration No. 141914W

**R A Maru**  
Proprietor  
Membership No. 166417

Place : Mumbai  
Date : May 24, 2018

For and on behalf of the Board of Directors

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer



**Notes Forming Part Of The Consolidated Financial Statements And Other Explanatory Information's  
For the Year Ended March 31, 2018**

**Note 1**

**Corporate Information**

Ashok Alco-Chem Limited ("the Company" or "the Holding Company") is a public limited Company incorporated and domiciled in India and has Registered Office at 104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001. The Equity shares of the company are listed on Bombay Stock Exchange Limited (BSE).

The Company and its wholly owned subsidiary (jointly referred to as the "Group" herein under) are engaged interalia, in the business of Manufacturing of Chemicals and Trading in Minerals.

The consolidated financial statements for the year ended March 31, 2018 are approved for issue by the Company's Board of Directors on May 24, 2018.

**Note 2**

**Significant Accounting Policies**

**A Basis of Consolidation**

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013

The financial statements of the Company and its Subsidiary ("the Group") have been consolidated on a line-by-line basis by adding together the book value of items like assets, liabilities, income and expenses after eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.

The accounting policies of subsidiary have been harmonised to ensure the consistency with the policies adopted by the Holding Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Holding Company's separate financial statements.

The difference between cost of investment in Subsidiary Company and Holding Company's share of Net Assets at the time of acquisition of shares in Subsidiary is recognised in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be.

No.	Name of the Company	Country of Incorporation	Parent's holding as at March 31, 2018	Parent's holding as at March 31, 2017	Parent's holding as at April 1, 2016	Financial Year ends
i.	Ashwa Minerals Private Limited	India	100.00%	100.00%	100.00%	March 31

**B Basis of Preparation**

These Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013 ('Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) Amended Rules, 2016.

For all periods up to and including for the financial year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with Accounting Standards specified under Section 133 of the Act read with applicable rules and the relevant provisions of the Act ("Previous GAAP"). The figures as at March 31, 2017, as at April 1, 2016 and for the year ended March 31, 2018 have now been restated as per Ind AS to provide comparability.

These consolidated financial statements for the year ended March 31, 2018 are the Group first Ind AS consolidated financial statements. The Group has adopted all the Ind AS and the adoption was carried out in accordance with Ind AS 101, "First-time Adoption of Indian Accounting Standards", the date of transition to Ind AS being April 1, 2016. Refer Note 45 for disclosures required by Ind AS 101.

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

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These consolidated financial Statements are prepared on an accrual basis under the historical cost convention or amortised cost, except for the following assets and liabilities:

- i. Certain financial assets and liabilities that are measured at fair value.
- ii. Employee's Defined Benefit Plan measured as per independent actuarial valuation.
- iii. Share-based payments that are measured at fair value.

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group functional currency and all amounts are rounded off to the nearest lakhs (INR '00,000) upto two decimals, except when otherwise indicated.

### **Classification of Assets and Liabilities into Current/Non-current:**

The Group presents assets and liabilities in the Consolidated Balance Sheet based on Current / Non-current classification.

#### **An asset is classified as Current when:**

- i. It is expected to be realised or intended to be sold or consumed in normal operating cycle; or
- i. It is held primarily for the purpose of trading; or
- i. It is expected to be realised within twelve months after the reporting period; or
- i. It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as Non-current.

#### **A liability is classified as Current when:**

- i. It is expected to be settled in normal operating cycle; or
- i. It is held primarily for the purpose of trading; or
- i. It is due to be settled within twelve months after the reporting period; or
- i. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### **Deferred Tax Assets and Liabilities are classified as Non-current assets and liabilities.**

## **2 Operating cycle for current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### **2.1 Property, Plant and Equipment (PPE)**

- i. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. PPE (other than Freehold land and Capital Work-in-progress) are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes qualifying assets, borrowing costs capitalised in accordance with the Group accounting policy.
- i. If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.
- i. Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in IndAS 16 on "Property, Plant and Equipment".
- i. The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Statement of



Profit and Loss.

### **Capital Work-in-Progress**

Property, plant and equipment which are not ready for intended use on the date of balance sheet are disclosed as capital work-in-progress. It is carried at cost, such properties are classified and capitalised to the appropriate categories of Property, Plant and Equipment when completed and ready for intended use. Depreciation of these assets, will be provided on the same basis as other property assets are ready for their intended use.

## **2.2 Depreciation**

Depreciation on Property, Plant and Equipment (other than Freehold Land and Capital Work-in-progress) is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013.

The Group has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein.

Freehold land is not depreciated. Land under finance lease is amortised over the period of lease.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

## **2.3 Intangible Assets and Amortisation**

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis as per Schedule II of Companies Act, 2013.

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

## **2.4 Impairment of Non-Financial Assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## **2.5 Inventories**

- | Inventories are valued at lower of cost and net realizable value.
- | Inventories comprise all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition.
- | Cost of raw materials, packing materials, including materials in transit, work in process and finished goods are arrived at on the first in first out method of valuation, including manufacturing overheads wherever applicable.
- | Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of

completion and estimated costs necessary to make the sale.

## **2.6 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value, as reduced by bank overdrafts.

## **2.7 Segment Reporting**

- | The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.
- | The accounting policies adopted for segment reporting are in line with the accounting policies of the Group.
- | Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/ assets/liabilities" respectively.

## **2.8 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

## **2.9 Provisions, Contingent Liabilities and Contingent Assets**

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses. Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements.

## **2.10 Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received



or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

#### **Sale of Goods**

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, while neither continuing managerial involvement nor effective control over the goods sold is retained. Sales include excise duty but exclude Goods and Service Tax (GST). It is measured at fair value of consideration received or receivable, net of returns, rebates and discounts.

#### **Rental Income**

Rental Income is accounted as and when accrues.

#### **Interest Income**

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

#### **Dividends**

Dividend Income is accounted for when Group right to receive income is established.

### **2.11 Leases**

At the inception of an arrangement, it is determined whether the arrangement is or contains a lease and based on the substance of the lease arrangement, it is classified as a finance lease or an operating lease.

#### **Finance Leases:**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership to the lessee.

Assets under finance leases are capitalised at the commencement of lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments and a liability is created for an equivalent amount. Minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised over the period of the lease so as to yield a constant rate of return on the net investment in the lease.

#### **Operating Leases:**

Lease agreements where risk and rewards incidental to ownership of an assets, substantially vests with the Lessor, are classified as operating lease.

### **2.12 Employee Benefits**

#### **(i) Short Term Employee Benefits**

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the

related service is rendered.

**(ii) Long-Term Benefits:****1 Defined Contribution Plan:****Provident and Family Pension Fund:**

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident and family pension fund, in which both employees and the Group make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions are made to AAACL Trust -Provident Fund Trust. Provident Fund classified as Defined Contributions Plans as the Group has no further obligation beyond making the contribution. The Group contribution is charged to the statement of profit and loss as incurred.

**1 Defined Benefit Plan:****Gratuity:**

The Group has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. The Group makes contribution to AAACL Gratuity Fund Trust based thereon.

Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited taking into account the present value of available refunds and reductions in future contributions to the schemes.

**Compensated Absences:**

The Group provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment / availment. The liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

**2.13 Taxes on Income**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group current tax is calculated using applicable tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which



those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### **Current and Deferred Tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **2.14 Earnings Per Share**

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

#### **2.15 Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items that are measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial transaction. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

#### **2.16 Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

##### **Initial Recognition:**

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

- | the entity's business model for managing the financial assets; and
- | the contractual cash flow characteristics of the financial assets.

**Amortised Cost:**

**A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:**

- | the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- | the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Other Comprehensive Income:**

**A financial asset shall be classified and measured at FVOCI, if both of the following conditions are met:**

- | the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- | the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Fair Value through Profit or Loss:**

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement-Financial liabilities:**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**Financial Liabilities at FVTPL:**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**Impairment of Financial Assets:**

The impairment provision for Financial Assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group past history, existing market conditions as well as forward looking estimates at the end



of each reporting period.

The Credit Policy approved by the Group for bad debts considering past history of bad debts, instead of recognising allowance for expected credit loss based on provision matrix, which uses an estimated default rate, the Group makes provision for doubtful debts based on specific by Board. The Group will reassess the model periodically and make the necessary adjustments for loss allowance.

**Derecognition of financial assets:**

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expires, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part of it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

**Financial liabilities and equity instruments:**

| Classification as debt or equity:

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

| Equity instruments:

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by a Group are recognised at the proceeds received.

**Derecognition of financial liabilities:**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**Derivative Financial Instruments:**

The Group enters mainly into foreign exchange forward contracts to mitigate the foreign currency exposure risk. Derivatives are initially recognised at fair value at the date of the derivative contracts are entered and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in Statement of Profit and Loss depends on the nature of the hedge relationship.

**2.17 Research and Development:**

Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure on Research and Development is considered as an addition to Property, Plant and Equipment/ Intangible Assets.

**2.18 Critical Accounting Judgments and Key Sources of Estimation Uncertainty**

The preparation of the financial statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes, expenses, and accompanying disclosures and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**Key estimates, assumptions and judgements**

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

**Income Taxes**

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits. Also, Refer Note 35.

**Property, Plant and Equipment/Intangible Assets**

Property, Plant and Equipment/ Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly the unamortised/depreciable amount is charged over the remaining useful life of the assets.

**Employee Benefit Plans**

The cost of the defined benefit gratuity plan, other-post employment benefits, the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Impairment of Financial Assets**

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss



rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Group reviews its carrying value of investments carried at amortised cost annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

#### **Recoverability of Trade Receivables**

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

#### **Fair Value measurements of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

#### **Impairment of Assets**

The Group has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

#### **Provisions & Contingent liabilities**

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

### **2.19 First-time adoption-mandatory exceptions, optional exemptions**

#### **Overall Principle**

The Group has prepared the Opening Balance Sheet as per Ind AS as of April 1, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exceptions and certain optional exemptions availed by the Group detailed below:

#### **Significant items are as discussed below:**

##### **i) Deemed cost for Property, Plant and Equipment and Intangible assets**

The Group has elected to continue with the carrying value of all of its Property, Plant and Equipment and Intangible assets recognised as of the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### **ii) Investments**

- i) Investments that are readily realizable and intended to be held for not more than a year will be classified as current investments. All other investments will be classified as long-term investments. Current investments will be carried at

lower of cost and fair value determined on an individual investment basis. Long term Investments will be carried at cost.

**2.20 Ind AS issued but not effective**

Ministry of Corporate Affairs ("MCA") through the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new amendments to IndAS's :

**Ind AS 21: The Effects of Changes in Foreign Exchange Rates**

Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration is inserted to clarify the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The Appendix explains that the date of the transaction for the purpose of determining the exchange rate, to use on the initial recognition of the related asset, expense or income

(or part of it) is the date on which the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

If there are multiple payments or receipts in advance, the date of the transaction is determined for each payment or receipt of advance consideration.

The amendment will come into force from April 1, 2018. The Group has evaluated the effect of this on its financial statements and the impact is not material.

**Ind AS 115: Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard IndAs 18 on "Revenue" and Ind AS 11 on "Construction Contracts".

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further, Ind AS 115, requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

**Ind AS 115 permits two possible methods of transition:**

- | Retrospective approach - Under this approach the standard is applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.
- | Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) only to contracts that are not completed contracts on that date. Under this method, cumulative effect is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period.

The effective date for adoption of Ind AS 115 is accounting period beginning on or after April 1, 2018.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note 3**

**3A. Property, Plant and Equipment**

Particulars	(₹ in Lakhs)									
	Leasehold Land	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Air Conditioner	Total	
<b>(I) Gross Carrying Value</b>										
<b>Balance as at April 1, 2016</b>	9.25	181.01	1,174.84	2.81	6.15	3.28	10.25	2.28	1,389.87	
Additions during the year	-	1.00	231.43	0.29	0.76	0.71	-	1.68	235.88	
Deductions/Adjustments during the year	-	-	(14.25)	(0.60)	(0.48)	(0.33)	(0.47)	(0.29)	(16.42)	
Other Adjustments during the year									-	
<b>Balance as at March 31, 2017</b>	<b>9.25</b>	<b>182.01</b>	<b>1,392.02</b>	<b>2.51</b>	<b>6.43</b>	<b>3.66</b>	<b>9.78</b>	<b>3.67</b>	<b>1,609.34</b>	
Additions during the year	-	3.19	118.22	2.17	4.11	1.65	-	0.43	129.76	
Deductions/Adjustments during the year	-	-	-	-	(0.48)	-	-	-	(0.48)	
Other Adjustments during the year	-	-	-	-	-	-	-	-	-	
<b>Balance as at March 31, 2018</b>	<b>9.25</b>	<b>185.20</b>	<b>1,510.24</b>	<b>4.68</b>	<b>10.06</b>	<b>5.31</b>	<b>9.78</b>	<b>4.11</b>	<b>1,738.62</b>	
<b>(II) Accumulated Depreciation</b>										
<b>Balance as at April 1, 2016</b>	-	-	-	-	-	-	-	-	-	
Depreciation expense for the year	0.13	5.72	91.53	0.42	1.97	1.92	2.60	0.69	104.96	
Deductions/Adjustments during the year	-	-	(1.85)	-	(0.25)	(0.31)	-	(0.24)	(2.65)	
<b>Balance as at March 31, 2017</b>	<b>0.13</b>	<b>5.72</b>	<b>89.68</b>	<b>0.42</b>	<b>1.72</b>	<b>1.60</b>	<b>2.60</b>	<b>0.44</b>	<b>102.31</b>	
Depreciation expense for the year	0.13	5.73	101.03	0.46	2.03	1.44	1.88	0.97	113.66	
Deductions/Adjustments during the year	-	-	-	-	(0.45)	-	-	-	(0.45)	
<b>Balance as at March 31, 2018</b>	<b>0.25</b>	<b>11.45</b>	<b>190.70</b>	<b>0.88</b>	<b>3.30</b>	<b>3.04</b>	<b>4.48</b>	<b>1.41</b>	<b>215.52</b>	
<b>Balance as at April 1, 2016</b>	<b>9.25</b>	<b>181.01</b>	<b>1,174.84</b>	<b>2.81</b>	<b>6.15</b>	<b>3.28</b>	<b>10.25</b>	<b>2.28</b>	<b>1,389.87</b>	
<b>Balance as at March 31, 2017</b>	<b>9.13</b>	<b>176.29</b>	<b>1,302.34</b>	<b>2.09</b>	<b>4.71</b>	<b>2.05</b>	<b>7.18</b>	<b>3.23</b>	<b>1,507.03</b>	
<b>Balance as at March 31, 2018</b>	<b>9.00</b>	<b>173.75</b>	<b>1,319.53</b>	<b>3.80</b>	<b>6.76</b>	<b>2.26</b>	<b>5.30</b>	<b>2.70</b>	<b>1,523.11</b>	



**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**3B Capital Work-in-Progress**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Work-in-Progress	5.41	52.20	–
<b>Total</b>	<b>5.41</b>	<b>52.20</b>	–

**3C Other Intangible Assets**

(₹ in Lakhs)

Particulars	Computer Software
<b>(I) Gross Carrying Value</b>	
<b>Balance as at April 1, 2016</b>	<b>0.71</b>
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
<b>Balance as at March 31, 2017</b>	<b>0.71</b>
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
<b>Balance as at March 31, 2018</b>	<b>0.71</b>
<b>(II) Accumulated Depreciation</b>	
<b>Balance as at April 1, 2016</b>	<b>-</b>
Depreciation expense for the year	<b>0.27</b>
Deductions/Adjustments during the year	-
<b>Balance as at March 31, 2017</b>	<b>0.27</b>
Depreciation expense for the year	<b>0.27</b>
Deductions/Adjustments during the year	-
<b>Balance as at March 31, 2018</b>	<b>0.54</b>
<b>(III) Net Carrying Value (I-II)</b>	
<b>Balance as at April 1, 2016</b>	<b>0.71</b>
<b>Balance as at March 31, 2017</b>	<b>0.44</b>
<b>Balance as at March 31, 2018</b>	<b>0.17</b>


**Note 4**
**Non-current Investments**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investments measured at Fair Value through Profit and Loss Investments In Equity Shares Unquoted (As at April 1, 2016 - 7 Equity Shares of ₹ 2,000/- each in Chhatrapati Sahakari Karkhana Ltd. )	-	-	0.14
<b>Total</b>	-	-	<b>0.14</b>

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aggregate Amount Of Quoted Investments	-	-	-
Aggregate Amount Of Unquoted Investments	-	-	0.14
Aggregate provision made for diminution in value of Investments	-	-	-

**Note 5**
**Loans (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits			
Unsecured, Considered Good	180.71	34.32	38.46
Unsecured, Considered Doubtful	-	101.88	101.88
Incurred Loss Provision	-	(101.88)	(101.88)
<b>Total</b>	<b>180.71</b>	<b>34.32</b>	<b>38.46</b>

**Note 6**
**Other Non-Current Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Preliminary Expenses	-	-	0.07
<b>Total</b>	-	-	<b>0.07</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 7****Inventories**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw Materials	1,376.53	1,022.15	370.33
Add : Goods-in-Transit	195.93	186.96	43.42
	1,572.46	1,209.11	413.75
Work in Progress	46.21	46.08	-
Finished Goods	395.19	391.34	280.82
Stock-in-Trade (Trading)	346.02	469.88	566.88
Fuel	12.89	6.67	8.19
Add: Goods in Transit	-		25.60
	12.89	6.67	33.79
Stores, Spares and Packing Materials	27.86	37.73	32.29
<b>Total</b>	<b>2,400.63</b>	<b>2,160.82</b>	<b>1,327.53</b>

**Note 8****Trade Receivables**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Unsecured, Considered Good	2,827.63	3,396.62	6,450.67
Unsecured, Considered Doubtful	103.07	84.85	55.57
Provision for Doubtful Debts	(103.07)	(84.85)	(55.57)
<b>Total</b>	<b>2,827.63</b>	<b>3,396.62</b>	<b>6,450.67</b>

**Note 9****Cash & Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balances with Banks</b>			
Current Accounts	678.04	188.48	1,848.56
<b>Cash and Cash Equivalents</b>			
Cash on Hand	2.95	6.31	11.16
<b>Total</b>	<b>680.99</b>	<b>194.79</b>	<b>1,859.72</b>



**Note 10**

**Bank Balances other than Cash and Cash Equivalents**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Other Bank Balances</b>			
Term deposit with bank to the extent held as margin money and security against BG and other commitments	174.52	108.23	19.27
Unclaimed Dividend	4.05	2.81	1.37
<b>Total</b>	<b>178.57</b>	<b>111.04</b>	<b>20.64</b>

**Note 11**

**Loans (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured, Considered Good</b>			
Loans to Corporates (Refer Note No. 37)	276.39	269.96	241.61
Loans and Advances to Staff	0.30	1.22	0.80
Loans and Advances to Others	11.01	10.57	8.61
<b>Total</b>	<b>287.70</b>	<b>281.75</b>	<b>251.01</b>

**Note 12**

**Other Financial Assets (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Loans And Advances</b>			
Other Deposits	4.79	-	-
Interest on FDR Receivable	-	4.68	0.64
Other Receivables (LIC Policy-Leave Encashment )	5.16	16.58	16.58
<b>Total</b>	<b>9.95</b>	<b>21.26</b>	<b>17.22</b>

**Note 13**

**Current Tax Assets**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance Income Tax	74.28	190.59	470.65
<b>Total</b>	<b>74.28</b>	<b>190.59</b>	<b>470.65</b>

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### Note 14

#### Other Current Assets

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	18.40	34.13	9.44
Balances with Government Authorities	903.35	1,713.80	1,534.18
Advance to Suppliers	583.01	1,487.30	852.21
Advance Against Expenses	-	17.31	-
Sales Deposit	0.20	0.20	0.20
Other Loans & Advances	29.74	39.38	11.77
<b>Total</b>	<b>1,534.70</b>	<b>3,292.11</b>	<b>2,407.80</b>

### Note 15

#### Equity Share Capital

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised</b>			
50,00,000 Equity Shares of ₹ 10/- each	500.00	500.00	500.00
20,00,000 11% Preference shares of ₹10/- each	200.00	200.00	200.00
<b>Total Authorised Share Capital</b>	<b>700.00</b>	<b>700.00</b>	<b>700.00</b>
<b>Issued, Subscribed &amp; Paid Up</b>			
46,00,343 Equity shares of ₹10/- each fully paid up	460.03	460.03	460.03
<b>Total Issued, Subscribed and Paid up Share Capital</b>	<b>460.03</b>	<b>460.03</b>	<b>460.03</b>

#### Terms/Rights attached to Equity Shares

- The Company has issued only one class of shares referred to as Equity shares having a par value of ₹ 10/-. Each holder of equity shares is entitled for one vote per share.
- In the Event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### a. Reconciliation of the number of shares outstanding :

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	Amounts ₹	No. of Shares	Amounts ₹	No. of Shares	Amounts ₹
Shares at the beginning	46,00,343	460.03	46,00,343	460.03	46,00,343	460.03
Add: Share warrants issued during the year	-	-	-	-	-	-
Add: Calls in arrears received during the year	-	-	-	-	-	-
Less: Shares forfeited during the year	-	-	-	-	-	-
Add : Re-issue of forfeited shares	-	-	-	-	-	-
<b>Shares at the end</b>	<b>46,00,343</b>	<b>460.03</b>	<b>46,00,343</b>	<b>460.03</b>	<b>46,00,343</b>	<b>460.03</b>



**b. Shareholders having more than 5% holding**

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
<b>Aura Alkalies &amp; Chemicals Pvt Ltd.</b>	25,18,632	54.75%	25,18,632	54.75%	25,18,632	54.75%

**Note 16**

**Other Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Capital Reserve</b>			
As per last Balance Sheet	150.26	150.26	-
Add: Capital Reserve on Acquisition	-	-	-
Less: (Deductions) during the year	-	-	-
	<b>150.26</b>	<b>150.26</b>	<b>150.26</b>
<b>Securities Premium Reserve</b>			
As per last Balance Sheet	783.79	783.79	-
Add: Additions during the year	-	-	-
Less: (Deductions) during the year	-	-	-
	<b>783.79</b>	<b>783.79</b>	<b>783.79</b>
<b>General Reserve</b>			
As per last Balance Sheet	1,050.00	1,000.00	-
Add: Additions during the year	50.00	50.00	-
Less: (Deductions) during the year	-	-	-
	<b>1,100.00</b>	<b>1,050.00</b>	<b>1,000.00</b>
<b>Retained Earnings</b>			
As per last Balance Sheet	2,229.29	1,996.17	-
Add: Net Profit after tax transferred from Statement of Profit and Loss	290.55	338.51	-
Transfer to General Reserve	(50.00)	(50.00)	-
Reserve for Doubtful Debts	(52.11)	-	-
Deferred tax impact	0.21	-	-
Proposed Dividend (including DDT)	(55.37)	(55.37)	-
Ind AS Adjustments	16.23	-	-
	<b>2,378.80</b>	<b>2,229.29</b>	<b>1,996.17</b>
<b>Total</b>	<b>4,413.12</b>	<b>4,213.34</b>	<b>3,930.22</b>

**Description of the nature and purpose of Other Equity**

**(a) Capital Reserve**

It represents the gains of capital nature which include the excess of value of net assets acquired over consideration paid by the company for business acquisition transaction in earlier years.

**(b) Securities Premium Reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(c) General Reserve**

The General Reserve comprises of transfer of profits from retained earnings for appropriation purposes. The reserve can be distributed /utilised by the Company in accordance with the Companies Act, 2013.

**(d) Retained Earnings**

Retained earnings are the profits that the Company has earned till date and is net of amount transferred to general reserves such as amount distributed as dividend and adjustments on account of transition to Ind AS.

**Note :**

The Board of Directors has proposed the dividend of ₹ 1.00 per fully paid up equity share of ₹ 10/- each, aggregating ₹ 55.37 Lakhs, including ₹ 9.37 Lakhs as dividend distribution tax for the financial year 2017-18, which is based on relevant share capital as on March 31, 2018. The actual dividend amount will be dependent on the relevant share capital outstanding as on the record date /book closure.

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 17****Borrowings (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Term Loan From Bank</b> {First and exclusive charges on assets created out of term loan and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present and future), residential property located at MIDC Mahad & personal guarantee of Director to be repaid in balance 7 installments as against 28 (36) equal instalments}.	119.35	121.86	263.35
<b>Total</b>	<b>119.35</b>	<b>121.86</b>	<b>263.35</b>

**Note 18****Provisions (Non-Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Leave Encashment	17.96	22.52	18.87
<b>Total</b>	<b>17.96</b>	<b>22.52</b>	<b>18.87</b>

**Note 19****Deferred Tax Liabilities (Net)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liabilities (Net) (Refer Note No. 35 C)	69.36	94.13	85.59
<b>Total</b>	<b>69.36</b>	<b>94.13</b>	<b>85.59</b>

**Note 20****Borrowings (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Loans (Repayable on demand from Banks)</b> Secured Working Capital Loan (Cash Credit Accounts)  {First and exclusive charge on current assets (present and future) and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present and future) & residential property located at MIDC Mahad & personal guarantee of Director}.	912.08	842.31	394.13
<b>Total</b>	<b>912.08</b>	<b>842.31</b>	<b>394.13</b>


**Note 21**
**Trade Payables**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Due to Micro, Medium and Small Enterprises*	-	-	-
Due to Others	1,810.38	3,632.49	6,002.28
<b>Total</b>	<b>1,810.38</b>	<b>3,632.49</b>	<b>6,002.28</b>

\* The Company has not received the information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under this Act, has not been given.

**Note 22**
**Other Financial Liabilities (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities Of Long Term Debt	-	200.04	41.67
Advances Received From Customers	-	995.22	1,013.20
Unclaimed Dividend*	4.05	2.81	1.37
Provision For Expenses	95.12	74.19	721.42
Employee Related Liabilities	23.47	19.51	18.33
Other Liabilities	171.80	-	-
Derivative Financial Instruments	1.27	-	-
<b>Total</b>	<b>295.70</b>	<b>1,291.77</b>	<b>1,795.99</b>

\* There are no amounts due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on March 31, 2018. Unclaimed Dividend, if any, shall be transferred to IEPF as and when they become due.

**Note 23**
**Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Statutory Dues	381.28	284.58	225.28
Advances Received From Customers	1,002.97	9.13	243.90
Other Liabilities	2.67	28.69	2.50
<b>Total</b>	<b>1,386.92</b>	<b>322.40</b>	<b>471.68</b>

**Note 24**
**Provisions (Current)**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Leave Encashment	6.81	6.13	2.07
Provision for Bonus/Ex gratia	2.97	2.46	3.01
<b>Total</b>	<b>9.78</b>	<b>8.58</b>	<b>5.08</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**Note 25****Current Tax Liabilities**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Income Tax	209.17	233.53	807.26
<b>Total</b>	<b>209.17</b>	<b>233.53</b>	<b>807.26</b>

**Note 26****Revenue From Operations**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Sale of Products</b>		
<b>Manufactured Goods</b>		
Local Sales	12,063.16	11,411.97
Export Sales	3,068.22	4,726.05
<b>Traded Goods</b>		
Local Sales	367.71	1,060.79
Merchant Trade Sales	575.30	13.27
<b>Total</b>	<b>16,074.39</b>	<b>17,212.08</b>

**Note 27****Other Income**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Income	110.39	48.80
Dividend Received	-	13.63
Scrap Sales	4.78	3.57
Foreign Currency Fluctuation Gain	11.08	100.58
Sundry Balances Written Back	262.37	83.12
Miscellaneous Income	65.61	74.22
Profit on Sale of Asset	-	11.28
<b>Total</b>	<b>454.23</b>	<b>335.20</b>

**Note 28****Cost of Material Consumed**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Raw Material</b>		
Opening Stock	1,022.15	370.33
Purchases	11,830.34	12,249.25
Closing Stock	(1,376.53)	(1,022.15)
Consumption of Packing Materials	5.32	14.88
<b>Total</b>	<b>11,481.28</b>	<b>11,612.31</b>



**Note 29**

**Purchases of Stock-in-Trade**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	694.77	900.12
<b>Total</b>	<b>694.77</b>	<b>900.12</b>

**Note 30**

**Changes in Inventories of Finished Goods, Stock in Trade & Work-in-Progress**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Finished Goods</b>		
Opening Stock	391.34	280.82
Closing Stock	(395.19)	(391.34)
	(3.84)	(110.53)
<b>Stock in Trade</b>		
Opening Stock	469.88	566.88
Closing Stock	(346.02)	(469.88)
	123.86	97.00
<b>Work-in-Progress</b>		
Opening Stock	46.08	-
Closing Stock	(46.32)	(46.08)
	(0.24)	(46.08)
<b>Total</b>	<b>119.78</b>	<b>(59.61)</b>

**Note 31**

**Employee Benefit Expenses**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	586.78	509.43
Contribution to Provident and Other Funds	32.67	13.19
Staff Welfare Expenses	19.42	17.33
<b>Total</b>	<b>638.86</b>	<b>539.95</b>

**Note 32**

**Finance Costs**

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Interest Cost	98.08	129.38
Bank Charges & Other Financial Cost	107.38	53.02
<b>Total</b>	<b>205.46</b>	<b>182.40</b>

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### Note 33

#### Other Expenses

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Stores and Spare Parts Consumed	110.53	81.87
Packing Material Consumed	161.74	180.47
Power and Fuel	980.75	807.72
Job Work Expenses	5.07	109.03
Transportation Expenses	4.63	6.07
<b>Repair and Maintenance</b>		
- Buildings	41.36	25.46
- Machinery	4.37	4.99
- Others	25.21	15.40
<b>Selling &amp; Distribution expenses</b>		
-Export Freight	630.11	780.41
-Export Shipment Expense	5.79	116.36
-Advertisement and Sales Promotion	2.41	5.77
-Other Selling & Distribution Expenses	3.58	105.55
Insurance Premium	29.90	24.37
Bad Debts	12.81	6.64
Rent, Rates and Taxes	17.13	17.49
Auditors Remuneration (footnote 'i')	6.60	4.98
Provision For Doubtful Debts	55.62	39.07
Corporate Social Responsibility (CSR) Expenses	30.34	9.71
Donation	0.11	0.18
Director's Sitting Fees	9.80	8.85
Legal and Professional Fees	43.75	48.07
Conveyance and Travelling Expenses	47.90	37.80
Commission on Sales	11.70	5.55
Foreign Exchange Fluctuation Loss	2.67	6.53
Sundry Balance Written Off	31.98	0.22
MTM Loss	1.27	-
Other Miscellaneous Expenses	179.60	144.46
<b>Total</b>	<b>2,456.72</b>	<b>2,592.99</b>

#### Footnote (i)

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Payment to Auditors</b>		
Audit Fees	5.10	3.48
Tax Audit	1.00	1.00
Taxation Matters	0.50	0.50
<b>Total</b>	<b>6.60</b>	<b>4.98</b>



**NOTES TO ACCOUNTS**

**Note 34**

**Contingent Liabilities and Commitments (to the extent not provided for)**

(₹ in Lakhs)

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A.</b>	<b>Contingent Liabilities</b>			
	Claims against the Company not acknowledged as debt:			
	i. Income-tax matters under appeal	271.59	271.59	271.59
	ii. Sales Tax	9.55	9.55	13.97
	iii Disputed excess service tax refund	2.29	2.29	2.29
	<b>Total</b>	<b>283.43</b>	<b>283.43</b>	<b>287.85</b>
<b>B.</b>	<b>Bank Guarantee</b>	10.00	10.00	10.00
	<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>10.00</b>

Note :

In respect of item (A) & (B) above, it is not possible for the Company to estimate the timings of cash outflow which would be

- i. determinable only on receipt of judgement pending at various forums/authorities.
- ii. The Group does not expect any reimbursements in respect of the above Contingent Liabilities.

**Note 35**

**Disclosure pursuant to Ind-AS 12 on "Income Taxes"**

**A. Components of Tax Expenses/(Income)**

(₹ in Lakhs)

a. Profit or Loss Section	Year ended March 31, 2018	Year ended March 31, 2017
Current income tax	200.00	180.02
Deferred tax	(25.07)	10.79
Tax Adjustment of Earlier Years	0.14	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>175.06</b>	<b>190.81</b>

(₹ in Lakhs)

b. Other Comprehensive Income Section	Year ended March 31, 2018	Year ended March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(0.51)	2.25
<b>Income tax expense charged to OCI</b>	<b>(0.51)</b>	<b>2.25</b>

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### B. Reconciliation of Income Tax Expense/(Income) and Accounting Profit multiplied by domestic tax rate applicable in India

(₹ in Lakhs)

a. Profit or Loss Section	Year ended March 31, 2018	Year ended March 31, 2017
Profit before Tax	529.44	533.57
Corporate Tax rate as per Income Tax Act, 1961	33.06%	33.06%
Tax on Accounting Profit	175.04	176.39
<b>Tax effect of :</b>		
Income Exempt from Tax	-	(4.83)
Expenses Allowed seperately	(78.53)	(67.39)
Tax on Expense not deductible	98.53	58.11
Chapter VI A Deductions	(4.75)	-
Others	9.85	17.74
<b>Current Tax Provision (A)</b>	200.14	180.02
Deferred Tax Liability recognised	11.54	21.72
Deferred Tax Asset recognised	36.61	10.93
<b>Deferred tax Provision (B)</b>	(25.07)	10.79
<b>Tax expenses recognised in statement of Profit and Loss (A+B)</b>	175.06	190.81
Effective Tax Rate	33.07%	35.76%

### C. Deferred Tax

FY 2017-18

#### Components and Reconciliation of Deferred Tax (Assets)/Liabilities

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
Property, Plant and Equipment and Intangible Assets	243.03	6.29	-	249.32
WDV on Fixed Assets	(1.07)	0.51	-	(0.57)
Provision for Doubtful debts and advances	(27.01)	(31.87)	-	(58.88)
Provision for Security Deposit	(35.27)	0.01	-	(35.26)
Accrued Expenses allowable on cash basis	(68.97)	2.49	-	(66.48)
Actuarial gain/(loss) on employee defined benefits obligation	(2.42)	(2.50)	(0.51)	(4.91)
Leave Encashment	(9.92)	1.73	-	(8.19)
Bonus Payable	(3.93)	(1.43)	-	(5.36)
Expenses allowable for tax purpose when paid	(0.31)	-	-	(0.31)
<b>Total</b>	<b>94.13</b>	<b>(24.78)</b>	<b>(0.51)</b>	<b>69.36</b>



FY 2016-17

**Components and Reconciliation of Deferred Tax (Assets)/Liabilities**

(₹ in Lakhs)

Particulars	Opening Balance	Recognised in Profit or Loss	Recognised in other Comprehensive Income	Closing Balance
Property, Plant and Equipment and Intangible Assets	217.23	25.80	-	243.03
WDV on Fixed Assets	(1.77)	0.70	-	(1.07)
Provision for Doubtful debts and advances	(13.48)	(13.53)	-	(27.01)
Provision for Security Deposit	(35.26)	(0.01)	-	(35.27)
Accrued Expenses allowable on cash basis	(68.94)	(0.02)	-	(68.97)
Actuarial gain/(loss) on employee defined benefits obligation	(1.73)	1.56	(2.25)	(2.42)
Leave Encashment	(7.25)	(2.67)	-	(9.92)
Bonus Payable	(3.21)	(0.72)	-	(3.93)
Expenses allowable for tax purpose when paid	-	(0.31)	-	(0.31)
<b>Total</b>	<b>85.59</b>	<b>10.79</b>	<b>(2.25)</b>	<b>94.13</b>

**Note 36**

**Earnings Per Share (EPS)**

(Amount in ₹)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (₹)	2,89,59,131	3,42,75,991
Weighted Average number of Equity Shares used as denominator for Calculating Basic EPS (No. of Shares)	46,00,343	46,00,343
Face Value per Equity Share (₹)	10	10
Basic & Diluted Earnings per Share (₹)	6.30	7.45

**Note 37**

**Disclosure Pursuant to Section 186 of the Companies Act, 2013**

The loan provided to corporate @ 14% p.a. has been utilised by them for meeting their working capital requirement.

**Note 38**

**Financial Risk Management and Policies**

**A. Capital Management**

For the purpose of the Group Capital Management, Capital includes issued Equity Share Capital and all Other Reserves attributable to the Equity shareholders of the Group. The Primary objective of the Group Capital Management is to maximise the shareholder's value. The Group Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Group is monitoring Capital using debt equity ratio as its base, which is debt to equity. The Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

**Debt Equity Ratio - Total Debt divided by Total Equity**

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total Debt	119.35	121.86	263.35
Total Equity	4,413.12	4,213.34	3,930.22
Debt Equity Ratio	0.03	0.03	0.07

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### B. Financial Risk Management and Policies

The Group financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Group Board. The Group principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations and to provide guarantees to support its operations in select instances. The Group principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Group is exposed to market risk, credit risk, liquidity risk etc. The objective of the Group financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Group capital structure is managed using equity and debt ratios as part of the Group financial planning.

#### a. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, deposits and derivative financial instruments. The Group has designed risk management frame work to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

The above mentioned risks may affect the Group income and expenses, or the value of its financial instruments. The Group exposure to and management of these risks are explained below:

#### i. Foreign Currency Risk

The Group is subject to the risk that changes in foreign currency values impact the Group export and import.

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US Dollar and Euro.

The Group manages currency exposures within prescribed limits, through use of derivative instruments such as Options, Futures and Forward contracts etc. Foreign currency transactions are covered with strict limits placed on the amount of uncovered exposure, if any, at any point of time.

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Amount in Foreign Currency	Amount in ₹.	Amount in Foreign Currency	Amount in ₹.	Amount in Foreign Currency	Amount in ₹.
<b>USD Exposure</b>						
Receivable	USD 6,33,549	412.18	USD 9,12,219	591.45	USD 6	399.76
Payable	USD 8,57,516	557.76	USD 9,45,844	613.19	USD 0	13.61
<b>Netoff (Receivable &amp; Payable)</b>	<b>USD (2,23,967)</b>	<b>(145.58)</b>	<b>USD (33,625)</b>	<b>(21.74)</b>	<b>USD 6</b>	<b>386.15</b>
<b>Derivatives to hedge USD Exposure</b>						
Options Contract - USD/INR	USD 7,46,000	485.20	-	-	-	-
<b>Net Exposure</b>	<b>USD 5,22,033</b>	<b>339.62</b>	<b>USD (33,625)</b>	<b>(21.74)</b>	<b>USD 6</b>	<b>386.15</b>

#### ii. Foreign currency sensitivity:

The following table demonstrates the sensitivity to a 5% increase/decrease in foreign currencies exchange rates, with all other variables held constant 5% increase or decrease in foreign exchange rate will have the following impact on before profit before tax.

(₹ in Lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	5% Increase	5% Decrease	5% Increase	5% Decrease	5% Increase	5% Decrease
<b>If INR has (Strengthened)/Weakened against USD</b>						
Net Impact on Profit and Loss	(7.28)	7.28	(1.09)	1.09	19.31	(19.31)
Net Impact on Equity	(4.87)	4.87	(0.73)	0.73	12.92	(12.92)



### iii. Forward Foreign Exchange Contracts/ Options/ Derivatives

It is the policy of the Group to enter into forward foreign exchange contracts/Options & Derivatives to cover foreign currency payments in USD. The Group enters into contracts with terms upto 90 days. The Group philosophy does not permit any speculative calls on the currency. It is driven by conservatism which guides that we follow conventional wisdom by use of Forward contracts in respect of Trade transactions.

The Group will alter its hedge strategy in relation to the prevailing regulatory framework and guidelines that may be issued by RBI, FEDAI or ISDA or other regulatory bodies from time to time. Based on the outstanding details of import payable and exports receivable (on event basis) the net trade import exposure is arrived at (i.e. Imports - Exports = Net trade exposures).

Forward cover or options covers is obtained from Banks or Merchant House for each of the aggregated exposures and the Trade deal is booked. The forward cover deals are all backed by actual trade underlines and settlement of these contracts on maturity are by actual delivery of the hedged currency for settling the underline hedged trade transaction.

The open contract as on March 31, 2018 for USD 7,46,000 was covered with buy exchange rate ₹ 65.93/- per US dollar.

### b. Credit Risk

Credit risk is the risk that counter party will not meet its obligation leading to a financial loss. The Group is exposed to credit risk arising from its operating activities primarily from trade receivables, financing activities and relating to parking of surplus funds as Deposits with Banks. The Group considers probability of default upon initial recognition of assets and where there has been a significant increase in credit risk and on an ongoing basis throughout the reporting period.

The carrying amount of Financial Assets represents the maximum credit exposure:

#### Financial Instruments and Cash Deposit

Credit risk from balances with Banks and Financial Institutions is managed by the Group finance department. Investments of surplus funds are made only with approved counter parties and within credit limits assigned to each counter party. The limits are set to minimise the concentration of risks and thereby mitigate financial loss through counterparty's potential failure to make payments.

#### Trade Receivables

The Marketing department has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, and in some cases bank references. Sale limits are established for each customer and reviewed periodically. Trade Receivables of the Group are typically unsecured, except to the extent of the security deposits/advances received from the customers or financial guarantees provided by the market organizers in the business. Credit risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to whom credit terms in the normal course of business are provided. The allowance for impairment of Trade receivables is created to the extent and as and when required, based on the actual collectability of accounts Receivables. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Group measures the expected credit loss of trade receivables and loans from customers based on historical trend, industry practises and the business environment in which the entity operates. Loss rates are based on actual credit loss exposure and past trends.

### c. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value The Group maintains a cautious liquidity strategy, with a positive cash balance throughout the year. Management monitors the Group liquidity position through rolling forecasts on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**The below table provides details regarding the remaining contractual maturities of Company's financial liabilities:****(₹ in Lakhs)**

<b>Particulars</b>	<b>Less than 1 Year</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>As at March 31, 2018</b>				
Non-derivative financial liabilities				
Borrowings	1,031.43	-	-	1,031.43
Trade Payables	1,610.74	-	-	1,610.74
Unpaid dividend	4.05	-	-	4.05
Provision	2.97	-	-	2.97
Other payables	265.49	-	-	265.49
	2,914.67	-	-	2,914.67
Derivative financial liabilities				
Options	1.27	-	-	1.27
	1.27	-	-	1.27
<b>As at March 31, 2017</b>				
Non-derivative financial liabilities				
Borrowings	964.17	119.35	-	1,083.51
Trade Payables	3,632.49	-	-	3,632.49
Unclaimed dividend	2.81	-	-	2.81
Provision	2.46	-	-	2.46
Other payables	61.87	-	-	61.87
	4,663.79	119.35	-	4,783.13
<b>As at April 1, 2016</b>				
Non-derivative financial liabilities				
Borrowings	396.64	260.84	-	657.48
Trade Payables	6,002.28	-	-	6,002.28
Provision	3.01	-	-	3.01
Unclaimed dividend	1.38	-	-	1.38
Other payables	283.60	-	-	283.60
	6,686.91	260.84	-	6,947.75

**Note 39****Information on Segment Reporting as per Ind AS 108 on "Operating Segments"**

- i) Operating Segments are those components of business whose operating results are regularly reviewed by the Chief Operating Decision making body in the Group to make decisions for performance assessment and resource allocation.
- ii) The Group has two operating Segments i.e. Organic Chemicals and Traded Goods. Thus the segment revenue, segment results, total carrying value of segment assets and segment liabilities and total amount of charge of depreciation during the year are all reflected in the financial statements as at and for the year ended March 31, 2018 and March 31, 2017.



(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>[A] Segment Revenue</b>		
a) Own Manufactured		
Organic Chemicals		
Revenue from Operations	15,101.94	15,224.67
Other Income	163.08	130.86
<b>Total</b>	<b>15,265.02</b>	<b>15,355.53</b>
b) Traded Goods		
Revenue from Operations	972.45	1,987.41
Other Income	291.15	204.34
<b>Total</b>	<b>1,263.60</b>	<b>2,191.75</b>
<b>Net Sales/Income from Operations</b>	<b>16,528.62</b>	<b>17,547.28</b>
<b>[B] Segment Results</b>		
Profit/ (Loss) before Interest, Exceptional items and tax from each segment		
a) Own Manufactured		
Profit- Operations	267.14	246.01
Other Income	163.08	130.86
<b>Total</b>	<b>430.22</b>	<b>376.87</b>
b) Traded Goods		
Profit - Trading	(158.64)	81.72
Other Income	291.15	204.34
<b>Total</b>	<b>132.51</b>	<b>286.06</b>
<b>Total ( a + b )</b>	<b>562.71</b>	<b>662.93</b>
Less :		
(i) Interest ( Finance Cost )	98.05	129.36
<b>Profit Before Tax</b>	<b>464.66</b>	<b>533.57</b>
Current Tax	(200.00)	(180.02)
Deferred Tax	25.07	(10.79)
Tax adjustment earlier year.	(0.14)	
<b>Total Tax Expense</b>	<b>(175.06)</b>	<b>(190.81)</b>
<b>Profit After Tax</b>	<b>289.59</b>	<b>342.76</b>

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>[C] Capital Employed</b>			
Other Information :			
Segment Assets			
a) Organic Chemicals	7,030.74	6,935.53	7,553.37
b) Traded Goods	2,673.11	4,307.44	6,681.11
<b>Total</b>	<b>9,703.85</b>	<b>11,242.96</b>	<b>14,234.48</b>
Segment Liabilities			
a) Organic Chemicals	3,146.72	4,131.43	3,040.21
b) Traded Goods	1,683.97	2,438.16	6,804.02
<b>Total</b>	<b>4,830.69</b>	<b>6,569.59</b>	<b>9,844.23</b>
(Segment Assets - Segment Liabilities)			
a) Organic Chemicals	3,884.02	2,804.10	4,513.16
b) Traded Goods	989.14	1,869.27	(122.90)
<b>Total</b>	<b>4,873.16</b>	<b>4,673.37</b>	<b>4,390.25</b>
Depreciation during the year			
a) Organic Chemicals	110.37	100.43	86.64
b) Traded Goods	3.56	4.80	6.22

iii) Revenue contributed by any single customer in any of the operating segments, whether reportable or otherwise, does not exceed ten percent of the Company's total revenue.

iv) The Company does not have reportable segment, i.e Geographical Segement in terms of Ind AS 108 on "Operating Segments".

## Note 40

### Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"

#### A. List of Related Parties

##### (I) Holding Company

Aura Alkalies and Chemicals Private Limited

##### (II) Other Related Parties

Associates:

- | Altga Stone Crushing Industries
- | Aditya Minerals
- | Avni Minerals
- | Bharat Abrasives and Chemical Industries
- | Kantilal Mohanlal Mehta
- | Manohar Daryayani
- | Nilesh Mines
- | Prabhudas Vithaldas
- | Prachi Mines
- | Saurashtra Traders
- | Shyam Minerals
- | Shiva Mines & Minerals
- | Sandeep Abrasives Industries
- | Vinod Pandya
- | Yogita Allied & Calcined Products



### (III) Key Managerial Personnel of the Company

Independent Director	Mr. Manoj Ganatra
Independent Director	Mr. Shekhaar Shetty
Non Executive Director	Mr. Sunil Shah
Non Executive Director	Mrs. Neeta Shah
Executive Director & CEO	Mr. Purab Shah
Chief Financial Officer (Resigned w.e.f. 1st May, 2017)	Mr. V. Shashidharan
Company Secretary & Compliance Officer	Ms. Seema Gangawat
Manager - Finance & Accounts (w.e.f. 12th February, 2018)	Mr. Vaize Ahmed Kampli

### B. Transactions (In Aggregate) with Related Parties

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Remuneration to Directors/KMP*</b>		
I. Mr. Purab Shah	30.29	26.63
ii. Mr. V. Shashidharan	6.71	19.60
iii. Ms. Seema Gangawat	10.74	9.80
iv. Mr. Vaize Ahmed Kampli	10.22	3.35
*Excluding provision for Gratuity and Contribution for Provident Fund.		
<b>Total Remuneration</b>	<b>57.96</b>	<b>59.38</b>
<b>Sitting Fees paid to Directors/KMP</b>		
i. Mr. Manoj Ganatra	2.85	2.65
ii. Mr. Shekhaar Shetty	2.70	-
iii. Mr. Sunil Shah	2.85	2.65
iv. Mrs. Neeta Shah	1.40	1.40
v. Mr. Umesh Kulkarni	-	2.15
<b>Total Sitting Fees</b>	<b>9.80</b>	<b>8.85</b>

#### Note 41

#### Employee Benefits

The Company has classified various employee benefits as under:

#### A. Defined Contribution Plans

- a. Provident Fund
- b. State Defined Contribution Plans
  - i. Employers Contribution to Employees State Insurance
  - ii Employers Contribution to Employees Pension Scheme 1995

The Provident Fund is operated by the Regional Provident Fund Commissioner and is administered by the LIC of India as applicable for all eligible employees. Under the schemes, the Company is required to contribute a specified percentage of payroll costs to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
a. Contribution to Provident Fund	5.49	4.83
b (i). Contribution to Employees' State Insurance Scheme	0.75	0.66
b (ii). Contribution to Employees' Pension Scheme	12.47	10.96
<b>TOTAL</b>	<b>18.70</b>	<b>16.44</b>

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

### B. Defined Benefit Plans

#### a. Gratuity

The Company operates a gratuity plan covering qualifying employees. Under the gratuity plan, the eligible employees are entitled to post retirement benefit at the rate of 15 days salary for each year of service until the retirement age of 58, subject to a payment ceiling of ₹ 20 lakhs. The benefit vests upon completion of five years of continuous service as per "The Payment of Gratuity Act" and once vested it is payable to the employee on retirement or on termination of employment. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

#### Gratuity is defined benefit plan and Company is exposed to following Risks:

**Investment risk** - The funds are invested by LIC and they provide returns basis the prevalent bond yields, LIC on an annual basis requests for contributions to the fund, while the contribution requested may not be on the same interest rate as the bond yields provided, basis the past experience it is low risk.

**Interest Risk** – LIC does not provide market value of assets, rather maintains a running statement with interest rates declared annually – The fall in interest rate is not therefore offset by increase in value of Bonds, hence may pose a risk.

**Mortality Risk** : Since the benefits under the plan is not payable for the life time and payable till retirement age only, plan does not have any longevity risk.

**Salary risk** - The liability is calculated taking into account the salary increases, basis past experience of the Company's actual salary increases with the assumptions used, they are in line, hence this risk is low risk.

#### Gratuity Valuation

Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

(₹ in Lakhs)

Particulars	Valuations as at		
	March 31, 2018	March 31, 2017	April 1, 2016
i. Discount Rate (per annum)	7.67%	7.40%	8.00%
ii. Rate of Increase in Compensation Levels (per annum)	4.00%	4.00%	4.00%
iii. Mortality Rate During The Employment	Indian Assured Lives Mortality (2006-08)		
iv. Actuarial Valuation Method	Projected Unit Credit Method		
v. Attrition Rate	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%
vi. Retirement Age	60 Years	60 Years	60 Years

vii. The expected rate of return on plan assets is determined after considering several applicable factors such as the composition of the plan assets, investment strategy, market scenario, etc. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

viii. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

ix. The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.



(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
	Gratuity Funded	Gratuity Funded
<b>i. Changes in Present Value of Obligation</b>		
Present value of defined benefit obligation at the beginning of the year	48.40	35.76
Current Service Cost	6.67	6.25
Interest Cost	3.53	2.75
Actuarial (Gains)/Loss		
Actuarial (gains)/ losses arising from changes in demographic assumption	-	-
Actuarial (gains)/ losses arising from changes in financial assumption	(1.63)	-
Actuarial (gains)/ losses arising from changes in experience adjustment	0.44	6.48
Past Service cost - Vested Benefits	-	-
Benefits Paid	(1.31)	(2.83)
Present value of defined benefit obligation at the end of the year	56.10	48.40
<b>ii. Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the year	33.56	31.09
Interest Income	2.66	2.49
Return on Plan Assets excl. interest income	0.27	(0.02)
Adjustment to Opening Fair Value of Plan Asset	0.03	-
Employer's Contributions	6.02	2.84
Benefits Paid	(1.31)	(2.83)
Fair value of plan assets at the end of the year	41.23	33.56
<b>iii. Amount to be recognised in the Balance Sheet and Statement of Profit and Loss Account</b>		
PVO at end of period	56.10	48.40
Fair Value of Plan Assets at end of period	41.23	33.56
Funded Status	(14.87)	(14.84)
Net Assets/(Liability) recognised in the Balance Sheet	(14.87)	(14.84)
<b>iv. Net Benefit (Asset) /Liability</b>		
Defined benefit obligation at beginning of period	48.40	35.76
Fair value of plan assets at beginning of period	33.56	31.09
Net Benefit Asset /(Liability)	(14.84)	(4.67)
<b>v. Net Interest Cost for Current Period</b>		
Interest Cost	3.53	2.75
(Interest Income)	(2.66)	(2.49)
Net Interest Cost for Current Period	0.87	0.26
<b>vi. Return on plan assets</b>		
Actual Return on plan assets	2.93	2.47
Interest income included in above	2.66	2.49
Return on plan assets excluding interest income	0.27	(0.02)
<b>vii. Expenses recognised in the Statement of Profit and Loss</b>		
Current Service Cost	6.67	6.25
Interest cost on benefit obligation (net)	0.87	0.26
Total Expenses recognised in the Statement of Profit and Loss	7.54	6.51
<b>viii. Remeasurement Effects Recognised in Other Comprehensive Income for the year</b>		
Actuarial (gains)/ losses arising from changes in financial assumption	(1.63)	-
Actuarial (gains)/ losses arising from changes in experience adjustment	0.44	6.48
Return on plan asset	(0.27)	0.02
Recognised in Other Comprehensive Income	(1.46)	6.50

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

(₹ in Lakhs)

Particulars	Year Ended March 31, 2018	Year Ended March 31, 2017
	Gratuity Funded	Gratuity Funded
<b>ix. Movements in the Liability recognised in Balance Sheet</b>		
Opening Net Liability	14.84	4.67
Adjustment to opening balance	(0.03)	-
Expenses as above	7.54	6.51
Contribution paid	(6.02)	(2.84)
Other Comperhensive Income (OCI)	(1.46)	6.50
Closing Net Liability	14.87	14.84
<b>x. Cash flow Projection: From the Fund</b>		
Within the next 12 months (next annual reporting period)	1.51	1.28
2nd following year	3.15	2.57
3rd following year	4.54	4.03
4th following year	6.10	5.15
5th following year	7.74	6.56
Sum of Years 6 To 10	57.10	49.30
<b>xi. Sensitivity Analysis</b>		
"Projected Benefit Obligation on Current Assumptions"		
Delta Effect of +1% Change in Rate of Discounting	50.59	43.41
Delta Effect of -1% Change in Rate of Discounting	62.46	54.18
Delta Effect of +1% Change in Rate of Salary Increase	62.56	54.32
Delta Effect of -1% Change in Rate of Salary Increase	50.42	43.21

### Note on Sensitivity Analysis

- Sensitivity analysis for each significant actuarial assumptions of the Company which are discount rate and salary assumptions as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes is called out in the table above.
- In presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.
- There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

### b. Privilege Leave Encashment (Unfunded)

Under the compensated absences plan, leave encashment is payable to all eligible employees on separation from the Company due to death, retirement, superannuation or resignation at the rate of daily salary, as per current accumulation of leave days.

### Note 42

#### Corporate Social Responsibility (CSR)

- Amount required to be spent by the Company during the year, ₹ 30.34 Lakhs
- Amount spent during the year,

(₹ in Lakhs)

Sr. No.	Particulars	Amount Paid	Amount Yet to be Paid	Total
i.	Construction/acquisition of any asset	-	-	-
ii.	On purposes other than (i) above	30.34	-	30.34



## Note 43

### Financial Instruments

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### Valuation

All financial instruments are initially recognised & subsequently re-measured at fair value as described below

- The fair value of Forward Foreign Exchange contracts is determined using forward exchange rates at the balance sheet date.
- The fair value of over the counter Foreign Currency Options contracts is determined using the mark-to-market from Bank.
- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

#### Fair Value measurement hierarchy

The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.

The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

#### The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data.

#### The carrying amounts and fair values of financial instruments by class are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2018				As at March 31, 2017				As at April 1, 2016			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
<b>Financial Assets</b>												
Measured at Amortised Cost												
Loans	469.00	-	-	-	316.07	-	-	-	289.47	-	-	-
Trade Receivable	2,827.63	-	-	-	3,396.62	-	-	-	6,450.67	-	-	-
Cash Balance	680.99	-	-	-	194.79	-	-	-	1,859.72	-	-	-
Other Financial Assets	9.95	-	-	-	21.26	-	-	-	0.95	-	-	-
		-	-	-						-	-	-
<b>Total Financial Assets</b>	<b>3,987.57</b>	-	-	-	<b>3,928.74</b>	-	-	-	<b>8,600.82</b>	-	-	-
<b>Financial Liabilities</b>												
Measured at Amortised Cost												
Borrowing	1,031.43	-	-	-	964.17	-	-	-	657.48	-	-	-
Trade Payables	1,810.38	-	-	-	3,632.49	-	-	-	6,002.28	-	-	-
Other Financial Liabilities	243.59	-	-	-	1,291.77	-	-	-	43.04	-	-	-
		-	-	-						-	-	-
Measured at Fair Value Through Profit and Loss												
Derivative financial instruments	1.27	-	1.27	-	-	-	-	-	-	-	-	-
<b>Total Financial Liabilities</b>	<b>3,086.67</b>	-	<b>1.27</b>	-	<b>5,888.43</b>	-	-	-	<b>6,702.80</b>	-	-	-

# ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

## Note 44

For the financial year 16-17 & FY 17-18

### a. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2018

Name of the Enterprise	Net assets i.e., total assets minus total liabilities		Share of Profit and Loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount
PARENT	0.96	4,690.88	1.22	354.71	1.00	0.96	1.22	355.66
SUBSIDIARIES Ashwa Minerals PVT LTD	0.04	182.28	(0.22)	(65.12)	-	-	(0.22)	(65.12)
Non- controlling Interest	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1.00</b>	<b>4,873.16</b>	<b>1.00</b>	<b>289.59</b>	<b>1.00</b>	<b>0.96</b>	<b>1.00</b>	<b>290.55</b>

(₹ in Lakhs)

### b. Additional information pursuant to Schedule III to the Companies Act, 2013 for the year ended March 31, 2017

Name of the Enterprise	Net assets i.e., total assets minus total liabilities		Share of Profit and Loss		Share of Other Comprehensive income		Share of Total Comprehensive income	
	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount	As %of Consolidated net assets	Amount
For the year ended March 31, 2017 Parent : Ashok Alco-chem Limited	0.94	4,373.85	0.56	193.47	1.00	(4.25)	0.56	189.22
Subsidiary (Indian) : Ashwa Minerals Private Limited	0.06	299.52	0.44	149.27	-	-	0.44	149.27
Non- controlling Interest	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>1.00</b>	<b>4,673.37</b>	<b>1.00</b>	<b>342.74</b>	<b>1.00</b>	<b>(4.25)</b>	<b>1.00</b>	<b>338.49</b>

(₹ in Lakhs)



**Note 45.**

**Disclosure pursuant to Ind AS 101 "First-time adoption of Ind AS"**

**A. Effect of Ind-AS adoption on the balance sheet as at March 31, 2017 & April 1, 2016**

(₹ in Lakhs)

Particulars	As at March 31, 2017			As at March 31, 2016		
	Previous GAAP	Effect of Ind AS Transition	Ind AS	Previous GAAP	Effect of Ind AS Transition	Ind AS
<b>ASSETS</b>						
Non-Current Assets						
(a) Property, Plant and Equipment	1,507.03	-	1,507.03	1,389.87	-	1,389.87
(b) Capital Work-in-Progress	52.20	-	52.20	-	-	-
(c) Other Intangible Assets	0.44	-	0.44	0.71	-	0.71
(d) Financial Assets						
(i) Investments	-	-	-	0.14	-	0.14
(ii) Loans	136.20	(101.88)	34.32	140.34	(101.88)	38.46
(e) Other Non-Current Assets	-	-	-	0.07	-	0.07
<b>Sub-total</b>	<b>1,695.86</b>	<b>(101.88)</b>	<b>1,593.98</b>	<b>1,531.12</b>	<b>(101.88)</b>	<b>1,429.24</b>
<b>Current Assets</b>						
(a) Inventories	2,109.87	50.96	2,160.82	1,319.59	7.94	1,327.53
(b) Financial Assets						
(i) Trade receivables	3,521.58	(124.96)	3,396.62	6,506.25	(55.57)	6,450.67
(ii) Cash and cash equivalents	305.83	(111.04)	194.79	1,880.36	(20.64)	1,859.72
(iii) Bank Balance other than (ii) above	-	111.04	111.04	-	20.64	20.64
(iv) Loans	3,809.81	(3,528.06)	281.75	2,629.29	(2,378.28)	251.01
(v) Others Financial Assets	-	21.26	21.26	-	17.22	17.22
(c) Current Tax Assets	-	190.59	190.59	-	470.65	470.65
(d) Other Current Assets	-	3,292.11	3,292.11	-	2,407.80	2,407.80
<b>Sub-total</b>	<b>9,747.09</b>	<b>(98.11)</b>	<b>9,648.98</b>	<b>12,335.49</b>	<b>469.75</b>	<b>12,805.24</b>
<b>Total Assets</b>	<b>11,442.95</b>	<b>(199.99)</b>	<b>11,242.96</b>	<b>13,866.60</b>	<b>367.87</b>	<b>14,234.48</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
(a) Equity Share capital	460.03	-	460.03	460.03	-	460.03
(b) Other Equity	4,505.73	(292.39)	4,213.34	4,202.88	(272.66)	3,930.22
<b>Sub-total</b>	<b>4,965.76</b>	<b>(292.39)</b>	<b>4,673.37</b>	<b>4,662.91</b>	<b>(272.66)</b>	<b>4,390.25</b>
<b>LIABILITIES</b>						
<b>Non-current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	121.86	-	121.86	263.35	-	263.35
(b) Provisions	22.52	-	22.52	18.87	-	18.87
(c) Deferred Tax Liabilities (Net)	149.51	(55.38)	94.13	134.33	(48.74)	85.59
<b>Sub-total</b>	<b>293.89</b>	<b>(55.38)</b>	<b>238.51</b>	<b>416.55</b>	<b>(48.74)</b>	<b>367.81</b>
<b>Current Liabilities</b>						
(a) Financial Liabilities						
(i) Borrowings	842.31	-	842.31	394.13	-	394.13
(ii) Trade payables	2,626.39	1,006.09	3,632.49	4,314.16	1,688.12	6,002.28
(iii) Other financial liabilities	-	1,291.77	1,291.77	4,011.16	(2,215.17)	1,795.99
(b) Other current liabilities	2,675.63	(2,353.23)	322.40	-	471.68	471.68
(c) Provisions	38.97	(30.38)	8.58	5.08	-	5.08
(d) Current Tax Liabilities (Net)	-	233.53	233.53	62.62	744.64	807.26
<b>Sub-total</b>	<b>6,183.30</b>	<b>147.78</b>	<b>6,331.08</b>	<b>8,787.15</b>	<b>689.27</b>	<b>9,476.42</b>
<b>Total Liabilities</b>	<b>6,477.19</b>	<b>92.40</b>	<b>6,569.59</b>	<b>9,203.69</b>	<b>640.53</b>	<b>9,844.23</b>
<b>Total Equity &amp; Liabilities</b>	<b>11,442.95</b>	<b>(199.99)</b>	<b>11,242.96</b>	<b>13,866.60</b>	<b>367.87</b>	<b>14,234.48</b>

**ASHOK ALCO-CHEM LIMITED**

Annual Report 2017-2018

**B. Effect of Ind-AS adoption of Statement of Profit and Loss for the year ended March 31, 2017**

(₹ in Lakhs)

Sr. No.	Particulars	Note No.	Previous GAAP	Effect of Ind AS Transition	Ind AS
I	Revenue from Operations	4	16,121.95	1,090.13	17,212.08
II	Other Income		335.20		335.20
III	<b>Total Income (I+II)</b>		<b>16,457.15</b>	<b>1,090.13</b>	<b>17,547.28</b>
IV	<b>EXPENSES</b>				
	Cost of Materials Consumed		11,612.31	-	11,612.31
	Purchases of Stock-in-Trade		900.12	-	900.12
	Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-Progress		(16.60)	(43.02)	(59.61)
	Excise Duty		-	1,140.33	1,140.33
	Employee Benefits Expense		546.45	(6.50)	539.95
	Finance Costs		182.40	-	182.40
	Depreciation and Amortisation Expense	2	105.23	-	105.23
	Other Expenses		2,573.80	19.19	2,592.99
	<b>Total Expenses</b>		<b>15,903.72</b>	<b>1,110.00</b>	<b>17,013.72</b>
V	<b>Total Profit before Exceptional items and Tax (III-IV)</b>		553.44	(19.87)	533.57
VI	Exceptional Items		-	-	-
VII	<b>Profit/(Loss) Before Tax (V-VI)</b>		<b>553.44</b>	<b>(19.87)</b>	<b>533.57</b>
VIII	Tax Expense				
	(a) Current Tax		(180.02)	-	(180.02)
	(b) Deferred Tax		(15.18)	4.39	(10.79)
	<b>Total Tax Expense</b>	3	<b>(195.21)</b>	<b>4.39</b>	<b>(190.81)</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>358.22</b>	<b>(15.48)</b>	<b>342.76</b>
X	<b>Other Comprehensive Income</b>				
	A. Items that will not be reclassified subsequently to profit or loss				
	i. Remeasurement gain/(loss) on the Defined Benefit Plans	1	-	(6.50)	(6.50)
	ii. Income tax on (i) above		-	2.25	2.25
	B. Items that will be reclassified subsequently to profit or loss		-	-	-
	<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>(4.25)</b>	<b>(4.25)</b>
XI	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>358.22</b>	<b>(19.73)</b>	<b>338.51</b>

**C. Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017:**

(₹ in Lakhs)

Particulars	Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from operating activities	(1,656.59)	153.73	(1,502.86)
Net cash flows from investing activities	(200.60)	(48.66)	(249.26)
Net cash flows from financing activities	282.66	(105.07)	177.60
<b>Net increase in cash and cash equivalents</b>	<b>(1,574.53)</b>	<b>-</b>	<b>(1,574.53)</b>
Cash and cash equivalents as on April 1, 2016	1,880.36	-	1,880.36
Cash and cash equivalents as on March 31, 2017	305.83	-	305.83


**D. Reconciliation of Total Equity as at March 31, 2017 and April 1, 2016**

(₹ in Lakhs)

Particulars	Note No.	As at March 31, 2017	As at April 1, 2016
<b>Total Equity as per previous GAAP</b>		4,965.76	4,662.91
Adjustments :			
Reversal of proposed Dividend & tax thereon	6	55.37	55.37
Short Provision for Taxation		(203.15)	(203.15)
Provision for Sales Returns	4	(9.03)	(1.86)
Incurred loss Provision for Security Deposits	8	(101.88)	(101.88)
Incurred loss Provision for Doubtful Debts	7	(64.97)	(45.78)
Deferred Tax Adjustments	3	31.28	24.64
Total Adjustments		(292.39)	(272.66)
<b>Total Equity as per Ind AS</b>		<b>4,673.37</b>	<b>4,390.25</b>

**E. Reconciliation of Total Comprehensive Income for the year ended March 31, 2017**

(₹ in Lakhs)

Particulars	Note No.	Year ended March 31, 2017
<b>Net Profit / (Loss) as per Indian GAAP</b>		358.22
<b>Add/(less) : Adjustments in statement of Profit and Loss :</b>		
Actuarial Loss considered in Other Comprehensive Income	1	6.50
Impact on account of Provision for Doubtful Debts		(19.19)
Others		(7.18)
Deferred Tax (net)		4.39
Total Effect of transition to Ind AS		(15.48)
<b>Net profit as per Ind AS</b>		<b>342.76</b>
Other Comprehensive Income (Net of tax)		(4.25)
<b>Total Comprehensive Income</b>		<b>338.51</b>

**Notes to the Reconciliation**
**1. Defined Benefit Plans**

Under previous GAAP, actuarial gains and losses were recognised in profit and loss. Under Ind AS, the actuarial gains and losses forming part of remeasurement of the net defined benefit liability/ asset, are recognised in the Other Comprehensive Income under Ind AS instead of profit or loss. The actuarial loss for the year ended March 31, 2017 were ₹ 6,49,791 with tax ₹ 2,24,880 . This change does not effect total equity, but there is an increase in profit before tax by ₹ 6,49,791 and decrease in total profit after tax by ₹ 4,24,911 for the year ended March 31, 2017.

**2. Property, Plant and Equipment**

The Group has availed the exemption available under Ind AS 101 to continue the carrying value for all of its Property, Plant and Equipment and intangibles as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

**3. Deferred Tax**

The previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using balance sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Various transitional adjustments has resulted in recognition of temporary differences.

**4. Provision For Sales reversal**

As required under Paragraph 17 of IND AS 18 - Revenue Recognition, provision has been made for the estimated sales returns of ₹ 59,99,026 as at March 31, 2017 (As at April 1, 2016 - ₹ 9,79,427) and consequently Retained earnings as at transition date and profit and loss for the year ended March 31, 2017 have been adjusted accordingly.

**5. Fair Valuation of Forward Contracts**

The Group was accounting for forward contracts as per AS 1 (Prudence) since AS 11 is not applicable to Firm Commitment. Thus, the Group compares the fair value of forwards with the forwards rate and accounts for any losses on the same. Under the Ind AS 109, Forward Contracts are carried at fair value and the resultant gains and losses are recorded in the

## ASHOK ALCO-CHEM LIMITED

Annual Report 2017-2018

statement of Profit and Loss. However, as on April 1, 2016 and March 31, 2017, the Group does not have any outstanding forward contracts and hence no adjustment required.

### 6. Proposed Dividend (including DDT)

Under previous GAAP, dividend on equity shares, which was recommended by the board of directors after the end of reporting period but before the financial statements were approved for issue, were recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised when declared by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2017 by ₹ 55,36,862 including DDT (₹ 55,36,862 as at April 1, 2016), but does not affect profit before tax and total profit for the year ended March 31, 2017.

### 7. Trade Receivable - Provision on Doubtful Debt

The Group is not significantly exposed to the credit risk since the amount involved is not material, the Group does not calculate any credit loss for the trade receivable and advances to parties as required under IND-AS 109 "Financial Instruments". However, the Group provide for doubtful advances and trade receivables based on its judgment about recoverability of its amount.

### 8. Credit loss for Security Deposit

The Group has recognised credit loss in respect of security deposit amounting to ₹ 1,01,88,000. Accordingly, the total equity balance was decreased to the extent as on March 31, 2017.

### 9. Short Provision for Taxation

The short provision for tax amounting to ₹ 2,03,14,766/- is on account of arrears of tax dues under regular assessments.

#### Note 46

##### CIF Value of Imports :

(₹ in Lakhs)

Particulars	2017-18	2016-17
Value of Imports - Chemical Division	4,934.74	2,896.80
Value of Imports - Trading Division	497.52	294.59

#### Note 47

##### Expenditure in Foreign Currency:

(₹ in Lakhs)

Particulars	2017-18	2016-17
Travelling	9.77	5.73
Freight & Demurrage	-	219.16
Commission Paid	3.90	13.00
Others	-	155.64
<b>Total</b>	<b>13.67</b>	<b>393.53</b>

#### Note 48

##### FOB value of Exports :

(₹ in Lakhs)

Particulars	2017-18	2016-17
Sale of Goods	2,657.13	3,538.43

#### Note 49

Balances for Trade Payables, Trade Receivables, Loans and Advances are subject to confirmations from the respective parties and reconciliations, if any, in many cases. In absence of such confirmations, the balances as per books have been relied upon by the auditors.

As per our report of even date  
For **R A MARU & ASSOCIATES**  
Chartered Accountants  
Firm Registration No. 141914W

Sd/-  
**R A Maru**  
Proprietor  
Membership No. 166417

Place : Mumbai  
Date : May 24, 2018

For and on behalf of the Board of Directors

Sd/-  
**Purab Shah**  
Executive Director & CEO  
DIN : 07490952

Sd/-  
**Vaize Ahmed Kampli**  
Manager - Finance & Accounts

Sd/-  
**Sunil K Shah**  
Director  
DIN : 03567415

Sd/-  
**Seema Gangawat**  
Company Secretary & Compliance Officer



### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ Joint**

**Venture for the year ended March 31, 2018**

#### Part "A": Subsidiaries

Sr. No.	Particulars	Details
1	Name of the subsidiary	<b>Ashwa Minerals Private Limited</b>
2	Reporting period	01.04.2017 - 31.03.2018
3	Reporting currency	RUPEES
4	Share capital	100,000
5	Reserves & surplus	2,54,37,965
6	Total assets	5,80,66,911
7	Total Liabilities	3,25,28,943
8	Investments	-
9	Turnover (Including other Income)	1,43,16,107
10	Profit before taxation	(64,76,939)
11	Provision for taxation	(6,617)
12	Profit after taxation	(64,83,556)
13	Proposed Dividend	Nil
14	% of shareholding	100%

#### Part "B" – Associates and Joint Ventures

Statement pursuant to section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Name of Associates Company	
1	Latest audited Balance Sheet Date	N.A.
2	Shares of Associate Company held by the Company on the year end	
	No. of Shares	
	Amount of Investment in Associate Company	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate Company is not consolidated	
5	Networth attributable to shareholding as per latest audited Balance Sheet	
6	Profit/Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

As per our report of even date  
 For **RA MARU & ASSOCIATES**  
 Chartered Accountants  
 Firm Registration No. 141914W

Sd/-  
**RA Maru**  
 Proprietor  
 Membership No. 166417

Place : Mumbai  
 Date : May 24, 2018

For and on behalf of the Board of Directors

Sd/-  
**Purab Shah**  
 Executive Director & CEO  
 DIN : 07490952

Sd/-  
**Vaize Ahmed Kampli**  
 Manager - Finance & Accounts

Sd/-  
**Sunil K Shah**  
 Director  
 DIN : 03567415

Sd/-  
**Seema Gangawat**  
 Company Secretary & Compliance Officer





## ASHOK ALCO-CHEM LIMITED

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

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

Email: secretarial@ashokalcochem.com; Website: http://www.ashokalcochem.com

### PROXY FORM

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

Name of Members :	
Registered Address:	
Email Id:	
Folio No/ Client ID:	
DP ID:	

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

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

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Monday, September 24, 2018 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 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1.	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 together with the Reports of the Board of Directors' and the Auditors' thereon.
2.	Declaration of Dividend.
3.	Appointment of Director in place of Mr. Sunil shah (DIN: 03567415), who retires by rotation and being eligible, offers himself for reappointment.
<b>Special Business</b>	
4.	Re-appointment of Mr. Purab Shah (DIN: 07490952) as an Executive Director & CEO
5.	Appointment and payment of remuneration to the Cost Auditors.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of Shareholder: \_\_\_\_\_

Signature of Proxy Holder(s): \_\_\_\_\_

Affix  
Re.1/-  
Revenue  
Stamp

Notes: 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.

## Corporate Social Responsibility (CSR) :

### Sharing is Caring ...

Together we are a society and Sharing is the best form of Caring. The Corporate Social Responsibility (CSR) Committee of your Company has planned and contributed towards the sustainable society in the areas like Promoting Children Education, Women Empowerment Trainings and promoting Healthcare. During the financial year 2017-18 as a part of CSR activity, your Company has provided Computers, Printers, Water Purifiers in schools, contributed towards the arrangement of vocational skill trainings to women and organized medical health check-up camps.



Medical Camp for Civilians



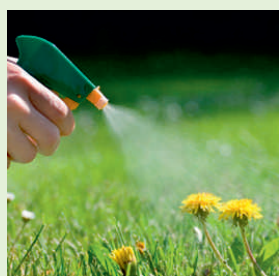
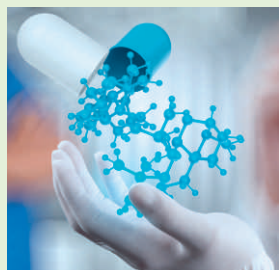
Medical Camp for Students



Water Cooler for Students



Computers & Printers provided for students



## Ashok Alco-Chem Limited

CIN : L24110MH1992PLC069615  
104, Venkatesh Chambers, 1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai - 400 001.  
Tel. No.: 022-6144 6900/01, Fax No.: 022-6610 4355  
Website : <http://www.ashokalcochem.com>  
Email : [secretarial@ashokalcochem.com](mailto:secretarial@ashokalcochem.com)