

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 22, 2017

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 2016-17

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 2016-17, approved and adopted by the Members of the Company at its 25th Annual General Meeting held on September 22, 2017.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For Ashok Alco-Chem Limited



Seema Gangawat
Company Secretary & Compliance Officer

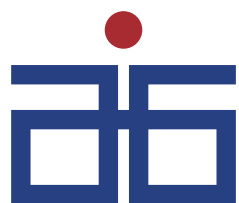


Plant : Plot No. A-22/2/1, Mahad Industrial Area, Village Kamble, Mahad, Dist. Raigad, INDIA.
Tel : 02145 - 232209 / 232827 Fax : 232208



25th

Annual Report
2016-17



Ashok Alco-Chem Limited



Ashok Alco-Chem Limited

Board of Directors

| | |
|---|---|
| Mr. Purab Shah (DIN : 07490952) | Executive Director & CEO (Appointed w.e.f. April 19, 2016) |
| Mr. Manoj Ganatra (DIN : 00568914) | Independent Director |
| Mr. Sunil Shah (DIN : 03567415) | Non - Executive Director |
| Mrs. Neeta Shah (DIN : 07134947) | Non - Executive Director |
| Dr. Umesh Kulkarni (DIN : 00394291) | Independent Director (Resigned w.e.f. May 12, 2017) |
| Mr. Shekhaar Shetty (DIN : 07824778) | Independent Director (Appointed w.e.f. May 17, 2017) |

Chief Financial Officer

Mr. V. Shashidharan
(Resigned w.e.f. May 1, 2017)

Company Secretary & Compliance Officer

Ms. Seema Gangawat

Auditors

M/s. R. A. Kuvadia & Co.
Chartered Accountants, Mumbai

Registered Office

104, Venkatesh Chambers, 1st Floor,
Ghanshyam Talwatkar Marg, Fort, Mumbai – 400 001.
CIN: L24110MH1992PLC069615
Tel. No.: 022-61446900 / 01, Fax No.: 022-66104355
Email: info@ashokalcochem.com
Website : <http://www.ashokalcochem.com>

Plant

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

Registrar & Share Transfer Agent

LINK INTIME INDIA PVT. LTD.
C 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai 400 083
Tel No: +91 22 49186000 Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in

Bankers

IDBI Bank

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NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Ashok Alco-Chem Limited will be held on Friday, September 22, 2017 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone & Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors (“the Board”) and the Auditors' thereon.
2. To declare dividend of Re. 1 per Equity Share for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mrs. Neeta Shah (DIN: 07134947) who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint M/s. R A Maru & Associates, Chartered Accountants, as Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s R A Maru & Associates, Chartered Accountants (Firm Registration No. 141914W) be and is hereby appointed as Statutory Auditors of the Company, in place of retiring Auditors, M/s R. A. Kuvadia & Co., Chartered Accountants (Firm Registration No. 105487W), for a term of five years, to hold office from the conclusion of the 25th Annual General Meeting (AGM) until the conclusion of the 30th AGM, subject to ratification of their appointment by the Members at every AGM, at such remuneration as may be mutually agreed between the Board of Directors and the said Auditors of the Company.”

SPECIAL BUSINESS:

5. **Appointment of Mr. Shekhaar Shetty (DIN: 07824778) as an Independent Director**

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

“**RESOLVED THAT** pursuant to the provisions of section 149, 150 and 152 read with schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Shekhaar Shetty (DIN : 07824778) who was appointed as an Additional Director (Category - Non - Executive, Independent) of the Company by the Board of Directors effective May 17, 2017 and in respect of whom the Company has received a notice under section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive, Independent Director of the Company, not liable to retire by rotation, for a period of three consecutive years with effect from May 17, 2017.

RESOLVED FURTHER THAT Mr. Purab Shah - Executive Director & CEO and/or Ms. Seema Gangawat – Company Secretary & Compliance Officer, be and are hereby severally authorised to sign and submit necessary forms / returns with the Registrar of Companies, Mumbai and to do all such acts, deeds and things as may be necessary to give effect to this resolution.”

6. **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 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/- (Rupees Fifty Thousand only) plus applicable taxes and out-of-pocket expenses payable at actual, to conduct the audit of cost records

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maintained by the Company relating to “Chemicals” for the financial year 2017-18.”

7. Approval for charging fees for service of documents through specified mode

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

“RESOLVED THAT pursuant to the provisions of section 20 and other applicable provisions, if any, of the Companies Act, 2013 and relevant Rules prescribed thereunder, approval of the Members be and is hereby accorded for charging fees of Rs. 50/- (Rupees Fifty only) per document plus applicable taxes and reimbursement of actual expenses being incurred by the Company, for service of any document to the Member through a particular mode of delivery as specified by the respective Member.

RESOLVED FURTHER THAT the said fees for delivery of the document shall be paid by the respective Member in advance to the Company, before dispatch of the document.

RESOLVED FURTHER THAT any Director and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

For and on behalf of the Board

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

Place : Mumbai

Date : August 11, 2017

Registered Office :

CIN: L24110MH1992PLC069615

104, Venkatesh Chambers,

1st Floor, Ghanshyam Talwatkar Marg,

Fort, Mumbai – 400 001

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

Email : info@ashokalcochem.com

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

NOTES:

- 1) The relevant explanatory statement pursuant to section 102 of the Act, in respect of Special Business including Item no. 4 is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings, for the person seeking appointment/re-appointment as Director(s) are also annexed as Annexure-1.
- 2) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (“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 Companies Act, 2013 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 will remain closed from Monday, September 18, 2017 to Friday, September 22, 2017 (both days inclusive).
- 5) The dividend, if declared, at the AGM, will be paid on or after Saturday, September 23, 2017, 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 Saturday, September 16, 2017 (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 Saturday, September 16, 2017. In terms of the directives of Securities and Exchange Board of India (SEBI), shares issued by the Company should rank pari-passu in all respects, including dividend entitlement.
- 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) Members holding shares in physical form are requested to notify any changes, if any, in their registered address, E-mail IDs, Bank mandate etc. to the Company's RTA.

The address of Company's RTA Link Intime India Pvt. Ltd has been changed w.e.f. February 25, 2017, new address 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

Further, Members holding shares in dematerialized/electronic form are requested to notify any changes, if any, in their registered address, E-mail IDs, Bank mandate etc. to their respective Depository Participants at the earliest.

- 8) Members, Proxies and Authorized Representatives are requested to hand over/submit, the attendance slip enclosed herewith, duly completed and signed, mentioning therein details of their DP ID and Client ID/Folio No., for admission to the venue of the Meeting. Members are requested to bring their copy of Annual Report for their reference.
- 9) 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.
- 10) Pursuant to SEBI Circular No. D&CC/FITTC/CIR-15/2002 dated 27.12.2002 all the work related to share registry in terms of both physical and electronic are being done by the Company's R&T Agents M/s. Link Intime India Pvt. Ltd. Therefore, Members are requested to send their communication directly to them in future.
- 11) All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11 a.m. to 4.00 p.m. except Saturday, Sunday and public holidays upto the date of the AGM.
- 12) The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members, who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

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

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

- 13) In case of joint holders attending the AGM, the Member whose name appears as the first in the order of names as per the Register of Members of the Company will be entitled to vote.
- 14) 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 M/s. Link Intime India Pvt. Ltd., Members holding shares in electronic form may submit the same to their respective depository participant.
- 15) Unclaimed Dividend – details are available on website - <http://www.ashokalcochem.com/InvestorUpdate.html>.
- 16) The route map showing directions to reach the venue of the twenty-fifth AGM is annexed.
- 17) Voting through electronic means:
 - I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
 - 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 remote e-voting period commences on Tuesday, September 19, 2017 (9:00 am) and ends on Thursday, September 21, 2017(5:00 pm). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Saturday, September 16, 2017, 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.
 - V . The process and manner for remote e-voting are as under:
 - A . In case a Member receives an email from NSDL [for Members whose email IDs are registered with the Company/Depository Participants(s)] :
 - () Open email and open PDF file viz; “AACL remote e-voting.pdf” with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “AACL remote e-voting.pdf”.
 - (ii) Open the internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder –Login



-
- (iv) Put your user ID and password. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select “EVEN” of “Ashok Alco-Chem Limited”.
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
- (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) 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. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to jaymehtaandassociates@gmail.com with a copy marked to evoting@nsdl.co.in
- B . In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- () Initial password is provided at the bottom of the Attendance Slip for the AGM.
- (iii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI . In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII . If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- NOTE: Shareholders who forgot the User Details/Password can use “Forgot User Details/Password” or Physical User Reset Password” option available on www.evoting.nsdl.com.*
- In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).*
- In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No)*
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX . The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Saturday, September 16, 2017.
- X . 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 date i.e. Saturday, September 16, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “[Forgot User Details/Password](#) or “[Physical User Reset Password](#)” option available on or contact NSDL at the following toll free no.: 1800-222-990.

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- XI . 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 shall only be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- XII . M/s Jay Mehta & Associates, Practicing Company Secretaries (Certificate of Practice No. 8694) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIII . The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “remote e-voting” or “Ballot Paper” or “Poling Paper” for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XIV . The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and 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.
- XV . The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.ashokalcochem.com and on the website of NSDL www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

Ashok Alco-Chem Limited-Route Map for the 25th AGM



Prominent Land Mark: Rhythm House, Kala Ghoda.



ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT IN RESPECT OF ITEM NO. 4 AND THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”) IS GIVEN BELOW:

Item No. 4:

The provisions of section 139 of the Act and Rule 6 of the Companies (Audit and Auditors) Rules, 2014, *inter alia*, provides that no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years and an audit firm which has completed its term shall not be eligible for re-appointment as Auditor in the same Company.

M/s. R. A. Kuvadia & Co., Chartered Accountants (Firm registration No. 105487W), were appointed as the Auditors of the Company at the 22nd Annual General Meeting (AGM) of the Company held on September 26, 2014 for a term of three years to hold office till the conclusion of 25th AGM. M/s R A Kudadia has been associated with the Company since financial year 2008-09, as auditor of the Company. Hence, not eligible for re-appointment as Statutory Auditor of the Company for the next term.

Accordingly, the Board of Directors, has based on the recommendation of the Audit Committee, at its meeting held on August 11, 2017 proposed the appointment of M/s. R A Maru & Associates (Firm Registration No. 141914W) as the Statutory Auditors of the Company for a period of 5 years, to hold office from the conclusion of this AGM till the conclusion of the 30th AGM, (subject to ratification of their appointment by the Members at every AGM) at such remuneration as may be mutually agreed between the Board of Directors and the Auditors of the Company.

M/s. R A Maru & Associates, Chartered Accountants, have consented to the said appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with section 139 read with section 141 of the Act. They have also confirmed that as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

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

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.

Item No. 5:

Consequent to cessation of Dr. Umesh Kulkarni, Independent Director w.e.f. May 12, 2017 and in order to comply with the various provisions of the Act and SEBI Listing Regulations, the Company was required to appoint an Independent Director.

The Board of Directors of the Company on May 17, 2017 by passing circular resolution, appointed Mr. Shekhaar Shetty (DIN: 07824778) as an Additional Director (Category – Non - Executive, Independent) of the Company effective May 17, 2017 pursuant to section 161 of the Act.

Mr. Shekhaar Shetty is not disqualified from being appointed as Director in terms of section 164 of the Act. In terms of section 160 of the Act, the Company has received notice in writing from a Member along with a deposit of Rs. 1 Lakh proposing his candidature to be appointed as an Independent Director as per the provisions of section 149 and 152 of the Act.

Mr. Shekhaar Shetty has given a declaration to the Board of Directors of the Company that he meets criteria of Independence as required under section 149 of the Companies Act, 2013. In the opinion of the Board of Directors, Mr. Shekhaar Shetty fulfills the conditions specified in the SEBI Listing Regulations and the Act and rules made thereunder for his appointment as an Independent Director of the Company and he is Independent of the Management of the Company.

Brief Profile

Mr. Shekhaar Shetty is a commerce graduate from University of Mumbai and also holds a LLB degree from renowned Government Law College. He is an Independent lawyer by profession and has 17 years of vast experience of practice in Criminal & Family Courts. He is a panel Member of Lok-Adalat and advisory Member and panel advocate for legal aid cases. He has actively

ASHOK ALCO-CHEM LIMITED

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participated and attended various Legal Seminars held by the legal fraternity and Bar Councils of Maharashtra & Goa.

Mr. Shekhaar Shetty was the Joint Secretary of Borivali Advocates Bar Association from 2012-13 and was the Secretary of Borivali Advocates Bar Association from 2013-2014 and 2014-2015. He has attended various Mediation Seminars held in Metropolitan Centre of Courts, Borivali.

Brief resume of Mr. Shekhaar Shetty, 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 Listing Regulations and Secretarial Standards are as below:

| | |
|--|---|
| Name of Director | Mr. Shekhaar Shetty |
| Director Identification Number (DIN) | 07824778 |
| Date of Birth (Age) | September 5, 1974 (42 years) |
| Nationality | Indian |
| Date of Appointment | May 17, 2017 |
| Qualifications | LLB & B.com |
| Expertise in specific functional areas | Vast experience of practice in Criminal & Family Courts |
| Shareholding in Ashok Alco-Chem Limited | Nil |
| Directorships held in other Companies (excluding foreign, private and section 8 Companies) | Nil |
| Membership/Chairmanships of Audit and Stakeholders Relationship Committees across public Companies including Ashok Alco - Chem Limited | Audit Committee - Member Stakeholder Relationship Committee - Member |
| Number of Meetings of the Board attended during the year ended March 31, 2017 | NA |
| Remuneration Details | Will be entitled to receive sitting fee for attending the Board and Committee Meetings. |
| Relationship with other Directors / Managers/ Key Managerial Personnel | Nil |

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

Except Mr. Shekhaar Shetty, 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.

Item No. 6:

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

The Company had received the unwillingness letter from M/s V. J. Talati & Co., Cost Accountants, an existing Cost Auditors of the Company to act as a Cost Auditors for the financial year 2017-18 and accordingly to comply with the provisions of the section 148 of the Act, the Board of Directors of the Company, on the recommendation of the Audit Committee, approved the 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" for the financial year 2017-18, 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 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 approved by the Members of the Company. Accordingly, consent of the Members is sought to ratify the appointment of M/s N. Ritesh & Associates, Cost Auditor and approve the payment of remuneration for the FY 2017-18.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 6 for approval of the Members.

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.

Item No. 7:

As per the provisions of section 20 of the Act, a document may be served on any Member by sending it to him by Post, Registered post, Speed post, Courier, delivering at his office or address or by prescribed electronic or other mode. Further, a Member may request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its Annual General Meeting.

Therefore, to enable the Members to avail such facility, it is proposed to charge the fees of Rs. 50/- per document plus applicable taxes and reimbursement of actual expenses being incurred by the Company for delivery of a document in a particular mode, if any, prescribed by the respective Member.

The Board of Directors recommends the Ordinary Resolution as set out at Item No. 7 for approval of the Members.

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.

For and on behalf of the Board

Place: Mumbai
Date: August 11, 2017

Sd/-
Seema Gangawat
Company Secretary & Compliance Officer

Registered Office:

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

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Annexure 1 – Details of Directors seeking appointment /re-appointment at the AGM, Pursuant to Regulation 36 of SEBI Listing Regulations.

| | |
|---|---|
| Name of Director | Mrs. Neeta Shah (DIN - 07134947) |
| Date of Birth (Age) | January 27, 1965 (52 years) |
| Date of Appointment | April 1, 2015 |
| Expertise in specific functional areas | Wide experience in the field of Marketing and actively involved in social welfare activities. |
| Qualifications | BA, B.Ed. |
| List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies. | Nil |
| Chairman/ Member of the Committee of the Board of Directors of the Company | Nil |
| Chairman/ Member of the Committee of the Board of Directors of other companies in which he/she is a Director | Nil |
| No. of Shares Held in the Company | Nil |
| Relationship with other Directors/ Mangers / Key Managerial Personnel | Spouse of Mr. Sunil Shah |



DIRECTORS REPORTS

The Members,
Ashok Alco-Chem Limited

Your Directors present their 25th Annual Report together with the Audited Financial Statements of your Company for the year ended March 31, 2017.

FINANCIAL RESULTS

The following figures summaries the financial performance of your Company during the year under review: (Amount in Rs.)

| | Standalone | | Consolidated* |
|--|----------------------|----------------------|----------------------|
| | 2016-17 | 2015-16 | 2016-17 |
| Income from Operations | 1,478,434,871 | 3,362,446,294 | 1,612,194,784 |
| Other Income | 32,482,016 | 32,774,556 | 33,520,491 |
| Total Income | 1,510,916,887 | 3,395,220,850 | 1,645,715,275 |
| Less : Total Expenditure | 1,456,210,145 | 3,183,324,111 | 1,566,911,346 |
| Profit/(Loss) before Interest, Depreciation and Tax | 54,706,742 | 211,896,739 | 78,803,929 |
| Less : Interest | 12,896,641 | 5,754,787 | 12,938,002 |
| Profit/(Loss) before Depreciation and Tax | 41,810,101 | 206,141,952 | 65,865,927 |
| Less : Depreciation | 10,236,131 | 8,870,972 | 10,523,241 |
| Profit/(Loss) before Tax | 31,573,970 | 197,270,980 | 55,342,686 |
| Less : Tax Expenses | | | |
| Current Tax | 9,200,000 | 66,000,000 | 18,000,000 |
| Earlier Year's Tax | - | 5,630,429 | 2,380 |
| Deferred Tax | 1,479,037 | 1,836,874 | 1,518,408 |
| Net Profit/(Loss) | 20,894,933 | 123,803,677 | 35,821,898 |

* -This being the first year of Consolidation for the Company with respect to the Profit & Loss Items, previous year's figures have not been disclosed.

OVERVIEW OF THE FINANCIAL PERFORMANCE

The performance of the Manufacturing Vertical of your Company has slightly increased vis a vis previous year 2015-16, despite the challenges of the competitive identical imported products. The Chemical Segment is gradually growing at 15.60% annually.

The plummet in the overseas market for Bauxite and Iron Ore continued in the financial year 2016-17, which resulted in the less contribution of profits from the Trading Division. Adverse market conditions globally affected the Trading Division resulting in dip in the Profit Before Taxes (Trading Division) compared to 2015-16. However, your Company is endeavoring few chemical products along with mineral products in trading line to capitalize the overseas niche market.

The Government has envisaged better economic conditions at domestic and global level which will attribute beacon of hope for sustained growth momentum that could potentially bring vast improvements in the lives of hundreds of millions of people in our country.

The goals of the entire work force in the organization stood strong and high to sustain and drive the negative forces for fetching positive results.

Your Company has invested Rs. 15,182,974 in Cooling Tower and Steam Turbine, which reduced power consumption by 15% resulting into increase in profitability of the Company.

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

The subsidiary of your Company has performed well and contributed to the extent of 43% to the Profit before Tax in the consolidated profit and loss account of parent Company. The trading nature and scope of business in certain range of products along with the dedicated team of enthusiastic and energetic personnel's, the subsidiary of your Company has grown at the rate of 5.97% in terms of Turnover and at 5.22% towards contribution in terms of Profit Before Tax during 2016-17 as compared to its contribution during 2015-16.

DIVIDEND

Considering the performance of your Company, the Directors are pleased to recommend for approval of the Members a dividend of Re. 1/- (i.e. 10%) per equity share of Rs. 10/- each for the financial year ended March 31, 2017.

The dividend, if approved, at the 25th Annual General Meeting ("AGM"), will be paid to those shareholders whose names appear on the Register of Members of the Company as of the end of the day on Saturday, September 16, 2017, being the record date and it would involve the total cash outflow of Rs. 5,536,862/-, including dividend tax.

TRANSFER TO GENERAL RESERVES

The Company proposes to transfer Rs. 5,000,000/- (Rupees Fifty Lakhs Only) to the general reserves of the Company.

SHARE CAPITAL

During the financial year 2016-17, there is no change in the Authorized, issued, subscribed and paid-up share capital of the Company. As on March 31, 2017, the Company is having Authorized share capital of Rs.70,000,000/- comprising of 5,000,000 Equity Shares of Rs 10/- each and 2,000,000 11% Preference Shares of Rs 10/- each.

The Issued, Subscribed and Paid-Up Equity Share Capital of the Company as on March 31, 2017 is Rs. 46,003,430/- comprising of 4,600,343 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.

HOLDING COMPANY

Aura Alkalies and Chemicals Private Limited continues to be the Holding Company of the Company by holding 2,518,632 Equity Shares of the Company i.e. 54.75%, at the end of the financial year March 31, 2017.

SUBSIDIARY / JOINT VENTURE / ASSOCIATE COMPANY

The Company continues to be a Holding Company of Ashwa Minerals Private Limited as on March 31, 2017.

The Company does not have any Associate or Joint Venture companies within the meaning of section 2(6) of the Companies Act, 2013 ("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, 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 | 2,518,632 | 54.75 |
| 2 | Mr. Sunil Shah | 1,000 | 0.02 |
| 3. | HK Dealers Private Limited | 1,000 | 0.02 |
| | Total Promoter’s holding | 2,520,632 | 54.79 |

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Induction

During the year under review, Mr. Purab Shah was appointed as an Additional Director designated as Executive Director & Chief Executive Officer (“Executive Director & CEO”) of the Company for a period of two years effective from April 19, 2016. The said appointment was duly approved by the Members of Company at their 24th Annual General Meeting held on September 22, 2016.

Subsequent to the year under review, Mr. Shekhaar Shetty (Category – Non – Executive / Independent) was appointed as an Additional Director of the Company for a period of three years effective from May 17, 2017, subject to approval of Members at the 25th Annual General Meeting.

The Company has received notice in writing under section 160 of the Act proposing appointment of Mr. Shekhaar Shetty as an Independent Director. The Board recommends his appointment.

Cessation

Subsequent to the year under review, Dr. Umesh Kulkarni tendered his resignation and hence, ceased as an Independent Director w.e.f. May 12, 2017.

The Board placed on record its appreciation for the services rendered by Dr. Umesh Kulkarni, during his tenure with the Company.

Independent Directors

Consequent to aforementioned appointment of Mr. Shekhaar Shetty and resignation of Dr. Umesh Kulkarni, 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 Regulations.

- a) Mr. Manoj Ganatra;
- b) Mr. Shekhaar Shetty (appointed w.e.f. May 17, 2017)
- c) Dr. Umesh Kulkarni (Ceased as Director w.e.f. May 12, 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.

Retirement by Rotation

Mrs. Neeta Shah retires by rotation and being eligible has offered herself for re-appointment.

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

Pursuant to the provisions of section 203 of the Act, the following were the Key Managerial Personnel (KMP) of the Company as on

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March 31, 2017 :

- a) Mr. Purab Shah – Executive Director & CEO (w.e.f. April 19, 2016)
- b) Mr. V. Shashidharan – Chief Financial Officer;
- c) Ms. Seema Gangawat – Company Secretary & Compliance Officer

Subsequent to the year under review, Mr. V. Shashidharan tendered his resignation and hence, ceased as a Chief Financial Officer of the Company w.e.f. May 1, 2017.

NUMBER OF MEETINGS OF THE BOARD

The Board of Directors of the Company met seven times during the financial year 2016-17 viz. on April 19, 2016, May 20, 2016, August 11, 2016, November 10, 2016, January 27, 2017, February 14, 2017 and March 27, 2017.

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.

The policy on Company's familiarisation programme for Independent Directors is posted on the Company's website 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 Listing Regulations, the Company has Nomination and Remuneration Policy and the same is available on the Company's website www.ashokalcochem.com/InvestorUpdate.html. The more details about the Nomination and Remuneration policy is provided in Corporate Governance Report.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT, REMUNERATION AND EVALUATION

Pursuant to the provisions of the Act and the SEBI Listing Regulations, policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Directors etc. has been formulated. The Nomination and Remuneration Policy has been put on the website of the Company, www.ashokalcochem.com/InvestorUpdate.html.

PERFORMANCE EVALUATION

In terms of the provisions of the Act, read with Rules made thereunder and the provisions of SEBI Listing Regulations, the evaluation of the performance of the Board of Directors, Committees of the Board and individual Directors have been carried out. 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.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements of section 134 (5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, your Directors confirm that:

- a. in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- b. the Directors 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 as at March 31, 2017 and the profit of the Company for the year ended on that date;
- c. the Directors 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. the Directors have prepared the annual accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors had 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.

In totality, the business continued to maintain its stability in both, domestic and the global market competition against the constraint in the selling prices of the manufactured product on one side and unrestrained prices of input on other side, during the financial year ended March 31, 2017 the books reflected the Net Profit of Rs. 20,894,933 which is mainly due to the downfall in trading business. The utilization of the production capacity of the Chemical Manufacturing Vertical has increased up to 10%.

Economy & Industry Scenario and Outlook

India has registered almost consistent steady pace of economic growth in Fiscal 2017 as it did in Fiscal 2016. A sign of improvement was mainly due to additional focus on parameters namely inflation, current account balancing and fiscal deficit. India's exports has suffered as setback on account of weak growth in advanced and emerging economies. Though the Global situation seems not promising, India is estimated to endeavor to remain the fastest growing major economy in the world. Nevertheless, trade and current account deficits have improved due to relatively lower prices for crude oil which is imported by India. The Chemical Industry seems consistent in line with the Government Policies. The future is not bleak in terms of volumes for Bulk, Drug, FMCG and Packaging Industry.

Key projects such as 'Make in India', 'Start up India', 'Digital India' and 'Skill India' seek to encourage investments and improve the ecosystem at various levels of business activity which is mainly due to several positive and strategic initiatives taken by the existing Government in order to eliminate the obstacles and ensure smooth business operations by relaxing various Policies namely FDI & Tax Rules. Aggressive roll-out of the financial inclusion program has made banking services accessible to millions of previously unbanked people.

Segment-wise Performance

The low demand and high competitive pricing for minerals in the overseas market has declined the topline of the Trading Division. Your chemical segment maintained a stable growth in terms of production which increased by 10% and topline by 16.13%. The profits before interest and tax declined owing to the low demand of Mineral based products.

Your Company's overall profit after tax for FY 2016-17 was Rs. 20,894,933 against Rs. 123,803,677 in FY 2015-16.

Opportunities, Threats, Risks and Concerns

The manufacturing industry and the demand thereof are influenced by general economic conditions, including, among other things,

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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 Companies 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.

Financial Performance

Financial performance achieved by your Company, during the year under review, is as disclosed in this Report under the head 'Financial Results and 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.

Material Developments in Human Resource / Industrial Relation front, including number of people employed

As on March 31, 2017, the Company had a total head count of 117. 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. The same is reviewed by the Board from time to time and appropriate actions are taken as directed.

Credit Rating

The Company enjoys a good reputation for its sound financial management and the ability to meets its financial obligation. ICRA Limited, a reputed rating agency, has assigned BB+ (stable) rating for long-term and A4+ rating for short-term.

PARTICULARS OF EMPLOYEES

The disclosure required under section 197 of the Act, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is annexed as "ANNEXURE - A" and forms part of this report.

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

The term of M/s. R. A. Kuvadia & Co., Chartered Accountants (Firm registration No. 105487W), who was appointed as Statutory Auditors of your Company at the 22nd Annual General Meeting (AGM) held on September 26, 2014 for a period of three years, expires at the conclusion of 25th AGM and are liable to be retired by rotation under section 139 of the Act.

Accordingly, the Board of Directors of the Company at its Meeting held on August 11, 2017, on the recommendation of the Audit Committee, have appointed M/s. R A Maru & Associates, Chartered Accountants (Firm registration No. 141914W) as Statutory Auditors of the Company for a term of five years from the conclusion of 25th AGM till the conclusion of 30th AGM, subject to ratification of their appointment by the Members at every AGM.

The Company has received the certificate(s) of eligibility in accordance with section 139, section 141 and other applicable provisions of the Act and Rules thereunder, from M/s R A Maru & Associates, Chartered Accountants.

The Auditors Report does not contain any qualification, reservation or adverse remarks.

COST AUDITORS AND COST AUDIT REPORT

Pursuant to the provisions of section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, M/s. V. J. Talati & Co., Cost Accountants, having Firm Registration No. R100675, were appointed as the Cost Auditors of the Company to conduct the audit of Cost Accounting records maintained by the Company relating to "Chemicals" for the financial year ended March 31, 2017.

In view of the unwillingness for re-appointment from M/s V. J. Talati & Co, Cost Accountants, the Board of Directors, at its Meeting held on May 18, 2017 and on the recommendation of the Audit Committee, has appointed M/s. N. Ritesh & Associates, Cost Accountants (Firm Registration No. R100675) as a Cost Auditors of the Company to conduct the audit of Cost Accounting records maintained by the Company relating to "Chemicals" for the Financial Year 2017-18 at a remuneration of Rs. 50,000/- plus applicable taxes and out-of-pocket expenses payable at actual, subject to ratification of remuneration by the Members at the AGM.

The Company has filed the Cost Audit report for the financial year ended March 31, 2016 submitted by M/s. V. J. Talati & Co., Cost Accountants on October 4, 2016. The Cost Audit report for the financial year ended March 31, 2017 will be filed in due course.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Jay Mehta & Associates, Practicing Company Secretaries as Secretarial Auditors of the Company for the financial year 2017-18.

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

(i) 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:

Considering the specialized nature of business, 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.

(ii) The Audit Committee meeting held on 11th August, 2016 was attended by two Directors (One Independent Director and other Non - Executive Director). Hence, the quorum for the said Meeting was not as per Reg. 18(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Board's Explanation / Comments on above remarks:

The Audit Committee meeting held on 11th August 2016 was attended by two Directors i.e. one Independent Director and other Non - Executive Director. Hence, the quorum requirement of attendance of minimum two Directors was duly met. However, the further requirement of attendance of atleast two Independent Directors could not be met due to non-availability of one of the

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Independent Directors in view of some unforeseen circumstances.

However, during the year under review the Audit Committee Meetings (except as stated above) were duly convened, held and conducted as per the requirements of the provisions of the Act and SEBI Listing Regulations.

The Secretarial Audit Report is annexed as “Annexure B” to this Report.

INTERNAL AUDITORS AND INTERNAL AUDIT REPORT

In accordance with the provisions of section 138(1) of the Act, the Company has re-appointed M/s. N. P. Patwa & Co., Chartered Accountants 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.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

In accordance with the provisions of section 177(9) of the Act, read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules, 2014 and Regulation 22 of SEBI Listing Regulations, the Company has adopted vigil mechanism policy in place to enable the Directors and employees to have direct access to the Chairman or the Members of the Audit Committee. The details of the vigil mechanism is explained in the Corporate Governance Report and also posted on the website of the Company at www.ashokalcochem.com/InvestorUpdate.html

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS UNDER SECTION 186

Particulars of Loans, Guarantees given and Investments made during the year covered under the provisions of section 186 of the Act are given in the notes to the Financial Statements.

TRANSACTIONS WITH RELATED PARTY

During the year under review, the Company has not entered into any transaction with any related party. Accordingly, the disclosure of transaction in requisite 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. During the year under review the Committee met once. The details of composition of CSR Committee are provided under the Corporate Governance Report. The detailed report about CSR activities undertaken during the year is annexed as “Annexure - C”. Pursuant to the recommendation of the CSR Committee, the Board had approved a CSR Policy and the same is available on Company's website www.ashokalcochem.com/InvestorUpdate.html.

In terms of the requirements of section 135 of the Act and rules made thereunder the Company was required to spend around Rs. 3,297,058 during the FY 2016-17, however the Company could spent only Rs 970,755 towards CSR activities.

Reason for underspent CSR amount:

The Company had identified certain projects for CSR activities. However, due to some administrative constraints, the projected CSR activities could not be completed. The Company is planning to complete these CSR activities during the current year.

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 COMPOSITION

The details pertaining to composition of Audit Committee are included in Corporate Governance Report, which form part of this Report. During the year all the recommendations of the Audit Committee were accepted by the Board.

CORPORATE GOVERNANCE

The Report of Corporate Governance forms part of the Annual Report.

A certificate from M/s. Jay Mehta & Associates, Practicing Company Secretaries, confirming compliances with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, also forms part of the Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report save and except as mentioned above.

PUBLIC DEPOSITS

Your Company has not accepted any deposits from public in terms of sections 73 and/or 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended from time to time.

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 affecting the going concern status and the Company's operations in future.

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.

During the year under review, Company has not received any complaint 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 and green, pollution free environment as well a safe and healthy work place at all locations and department of the Plant. 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:

- Commissioning of Steam Turbine with advance technology and upgradation of cooling tower has enhanced the energy conservation to a greater extent.
- Internal periodic energy audits to improve energy performance and benchmarks.

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

Major energy conservation initiatives taken for steam saving which has helped us to reduce the Coal consumption that

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has reduced emission of CO₂ in atmosphere, which helps in global warming. Harmonic Audit is done at the plant to identify the losses in the plant and rectify the same.

- (iii) **The capital investment on energy conservation equipment** – Rs. 15,182,973 (Cooling Tower and Steam Turbine).

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.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution: With new source of raw material and the plant modification, we are able to improve the product quality and reduce the cost of the raw material by better 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; and – NA
- (iv) The expenditure incurred on Research and Development - Rs. 2,058,646.

Foreign exchange earnings and outgo

Total Foreign Exchange earned and used.

(Amount in Rs)

| | 2016-2017 | 2015-2016 |
|-----------------------------|-------------|---------------|
| i. Foreign Exchange used | 29,018,244 | 327,526,304 |
| ii. Foreign Exchange earned | 290,798,816 | 1,848,651,004 |

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, vendors, agents, bankers, financial institutions, suppliers, distributors and other stakeholders of the Company.

For and on behalf of the Board

Sd/-

Sd/-

Place: Mumbai
Date: August 11, 2017

Purab Shah
Executive Director & CEO
(DIN : 07490952)

Sunil Shah
Director
(DIN : 03567415)



“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 | 9.07 |

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

| Name of Directors & KMP | % increase in remuneration in the financial year |
|--|--|
| Mr. Purab Shah, Executive Director & CEO | 7.82 |
| Mr. V. Shashidharan, Chief Financial Officer (CFO) | 12.50 |
| Ms. Seema Gangawat, Company Secretary | 16.00 |

c. The percentage increase in the median remuneration of employees in the financial year: 18.64%

d. The number of permanent employees on the rolls of Company: 117

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 9.04% after accounting for promotion and other event based compensation revisions.

Increase in the managerial remuneration for the year was 7.82%.

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.

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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 | % Equity Shares held | Whether Relative of any Director /Manager of the Company |
|---------|-------------------------------|-------------------------------|-----------------------|---|------------------------------------|-----------------|---|----------------------|--|
| 1 | Mr. Purab D Shah | Executive Director | 2817100 | Payroll | 09-07-2013 | 39 | Business | Nil | NO |
| 2 | Mr. Shashidharan V. | CFO* | 2032200 | Payroll | 14-03-2014 | 46 | Isagro (Asia) Pvt Ltd | Nil | NO |
| 3 | Mr. Shivanand S. Kalgi | AGM-Plant | 1966500 | Payroll | 03-02-2014 | 39 | Eternis (erstwhile HPFL) | Nil | NO |
| 4 | Mr. Shamrao D. Khot | AGM Maintenance | 1774163 | Payroll | 05-10-2015 | 52 | Vinati Organics Ltd | Nil | NO |
| 5 | Mr. Parshuram M. Chavan | Sr. Manager QC/QA | 1265005 | Payroll | 01-01-2015 | 51 | BEC Chemicals | Nil | NO |
| 6 | Mr. Prasad V. Alpe | R & D Manager | 1046173 | Payroll | 21-11-2013 | 46 | Aarti Industries Ltd. | Nil | NO |
| 7 | Mr. Kishor.P. Joshi | Production Manager | 1034821 | Payroll | 27-11-2006 | 39 | Satyam Petrochem | Nil | NO |
| 8 | Ms. Seema Gangawat | Co. Secretary | 1030110 | Payroll | 01-04-2013 | 37 | Kingfisher Airlines Limited | Nil | NO |
| 9 | Mr. Vaize Ahmed Kampli | Manager – Finance & Accounts* | 1000000 | Payroll | 21-11-2016 | 37 | - | Nil | NO |
| 10 | Mr. Kartikprasad M. Prajapati | Deputy Manager – Marketing | 900157 | Payroll | 17-09-2012 | 37 | Pornpure Chem Pvt. Ltd. | Nil | NO |

* ceased as CFO w.e.f. May 1, 2017.

* appointed as Manager – Finance & Accounts w.e.f. November 21, 2016

B) Employees drawing remuneration above specified limits – NA



“ANNEXURE - B”

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2017

[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]

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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

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

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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.

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

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

(ii) The Listing 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 Audit Committee meeting held on 11th August 2016 was attended by two Directors (One Independent Director and other Non - Executive Director). Hence, the quorum for the said meeting was not as per Reg. 18(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors (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.

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

I further report that during the audit period 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 the above.

For **Jay Mehta & Associates**
Company Secretaries

Sd/-

Jay Mehta
Proprietor

FCS No.: 8672

C.P. No.: 8694

Date: August 11, 2017

Place: Mumbai



“ANNEXURE - C”

ANNUAL REPORT ON CSR ACTIVITIES

- 1. 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.**

Pursuant to the provisions of the Companies Act, 2013, the Board of Directors of the Company at its Meeting held on August 13, 2014 had constituted Corporate Social Responsibility Committee (CSR Committee).

The said CSR Committee formulated the Corporate Social Responsibility Policy and recommended the same to the Board for its approval. The Board of Directors at its Meeting held on March 30, 2015 approved the said Policy which aims to support initiatives that measurably improve the lives of underprivileged by one or more of the focus areas as notified under section 135 of the Act, Schedule VII and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Policy is available on the website of the Company and can be accessed through the following web link: <http://www.ashokalcochem.com/InvestorUpdate.html>

- 2. The Composition of the CSR Committee** – The Company has a CSR Committee of Directors comprising of Mr. Manoj Ganatra, Chairman of the Committee, Mr. Sunil Shah and Mr. Purab Shah, Members.
- 3. Average net profit of the Company for last three financial years for the purpose of Computation of CSR** – Rs.164,852,884/-
- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)** – Rs. 3,297,058/-
- 5. Details of CSR spent during the financial year.**
- a. Total amount to be spent for the financial year;** Rs. 3,297,058/-
- b. Amount unspent, if any** – 2,326,303/-
- c. Manner in which the amount spent during the financial year is detailed below.**

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| Sr. No. | CSR project or activity identified. | Sector in which the Project is covered | Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise | Amount spent on the projects or Programs Subheads: (1)Direct expenditure on projects or programs. (2)Over heads: | Cumulative expenditure upto to the reporting period | 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 | 263,755 | 263,755 | 263,755 | Direct CSR |
| | | | Bhuj-Kutch, Gujarat | 100,000 | 100,000 | 100,000 | Through Implementing Agency |
| 2. | Promoting Health care | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the central government for the promotion of sanitation and making available safe drinking water. | Mahad, Maharashtra | 207,000 | 207,000 | 207,000 | Through Implementing Agency |
| | | | Bhuj-Kutch, Gujarat | 250,000 | 250,000 | 250,000 | Through Implementing Agency |
| 3. | Women Empowerment and Education | Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects. | Bhuj-Kutch, Gujarat | 150,000 | 150,000 | 150,000 | Through Implementing Agency |
| | Total | | | 970,775 | 970,775 | 970,775 | |



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.**

The Company had identified certain projects for CSR activities. However, due to some administrative constraints, the projected CSR activities could not be completed. The Company is planning to complete these CSR activities during the current year.

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.

For and on behalf of the Board

sd/-
Manoj Ganatra
Chairman of Corporate Social
Responsibility Committee
(DIN : 00568914)

sd/-
Purab Shah
Executive Director & CEO
(DIN : 07490952)

Place: Mumbai
Date: August 11, 2017

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“ANNEXURE - D”**FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN****As on financial year ended on 31st March, 2017****[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: info@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 | 94.42% |

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) |



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 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|---|--|----------|------------------|-------------------|--|----------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| 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 | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (1): | 2,520,632 | - | 2,520,632 | 54.79 | 2,520,632 | - | 2,520,632 | 54.79 | - |
| (2) Foreign | | | | | | | | | |
| a) NRIs Individuals | - | - | - | - | - | - | - | - | - |
| b) Other-Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies Corp. | - | - | - | - | - | - | - | - | - |
| d) Banks/FI | - | - | - | - | - | - | - | - | - |
| e) Any other.... | - | - | - | - | - | - | - | - | - |
| Sub-Total (A) (2):- | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter (A)=(A)(1)+(A)(2) | 2,520,632 | - | 2,520,632 | 54.79 | 2,520,632 | - | 2,520,632 | 54.79 | - |
| B. Public Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | - | 100 | 100 | 0.00 | - | 100 | 100 | 0.00 | - |
| b) Banks / FI | | | | | | | | | |
| c) Central Govt | - | - | - | - | - | - | - | - | - |
| d) State Govt(s) | - | - | - | - | - | - | - | - | - |

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| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--|--|----------|-----------|-------------------|--|----------|-----------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| e) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| f) Insurance Companies | - | - | - | - | - | - | - | - | - |
| g) FIIs | - | - | - | - | - | - | - | - | - |
| h) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| i) Others (specify) | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(1): | - | 100 | 100 | 0.00 | - | 100 | 100 | 0.00 | - |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | 338,614 | 800 | 339,414 | 7.38 | 268,542 | 800 | 269,342 | 5.85 | (1.53) |
| i) Indian | - | - | - | - | - | - | - | - | - |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh | 919,099 | 192,450 | 1,111,549 | 24.16 | 1,086,573 | 184,750 | 1,271,323 | 27.64 | 3.48 |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 Lakh | 482,730 | - | 482,730 | 10.49 | 399,739 | - | 399,739 | 8.69 | (1.80) |
| c) Others (specify) | | | | | | | | | |
| Hindu Undivided Family | 51,963 | - | 51,963 | 1.13 | 63,328 | - | 63,328 | 1.38 | 0.25 |



| Category of Shareholders | No. of Shares held at the beginning of the year 01.04.2016 | | | | No. of Shares held at the end of the year 31.03.2017 | | | | % Change during the year |
|--|--|----------------|------------------|-------------------|--|----------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Non Resident Indians | 53,614 | 5,400 | 59,014 | 1.29 | 34,972 | 5,400 | 40,372 | 0.88 | (0.41) |
| Overseas Corporate Bodies | - | - | - | - | - | - | - | - | - |
| Foreign Nationals | - | - | - | - | - | - | - | - | - |
| Clearing Members | 34,941 | - | 34,941 | 0.76 | 35,507 | - | 35,507 | 0.77 | 0.01 |
| Trusts | - | - | - | - | - | - | - | - | - |
| Foreign Bodies - D R | - | - | - | - | - | - | - | - | - |
| Sub-total (B)(2): | 1,880,961 | 198,650 | 2,079,611 | 45.21 | 1,888,661 | 190,950 | 2,079,611 | 45.21 | - |
| Total Public Shareholding (B)=(B)(1) + (B)(2) | 1,880,961 | 198,750 | 2,079,711 | 45.21 | 1,888,661 | 191,050 | 2,079,711 | 45.21 | - |
| C. Shares held by Custodian for GDRs & ADRs | - | - | - | - | - | - | - | - | - |
| Grand Total (A+B+C) | 4,401,593 | 198,750 | 4,600,343 | 100.00 | 4,409,293 | 191,050 | 4,600,343 | 100.00 | - |

B) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (01.04.2016) | | | Shareholding at the end of the year (31.03.2017) | | | % 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 | Mr. Sunil Shah | 1,000 | 0.02 | - | 1,000 | 0.02 | - | - |
| | Total | 2,520,632 | 54.79 | - | 2,520,632 | 54.79 | - | - |

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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 (01/04/2016) Changes during the year At the end of the year (31/03/2017) | NO CHANGE | | | |
| 2. | HK Dealers Pvt. Ltd. At the beginning of the year (01/04/2016) Changes during the year At the end of the year (31/03/2017) | | | | |
| 3. | Mr. Sunil Shah At the beginning of the year (01/04/2016) Changes during the year At the end of the year (31/03/2017) | | | | |

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 the year | |
|---------|--|---|----------------------------------|--|--|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1. | Kodai Investment and Trading Co. Pvt. Ltd. At the beginning of the year (01/04/2016) Changes during the year At the end of the year (31/03/2017) | 217,109 - - | 4.72 - - | 217,109 - 217,109 | 4.72 - 4.72 |
| 2. | Shobhna Anil Kadakia At the beginning of the year (01/04/2016) Transferred on 22/04/2016 29/04/2016 Acquired on 27/05/2016 At the end of the year (31/03/2017) | 158,303 (500) (4406) 500 - | 3.44 - - - - | - 158,303 157,803 153,397 153,897 153,897 | 3.44 3.43 3.33 3.35 3.35 |



| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|--|--|--|---|--|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 3. | Subramanian P At the beginning of the year (01/04/2016) Acquired on 14/10/2016 At the end of the year (31/03/2017) | - 89,743 - | - 1.95 - | - 89,743 89,743 | - 1.95 1.95 |
| 4. | Anil Manilal Kadakia At the beginning of the year (01/04/2016) Transferred on 08/04/2016 15/04/2016 22/04/2016 23/09/2016 24/03/2017 31/03/2017 Acquired on 19/08/2016 18/11/2016 25/11/2016 At the end of the year (31/03/2017) | 106,952 (13,933) (17,000) (13,000) (5,000) (1,920) (3,239) 3,000 3,000 2,000 - | 2.32 - - - - - - - - - - | 106,952 93,019 76,019 63,019 61,019 64,099 60,860 66,019 64,019 66,019 60,860 | 2.32 2.02 1.65 1.37 1.33 1.39 1.32 1.44 1.39 1.44 1.32 |
| 5. | Chetan Navnitlal Shah At the beginning of the year (01/04/2016) Changes during the year At the end of the year (31/03/2017) | 29,352 - - | 0.64 - - | 29,352 - 29,352 | 0.64 - 0.64 |
| 6. | B. Lavanya At the beginning of the year (01/04/2016) Acquired on 23/09/2016 30/09/2016 07/10/2016 At the end of the year (31/03/2017) | - 6,791 8,209 5,000 - | - - - - - | - 6,791 15,000 20,000 20,000 | - 0.15 0.33 0.43 0.43 |
| 7. | Sejal Sanjay Dalal At the beginning of the year (01/04/2016) Acquired on 15/07/2016 31/03/2017 At the end of the year (31/03/2017) | 10,000 3,000 3,000 - | 0.22 - - - | 10,000 13,000 16,000 16,000 | 0.22 0.28 0.35 0.35 |
| 8. | Bijal Suresh Dalal At the beginning of the year (01/04/2016) Acquired on 27/05/2016 At the end of the year (31/03/2017) | 9,000 6,000 - | 0.20 - - | 9,000 15,000 15,000 | 0.20 0.33 0.33 |

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| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|--|--|--|--|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 9. | Sneha Sinha At the beginning of the year (01/04/2016) Transfer on 08/04/2016 15/04/2016 02/09/2016 At the end of the year (31/03/2017) | 28,197 (6,652) (3,083) (5,000) - | 0.61 - - - - | 28,197 21,545 18,462 13,462 13,462 | 0.61 0.47 0.40 0.29 0.29 |
| 10. | Sanjay Kumar Sarawagi At the beginning of the year (01/04/2016) Changes during the year At the end of the year (31/03/2017) | 12,714 - - | 0.28 - - | 12,714 - 12,714 | 0.28 - 0.28 |
| 11. | Sangeetha S At the beginning of the year (01/04/2016) Transferred on 14/10/2016 At the end of the year (31/03/2017) | 67,854 (67,854) - | 1.48 - - | 67,854 0 0 | 1.48 0 0 |
| 12. | Vivog Commercial Ltd. At the beginning of the year (01/04/2016) Transferred on 08/07/2016 15/07/2016 29/07/2016 12/08/2016 02/09/2016 23/09/2016 30/09/2016 07/10/2016 14/10/2016 At the end of the year (31/03/2017) | 37,709 (698) (2,900) (850) (7,291) (3,020) (5,950) (9,580) (570) (6,850) - | 0.82 - - - - - - - - - - | 37,709 37,011 34,111 33,261 25,970 22,950 17,000 7,420 6,850 0 0 | 0.82 0.80 0.74 0.72 0.56 0.50 0.37 0.16 0.15 0.00 0.00 |
| 13. | Pratyush Mittal At the beginning of the year (01/04/2016) Transfer on 08/04/2016 15/04/2016 29/04/2016 20/05/2016 27/05/2016 At the end of the year (31/03/2017) | 26,904 (3,031) (3,461) (412) (5,346) (14,654) - | 0.58 - - - - - - | 26,904 23,873 20,412 20,000 14,654 0 0 | 0.58 0.52 0.44 0.43 0.32 0.00 0.00 |



| Sr. No. | For Each of the Top 10 Shareholders | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---------|---|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 14. | Ayush Mittal | | | | |
| | At the beginning of the year (01/04/2016) | 22,258 | 0.48 | 22,258 | 0.48 |
| | Transferred on 20/05/2016 | (2,226) | - | 20,032 | 0.44 |
| | 27/05/2016 | (11,002) | - | 9,030 | 0.20 |
| | 10/06/2016 | (3,099) | - | 5,931 | 0.13 |
| | 30/06/2016 | (780) | - | 5,151 | 0.11 |
| | 01/07/2016 | (2,039) | - | 3,112 | 0.07 |
| | 08/07/2016 | (3,112) | - | 0 | 0.00 |
| | At the end of the year (31/03/2017) | - | - | 0 | 0.00 |
| 15. | Shahnaz | | | | |
| | At the beginning of the year (01/04/2016) | 22,221 | 0.48 | 22,221 | 0.48 |
| | Acquired on 22/04/2016 | 3,779 | - | 26,000 | 0.57 |
| | Transfer on 27/05/2016 | (26,000) | - | 0 | 0.00 |
| | At the end of the year (31/03/2017) | - | - | 0 | 0.00 |

Note: 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

E) Shareholding of Directors and Key Managerial Personnel:

| SN | Shareholding of each Directors and each Key Managerial Personnel | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|----|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | Mr. Purab Shah | NIL | NIL | NIL | NIL |
| 2 | Mr. Manoj Ganatra | NIL | NIL | NIL | NIL |
| 3 | Mr. Sunil Shah | | | | |
| | At the beginning of the year (01/04/2016) | 1,000 | 0.02 | 1,000 | 0.02 |
| | Changes during the year | - | - | - | - |
| | At the end of the year (31/03/2017) | - | - | 1,000 | 0.02 |
| 4 | Mrs. Neeta Shah | NIL | NIL | NIL | NIL |
| 5 | Dr. Umesh Kulkarni | NIL | NIL | NIL | NIL |
| 6 | Mr. V Shashidharan | NIL | NIL | NIL | NIL |
| 7 | Ms. Seema Gangawat | NIL | NIL | NIL | NIL |

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V) INDEBTEDNESS

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

(Amount in Rs.)

| Particulars | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtness |
|--|----------------------------------|-----------------|----------|-------------------|
| Indebtedness at the beginning of the financial year | | | | |
| I) Principal Amount | 37,939,788 | - | - | 37,939,788 |
| ii) Interest due but not paid | 356,470 | - | - | 356,470 |
| iii) Interest accrued but not paid | - | - | - | - |
| Total (i+ii+iii) | 38,296,258 | - | - | 38,296,258 |
| Change in Indebtedness during the financial year | | | | - |
| *Addition | 77,325,928 | - | - | 77,325,928 |
| *Reduction | | | | - |
| Net Change | 77,325,928 | - | - | 77,325,928 |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 77,682,398 | - | - | 77,682,398 |
| ii) Interest due but not paid | 746,800 | - | - | 746,800 |
| iii) Interest accrued but not paid | - | - | - | - |
| Total (i+ii+iii) | 78,429,198 | - | - | 78,429,198 |

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

| SN. | 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 | | |
| | Total (A) | | |
| | Ceiling as per the Act | | |



B. Remuneration to other Directors

(Amount in Rs.)

| Sr. No. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---------|--|-------------------|--------------------|----------------|-----------------|--------------|
| | | Mr. Manoj Ganatra | Mr. Umesh Kulkarni | Mr. Sunil Shah | Mrs. Neeta Shah | |
| 1 | Independent Directors | | | NA | NA | - |
| | Fee for attending board committee meetings | 265,000 | 215,000 | - | - | 480,000 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (1) | 265,000 | 215,000 | - | - | 480,000 |
| 2 | Other Non - Executive Directors | NA | NA | | | |
| | Fee for attending board committee meetings | - | - | 265,000 | 140,000 | 405,000 |
| | Commission | - | - | - | - | - |
| | Others, please specify | - | - | - | - | - |
| | Total (2) | - | - | 265,000 | 140,000 | 405,000 |
| | Total (B)=(1+2) | 265,000 | 215,000 | 265,000 | 140,000 | 885,000 |
| | Total Managerial Remuneration | NA | NA | NA | NA | NA |
| | Overall Ceiling as per the Act | NA | NA | NA | NA | NA |

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

(Amount in Rs.)

| SN | Particulars of Remuneration | Key Managerial Personnel | | | |
|----|---|--------------------------|------------------|------------------|------------------|
| | | CEO* | CS** | CFO*** | Total |
| 1 | Gross salary | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 2,177,900 | 933,874 | 1,895,332 | 5,007,106 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | 5,000 | 5,000 | 5,000 | 15,000 |
| | (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, please specify | 634,200 | 91,236 | 131,868 | 857,304 |
| | Total | 2,817,100 | 1,030,110 | 2,032,200 | 5,879,410 |

* Remuneration (Net Paid) to Executive Director & CEO : Rs. 2,662,599.

** Remuneration (Net Paid) to CS : Rs. 980,473

*** Remuneration (Net Paid) to CFO : Rs. 1,959,932

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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) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| A. COMPANY | | | | | |
| Penalty | | - | - | | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| B. DIRECTORS | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |
| C. OTHER OFFICERS IN DEFAULT | | | | | |
| Penalty | - | - | - | - | - |
| Punishment | - | - | - | - | - |
| Compounding | - | - | - | - | - |



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 has optimum combination of Executive, Non-Executive and Woman 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 Listing Regulations").

As on March 31, 2017, the Board of Directors of the Company comprised of Five Directors viz. one (1) Promoter Director, one (1) Woman Director, one (1) Executive 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 Listing Regulations read with the relevant provisions of the Act.

Subsequent to the year, Dr. Umesh Kulkarni tendered his resignation and ceased to be the Non-Executive Independent Director w.e.f. May 12, 2017. Thereafter, the Board of Directors of the Company, on recommendation of Nomination and Remuneration Committee, appointed Mr. Shekhaar Shetty as an Additional Director (Category – Non-Executive, Independent) w.e.f. May 17, 2017 for a period of three years. The brief profile of Mr. Shekhaar Shetty is provided in the Notice convening 25th AGM.

The Profiles of the Directors can be found on www.ashokalcochem.com.

Directors' Attendance and Directorships held

The details of the number of Board Meetings and Annual General Meeting 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, 2017, are given below:

| Sr. No. | Name of Directors | Category of Directorship | No. of Board Meetings attended | Attendance at last AGM held on September 22, 2016 | No of other Directorship held ⁴ | No. of Committee (Other than your Company) in which Chairman / Member ⁵ |
|---------|----------------------------------|------------------------------|--------------------------------|---|--|--|
| 1 | Mr. Purab Shah ¹ | Executive Director & CEO | 7 of 7 | Yes | - | - |
| 2 | Mr. Manoj Ganatra | Non - Executive, Independent | 7 of 7 | Yes | 1 | - |
| 3 | Dr. Umesh Kulkarni ² | Non - Executive, Independent | 6 of 7 | No | - | - |
| 4 | Mr. Sunil Shah | Non - Executive Director | 7 of 7 | Yes | 1 | - |
| 5. | Mrs. Neeta Shah | Non - Executive Director | 7 of 7 | No | - | - |
| 6. | Mr. Shekhaar Shetty ³ | Non - Executive, Independent | NA | NA | - | - |

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Notes:

- 1 Mr. Purab Shah has been appointed as Executive Director & CEO w.e.f. April 19, 2016 for a period of two years.
- 2 Subsequent to the year under review, Dr. Umesh Kulkarni ceased as Director (Category - Non-Executive, Independent) w.e.f. May 12, 2017.
- 3 Subsequent to 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.
- 4 Exclude Directorships in Private Limited Companies, Foreign Companies, Companies incorporated under section 8 of the Companies Act, 2013 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, Seven Board Meetings were held on April 19, 2016, May 20, 2016, August 11, 2016, November 10, 2016, January 27, 2017, February 14, 2017 and March 27, 2017. 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, 2017 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 |
| Dr. Umesh Kulkarni | 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 the SEBI Listings Regulations.

During the year 2016-17, the Independent Directors met on March 27, 2017, *inter-alia*;

- ? • To evaluate the performance of non-independent Directors and the Board as a whole.
- 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.
- 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 <http://www.ashokalcochem.com/InvestorUpdate.html>.

3. Committees of the Board

A. Audit Committee

Terms of Reference

The Audit Committee of the Board of Directors of the Company has been duly constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations read with section 177 of the Act.

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

- 1) the recommendation for appointment, remuneration and terms of appointment of auditors viz Statutory Auditors, Internal Auditors and Cost Auditors of the Company;
- 2) discussion and review the quarterly, half yearly and annual financial results of the Company before submission to the Board;
- 3) review and monitor the Auditor's Independence and performance and effectiveness of audit process;
- 4) examination of the financial statement and the auditors' report thereon;
- 5) approval or any subsequent modification of transactions of the Company with related parties;
- 6) scrutiny of inter-corporate loans and investments;
- 7) valuation of undertakings or assets of the Company, wherever it is necessary;
- 8) evaluation of internal financial controls and risk management systems;
- 9) monitoring the end use of funds raised through public offers and related matters;
- 10) review of Cost Audit Report;
- 11) 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;
- 12) in addition, the powers and role of the Audit Committee are as laid down under SEBI Listing Regulations and Companies Act 2013 and rules made thereunder;
- 13) any other matter referred to by the Board of Directors.

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.

During the year under review, the Committee met four (4) times on May 20, 2016, August 11, 2016, November 10, 2016 and February 14, 2017. The attendance of the Members at the meeting is stated below:

| Name of Director | Categories | No of Meeting | |
|----------------------------------|-------------------------------------|---------------|----------|
| | | Held | Attended |
| Mr. Manoj Ganatra (Chairman) | Independent, Non-Executive Director | 4 | 4 |
| Dr. Umesh Kulkarni ¹ | Independent, Non-Executive Director | 4 | 3 |
| Mr. Sunil Shah | Non-Executive Director | 4 | 4 |
| Mr. Shekhaar Shetty ² | Independent, Non-Executive Director | NA | NA |

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¹Ceased to be Director and consequently a Member of this Committee w.e.f. May 12, 2017.

²Appointed as a Member of the Committee w.e.f. May 17, 2017.

The Company Secretary is the Secretary of the Committee.

Mr. Manoj Ganatra, Chairman of the Audit Committee, was present at the 24th Annual General Meeting of the Company held on September 22, 2016.

On invitation of the Audit Committee, the Executive Director & CEO, Chief Financial Officer of the Company and representative of Internal Auditors & Statutory Auditors had attended the Audit Committee meetings held during the year under review.

B. Nomination and Remuneration Committee

Terms of Reference

The Nomination and Remuneration Committee of the Board of Directors of the Company has been duly constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations read with section 178 of the Act.

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

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. Formulate the criteria for determining qualifications, positive attributes and Independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees at senior management.
3. Formulate the policy.
4. 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 three (3) times on April 19, 2016, February 14, 2017 and March 27, 2017. The attendance of the Members at the meeting is stated below:

| Name of Director | Categories | No of Meeting | |
|----------------------------------|-------------------------------------|---------------|----------|
| | | Held | Attended |
| Mr. Manoj Ganatra (Chairman) | Independent, Non-Executive Director | 3 | 3 |
| Dr. Umesh Kulkarni ¹ | Independent, Non-Executive Director | 3 | 3 |
| Mr. Sunil Shah | Non-Executive Director | 3 | 3 |
| Mr. Shekhaar Shetty ² | Independent, Non-Executive Director | NA | NA |

¹ Ceased to be Director and consequently a Member of this Committee w.e.f. May 12, 2017.

² Appointed as a Member of the Committee w.e.f. May 18, 2017.

Mr. Manoj Ganatra, Chairman of the Committee, was present at the 24th Annual General Meeting of the Company held on September 22, 2016 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 has been duly constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

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

- 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.
- 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 seven (7) times on May 20, 2016, June 28, 2016, August 11, 2016, September 22, 2016, November 10, 2016, February 14, 2017 and February 28, 2017. The attendance of the Members at the meeting is stated below:

| Name of Director | Categories | No of Meeting | |
|---------------------------------|--|---------------|----------|
| | | Held | Attended |
| Mr. Manoj Ganatra (Chairman) | Independent Director, Non-Executive Director | 7 | 7 |
| Dr. Umesh Kulkarni ¹ | Independent Director, Non-Executive Director | 7 | 6 |
| Mr. Sunil Shah | Non-Executive Director | 7 | 7 |
| Mr. Shekhaa Shetty ² | Independent, Non-Executive Director | NA | NA |

¹ Ceased to be Director and consequently a Member of this Committee w.e.f. May 12, 2017.

² Appointed as a Member of the Committee w.e.f. May 18, 2017.

The Company has adopted the Code of Conduct for Prevention of Insider Trading, under the SEBI (Prevention of Insider Trading) Regulations, 2015. The Code lays down the guidelines for procedures to be followed and disclosures to be required for dealing in the shares of the Company. Ms. Seema Gangawat, Company Secretary of the Company, has been appointed as the Compliance Officer of the Company.

Name, designation & Address of Compliance Officer:

Ms. Seema Gangawat,
Company Secretary & Compliance Officer
104, Venkatesh Chambers, 1st Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai – 400 001.

Details of investor's complaints received and resolved during the financial year 2016-17

| Opening Balance | Received during the year | Resolved during the year | Closing Balance |
|-----------------|--------------------------|--------------------------|-----------------|
| Nil | 1 | 1 | Nil |

There were no pending transfers/grievances as on March 31, 2017.

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D. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company has been 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:

- 1) Recommend the amount of expenditure to be incurred on the CSR activities;
- 2) Monitor, implementation and adherence to the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time;
- 3) Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company; and
- 4) Such other activities as the Board of Directors 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, 2017, the Committee met one (1) time on February 14, 2017. All the Members were present at the meeting.

4. Remuneration of Directors

I) Non-Executive Directors

a) Pecuniary Relationship with the Non-Executive Directors

All the Non-Executive Directors of the Company are paid remuneration by way of sitting fees. Apart from sitting fee, the Non-Executive Directors have no pecuniary relationship or transactions with the Company in their personal capacity.

Sitting fees paid to Non-Executive Directors are within limits as provided in the Companies Act, 2013.

The details of sitting fees paid to Non- Executive Directors for the year ended March 31, 2017 are as under:

| Name of Director(s) | Sittings fees paid for attending Board/Committee Meetings (Rs.) |
|---------------------|---|
| Mr. Manoj Ganatra | 2,65,000 |
| Mr. Sunil Shah | 2,65,000 |
| Dr. Umesh Kulkarni | 2,15,000 |
| Mrs. Neeta Shah | 1,40,000 |
| Total | 8,85,000 |

Considering the contribution made, time devoted and efforts provided by the Directors of the Company, the Board at its meeting held on May 18, 2017, on the recommendation of Nomination and Remuneration Committee, had considered and compensated Non-Executive Directors of the Company with an appropriate sitting fee for attending the meeting of Board and/or Committee thereof. The revised sitting fees, to be paid to Non-Executive Directors:



| Sr. No. | Board / Committee name | Present Sitting fee | Revised sitting fee |
|---------|---|---------------------|-----------------------|
| 1. | Board Meeting | 20,000 | 30,000 |
| 2. | Audit Committee Meeting | 10,000 | 20,000 |
| 3. | Stakeholder Relationship Committee Meeting | 10,000 | 10,000 (no change) |
| 4. | Nomination and Remuneration Committee Meeting | 5,000 | 10,000 |

The above revised sitting fees are within the prescribed limits of the Act.

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 & Chief Executive Officer, 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, 2017 are as under:

| Name of the Directors | Salaries & Perquisites including allowance | Tenure as per agreement upto |
|--|--|---|
| Mr. Purab Shah (designated as Executive Director & CEO) | 2,817,100 | Appointed w.e.f April 19, 2016 for a period of two years. |

5. General Body Meetings

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

| Financial Year | Date | Time | Venue | Special Resolution passed |
|----------------|------------|----------|--|--|
| 2013-14 | 26.09.2014 | 11.00 am | Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Orion House, 6 th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai -400001 | Approval for increase in borrowing limits under section 180(1)(c) of the Companies Act, 2013. |
| 2014-15 | 25.09.2015 | | | 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. |

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 2017-18 will be taken up as and when necessary.

ASHOK ALCO-CHEM LIMITED

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6. Means of Communication

The Quarterly, Half Yearly and Annual Financial Results are communicated to the BSE Limited where the shares of your Company are listed and published in Free Press Journal (English) and Navshakti (Marathi) newspapers.

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

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

BSE's Listing Centre is a web-based application designed by BSE for Corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Statement of investor complaints, among others are also filed electronically on the Listing Centre.

A separate section under 'Investor update' on the Company's website gives information on various announcements made by the Company, the Annual Report, the quarterly/ half yearly and the annual results of the Company.

The Company also informs by way of intimation to BSE Limited, all price sensitive matters or such other matters, which in its opinion are material and of relevance to the Members.

7. Other Disclosures

a) Related Party Transaction

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

During the year under review, the Company has not entered into any transaction with its related parties. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to Financial Statements for the year ended March 31, 2017.

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 non-compliance of Regulation 17 (1)(b) of SEBI Listing Regulations is due to technical reason. 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, except as stated below:

- Pursuant to the provisions of Clause 31 of the Listing Agreement, six copies of the Statutory and Directors' Annual Reports along with Form A, Balance Sheets and Profit and Loss Accounts for the financial year ended March 31, 2014 was submitted with a delay of one day to the Stock Exchange. The Company has paid penalty as imposed by the stock exchange.*

c) Vigil Mechanism and Whistle Blower Policy

Pursuant to the provisions of section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing 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 <http://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 Board has taken cognizance of the other non-mandatory requirements and shall consider adopting the same as and when necessary.

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

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

f) Subsidiary Company

The Company has a policy on Material Subsidiary and the same is available on the website <http://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 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, 2017. The Certificate is annexed and forms part of this Annual Report.

h) CEO/CFO Certification

As required under Regulation 17(8) of SEBI Listing Regulations, the CEO/CFO certificate for the financial year ended March 31, 2017, signed by Mr. Purab Shah, Executive Director and CEO and Mr. Vaize Kampli, Manager-Accounts & Finance 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 Listing Regulations.

11. General Shareholder Information

| | | |
|------|------------------------|--|
| i. | Annual General Meeting | |
| | Date and Time | Friday, September 22, 2017 at 11.00 a.m. |
| | Venue | Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001 |
| ii. | Financial Year | April 1, 2016 to March 31, 2017 |
| iii. | Book Closure Date | September 18, 2017 to September 22, 2017 (both days inclusive) |

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| | | |
|------|--|--|
| iv. | Dividend Payment Date | Credit/Dispatch of dividend warrants on or after September 23, 2017. |
| v. | Listing on Stock Exchange | BSE Limited P. J. Towers, Dalal Street, Mumbai - 400 001. The Listing Fee for the year 2017-18 has been paid to BSE. |
| 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, 2017 to March 31, 2018 is as given below: | |
| | Financial Reporting for the quarter ending June 30, 2017 | On or before September 14, 2017 |
| | Financial Reporting for the quarter ending September 30, 2017 | On or before December 14, 2017 |
| | Financial Reporting for the quarter ending December 31, 2017 | On or before February 14, 2018 |
| | Audited Financial Results for the quarter and year ending on March 31, 2018 | On or before May 30, 2018 |

| x. | Market Price Data | | | | |
|----------|--------------------------|------------|----------|---------------|----------|
| | Months | Rate (Rs.) | | Indices (Rs.) | |
| | | High | Low | High | Low |
| | April 2016 | 227.00 | 160.50 | 26100.54 | 24523.20 |
| | May 2016 | 202.80 | 116.60 | 26837.20 | 25057.93 |
| | Jun 2016 | 147.00 | 115.00 | 27105.41 | 25911.33 |
| | Jul 2016 | 154.80 | 128.50 | 28240.20 | 27034.14 |
| | Aug 2016 | 137.45 | 86.65 | 28532.25 | 27627.97 |
| | Sept 2016 | 139.50 | 93.75 | 29077.28 | 27716.78 |
| | Oct 2016 | 145.00 | 115.20 | 28477.65 | 27488.30 |
| | Nov 2016 | 129.00 | 89.80 | 28029.80 | 25717.93 |
| | Dec 2016 | 105.65 | 91.00 | 26803.76 | 25753.74 |
| | Jan 2017 | 117.50 | 93.75 | 27980.39 | 26447.06 |
| | Feb 2017 | 115.00 | 96.05 | 29065.31 | 27590.10 |
| Mar 2017 | 100.00 | 89.25 | 29824.62 | 28716.21 | |



| | <table border="1"> <caption>Approximate Data from Chart</caption> <thead> <tr> <th>Month</th> <th>BSE High</th> <th>AACL High</th> <th>Linear (AACL High)</th> </tr> </thead> <tbody> <tr><td>Apr-16</td><td>25000.00</td><td>200.00</td><td>200.00</td></tr> <tr><td>May-16</td><td>26000.00</td><td>180.00</td><td>180.00</td></tr> <tr><td>Jun-16</td><td>27000.00</td><td>150.00</td><td>150.00</td></tr> <tr><td>Jul-16</td><td>28000.00</td><td>140.00</td><td>140.00</td></tr> <tr><td>Aug-16</td><td>28000.00</td><td>130.00</td><td>130.00</td></tr> <tr><td>Sep-16</td><td>29000.00</td><td>120.00</td><td>120.00</td></tr> <tr><td>Oct-16</td><td>28000.00</td><td>110.00</td><td>110.00</td></tr> <tr><td>Nov-16</td><td>28000.00</td><td>100.00</td><td>100.00</td></tr> <tr><td>Dec-16</td><td>27000.00</td><td>90.00</td><td>90.00</td></tr> <tr><td>Jan-17</td><td>28000.00</td><td>100.00</td><td>100.00</td></tr> <tr><td>Feb-17</td><td>29000.00</td><td>110.00</td><td>110.00</td></tr> <tr><td>Mar-17</td><td>30000.00</td><td>120.00</td><td>120.00</td></tr> </tbody> </table> | | Month | BSE High | AACL High | Linear (AACL High) | Apr-16 | 25000.00 | 200.00 | 200.00 | May-16 | 26000.00 | 180.00 | 180.00 | Jun-16 | 27000.00 | 150.00 | 150.00 | Jul-16 | 28000.00 | 140.00 | 140.00 | Aug-16 | 28000.00 | 130.00 | 130.00 | Sep-16 | 29000.00 | 120.00 | 120.00 | Oct-16 | 28000.00 | 110.00 | 110.00 | Nov-16 | 28000.00 | 100.00 | 100.00 | Dec-16 | 27000.00 | 90.00 | 90.00 | Jan-17 | 28000.00 | 100.00 | 100.00 | Feb-17 | 29000.00 | 110.00 | 110.00 | Mar-17 | 30000.00 | 120.00 | 120.00 |
|--------|---|---|--------------------|----------|-----------|--------------------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|-------|-------|--------|----------|--------|--------|--------|----------|--------|--------|--------|----------|--------|--------|
| Month | BSE High | AACL High | Linear (AACL High) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Apr-16 | 25000.00 | 200.00 | 200.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| May-16 | 26000.00 | 180.00 | 180.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jun-16 | 27000.00 | 150.00 | 150.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jul-16 | 28000.00 | 140.00 | 140.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aug-16 | 28000.00 | 130.00 | 130.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sep-16 | 29000.00 | 120.00 | 120.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Oct-16 | 28000.00 | 110.00 | 110.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nov-16 | 28000.00 | 100.00 | 100.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dec-16 | 27000.00 | 90.00 | 90.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-17 | 28000.00 | 100.00 | 100.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Feb-17 | 29000.00 | 110.00 | 110.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mar-17 | 30000.00 | 120.00 | 120.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| xi. | <p>Registrar and Share Transfer Agent:</p> | <p>Link Intime India Pvt. Ltd. C-101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083. Tel No. 022-49186000 Fax No: 022-49186060 Email: rnt.helpdesk@linkintime.co.in</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| xii | <p>Share Transfer System:</p> | <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 & CDSL. Majority of the Share Transfer takes place in this form.</p> <p>In Physical Mode, the Transfer of Shares is processed by Link Intime India Pvt. Ltd. and approved by the Board of Directors of the Company and the certificates are returned to the shareholders within 15 days from the date of receipt, subject to documents being valid and complete in all respects.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-------|--|-----------------------------|--------------------------------|----------------------------|----------------------------------|
| xiii. | Distribution of Shareholding: | | | | |
| | The distribution of share holding as on March 31, 2017 | | | | |
| | No. of Shares | No. of Shareholders | % of total Shareholders | No. of Shares held | % of Total issued capital |
| | 1-500 | 4756 | 89.62 | 623,154 | 13.55 |
| | 501-1000 | 298 | 5.62 | 232,942 | 5.06 |
| | 1001-2000 | 142 | 2.68 | 206,883 | 4.50 |
| | 2001-3000 | 40 | 0.75 | 97,275 | 2.11 |
| | 3001-4000 | 22 | 0.41 | 76,438 | 1.66 |
| | 4001-5000 | 20 | 0.38 | 93,018 | 2.02 |
| | 5001-10000 | 18 | 0.33 | 135,153 | 2.94 |
| | 10001 & above | 11 | 0.21 | 3,135,480 | 68.16 |
| | Total | 5307 | 100.00 | 46,00,343 | 100.00 |
| | Category Wise Distribution of Shareholdings as on March 31, 2017 | | | | |
| | Sr. No. | Category | No. of Share holders | % of Share Holdings | No. of Shares held |
| | 1 | Promoter and Promoter Group | 3 | 54.79 | 2,520,632 |
| | 2 | Mutual Funds | 1 | 0.00 | 100 |
| | 3 | Bodies Corporate | 74 | 5.85 | 269,342 |
| | 4 | Individual Shareholders | 4,997 | 36.32 | 1,671,062 |
| | 5 | Clearing Member | 55 | 0.77 | 35,507 |
| 6 | Hindu Undivided Family | 113 | 1.38 | 63,328 | |
| 7 | Non Resident Indians | 52 | 0.63 | 28,929 | |
| 8 | Non Resident Indians (Non Repat) | 12 | 0.25 | 11,443 | |
| | Total | 5307 | 100.00 | 4,600,343 | |



| | | |
|-------|--|---|
| xiv. | Dematerialization of Shares and liquidity: | 95.85% of the paid up capital was held in dematerialized form as on March 31, 2017. The entire shareholdings of promoters are in dematerialized form as on March 31, 2017. The Members are requested to get their shares demated to facilitate better custody and easy dealings. |
| 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: C-101, 247 Park, L. B. S. Marg, Vikhroli (West) Mumbai - 400 083. Tel No. 022-49186000 Fax No: 022-49186060 Email : rnt.helpdesk@linkintime.co.in |

ASHOK ALCO-CHEM LIMITED

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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 has been posted on the Company's website 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 2016-17.

For Ashok Alco-Chem Limited

Place: Mumbai
Date: August 11, 2017

sd/-
Purab Shah
Executive Director & CEO
(DIN : 07490952)

CEO/CFO CERTIFICATION

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, 2017 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, 2017 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, 2017;
 2. there are no significant changes in accounting policies during the year ended March 31, 2017 and that the same have been disclosed in the notes to the financial statements; 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 18, 2017

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

Sd/-
Vaize Kampli
Manager- Finance & Accounts



COMPLIANCE CERTIFICATE

To
The Members
Ashok Alco-Chem Limited

I have examined the compliance of conditions of Corporate Governance by Ashok Alco-Chem Limited (the Company) for the year ended on March 31, 2017, 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. My 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 my opinion and to the best of my information and according to the explanations given to me and the representation by the Directors and the management, I 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.*
- 2. The Audit Committee meeting held on 11th August 2016 was attended by only one Independent Director. Hence, the quorum for the said Meeting was not as per Reg. 18(2)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

I 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 11, 2017

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 **ASHOKALCO-CHEM LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2017, 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, 2017 and its PROFIT for the year ended on that date.

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 2017 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2017 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

For R. A. Kuvadia & Co.
Chartered Accountants
F.R.N. 105487W

sd/-
R. A. Kuvadia
(Proprietor)
M.No. 040087

Place : Mumbai
Date : 18.05.2017

**“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, wherein the Company is the lessee.
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 to the Company.
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. In respect of unclaimed deposits, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
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(1) of the Companies Act, 2013 in relation to the products manufactured 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, except for marginal delays.
(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 2017 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 March 31st, 2017 which has not been deposited on account of dispute, are as follows:



| 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 | Pending for giving effect to order of CIT (A) |
| Income Tax Act | Demand Notice | 0.82 | 2016-2017 | Rectification u/s 154 of The I.T. Act, 1961 filed with AO 1(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 monies 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. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of term loans during the year under review.
11. 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.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.
17. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Mumbai
Date: 18.05.2017

For R.A. KUVADIA & Co.
Chartered Accountants
F.R.N.: 105487W

Sd/-
(R.A. Kuvadia)
Proprietor
M. No. 040087

“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, 2017 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 unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the



risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

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

**For R. A. Kuvadia & Co.
Chartered Accountants
F.R.N. 105487W**

**Place: Mumbai
Date: 18.05.2017**

**sd/-
R. A. Kuvadia
(Proprietor)
M.No. 040087**

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

BALANCE SHEET AS AT 31st March, 2017

(Amounts in Rs)

| Particulars | Note No. | 31 st March, 2017 | | 31 st March, 2016 |
|---------------------------------------|----------|------------------------------|----------------------|------------------------------|
| EQUITY AND LIABILITIES | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 2 | 46,003,430 | 46,003,430 | |
| Reserves and Surplus | 3 | 420,619,888 | 405,261,818 | |
| Money Received Against Share Warrants | | - | 466,623,318 | 451,265,248 |
| Non-Current Liabilities | | | | |
| Long Term Borrowings | 4 | | 11,934,846 | 25,833,334 |
| Deferred Tax Liabilities (Net) | | | 15,089,000 | 13,609,963 |
| Long Term Provisions | 5 | | 2,251,946 | 1,887,127 |
| Current Liabilities | | | | |
| Short Term Borrowings | 6 | 84,230,808 | 39,413,185 | |
| Trade Payables | 7 | 227,846,335 | 385,973,675 | |
| Other Current Liabilities | 8 | 261,376,186 | 376,921,763 | |
| Short-term Provisions | 9 | 612,631 | 574,065,960 | 802,516,036 |
| Total | | | 1,069,965,070 | 1,295,111,708 |
| ASSETS | | | | |
| Non Current Assets | | | | |
| Fixed Assets | | | | |
| Tangible Assets | 10 | 150,071,039 | 138,076,801 | |
| Intangible Assets | | 43,724 | 70,575 | |
| Capital Work-in-Progress | | 5,219,600 | - | |
| | | 155,334,363 | 138,147,376 | |
| Non Current Investments | 11 | 7,310,000 | 7,324,000 | |
| Long Term Loans and Advances | 12 | 13,619,870 | 14,033,529 | |
| Other Non Current Assets | | - | 176,264,233 | 159,504,905 |
| Current Assets | | | | |
| Current Investments | | - | - | |
| Inventories | 13 | 210,198,862 | 123,893,614 | |
| Trade Receivables | 14 | 317,088,907 | 608,039,378 | |
| Cash and Cash Equivalents | 15 | 20,297,161 | 177,153,251 | |
| Short Term Loans and Advances | 16 | 346,115,907 | 893,700,837 | 1,135,606,803 |
| Total | | | 1,069,965,070 | 1,295,111,708 |

The accompanying notes 1 to 23 are an integral part of these financial statements.

AS PER OUR REPORT OF EVEN DATE

For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487W

For and on behalf of the Board of Directors

Sd/-
R. A. KUVADIA
Proprietor

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

Sd/-
Sunil K Shah
Director
(DIN 03567415)

Membership No. 040087

Place : Mumbai
Date : 18.05.2017

Sd/-
Seema Gangawat
Company Secretary

Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

(Amounts in Rs)

| Particulars | Note No. | 31 st March, 2017 | 31 st March, 2016 |
|---|----------|------------------------------|------------------------------|
| REVENUE | | | |
| Revenue from Operations | 17 | 1,478,434,871 | 3,362,446,294 |
| Other Income | 18 | 32,482,016 | 32,774,556 |
| Total Revenue | | 1,510,916,887 | 3,395,220,850 |
| EXPENSES : | | | |
| Cost of Materials Consumed | 19 | 1,145,266,656 | 1,013,868,844 |
| Purchases of Stock-in-Trade | | 48,884,401 | 512,355,562 |
| Changes in Inventories | 20 | (2,346,487) | (32,208,923) |
| Employee Benefit Expenses | 21 | 50,265,026 | 48,960,943 |
| Finance Costs | 22 | 17,747,970 | 7,591,193 |
| Depreciation and Amortization | | 10,236,131 | 8,870,972 |
| Other Expenses | 23 | 209,289,220 | 1,638,511,279 |
| Total Expenses | | 1,479,342,917 | 3,197,949,870 |
| Profit Before Tax | | 31,573,970 | 197,270,980 |
| Tax Expenses | | | |
| Current Tax | | (9,200,000) | (66,000,000) |
| MAT Entitlement Credit (Net) of Earlier Year | | - | (5,475,738) |
| Earlier Year's Tax | | - | (154,691) |
| Deferred Tax | | (1,479,037) | (1,836,874) |
| | | (10,679,037) | (73,467,303) |
| Net Profit for the year | | 20,894,933 | 123,803,677 |
| Earnings per Equity Share of Face Value Rs. 10/- | | | |
| Basic | | 4.54 | 26.91 |
| Diluted | | 4.54 | 26.91 |

The accompanying notes 1 to 23 are an integral part of these financial statements.

AS PER OUR REPORT OF EVEN DATE

For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487W

For and on behalf of the Board of Directors

Sd/-
R. A. KUVADIA
Proprietor

Membership No. 040087

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

Sd/-
Sunil K Shah
Director
(DIN 03567415)

Place : Mumbai
Date : 18.05.2017

Sd/-
Seema Gangawat
Company Secretary

Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017 (Amount in Rs)

| CASH FLOW FROM OPERATING ACTIVITIES | MARCH-2017 | | MARCH-2016 | |
|--|-------------------|-----------------------------|-------------------|-----------------------------|
| Net Profit Before Tax | | 31,573,970 | | 197,270,980 |
| Adjustments for: | | | | |
| Depreciation | 10,236,131 | | 8,870,972 | |
| Foreign Exchange (Gain) / Loss | (10,057,689) | | (6,289,355) | |
| Sundry Balance w/off/ (w/back) | (7,648,264) | | (12,898,066) | |
| Interest & Finance Charges | 17,747,970 | | 7,591,193 | |
| Interest Received | (4,879,777) | | (3,887,160) | |
| Profit on Sale of Asset | (98,540) | | - | |
| Dividend Income | (1,362,936) | 3,936,895 | (1,735,146) | (8,563,574) |
| Operating Profit before Working Capital Charges | | 35,510,865 | | 188,707,406 |
| Adjustments for: | | | | |
| Decrease/(Increase) in Receivables | 290,950,471 | | (84,847,163) | |
| Decrease/(Increase) in Advances & others | (95,915,495) | | (58,669,276) | |
| Decrease/(Increase) in Inventories | (86,305,248) | | (20,982,643) | |
| Increase/(Decrease) in Payables | (158,127,340) | | (67,387,433) | |
| Increase/(Decrease) in Other Liabilities | (130,612,874) | | 112,355,627 | |
| Foreign Exchange Gain / Loss | 10,057,689 | | 6,289,355 | |
| Sundry Balance Written Off | 7,648,264 | (162,304,533) | 12,898,066 | (100,343,467) |
| Cash generated from operations | | (126,793,668) | | 88,363,939 |
| Income Tax Paid | | (37,989,055) | | (73,279,219) |
| Net Cash flow from Operating activities | | (164,782,723) | | 15,084,720 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Purchase of Fixed Assets | (28,799,405) | | (33,435,613) | |
| Sale/Adjustments of Fixed Assets | 1,474,826 | | 3,768,795 | |
| Interest Received | 4,879,777 | | 3,887,160 | |
| Dividend Income | 1,362,936 | | 1,735,146 | |
| Net Cash used in Investing activities | | (21,081,866) | | (23,828,500) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Net Proceeds from Long term Borrowings | | | | |
| Secured | 46,756,469 | | 58,269,931 | |
| Unsecured | - | | - | |
| Issue of Fresh Share Capital | - | | - | |
| Interest paid | (17,747,970) | | (7,591,193) | |
| Net Cash used in financing activities | | 29,008,499 | | 50,678,738 |
| Net increase in cash & Cash Equivalents | | (156,856,090) | | 41,934,958 |
| Cash and Cash equivalents as at 01.04.16 | | 177,153,251 | | 135,218,293 |
| Cash and Cash equivalents as at 31.03.17 | | 20,297,161 | | 177,153,251 |
| Cash & Cash Equivalents | | As on 31.03.2017 | | As on 31.03.2016 |
| Cash in Hand | | 570,804 | | 1,038,094 |
| Cash at Bank | | 19,726,357 | | 176,115,157 |
| Cash & Cash equivalents as stated | | 20,297,161 | | 177,153,251 |

AS PER OUR REPORT OF EVEN DATE

For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487W

Sd/-
R. A. KUVADIA
Proprietor
Membership No. 040087
Place : Mumbai
Date : 18.05.2017

For and on behalf of the Board of Directors

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

Sd/-
Sunil K Shah
Director
(DIN 03567415)

Sd/-
Seema Gangawat
Company Secretary

Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts



ASHOK ALCO CHEM LIMITED

NOTE: 1
NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These financial statements have been prepared and presented under the historical cost conversion, on the accrual basis of accounting in accordance with the generally accepted accounting principles in India ('Indian GAAP') and comply with Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

II. USE OF ESTIMATES:

The Preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, asset and liabilities and the disclosures of contingent liabilities at the end of reporting period.

III. FIXED ASSETS AND DEPRECIATION/AMORTIZATION

- (i) Gross Fixed Assets are stated at historical cost of acquisition / construction net of Cenvat credit/Input Credit under VAT on capital goods.
Depreciation on tangible assets is provided on Straight Line Method as specified in Schedule II to The Companies Act, 2013. Intangible Assets are amortised as per AS-26 issued by The Institute of Chartered Accountants of India. Lease hold land is amortised over the period of lease.
- (ii) Fixed assets are eliminated from financial statements either on disposal or when retired from active use. The retired assets are disposed off or discarded immediately. Profit or loss on disposal of assets is recognized in the statement of profit and loss.
- (iii) Depreciation is provided on pro-rata basis from the day in which assets have been put to use and up to the day on which assets have been used by the Company.

IV. IMPAIRMENT OF ASSETS:

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

V. FOREIGN CURRENCY TRANSACTIONS:

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

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

VI. RESEARCH & DEVELOPMENT EXPENSES

Revenue expenditure on Research & Development is charged against the profit for the year in which it is incurred.

VII. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when the significant risk and reward of ownership of the goods have passed to the buyer which normally coincides with the despatch of goods from the factory of the Company. Sales are disclosed net of trade discount, Sales returns.

Revenue in respect of insurance, interest, cash subsidy and other claims is recognized only when it is reasonably certain that the ultimate collection will be made.

Export incentives under the Duty Entitlement Pass Book Scheme, Duty Draw Back Scheme, etc. are accounted in the year of export.

VIII. OPERATING LEASES:

Lease arrangements where risk and rewards incidental to ownership of an asset, substantially vests with the Lessor, are classified as operating leases.

Rental expenses on assets obtained under operating lease arrangement are recognized on a straight line basis over a term of the lease.

IX. INVESTMENTS:

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

X. INVENTORIES:

- i) Raw materials and packing materials are valued at landed cost determined on FIFO Basis net off VAT/CENVAT, wherever applicable.
- ii) The finished and trading goods have been valued at cost or net realizable value whichever is less.
- iii) Semi finished goods have been valued at estimated cost, as certified by the management.
- iv) Stores & Spares have been valued at cost or market price whichever is lower.

XI. FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS:

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

XII. RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Post –Employment Benefit Plans:

- i . Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii. Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out at the Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit & Loss Account for the period in which they occur.

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



Short Term Employee Benefits:

The undiscounted amount of short – term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

XIII. BORROWING COSTS:

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

XIV. TAXES ON INCOME:

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

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

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

XV. EARNINGS PER SHARE:

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

XVI. PROVISIONS AND CONTINGENCIES:

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

XVII. ACCOUNTING POLICIES:

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

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

Note No. 2

2.1 Share Capital

(Amount in Rs.)

| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
|--|---------------------------------------|---------------------------------------|
| Authorised | | |
| 50,00,000 (50,00,000) Equity Shares of Rs. 10 (Rs. 10) | 50,000,000 | 50,000,000 |
| 20,00,000 (20,00,000) 11% Preference Shares of Rs. 10 (Rs. 10) | 20,000,000 | 20,000,000 |
| | 70,000,000 | 70,000,000 |
| Issued, Subscribed and Paid up | | |
| 46,00,343 (46,00,343) Equity Shares of Rs. 10 (Rs. 10) | 46,003,430 | 46,003,430 |
| | 46,003,430 | 46,003,430 |

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

2.2) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh Issue | Bonus | ESOP | Conversion | Buy Back | Other Changes | Closing Balance |
|----------------------------------|-----------------|-------------|-------|------|------------|----------|---------------|-----------------|
| Equity Shares with voting rights | | | | | | | | |
| Year ended 31st March, 2017 | | | | | | | | |
| No. of Shares | 4,600,343 | - | - | - | - | - | - | 4,600,343 |
| Amount | 46,003,430 | - | - | - | - | - | - | 46,003,430 |
| Year ended 31st March, 2016 | | | | | | | | |
| No. of Shares | 4,600,343 | - | - | - | - | - | - | 4,600,343 |
| Amount | 46,003,430 | - | - | - | - | - | - | 46,003,430 |

Terms/Rights attached to equity shares

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.

2.3) Details of shares held by the Holding Company, the ultimate holding Company, their subsidiaries and associates:

| Particulars | Equity shares with voting rights | Equity shares with differential voting rights | Compulsorily Convertible Preference Shares | Optionally Convertible Preference Shares | Reedemable Preference Shares |
|--|----------------------------------|---|--|--|------------------------------|
| No. of Shares | | | | | |
| As at 31st March, 2017 | | | | | |
| Aura Alkalies & Chemicals Pvt. Ltd., the Holding Co. | 2,518,632 | - | - | - | - |
| As at 31st March, 2016 | | | | | |
| Aura Alkalies & Chemicals Pvt. Ltd., the Holding Co. | 2,518,632 | - | - | - | - |

2.4) Details of shares held by each shareholder holding more than 5% shares:

| Name of shareholder | As at 31 st March, 2017 | | As at 31 st March, 2016 | |
|-------------------------------------|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Aura Alkalies & Chemicals Pvt. Ltd. | 2,518,632 | 54.75 | 2,518,632 | 54.75 |



Note No. 3
Reserves and Surplus

(Amount in Rs.)

| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
|--|---------------------------------------|---------------------------------------|
| a. Capital Reserve | | |
| Balance at the beginning of the year | 94,881,000 | 94,881,000 |
| Current year transfer | - | - |
| Balance at the end of the year | 94,881,000 | 94,881,000 |
| b. Securities Premium | | |
| Balance at the beginning of the year | 78,379,025 | 78,379,025 |
| Balance at the end of the year | 78,379,025 | 78,379,025 |
| c. General Reserve | | |
| Balance at the beginning of the year | 100,000,000 | 50,000,000 |
| Transferred from surplus in statement of Profit & Loss | 5,000,000 | 50,000,000 |
| Balance at the end of the year | 105,000,000 | 100,000,000 |
| d. Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 132,001,793 | 63,734,978 |
| Net Profit for the Current Year | 20,894,933 | 123,803,677 |
| Less: Appropriations | | |
| Proposed Dividend | (4,600,343) | (4,600,343) |
| Dividend Tax | (936,519) | (936,519) |
| Transfer to General Reserve | (5,000,000) | (50,000,000) |
| Balance at the end of the year | 142,359,863 | 132,001,793 |
| Total | 420,619,888 | 405,261,818 |

Note No. 4
Long-Term Borrowings

(Amount in Rs.)

| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
|---|---------------------------------------|---------------------------------------|
| IDBI Term Loan (First and exclusive charge on assets created out of term loan and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present & future) & residential property located at MIDC Mahad & personal guarantee of Director to be repaid in 28 (36) Equal instalments) | 11,934,846 | 25,833,334 |
| Total | 11,934,846 | 25,833,334 |

Note No. 5
Long-Term Provisions

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Provision for Leave Encashment | 2,251,946 | 1,887,127 |
| Total | 2,251,946 | 1,887,127 |

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Note No. 6**Short-Term Borrowings**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Secured | | |
| Working Capital from IDBI Bank (First and exclusive charge on Current Assets present and future and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present & future) & residential property located at MIDC Mahad & personal guarantee of Director) | 84,230,808 | 39,413,185 |
| Total | 84,230,808 | 39,413,185 |

Note No. 7**Trade Payables**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Micro,Medium & Small Enterprises | - | - |
| Others | 227,846,335 | 385,973,675 |
| Total | 227,846,335 | 385,973,675 |

Note No. 8**Other Current Liabilities**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Current Maturities of Long Term Debt | 20,004,000 | 4,166,666 |
| Advances from customers | 346,713 | 2,053,404 |
| Statutory Liabilities | 26,643,112 | 21,857,145 |
| Other Liabilities | 113,492,496 | 179,894,959 |
| Unclaimed Dividend* | 280,528 | 137,458 |
| Sundry Creditors for Expenses | 99,499,215 | 167,172,004 |
| Sundry Creditors for Capital Assets | 1,110,122 | 1,640,127 |
| Total | 261,376,186 | 376,921,763 |

* There are no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31st March, 2017. Unclaimed Dividend,if any, shall be transferred to IEPF as and when they become due.

Note No. 9**Short Term Provisions**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Provision for Leave Encashment | 612,631 | 207,413 |
| Total | 612,631 | 207,413 |

Note No. 10
Fixed Assets

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|---------------------------------|-----------------------------------|------------------------|------------------------------|------------------------------------|-----------------------------------|---|------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | As at 1 st April, 2016 | Additions/ Adjustments | Deductions/Sold/ Adjustments | As at 31 st March, 2017 | As at 1 st April, 2016 | Depreciation / Ammortisation For the Year | Deductions/Sold/ Adjustments | As at 31 st March, 2017 | As at 31 st March, 2017 | As at 31 st March, 2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Tangible Assets | | | | | | | | | | |
| Land under Lease | 7,304,000 | - | - | 7,304,000 | 6,378,574 | 12,677 | - | 6,391,251 | 912,749 | 925,426 |
| Buildings | 31,338,822 | 100,284 | - | 31,439,106 | 13,237,979 | 571,633 | - | 13,809,612 | 17,629,494 | 18,100,843 |
| Plant & Equipment | 350,332,396 | 23,142,757 | 1,424,526 | 372,050,627 | 232,848,624 | 9,152,532 | 184,783 | 241,816,373 | 130,234,254 | 117,483,772 |
| Furniture & Fixtures | 1,277,287 | 29,070 | 140,965 | 1,165,392 | 1,011,044 | 37,488 | 61,012 | 987,520 | 177,872 | 266,243 |
| Vehicles | 386,362 | - | 121,362 | 265,000 | 130,337 | 42,508 | 73,895 | 98,950 | 166,050 | 256,025 |
| Office Equipment | 1,971,112 | 68,000 | 20,076 | 2,019,036 | 1,448,271 | 153,585 | 17,430 | 1,584,426 | 434,610 | 522,841 |
| Air Conditioners | 898,350 | 168,494 | 29,200 | 1,037,644 | 670,200 | 68,503 | 24,377 | 714,326 | 323,318 | 228,150 |
| Computers | 3,134,305 | 71,200 | 33,100 | 3,172,405 | 2,840,804 | 170,354 | 31,445 | 2,979,713 | 192,692 | 293,501 |
| Sub Total | 396,642,634 | 23,579,805 | 1,769,229 | 418,453,210 | 258,565,833 | 10,209,280 | 392,942 | 268,382,171 | 150,071,039 | 138,076,801 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 141,232 | - | - | 141,232 | 70,657 | 26,851 | - | 97,508 | 43,724 | 70,575 |
| Sub Total | 141,232 | - | - | 141,232 | 70,657 | 26,851 | - | 97,508 | 43,724 | 70,575 |
| Capital Work-in-Progress | | | | | | | | | | |
| | - | 5,219,600 | - | 5,219,600 | - | - | - | - | 5,219,600 | - |
| Total | 396,783,866 | 28,799,405 | 1,769,229 | 423,814,042 | 258,636,490 | 10,236,131 | 392,942 | 268,479,679 | 155,334,363 | 138,147,376 |
| Previous Year | 371,807,979 | 33,435,613 | 8,459,726 | 396,783,866 | 254,456,449 | 8,870,972 | 4,690,931 | 258,636,490 | 138,147,376 | 117,351,530 |



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Note No. 11**Non Current Investments**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Investments in Equity Instruments Unquoted (at cost) | | |
| Chhatrapati Sahakari Sakhar Karkhana Limited 7 (7) shares @ Rs. 2,000/-, fully paid up | - | 14,000 |
| Investment in Subsidiary Company | | |
| Ashwa Minerals Pvt Ltd, a wholly owned subsidiary 10,000(10,000)shares @Rs.731/-fully paid up | 7,310,000 | 7,310,000 |
| Total | 7,310,000 | 7,324,000 |

Note No. 12**Long Term Loans and Advances**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Secured considered good, unless otherwise stated | | |
| Security Deposits | 13,619,870 | 14,033,529 |
| Total | 13,619,870 | 14,033,529 |

Note No. 13**Inventories**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| (As taken valued and certified by the Management; Valuation as stated in Note No. 1) | | |
| Raw Materials | 102,215,061 | 30,296,911 |
| Finished Goods | 33,813,776 | 26,375,940 |
| Traded Goods | 46,987,952 | 56,687,668 |
| Stores/ Spares & Packing material | 3,210,503 | 2,811,961 |
| Fuel | 667,086 | 819,085 |
| Semi Finished Goods | 4,608,367 | - |
| Goods In Transit | 18,696,117 | 6,902,049 |
| Total | 210,198,862 | 123,893,614 |



Note No. 14
Trade Receivables

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | | As at 31 st March 2016 | |
|--|-----------------------------------|--------------------|-----------------------------------|--------------------|
| Outstanding for a period exceeding 6 months from the date they are due for payment: | | | | |
| Unsecured considered good, unless otherwise stated | 93,044,392 | | 128,497,586 | |
| Considered Doubtful | - | | - | |
| | 93,044,392 | | 128,497,586 | |
| Less: Provision for doubtful debts | 1,987,998 | 91,056,394 | - | 128,497,586 |
| Other trade receivables: | | | | |
| Unsecured considered good, unless otherwise stated | 226,032,513 | | 479,541,792 | |
| Considered Doubtful | - | | - | |
| | 226,032,513 | | 479,541,792 | |
| Less: Provision for doubtful debts | - | 226,032,513 | - | 479,541,792 |
| Total | | 317,088,907 | | 608,039,378 |

Note No. 15
Cash and Cash Equivalents

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|-----------------------------------|-----------------------------------|
| a. Balances with Banks: | | |
| Current Accounts | 8,622,454 | 174,090,662 |
| Term Deposits with banks to the extent held as margin money and security against bank guarantee and other commitments | 10,823,375 | 1,887,037 |
| b. Other Bank Balances | | |
| Unclaimed Dividend | 280,528 | 137,458 |
| c. Cash on Hand | 570,804 | 1,038,094 |
| Total | 20,297,161 | 177,153,251 |

Note No. 16
Short Term Loans and Advances

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|-----------------------------------|-----------------------------------|
| Unsecured (considered good, unless otherwise stated) | | |
| Trade Advances to Vendors | 120,302,135 | 52,489,671 |
| Loans and Advances to Staff | 121,600 | 79,507 |
| Prepaid Expenses | 3,412,781 | 943,664 |
| Balances With Revenue Authorities/Claim Receivables | 171,348,802 | 153,386,406 |
| Other Loans and Advances (Including IOU's) | 4,953,008 | 2,543,945 |
| Loans to Corporates | 26,996,418 | 24,161,417 |
| Advance Income Tax (Net of Provisions) | 18,981,163 | (7,084,050) |
| Total | 346,115,907 | 226,520,560 |

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Note No. 17

Revenue from Operations

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | | As at 31 st March 2016 | |
|--------------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Sale of Products | | | | |
| Manufactured goods | | | | |
| Local Sales | 1,160,051,872 | | 1,291,872,876 | |
| Export Sales | 403,241,747 | | 82,678,402 | |
| Traded goods | | | | |
| Local Sales | 63,653,779 | | 132,676,122 | |
| Export Sales | 1,327,333 | | 2,007,007,098 | |
| | 1,628,274,731 | | 3,514,234,498 | |
| Less : Excise Duty | 114,033,126 | | 118,244,015 | |
| Less : VAT | 35,806,734 | | 33,544,189 | |
| | | 1,478,434,871 | | 3,362,446,294 |
| Total | | 1,478,434,871 | | 3,362,446,294 |
| Details of Manufactured Goods | | | | |
| Ethyl Acetate | 1,247,844,063 | | 1,062,192,332 | |
| Acetaldehyde | 315,036,392 | | 311,978,155 | |
| Others | 413,164 | | 380,791 | |
| Total | 1,563,293,619 | | 1,374,551,278 | |
| Details of Traded Goods: | | | | |
| Bauxite | 8,512,192 | | 1,874,420,587 | |
| Bentonite | 1,576,483 | | 70,377,229 | |
| Bleaching Earth | - | | 54,307,968 | |
| China Clay | 15,475,142 | | 59,596,770 | |
| Potash Feldspar | - | | 4,447,380 | |
| Iron Ore | - | | 21,241,330 | |
| Pentaerythritol | 34,377,100 | | 48,469,680 | |
| Butyl Acetate | 1,327,333 | | - | |
| Others | 3,712,862 | | 6,822,276 | |
| Total | 64,981,112 | | 2,139,683,220 | |


Note No. 18
Other Income

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Interest Income | 4,879,777 | 3,887,160 |
| Dividend Received | 1,362,936 | 1,735,146 |
| Excise Duty Refund-Export | - | 276,668 |
| Sundry Balances written back | 8,311,864 | 13,149,174 |
| Scrap Sales | 357,486 | 216,012 |
| Foreign Currency Fluctuation Gain | 10,057,689 | 6,289,355 |
| Miscellaneous Income | 7,512,264 | 7,221,041 |
| Total | 32,482,016 | 32,774,556 |

Note No. 19
Cost of Materials Consumed

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | | As at 31 st March 2016 | |
|----------------------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Opening Stock | 30,296,911 | | 34,822,098 | |
| Add : Purchases | 1,217,184,806 | | 1,009,343,657 | |
| | 1,247,481,717 | | 1,044,165,755 | |
| Less : Closing Stock | 102,215,061 | 1,145,266,656 | 30,296,911 | 1,013,868,844 |
| Total | | 1,145,266,656 | | 1,013,868,844 |
| Details of Raw Materials: | | | | |
| Acetic Acid | 384,212,421 | | 371,951,830 | |
| Alcohol for Ethyl Acetate | 537,323,140 | | 426,781,198 | |
| Alcohol for Acetaldehyde | 219,944,501 | | 213,629,165 | |
| Others | 3,786,594 | | 1,506,651 | |
| Total | 1,145,266,656 | | 1,013,868,844 | |

Note No. 20
Changes in Inventories

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | | As at 31 st March 2016 | |
|----------------------|-----------------------------------|--------------------|-----------------------------------|---------------------|
| Opening Stock | | | | |
| Finished Goods | 26,375,940 | | 14,455,078 | |
| Traded Goods | 56,687,668 | | 36,399,607 | |
| Work-in-Progress | - | 83,063,608 | - | 50,854,685 |
| Closing Stock | | | | |
| Finished Goods | 33,813,776 | | 26,375,940 | |
| Traded Goods | 46,987,952 | | 56,687,668 | |
| Work-in-Progress | 4,608,367 | 85,410,095 | - | 83,063,608 |
| Total | | (2,346,487) | | (32,208,923) |

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Note No. 21**Employee Benefit Expenses****(Amount in Rs.)**

| Particulars | As at 31st March 2017 | | As at 31st March 2016 | |
|--|---|-------------------|---|-------------------|
| Salaries, Wages, Allowances and Bonus | | 46,563,933 | | 45,983,113 |
| Contribution to Employee Benefit Funds | | 1,968,819 | | 1,649,179 |
| Staff Welfare Expenses | | 1,732,274 | | 1,328,651 |
| Total | | 50,265,026 | | 48,960,943 |

Note No. 22**Finance Costs****(Amount in Rs.)**

| Particulars | As at 31st March 2017 | | As at 31st March 2016 | |
|-------------------------|---|-------------------|---|------------------|
| Interest | | | | |
| Working Capital Finance | 6,316,943 | | 2,142,417 | |
| Others | 6,579,698 | 12,896,641 | 3,612,370 | 5,754,787 |
| Other Financial Costs | | 4,851,329 | | 1,836,406 |
| Total | | 17,747,970 | | 7,591,193 |



Note No. 23

Other Expenses

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | | As at 31 st March 2016 | |
|---|-----------------------------------|--------------------|-----------------------------------|----------------------|
| Manufacturing Expenses | | | | |
| Stores and Spares Consumed | 8,187,135 | | 9,399,332 | |
| Packing Materials and Charges | 18,047,086 | | 13,148,021 | |
| Power & Fuel | 80,771,774 | | 86,727,102 | |
| Repairs to: | | | | |
| Building | 2,545,606 | | 3,711,550 | |
| Machinery | 499,184 | | 2,203,370 | |
| Others | 1,539,836 | | 1,211,884 | |
| Other Expenses | 768,454 | 112,359,075 | 622,050 | 117,023,309 |
| Selling and Distribution Expenses | | | | |
| Shipment Expenses | 680,429 | | 74,268,874 | |
| Export Freight and Insurance | 22,307,083 | | 488,248,096 | |
| Export Carting , Stevedoring & Port Charges | 525,637 | | 505,468,916 | |
| Other Selling Expenses | 43,981,333 | 67,494,482 | 384,084,469 | 1,452,070,355 |
| Administrative and Other Expenses | | | | |
| Travelling Expenses | 3,189,360 | | 3,395,725 | |
| Rent ,Rates and Taxes | 1,712,730 | | 2,303,486 | |
| Insurance Premium | 2,436,816 | | 3,258,086 | |
| Advertisement and Business Promotion | 194,170 | | 225,429 | |
| Bad Debts | 663,600 | | 251,108 | |
| Provision for Doubtful Debts | 1,987,998 | | - | |
| Legal & Professional Fees | 3,813,583 | | 3,667,091 | |
| Directors Sitting Fees | 885,000 | | 515,000 | |
| Payments to Auditor | 400,000 | | 400,000 | |
| Donation | 18,000 | | 5,500 | |
| Corporate Social Responsibility | 970,755 | | 2,732,750 | |
| Prior Period Expenses | 477,530 | | 826,843 | |
| General expenses | 12,686,121 | 29,435,663 | 51,836,597 | 69,417,615 |
| Total | | 209,289,220 | | 1,638,511,279 |

Note

(Amount in Rs.)

| Payments to Auditors | 2016-17 | 2015-16 |
|----------------------|----------------|----------------|
| Audit Fees | 250,000 | 250,000 |
| Taxation Matters | 50,000 | 50,000 |
| Tax Audit | 100,000 | 100,000 |
| Other Services | - | - |
| Total | 400,000 | 400,000 |

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NOTES TO ACCOUNTS:**1. Contingent Liabilities and Commitments:**

Contingent Liabilities not provided for in respect of:

(Amount in Rs.)

| Sr. No. | Particulars | 2016-2017 | 2015-2016 |
|---------|------------------------------------|-------------------|-------------------|
| 1. | Income Tax matters | 27,158,720 | 27,158,720 |
| 2. | Sales Tax | 954,921 | 1,396,998 |
| 3. | Disputed excess service tax refund | 229,087 | 229,087 |
| 4. | Bank Guarantee | 1,000,000 | 1,000,000 |
| | Total | 29,341,728 | 29,783,805 |

2. In the opinion of the Board of Directors of the Company, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business.

3. The Company has provided for gratuity to employees based on the actuarial valuation report. However the said liabilities aggregating to Rs.704,657 (P.Y.Rs. 502,329) are not funded.

4. Segment Reporting:**Business Segment**

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

(Amount in Rs.)

| Particulars | Chemical Division | | Global Trading Division | | Total for the year ended | |
|-------------------------|-------------------|---------------|-------------------------|---------------|--------------------------|---------------|
| | (Manufacturing) | | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| | 2016-17 | 2015-16 | | | | |
| Segment Revenue | 1,426,539,592 | 1,239,140,124 | 84,377,295 | 2,156,080,726 | 1,510,916,887 | 3,395,220,850 |
| Segment Results (P&L) | 28,158,619 | 19,599,462 | 3,415,351 | 177,671,518 | 31,573,970 | 197,270,980 |
| Unallocable Income | - | - | - | - | - | - |
| Unallocable Expenses | - | - | - | - | - | - |
| Provision for Taxation | 10,679,037 | 7,312,612 | - | 66,154,691 | 10,679,037 | 73,467,303 |
| Net Profit / (Loss) | 17,479,582 | 12,286,850 | 3,415,351 | 111,516,827 | 20,894,933 | 123,803,677 |
| Segment Assets | 713,651,566 | 539,774,088 | 356,313,503 | 755,337,619 | 1,069,965,069 | 1,295,111,707 |
| Unallocable Assets | - | - | - | - | - | - |
| Total Assets | 713,651,566 | 539,774,088 | 356,313,503 | 755,337,619 | 1,069,965,069 | 1,295,111,707 |
| Segment Liabilities | 403,902,717 | 239,968,173 | 199,439,034 | 603,878,286 | 603,341,751 | 843,846,459 |
| Unallocable Liabilities | - | - | - | - | - | - |
| Total Liabilities | 403,902,717 | 239,968,173 | 199,439,034 | 603,878,286 | 603,341,751 | 843,846,459 |

**Geographical Segment**

(Amount in Rs.)

| Particulars | India | | Rest of the World | | Total | |
|--|---------------|---------------|-------------------|---------------|---------------|---------------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| Segment Revenue | 1,106,347,807 | 1,305,535,350 | 404,569,080 | 2,089,685,500 | 1,510,916,887 | 3,395,220,850 |
| Carrying cost of segment Assets | 1,069,965,069 | 1,295,111,707 | - | - | 1,069,965,069 | 1,295,111,707 |
| Net Addition to Fixed Assets and Intangible Assets | 28,799,405 | 33,435,613 | - | - | 28,799,405 | 33,435,613 |

5. Related Party Transactions :**A. Holding Company:**

Aura Alkalies and Chemicals Private Limited

B. Subsidiary Company:

Ashwa Minerals Private Limited

C. Associates (Firms)

- | Altage Stone Crushing Industries
- | Aditya Minerals
- | Avni Minerals
- | Bharat Abrasives and Chemicals 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

D. Key Managerial Personnel (KMP):

- Mr. Purab Shah - Executive Director & CEO (w.e.f. 19th April 2016)
- Mr. V.Shashidharan - Chief Financial Officer *
- Ms. Seema Gangawat - Company Secretary & Compliance Officer

E. Relatives of Key Managerial Personnel : Nil

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F. Related Party Transactions

(Amount in Rs.)

| Particulars | Associates | Director(s)/KMP | Relatives |
|----------------------|------------|-----------------|-----------|
| Remuneration | | | |
| Mr. Purab Shah | - | 2,662,599 | - |
| Mr. V. Shashidharan* | - | 1,959,932 | - |
| Ms. Seema Gangawat | - | 980,473 | - |

*Resigned w.e.f. 1st May 2017**6. Deferred Tax :**

Tax effect of items constituting deferred tax liability.

(Amount in Rs.)

| Particulars | Deferred Tax Surplus /(Deficit) as on 31.03.2017 |
|---|---|
| Surplus-arising from claim u/s 43B net of reversal | 9,213,794 |
| Reversal of Liability-Depreciation difference as per Books compared to Income-Tax | (24,302,794) |
| Surplus-unabsorbed Depreciation and Loss Adjusted | NIL |
| Deferred Tax Surplus(Deficit) | (15,089,000) |

7. Earnings Per Share :**2016-17****2015-16**

| | | |
|---|------------|-------------|
| Profit after Tax.(Rs.) | 20,894,933 | 123,803,677 |
| Of Weighted average shares(Rs.) | 4.54 | 26.91 |
| No.of equity shares outstanding during the year | 4,600,343 | 4,600,343 |
| Basic and Diluted Earnings per Share (Rs.) | 4.54 | 26.91 |

8. Payment to Auditors :

(Amount in Rs.)

| Sr. No. | Particulars | 2016-17* | 2015-16* |
|---------|------------------|----------------|----------------|
| a. | Audit Fees | 250,000 | 250,000 |
| b. | Taxation Matters | 50,000 | 50,000 |
| c. | Tax Audit | 100,000 | 100,000 |
| d. | Other Services | - | - |
| | Total | 400,000 | 400,000 |

*Exclusive of Service Tax



9. The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid at the year end together with interest paid/payable under this Act, has not been given.
10. The Management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS)-28 issued by the Institute of Chartered Accountants of India. Based on the judgment of the Management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.
11. Remuneration includes Rs.2,662,599 (P.Y. Rs.3,613,471) paid to Executive Director & CEO / Whole Time Director.

12.. Demonitisation :

(Amount in Rs.)

| Particulars | SBNs | Other Denomination Notes | Total |
|---------------------------------------|---------|--------------------------|---------|
| Closing Cash in hand as on 08.11.2016 | 180,000 | 312,842 | 492,842 |
| (+) Permitted receipts | - | 715,580 | 715,580 |
| (-) Permitted Payments | - | 779,870 | 779,870 |
| (-) Amount deposited in Banks | 180,000 | - | 180,000 |
| Closing cash in hand as on 30.12.2016 | - | - | 248,552 |

13. Production, Stocks and Sales : (As Certified by the Management)

CHEMICAL DIVISION (Segment 1)

| Sr.No. | Products | Particulars | Opening Stock | Production /Purchase | Sales | Closing Stock |
|---------------|---------------------|-------------|-----------------|----------------------|-----------------|---------------|
| I | Glacial Acetic Acid | | | | | |
| | | Qty (MT) | 0 | 9.64 | 9.64 | 0 |
| | | | (0) | (6) | (6) | (0) |
| | | Value (Rs.) | 0 | 307,164 | 307,164 | 0 |
| | | | (0) | (327,731) | (327,731) | (0) |
| II | Ethyl Acetate | | | | | |
| | | Qty (MT) | 401 | 20,381.20 | 20,298.39 | 483.81 |
| | | | (140) | (18,337) | (18,076) | (401) |
| | | Value (Rs.) | 21,307,364 | 1,258,092,572 | 1,247,844,063 | 31,555,873 |
| | | (8,191,358) | (1,075,308,006) | (1,062,192,000) | (21,307,364) | |
| III | Acetaldehyde | | | | | |
| | | Qty (MT) | 35 | 5,149.02 | 5,180.28 | 3.74 |
| | | | (53) | (4,729) | (4,747) | (35) |
| | | Value (Rs.) | 2,305,347 | 314,046,592 | 315,036,392 | 1,315,547 |
| | | (3,562,643) | (310,721,196) | (311,978,492) | (2,305,347) | |
| IV | Others | | | | | |
| | | Value (Rs.) | 2,763,229 | 2,892,941 | 106,000 | 5,550,723 |
| | | | (2,701,077) | (116,000) | (53,848) | (2,763,229) |
| Total (Rs.) I | | | 26,375,940 | 1,575,339,269 | 1,563,293,619 | 38,422,143 |
| | | | (14,455,078) | (1,386,472,933) | (1,374,552,071) | (26,375,940) |

ASHOK ALCO-CHEM LIMITED

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GLOBAL TRADING DIVISION (Segment 2)

| Sr. No. | Products | Particulars | Opening Stock | Production / Purchase | Sales | Closing Stock |
|-------------------------------|----------|-------------|---------------------|------------------------|------------------------|---------------------|
| I | Minerals | Qty. (MT) | 62,309 | 25,237 | 35,889 | 51,657 |
| | | | (46,319) | (2,208,916) | (2,192,926) | (62,309) |
| | | Value (Rs.) | 56,687,668 | 48,884,401 | 64,981,112 | 46,987,952 |
| | | | (36,399,607) | (512,355,562) | (2,139,683,220) | (56,687,668) |
| Total (Rs.) II | | | 56,687,668 | 48,884,401 | 64,981,112 | 46,987,952 |
| | | | (36,399,607) | (512,355,562) | (2,139,683,220) | (56,687,668) |
| Grand Total (Rs.) I+II | | | 83,063,608 | 1,624,223,670 | 1,628,274,731 | 85,410,095 |
| | | | (50,854,685) | (1,898,828,495) | (3,514,235,291) | (83,063,608) |

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

Analysis of Raw Materials consumed for manufacturing activities:

| Particulars | | 2016-2017 | | 2015-2016 | |
|-------------|---------------------|-----------|-------------|-----------|-------------|
| | | Qty. (MT) | Value Rs. | Qty. (MT) | Value Rs. |
| I | Alcohol | 23,530.76 | 757,267,641 | 20,296.00 | 640,410,363 |
| II | Glacial Acetic Acid | 14,400.32 | 384,212,421 | 12,788.00 | 371,951,830 |

Note: Values are inclusive of incidental expenses like transport, freight etc.

14. Value of Raw Materials, Stores & Packing Materials consumed :

| Particulars | 2016-17 | | 2015-16 | |
|---------------|------------------------|----------------------|------------------------|----------------------|
| | % of Total Consumption | Value Rs. | % of Total Consumption | Value Rs. |
| Imported | 24.73 | 289,680,108 | 3.53 | 36,567,483 |
| Indigenous | 75.27 | 881,820,769 | 96.47 | 999,848,714 |
| Total: | 100.00 | 1,171,500,877 | 100.00 | 1,036,416,197 |

15. CIF Value of Imports:

(Amount in Rs.)

| Particulars | 2016-17 | 2015-16 |
|--------------------------------------|-------------|------------|
| Value of Imports – Chemical Division | 289,680,108 | 36,567,483 |
| Value of Imports – Trading Division | 29,459,114 | 32,642,941 |

**16. Expenditure in Foreign Currency:**

(Amount in Rs.)

| Particulars | 2016-17 | 2015-16 |
|---------------------|------------|-------------|
| Travelling | - | 158,785 |
| Freight & Demurrage | 12,447,699 | 314,040,439 |
| Commission paid | 1,299,521 | 1,358,723 |
| Others | 15,271,024 | 11,968,357 |

17. FOB value of Exports:

(Amount in Rs.)

| Particulars | 2016-17 | 2015-16 |
|---------------|-------------|---------------|
| Sale of Goods | 290,798,816 | 1,848,651,004 |

18. 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.
19. Previous year's figures have been regrouped/recast wherever necessary to correspond with the current year's classification disclosure.

As per our report of even date
For **R. A. Kuvadia & CO.**
Chartered Accountants
F. R. N. 105487W

sd/-
R.A. Kuvadia
Proprietor
Membership No. 040087

Place: Mumbai
Date: 18.05.2017

For and on behalf of the Board of Directors

sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

sd/-
Sunil K Shah
Director
(DIN 03567415)

sd/-
Seema Gangawat
Company Secretary

sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

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, 2017, 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 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, 2017.

Other Matter

We did not audit the financial statements/financial information of subsidiaries, whose financial statements/financial information reflect total assets of Rs. 8,17,77,718/- as at 31st March, 2017, total revenues of Rs. 13,47,98,388/- and net cash outflows amounting to Rs. 5,96,807/- for the year ended on that date, as considered in the consolidated financial statements. The financial statements/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.

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, 2017 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, 2017 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.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management

For R.A.Kuvadia & Co.
Chartered Accountants
FRN: 105487W

sd/-
R.A.Kuvadia
(Proprietor)
M.No. 040087

Place: Mumbai
Date: 18.05.2017



“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 March 31, 2017, 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'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 unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

ASHOK ALCO-CHEM LIMITED

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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, 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 31st March 2016, 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 R. A. Kuvadia & Co.
Chartered Accountants
F.R.N. 105487W

Place: Mumbai
Date: 18.05.2017

sd/-
R. A. Kuvadia
(Proprietor)
M.No. 040087

ASHOK ALCO-CHEM LIMITED

Annual Report 2016-2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Amounts in Rs.)

| Particulars | Note No. | 31 st March 2017 | 31 st March 2016 |
|---------------------------------------|----------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 46,003,430 | 46,003,430 |
| Reserves and Surplus | 3 | 450,572,611 | 420,287,574 |
| Money Received Against Share Warrants | | - | - |
| | | 496,576,041 | 466,291,004 |
| Non-Current Liabilities | | | |
| Long Term Borrowings | 4 | 12,185,820 | 26,334,714 |
| Deferred Tax Liabilities (Net) | | 14,951,098 | 13,432,690 |
| Long Term Provisions | 5 | 2,251,946 | 1,887,127 |
| Current Liabilities | | | |
| Short Term Borrowings | 6 | 84,230,808 | 39,413,185 |
| Trade Payables | 7 | 262,639,499 | 431,416,272 |
| Other Current Liabilities | 8 | 267,563,001 | 401,115,519 |
| Short-term Provisions | 9 | 3,896,675 | 6,769,937 |
| | | 618,329,983 | 878,714,913 |
| Total... | | 1,144,294,888 | 1,386,660,448 |
| ASSETS | | | |
| Non Current Assets | | | |
| Fixed Assets | | | |
| Tangible Assets | 10 | 150,702,647 | 138,987,290 |
| Intangible Assets | | 43,724 | 70,575 |
| Capital Work-in-Progress | | 5,219,600 | - |
| | | 155,965,971 | 139,057,865 |
| Non Current Investments | 11 | - | 14,000 |
| Long Term Loans and Advances | 12 | 13,619,870 | 14,033,529 |
| Other Non Current Assets | 13 | - | 6,500 |
| | | 169,585,841 | 153,111,894 |
| Current Assets | | | |
| Current Investments | | - | - |
| Inventories | 14 | 210,986,780 | 131,958,789 |
| Trade Receivables | 15 | 352,158,095 | 650,624,628 |
| Cash and Cash Equivalents | 16 | 30,582,942 | 188,035,839 |
| Short Term Loans and Advances | 17 | 380,981,230 | 262,929,298 |
| | | 974,709,047 | 1,233,548,554 |
| Total... | | 1,144,294,888 | 1,386,660,448 |

The accompanying notes 1 to 24 are an integral part of these financial statements.

AS PER OUR REPORT OF EVEN DATE

For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487W

Sd/-
R. A. KUVADIA
Proprietor

Membership No. 040087

Place : Mumbai
Date : 18.05.2017

For and on behalf of the Board of Directors

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

Sd/-
Sunil K Shah
Director
(DIN 03567415)

Sd/-
Seema Gangawat
Company Secretary

Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2017

(Amounts in Rs)

| Particulars | Note No. | 31 st March, 2017 |
|---|--------------------|------------------------------|
| REVENUE | | |
| Revenue from Operations | 18 | 1,612,194,784 |
| Other Income | 19 | 33,520,491 |
| Total Revenue | | <u>1,645,715,275</u> |
| EXPENSES : | | |
| Cost of Materials Consumed | 20 | 1,159,743,606 |
| Purchases of Stock-in-Trade | | 90,012,365 |
| Changes in Inventories | 21 | (1,659,571) |
| Employee Benefit Expenses | 22 | 54,644,821 |
| Finance Costs | 23 | 18,239,638 |
| Depreciation and Amortization | | 10,523,241 |
| Other Expenses | 24 | 258,868,489 |
| Total Expenses | | <u>1,590,372,589</u> |
| Profit Before Tax | | 55,342,686 |
| Tax Expenses | | |
| Current Tax | (18,000,000) | |
| Earlier Year's Tax | (2,380) | |
| Deferred Tax | <u>(1,518,408)</u> | (19,520,788) |
| Net Profit for the year | | <u>35,821,898</u> |
| Earnings per Equity Share of Face Value Rs. 10/- | | 7.79 |
| Basic | | 7.79 |
| Diluted | | |

The accompanying notes 1 to 24 are an integral part of these financial statements.

AS PER OUR REPORT OF EVEN DATE
For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487W

For and on behalf of the Board of Directors

Sd/-
R. A. KUVADIA
Proprietor
Membership No. 040087

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

Sd/-
Sunil K Shah
Director
(DIN 03567415)

Place : Mumbai
Date : 18.05.2017

Sd/-
Seema Gangawat
Company Secretary

Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts

ASHOK ALCO-CHEM LIMITED

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CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017
(Amount in Rs.)

| CASH FLOW FROM OPERATING ACTIVITIES | MARCH-2017 | |
|--|-------------------|----------------------|
| Net Profit Before Tax | | 55,342,686 |
| Adjustments for: | | |
| Depreciation | 10,523,241 | |
| Foreign Exchange (Gain) / Loss | (10,057,689) | |
| Sundry Balance w/off/ (w/back) | (7,648,264) | |
| Interest & Finance Charges | 18,239,638 | |
| Interest Received | (4,879,777) | |
| Profit on Sale of Asset | (98,540) | |
| Gain on sale of Investment | (1,029,778) | |
| Preliminary Expenses | 6,500 | |
| Dividend Income | (1,362,936) | |
| | | 3,692,395 |
| Operating Profit before Working Capital Charges | | 59,035,081 |
| Adjustments for: | | |
| Decrease/(Increase) in Receivables | 298,466,533 | |
| Decrease/(Increase) in Advances & others | (91,148,871) | |
| Decrease/(Increase) in Inventories | (79,027,990) | |
| Increase/(Decrease) in Payables | (168,776,774) | |
| Increase/(Decrease) in Other Liabilities | (151,898,295) | |
| Foreign Exchange Gain / Loss | 10,057,689 | |
| Sundry Balance w/off | 7,648,264 | |
| | | (174,679,444) |
| Cash generated from operations | | (115,644,363) |
| Income Tax paid | | (50,014,645) |
| Net Cash flow from Operating activities | | (165,659,008) |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (28,807,635) | |
| Sale/Adjustments of Fixed Assets | 1,474,826 | |
| Gain on Sale of Investment | 1,029,778 | |
| Interest Received | 4,879,777 | |
| Dividend Income | 1,362,936 | |
| Net Cash used in Investing activities | | (20,060,318) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Long term Borrowings | | |
| Secured | 46,506,067 | |
| Unsecured | - | |
| Issue of Fresh Share Capital | - | |
| Interest paid | (18,239,638) | |
| Net Cash used in financing activities | | 28,266,429 |
| Net increase in cash & Cash Equivalents | | (157,452,897) |
| Cash and Cash equivalents as at 01.04.16 | | 188,035,839 |
| Cash and Cash equivalents as at 31.03.17 | | 30,582,942 |
| Cash & Cash Equivalents | | As on |
| Cash in Hand | | 31.03.2017 |
| Cash at Bank | | 630,642 |
| | | 29,952,300 |
| Cash & Cash equivalents as stated | | 30,582,942 |

AS PER OUR REPORT OF EVEN DATE

For R. A. KUVADIA & CO.
CHARTERED ACCOUNTANTS
FRN : 105487WSd/-
R. A. KUVADIA
Proprietor
Membership No. 040087Place : Mumbai
Date : 18.05.2017

For and on behalf of the Board of Directors

Sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)Sd/-
Seema Gangawat
Company SecretarySd/-
Sunil K Shah
Director
(DIN 03567415)Sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts



ASHOK ALCO CHEM LIMITED

NOTE: 1
NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2017

COMPANY OVERVIEW

Ashok Alco Chem Limited (“the Company”) is a public limited Company and is listed on the BSE Ltd (Bombay Stock Exchange). The Company and its wholly owned subsidiary (jointly referred to as the 'Group' hereinafter) are engaged inter alia, in the business of manufacturing of chemicals and trading in minerals.

The subsidiary considered in these consolidated financial statements is:

| Name of the Company | Country of incorporation | % of voting power held as at 31st March, 2017 |
|--------------------------------|--------------------------|---|
| Ashwa Minerals Private Limited | India | 100 |

SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under section 211(3C) of the Companies Act, 1956 [Companies (Accounting Standards) Rules, 2006, as amended] and other relevant provisions of the Companies Act, 2013.

In the opinion of the management, all the adjustments which are necessary for a fair presentation have been included. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (12 months) and other criteria set out under the Act.

2. PRINCIPLES OF CONSOLIDATION:

- a) The consolidated financial statements of the Company and its wholly owned subsidiary Company is combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”
- b) As far as possible, the consolidated financial statements are prepared using the uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- c) The difference between the cost of investment in the subsidiary, over the net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statements as Capital Reserve.

3. OTHER SIGNIFICANT ACCOUNTING POLICIES:

a) USE OF ESTIMATES:

The Preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, asset and liabilities and the disclosures of contingent liabilities at the end of reporting period.

b) FIXED ASSETS AND DEPRECIATION/AMORTIZATION

- i. Gross Fixed Assets are stated at historical cost of acquisition / construction net of Cenvat credit/Input Credit under VAT on capital goods. Depreciation on tangible assets is provided on Straight Line Method as specified in Schedule II to The

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Companies Act, 2013. Intangible Assets are amortised as per AS-26 issued by The Institute of Chartered Accountants of India.

Lease hold land is amortised over the period of lease.

- ii. Fixed assets are eliminated from financial statements either on disposal or when retired from active use. The retired assets are disposed off or discarded immediately. Profit or loss on disposal of assets is recognized in the Statement of profit and loss.
- iii. Depreciation is provided on pro-rata basis from the day in which assets have been put to use and up to the day on which assets have been used by the Company.

c) **IMPAIRMENT OF ASSETS**

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

d) **FOREIGN CURRENCY TRANSACTIONS:**

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

e) **RESEARCH & DEVELOPMENT EXPENSES**

Revenue expenditure on Research & Development is charged against the profit for the year in which it is incurred.

f) **REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when the significant risk and reward of ownership of the goods have passed to the buyer which normally coincides with the despatch of goods from the factory of the Company. Sales are disclosed net off trade discount, Sales returns.

Revenue in respect of insurance, interest, cash subsidy and other claims is recognized only when it is reasonably certain that the ultimate collection will be made.

Export incentives under the Duty Entitlement Pass Book Scheme, Duty Draw Back Scheme, etc. are accounted in the year of export.

g) **OPERATING LEASES:**

Lease arrangements where risk and rewards incidental to ownership of an asset, substantially vests with the Lessor, are classified as operating leases.

Rental expenses on assets obtained under operating lease arrangement are recognized on a straight line basis over a term of the lease.



h) INVESTMENTS:

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.

i) INVENTORIES:

- i) Raw materials and packing materials are valued at landed cost determined on FIFO Basis net off VAT/CENVAT, wherever applicable.
- ii) The finished and trading goods have been valued at cost or net realizable value whichever is less.
- iii) Semi finished goods have been valued at estimated cost, as certified by the management.
- iv) Stores & Spares have been valued at cost or market price whichever is lower.

j) FINANCIAL DERIVATIVES AND COMMODITY HEDGING TRANSACTIONS:

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

k) RETIREMENT AND OTHER EMPLOYEE BENEFITS:

Post –Employment Benefit Plans:

- i. Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.
- ii. Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out at the Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit & Loss Account for the period in which they occur.

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

Short Term Employee Benefits:

The undiscounted amount of short – term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

l) BORROWING COSTS:

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

m) TAXES ON INCOME:

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

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that

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sufficient future taxable income will be available against which deferred tax asset can be realized.

Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

n) EARNING PER SHARE :

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

o) PROVISIONS AND CONTINGENCIES:

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

p) ACCOUNTING POLICIES:

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



NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note No. 2

2.1 Share Capital

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Authorised 50,00,000 (50,00,000) Equity Shares of Rs. 10 (Rs. 10) 20,00,000 (20,00,000) 11% Preference Shares of Rs. 10 (Rs. 10) | 50,000,000 20,000,000 | 50,000,000 20,000,000 |
| | 70,000,000 | 70,000,000 |
| Issued, Subscribed and Paid up 46,00,343 (46,00,343) Equity Shares of Rs. 10 (Rs. 10) | 46,003,430 | 46,003,430 |
| | 46,003,430 | 46,003,430 |

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

2.2) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

| Particulars | Opening Balance | Fresh Issue | Bonus | ESOP | Con version | Buy Back | Other Changes | Closing Balance |
|----------------------------------|--------------------|----------------|-------|------|----------------|----------|------------------|--------------------|
| Equity Shares with voting rights | | | | | | | | |
| Year ended 31st March, 2017 | | | | | | | | |
| No. of Shares | 4,600,343 | - | - | - | - | - | - | 4,600,343 |
| Amount | 46,003,430 | - | - | - | - | - | - | 46,003,430 |
| Year ended 31st March, 2016 | | | | | | | | |
| No. of Shares | 4,600,343 | - | - | - | - | - | - | 4,600,343 |
| Amount | 46,003,430 | - | - | - | - | - | - | 46,003,430 |

Terms/Rights attached to equity shares

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.

2.3) Details of shares held by the Holding Company, the ultimate holding Company, their subsidiaries and associates:

| Particulars | Equity shares with voting rights | Equity shares with differential voting rights | Compulsorily Convertible Preference Shares | Optionally Convertible Preference Shares | Reedemable Preference Shares |
|---|--|---|---|---|------------------------------------|
| No. of Shares | | | | | |
| As at 31st March, 2017 Aura Alkalies & Chemicals Pvt. Ltd., the Holding Company | 2,518,632 | - | - | - | - |
| As at 31st March, 2016 Aura Alkalies & Chemicals Pvt. Ltd., the Holding Company | 2,518,632 | - | - | - | - |

2.4) Details of shares held by each shareholder holding more than 5% shares:

| Name of shareholder | As at 31 st March, 2017 | | As at 31 st March, 2016 | |
|-------------------------------------|------------------------------------|--------------------------------------|------------------------------------|--------------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares with voting rights | | | | |
| Aura Alkalies & Chemicals Pvt. Ltd. | 2,518,632 | 54.75 | 2,518,632 | 54.75 |

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Note No. 3**Reserves and Surplus**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| a. Capital Reserve | | |
| Balance at the beginning of the year | 109,906,756 | 94,881,000 |
| Capital Reserve on Acquisition | - | 15,025,756 |
| Balance at the end of the year | 109,906,756 | 109,906,756 |
| b. Securities Premium | | |
| Balance at the beginning of the year | 78,379,025 | 78,379,025 |
| Balance at the end of the year | 78,379,025 | 78,379,025 |
| c. General Reserve | | |
| Balance at the beginning of the year | 100,000,000 | 50,000,000 |
| Transferred from surplus in statement of Profit & Loss | 5,000,000 | 50,000,000 |
| Balance at the end of the year | 105,000,000 | 100,000,000 |
| d. Surplus in Statement of Profit and Loss | | |
| Balance at the beginning of the year | 132,001,793 | 63,734,978 |
| Net Profit for the Current Year | 35,821,899 | 123,803,677 |
| Less: Appropriations | | |
| Proposed Dividend | (4,600,343) | (4,600,343) |
| Dividend Tax | (936,519) | (936,519) |
| Transfer to General Reserve | (5,000,000) | (50,000,000) |
| Balance at the end of the year | 157,286,830 | 132,001,793 |
| Total | 450,572,611 | 420,287,574 |

Note No. 4**Long-Term Borrowings**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| IDBI Term Loan (First and exclusive charge on assets created out of term loan and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present & future) & residential property located at MIDC Mahad & personal guarantee of Director, to be repaid in 28 (36) Equal Instalments) | 11,934,846 | 25,833,334 |
| From Bank-Secured against hypothecation of Vehicle | 250,974 | 501,380 |
| Total | 12,185,820 | 26,334,714 |



Note No. 5

Long-Term Provisions

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------|--------------------------------------|--------------------------------------|
| Provision for Leave Encashment | 2,251,946 | 1,887,127 |
| Total | 2,251,946 | 1,887,127 |

Note No. 6

Short-Term Borrowings

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--|--------------------------------------|--------------------------------------|
| Secured Working Capital from IDBI Bank (First and exclusive charge on Current Assets present and future and collaterally secured by equitable mortgage of factory land & building, plant & machinery (both present & future) & residential property located at MIDC Mahad & personal guarantee of Director) | 84,230,808 | 39,413,185 |
| Total | 84,230,808 | 39,413,185 |

Note No. 7

Trade Payables

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------------------|--------------------------------------|--------------------------------------|
| Micro,Medium & Small Enterprises | - | - |
| Others | 262,639,499 | 431,416,272 |
| Total | 262,639,499 | 431,416,272 |

Note No. 8

Other Current Liabilities

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Current Maturities of Long Term Debt | 20,004,000 | 4,166,666 |
| Advances from customers | 346,713 | 24,389,842 |
| Statutory Liabilities | 29,395,010 | 23,464,463 |
| Other Liabilities | 116,927,413 | 180,144,959 |
| Unclaimed Dividend* | 280,528 | 137,458 |
| Sundry Creditors for Expenses | 99,499,215 | 167,172,004 |
| Sundry Creditors for Capital Assets | 1,110,122 | 1,640,127 |
| Total | 267,563,001 | 401,115,519 |

* There are no amount due and outstanding to be transferred to the Investor Education and Protection Fund (IEPF) as on 31st March, 2017. Unclaimed Dividend,if any, shall be transferred to IEPF as and when they become due.

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Note No. 9**Short Term Provisions****(Amount in Rs.)**

| Particulars | As at 31st March 2017 | As at 31st March 2016 |
|--------------------------------|---|---|
| Provision for Leave Encashment | 612,631 | 207,413 |
| Provision for Bonus/Exgratia | 245,696 | 300,966 |
| Provision for Tax (Net) | 3,038,348 | 6,261,558 |
| Total | 3,896,675 | 6,769,937 |

**Note No. 10
Fixed Assets**

| Particulars | Gross Block | | | | Accumulated Depreciation | | | | Net Block | |
|---------------------------------|--|---------------------------|---------------------------------|---|--|--|-------------|----------------------------|---|---|
| | As at 1 st April 2016 | Additions/ Adjustments | Deductions/sold/ Adjustments | As at 31 st March 2017 | As at 1 st April 2016 | Depreciation / Amortisation For the Year | Adjustments | Deductions/ Adjustments | As at 31 st March 2017 | As at 31 st March 2016 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| Tangible Assets | | | | | | | | | | |
| Land under Lease | 7,304,000 | - | - | 7,304,000 | 6,378,574 | 12,677 | - | - | 6,391,251 | 912,749 |
| Buildings | 31,338,822 | 100,284 | - | 31,439,106 | 13,237,979 | 571,633 | - | - | 13,809,612 | 17,629,494 |
| Plant & Equipment | 350,656,796 | 23,142,757 | 1,748,926 | 372,050,627 | 233,085,232 | 9,152,532 | (236,608) | 184,783 | 241,816,373 | 130,234,254 |
| Furniture & Fixtures | 1,316,915 | 29,070 | 140,965 | 1,205,020 | 1,035,429 | 41,655 | - | 61,012 | 1,016,072 | 188,948 |
| Vehicles | 1,460,551 | - | 121,362 | 1,339,189 | 435,117 | 260,406 | - | 73,895 | 621,628 | 717,560 |
| Office Equipment | 1,997,112 | 400,630 | 20,076 | 2,377,666 | 1,470,271 | 197,098 | 236,608 | 17,430 | 1,886,547 | 491,119 |
| Air Conditioners | 898,350 | 168,494 | 29,200 | 1,037,644 | 670,200 | 68,503 | - | 24,377 | 714,326 | 323,318 |
| Computers | 3,207,327 | 71,200 | 33,100 | 3,245,427 | 2,879,781 | 191,886 | - | 31,445 | 3,040,222 | 205,205 |
| Sub Total | 398,179,873 | 23,912,435 | 2,093,629 | 419,998,679 | 259,192,583 | 10,496,390 | - | 392,942 | 269,296,032 | 150,702,647 |
| Intangible Assets | | | | | | | | | | |
| Computer Software | 141,232 | - | - | 141,232 | 70,657 | 26,851 | - | - | 97,508 | 43,724 |
| Sub Total | 141,232 | - | - | 141,232 | 70,657 | 26,851 | - | - | 97,508 | 43,724 |
| Capital Work-in-Progress | | | | | | | | | | |
| | - | 5,219,600 | - | 5,219,600 | - | - | - | - | - | 5,219,600 |
| Total | 398,321,105 | 29,132,035 | 2,093,629 | 425,359,511 | 259,263,240 | 10,523,241 | - | 392,942 | 269,393,539 | 155,965,971 |
| Previous Year | 373,317,268 | 33,463,563 | 8,459,726 | 398,321,105 | 254,668,227 | 9,285,944 | - | 4,690,931 | 259,263,240 | 139,057,865 |



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Note No. 11**Non Current Investments**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Investments in Equity Instruments Unquoted (at cost) | | |
| Chhatrapati Sahakari Sakhar Karkhana Limited 7 (7) shares @ Rs. 2,000/-, fully paid up | - | 14,000 |
| Total | - | 14,000 |

Note No. 12**Long Term Loans and Advances**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Secured considered good, unless otherwise stated | | |
| Security Deposits | 13,619,870 | 14,033,529 |
| Total | 13,619,870 | 14,033,529 |

Note No. 13**Other Non - Current Assets**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|----------------------|--------------------------------------|--------------------------------------|
| Preliminary Expenses | - | 6,500 |
| Total | - | 6,500 |

Note No. 14**Inventories**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| (As taken valued and certified by the Management; Valuation as stated in Note No. 1) | | |
| Raw Materials | 102,215,061 | 37,033,290 |
| Finished Goods | 34,038,776 | 27,287,856 |
| Traded Goods | 46,987,952 | 56,687,668 |
| Stores/ Spares & Packing material | 3,773,421 | 3,228,841 |
| Fuel | 667,086 | 819,085 |
| Semi Finished Goods | 4,608,367 | - |
| Goods In Transit | 18,696,117 | 6,902,049 |
| Total | 210,986,780 | 131,958,789 |



Note No. 15
Trade Receivables

(Amount in Rs.)

| Particulars | | As at 31 st March 2017 | | As at 31 st March 2016 |
|--|-------------|--------------------------------------|-------------|--------------------------------------|
| Outstanding for a period exceeding 6 months from the date they are due for payment: | | | | |
| Unsecured considered good, unless otherwise stated | 101,030,008 | | 136,342,416 | |
| Considered Doubtful | - | | - | |
| | 101,030,008 | | 136,342,416 | |
| Less: Provision for doubtful debts | 1,987,998 | 99,042,010 | - | 136,342,416 |
| Other trade receivables: | | | | |
| Unsecured considered good, unless otherwise stated | 253,116,085 | | 514,282,212 | |
| Considered Doubtful | - | | - | |
| | 253,116,085 | | 514,282,212 | |
| Less: Provision for doubtful debts | - | 253,116,085 | - | 514,282,212 |
| Total | | 352,158,095 | | 650,624,628 |

Note No. 16
Cash and Cash Equivalents

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| a. Balances with Banks: | | |
| Current Accounts | 18,848,396 | 184,855,985 |
| Term Deposits with banks to the extent held as margin money and security against bank guarantee and other commitments | 10,823,375 | 1,926,630 |
| b. Other Bank Balances | | |
| Unclaimed Dividend | 280,528 | 137,458 |
| c. Cash on Hand | 630,643 | 1,115,766 |
| Total | 30,582,942 | 188,035,839 |

Note No. 17
Short Term Loans and Advances

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | As at 31 st March 2016 |
|---|--------------------------------------|--------------------------------------|
| Unsecured (considered good, unless otherwise stated) | | |
| Trade Advances to Vendors | 151,139,870 | 87,631,254 |
| Loans and Advances to Staff | 121,600 | 79,507 |
| Prepaid Expenses | 3,412,781 | 943,664 |
| Balances With Revenue Authorities/Claim Receivables | 171,348,802 | 153,386,406 |
| Other Loans and Advances (Including IOU's) | 8,890,595 | 3,721,100 |
| Deposits | 90,000 | 90,000 |
| Loans to Corporates | 26,996,418 | 24,161,417 |
| Advance Income Tax (Net of Provisions) | 18,981,164 | (7,084,050) |
| Total | 380,981,230 | 262,929,298 |

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Note No. 18**Revenue from Operations**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | |
|---------------------------|-----------------------------------|----------------------|
| Sale of Products | | |
| Manufactured goods | | |
| Local Sales | 1,224,448,353 | |
| Export Sales | 472,605,179 | |
| Traded goods | | |
| Local Sales | 63,653,779 | |
| Export Sales | 1,327,333 | |
| | 1,762,034,644 | |
| Less : Excise Duty | 114,033,126 | |
| Less : VAT | 35,806,734 | |
| | | 1,612,194,784 |
| Total | | 1,612,194,784 |

Note No. 19**Other Income**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 |
|-----------------------------------|-----------------------------------|
| Interest Income | 4,879,777 |
| Dividend Received | 1,362,936 |
| Excise Duty Refund-Export | - |
| Sundry Balances written back | 8,311,864 |
| Scrap Sales | 357,486 |
| Foreign Currency Fluctuation Gain | 10,057,689 |
| Gain on Sale of Investment | 1,029,778 |
| Miscellaneous Income | 7,520,961 |
| Total | 33,520,491 |

Note No. 20**Cost of Materials Consumed**

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | |
|----------------------|-----------------------------------|----------------------|
| Opening Stock | 37,033,289 | |
| Add : Purchases | 1,224,925,378 | |
| | 1,261,958,667 | |
| Less : Closing Stock | 102,215,061 | 1,159,743,606 |
| Total | | 1,159,743,606 |



Note No. 21
Changes in Inventories

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | |
|----------------------|-----------------------------------|--------------------|
| Opening Stock | | |
| Finished Goods | 27,287,856 | |
| Traded Goods | 56,687,668 | |
| Work-in-Progress | - | 83,975,524 |
| Closing Stock | | |
| Finished Goods | 34,038,776 | |
| Traded Goods | 46,987,952 | |
| Work-in-Progress | 4,608,367 | 85,635,095 |
| Total | | (1,659,571) |

Note No. 22
Employee Benefit Expenses

(Amount in Rs.)

| Particulars | As at 31 st March 2017 |
|--|-----------------------------------|
| Salaries, Wages, Allowances and Bonus | 50,942,517 |
| Contribution to Employee Benefit Funds | 1,968,819 |
| Staff Welfare Expenses | 1,733,485 |
| Total | 54,644,821 |

Note No. 23
Finance Costs

(Amount in Rs.)

| Particulars | As at 31 st March 2017 | |
|-------------------------|-----------------------------------|-------------------|
| Interest | | |
| Working Capital Finance | 6,316,943 | |
| Others | 6,621,059 | 12,938,002 |
| Other Financial Costs | | 5,301,636 |
| Total | | 18,239,638 |

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Note No. 24**Other Expenses****(Amount in Rs.)**

| Particulars | As at 31 st March 2017 | |
|---|-----------------------------------|--------------------|
| Manufacturing Expenses | | |
| Stores and Spares Consumed | 8,187,135 | |
| Packing Materials and Charges | 19,534,767 | |
| Power & Fuel | 80,771,774 | |
| Repairs to: | | |
| Building | 2,545,606 | |
| Machinery | 499,184 | |
| Others | 1,539,836 | |
| Other Expenses | 12,277,885 | 125,356,187 |
| Selling and Distribution Expenses | | |
| Shipment Expenses | 12,316,069 | |
| Export Freight and Insurance | 32,853,411 | |
| Export Carting , Stevedoring & Port Charges | 525,637 | |
| Other Selling Expenses | 54,919,522 | 100,614,639 |
| Administrative and Other Expenses | | |
| Travelling Expenses | 3,779,632 | |
| Rent ,Rates and Taxes | 1,749,230 | |
| Insurance Premium | 2,436,816 | |
| Advertisement and Business Promotion | 194,170 | |
| Bad Debts | 663,600 | |
| Provision for Doubtful Debts | 1,987,998 | |
| Legal & Professional Fees | 5,362,697 | |
| Directors Sitting Fees | 885,000 | |
| Payments to Auditor | 497,750 | |
| Donation | 18,000 | |
| Corporate Social Responsibility | 970,755 | |
| Foreign Currency Fluctuation Loss | 652,876 | |
| Prior Period Expenses | 477,530 | |
| General expenses | 13,221,609 | 32,897,663 |
| Total | | 258,868,489 |

Note**(Amount in Rs.)**

| Payments to Auditors* | 2016-17 |
|-----------------------|----------------|
| Audit Fees | 310,000 |
| Taxation Matters | 50,000 |
| Tax Audit | 125,000 |
| Other Services | - |
| Total | 485,000 |

*Exclusive of Service Tax



NOTES TO ACCOUNTS:

1. Contingent Liabilities and Commitments:

Contingent Liabilities not provided for in respect of:

(Amount in Rs.)

| Sr. No. | Particulars | 2016-2017 | 2015-2016 |
|---------|------------------------------------|-------------------|-------------------|
| 1. | Income Tax matters | 27,158,720 | 27,158,720 |
| 2. | Sales Tax | 954,921 | 1,396,998 |
| 3. | Disputed excess service tax refund | 229,087 | 229,087 |
| 4. | Bank Guarantee | 1,000,000 | 1,000,000 |
| | Total | 29,341,728 | 29,783,805 |

2. In the opinion of the Board of Directors of the Company, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realized in the ordinary course of business.

3. Related Party Transactions :

A. Holding Company:

Aura Alkalies and Chemicals Private Limited

B. Subsidiary Company:

Ashwa Minerals Private Limited

C. Associates (Firms)

- Altage Stone Crushing Industries
- Aditya Minerals
- Avni Minerals
- Bharat Abrasives and Chemicals Industries
- Kantil 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

D. Key Managerial Personnel (KMP):

Mr. Purab Shah

– Executive Director & CEO (w.e.f. 19th April 2016)

Mr. V. Shashidharan

– Chief Financial Officer *

Ms. Seema Gangawat

- Company Secretary & Compliance Officer

E. Relatives of Key Managerial Personnel: Nil

ASHOK ALCO-CHEM LIMITED

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F. Related Party Transactions**(Amount in Rs.)**

| Particulars | Associates | Director(s)/KMP | Relatives |
|----------------------|------------|-----------------|-----------|
| Remuneration | | | |
| Mr. Purab Shah | - | 2,662,599 | - |
| Mr. V. Shashidharan* | - | 1,959,932 | - |
| Ms. Seema Gangawat | - | 980,473 | - |

*Resigned w.e.f. 1st May 2017**4. Earnings Per Share :****2016-17**

| | |
|--|------------|
| Profit after Tax (Rs.) | 35,821,898 |
| No. of equity shares outstanding during the year | 4,600,343 |
| Basic and Diluted Earnings per Share (Rs.) | 7.79 |

5. Demonitisation**(Amount in Rs.)**

| Particulars | SBNs | Denomination Notes | Total |
|---------------------------------------|---------|--------------------|---------|
| Closing Cash in hand as on 08.11.2016 | 222,500 | 313,028 | 535,528 |
| (+) Permitted receipts | - | 795,580 | 795,580 |
| (-) Permitted Payments | - | 786,911 | 786,911 |
| (-) Amount deposited in Banks | 222,500 | - | 222,500 |
| Closing cash in hand as on 30.12.2016 | - | - | 321,697 |

6. Additional Information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

| Particulars | | Net Assets i.e.Total Assets minus Total Liabilities | | Share in Consolidated Profit or Loss | |
|---------------------------|-------------|---|-------------|--------------------------------------|------------|
| | | % of Consolidated Net Assets | Rs. | % of Consolidated Profit | Rs. |
| Parent : | | | | | |
| Ashok Alco - Chem Limited | C.Y. | 93.97 | 466,623,318 | 58.33 | 20,894,933 |
| | P.Y. | 96.78 | 451,265,248 | - | - |
| Subsidiary : | | | | | |
| Ashwa Minerals Pvt.Ltd. | C.Y. | 7.03 | 37,262,722 | 41.67 | 14,926,966 |
| | P.Y. | 3.22 | 22,335,756 | - | - |

**7. Deferred Tax :**

Tax effect of items constituting deferred tax liability.

(Amount in Rs.)

| Particulars | Deferred Tax Surplus /(Deficit) as on 31.03.2017 |
|--|---|
| Surplus-arising from claim u/s 43B net of reversal | 9,245,777 |
| Reversal of Liability-Depreciation difference as per Books compared to Income-Tax | (24,196,875) |
| Surplus-unabsorbed Depreciation and Loss Adjusted | NIL |
| Deferred Tax Surplus(Deficit) | (14,951,098) |

8. CIF Value of Imports:

(Amount in Rs.)

| Particulars | 2016-17 |
|--------------------------------------|-------------|
| Value of Imports – Chemical Division | 289,680,108 |
| Value of Imports –Trading Division | 29,459,114 |

9. Expenditure in Foreign Currency:

(Amount in Rs.)

| Particulars | 2016-17 |
|---------------------|------------|
| Travelling | 573,250 |
| Freight & Demurrage | 21,915,944 |
| Commission paid | 1,299,521 |
| Others | 15,563,923 |

10. FOB value of Exports:

(Amount in Rs.)

| Particulars | 2016-17 |
|---------------|-------------|
| Sale of Goods | 353,843,344 |

11. Figures pertaining to the subsidiary Company have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.

12. This being the first year of Consolidation for the Company with respect to the Profit & Loss items, previous year's figures have not been disclosed.

As per our report of even date
For R.A. Kuvadia & Co.
Chartered Accountants
F. R. N. 105487W

sd/-
R.A. Kuvadia
Proprietor
Membership No. 040087

Place: Mumbai
Date: 18.05.2017

For and on behalf of the Board of Directors

sd/-
Purab Shah
Executive Director & CEO
(DIN 07490952)

sd/-
Sunil K Shah
Director
(DIN 03567415)

sd/-
Seema Gangawat
Company Secretary

sd/-
Vaize Ahmed Kampli
Manager-Finance & Accounts

ASHOK ALCO-CHEM LIMITED

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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 31st March, 2017**

Part "A": Subsidiaries

| Sr. No. | Particulars | Details |
|---------|-----------------------------------|---------------------------------------|
| 1 | Name of the subsidiary | Ashwa Minerals Private Limited |
| 2 | Reporting period | 01.04.2016 - 31.03.2017 |
| 3 | Reporting currency | RUPEES |
| 4 | Share capital | 100,000 |
| 5 | Reserves & surplus | 37,162,722 |
| 6 | Total assets | 81,777,718 |
| 7 | Total Liabilities | 44,514,996 |
| 8 | Investments | — |
| 9 | Turnover (Including other Income) | 134,798,388 |
| 10 | Profit before taxation | 23,768,717 |
| 11 | Provision for taxation | 8,841,751 |
| 12 | Profit after taxation | 14,926,966 |
| 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 | Details |
|---------|--|---------|
| 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 R. A. KUVADIA & CO.
 CHARTERED ACCOUNTANTS
 FRN : 105487W**

Sd/-
R. A. KUVADIA
 Proprietor
 Membership No. 040087

Place : Mumbai
 Date : 18.05.2017

For and on behalf of the Board of Directors

Sd/-
Purab Shah
 Executive Director & CEO
 (DIN 07490952)

Sd/-
Seema Gangawat
 Company Secretary

Sd/-
Sunil K Shah
 Director
 (DIN 03567415)

Sd/-
Vaize Ahmed Kampli
 Manager-Finance & Accounts



ASHOK ALCO-CHEM LIMITED

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

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

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

PROXY FORM

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

| | |
|----------------------|--|
| Name of 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 Fifth Annual General Meeting of the Company to be held on Friday, September 22, 2017 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6thFloor, 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 |
|--------------------------|---|
| Ordinary Business | |
| 1. | Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors' and the Auditors' thereon. |
| 2. | Declaration of Dividend |
| 3. | Appointment of Director in place of Mrs. Neeta Shah (DIN: 07134947), who retires by rotation and being eligible, offers herself for re-appointment. |
| 4. | Appointment of Statutory Auditors and fixing of their remuneration. |
| Special Business | |
| 5. | Appointment of Mr. Shekhaar Shetty (DIN : 07824778) as an Independent Director of the Company. |
| 6. | Appointment and payment of remuneration to Cost Auditors. |
| 7. | Approval for charging fees for service of documents through specified mode. |

Signed this _____ day of _____ 2017

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):

During the year under review, your Company has undertaken the CSR activities at Mahad and Bhuj-Kutch, contributing towards..

- (i) Promoting Education (provided Computer, Printer, classroom renovation & Water Cooler for Students)
- (ii) Medical Facilities (Provided Medical equipments and organized medical camps for localities)
- (iii) Women Empowerment (provided self-employment guidance and other related trainings).



Computer Learning



Water Cooler for Students



Matrix Card Reader



Medical Camps for Tribals



Women Empowerment



Self Employment Guidance



Ashok Alco-Chem Limited

CIN : L24110MH1992PLC069615

104, Venkatesh Chambers, 1st 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 : info@ashokalcochem.com