

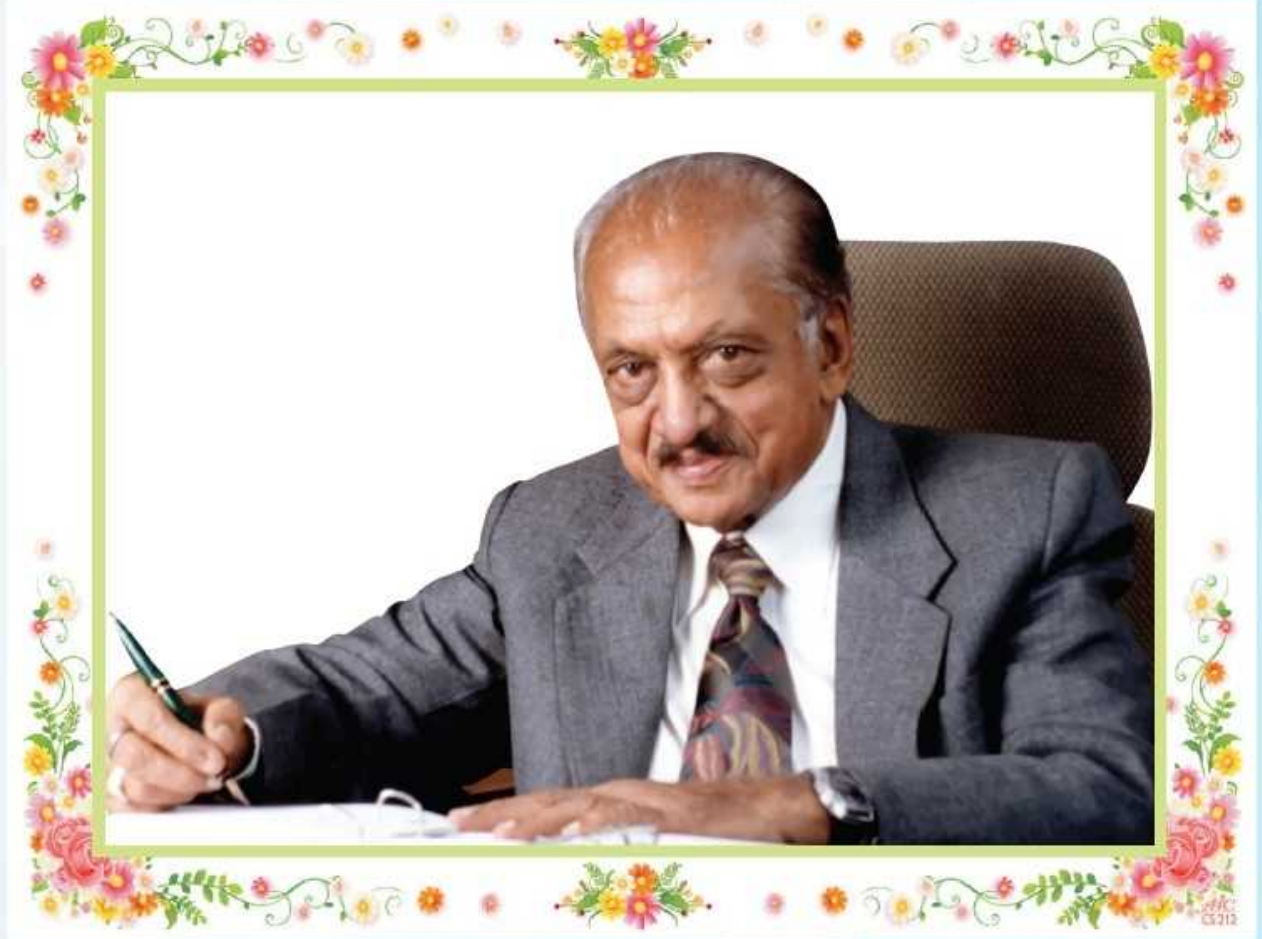
# **ANNUAL** **REPORT** **2014/15**



**ashapura  
group**

***Value Beyond Mining***

IN THE FOND MEMORY OF



Ex. Executive Chairman

**Late Shri Navnitlal Ratanji Shah**

[ 1926 - 2015 ]

नैनं छिन्दन्ति शस्त्राणि नैनं दहति पावकः ।  
न चैनं क्लेदयन्त्यापो न शोषयति मारुतः ॥

## ASHAPURA MINECHEM LIMITED

### BOARD OF DIRECTORS

- **Shri Chetan Shah**  
(DIN :- 00018960) Chairman (Non-Executive)
- **Shri Rajnikant Pajwani**  
(DIN :- 00086007) Whole Time Director &  
Chief Executive Officer  
(w.e.f. 1st October, 2014)
- **Shri Ashok Kadakia**  
(DIN :- 00317237) Non-Executive,  
Independent Director
- **Shri Harish Motiwalla**  
(DIN :- 00029835) Non-Executive,  
Independent Director
- **Shri Abhilash Munsif**  
(DIN :- 02773542) Non-Executive,  
Independent Director
- **Smt. Navita Gaiha**  
(DIN :- 07248115) Non-Executive,  
Independent Director  
(Additional Director w.e.f. 5th August, 2015)
- **Shri Arun Chadha**  
(DIN :- 06747459) Special Director Appointed by  
Board for Industrial &  
Financial Reconstruction  
(BIFR)
- \* **Shri Navnitlal R. Shah** Ex. Executive Chairman  
Expired on 30th June, 2015
- **Shri Sachin Polke** Company Secretary  
& Vice President
- **M/s. Sanghavi & Company** Auditors  
Chartered Accountants
- **Bank of India &  
other Banks in the Consortium** Bankers

● **REGISTERED OFFICE**

Jeevan Udyog Bldg., 3rd Floor,  
278, D.N.Road, Fort,  
Mumbai - 400 001.  
Tel No. : +91-22-66221700  
Fax No. : +91-22-22079395 / +91-22-22074452  
Website : [www.ashapura.com](http://www.ashapura.com)

● **REGISTERED & SHARE TRANSFER AGENT**

M/s Link Intime India Pvt. Ltd.  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West), Mumbai - 400 078.  
Tel. : +91-22-25963838, Fax: +91-22-25946969  
E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

● **PLANT LOCATIONS**

1. Plot No. 256/3, Village Baraya,  
Bhuj-Mundra Highway, Tal. Mundra,  
Kutch (Gujarat) - 370 415.
2. Plot No. 182, Baikampady Industrial Area,  
Baikampady, New Mangalore - 575 011.
3. Jamnagar - Dwarka Highway, Khambhaliya,  
Dist. Jamnagar, Gujarat - 361 305.

● **SHAREHOLDERS INFORMATION**

The Company's Securities are listed on the following Stock Exchanges :

1. Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400 001.
2. National Stock Exchange of India Limited  
"Exchange Plaza", Bandra Kurla Complex,  
Bandra (East), Mumbai - 400 051.





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## NOTICE

NOTICE is hereby given that the 34<sup>th</sup> **Annual General Meeting** of the Members of **ASHAPURA MINECHEM LIMITED** will be held on Wednesday, 30<sup>th</sup> September, 2015 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4<sup>th</sup> Floor, 18/20, K Dubash Marg, Kala Ghoda, Mumbai-400001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2015 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Auditors and the Directors thereon.
2. To appoint a Director in place of Shri Chetan Shah (DIN : 00018960) who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment & remuneration of Statutory Auditors of the Company for the Financial Year 2015-2016 and pass the following resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and the Shareholders resolution passed at the 33<sup>rd</sup> Annual General Meeting dated 25<sup>th</sup> September, 2014, the Company hereby ratifies the appointment of M/s. Sanghavi & Co., Chartered Accountants (Firm Registration No.: 109099W/043485) as Statutory Auditors of the Company for the Financial Year 2015-2016 at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

4. To consider appointment of Branch Auditors of the Company and pass the following resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 143(8) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, M/s. B. Purushottam & Co., Chartered Accountants, Chennai, be and is hereby re-appointed as Branch Auditors for Company's Branches at Chennai, Kodur & Trivendrum, for carrying out the audit of the books of accounts for the Financial Year 2015-2016 and to hold their office until the conclusion of next Annual General Meeting, at such remuneration as may be decided by the Board of Directors in consultation with the Branch Auditors.”

5. To ratify appointment and remuneration of Cost Auditors for Financial Year 2015-2016:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time and subject to such guidelines and approval as may be required, appointment of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditors of the Company for conducting audit of the cost accounting records relating to Bentonite & Allied Minerals, Kaolin and Bauxite (CETA CH. 25, CETA CH. 26 and CETA CH. 38) for the Financial Year 2015-2016 and the remuneration of Rs. 2,00,000 (Rupees Two Lacs only) per annum and reimbursement of actual travel and out of pocket expenses, as approved by the Board of Directors of the Company, be and is hereby ratified.”

### SPECIAL BUSINESS:

6. To Appoint Smt. Navita Gaiha as a Non-Executive Independent Woman Director of the Company:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and other applicable provisions, if any, of the



Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, and in terms of Clause 49(II)A of the Listing Agreement, Smt. Navita Gaiha (DIN : 07248115) who was appointed by Board of Directors of the Company as an Additional Director, (Independent Director), w.e.f. 5<sup>th</sup> August, 2015 and whose appointment is subject to the approval of Shareholders at the ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Non-Executive Independent Woman Director of the Company, not liable to retire by rotation and who shall hold office for five consecutive years w.e.f. 5<sup>th</sup> August, 2015.”

**By Order of the Board of Directors**

**Sd/-**

**SACHIN POLKE  
COMPANY SECRETARY &  
VICE PRESIDENT**

**Place:** Mumbai

**Date:** 5<sup>th</sup> August, 2015

## NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. Corporate Members intending to send their Authorised Representative(s) to attend the Annual General Meeting are requested to send a duly certified copy of the Board Resolution authorising him/them to attend and vote at the meeting.
4. Members are requested to bring their copies of Annual Report and Attendance Slip for attending the Meeting.
5. Members are requested to address all correspondences, including dividend matters, if any, to the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078.
6. The members are requested to intimate, well in advance, to the Company and to the Depositories, as the case may be, of the changes in their addresses with the postal pin code numbers and also the e-mail ids & particulars of their Bank Account Numbers to minimise the chances of fraudulent encashment of the future dividend warrants/cheques/drafts, if any.
7. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Act and Rules made thereunder, by filing prescribed Form No. SH. 13 (in duplicate) with the Company's Registrar & Share Transfer Agent. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participants (DP).
8. The Company's Transfer Books will remain closed from Friday, 18<sup>th</sup> September, 2015 to Wednesday, 30<sup>th</sup> September, 2015 (both days inclusive).
9. Members wishing to claim dividends, which remain unclaimed and has not been transferred to the Investor Education and Protection Fund (IEPF), are requested to correspond with Company Secretary at the Company's Registered Office by sending letter in original duly signed by the registered shareholder. Members are requested to note that dividends not encashed or claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 205C of the Companies Act, 1956 (read with Companies Act, 2013) be transferred to the Investor Education and Protection Fund of the Central Government. The last date for claiming unclaimed dividend declared for the financial year 2007-2008 expires on 29<sup>th</sup> October, 2015. Therefore, the shareholders are requested to claim the said unclaimed dividend before the expiry of the said period.
10. Queries on accounts and operations of the Company, if any, may please be sent to the Company ten days in advance of the Meeting so that the answers may be made available at the Meeting.
11. The Ministry of Corporate Affairs (MCA) has adopted or implemented "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. The Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered e-mail addresses of the shareholders.  
  
To support this green initiative and to receive communication from the Company through electronic mode, members who have not registered their e-mail addresses and holding shares in physical form are requested to contact the Company's Registrar & Share Transfer Agent and register their e-mail ID and Members holding shares in dematerialised form are requested to contact their Depository Participant (DP). Members may please note that notices, annual reports, etc. will also be available on the Company's website viz. [www.ashapura.com](http://www.ashapura.com).
12. The Notice of the Meeting along with the Annual Report 2014-2015 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.





### 13. E-Voting Facility:

1. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014 as amended vide Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement entered into with the Stock Exchanges, the Company is pleased to provide to the Members facility of voting by electronic means in respect of businesses to be transacted at the 34<sup>th</sup> Annual General Meeting (AGM) through remote e-voting (i.e. voting electronically from a place other than the venue of the General Meeting).

The Company has engaged the services of National Securities Depository Limited (NSDL) to provide remote e-voting facility to its members.

2. 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.

I. The remote e-voting period commences on **Sunday, 27th September, 2015 at 09.00 a.m. and ends on Tuesday, 29th September, 2015 at 5.00 p.m.** During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the **cut-off date of 23<sup>rd</sup> September, 2015**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

II. The process and manner for remote e-voting are as under:

A. In case a Member receives an e-mail from NSDL:

- (i) Open e-mail and open PDF file viz; "AML 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.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com>
- (iii) Click on Shareholder – **Login**
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

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" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

- (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" (E-Voting Event Number) of "Ashapura Minechem Ltd."
- (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 [bhattvirendra1945@yahoo.co.in](mailto:bhattvirendra1945@yahoo.co.in), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM for members whose e-mail IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy:

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

Electronic Voting Event Number (EVEN)	USER ID	PASSWORD/PIN
–	–	–

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) of (A) above, to cast vote.

- III. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- IV. 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).
- V. 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.
- VI. 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. 23<sup>rd</sup> September, 2015, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [cosec@ashapura.com](mailto:cosec@ashapura.com).
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Shri Virendra Bhatt, Practicing Company Secretaries (Membership No. 1157) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. 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.
- X. 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.
- XI. The Results declared along with the Report of the Scrutinizer shall be placed on the website of the Company [www.ashapura.com](http://www.ashapura.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The Results shall also be immediately forwarded to the BSE Limited, Mumbai & National Stock Exchange of India Limited.

**By Order of the Board of Directors**

**Sd/-  
SACHIN POLKE  
COMPANY SECRETARY &  
VICE PRESIDENT**

Mumbai, 5<sup>th</sup> August, 2015

**Registered Office:**  
Jeevan Udyog Building,  
3<sup>rd</sup> Floor, 278,  
Dr. D. N. Road, Fort,  
Mumbai – 400 001

E. & O.E. are regretted



## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013:

### Item No. 6:

#### **Appointment of Smt. Navita Gaiha as a Non-Executive Independent Woman Director of the Company:**

Pursuant to the provision of Section 149(1) of the Companies Act, 2013 and the rules framed there under and in terms of Clause 49(II) A of the Listing Agreement, every Listed Company is required to appoint at least one Woman Director on its Board.

In compliance of the above, the Board of Directors at its meeting held on 5<sup>th</sup> August, 2015 appointed Smt. Navita Gaiha (DIN: 07248115) as an Additional Director (Independent Director) on the Board of the Company. The Board confirmed appointment of Smt. Navita Gaiha as an Additional Director with immediate effect which is subject to the approval of Shareholders at the ensuing Annual General Meeting. The Company has received notice in writing as required under the provisions of Section 160 of the Companies Act, 2013, from a member along with the requisite deposit proposing her Candidature for the office of Independent Director.

In the opinion of the Board of Directors, Smt. Navita Gaiha, the Non-Executive Independent Woman Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made there under.

The relevant details of Smt. Navita Gaiha as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges have been given in the “**Annexure - 1**” attached hereto.

Copy of the draft letter of her appointment as Independent Director and Consent letter received from her will be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends resolution at Item no. 6 in relation to the appointment of Smt. Navita Gaiha as a Non-Executive Independent Woman Director for a period of five (5) consecutive years w.e.f. 5<sup>th</sup> August, 2015, for the approval by the members of the Company.

Except Smt. Navita Gaiha to whom the resolution relates, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**By Order of the Board of Directors**

**Sd/-  
SACHIN POLKE  
COMPANY SECRETARY &  
VICE PRESIDENT**

Mumbai, 5<sup>th</sup> August, 2015

#### **Registered Office:**

Jeevan Udyog Building,  
3<sup>rd</sup> Floor, 278,  
Dr. D. N. Road, Fort,  
Mumbai – 400 001

**DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING  
( in pursuance of Clause 49 of the Listing Agreement )**

<b>Name of Director</b>	<b>Shri Chetan Shah</b>	<b>Smt. Navita Gaiha</b>
<b>Date of Birth</b>	28.01.1955	08.12.1954
<b>Qualification</b>	Commerce Graduate	M.A, L.L.B
<b>Brief Profile &amp; Expertise in specific functional areas</b>	<p>Shri Chetan Shah, co-founder of the Company &amp; Ashapura Group has more than 3 decades of experience in the field of mining &amp; minerals industry and has been supervising operational &amp; marketing functions of the Ashapura Group's mineral portfolio which among other includes bentonite, bauxite, kaolin, barites and their derivatives/by-products.</p> <p>He has been the governing force behind the success of Ashapura Group and under his able guidance &amp; immense knowledge of minerals/it's derivatives and its usage in various industry has helped Ashapura Group to be a leader in bentonite/bauxite industry.</p>	<p>Smt. Navita Gaiha is a Practicing Advocate in the Delhi High Court and in the Income-tax Appellate Tribunal, New Delhi. She is having more than 20 years of professional experience.</p> <p>She has also been prominently associated with several social causes for the amelioration of women &amp; children through governmental as well as non-governmental organizations and associations.</p>
<b>Directorship in other Public Companies</b>	<ol style="list-style-type: none"> <li>1. Ashapura International Ltd.</li> <li>2. Ashapura Perfoclay Ltd.</li> <li>3. Ashapura Claytech Ltd.</li> <li>4. Ashapura Industrial Finance Ltd.</li> <li>5. Ashapura Aluminium Ltd.</li> <li>6. Bombay Minerals Ltd.</li> <li>7. Prashansha Ceramics Ltd.</li> </ol>	NIL
<b>Chairmanship / Membership of the Committees of the Board*</b>	<p><b>Membership</b></p> <ol style="list-style-type: none"> <li>1. Ashapura Minechem Ltd.-SRC</li> </ol>	NIL
<b>No. of shares held in the Company as on 31.03.2015</b>	1,35,43,814 Equity Shares	NIL

\* Represents only Membership/Chairmanship of the Stakeholder's Relationship Committee (SRC) of Indian Public Limited Companies.



## DIRECTORS' REPORT

To  
The Members,

Your Directors present the Thirty Fourth Annual Report of the Company together with the Annual Statements of Accounts (Standalone & Consolidated) for the year ended 31<sup>st</sup> March, 2015.

### FINANCIAL RESULTS AND PERFORMANCE:

	Ashapura Minechem Ltd. (₹ in Lacs)		Consolidated (₹ in Lacs)	
	2014-2015	2013-2014	2014-2015	2013-2014
<b>Net Sales / Income from Operations</b>	<b>74,923.51</b>	66,363.60	<b>1,75,284.66</b>	1,08,322.07
Less: Total Expenditure	<u>63,541.31</u>	<u>57,070.13</u>	<u>1,50,322.64</u>	<u>93,366.10</u>
<b>Profit/(Loss) from Operations before Dep., Other Income and Exceptional Items</b>	<b>11,382.20</b>	9,293.47	<b>24,962.02</b>	14,955.97
Less: Depreciation	<u>1,588.02</u>	<u>1,116.44</u>	<u>3,485.46</u>	<u>2,568.09</u>
<b>Profit/(Loss) from Operations before Other Income and Exceptional Items</b>	<b>9,794.18</b>	8,177.03	<b>21,476.56</b>	12,387.88
Add: Other Income	<u>945.18</u>	<u>830.77</u>	<u>714.50</u>	<u>566.02</u>
<b>Profit/(Loss) before Exceptional and Extra-ordinary Items and Tax</b>	<b>10,739.36</b>	9,007.80	<b>22,191.06</b>	12,953.90
Exceptional Items	<u>(23,133.08)</u>	<u>5,118.88</u>	<u>(23,133.08)</u>	<u>5,453.14</u>
Extra-ordinary Items	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Profit/(Loss) before Tax</b>	<b>(12,393.72)</b>	14,126.68	<b>(942.01)</b>	18,407.04
<b>Tax Expenses</b>				
Current Tax	<u>—</u>	<u>—</u>	<b>2,938.70</b>	924.15
Earlier Year's Tax	<u>—</u>	<u>—</u>	<b>(1.07)</b>	(85.38)
Deferred	<u>—</u>	<u>—</u>	<b>(29.48)</b>	150.86
<b>Net Profit / (Loss)</b>	<b>(12,393.72)</b>	14,126.68	<b>(3,909.12)</b>	17,417.41
Minority Interest	<u>—</u>	<u>—</u>	<b>(0.20)</b>	(1.00)
Share of Profit/(Loss) in Associate Company	<u>—</u>	<u>—</u>	<b>262.30</b>	4.71
<b>Net Profit / (Loss) of the Group</b>	<b>(12,393.72)</b>	14,126.68	<b>(3,647.01)</b>	17,421.12

In the financial year 2014-2015, your Company was able to continue the sale of Bauxite from Gujarat based on the ad-interim relief granted to certain mine owners by the Hon. Supreme Court. The sale of Bauxite allowed the Company to increase its revenue from operations to ₹ 74,924 Lacs on a standalone basis by about 13% higher as compared to the previous financial year; similarly, the consolidated revenues from operations increased by around 61%. Your company's Profit After Tax (before extraordinary items) rose to ₹10,739 Lacs on a Stand-alone basis and to ₹ 22,191 Lacs (before extraordinary items) on a consolidated basis.

Export revenues from Bentonite segment were relatively encouraging whereas those in the domestic sector were steady despite a challenging environment in the auto-ancillary and foundry industries. Sales in the white clay and other mineral segments were buoyant particularly in the domestic market.

Your Company and its Subsidiaries continue to be preferred global suppliers of mineral solutions. The Company's versatile portfolio comprises of more than 25 minerals and 120 value added mineral solutions such as Bleaching Clay, Ceramic Proppants, Clay Catalysts are used in several applications like manufacturing of aluminium metal, cement, iron ore pelletization, foundries, oil well drilling, paper, paints, edible oil purification, castables and hydraulic fracturing, etc.



## ASHAPURA MINECHEM LIMITED

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Products such as Mullite & Chamotte which were inducted in the Company's value added mineral solutions portfolio last year have received an encouraging response in the markets and the Company is set to launch its pioneering Ceramic Proppants this year which are supported by years of research and resource development.

### DIVIDEND:

Considering the state of affairs of the Company, your Directors have not recommended any Dividend for the financial year 2014-2015.

### DEPOSITS:

During the year under review, your Company did not accept any deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

### SUBSIDIARIES AND JOINT VENTURES:

The principal Subsidiaries and Joint Ventures of the Company showed promising growth.

**Ashapura International Ltd.** which principally caters to the export of Bauxite and Bentonite showed substantial increase of 45% in revenues 53% in its after tax profits on account of a spurt in export sales.

**Bombay Minerals Ltd.** which sells bauxite and its value added derivative calcined bauxite had a 4 times revenue and profit multiple as compared to the previous year on account of the continuing supply of Bauxite and High Grade Bauxite on account of the ad-interim order of the Supreme Court. Bombay Minerals Ltd. had acquired 18% stake in Orient Abrasives Ltd. ('OAL') in November 2013; on July 15, 2015, Bombay Minerals Ltd. ('BML') acquired an additional 20% stake in OAL, thereby increasing its total stake to about 38% in the Company and become its single largest shareholder. Furthermore, since OAL is a Company listed on BSE and on NSE; BML as the new promoter of OAL is in the process of completing an open offer to the shareholders of OAL as per the prevalent SEBI guidelines.

**Ashapura Perfoclay Ltd.** (formerly known as Ashapura Volclay Ltd.) completed its two phase capacity expansion in the financial year, making the largest single location Bleaching Clay processing complex in the world. The Company, exhibited a marginal decline of 2% in its revenues on account of the volatility in the edible oil markets which consume the Company's premium Bleaching Clay.

The other overseas subsidiaries and joint ventures of the Company in Belgium, UAE and Oman exhibited modest increases in revenues and profits.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries', Associates' and Joint Ventures (in Form AOC-1) is attached to the financial statements. (Refer Page No. 118)

### CONSOLIDATED FINANCIAL STATEMENTS:

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interests in Joint Ventures, the Audited Consolidated Financial Statement is provided in the Annual Report.

### COMPANY'S REFERENCE TO BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION (BIFR):

Based on the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2011, the Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 20<sup>th</sup> March, 2012 declared your Company as 'Sick Company' under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Consequently, the BIFR Bench appointed Bank of India as Operating Agency (OA) with directions to submit Draft Rehabilitation Scheme (DRS). Based on the various meetings with the Operating Agency and subsequent revisions, your Company has presented



a revised Draft Rehabilitation Scheme (DRS) and the same is under discussion amongst various concerned lenders for finalization.

Pending the finalization of DRS, the Company is keen to arrive at an arrangement with lenders/creditors and accordingly, the Company in consultation/concurrence with BIFR, has initiated discussions/negotiations with all financial institutions/banks and have restructured/settled with majority of the lenders. Similarly, discussions are also held with other major creditors which are yet to be concluded.

## **STATUS OF THE PENDING LITIGATIONS:**

### **1. SHIPPING MATTERS:**

The Contracts of Affreightment entered into by the Company with Shipping Companies - viz. [1] I.H.X. (UK) Ltd. [2] Eitzen Bulk A/s and [3] Armada Singapore Pte Ltd.

In case of the above shipping companies, the Company is facing applications for enforcement of ex-parte Foreign Awards passed in respect of three Contracts of Affreightment in the Bombay High Court filed for approx. US \$ 126.07 million.

Since the award of claims of each of the three shipping companies were heavily exaggerated, the Company has much prior in time filed an application for enforcement of award, initiated legal proceedings against the alleged arbitration award in the Civil Court at Jam-Khambhaliya, Gujarat on the ground of opposed to the Public Policy of India. The Application filed by the Company challenging the foreign awards stands upheld in the Court of Law.

Matters are also pending in Bombay High Court, Gujarat High Court and Supreme Court apart from District Court at Khambhaliya.

### **2. FOREX DERIVATIVES:**

In case of Forex Derivatives Contracts, the Company has taken legal opinion that these contracts are void and are not legally enforceable. It has been further advised by the counsels that the Company can take legal actions for challenging the validity of the said contracts.

The Company has approached the Bankers and has successfully settled the claims amicably with most of the bankers.

## **MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31<sup>st</sup> MARCH, 2015 AND 5<sup>th</sup> AUGUST, 2015 (DATE OF THE REPORT):**

During the year under review, there were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

## **SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATIONS:**

During the year under review, no significant material orders were passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations.

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

A report on 'Corporate Governance' along with the Certificate from M/s. Sanghavi & Co., Chartered Accountants regarding its compliance and 'Management Discussion and Analysis' as stipulated by Clause 49 of the Listing Agreement are set out separately which forms part of this Annual Report.

## **DIRECTORS' RESPONSIBILITY STATEMENT:**

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the **Loss** of the Company for that period;

(c) the directors had 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 had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

(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.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

#### **Re-structuring of the Board of Directors:**

- i. The term of office of Late Shri Navnitlal Shah as an Executive Chairman of the Company was due for renewal at the close of office hours on 30<sup>th</sup> September, 2014. Since there was no formal communication from the Chairman's office expressing his intention to continue as an Executive Chairman of the Company; also considering his age and health conditions and in the best interest of the Company, the Board of Directors, after considering the recommendations of the Nomination and Remuneration Committee, thought it advisable to relieve him from his duties as an Executive Chairman of the Company and also thought it fit; not to renew his agreement for the said position. However, he was to continue as a Non-Executive Director on the Board of the Company w.e.f. 1<sup>st</sup> October, 2014.

Further, due to his inability to attend to his office and/or any of the meetings of the Board of Directors of the Company his office of Director stood automatically vacated in terms of the provisions of Section 167(1)(b) of the Companies Act, 2013.

Your Board of Directors with deep regret inform you that Late Shri Navnitlal Shah, Promoter and Ex-Chairman of Ashapura Minechem Limited expired on 30<sup>th</sup> June, 2015. The Ashapura family and the Board of Directors place on record their sincere gratitude & appreciation for his visionary role and efforts in building the "Ashapura" Group.

- ii. The term of office of Shri Chetan Shah as a Managing Director of the Company was also due for renewal at the close of office hours on 30<sup>th</sup> September, 2014. The Board of Directors, after taking into considering the recommendations of Nomination & Remuneration Committee consented to the request of Shri Chetan Shah for not opting to renew his agreement for the position of Managing Director. However, it was noted that he too would continue to remain on the Board of the Company as a Non-Executive Director.

The Independent Directors having taken on record the vacation of office of Late Shri Navnitlal Shah from the Directorship of the Company opined that the Company and its Management would need an experienced and visionary guide for mentoring and guiding the Group. Considering the need and the turn of events, it was proposed that Shri Chetan Shah should occupy the position of 'Chairman - Emeritus' for the Group (i.e. Non-Executive Chairman) and accordingly he was appointed as Chairman (Non-Executive) of the Group.

- iii. The Board of Directors of the Company at its meeting held on 29<sup>th</sup> September, 2014 appointed Shri Rajnikant Pajwani as an Additional Director w.e.f. 1<sup>st</sup> October, 2014 and further, on the recommendation of the Nomination & Remuneration Committee, appointed him as 'Whole Time Director & Chief Executive Officer' of the Company for a period of 3 years w.e.f. 1<sup>st</sup> October, 2014 and also approved payment of his remuneration. The Members of the Company, by passing Ordinary Resolution by way of a Postal ballot, result of which was declared on 1<sup>st</sup> December, 2014, approved his appointment as a Director under the provisions of Section 152 of the Companies Act, 2013 and also his appointment as a Whole Time Director of the Company for period of 3 years in terms of the provisions of Section 196 of the Act including the terms & conditions of his appointment including remuneration.



#### **Appointment of a Woman Director:**

The Company being declared financially 'SICK' found it very difficult to induct able and willing candidates to hold fiduciary positions including that of a woman director. Despite its sincere efforts, the Company was unable to appoint a woman director within the stipulated time limit and was penalised for the default. The Company duly submitted its case for consideration with the Stock Exchanges and paid the penalty under protest.

After being persistent, the Company manage to persuade Smt. Navita Gaiha, a prominent lawyer to take up Directorship as an Additional director (Independent Director) and was co-opted by the Board of Directors at their meeting held on 5<sup>th</sup> August, 2015 subject to the approval of shareholders at the ensuing Annual General Meeting, as required under the provisions of the Companies Act, 2013 and the Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The relevant details of Smt. Navita Gaiha as required pursuant provisions of the Companies Act and the Listing Agreement are furnished in “**Annexure - 1**” of the Notice of the ensuing Annual General Meeting.

#### **Retire by Rotation:**

In accordance with the provisions of the Act and the Articles of Association of the Company, Shri Chetan Shah, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. The relevant details of Shri Chetan Shah as required pursuant to the provisions of the Companies Act and the Listing Agreement are furnished in “**Annexure - 1**” of the Notice of the ensuing Annual General Meeting.

#### **Declaration by Independent Director:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Companies Act, 2013 and Clause 49 of the Listing Agreement with the Stock Exchanges.

#### **Appointment of Key Managerial Personnel:**

During the year under review, the Company has appointed the following persons as Key Managerial Personnel of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- |                           |   |   |
|---------------------------|---|---|
| 1. Shri Rajnikant Pajwani | – | Whole Time Director & Chief Executive Officer |
| 2. Shri Sachin Polke      | – | Company Secretary & Vice President            |

During the year under review, the following Executives are recognized as a whole-time Key Managerial Personnel (KMP) of the Company to perform such duties/functions as may be assigned to them under their prescribed designation and/or generally and specifically assigned to them by the Board of Directors and/or its Committee from time to time:

- |                       |   |   |
|-----------------------|---|---|
| 1. Shri Vipul Saxena  | – | Vice President – HR                           |
| 2. Smt. Surekha Sathe | – | Vice President – IT                           |
| 3. Shri Ashish Desai  | – | Sr. General Manager – Accounts                |
| 4. Shri Ajay Phalod   | – | Sr. General Manager – Corporate Finance       |
| 5. Smt. Harsha Joshi  | – | General Manager – Taxation & Internal Control |

#### **BOARD EVALUATION:**

The Company through its Nomination & Remuneration Committee has devised Performance Evaluation Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors which include criteria for performance evaluation of the non-executive directors and executive directors.

Pursuant to the provisions of the Act and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

## ASHAPURA MINECHEM LIMITED

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The Board's functioning was evaluated on various aspects, including *inter-alia* degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Whole-time Director and the Non-Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

### NOMINATION & REMUNERATION POLICY:

In accordance with Section 178 of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement, the Board of Directors at its meeting held on 13<sup>th</sup> November, 2014, on the recommendations of the Nomination & Remuneration Committee, formulated the Nomination & Remuneration Policy of your Company. The salient aspects covered in the Nomination & Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters have been outlined in the Corporate Governance Report which forms part of this Report.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in “**Annexure A**” to this Report.

### MEETINGS OF THE BOARD:

During the year under review, 6 (six) meetings of the Board of Directors were held. The details of the meetings are provided in the Report on Corporate Governance (Please refer Page no. 38).

### AUDIT COMMITTEE:

The Company has an Audit Committee of the Board of Directors in place. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and Clause 49 of the Listing Agreement. Detailed information pertaining to Audit Committee has been provided in the Corporate Governance Report, which forms part of this Annual Report.

### AUDITORS AND AUDITORS' REPORT:

#### Statutory Auditors

M/s. Sanghavi & Co., Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office till the conclusion of the 36<sup>th</sup> Annual General Meeting to be held in the year 2017. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of Auditors shall be placed at every Annual General Meeting for ratification. The Company has received confirmation from them to the effect that if they are reappointed it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. As required under Clause 41 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Accordingly, the appointment of M/s. Sanghavi & Co., Chartered Accountants, as Statutory Auditors of the Company is placed for ratification by the Shareholders at the ensuing Annual General Meeting.





## **Auditors' Observations**

The observations made by Auditors in the Annexure to Auditors' Report are self explanatory and need not require any further clarification.

## **Branch Auditors**

M/s. B. Purushottam & Co., Chartered Accountants, Chennai, the Branch Auditors appointed pursuant to Section 143(8) of the Companies Act, 2013 hold their office till the conclusion of the ensuing Annual General Meeting.

In view of the provisions of Section 143(8) read with the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint M/s. B. Purushottam & Co., Chartered Accountants, Chennai as Branch Auditors to conduct the audit of the Company's branches at Chennai, Kodur and Trivendrum for the financial year 2015-2016.

## **Cost Auditors**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Board of Directors has, on recommendation of the Audit Committee, appointed M/s. S. K. Rajani & Co., Cost Accountants as the Cost Auditor of the Company to conduct audit of the Company's Cost Accounting Records in respect of the products of the Company viz. Bentonite & allied Minerals, Kaolin & Bauxite (CETA CH. 25, 26 & 38) for the financial year 2015-2016 at the remuneration of ₹ 2,00,000/- (Rupees Two Lacs only) per annum plus reimbursement of actual travel & out of pocket expenses. As per the provisions of the Companies Act, 2013, a resolution seeking approval of the Members for the remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting.

The Cost Audit Report for the financial year 2013-2014 was filed with the Ministry of Corporate Affairs on 9<sup>th</sup> February, 2015.

## **Secretarial Auditors**

Pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Shri. Virendra G. Bhatt, Company Secretary in Practice, Mumbai to conduct the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2015.

The Secretarial Audit Report (in Form MR-3) is attached as “**Annexure B**” to this Report.

## **Secretarial Auditors Observations:**

1. Your Directors would like to bring to the notice of the Members that being declared as a 'Sick Company' by the Board for Industrial & Financial Reconstruction (BIFR), it is finding difficult to induct able and willing candidates to hold fiduciary positions including that of the Woman Director and Chief Financial Officer (CFO) i.e. Key Managerial Personnel as required under the provisions of the Companies Act, 2013.

The Board of Directors of the Company at their meeting held on 5<sup>th</sup> August, 2015 have co-opted Smt. Navita Gaiha as an Additional Director (Independent Director), pursuant to provisions of Section 149 of Companies Act, 2013 and in terms of Cause 49 of the Listing Agreement for a period of 5 years subject to the approval of Shareholders.

Also, pending the appointment of 'CFO', the Board of Directors have recognized Shri Ajay Phalod, Sr. General Manager – Corporate Finance and Shri Ashish Desai, Sr. General Manager – Accounts as a whole time Key Managerial Personnel to perform such duties/functions as may be generally performed by the Chief Financial Officer (CFO).

2. As regard filing of 'Form D' pursuant to SEBI (Prohibition of Insider Trading) Regulation and MGT-10 pursuant to the companies Act, 2013, it was informed by the Promoter that the said shares were transferred inter-se Promoter Group and as such no disclosure was made. However, upon professional advice, the Promoter Group Members recently filed the disclosure with the relevant authorities & with the Company.

# ASHAPURA MINECHEM LIMITED

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## INTERNAL CONTROL SYSTEM & THIER ADEQUACY:

The Company has an adequate Internal Control System commensurate with the size, scale and nature of its operation. The Audit Committee reviews the adequacy and effectiveness of Internal Control System.

The Company has appointed the Chartered Accountants Firm as its Internal Auditors which carries out the periodic audit as per the Scope of Work approved by the Audit Committee. The Audit Committee of the Board of Directors of the Company periodically reviews the Internal Audit Reports submitted by the Internal Auditors. Internal Audit observations and corrective action taken by the Management are presented to the Audit Committee. The status of implementation of the recommendations are reviewed by the Audit Committee on a regular basis and concerns, if any, are reported to the Board. The Company is taking due action to ensure that the Internal Control is strengthened in all the areas of operations.

## CORPORATE SOCIAL RESPONSIBILITY:

The Board of Directors at its meeting held on 13<sup>th</sup> November, 2014 approved the Corporate Social Responsibility (CSR) Policy for your Company pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, on the recommendations of the Corporate Social Responsibility Committee. The CSR Policy lays down the guideline principles for social welfare programs/projects initiated by the Ashapura Group through its Trusts/Foundation for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons. The policy is available on the website of the Company.

The Company to the best of its ability continues to fund its Corporate Social Responsibility initiatives and projects; however on account of its insufficient Net Worth and its continued reference to the Board for Industrial and Financial Reconstruction, the Company has been unable to specifically make a provision for Corporate Social Responsibility.

## VIGIL MECHANISM- WHISTLE BLOWER POLICY:

Your Company is committed to conducting its business in accordance with applicable laws, rules and regulations and believes in conducting its business in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Policy has been formulated with an objective to build and strengthen a culture of transparency and trust within the Company and to provide a framework to its directors and employees for responsible and secure reporting of improper activities (whistle blowing); and also to provide for adequate safeguards against victimization of directors/employees, who avail of the mechanism; and for direct access to the Chairman of the Audit Committee. More details on the Vigil Mechanism and the Whistle Blower Policy of your Company have been outlined in the Corporate Governance Report which forms part of this report.

## RISK MANAGMENT POLICY:

The Board of Directors of your Company has laid down a Risk Management Policy for the Company that identifies elements of risks inherent to the business and have entrusted on Audit Committee the responsibility of reviewing the said policy.

## RELATED PARTY TRANSACTIONS:

All contracts/arrangements/transactions entered by the Company during the financial year under review with the Related Parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/arrangement/transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on Related Party Transactions. In view thereof, the disclosure in Form AOC-2 is not required to be provided.

The Company places all Related Party Transactions before the Audit Committee and also before the Board of Directors for approval on quarterly basis. The omnibus approval was obtained from the Audit Committee in respect of transactions which are of repetitive in nature in accordance with the Policy on Related Party Transactions of the Company. The Audit Committee also



reviewed the details of such Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given on a quarterly basis.

The Policy on Related Party Transactions as approved by the Board of Directors of the Company is available on the website of the Company [www.ashapura.com](http://www.ashapura.com).

Your Directors draw attention of the members to Note no. 40 to the financial statement which sets out related party disclosures.

#### **PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:**

Particulars of loans given, investments made, guarantees given and securities provided in accordance with the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to Financial Statements (Please refer to Note no. 39).

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Act, are provided in “**Annexure C**” to this Report.

#### **EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return of the Company in Form MGT-9 as provided under Section 92(3) of the Companies Act, 2013 is annexed herewith as “**Annexure D**” to this Report.

#### **ACKNOWLEDGEMENT:**

Your Directors wish to express their appreciation for the assistance and co-operation received from the financial institutions, banks, employees, investors, customers, Government & Government agencies and all other business associates for the continuous support given by them to the Company and their confidence in its management during the year under review and look forward for their contributed support in future.

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

Sd/-

**CHETAN SHAH**

**CHAIRMAN (NON-EXECUTIVE)**

Sd/-

**RAJNIKANT PAJWANI**

**WHOLE-TIME DIRECTOR & CEO**

Place: Mumbai

Date: 5<sup>th</sup> August, 2015

E. & O.E. are regretted

### INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year:- **16 times\***
2. The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:-  
Company Secretary:- **14.40%**
3. The percentage increase in the median remuneration of Employees in the financial year:- **(13.23%)**
4. The number of permanent employees on the rolls of the Company:- **792** (Previous year 594)
5. The explanation on the relationship between average increase in remuneration and Company performance:-  
**The Net Sales for the year ended on 31<sup>st</sup> March, 2015 increased by 12.90%. Average increase in the remuneration of Employees is 14.03%, which is in line with the Company performance.**
6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:-  
**The Net sales for the year ended on 31<sup>st</sup> March, 2015 increased by 12.90%. Average Increase in the remuneration of Key Managerial Personnel is 14.56%.**
7. a) Variations in the Market Capitalization of the Company:-  
**The Market Capitalization as on 31<sup>st</sup> March, 2015 was ₹ 63,978.28 Lacs (₹ 49,756.05 Lacs as on 31<sup>st</sup> March, 2014)**  
b) Price Earnings Ratio:-  
**Price Earnings Ratio of the Company was 5.96 as on 31<sup>st</sup> March, 2015 and was 5.28 as on 31<sup>st</sup> March, 2014**
8. 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:-  
**Average percentage increase made in the salaries of Employees other than the Managerial Personnel in the last financial year i.e. 2014-2015 was 14.60%, whereas the increase in the Managerial Remuneration for the same financial year was 14.56%.**
9. The key parameters for any variable component of remuneration availed by the Directors:-  
**Not Applicable**
10. The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year:- **0.75 Times\***
11. **It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel (KMP) and other Employees is as per the remuneration policy of the Company.**

\* Ratio calculated on the basis of remuneration of Whole-time Director & CEO. The Whole-time Director & CEO received remuneration for part of the year. However, for considering the ratio, remuneration has been accordingly calculated on pro-rata basis for entire year.



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[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,  
Ashapura Minechem Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ashapura Minechem Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Ashapura Minechem Limited 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 March 31, 2015 generally complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Ashapura Minechem Limited (“the Company”) for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under ;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **(Not applicable during the audit period);**
- (iv) Foreign Exchange Management Act, 1999 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- (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, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 **(Not applicable during the audit period);**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable during the audit period);**
  - (e) The Securities and Exchange Board of India (Issue & listing of Debt securities) Regulations, 2008 **(Not applicable 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 **(Not applicable during the audit period);**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable during the audit period);** and



## ASHAPURA MINECHEM LIMITED

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable during the audit period);**
- (vi) The operations of the Company include a composite range of activities related to Mining Industry. In our opinion, the Company being operating in the aforesaid diversified activities, various laws/ regulations are applicable to it. The Company claims that it has complied with all such laws. In the absence of any identifiable specific major law/ regulation under which the sector and the Company operates, we are not in a position to identify and report the same in our report. The Company is currently under Board of Industrial and Financial Reconstruction (BIFR).
- (vii) I have also examined compliance with the applicable clauses of the following:
- (i) The Listing agreements entered into by the Company with the stock exchanges.
- (ii) Secretarial Standards Issued by The Institute of Company Secretaries of India – **(At present not applicable).**

We have audited only Ashapura Minechem Limited and not its Subsidiaries, Associates and Joint Venture Companies.

**I report that Chief Financial Officer (CFO) has not been appointed.**

**I further report that Form D pursuant to The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and MGT-10 pursuant to Section 93 of the Companies Act, 2013 and pursuant to rule 13 of the Companies (Management and Administration) Rules, 2014, for 14,00,000 shares acquired on 09.06.2014 by Shri Chetan Shah was not filed during the Audit period but was filed subsequently.**

**I further report that Women Director was not appointed during the Audit period but was appointed subsequently.**

I further report that in the previous years the Company had taken approval of Central Government with respect to related party transactions but in the current year the Company claims that since the related party transactions were at arm's length price, such approval is not required.

Following are the details of Related Party Transactions:

Particular of Transaction	2014-2015 ₹	2013-2014 ₹
<b>Subsidiaries :</b>		
Sales of Materials	743,930,586	722,488,042
Purchase of Materials	421,718,463	329,466,528
Export Shipment and Other Expenses	4,033,905	—
Interest Received	28,628,829	26,086,545
Lease Rent Paid	1,368,000	1,368,000
Loan Granted	80,000,000	1,006,723
Loans Received	—	15,240,064
Administrative Expenses Reimbursements (net) Receipts	82,546,260	72,699,264
Reimbursement of Royalty Payments	47,063,886	25,641,383
R&D Charges Receipts	38,819,000	15,936,000
Purchase of Fixed Assets	2,281,179	12,725,791
Sale of Fixed Assets	26,955,136	—
Loans written off	—	185,000,000
<b>Outstanding Balances as on 31st March</b>		
Security Deposits (Long-term loans and advances)	44,100,000	44,100,000
Trade Receivables	1,129,778,715	802,432,208
Trade Advances (Short-term loans and advances)	85,856,778	140,327,258
Long-term Loans and Advances	466,105,155	404,166,461



<b>Associates and Joint Ventures:</b>		
Sales of Materials	428,968,352	314,644,139
Operational Income	3,972,960	—
Purchase of Materials	53,707,357	38,822,088
Interest Received	29,361,220	24,202,621
Lease Rent Paid	—	225,555
Mining, Other Charges Payments	74,756,413	91,930,201
Reimbursement of Administrative Expenses	47,912,207	53,141,510
Export Shipment and Other Expenses	159,709,919	185,007,441
Purchase of Fixed Assets	—	3,387,544
Sales of Fixed Assets	969,043	7,720,884
R & D Charges Receipts	2,800,000	4,250,000
Issue of Equity Shares	—	147,320,000
<b>Outstanding Balances as on 31st March</b>		
Trade Receivables	344,920,308	259,357,528
Trade Advances (Short-term loans and advances)	318,739,853	144,767,157
Security Deposits (Long-term loans and advances)	23,200,000	23,200,000
Long-term Loans and Advances	181,504,551	207,572,311
Trade Payables	2,085,243	42,617,431
Advances from Customers	38,924,729	36,605,152
Short-term Borrowings	—	—
Interest Receivable (Short-term loans and advances)	18,714,114	5,146,258

I further report that monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year except where the ultimate recovery or the payment, as the case may be, are uncertain, are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss statement.

I further report that the Security and Exchange Board of India (SEBI) vide its letter no. CFD/DIL/ HB/OW/35705/ 2014 dated 12th December 2014, has directed the Company to make the necessary provisions of unprovided disputed losses/liabilities in respect of foreign currency derivative contracts, which were the subject matter of qualification in the Auditors' Report in the previous year. Accordingly, the Company has, during the year, provided for such disputed liabilities aggregating to ₹ 21,101.37 lacs under exceptional items. The Company, however, based on the legal advice received, maintains that these financial derivative contracts are void and unenforceable.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period and I have not verified the correctness and appropriateness of the books of accounts of the Company.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. 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.

I further report that as per the information provided generally adequate notice is given to all directors to schedule the Board Meetings, agenda & detailed notes on agenda were sent at least seven days in advance & a system exists for seeking & obtaining further information & clarifications on agenda items before the meeting & for meaningful participation at the meeting.

I further report that as per the information provided majority decision is carried through while the dissenting members' views are captured & recorded as part of the minutes.

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

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period the Company has no specific events like Public/Right/Preferential issue of shares/debentures/sweat equity, etc.

I further report that our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. Whereever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-  
Virendra Bhatt  
ACS No – 1157  
COP No – 124

Place: Mumbai  
Date: 5<sup>th</sup> August, 2015



## ANNEXURE – “C”

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

#### A. CONSERVATION OF ENERGY:

##### a) Energy Conservation measures taken:

- i) The Company has taken many initiatives in the field of power consumption in its grinding mills & several other automatic power control systems.
- ii) The Company has decided to implement automatic process control system and PLC (project has started) as well as several electrical instruments to conserve and control power and its fluctuations.
- iii) The Company has also availed power trading wherein it can sell off the excess available power.

##### b) Impact of above measures:

The effect of above measure is imminent as, inspite of unit power cost going up from grid, our power cost is within control.

#### B. TECHNOLOGY ABSORPTION:

	2014-2015	2013-2014
1. Efforts made towards technology absorption	<p><b>(1) Bauxite</b></p> <ol style="list-style-type: none"> <li>a. Beneficiation of Bauxite for suitable applications</li> <li>b. Development of calcined bauxite for refractory and abrasive applications</li> <li>c. Development of ceramic proppants for hydraulic fracturing</li> </ol> <p><b>(2) Refractories</b></p> <ol style="list-style-type: none"> <li>a. Development of Mullite-42 for refractory applications</li> <li>b. Development of Mullite-47 for refractory applications</li> </ol> <p><b>(3) Bentonite</b></p> <ol style="list-style-type: none"> <li>a. Development of surface modified clay for carbon less copy paper</li> </ol> <p><b>(4) Kaolin &amp; Ball Clay</b></p> <ol style="list-style-type: none"> <li>a. Development of paint grade kaolin from Bhuj Kaolin</li> <li>b. Process improvement studies Hydrocyclone from Bhuj Kaolin</li> <li>c. Development of plastic clay for sanitary application</li> <li>d. Development of ball clay blend for ceramic tile application</li> </ol>	<p><b>(1) Bleaching Clay:</b></p> <ol style="list-style-type: none"> <li>a. To study the effect of different parameters on the bleaching performance of V2-Fines product.</li> <li>b. To identify &amp; study the different sources of Attapulgate clay for bleaching earth applications</li> </ol> <p><b>(2) Development of clay catalysts for BTX Application:</b></p> <ol style="list-style-type: none"> <li>a. Characterization of different raw materials for BTX grade material.</li> <li>b. To study the different process parameters in the synthesis of activated clay catalyst and effect on the performance of these clay catalysts.</li> </ol> <p><b>(3) To study the Bauxite beneficiation for Iron and Calcium impurities.</b></p> <p><b>(4) Development of Castable based products.</b></p> <p><b>(5) Development of Chamotte products.</b></p>

	<p><b>(5) Silica sand</b></p> <p>a. Development of silica sand for glass grade from clay washing waste silica</p> <p>b. Development of silica sand for foundry grade from clay washing waste silica</p>	<p><b>(6) To develop Earthing - grade Bentonite.</b></p>
<p>2. Benefits derived like product improvement, cost reduction, product development, import substitution, etc.</p>	<p>a. High silica in bauxite limits its usage for certain applications. So, the removal silica is required so that it can be used for alumina, refractory and abrasive industry. In-house technology demonstrated that the bauxite with high amount of silica could be purified by optimizing and modifying the wet screening process. R&amp;D stage development work done in making ceramic Proppant using bauxite.</p> <p>b. Optimization of calcination process viz. temperature and time and close composition control was carried out to achieve the desired quality calcined bauxite. In-house technology know-how of Mullite products for low apparent porosity, high bulk density for refractory applications</p> <p>c. In-house technology for surface modified bentonite for carbon less copy paper</p> <p>d. In-house development of paint grade kaolin, process efficiency improvement of hydro-cyclone, plastic clay for sanitary application and ball clay for ceramic tile application</p> <p>e. In-house development of silica sand for glass grade and foundry grade applications</p>	<p>a. Benefits of Bleaching Clay Project: From the study, the optimization and evaluation of properties were carried out with different acid dosage on bentonite samples from different mines. After studying the effect of attapulgite clay content, calcium content and surface area on bleachability parameter, the attapulgite based bleaching earth materials have been developed for refining palm oil.</p> <p>b. Different raw materials were collected and characterized for chemical, mineralogy and physical properties. These materials are being tested for BTX activity. Its properties had been correlated with BTX activity, which helped to evaluate the right raw materials for making clay catalysts for BTX application.</p> <p>c. The main problems with Indian bauxite ores are high iron and calcium oxide contents. So, the removal of iron and CaO is required to meet the refractory specifications. In-house technology demonstrated that the bauxite with high amount of iron oxide and CaO could be purified by high intense magnetic separation and acid treatment.</p> <p>d. In-house R&amp;D unit had studied the feasibility of making castable based product from available raw materials and preliminary results are quite encouraging. Further studies are going on to develop the custable-products from calcined clay and bauxite materials.</p> <p>e. In-house know how technology based Chamotte products started manufacturing at our plant.</p>





		f. Developed and production started of Earthing grade Bentonite at plant level after its performance evaluation at customer end.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: a. Details of technology imported b. Year of import c. Whether the technology been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reasons therefore	No technology has been imported in the last 3 years.	No technology has been imported in the last 3 years.
<b>4. Expenditure on Research &amp; Development</b>		
	<b>2014-2015</b> (₹)	2013-2014 (₹)
a) Capital	<b>23,461,996</b>	1,781,959
b) Recurring	<b>25,187,733</b>	30,016,692
c) Total	<b>48,649,729</b>	31,798,651
d) Total R&D Expenditure as a Percentage of total turnover	<b>0.64%</b>	0.47%

#### C. FOREIGN EXCHANGE EARNING OUTGO:

	<b>2014-2015</b> (₹)	2013-2014 (₹)
a. Foreign Exchange earned in terms of actual inflows during the year (F.O.B.)	<b>5,370,094,130</b>	4,360,413,799
b. Foreign Exchange outgo during the year in terms of actual outflows	<b>922,971,997</b>	527,217,516

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on 31<sup>st</sup> March, 2015**

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

### I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L14108MH1982PLC026396
ii)	Registration Date	19/02/1982
iii)	Name of the Company	Ashapura Minechem Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares/Indian-Non Government Company
v)	Address of the Registered office and contact details	Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai-400001 Tel. No.:022-66651700 Email Id: cosec@ashapura.com
vi)	Whether listed company Yes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078

### 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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/Services	% to total turnover of the Company
1	Bauxite	13203	63.51%
2	Bentonite	14108	28.44%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name & Address of the Company	CIN/GNL	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Ashapura International Ltd. Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U14108MH1989PLC054664	Wholly-owned Subsidiary	100%	2(87)
2	Bombay Minerals Ltd. (BML) Jamnagar-Dwarka Highway, Opp. Ashok Petrol Pump, Khambhalia, Gujarat - 361001	U14100GJ1953PLC000699	Wholly-owned Subsidiary	100%	2(87)



Sl. No.	Name & Address of the Company	CIN/GNL	Holding / Subsidiary / Associate	% of shares held	Applicable Section
3	Ashapura Aluminium Ltd. Plot No. 206, Madhapar, Bhuj-Kutch, Gujarat – 370020	U27203GJ2007PLC051421	Wholly-owned Subsidiary	100%	2(87)
4	Ashapura Consultancy Services Pvt. Ltd. Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U74140MH1993PTC075194	Wholly-owned Subsidiary	100%	2(87)
5	Sharda Consultancy Pvt. Ltd. Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U74140MH1993PTC075195	Wholly-owned Subsidiary	100%	2(87)
6	Peninsula Property Developers Pvt. Ltd. Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U45202MH1997PTC109395	Wholly-owned Subsidiary	100%	2(87)
7	Ashapura Claytech Ltd. Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U26939MH1995PLC090484	Subsidiary	99.44%	2(87)
8	Prashansha Ceramics Ltd. Jamnagar-Dwarka Highway, Opp. Ashok Petrol Pump, Khambhalia, Gujarat - 361001	U51909GJ1995PLC028159	Subsidiary	48.28% (51.72% BML)	2(87)

#### FOREIGN SUBSIDIARIES:

9	Ashapura Minechem (UAE) FZE – (AMUF) Leased Office Building- 2, Office No.2G-11, P.O. Box – 42236, Hamriyah Free Zone, Sharjah, UAE	Foreign Company	Wholly-owned Subsidiary	100%	2(87)
10	Ashapura Holdings (UAE) FZE - (AHUF) Leased Office Building- 2, Office No.2G-18, P.O. Box – 49270, Hamriyah Free Zone, Sharjah, UAE	Foreign Company	Step Down Subsidiary	100% held by AMUF	2(87)

## ASHAPURA MINECHEM LIMITED

11	PT Ashapura Resources Indonesia Plaza BII, Tower II, Lantai 25, JI. M.H. Thamrin No. 31, Jakarta Pusat 10350	Foreign Company	Step Down Subsidiary	100% held by AMUF	2(87)
12	Ashapura Maritime FZE E- Lease Office Building, Office No.56G-24, P.O. Box 42386, Hamriyah Free Zone, Sharjah, UAE	Foreign Company	Step Down Subsidiary	100% held by AHUF	2(87)
<b>JOINT VENTURE COMPANIES:</b>					
13	Ashapura Perfoclay Ltd. (Formerly known as Ashapura Volclay Ltd) Jeevan Udyog Building, 3 <sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400001	U14108MH1997PLC107300	Joint Venture	50%	2(6)
14	Ashapura Arcadia Logistics Private Limited 5th Floor, City Point, Opp. Town Hall, Jamnagar, Gujarat- 361001	U63032GJ2006PTC049157	Associate	50%	2(6)
15	Ashapura Midgulf NV 2030 Antwerp, 12 Mulhouselaan Noord, Haven 158	Foreign Company	Joint Venture	50% (48.98% held by AMUF & 1.02% by AML)	2(6)
16	HUDSON MPA SDN BHD (MALAYSIA) 24A (Room No. 1) Jalan 21/19, Sea Park, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Foreign Company	Joint Venture	25% held by AMUF	2(6)
17	Sohar Ashapura Chemicals LLC P.O Box 1160, Ruwi, Postal Code 112, Muscat, Sultanate of Oman	Foreign Company	Joint Venture	40% held by AHUF	2(6)



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

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	34463741	0	34463741	39.62	34235124	0	34235124	39.36	-0.26
b) Central Govt.	0	0	0	0	0	0	0	0	0.00
c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
d) Bodies Corp.	8093040	0	8093040	9.30	8093040	0	8093040	9.30	0.00
e) Banks/FI	0	0	0	0	0	0	0	0	0.00
f) Any Other.....	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (1):-</b>	<b>42556781</b>	<b>0</b>	<b>42556781</b>	<b>48.92</b>	<b>42328164</b>	<b>0</b>	<b>42328164</b>	<b>48.66</b>	<b>-0.26</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
c) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
d) Banks/FI	0	0	0	0	0	0	0	0	0.00
e) Any Other....	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>42556781</b>	<b>0</b>	<b>42556781</b>	<b>48.92</b>	<b>42328164</b>	<b>0</b>	<b>42328164</b>	<b>48.66</b>	<b>-0.26</b>
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	120000	12000	132000	0.15	118000	12000	130000	0.15	0.00
b) Banks/FI	26590	0	26590	0.03	73718	0	73718	0.08	0.05
c) Central Govt.	0	0	0	0	0	0	0	0	0.00
d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
g) FIIs	15734690	0	15734690	18.09	15714690	0	15714690	18.07	-0.02
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
i) Others (specify) Foreign Mutual Fund	0	0	0	0	8465	0	8465	0.01	0.01
<b>Sub-total (B) (1):-</b>	<b>15881280</b>	<b>12000</b>	<b>15893280</b>	<b>18.27</b>	<b>15914873</b>	<b>12000</b>	<b>15926873</b>	<b>18.31</b>	<b>0.04</b>

## ASHAPURA MINECHEM LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	5269445	77000	5346445	6.15	5013993	77170	5091163	5.85	-0.29
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share capital upto Rs. 1 lakh	12705353	409413	13114766	15.08	11275460	390243	11665703	13.41	-1.67
ii) Individual Shareholders holding nominal share capital in excess of Rs. 1 lakh	6824803	57000	6881803	7.91	6130808	57000	6187808	7.11	-0.80
c) Others (specify)									
• NRI (Repat)	570874	2000	572874	0.66	581263	2000	583263	0.67	0.01
• NRI (Non Repat)	876868	0	876868	1.01	927108	0	927108	1.07	0.06
• Foreign Portfolio Investor (Corporate)	0	0	0	0	2533149	0	2533149	2.91	2.91
• Clearing Member	259671	0	259671	0.30	258160	0	258160	0.30	0.00
• Market Maker	47270	0	47270	0.50	50367	0	50367	0.06	0.00
• Trusts	1436340	0	1436340	1.65	1434340	0	1434340	1.65	0.00
<b>Sub-total (B) (2)</b>	<b>27990624</b>	<b>545413</b>	<b>28536037</b>	<b>32.81</b>	<b>28204648</b>	<b>526413</b>	<b>28731061</b>	<b>33.03</b>	<b>0.22</b>
<b>Total Public Shareholding (B) = (B) (1) + (B) (2)</b>	<b>43871904</b>	<b>557413</b>	<b>44429317</b>	<b>51.08</b>	<b>44119521</b>	<b>538413</b>	<b>44657934</b>	<b>51.34</b>	<b>0.26</b>
<b>C. Shares held by Custodian or GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>86428685</b>	<b>557413</b>	<b>86986098</b>	<b>100.00</b>	<b>86447685</b>	<b>538413</b>	<b>86986098</b>	<b>100.00</b>	<b>0.00</b>





**(ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding 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	Chetan Navnitlal Shah	12143814	13.96	13.20	13543814	15.57	13.20	1.61
2	Late Navnitlal Ratanji Shah	9514087	10.94	8.19	6847960	7.87	7.72	-3.07
3	Dina Chetan Shah	7768020	8.93	8.87	7768020	8.93	8.87	0.00
4	Manan Chetan Shah	3639220	4.18	2.53	2239220	2.57	2.53	-1.61
5	Chaitali Chetan Shah	1255620	1.44	1.38	1255620	1.44	1.38	0.00
6	Himani Chetan Shah	142980	0.16	0.00	142980	0.16	0.00	0.00
7	Fizzah N. Shah	0	0	0.00	2437510	2.80	0.00	2.80
8	Ashapura Industrial Finance Ltd	8088000	9.30	0.00	8088000	9.30	0.00	0.00
9	Gurbarga Trading Co. Pvt. Ltd.	2520	0.00	0.00	2520	0.00	0.00	0.00
10	Hemprabha Trading Co. Pvt. Ltd.	2520	0.00	0.00	2520	0.00	0.00	0.00
	<b>Total</b>	<b>42556781</b>	<b>48.92</b>	<b>34.16</b>	<b>42328164</b>	<b>48.66</b>	<b>33.70</b>	<b>- 0.26</b>

## ASHAPURA MINECHEM LIMITED

### (iii) Change in Promoters' Shareholding ( Please specify, if there is no change)

Sl. No.		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.	<b>Shri Chetan Shah</b>				
	<b>At the beginning of the year</b>	<b>12143814</b>	<b>13.96</b>	<b>12143814</b>	<b>13.96</b>
	Inter Se Transfer dtd. 09/06/2014	1400000	1.61	0	0
	<b>At the End of the year</b>	<b>13543814</b>	<b>15.57</b>	<b>13543814</b>	<b>15.57</b>
2.	<b>Shri Manan Chetan Shah</b>				
	<b>At the beginning of the year</b>	<b>3639220</b>	<b>4.18</b>	<b>3639220</b>	<b>4.18</b>
	Inter Se Transfer dtd. 09/06/2014	- 1400000	1.61	0	0
	<b>At the End of the year</b>	<b>2239220</b>	<b>2.57</b>	<b>2239220</b>	<b>2.57</b>
3.	<b>Late Shri Navnitlal R. Shah</b>				
	<b>At the beginning of the year</b>	<b>9514087</b>	<b>10.94</b>	<b>9514087</b>	<b>10.94</b>
	Inter Se Transfer dtd. 20/06/2014	- 896000	1.03	8618087	9.91
	Inter Se Transfer dtd. 24/06/2014	- 1368627	1.57	7249460	8.33
	Market Sell - 28/03/2015	- 401500	0.46	6847960	7.87
	<b>At the End of the year</b>	<b>6847960</b>	<b>7.87</b>	<b>6847960</b>	<b>7.87</b>
4.	<b>Smt. Fizzah N. Shah</b>				
	<b>At the beginning of the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Inter Se Transfer dtd. 20/06/2014	896000	1.03	896000	1.03
	Inter Se Transfer dtd. 24/06/2014	1368627	1.57	2264627	2.60
	Due to major chunk of Inter Se transfer the Shareholding in different account is also considered	172883	0.20	2437510	2.80
	<b>At the End of the year</b>	<b>2437510</b>	<b>2.80</b>	<b>2437510</b>	<b>2.80</b>



(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ Decrease in Share holding	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company			No. of Shares	% of total Shares of the Company
1	Albula Investment Fund Ltd.	7857345	9.03	-	-	7857345	9.03
2	Lts Investment Fund Ltd.	4100000	4.71	-	-	4100000	4.71
3	Eriska Investment Fund Ltd.	3757345	4.32	-	-	3757345	4.32
4	LGOF Global Opportunities Limited	0	0	06/03/2015	36723	36723	0.04
				13/03/2015	1268900	1305623	1.50
				20/03/2015	456642	1762265	2.03
				27/03/2015	665102	2427367	2.79
				31/03/2015	105782	2533149	2.91
5	Nayna Mahendra Ramani	1527750	1.76	30/05/2014	- 10000	1517750	1.74
				11/07/2014	5000	1522750	1.75
				30/09/2014	- 5000	1517750	1.74
6	Runner Marketing Pvt. Ltd.	800000	0.92	-	-	800000	0.92
7	Ami Industries ( I ) Pvt. Ltd.	791506	0.91	20/03/2015	- 20000	771506	0.89
8	Surekha Anil Shah	634511	0.73	-	-	634511	0.73
9	Mahendra Jethalal Ramani	941170	1.08	04/04/2014	- 11500	929670	1.07
				30/05/2014	- 1000	928670	1.07
				30/06/2014	10000	938670	1.08
10	Kodai Investment And Trading Co .Pvt. Ltd.	434279	0.50	27/03/2015	- 65000	369279	0.42
11	Hotz Industries Ltd.	294398	0.34	30/05/2014	34291	328689	0.38

## ASHAPURA MINECHEM LIMITED

### (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.		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.	<b>Shri Rajnikant B. Pajwani – Whole-time Director &amp; CEO</b>				
	At the beginning of the year	41800	0.05	41800	0.05
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	NIL	NIL	NIL	NIL
	At the End of the year	41800	0.05	41800	0.05
2.	<b>Shri Sachin Polke – Company Secretary &amp; VP</b>				
	At the beginning of the year	1144	0.00	1144	0.00
	Date wise Increase/ Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	1144	0.00	1144	0.00



## V. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial Year</b>				
i. Principal amt	1,506,359,934	—	—	1,506,359,934
ii. Interest due but not paid	346,352,493	—	—	346,352,493
iii. Interest accrued but not due	—	—	—	—
<b>Total(i+ii+iii)</b>	<b>1,852,712,427</b>	<b>NIL</b>	<b>NIL</b>	<b>1,852,712,427</b>
<b>Changes in Indebtedness during the financial year</b>				
• Addition	96,382,396	—	—	96,382,396
• Reduction	695,186,880	—	—	695,186,880
<b>Net Change</b>	<b>598,804,484</b>	<b>NIL</b>	<b>NIL</b>	<b>598,804,484</b>
<b>Indebtedness at the end of the Financial Year</b>				
i. Principal amt	919,601,410	—	—	919,601,410
ii. Interest due but not paid	334,306,533	—	—	334,306,533
iii. Interest accrued but not due	—	—	—	—
<b>Total (i+ii+iii)</b>	<b>1,253,907,943</b>	<b>NIL</b>	<b>NIL</b>	<b>1,253,907,943</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, remuneration was paid for part of the year to Executive Chairman and Managing Director that aggregates to Rupees Nine Lacs each<sup>#</sup> (TDS as applicable was deducted) and to Whole Time Director & Chief Executive Officer that aggregates to Rupees Fifteen Lacs\* (TDS as applicable was deducted).

<sup>#</sup> paid for a period from 01.04.2014 to 30.09.2014

\* paid for a period from 01.10.2014 to 31.03.2015

### B. Remuneration to other directors:

During the year under review, the Non-Executive Independent Directors were paid Sitting Fees @ Rs. 15,000/- each for attending the every meeting of the Board of Directors and Audit Committee.

### C. Remuneration to Key Managerial Personnel Other Than MD / Manager / WTD:

During the year under review, Remuneration paid to Company Secretary and other Whole Time Key Managerial Personnel (as recognized by the Board of Directors) aggregates to approximately Rupees One Crore Seventy Lacs.

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

During the year under review, no penalty was levied, nor any punishment was pronounced or meted out, neither any offences were compounded against the Company and/or any of its Directors and/or any of its officers in default.

## REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2014-2015:

### I. Company's Philosophy on Code of Corporate Governance:

Ashapura ("The Company") believes that Corporate Governance is a set of processes, customs, policies, rules, regulation and laws for ensuring transparency, professionalism and accountability in its dealings with its customers, employees, shareholders and with every individual who comes in contact with the Company.

Your Company believes that adoption of Good Corporate Governance practices will strengthen the Stakeholders confidence and enhance the shareholders' value.

Your Company confirms the compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement entered into with Stock Exchanges and in this regard, submits a report on the matters mentioned in the said clause and also the practice follow by the Company as stated below:

### II. Board of Directors:

#### A. Composition and Other related matters:

The Board of Directors of the Company ("the Board") holds fiduciary position in a way that it oversees the management functions and also supervises, directs and manages the performance of the Company. The Board has constituted various Committees of Directors for the matters requiring special attention and their effective and efficient disposal.

Your Company's composition of the Board has an optimum combination of both Executive, non-Executive and Independent Directors and is in conformity with Clause 49 (II) A of the Listing Agreement. The Board as on date comprised of a Non-executive Chairman, Whole-time Director, 4 Independent Directors including a Women Director and 1 Special Director appointed by Board for Industrial and Financial Reconstruction (BIFR).

All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within the permissible limits of the Companies Act, 2013 and the Corporate Governance Code.

The composition of the Board, attendance of the Directors at the Board Meetings and the previous Annual General Meeting (AGM) held on 25<sup>th</sup> September, 2014 and also their directorship in other companies and membership/chairmanship of committees as on 31<sup>st</sup> March, 2015 is as under:

Name of Directors	DIN	Category	No. of Board Meetings Attended	Attendance at last AGM Held on 25th September, 2014	No. of Directorships in other companies as on 31 <sup>st</sup> March, 2015 <sup>(4)</sup>	No. of Committee positions held including Ashapura Minechem Ltd. as on 31 <sup>st</sup> March, 2015 <sup>(5)</sup>	
						Member	Chairman
Late Shri Navnitlal Shah <sup>(1)</sup>	00018945	Non-Executive Director	0	Absent	3	1	—
Shri Chetan Shah <sup>(2)</sup>	00018960	Non-Executive Director	3	Present	6	1	—
Shri Rajnikant Pajwani <sup>(3)</sup>	00086007	Whole Time Director & Chief Executive Officer (CEO)	3	N.A	3	—	—
Shri Ashok Kadakia	00317237	Non-Executive, Independent	6	Present	6	1	5
Shri Harish Motiwalla	00029835	Non-Executive, Independent	6	Present	8	4	4
Shri Abhilash Munsif	02773542	Non-Executive, Independent	6	Present	1	1	—
Shri Arun Chadha	06747459	Special Director appointed by BIFR	4	Absent	—	—	—
Smt. Navita Gaiha <sup>(6)</sup>	07248115	Non-Executive, Independent	N.A	N.A	—	—	—





#### Notes :-

- (1) The Agreement executed with Late Shri Navnitlal Shah, as an Executive Chairman was due for renewal on 30<sup>th</sup> September, 2014. However, considering his health conditions and prolonged absence from his office as also from the meeting of the Board and/or its Committees, the Board of Directors on recommendation from the Nomination and Remuneration Committee decided not to renew his Agreement for appointment as an Executive Chairman but shall continue to remain on the Board of Directors of the Company as a Non-Executive Director.

The Board of Directors at their meeting held on 26<sup>th</sup> May, 2015 took on record the vacation of office of Late Shri Navnitlal Shah pursuant to provisions of Section 167(1) (b) of the Companies Act, 2013.

Late Shri Navnitlal Shah, Ex-Chairman & Promoter of the Company has left for his heavenly adobe on Tuesday, 30<sup>th</sup> June, 2015. The Board of Directors and the Ashapura Group place on record its sincere appreciation for the exemplary services rendered by Late Shri Navnitlal Shah in building Ashapura Group. He had been a pillar of strength to the Company and his association would always be cherished by the Board and the Management of the Company.

- (2) The Agreement executed with Shri Chetan Shah, as a Managing Director was also due for renewal on 30<sup>th</sup> September, 2014. However, he chose not to opt to renewal of his Agreement for the position as a Managing Director and shall continue to remain on the Board of Directors of the Company as a Non-Executive Director of the Company w.e.f 1<sup>st</sup> October, 2014.
- (3) Shri Rajnikant Pajwani was appointed as Whole-time Director & Chief Executive Officer (CEO) of the Company w.e.f. 1<sup>st</sup> October, 2014.
- (4) Exclude Directorship 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 Limited Companies.
- (6) Smt. Navita Gaiha, being appointed as an Additional Director (Independent Director) of the Company w.e.f. 5<sup>th</sup> August, 2015 holds office up to the ensuing Annual General Meeting. The relevant details as required pursuant to Companies Act and Listing Agreement is furnished in the notice of the ensuing Annual General Meeting.

None of the other Directors are related inter-se except Late Shri Navnitlal Shah and Shri Chetan Shah, who are related to each other, being father and son.

#### **B. Details of Director retiring by rotation and being eligible for re-appointment are as under:**

In accordance with the provisions of Section 152 (6) (a) of the Companies Act, 2013, Shri Chetan Shah whose present term of office is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. A brief resume and other information as required under Clause 49 (VIII) (E) of the Listing Agreement in respect of the said Director is furnished in the Notice of the ensuing Annual General Meeting.

#### **C. Independent Directors**

Pursuant to the provisions of Section 149, 152, Schedule IV & other applicable provisions, if any, of the Companies Act, 2013 read with the Rules thereunder and Clause 49 of the Listing Agreement Shri Ashok Kadakia, Shri Abhilash Munsif and Shri Harish Motiwalla were appointed as Independent Directors at the Company's Annual General Meeting (AGM) held on 25<sup>th</sup> September, 2014 for the period of five (5) consecutive years upto the conclusion of AGM to be held in the year 2019. The Independent Directors have submitted declaration that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement; a statement in this regards forms part of the Board's Report.

Smt. Navita Gaiha, has been appointed as an Additional (Independent) Director w.e.f. 5<sup>th</sup> August, 2015, whose appointment as an Independent Director in terms of the Companies Act, 2013 and the Listing Agreement shall be placed before the

Shareholders at the ensuing Annual General Meeting for ratification.

## **D. Formal Letter of appointment to Independent Directors**

In accordance with the Clause 49 of the Listing Agreement, the Company has issued formal appointment letters to all Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement. A draft of the letter of appointment specifying their terms and conditions is available on the website of the Company and can be accessed through the following link <http://www.ashapura.com/investorupdate.aspx>

## **E. Independent Directors' Meeting**

In accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 24<sup>th</sup> March, 2015, without the attendance of Non-Independent Directors and members of the management. The process for evaluation of Board performance, Non-Independent, Non-Executive Directors and the Boards Chairman is detailed in the Board's Report.

## **F. Familiarisation Programme**

As a part of the Company's 'Familiarisation Programme for Independent Directors' a meeting of Board of Directors of the Company was conveyed on 23<sup>rd</sup> January, 2015 at Bhuj, Gujarat so that the Directors could visit the operational facilities including Mines and Plants of the Company and get the opportunity to closely see the operations, functioning and activities carried out therein.

The Directors visited the plants and mines of Ashapura Group viz. Bleaching Clay Plant, Bentonite Mines & Hamla Bentonite Grinding & Granulation Plant, Mineral Processing Complex, Silica Sand & Kaolin Plant. The trained personnel apprised the Directors on the various operations undertaken at the plant which enabled them to have better knowledge and understanding about the working at the plants and the business activities of the Company. Further, the Directors also visited the in-house Research & Development (R&D) Centre of the Company viz. Ashapura Innovation and Knowledge Centre, which was recently shifted to Bhuj. The professionally qualified R&D Team explained to the Directors various activities conducted at the Centre. The Directors were also being taken to the places where CSR activities are being carried out by the Company.

The details of such familiarisation programme are disclosed on the Company's website under the web link <http://www.ashapura.com/investorupdate.aspx>

## **G. Board's Functioning and Procedure**

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

## **H. Board Meetings**

During the year under review, 6 (Six) meetings of the Board of Directors were held on the dates mentioned below:

29<sup>th</sup> May, 2014, 13<sup>th</sup> August, 2014, 29<sup>th</sup> September, 2014, 14<sup>th</sup> October, 2014, 13<sup>th</sup> November, 2014 and 23<sup>rd</sup> January, 2015.

The maximum interval between any two meetings was well within the maximum allowed gap specified under Companies Act, 2013 & Clause 49 of the Listing Agreement.

## **III. Committees of the Board of Directors:**

The Committees constituted by the Board play a very pivotal role in the governance of the Company. Presently, there are five Committees of the Board Viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Committee of Directors' and Corporate Social Responsibility Committee. The terms of reference of these Committees are in line with the requirements of Companies Act, 2013 and Clause 49 of the Listing Agreement and are separately detailed herein below:



## 1. Audit Committee:

Your Company has an Audit Committee at the Board level which acts as a link between the Management, the Statutory Auditors, the Internal Auditors and the Board of Directors. The Audit Committee play important role in ensuring the financial integrity of Company. It effectively supervises the Company's financial reporting process, the audit process, the adequacy of internal controls, transactions entered with related parties and ensures that financial statements are correct, sufficient and credible. The Committee presently comprises of 3 (three) Non-Executive Directors, all of whom are Independent Directors.

### A. Composition and Meetings:

During the year under review, 4 (four) meetings of the Audit Committee were held on the dates mentioned below:

29<sup>th</sup> May, 2014, 13<sup>th</sup> August, 2014, 13<sup>th</sup> November, 2014 and 23<sup>rd</sup> January, 2015.

The composition of the Audit Committee and the particulars of attendance of the Committee Members are as follows:

Name of Directors	Category	No. of Meetings during the year 2014-2015	
		Held	Attended
Shri Ashok Kadakia ( <b>Chairman</b> )	Non-Executive, Independent	4	4
Shri Harish Motiwalla	Non-Executive, Independent	4	4
Shri Abhilash Munsif	Non-Executive, Independent	4	4

### Notes:

1. The Sr. General Manager-Accounts, the representatives of the Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee meetings.
2. Shri Sachin Polke, Company Secretary acts as Secretary to the Committee.

Shri Ashok Kadakia, Chairman of the Audit Committee, was present at the Annual General Meeting held on 25<sup>th</sup> September, 2014.

### B. Terms of Reference:

The role and terms of reference of the Audit Committee are as per Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This reference inter-alia broadly includes:

- i. discussion and review of quarterly, half yearly and annual standalone/consolidated financial result;
- ii. review of financial reporting systems and ensuring its compliance with regulatory guidelines;
- iii. discussion and review of quarterly/annual Internal Audit Report;
- iv. review and monitor the independence, performance and effectiveness of audit process of statutory and internal auditors;
- v. recommendation for appointment of Statutory Auditors, Branch Auditors, Cost Auditors and their remuneration;
- vi. quarterly review the statement of related party transactions submitted by the management;
- vii. reviewing and scrutinizing the inter-corporate loans and investments
- viii. any other matter that the Board of Directors refer to the Audit Committee.

## 2. Stakeholders' Relationship Committee:

The Company has a Stakeholders' Relationship Committee at a Board level to deal with various matters relating to the redressal of the Shareholders'/Stakeholders grievances such as:

- issue of Duplicate Share Certificates;
- matters connected with transfer/credit of securities/transmission;
- redressal of Shareholders'/Investors' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of annual reports, non receipt of duplicate share certificates, etc;
- to review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent;
- to recommend measures for overall improvement in the quality of investors services;
- any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

### A. Composition and Meetings:

During the year under review, 7 (Seven) meetings of the Stakeholders' Relationship Committee were held on the dates mentioned below:

28<sup>th</sup> April, 2014, 16<sup>th</sup> June, 2014, 17<sup>th</sup> September, 2014, 14<sup>th</sup> October, 2014, 3<sup>rd</sup> November, 2014, 3<sup>rd</sup> December, 2014 and 20<sup>th</sup> January, 2015.

The Composition of the Stakeholders' Relationship Committee and the particulars of attendance of the Committee members are as follows:

Name of Directors	Category	No. of Meetings during the year 2014-2015	
		Held	Attended
Shri Ashok Kadakia ( <b>Chairman</b> )	Non-Executive, Independent	7	7
Late Shri Navnitlal Shah#	Non-Executive, Non-Independent	–	–
Shri Chetan Shah@	Non-Executive, Non-Independent	7	4
Shri Suryakant Shah	Member	7	7

# Kindly refer a detailed explanation, given in note (1) under table showing composition of Board & their attendance on page no. 37.

@ Kindly refer a detailed explanation, given in note (2) under table showing composition of Board & their attendance on page no. 37.

### B. Compliance Officer:

Shri Sachin Polke, Company Secretary acts as the Compliance Officer and is available at 'Ashapura Minechem Limited', Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278, D. N. Road, Fort, Mumbai – 400 001.



### C. Status of Investors' Complaints:

The status of Investors' complaints received and dealt within the year 2014-2015 are as given below:

No. of Investor's complaints received	Pending at the end of the year	No. of pending Share transfers
11	Nil	Nil

### 3. Nomination and Remuneration Committee:

The Company has a Nomination and Remuneration Committee in Compliance with Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. The role of the Nomination and Remuneration Committee is to determine and recommend the Company's policy on remuneration to be paid to Managing/Whole-time Director and Senior Management Personnel, Key Managerial Personnel, evaluation of performance of the Directors and such others.

The broad terms of reference of the Nomination and Remuneration Committee inter-alia, amongst others include the following;

- reviewing and approving the Company's policy on remuneration of the Chairman / Managing / Executive Director/ Key Managerial Personnel and Senior Management Personnel;
- review and approve the appointment of the Directors/Key Managerial Personnel and Senior Management Personnel;
- to ensure evaluation of the performance of the members of the Board and provide necessary report to the Board;
- reviewing and approval of the minimum and maximum remuneration payable to such Directors in terms of such provisions as may be in force from time to time;
- reviewing and approval of the commission and/or other incentives payable to Non-Executive Directors of the Company;
- such other matters as the Board may, from time to time, request the Nomination and Remuneration Committee to examine and recommend/approve.

#### A. Composition and Meetings:

During the year under review, 2 (Two) meetings of the Nomination and Remuneration Committee were held on 25<sup>th</sup> September, 2014 and 13<sup>th</sup> November, 2014.

The composition of the Nomination and Remuneration Committee and the particulars of attendance of the Committee members are as follows:

Name of Directors	Category	No. of Meetings during the year 2014-2015	
		Held	Attended
Shri Ashok Kadakia ( <b>Chairman</b> )	Non-Executive, Independent	2	2
Shri Harish Motiwalla	Non-Executive, Independent	2	2
Shri Abhilash Munsif	Non-Executive, Independent	2	2

**Note:** Shri Sachin Polke, Company Secretary acts as Secretary to the Committee.

#### B. Nomination and Remuneration Policy

Pursuant to Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Company has formulated Nomination and Remuneration Policy for its Directors, Key Managerial Personnel, Senior Management Personnel and for

other employees. The Policy considers human resources as its invaluable asset. The said Policy aims to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP), Senior Management Personnel and for other employee of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges (as amended from time to time). The Remuneration Policy is designed to attract talented personnel and remunerate them fairly and responsibly.

## i) Whole Time Director

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) to its Whole Time Director. The salary is decided and approved by the Board on the recommendation of Nomination and Remuneration Committee and approved by the shareholders within the stipulated limits of the Companies Act, 2013 and the rules made thereunder.

## ii) Non-Executive Director

The Non-Executive Directors receive sitting fees for attending meetings of the Board and its Committees as per the provisions of the Companies Act, 2013 and the Rules made thereunder. Besides payment of sitting fees and dividend on equity shares, if any, held by the Directors no other remuneration is paid to the non-executive Directors.

## iii) Key Managerial Personnel (KMP) and other Employees

The remuneration of KMP, Senior Management Personnel and other employees of the Company shall be paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F., pension scheme, medical expenses, club fees etc. shall be as per the Company's HR policies, framed & applicable from time to time.

The components of the total remuneration vary for different grades and are governed by the industry pattern, qualification and experience/ merits, performance of each employee. The Company while deciding the remuneration packages takes into consideration current employment scenario and remuneration package of the industry and its peer group.

## The Details of Remuneration and Sitting Fees paid to the Directors for the year ended 31<sup>st</sup> March, 2015:

### (a) Sitting fees paid to Non-Executive Directors:

Details of sitting fees paid to Non- Executive Directors for attending Board meetings for the year ended 31<sup>st</sup> March, 2015 are stated below:

Name of the Directors	Sitting Fees (₹.)
Shri Chetan Shah @	₹. 30,000
Shri Ashok Kadakia	*₹. 1,65,000
Shri Harish Motiwalla	*₹. 1,65,000
Shri Abhilash Munsif	₹. 1,65,000
Shri Arun Chadha#	₹. 60,000

@ Kindly refer a detailed explanation, given in Note 2 under table showing composition of Board & their attendance on page no. 37.

\* Includes sitting fees paid for attending Audit Committee Meetings.

As on 31<sup>st</sup> March, 2015, the Non-Executive Directors of the Company viz. Shri Ashok Kadakia held 9,750 Equity Shares, of the Company, Shri Abhilash Munsif held 13,418 Equity Shares of the Company and Shri. Harish Motiwalla held 500 Equity Shares of the Company





There has been no materially relevant pecuniary transaction or relationship between the Company and its Non-Executive Independent Directors during the year.

**(b) The details of Remuneration paid to Executive Chairman, Managing Director and Whole - time Director as on 31<sup>st</sup> March, 2015:**

Names	Designation	Salaries & Perquisites including allowance (₹.)
Late Shri Navnitlal R. Shah	Executive Chairman #	₹. 9,00,000/-*
Shri Chetan N. Shah	Managing Director @	₹. 9,00,000/-*
Shri Rajnikant Pajwani	Whole-time Director & CEO	₹. 15,00,000/-*

\* TDS as applicable has been deducted from the above.

# Kindly refer a detailed explanation, given in Note 1 under table showing composition of Board & their attendance on page no. 37.

@ Kindly refer a detailed explanation, given in Note 2 under table showing composition of Board & their attendance on page no. 37.

**Note:**

The Effective Capital of the Company as on 31<sup>st</sup> March, 2014 calculated as per the provisions of Schedule V of the Companies Act, 2013 (erstwhile Schedule XIII to the Companies Act, 1956) was negative. Thus, the Whole-time Director was entitled to receive remuneration of Rs. 250,000/- p.m. during the financial year 2014-2015. The payment of the said remuneration is as per the provisions of the Companies Act, 2013 & rules made thereunder, and in accordance with approval obtained from the members of the Company, by way of a Postal Ballot notice dated 14<sup>th</sup> October, 2014 and the result of which was declared on 1<sup>st</sup> December, 2014.

#### 4. Committee of Directors:

**The role of Committee of Directors:**

The role of the Committee of Directors covers inter-alia detailed review of the following matters before they are placed before the Board for ratification:

- reviewing various day-to-day administrative, operational and finance matters requiring urgent decisions;
- availing/making of loans, raising of funds, giving of corporate guarantees/securities considering the limits and provisions as specified in the Companies Act, 2013;
- investment/disinvestment of Company's funds, decisions in respect of establishment of Wholly-owned subsidiary(s), in accordance with the provisions of the Companies Act, 2013 and other related Acts;
- such other matters as may be delegated by the Board to the Committee pursuant to the provisions of the Companies Act, 2013 and such other Acts.

**A. Composition and Meetings:**

During the year under review, 10 (Ten) meetings of the Committee of Directors were held on the dates mentioned below:

9<sup>th</sup> April, 2014, 29<sup>th</sup> May, 2014, 8<sup>th</sup> July, 2014, 11<sup>th</sup> August, 2014, 17<sup>th</sup> September, 2014, 3<sup>rd</sup> November, 2014, 3<sup>rd</sup> December, 2014, 24<sup>th</sup> December, 2014, 20<sup>th</sup> January, 2015 and 10<sup>th</sup> March, 2015.

The Composition of the Committee of Board of Directors and the particulars of attendance of the Committee Members are as follows:

Name of Directors	Category	No. of Meetings during the year 2014-2015	
		Held	Attended
Late Shri Navnitlal Shah #	Non-Executive, Non-Independent	10	—
Shri Chetan Shah @	Non-Executive, Non-Independent	10	8
Shri Ashok Kadakia	Non-Executive, Independent	10	10
Shri Harish Motiwalla	Non-Executive, Independent	10	10

# Kindly refer a detailed explanation, given in Note 1 under table showing composition of Board & their attendance on page no. 37.

@ Kindly refer a detailed explanation, given in Note 2 under table showing composition of Board & their attendance on page no. 37.

## 5. Corporate Social Responsibility Committee:

In accordance with the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Your Company has constituted a Committee called “Corporate Social Responsibility Committee (“CSR Committee”) consisting of 3 (Three) Directors out of which 1 (one) is an Independent Directors in accordance with the provisions of the Act.

The terms of reference of CSR Committee are as follows:

- formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy;
- to identify, segment and recommend the CSR projects/ programs/activities to the Board of Directors;
- recommend the amount of expenditure to be incurred on the activities referred to above;
- monitor the Company Social Responsibility (CSR) policy of the Company from time to time;
- to review the annual budgets/expenditure with respect to corporate social responsibility programs/projects/ activities;
- oversee the Company’s conduct with regard to its corporate and social obligations and its reputation as a responsible corporate citizen; and
- oversee activities impacting the quality of life of various stakeholders.
- any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

During the year under review, 1 (One) meeting of the Corporate Social Responsibility Committee was held on 13<sup>th</sup> November, 2014.

The composition of the Corporate Social Responsibility Committee and details of the meeting attended by its members are given below:

Name of Directors	Category	No. of Meetings during the year 2014-2015	
		Held	Attended
Shri Harish Motiwalla (Chairman)	Non-Executive, Independent	1	1
Shri Chetan Shah	Non-Executive, Non-Independent	1	1
Shri Rajnikant Pajwani	Executive, Non-Independent	1	1

**Note:** Shri Sachin Polke, Company Secretary acts as Secretary to the Committee.



#### IV. General Body Meetings:

##### A. The Details in respect of last three Annual General Meetings are furnished as under:

Financial Year	Date	Time	Location
2011-2012	28 <sup>th</sup> September, 2012	11.30 a.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6 <sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001.
2012-2013	26 <sup>th</sup> September, 2013	11.30 a.m.	
2013-2014	25 <sup>th</sup> September, 2014	3.30 p.m.	

##### B. Special Resolutions passed in the previous three AGMs :

Financial Year	Special Resolutions passed for:
2011-2012	N.A.
2012-2013	N.A.
2013-2014	N.A.

##### C. Special Resolution passed through postal ballot during FY 2014-2015:

During the year, pursuant to the provision of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the Company has passed certain resolutions through Postal Ballot, as per details mentioned below:

1. Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing powers of the Company.
2. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of security on the said borrowings;
3. Ordinary Resolution under Section 196, 197, 198 & 203 of the Companies Act, 2013 for appointment of Shri Rajnikant Pajwani as Whole Time Director and Chief Executive Officer of the Company;
4. Special Resolution in accordance with Table F of Schedule I to the Companies Act, 2013 for Adoption of New Set of Articles of Association.

The Company as per Postal Ballot notice dated 14<sup>th</sup> October, 2014 passed the aforesaid Resolution. Shri Sudeshkumar V. Joshi, Practising Chartered Accountant was appointed as a Scrutinizer for conducting Postal Ballot process in a fair and transparent manner and the results of Postal Ballot was announced on 1<sup>st</sup> December, 2014 at the Registered Office of the Company. The details of results of Postal Ballot are as under:

Promoter/ Public	No. of shares held  (1)	No. of votes polled  (2)	% of Votes Polled on outstanding shares (3) =[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against  (5)	% of Votes in favour On votes polled  (6) =[(4)/(2)]*100	% of Votes against on votes polled  (7) =[(5)/(2)]*100
<b>Special Resolution No. 1: For borrowing powers of the Company under Section 180(1) (C) of the Companies Act, 2013</b>							
Promoter and Promoter Group	42556781	33052444	77.67	33052444	0	100	0
Public – Institutional holders	15911896	11957345	75.15	11957345	0	100	0
Public- Others	28517421	*614482	2.15	601908	12574	97.95	2.05
Total	86986098	45624271	52.45	45611697	12574	99.97	0.03
*Excludes invalid votes represented by 266177 Shares							

Promoter/ Public	No. of shares held  (1)	No. of votes polled  (2)	% of Votes Polled on outstanding shares (3) =[(2)/(1)]*100	No. of Votes – in favour (4)	No. of Votes – against  (5)	% of Votes In favour On votes polled  (6) =[(4)/(2)]*100	% of Votes against on votes polled  (7) =[(5)/(2)]*100
<b>Special Resolution No. 2: For creation of security on the said borrowings under Section 180(1) (a) of the Companies Act, 2013</b>							
Promoter and Promoter Group	42556781	33052444	77.67	33052444	0	100	0
Public – Institutional holders	15911896	11957345	75.15	11957345	0	100	0
Public- Others	28517421	*596326	2.09	584619	11707	98.04	1.96
Total	86986098	45606115	52.43	45594408	11707	99.97	0.03
*Excludes invalid votes represented by 284514 Shares							
<b>Ordinary Resolution No. 3: Appointment of Shri Rajnikant Pajwani as Whole Time Director and Chief Executive Officer of the Company under Section 196, 197, 198 &amp; 203 of the Companies Act, 2013</b>							
Promoter and Promoter Group	42556781	33052444	77.67	33052444	0	100	0
Public – Institutional holders	15911896	11957345	77.15	11957345	0	100	0
Public- Others	28517421	*596618	2.09	585778	10840	98.18	1.82
Total	86986098	45606407	52.43	45595567	10840	98.18	0.02
*Excludes invalid votes represented by 284222 Shares							
<b>Special Resolution No. 4: Adoption of New Set of Articles of Association in accordance with Table F of Schedule I to the Companies Act, 2013.</b>							
Promoter and Promoter Group	42556781	33052444	77.67	33052444	0	100	0
Public – Institutional holders	15911896	11957345	75.15	11957345	0	100	0
Public- Others	28517421	*596448	2.09	592489	3959	99.34	0.66
Total	86986098	45606237	52.43	45602278	3959	99.99	0.01
*Excludes invalid votes represented by 284352 Shares							

Accordingly the aforesaid Resolutions were approved by the shareholders, with requisite majority.

No resolution is proposed to be conducted through Postal Ballot at the ensuing Annual General Meeting of the Company.



## V. **Subsidiary Companies:**

The minutes of the Board Meetings as well as the Statements of all significant transactions of the unlisted subsidiary companies are placed before the Board Meeting for their review.

## VI. **Code of Conduct:**

In order to further enhance the ethical and transparency process in conducting and managing the affairs of the Company, the Board of Directors has adopted Ashapura's Code of Conduct for the Board of Directors and the Senior Management and all employees at and above officer level of the Company. The Code is available on the Company's website: [www.ashapura.com](http://www.ashapura.com).

Further, during the year the Company by way of addendum adopted Code of Conduct for Non-Executive Director and Independent Directors of the Company as required under Clause 49 (II) (E) of the Listing Agreement entered with the Stock Exchanges.

All Board Members and the Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended 31<sup>st</sup> March, 2015. A declaration to this effect signed by Shri Rajnikant Pajwani, Whole-time Director and CEO is enclosed with this Report.

## VII. **Policy on Insider Trading:**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations 1992, the Company had adopted a Code of Conduct for Prevention of Insider Trading Practices for its Directors and designated employees. The said Code laid down guidelines, which included procedures to be followed, and disclosures to be made while dealing in the shares of the Company.

However, during the financial year 2014-2015, the capital market regulator Securities and Exchange Board of India (SEBI) notified SEBI (Prohibition of Insider Trading) Regulations, 2015 on 15<sup>th</sup> January, 2015. Pursuant to the provisions of the said regulations, the Board of Directors approved and adopted "Ashapura Code of Conduct for Prohibition of Insider Trading" which, inter alia, lays down the process of dealing in securities of the Company, along with the reporting and disclosure requirements by the employees and the connected persons and the same shall replace the existing code and become effective from 14<sup>th</sup> May, 2015. It provides for pre-clearance of trades above certain thresholds and trading restrictions on the employees and connected persons when in possession of Unpublished Price Sensitive Information and/or at the time of Trading Window closure.

In terms of the said regulations, the Company has also formulated "Ashapura Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information", with an objective to have a standard and stated framework and policy for fair disclosure of events and occurrences that could impact price discovery in the market for its securities. This Code has been uploaded on the Company's website and the same can be accessed through following link: <http://www.ashapura.com/investorupdate.aspx>.

## VIII. **Disclosures:**

### • **Disclosures of Related Party Transactions:**

There were no materially significant related party transactions i.e. transactions of material nature, with its Promoters, directors or senior management or their relatives etc. that may have potential conflict with the interest of company at large. Transactions entered with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year were in the ordinary course of business and on an arm's length basis. Suitable disclosure as per the requirements of Accounting Standard 18 has been disclosed at Note No. 40 of the Notes forming part of the financial statements annexed herewith.

The Company has in place a Board approved Related Party Transaction Policy which defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions. Prior approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement. As per the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into Related Party Transactions by the Company. A quarterly update is given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company for their review and consideration.

The Related Party Transaction Policy has been uploaded on the Company's website and can be accessed through

the following link <http://www.ashapura.com/investorupdate.aspx>.

- **Risk Management Policy:**

Your Company has adopted a comprehensive Risk Management Policy. It is periodically reviewed by the Audit Committee of the Company.

- **Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report for the year ended 31<sup>st</sup> March, 2015 is prepared in accordance with the Clause 49 of the Listing Agreement and forms part of this Annual Report.

- **Statutory Compliance, Penalties and Strictures:**

During the year under review, the penalty was levied on the Company by Stock Exchanges in pursuance of Securities and Exchange Board of India (SEBI) circular dated 8<sup>th</sup> April, 2015 for non-compliance of Clause 49(II)(A) of the Listing Agreement and Section 149 of the Companies Act, 2013 in respect of non-appointment of woman director on the Board of the Company. The Company has paid penalty as imposed by the stock exchanges.

Except for the above penalty levied, the Company has complied with all the requirements of SEBI and other statutory authorities on all matters relating to capital market and complied with all the requirements of the Corporate Governance as per the Listing Agreement.

- **Whistle Blower Policy:**

Pursuant to Section 177 (9) and (10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, your Company has established a Vigil Mechanism to enable directors and employees to report concerns about unethical behavior, violation of law or regulations or suspected fraud. In this regard, the Company has formulated a Whistle Blower Policy. The Policy has been formulated with an objective to build and strengthen a culture of transparency and trust within the Company and to provide a framework to its directors and employees for responsible and secure reporting of improper activities (whistle blowing); and also to provide for adequate safeguards against victimization of directors/employees, who avail of the mechanism; and for direct access to the Chairman of the Audit Committee. The said policy has been also put up on the website of the Company at the following link: <http://www.ashapura.com/investorupdate.aspx>.

- **CEO/CFO Certification:**

As per the requirement of Clause 49(V) of the Listing Agreement, a Certificate duly signed by Shri Rajnikant Pajwani, Whole-time Director & CEO was placed at the Board Meeting of the Company held on 26<sup>th</sup> May, 2015 and the same was taken on record by the Board.

- **Compliance with Mandatory and Non-Mandatory requirements:**

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. As regards the other non-mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

## IX. Means of communication:

### Financial Results:

In compliance with Clause 41 of Listing Agreement, the Company regularly intimate the un-audited quarterly and annual financial results to the Stock Exchanges at web base applications developed by the Stock Exchanges viz. NEAPS (NSE Electronic Application Processing System) & BSE Corporate Compliance & Listing Centre respectively, immediately after they are taken on record by the Board.

The quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular newspapers as follows:

Newspaper	Cities of Publication
Business Standard	Mumbai Edition
Sakal	Mumbai Edition

The results are also available on the Company's website: [www.ashapura.com](http://www.ashapura.com)



**Other Information:**

The other information about the Company's products, new projects, technology, social events are available on the Company's website at [www.ashapura.com](http://www.ashapura.com).

The Company has a dedicated help desk with the email id: cosec@ashapura.com to enable the Company's Investors to register the complaints, if any.

**X. Certificate on Corporate Governance:**

The Certificate given by M/s. Sanghavi & Company, Statutory Auditors regarding compliance of conditions of Corporate Governance for the financial year ended 31<sup>st</sup> March, 2015 is enclosed with this Report.

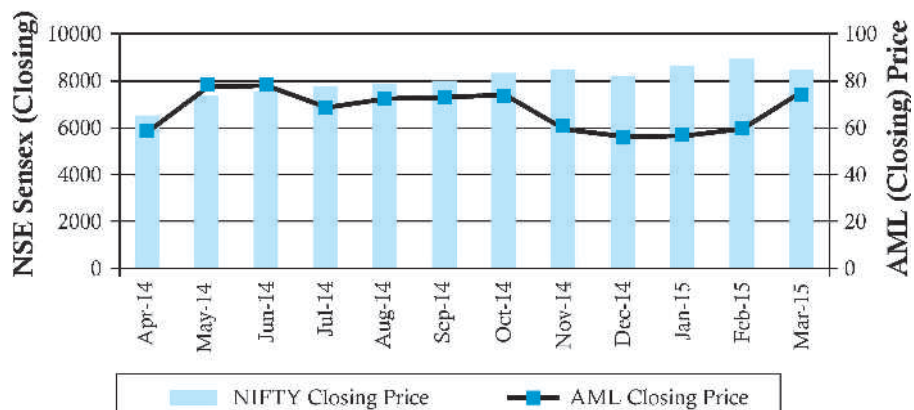
**XI. General Shareholder Information:**

<b>Annual General Meeting:</b>	Day & Date : Wednesday, 30 <sup>th</sup> September, 2015 Time : 3.00 p.m. Venue : M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai - 400 001.
<b>Tentative Financial Calendar :</b>	Financial reporting for the quarter ending 30 <sup>th</sup> June, 2015: On or before 14 <sup>th</sup> August, 2015  Financial reporting for the quarter ending 30 <sup>th</sup> September, 2015: On or before 14 <sup>th</sup> November, 2015  Financial reporting for the quarter ending 31 <sup>st</sup> December, 2015: On or before 14 <sup>th</sup> February, 2016  Financial reporting for the quarter ending 31 <sup>st</sup> March, 2016: On or before 30 <sup>th</sup> May, 2016
<b>Date of Book Closure :</b>	18 <sup>th</sup> September, 2015 to 30 <sup>th</sup> September, 2015 (Both days inclusive)
<b>Dividend Payment Date:</b>	No Dividend is recommended for the FY 2014-2015
<b>Listing Details:</b>	Equity Shares are listed on the following Stock Exchanges: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited, “Exchange Plaza”, Bandra Kurla Complex, Bandra (East), Mumbai – 400051.  The Annual Listing Fees for the year 2014-2015 have been paid to the said Stock Exchanges.
<b>Stock Code :</b>	Bombay Stock Exchange Ltd. <b>527001</b> National Stock Exchange of India Ltd. <b>ASHAPURMIN</b>
<b>ISIN Number :</b>	INE348A01023
<b>Corporate Identification Number (CIN):</b>	L14108MH1982PLC026396

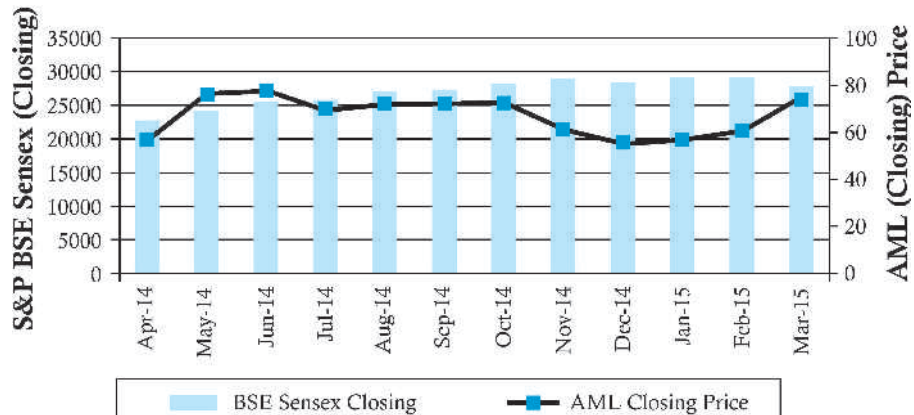
## Market Price Data:

Period	Indices		BSE		NSE	
	Indices (₹.)		Rate (₹.)		Rate (₹.)	
	High	Low	High	Low	High	Low
April,2014	22939.31	22197.51	65.00	56.30	66.35	52.50
May,2014	25375.63	22277.04	84.35	56.45	84.50	56.30
June,2014	25725.12	24270.20	91.00	75.05	91.30	75.15
July,2014	26300.17	24892.00	85.05	67.00	85.10	66.80
August,2014	26674.38	25232.82	82.70	65.80	83.00	65.65
September,2014	27354.99	26220.49	87.25	67.20	87.50	67.00
October,2014	27894.32	25910.77	74.80	65.80	74.90	65.20
November,2014	28822.37	27739.56	75.00	62.00	75.00	62.00
December,2014	28809.64	26469.42	67.05	52.75	67.00	52.75
January,2015	29844.16	26776.12	71.50	54.25	71.75	54.15
February,2015	29560.32	28044.49	62.00	51.85	61.90	51.60
March,2015	30024.74	27248.45	77.70	60.10	77.55	60.50

### Share Performance of the Company in Comparison to NSE Sensex



### Share Performance of the Company in Comparison to BSE Sensex



[ Source : This information is complied from the data available from the website of BSE & NSE ]



<b>Registrar and Share Transfer Agent :</b>	M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound,L.B.S. Marg, Bhandup (West), Mumbai-400 078																		
<b>Share Transfer System :</b>	<p>The Company’s shares are traded on the Stock Exchanges in Demat Mode as well as in Physical Mode.</p> <p>In Demat Mode, the transfers are effected through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Majority of the share transfers take place in this mode.</p> <p>In Physical Mode, the transfer of shares is processed and approved weekly 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>																		
<b>Distribution of Shareholding &amp; Category-wise distribution :</b>	Refer Table A & B																		
<b>Dematerialization of Shares and Liquidity :</b>	<p>As on 31<sup>st</sup> March, 2015, 99.38% of the paid up share capital (face value of Equity Shares of ₹ 2/- each) is held in Demat form with NSDL and CDSL.</p> <table><tr><th>Mode</th><th>No. of equity shares</th><th>% to the Total Share Capital</th></tr><tr><td>Physical</td><td>5,38,413</td><td>0.62%</td></tr><tr><td>Electronic:</td><td></td><td></td></tr><tr><td>(A) NSDL</td><td>7,73,44,841</td><td>88.92%</td></tr><tr><td>(B) CDSL</td><td>91,02,844</td><td>10.46%</td></tr><tr><td><b>TOTAL</b></td><td><b>86,986,098</b></td><td><b>100.00%</b></td></tr></table>	Mode	No. of equity shares	% to the Total Share Capital	Physical	5,38,413	0.62%	Electronic:			(A) NSDL	7,73,44,841	88.92%	(B) CDSL	91,02,844	10.46%	<b>TOTAL</b>	<b>86,986,098</b>	<b>100.00%</b>
Mode	No. of equity shares	% to the Total Share Capital																	
Physical	5,38,413	0.62%																	
Electronic:																			
(A) NSDL	7,73,44,841	88.92%																	
(B) CDSL	91,02,844	10.46%																	
<b>TOTAL</b>	<b>86,986,098</b>	<b>100.00%</b>																	
<b>Plant Locations :</b>	<ol style="list-style-type: none"><li>Plot No. 256 / 3, Village Baraya, Bhuj-Mundra Highway, Tal. Mundra, Kutch (Gujarat) – 370 415.</li><li>Plot No. 182, Baikampady Industrial Area, Baikampady, New Mangalore- 575 011.</li><li>Jamnagar-Dwarka Highway, Khambhaliya, Dist. Jamnagar, Gujrat-361 305.</li></ol>																		
<b>Address for Correspondence :</b>	<p>The Company’s Registrar and Share Transfer Agent viz. M/s Link Intime India Pvt. Ltd. provides all shareholder related services.</p> <p>Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address and also dematerialisation of shares may please be taken up with:</p> <p>M/s. Link Intime India Pvt. Ltd. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai – 400 078 Tel.: +91-22-25963838 Fax: +91-22-25946969. E-mail: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p>																		

#### **Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity:**

The Company has not issued any GDR/ADRs/ warrants or any convertible instruments in the past and hence as on 31<sup>st</sup> March, 2015, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

**“TABLE A”**  
**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015**

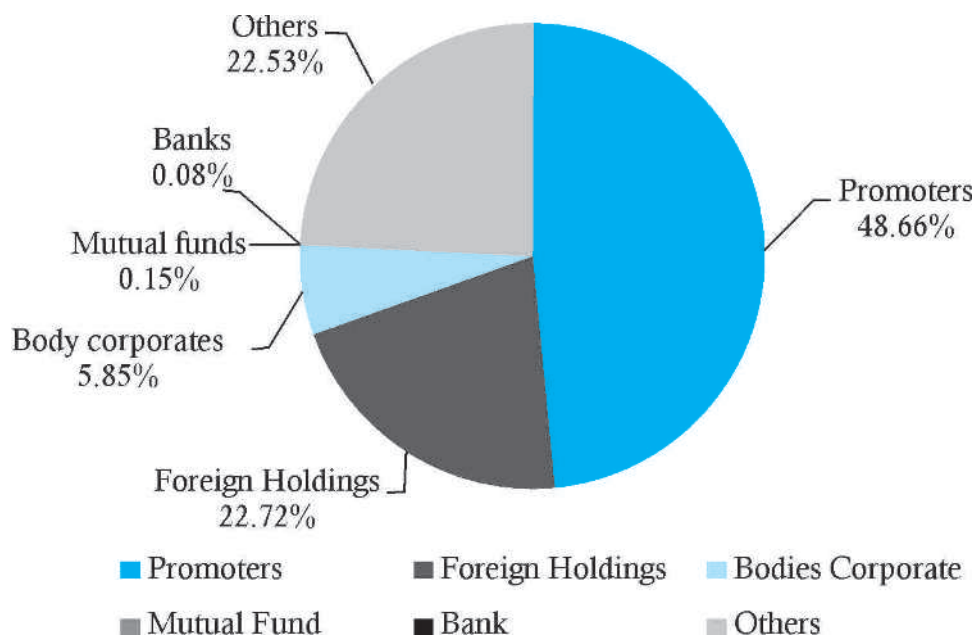
No. of Equity Shares held	No. of Shareholders	% of Shareholders	Shares Amount in ₹	% of Shareholding
1-5000	15869	79.84	46,46,402	2.68
5001-10000	1737	8.74	28,96,132	1.67
10001-20000	1139	5.73	37,82,196	2.17
20001-30000	322	1.62	16,87,864	0.97
30001-40000	163	0.82	11,84,690	0.68
40001-50000	151	0.76	14,46,650	0.83
50001-100000	213	1.07	32,08,198	1.84
100001 & above	283	1.42	15,51,20,064	89.16
<b>TOTAL</b>	<b>19877</b>	<b>100.00</b>	<b>17,39,72,196</b>	<b>100.00</b>

**“TABLE B”**  
**CATEGORY-WISE DISTRIBUTION AS ON 31<sup>ST</sup> MARCH, 2015**

Categories	Total No. of Shares	% of Holding
<b>A) Promoters Holding:</b>		
Individuals	34235124	39.36
Bodies Corporate	8093040	9.30
<b>Total (A)</b>	<b>42328164</b>	<b>48.66</b>
<b>B) Public Holding:</b>		
<b>i) Institutions</b>		
Mutual Fund	130000	0.15
Foreign Inst. Investors	15723155	18.08
Nationalised Bank	10700	0.01
Non-Nationalised Bank	63018	0.07
<b>Total (B)(i)</b>	<b>15926873</b>	<b>18.31</b>
<b>ii) Non-Institutions</b>		
Bodies Corporate	5091163	5.85
Non Resident Indian	583263	0.67
Non Resident (non-repatriable)	927108	1.07
Foreign Portfolio Investor (Corporate)	2533149	2.91
Market Maker	50367	0.06
Clearing Members	258160	0.30
Trust	1434340	1.65
Public	17853511	20.52
<b>Total (B)(ii)</b>	<b>28731061</b>	<b>33.03</b>
<b>Total B [Total (B)(i) + (B)(ii)]</b>	<b>44657934</b>	<b>51.34</b>
<b>Grand Total (A+B)</b>	<b>86986098</b>	<b>100.00</b>



Shareholding Pattern as on 31st March, 2015



## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**ASHAPURA MINECHEM LIMITED**

We have examined the compliance of conditions of Corporate Governance by **ASHAPURA MINECHEM LIMITED** ("the Company") for the year ended on 31<sup>st</sup> March, 2015 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For **SANGHAVI & COMPANY**  
Chartered Accountants  
FRN : 109099W

Sd/-  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

Place : Mumbai  
Date : 5<sup>th</sup> August , 2015

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## DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with sub-clause II (E) of Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended 31<sup>st</sup> March, 2015.

Sd/-  
**RAJNIKANT PAJWANI**  
**WHOLE TIME DIRECTOR & CEO**

**Place:** Mumbai  
**Date:** 5<sup>th</sup> August, 2015





## MANAGEMENT DISCUSSION AND ANALYSIS

### CAUTIONARY STATEMENT:

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company's actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations which among others include demand & supply of raw materials, energy and finished goods; cyclical changes in prices; significant changes in political and economic environment in India/Abroad; changes in Government policies; tax regimes; exchange rate fluctuations; litigations; labour relations and acts of god.

The Management of Ashapura Minechem Limited presents the analysis of the performance of the Company during the year 2014-2015 and an outlook for the future, which is based on the assessment of the current business environment. The business environment may vary due to the future economic, political and other developments, both in India and abroad.

### ECONOMIC ENVIRONMENT:

With the arrival of stable government combined with certain other favorable factors such as acceleration in manufacturing sector; sharp decline in inflation rate; reforms in FDI and buoyant prospects of infrastructure projects being getting off the ground, the Indian economy showed positive sign of growth as FY 2014-2015 reported GDP growth of 7.4%, which was exceptionally far better among other developing economies.

Globally, the FY 2014-2015 continued to be challenging, as the global economic growth remained relatively unchanged at 3.4%, even though the U.S. economy and the Euro Zone continued to show better growth margins, there was a marked slowdown in China and near stagnant situation in Japan.

The Economy even though recovering slow, it is expected that it will gain momentum once the reforms start showing their impact.

### INDUSTRY SCENARIO:

Mining & Minerals sector is one of the important sectors in Indian economy. It not only helps to accelerate GDP growth but also acts as a major driving factor for growth of other core industries like power, steel, cement, etc., which, in turn, are critical for the overall development of the economy.

Given the thrust on fast-tracking stalled projects by the government followed by undertaking large flagship projects such as industrial & economic corridors and dedicated freight corridors, domestic demand for mining sector is expected to witness some improvement going ahead. Moreover, with proposals for the construction of 100 smart cities and the Mines and Minerals (Development and Regulation) Amendment Act, 2015, would enable the mining sector in India to gain a strong foothold, despite the slump in the global market.

While demand continues to create the ground for a robust mining sector, it is not supported with requisite supply. In the FY 2014-2015, the manufacturing industry reported a growth of 7.1% as compared to 5.3% a year ago and the mining industry reported a growth of mere 2.4 % as compared to 5.4% a year ago.

Having said this, the mining sector is still fraught with many issues and challenges which need to be addressed to fully realize the mining potential, the report added. This includes high degree of regulation, difficulty in getting mining permits, social license to operate, competition for land usage, weak infrastructure among others.

India is endowed with great mineral wealth. Properly tapped, it can help propel India's GDP growth, generate additional employment and mitigate fiscal and forex challenges. The industry and the government need to work together to ensure that the industry reaches its high potential.

### OUTLOOK:

The year has been relatively challenging for industrial minerals and commodities in general, however the Company has created a niche in certain Bentonite and Bauxite export markets which offer reasonable demand resilience. The Company was well

placed to accommodate the additional demand caused due to legislative mineral supply disruptions from Indonesia, whereas the relatively benign currency rates further accentuated the Company's competitive advantage.

### FINANCIAL PERFORMANCE:

The Financial Statements for the year ended 31<sup>st</sup> March, 2015, have been prepared in accordance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India and are based on the historical cost convention on an accrual basis.

During the financial year under review, revenue from operations of the Company on a stand-alone basis stood at ₹ 74,924 Lacs as compared to ₹ 66,364 lacs in the previous year and ₹ 1,75,285 Lacs on a consolidated basis as against ₹ 1,08,322 Lacs in the previous year. The increase in turnover was result of the continuation of the Company's Bauxite sales from Gujarat pursuant to the interim relief granted to certain mine owners by the Supreme Court of India.

The Company achieved Earnings Before Interest Tax Depreciation & Amortisation (EBITDA) of ₹ 13,307 lacs during the year under review as compared to the previous year's EBITDA of ₹ 11,767 Lacs on a stand-alone basis. On a consolidated basis, the Company achieved Earnings Before Interest Tax Depreciation & Amortisation (EBITDA) during the year under review of ₹ 27,549 lacs as compared to ₹ 17,834 Lacs in the previous year.

### OPPORTUNITIES:

Although the economic outlook for the United States and Europe appears considerably brighter as compared to the last year, industrial minerals and commodities are witnessing a marked decrease in prices on account of the volatility in China and other emerging markets. Benign mineral and ore prices in turn offer an opportunity to highly efficient and competitive Companies to not only increase their market share but also to acquire resources, technologies and assets at very reasonable valuations; your Company is well placed to not only withstand but rather make most of market disruptions.

### THREATS:

A deeper and prolonged weakness in commodity and mineral markets is likely to impact the Company's medium term profitability; furthermore adverse legislative or regulatory decisions in connection with the Company's Bauxite operations, shipping and other claims could significantly affect the Company's revenue and profitability.

### RISK & CONCERNS:

Based on the Audited Accounts for the year ended 31<sup>st</sup> March, 2011, the Board for Industrial and Financial Reconstruction ("BIFR") has declared the Company a 'Sick Company' vide its order dated 20<sup>th</sup> March, 2012. The Company is in the process of drawing up a Draft Rehabilitation Scheme (DRS) as directed by the BIFR. The Company may be required to follow any operational, administrative or financial directives envisaged in the scheme or as may be stipulated by the BIFR.

The Company continues to face applications for enforcement of ex-parte awards passed in respect of three Contracts of Affreightment for USD 126.07 million; these applications for enforcement of ex-parte awards passed outside India are being contested by the Company at appropriate Indian courts.

### INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

At Ashapura, the Board of Directors through its Audit Committee ensures that the Internal Control System are within the parameters as laid down by the Company and that such controls are functioning effectively. The Company in order to have independence over the Internal Control System, Audit Firm has been appointed as its Internal Auditors to oversee and carry out internal audit of the Company's activities. The audit is based on an internal audit plan, which is reviewed every year by the Audit Committee.

The Internal Auditors continuously monitor the various functions of the Company with an aim to provide independent, objective and reasonable reports highlighting the material deviations from the Standard Operating Procedure (SOPs) implemented by the Company for its various functions. The Audit Committee in turn reviews the reports and recommends their suggestions for improvement and corrective actions to be taken by the Internal Auditors for its effective implementation. The Management also initiates appropriate actions on the observations and suggestions of the Audit Committee.



The Audit Committee also meets the Company's Statutory Auditors to discuss their observations regarding the financial statements, the financial reporting system, compliance by the Company to accounting policies and procedures, the adequacy and effectiveness of the internal controls and systems followed by the Company.

### **RESEARCH & DEVELOPMENT:**

The Company carries out its business functions on a principle that there should be 'no compromise on quality'.

Your Company is driven by a firm belief that minerals have a boundless capacity to satiate the growing needs of humankind, and that innovation can help us unlock nature's bounties making your Company an effective agent of change and transformation.

The Company has relocated its Knowledge & Innovation Centre from Navi Mumbai to a lush 4 acre Innovation Complex at Bhuj which houses one of the best geology-mineral laboratories and talents for applied research in Asia. The relocation is expected to provide a more application based and operational environment to the Company's research initiatives.

Your Company's multi-disciplinary R&D team tackles complex issues and highly challenging projects, by working with customers through the entire product development cycle, right from the R&D stage to the commercial production.

The R&D Centre continued its focus on development of minerals and in specific, application to ceramics, refractories, paints, paper etc., including development of ceramic proppants for hydraulic fracturing.

### **HUMAN RESOURCES:**

Human resource has always been the contributing factor for growth and success of the Company and accordingly a balance need to be maintained between the business needs and individual aspirations.

As your Company is engaged in business of mining and minerals, every category of human resources such as un-skilled, semi-skilled and skilled personnel are inducted by the Company for successful implementation of its business strategies and thereby achieving the business goals.

During the year under review, your Company encouraged and organized training and development programmes for its employees at all levels and also launched several employee centric policies catering to the needs of workforce as also to keep the Company up to date as per industry standards. During the year, the Company employed, directly or indirectly, approximately 1959 employees at different levels across diverse locations.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

Ashapura Group has, as a measure of its gratitude, been committed to its social obligation of paying back to the society especially less fortunate and underprivileged sections of the society. Ashapura Group, as a part of its CSR Activities, has been engaged in various community welfare programs especially in areas of Health, Education, Women Empowerment, Culture & Rural Development, Relief & Rehabilitation, Social Awareness & Welfare etc. for the society at large.

On the Educational front, Ashapura Group is running Ashapura Primary School where along with education many curriculum activities are organized for overall development of students. Further, with the aim of women empowerment and women education, Ashapura Women's Academy has been conducting various certified training courses and also provides educational facilities to the women.

During the year, it has rendered many healthcare services such as Mobile Health Care and Awareness for the general public of remote villages. Further, it has conducted Medical Camps for people residing at remote inaccessible villages of Lakhpat, Nakhtrana, Mandvi, Abdasa, Bhujodi and many more.

On the Social front, as a part of its Animal Care Project, the Company conducted vaccination program for betterment of health of animals and also provided good quality and nutritious cattle feed to the animals in water scarcity villages of Kutch.

In order to promote kutch handicrafts, artisans are provided platform for direct sale to customers in Hiralaxmi Craft Park, Kutch, on monthly basis which also help them to earn a reasonable income.

Ashapura Group has undertaken the work of beautification of Airport at Bhuj and also restored historical monuments.

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
ASHAPURA MINECHEM LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Ashapura Minechem Limited** ("the Company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and 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 of 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial control relevant to the Company's preparation of the financial statements that give 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 control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2015 and of the loss and its cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of three branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 412,240,612 as at 31<sup>st</sup> March 2015 and total revenues of ₹ 72,986,563 for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in clause 3 and 4 of the Order, to the extent possible.



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 purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The reports on the accounts of three branch offices of the Company audited under section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) 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;
  - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms section 164(2) of the Act;
  - g) With respect to the other matters to be included in the Auditors' 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 explanation given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 25, 26 and 36;
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN : 109099W

sd/-  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

Mumbai  
26<sup>th</sup> May, 2015



## ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets:
  - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
- 2 In respect of inventories:
  - a. The inventories were physically verified by the management at reasonable intervals during the year.
  - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification carried out by the management of the Company.
- 3 The Company has granted unsecured loans to the companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

Since no terms and conditions of these loans are stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any. The receipts of interest on these loans are regular.

- 4 There are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. However, the same needs to be strengthened in certain functional areas. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 The Company has not accepted any deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the rules framed thereunder.
- 6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues:
  - a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.
  - b. There are no statutory dues, which have not been deposited on account of dispute except for the followings:

Nature of Dues	Statute	₹ in lacs	Relevant Year	Forum where dispute is pending
Value Added Tax	Kerala VAT Act	8.23	2007-08	Appellate Tribunal
Value Added Tax	Andhra Pradesh Value Added Tax Act	16.12	2006-07 to 2009-10	The Commercial Tax Officer
Value Added Tax	Gujarat Value Added Tax Act	30.57	2009-10 to 2013-14	The Assistant Commissioner of VAT
Service Tax	Service Tax Rules	6.05	2008-09, 2009-10	CESTAT - Ahmedabad
		141.79	2007-08 2008-09	Gujarat High Court
Income Tax	Income Tax Act	1,403.32	2010-11	The Commissioner of Income Tax (Appeals)





- c. The amounts required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
- 8 The Company has accumulated losses as at the end of the financial year exceeding its entire net worth. The Company has incurred cash losses during the current year, but not in the immediately preceding financial year.
- 9 The Company has not defaulted in repayment of dues to banks and financial institutions *except for the dues of certain banks in respect of losses and liabilities for foreign currency derivatives transactions which are disputed by the Company as stated in note no. 25 and to the extent the amounts stated under note no. 6 and 7.* The Company has not obtained any borrowings from any financial institutions or by way of debentures.
- 10 The terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries, associates and a joint venture company from banks are, *prima facie*, not prejudicial to the interest of the Company.
- 11 Terms loans obtained by the Company have been applied for the purpose for which they were obtained.
- 12 To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

**For SANGHAVI & COMPANY**

Chartered Accountants

FRN : 109099W

sd/-

**MANOJ GANATRA**

Partner

Membership No. 043485

Mumbai

26<sup>th</sup> May, 2015

# ASHAPURA MINECHEM LIMITED

## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

	Note No.	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	173,972,196	173,972,196
Reserves and Surplus	3	(2,875,786,271)	(1,616,925,436)
		<b>(2,701,814,075)</b>	<b>(1,442,953,240)</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	4	3,500,000	14,710,953
Other Long Term Liabilities		—	—
Long-term Provisions	5	69,162,491	51,950,465
		<b>72,662,491</b>	<b>66,661,418</b>
<b>Current Liabilities</b>			
Short-term Borrowings	6	656,282,956	726,282,956
Trade Payables		508,282,248	722,648,707
Other Current Liabilities	7	8,550,640,365	6,984,585,355
Short-term Provisions	8	10,035,787	11,195,655
		<b>9,725,241,356</b>	<b>8,444,712,673</b>
		<b>7,096,089,772</b>	<b>7,068,420,851</b>
<b>ASSETS :</b>			
<b>Non-Current Assets</b>			
Fixed Assets	9		
Tangible Assets		1,415,872,326	1,480,662,271
Intangible Assets		3,392,035	4,073,725
Capital Work-in-Progress		89,449,346	111,454,327
		<b>1,508,713,707</b>	<b>1,596,190,323</b>
Non-current Investments	10	389,674,238	386,674,238
Long-term Loans and Advances	11	802,682,367	766,377,153
Other Non-current Assets		—	—
		<b>2,701,070,312</b>	<b>2,749,241,714</b>
<b>Current Assets</b>			
Current Investments	12	374,800	374,800
Inventories	13	1,061,272,884	1,389,334,726
Trade Receivables	14	1,995,720,519	1,985,407,446
Cash and Bank Balances	15	280,934,347	191,492,239
Short-term Loans and Advances	16	1,056,716,910	752,569,926
Other Current Assets		—	—
		<b>4,395,019,460</b>	<b>4,319,179,137</b>
		<b>7,096,089,772</b>	<b>7,068,420,851</b>

The accompanying notes 1 to 44 are an integral part of these financial statements.

As per our Report of even date	<b>For and on Behalf of the Board of Directors</b>		
For SANGHAVI & COMPANY	sd/-	sd/-	sd/-
Chartered Accountants	<b>CHETAN SHAH</b>	<b>RAJNIKANT PAJWANI</b>	<b>ASHOK KADAKIA</b>
	Chairman (Non Executive)	Whole-time Director & CEO	Audit Committee Chairman & Ind. Director
sd/-	sd/-	sd/-	
<b>MANOJ GANATRA</b>	<b>ASHISH DESAI</b>	<b>SACHIN POLKE</b>	
Partner	Sr. General Manager - Accounts	Company Secretary and Vice President	

Mumbai  
26<sup>th</sup> May, 2015

Mumbai  
26<sup>th</sup> May, 2015



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2015

	Note No.	2014-2015 ₹	2013-2014 ₹
<b>REVENUE :</b>			
Revenue from Operations	17	7,492,351,321	6,636,359,939
Other Income	18	94,518,309	83,077,631
		<u>7,586,869,630</u>	<u>6,719,437,570</u>
<b>EXPENSES :</b>			
Cost of Materials Consumed	19	986,446,423	851,791,507
Purchases of Stock-in-Trade		606,600,791	738,400,544
Changes in Inventories	20	342,730,976	71,518,662
Employee Benefits Expenses	21	260,864,301	248,970,465
Finance Costs	22	98,151,278	193,973,990
Depreciation and Amortization		158,802,243	111,644,007
Other Expenses	23	4,059,337,418	3,602,357,980
		<u>6,512,933,430</u>	<u>5,818,657,155</u>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,073,936,200</b>	<b>900,780,415</b>
Exceptional Items	34	(2,313,307,893)	511,888,349
<b>Profit/(Loss) before extraordinary items and tax</b>		<b>(1,239,371,693)</b>	<b>1,412,668,764</b>
Extraordinary Items		—	—
<b>Profit/(Loss) Before Tax</b>		<b>(1,239,371,693)</b>	<b>1,412,668,764</b>
<b>Tax Expenses</b>			
Current tax		—	—
Earlier years' tax		—	—
Deferred tax		—	—
<b>Net Profit/(Loss) for the year</b>		<b>(1,239,371,693)</b>	<b>1,412,668,764</b>
Face Value per Equity Share		<b>2.00</b>	<b>2.00</b>
<b>Earning per Equity Share</b>			
Basic / Diluted (before exceptional and extra ordinary items)		<b>12.35</b>	<b>10.84</b>
Basic / Diluted (after exceptional and extra ordinary items)		<b>(14.25)</b>	<b>17.01</b>

The accompanying notes 1 to 44 are an integral part of these financial statements.

As per our Report of even date	<b>For and on Behalf of the Board of Directors</b>		
sd/-	sd/-	sd/-	
<b>For SANGHAVI &amp; COMPANY</b>	<b>CHETAN SHAH</b>	<b>RAJNIKANT PAJWANI</b>	<b>ASHOK KADAKIA</b>
Chartered Accountants	Chairman (Non Executive)	Whole-time Director & CEO	Audit Committee Chairman & Ind. Director
sd/-	sd/-	sd/-	
<b>MANOJ GANATRA</b>	<b>ASHISH DESAI</b>	<b>SACHIN POLKE</b>	
Partner	Sr. General Manager - Accounts	Company Secretary and Vice President	

Mumbai  
26<sup>th</sup> May, 2015

Mumbai  
26<sup>th</sup> May, 2015

# ASHAPURA MINECHEM LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	2014-2015 (₹. in lacs)		2013-2014 (₹. in lacs)	
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit Before Tax and Extraordinary Items		10,739.36		9,007.80
<b>Adjustments for -</b>				
Depreciation and Amortization	1,588.02		1,116.44	
Loss (Profit) on Sale/disposal of Fixed Assets	(1.62)		(0.71)	
Loss (Profit) on Sale of Investment	(84.21)		(13.71)	
Dividend	(134.50)		(134.54)	
Interest (net)	499.96	1,867.65	1,494.66	2,462.14
Operating Profit Before Working Capital Changes		12,607.01		11,469.94
<b>Adjustments for -</b>				
Trade and Other Receivables	(2,962.07)		(3,121.09)	
Inventories	3,280.62		996.89	
Trade and Other Payables	13,683.26	14,001.81	(361.00)	(2,485.20)
Cash Generated From Operations		26,608.82		8,984.75
Direct Taxes Paid / Refund Receipts	(186.90)	(186.90)	(90.40)	(90.40)
Cash Flow before Exceptional / Extra Ordinary Items		26,421.92		8,894.34
Exceptional / Extra Ordinary Items		(21,256.37)		6,968.89
<b>NET CASH FROM OPERATING ACTIVITIES</b>		5,165.55		15,863.23
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	(3,053.08)		(1,813.56)	
Sale of Fixed Assets	269.87		83.01	
Sale (Purchase) of Investments (net)	54.21		13.71	
Interest Received	600.45		578.08	
Dividend Received	134.50		134.54	
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		(1,994.05)		(1,004.22)



## C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds (Repayments) from Long Term Borrowings	(112.10)	(4,525.21)
Proceeds (Repayments) from Short Term Borrowings	(700.00)	(8,211.58)
Loans lent / recovered	(358.71)	(434.88)
Dividend Paid	(5.85)	(1.88)
Interest Paid	(1,100.41)	(2,072.74)
Net Change in Statutory Restricted Accounts Balances	(615.16)	(247.45)
Increase in Share Capital (including premium)	—	1,104.90
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,892.23)</b>	<b>(14,388.84)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>279.27</b>	<b>470.17</b>
Cash and cash equivalents as at beginning of the year	1,299.59	829.42
Cash and cash Equivalents as at end of the year	<u>1,578.86</u>	<u>1,299.59</u>
<b>Cash and Cash Equivalents</b>		
Cash and Bank Balances	2,809.34	1,914.92
Statutory restricted accounts	(1,230.49)	(615.33)
	<u>1,578.86</u>	<u>1,299.59</u>

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

sd/-  
**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2015

**For and on Behalf of the Board of Directors**  
sd/-

**CHETAN SHAH**  
Chairman (Non Executive)

sd/-  
**ASHISH DESAI**  
Sr. General Manager - Accounts

Mumbai  
26<sup>th</sup> May, 2015

sd/-

**RAJNIKANT PAJWANI**  
Whole-time Director & CEO

sd/-  
**SACHIN POLKE**  
Company Secretary and Vice President

sd/-  
**ASHOK KADAKIA**  
Audit Committee Chairman & Ind. Director

## 1 SIGNIFICANT ACCOUNTING POLICIES

### **BASIS OF ACCOUNTING:**

The financial statements have been prepared in accordance with the recognition and measurement principles laid down in the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India and are based on the historical cost convention on an accrual basis.

### **USE OF ESTIMATES:**

The preparation of financial statement in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### **FIXED ASSETS:**

Fixed Assets are stated at cost less depreciation. All costs incurred till the date the asset is ready for use, including interest on loans relating to the acquisition, installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective fixed asset.

Depreciation is provided on Written Down Value method except for building, plant & machinery, laboratory equipment and excavators where depreciation is provided on Straight Line Method at the rates and in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

### **INVESTMENTS:**

Long-term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments. Current investments are stated at lower of cost or market value determined category wise. Dividends/interest is accounted for as and when the right to receive the same is established.

### **INVENTORIES:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares – on a first-in first-out (FIFO) basis;

Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads.

### **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 be measured.

Revenue from sale of goods is recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Revenue from services are recognized as and when the services are rendered in terms of the agreements with the customers. Service tax, wherever applicable, is collected on behalf of the Government and therefore, excluded from the revenue.

### **MINING EXPENSES:**

Expenses incurred on mining including removal of overburden of mines are charged to the profit & loss statement as mining cost based on quantity of minerals mined during the year since removal of overburden and mining are carried out concurrently and relatively within short period of time. Mining restoration expenses are annually reviewed and provided for.

### **RESEARCH AND DEVELOPMENT EXPENSES & RECEIPTS:**

Revenue expenditure on research and development is charged against the profit for the year in which it is incurred. Capital





expenditure on research and development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets. Receipts of research & development center of the company are accounted for as revenue receipts.

#### **FOREIGN CURRENCY TRANSACTIONS:**

- a. Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Exchange rate differences related to sales and other transactions are dealt with in the profit & loss statement.
- b. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year except where the ultimate recovery or the payment, as the case may be, are uncertain, are translated at the closing rates and profit or loss arising therefrom is dealt with in the profit & loss statement.
- c. In respect of forward foreign exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense, as the case may be, over the life of the contract.
- d. Realized gain or loss on cancellation of forward exchange contracts are recognized in the profit & loss statement of the year in which they are cancelled.

#### **BORROWING COSTS:**

Net cost of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

#### **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 as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur.

Contributions in respect of gratuity are 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.

#### **TAXATION:**

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognised, subject to the consideration of prudence, on timing difference, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

#### **EARNING PER SHARE:**

Basic earning 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 shares outstanding at year-end.

#### **PROVISION AND CONTINGENCIES:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

# ASHAPURA MINECHEM LIMITED

## Note No. 2

### 2.1 Share Capital :

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Authorised</b>		
125,000,000 equity Shares of ₹ 2/- each	250,000,000	250,000,000
6,500,000 preference Shares of ₹ 100/- each	650,000,000	650,000,000
	<u>900,000,000</u>	<u>900,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
86,986,098 equity Shares of ₹ 2/- each	173,972,196	173,972,196
	<u>173,972,196</u>	<u>173,972,196</u>

Of the total capital, 65,543,049 equity shares were issued as fully paid-up bonus shares including equity shares issued as fully paid up bonus shares during the preceding five years : Nil

### 2.2 Share Capital Reconciliation :

#### Equity Shares :

Particulars	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	No. of Shares	₹.	No. of Shares	₹
Shares outstanding at the beginning of the year	86,986,098	173,972,196	82,986,098	165,972,196
Shares issued during the year	—	—	4,000,000	8,000,000
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	86,986,098	173,972,196	86,986,098	173,972,196

### 2.3 Shares held by each shareholder holding more than five percent shares

Name of Shareholder	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Chetan Navnitlal Shah	13,543,814	15.57	12,143,814	13.96
Mr. Navnitlal Ratanji Shah	6,847,960	7.87	9,514,087	10.94
Mrs. Dina Chetan Shah	7,768,020	8.93	7,768,020	8.93
Ashapura Industrial Finance Limited	8,088,000	9.30	8,088,000	9.30
Albula Investment Fund Limited	7,857,345	9.03	7,857,345	9.03

### 2.4 Rights, preferences and restrictions attached to shares

#### Equity Shares :

The Company has one class of equity shares having a face value of ₹ 2 each ranking *pari passu* in all respects including voting rights and entitlement to dividend.

**Note No. 3 RESERVES AND SURPLUS**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>a. Capital Reserve</b>	3,400,694	3,400,694
<b>b. Capital Redemption Reserve</b>	100,000	100,000
<b>c. Securities Premium Account</b>		
Balance at the beginning of the year	1,773,458,645	1,634,138,645
Premium received during the year	—	139,320,000
Balance at the end of the year	<u>1,773,458,645</u>	<u>1,773,458,645</u>
<b>d. Surplus</b>		
Balance at the beginning of the year	(3,393,884,775)	(4,806,553,539)
Adjustment on account of depreciation ( Refer note no. 27)	(19,489,142)	—
Net Profit/(Loss) for the current year	<u>(1,239,371,693)</u>	<u>1,412,668,764</u>
Balance at the end of the year	<u>(4,652,745,610)</u>	<u>(3,393,884,775)</u>
	<u>(2,875,786,271)</u>	<u>(1,616,925,436)</u>

**Note No. 4 LONG TERM BORROWINGS**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>a. Secured</b>		
Term loans from banks and others (Indian rupee accounts)*	3,500,000	14,710,953
* includes accounts upon assignment from a financial institution		
	<u>3,500,000</u>	<u>14,710,953</u>

**Notes:**

Term Loans from banks and others are against hypothecation of plant & equipment and vehicles and further secured by equitable mortgage of certain immovable assets of the company and also against personal guarantees of some of the directors.

Period of default	NA	NA
Amount	Nil	Nil
<b>b. Unsecured</b>		
	—	—
	—	—
	<u>3,500,000</u>	<u>14,710,953</u>

# ASHAPURA MINECHEM LIMITED

## Note No. 5 LONG TERM PROVISIONS

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
Provision for leave encashment	7,948,754	6,211,261
Provision for mining restoration	61,213,737	45,739,204
	<u>69,162,491</u>	<u>51,950,465</u>

## Note No. 6 SHORT TERM BORROWINGS

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>a. Secured</b>		
Working capital finance from banks (Indian rupee accounts)	254,000,000	254,000,000
Working capital finance from financial institutions and others * (Indian rupee accounts)	402,282,956	420,282,956
Term Loans from financial institutions and others * (Indian rupee accounts)	—	52,000,000
* includes accounts upon assignment from banks/financial institution		
	<u>656,282,956</u>	<u>726,282,956</u>

Exports packing credit finance and post-shipment finance from banks and financial Institution are against hypothecation of inventories, book debts and discounting of export bills and further secured by equitable mortgage of certain fixed assets of the company

Amount of default : Of the above, accounts with aggregate balances of ₹ 614,282,956 (614,282,956) have been classified by the respective banks and financial institutions as non-standard.

### b. Unsecured

	—	—
	—	—
	<u>656,282,956</u>	<u>726,282,956</u>



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**Note No. 7 OTHER CURRENT LIABILITIES**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
Current maturities of long-term debt [including amount in default in repayment ₹ 243,703,153 (229,107,507)]	259,818,454	765,366,025
Interest accrued and due on borrowings	334,306,533	346,352,493
Payables on purchase of capital assets	5,404,307	1,964,231
Advances from customers	58,453,760	170,599,467
Statutory liabilities	70,437,902	53,146,811
Unclaimed dividends	344,621	929,644
Shipping claims payable	5,620,288,244	5,620,288,244
Derivatives and other claims payable (refer note no. 25)	2,110,137,363	—
Other liabilities	91,449,181	25,938,440
	<u>8,550,640,365</u>	<u>6,984,585,355</u>

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**Note No. 8 SHORT TERM PROVISIONS**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
Provision for bonus	8,895,039	9,903,232
Provision for leave encashment	1,140,748	1,292,423
	<u>10,035,787</u>	<u>11,195,655</u>

**Note No. 9 FIXED ASSETS**

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 <sup>st</sup> April 2014	Additions	Deductions	As at 31 <sup>st</sup> March, 2015	As at 1 <sup>st</sup> April 2014	For the Year	On Deductions/ Adjustment	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March 2014
	₹	₹	₹	₹.	₹	₹.	₹	₹.	₹.	₹
<b>OWNED TANGIBLE ASSETS</b>										
LAND AND LAND DEVELOPMENT	151,224,996	12,295,100	449,006	163,071,090	—	—	—	—	163,071,090	151,224,996
BUILDINGS	583,509,489	109,567,711	234,378,261	458,698,939	106,580,864	18,421,220	46,707,730	78,294,354	380,404,585	476,928,625
PLANT AND EQUIPMENT	1,283,788,298	172,079,582	39,563,632	1,416,304,248	488,498,078	112,512,791	250,649	600,760,220	815,544,028	795,290,220
BARGES	7,598,314	—	—	7,598,314	7,353,950	—	—	7,353,950	244,364	244,364
VEHICLES	79,718,801	963,435	3,701,007	76,981,229	66,980,971	5,506,403	4,027,424	68,459,950	8,521,279	12,737,830
FURNITURE & FIXTURES	87,698,625	23,331,596	1,685,962	109,344,259	61,260,536	12,585,190	532,118	73,313,608	36,030,651	26,438,089
OFFICE EQUIPMENT	70,653,208	8,773,567	123,566	79,303,209	52,855,061	8,815,547	(5,576,272)	67,246,880	12,056,329	17,798,147
<b>TOTAL</b>	<b>2,264,191,731</b>	<b>327,010,991</b>	<b>279,901,434</b>	<b>2,311,301,288</b>	<b>783,529,460</b>	<b>157,841,151</b>	<b>45,941,649</b>	<b>895,428,962</b>	<b>1,415,872,326</b>	<b>1,480,662,271</b>
<b>OWNED INTANGIBLE ASSETS</b>										
COMPENSATION FOR PREMISES RIGHTS	1,602,693	—	—	1,602,693	—	—	—	—	1,602,693	1,602,693
COMPUTER SOFTWARES	5,148,781	304,500	—	5,453,281	2,814,944	961,092	(11,378)	3,787,414	1,665,867	2,333,837
MINING LEASE	137,195	—	13,720	123,475	—	—	—	—	123,475	137,195
<b>TOTAL</b>	<b>6,888,669</b>	<b>304,500</b>	<b>13,720</b>	<b>7,179,449</b>	<b>2,814,944</b>	<b>961,092</b>	<b>(11,378)</b>	<b>3,787,414</b>	<b>3,392,035</b>	<b>4,073,725</b>
<b>CAPITAL WORK IN PROGRESS</b>	<b>111,454,327</b>	<b>229,736,870</b>	<b>251,741,851</b>	<b>89,449,346</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>89,449,346</b>	<b>111,454,327</b>
<b>GRAND TOTAL</b>	<b>2,382,534,727</b>	<b>557,052,361</b>	<b>531,657,005</b>	<b>2,407,930,083</b>	<b>786,344,404</b>	<b>158,802,243</b>	<b>45,930,271</b>	<b>899,216,376</b>	<b>1,508,713,707</b>	<b>1,596,190,323</b>
<b>PREVIOUS YEAR</b>	<b>2,213,316,399</b>	<b>234,067,285</b>	<b>64,848,957</b>	<b>2,382,534,727</b>	<b>678,608,262</b>	<b>111,644,007</b>	<b>3,907,865</b>	<b>786,344,404</b>	<b>1,596,190,323</b>	<b>1,534,708,137</b>



**Note No. 10 NON-CURRENT INVESTMENTS**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Unquoted; at cost :</b>		
<b>a. Investments in Subsidiary Companies:</b>		
3,000,000 equity shares of Ashapura International Limited of ₹ 10 each (A wholly owned subsidiary)	32,727,000	32,727,000
3,560,000 (3,410,000) equity shares of Ashapura Claytech Limited of ₹ 10 each [extent of holding: 99.44; (95.25%)]	37,100,000	34,100,000
10,000 equity shares of Ashapura Consultancy Service Pvt Limited of ₹ 10 each (A wholly owned subsidiary)	100,000	100,000
10,000 equity shares of Sharda Consultancy Pvt Limited of ₹ 10 each (A wholly owned subsidiary)	100,000	100,000
10,000 equity shares of Peninsula Property Developers Pvt Limited of ₹ 10 each (A wholly owned subsidiary)	100,000	100,000
700,000 equity shares of Prashansha Ceramics Limited of ₹ 10 each (A wholly owned step down subsidiary)	14,700,000	14,700,000
218,080 equity shares of Bombay Minerals Limited of ₹ 10 each (A wholly owned subsidiary)	96,154,325	96,154,325
50,000 equity shares of Ashapura Aluminum Limited of ₹ 10 each (A wholly owned subsidiary)	500,000	500,000
68 equity shares of Ashapura Minechem UAE FZE of AED 150,000 (A wholly owned subsidiary)	112,312,634	112,312,634
	<u>293,793,959</u>	<u>290,793,959</u>
<b>b. Investments in Joint Ventures:</b>		
8,966,590 equity shares of Ashapura Perfoclay Limited of ₹ 10 each (extent of holding: 50.00%)	89,665,900	89,665,900
30,750 equity shares of Ashapura Midgulf NV (AMCOL) Antwerp of Euro 1.00 each (extent of holding: 50.00%)	1,776,379	1,776,379
	<u>91,442,279</u>	<u>91,442,279</u>
<b>c. Investments in Associates:</b>		
55,000 equity shares of Ashapura Arcadia Logistics Pvt Limited of ₹ 10 each (extent of holding: 50.00 %)	550,000	550,000
	<u>550,000</u>	<u>550,000</u>
<b>d. Investments in Other Equity shares:</b>		
186,285 equity shares of Shantilal Multiport Infrastructure Pvt Limited of ₹ 10 each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
<b>e. Investments in Government Securities:</b>		
National Savings Certificates (under lien with sales tax/mining authorities)	1,388,000	1,388,000
	<u>1,388,000</u>	<u>1,388,000</u>
	<u>389,674,238</u>	<u>386,674,238</u>

# ASHAPURA MINECHEM LIMITED

## Note No. 11 LONG-TERM LOANS AND ADVANCES

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Unsecured (considered good)</b>		
Capital advances	2,894,351	2,387,370
Security deposits	151,377,516	151,892,877
<b>includes -</b>		
Security deposits towards land and premises to directors, firms and companies in which some of the directors are interested ₹ 23,200,000 (23,200,000)		
security deposits towards premises to subsidiary companies ₹ 44,100,000 (44,100,000)		
Loans to subsidiary companies	466,105,155	404,166,461
Loans to a joint venture company	181,504,551	181,504,551
Loans to associate companies	—	26,067,760
Loans to staff	800,794	358,134
	<u>802,682,367</u>	<u>766,377,153</u>

## Note No. 12 CURRENT INVESTMENT

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Investments in Government Securities:</b>		
National Savings Certificates (under lien with sales tax/mining authorities)	374,800	374,800
	<u>374,800</u>	<u>374,800</u>

## Note No. 13 INVENTORIES

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
(valued at the lower of cost or net realisable value)		
Raw materials	113,293,115	100,679,715
Work-in-progress	2,488,338	7,677,948
Finished goods	789,776,621	1,154,244,802
Stock-in-trade	105,374,663	78,447,848
Stores & spares	35,610,401	36,114,235
Packing materials	14,729,746	12,170,178
	<u>1,061,272,884</u>	<u>1,389,334,726</u>

**Note No. 14 TRADE RECEIVABLES**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Unsecured (considered good, unless otherwise stated)</b>		
Over six months	1,096,267,485	655,477,517
Others	1,030,164,087	1,407,474,577
	<u>2,126,431,572</u>	<u>2,062,952,094</u>
less: Provision for doubtful debts	<u>130,711,053</u>	<u>77,544,648</u>
	<u>1,995,720,519</u>	<u>1,985,407,446</u>
<b>includes -</b>	<u>More than Six Months</u>	<u>Others</u>
due from subsidiaries	680,712,383	449,066,332
due from joint venture and associates	169,010,328	175,909,980

**Note No. 15 CASH AND BANK BALANCES**

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>I. Cash and Cash Equivalents</b>		
<b>a. Balances with Banks :</b>		
Current accounts	152,494,807	127,171,187
Short term deposits	—	—
	<u>152,494,807</u>	<u>127,171,187</u>
<b>b. Cash on Hand</b>	<u>5,390,783</u>	<u>2,788,302</u>
	<u>157,885,590</u>	<u>129,959,489</u>
<b>II. Other Bank Balances</b>		
Dividend accounts	344,141	928,997
Margin money accounts	1,363,000	1,363,000
Terms deposits with more than 12 months maturity	61,182,987	3,933,794
Other terms deposits	60,158,629	55,306,959
	<u>123,048,757</u>	<u>61,532,750</u>
	<u>280,934,347</u>	<u>191,492,239</u>

Term deposits of ₹ 121,341,616 are under lien with banks against letter of credits and bank guarantees (previous year ₹ 59,240,753)

# ASHAPURA MINECHEM LIMITED

## Note No. 16 SHORT-TERM LOANS AND ADVANCES

	31 <sup>st</sup> March, 2015 ₹	31 <sup>st</sup> March, 2014 ₹
<b>Unsecured (considered good, unless otherwise stated)</b>		
Trade advances to suppliers	975,536,020	750,332,736
less: Provision for doubtful advances	<u>229,922,883</u>	<u>229,922,883</u>
	745,613,137	520,409,853
<b>includes -</b>		
Trade advances to subsidiaries ₹ 85,856,778 (140,327,258)		
Trade advances to joint venture and associates ₹ 318,739,853 (144,767,157)		
Advance payments of income tax (net of provisions)	38,682,875	19,993,376
Loans and advances to staff	3,444,979	4,238,456
Claims receivable	158,461,679	133,107,896
Prepaid expenses	15,035,399	13,768,657
Other loans and advances	<u>95,478,841</u>	<u>61,051,688</u>
	<u>1,056,716,910</u>	<u>752,569,926</u>

## Note No. 17 REVENUE FROM OPERATIONS

	2014 - 2015 ₹	2013 - 2014 ₹
<b>Sale of Products</b>		
Export sales	6,037,986,360	4,708,373,239
Domestic sales	<u>1,143,591,016</u>	<u>1,166,685,889</u>
	7,181,577,376	5,875,059,128
<b>Sale of Services</b>		
Cargo handling income	135,388,800	440,272,525
<b>Other Operating Revenue</b>		
Export incentives and credits	28,884,892	1,483,872
Foreign currency fluctuation gain	43,479,000	121,936,211
Research & development fees receipts	62,237,140	20,186,000
Machinery hire charges receipts	—	136,129,515
Other operational income	<u>40,784,113</u>	<u>41,292,688</u>
	<u>7,492,351,321</u>	<u>6,636,359,939</u>



## Note No. 18 OTHER INCOME

	2014 - 2015 ₹	2013 - 2014 ₹
<b>Dividend receipts</b>		
from joint venture companies	13,449,885	13,449,885
from others	—	3,775
	<u>13,449,885</u>	<u>13,453,660</u>
Interest receipts	60,044,508	57,807,752
Profit on sale of assets (net)	162,292	70,725
Profit on sale of Investment	8,421,027	1,370,918
Sundry balances/excess provisions written back (net)	2,879,016	3,200,000
Miscellaneous income	9,561,581	7,174,576
	<u>94,518,309</u>	<u>83,077,631</u>

## Note No. 19 COST OF MATERIALS CONSUMED

	2014 - 2015 ₹	2013 - 2014 ₹
<b>Materials and Mining Expenses</b>		
Opening stock	100,679,715	130,087,420
Purchase and direct expenses	414,341,140	300,621,004
	<u>515,020,855</u>	<u>430,708,424</u>
Closing stock	113,293,115	100,679,715
	<u>401,727,740</u>	<u>330,028,709</u>
Rent and royalty	240,614,437	180,367,525
Mining expenses	344,104,246	341,395,273
	<u>986,446,423</u>	<u>851,791,507</u>

# ASHAPURA MINECHEM LIMITED

## Note No. 20 CHANGES IN INVENTORIES

		2014 - 2015 ₹		2013 - 2014 ₹
<b>Opening Stock</b>				
Finished Goods	1,154,244,802		1,207,506,888	
Stock-in-trade	78,447,848		97,474,997	
Work-in-progress	<u>7,677,948</u>	1,240,370,598	<u>6,907,375</u>	1,311,889,260
<b>Closing Stock</b>				
Finished Goods	789,776,621		1,154,244,802	
Stock-in-trade	105,374,663		78,447,848	
Work-in-progress	<u>2,488,338</u>	897,639,622	<u>7,677,948</u>	1,240,370,598
		<u>342,730,976</u>		<u>71,518,662</u>

## Note No. 21 EMPLOYEE BENEFIT EXPENSES

	2014 - 2015 ₹	2013 - 2014 ₹
Salaries, wages, allowances and bonus	219,596,532	215,166,858
Contribution to employee benefit funds	20,299,281	17,218,601
Staff welfare expenses	20,968,488	16,585,006
	<u>260,864,301</u>	<u>248,970,465</u>
includes directors' remuneration	3,264,498	3,600,000

## Note No. 22 FINANCE COSTS

	2014 - 2015 ₹	2013 - 2014 ₹
<b>Interest</b>		
Working capital finance	74,357,870	138,570,469
Term loans	22,050,595	25,427,703
Others	<u>1,586,563</u>	<u>283,486</u>
	97,995,028	164,281,658
Loss on foreign currency borrowings	—	29,692,332
Other borrowing costs	156,250	—
	<u>98,151,278</u>	<u>193,973,990</u>

**Note No. 23 OTHER EXPENSES**

	2014 - 2015		2013 - 2014	
	₹		₹	
Manufacturing Expenses				
Power & Fuel	106,448,164		146,718,055	
Machinery repairs and maintenance	7,263,527		15,698,541	
Packing materials and expenses	50,866,202		43,457,692	
Carriage inward	7,256,103		23,610,282	
Stores and Spares	44,509,429		53,896,482	
Other expenses	69,739,957	286,083,382	101,594,808	384,975,860
Selling and Distribution Expenses				
Sales commission	30,232,883		6,563,002	
Cargo handling expenses	95,068,741		327,768,493	
Export freight and insurance	667,892,230		347,959,440	
Export duty	692,536,541		343,706,347	
Export and other shipment expenses	1,861,044,112	3,346,774,507	1,707,525,365	2,733,522,647
Administrative and Other Expenses				
Travelling expenses	53,034,218		44,295,134	
Rent	10,164,750		10,146,407	
Rates and taxes	20,425,911		11,802,070	
Insurance premiums	2,972,415		3,486,629	
Building and other repairs	10,474,272		11,710,550	
Advertisement and business promotion	9,635,652		8,739,043	
Directors' sitting fees	540,000		390,000	
Liquidated damages	124,152,550		—	
Legal and professional fees	51,461,356		46,532,692	
Payments to auditors	4,727,613		4,581,521	
Provisions and write off for doubtful debts and advances (net)	34,181,090		245,873,377	
Bank discount, commission and other charges	4,092,055		4,553,578	
Donations	630,675		376,150	
Prior period expenses	1,800,541		355,545	
General expenses	98,186,431	426,479,529	91,016,777	483,859,473
		4,059,337,418		3,602,357,980



- 24 Based on the audited annual accounts for the year ended 31<sup>st</sup> March 2011, the company became a sick industrial company within the meaning of section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant the proviso to section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Board for Industrial & Financial Reconstruction (BIFR) on considering the material on their record, declared the company as a sick company vide its order dated 20<sup>th</sup> March 2012. Further, in terms of the order passed and the powers available u/s 17(3) of SICA, the Bench has appointed Bank of India as Operating Agency with directions to submit Draft Rehabilitation Scheme which is under consideration and discussion.

- 25 The Security and Exchange Board of India (SEBI) vide its letter no. CFD/DIL/ HB/OW/35705/ 2014 dated 12<sup>th</sup> December 2014, has directed the Company to make the necessary provisions of unprovided disputed losses/liabilities in respect of foreign currency derivative contracts, which were the subject matter of qualification in the Auditors' Report in the previous year. Accordingly, the Company has, during the year, provided for such disputed liabilities aggregating to ₹ 21,101.37 lacs under exceptional items. The Company, however, based on the legal advice received, maintains that these financial derivative contracts are void and unenforceable.
- 26 The company had entered into Contract of Affreightment (COA) with four shipping companies viz. (i) British Marine, (ii) IHX Pacific (UK), (iii) Eitzen Bulk A/S and (iv) Armada (Pte) Limited, Singapore.

The company has settled the claim of British Marine Plc, for ₹ 22.64 crore as against award passed for ₹ 553.41 crore, which was initially claimed by British Marine Plc.

The quantum of awards in respect of the other three companies is as under:

Shipping Company	₹ in crore
IHX (UK) Limited	107.97
Eitzen Bulk S/A	161.83
Armada (Singapore) Pte Ltd.	292.23
Total...	562.03

Since the award of claims of each of the three shipping companies were heavily exaggerated. the company has, much prior in time to filing of the application for enforcement of the award, initiated legal proceedings against the alleged arbitration awards by filing an Application under Section 34 of the Arbitration & Conciliation Act, 1996 against each of the three shipping companies in the Court of Civil Judge at Jamkhambaliya on the ground of opposed to the public policy of India.

By an order dated 26<sup>th</sup> June 2013, Jam Khambhaliya District Court refused to pass any order on the ground of the jurisdiction issue.

Aggrieved by the above order, the company has preferred an appeal before the Honourable Gujarat High Court, which has been admitted.

In view of the above, the company has "strictly without prejudice and without admitting the claims of the shipping companies" made the provision of ₹ 562.03 cr. in the earlier years against the shipping claims.

The company has been declared as a sick company by the BIFR as stated in note no. 24 above and the matter is sub-judice.

- 27 Depreciation for the year has been aligned to comply with requirement of Part C of Schedule II of the Companies Act, 2013. Consequently, depreciation for the year is higher by ₹ 38,564,540. Further, ₹ 19,489,142 in the respect of the fixed assets where the useful lives as specified in Schedule II is already expired, has been adjusted to the opening balances of the retained earnings.
- 28 Balances with some of the banks as well as balances for trade payables, trade receivables and loans and advances in many cases are subject to confirmations from the respective parties and reconciliations, if any. In absence of such confirmations, the balances as per books have been relied upon by the auditors.



- 29 The management of the Company has, during the year, carried out technological valuation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS) – 28. 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.
- 30 As the company's main business activity, in the opinion of the management, falls within a single primary segment i.e. bulk minerals for industrial consumption and its derivatives and other activities incidental thereto, which are subject to the same risks and returns, the disclosure requirements in accordance with the Accounting Standard (AS) – 17 "Segment Reporting" in the opinion of the management, are not applicable.
- 31 In the opinion of the directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably required.
- 32 In accordance with Accounting Standard (AS) 13, the long-term investments held by the company are carried at cost. All the investments of the company in subsidiaries, joint ventures and associate companies have been considered by the management to be of a long-term nature and diminution in the value of investments, being considered by the management to be for a temporary period is not provided for.
- 33 Based on the principles of prudence and in view of the uncertainty, deferred tax assets arising out of the carried forward business losses are not accounted for in accordance with the provisions of Accounting Standard (AS) – 22 "Accounting for Taxes on Income."

**34 Exceptional Items :**

(₹ in lacs)

Particulars	2014-2015	2013-2014
Net liabilities in respect of certain secured loans as well as disputed and unprovided foreign currency derivative contracts upon settlement with certain terms and conditions with some of the banks and financial institutions.	(155.00)	6,968.88
Write-off of a loan to a wholly owned subsidiary company	—	(1,850.00)
Disputed losses/liabilities in respect of foreign currency derivative contracts as per the directions by the SEBI (refer note no. 25)	(21,101.37)	—
Loss on shifting of manufacturing facilities from one location to another	(1,876.71)	—

- 35 The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures relating to amounts unpaid as at the year-end together with interest paid/payable under this Act have not been given.

**36 Contingent Liabilities:**

(₹ in lacs)

Particulars	31 <sup>st</sup> March	
	2015	2014
Guarantees to banks against credit facilities extended to Subsidiary Companies	6,275.00	5,971.20
Guarantees to banks against credit facilities extended to Joint Venture and Associate Companies	3,560.00	4,116.00
Guarantees given by the Company to various Government Authorities	8,245.16	8,228.97
In respect of contracts remaining to be executed	116.40	3.11
In respect of disputed Income Tax Matters	1,545.11	1,541.85
In respect of Other Matters	2,994.80	435.14

## 37 Payments to Auditors:

Particulars	2014-2015 ₹	2013-2014 ₹
Audit Fees including Limited Review	3,850,000	3,625,000
Tax audit Fees	450,000	400,000
Other Services	241,500	245,000
Reimbursement of Expenses	186,113	311,521

## 38 Disclosure as per AS – 15 (Revised) on “Employee Benefit” for the year ended 31<sup>st</sup> March, 2015:

Gratuity Plan	2014-2015 ₹	2013-2014 ₹
<b>Change in the defined benefit obligations</b>		
Defined benefit obligations as at 1 <sup>st</sup> April	38,311,321	32,258,257
Service cost	3,445,309	3,333,748
Interest cost	3,064,906	2,580,661
Actuarial loss / (Gain)	2,380,025	138,655
Benefits paid	(5,474,118)	---
Defined benefit obligations as at 31 <sup>st</sup> March (a)	41,727,443	38,311,321
<b>Change in plan assets</b>		
Fair Value of plan assets as at 1 <sup>st</sup> April	39,591,275	37,397,920
Expected return on plan assets	3,348,263	2,193,355
Contributions by employer	2,165,355	---
Actuarial Gain / (loss)	---	---
Benefits paid	(5,474,118)	---
Fair Value of plan assets as at 31 <sup>st</sup> March (b)	39,630,775	39,591,275
Present Value of unfunded obligations (a-b)	2,096,668	---
The net amount recognized in the statement of profit and loss for the year ended 31 <sup>st</sup> March is as follows:		
Current service cost	3,445,309	3,333,748
Interest cost	3,064,906	2,580,661
Expected return on plan assets	(3,348,263)	(2,193,355)
Net actuarial loss / (gain) recognized	2,380,025	138,655
Net amount recognized	5,541,977	3,859,709
<b>Actual Return on Plan Assets</b>		
The principal actuarial assumptions used as at 31 <sup>st</sup> March are as follows:		
Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	6.00%	6.00%
Rate of increase in compensation levels	5.00%	5.00%



### 39 Disclosures pursuant to Section 186 of the Companies Act, 2013

	Balance at the year end	Maximum amount outstanding at any time during the year	Guarantees given by Company
Ashapura International Limited	80,000,000	80,532,603	197,500,000
Ashapura Minechem (UAE) FZE	386,105,155	447,504,336	250,000,000
Ashapura Perfoclay Limited	181,504,551	181,504,551	351,000,000
Bombay Minerals Limited	–	–	180,000,000
Ashapura Arcadia Logistics Pvt Limited	–	26,670,048	–
All the above loans were utilized towards working capital requirements.			

### 40 RELATED PARTY TRANSACTIONS:

#### Subsidiaries:

- Ashapura Aluminium Limited
- Ashapura Claytech Limited
- Ashapura Consultancy service Pvt. Ltd
- Ashapura International Limited
- Ashapura Holdings (UAE) FZE
- Ashapura Maritime FZE
- Ashapura Minechem (UAE) FZE
- Bombay Minerals Limited
- Peninsula Property Developers Pvt Ltd
- Prashansha Ceramics Limited
- PT Ashapura Resources
- Sharda Consultancy Pvt. Ltd.

#### Associates and Joint Ventures:

- Altage Stone Crushing Co
- Ashapura Midgulf NV
- Ashapura Arcadia Logistic Pvt Ltd.
- Ashapura Exports Pvt Limited
- Ashapura Industrial Finance Limited
- Ashapura Infin Pvt. Limited
- Ashapura Mineral Company
- Ashapura Overseas Limited
- Ashapura Perfoclay Ltd
- Bharat Abrasives & Chemicals Industries
- Emo Ashapura Energy and Mining
- Hudson MPA SDN BHD, Malaysia
- Kantilal Mohanlal Mehta
- Manico Resources Pvt. Limited
- Maximine Resources Company
- Minologistic Corporation
- Minotrans Logistic Corporation
- Prabhudas Vithaldas
- Sandeep Abrasive Industries
- Saurashtra Traders
- Sharda Industrial Corporation
- Sohar Ashapura Chemicals LLC
- Vinod J Pandya

#### Key Managerial Personnel:

- Mr. Navnitlal R Shah
- Mr. Chetan Shah
- Mr. R B Pajwani
- Mr. Sachin Polke
- Mr. Vipul Saxena
- Ms. Surekha Sathe
- Mr. Ajay Phalod
- Mr. Ashish Desai
- Ms. Harsha Joshi

#### Relatives of Key Managerial Personnel:

- Mr. Manan Shah

## ASHAPURA MINECHEM LIMITED

Particular of Transaction	2014-2015 ₹	2013-2014 ₹
<b>Subsidiaries :</b>		
Sales of Materials	743,930,586	722,488,042
Purchase of Materials	421,718,463	329,466,528
Export Shipment and Other Expenses	4,033,905	—
Interest Received	28,628,829	26,086,545
Lease Rent Paid	1,368,000	1,368,000
Loan Granted	80,000,000	1,006,723
Loans Received	—	15,240,064
Administrative Expenses Reimbursements (net) Receipts	82,546,260	72,699,264
Reimbursement of Royalty Payments	47,063,886	25,641,383
R&D Charges Receipts	38,819,000	15,936,000
Purchase of Fixed Assets	2,281,179	12,725,791
Sale of Fixed Assets	26,955,136	—
Loans written off	—	185,000,000
<b>Outstanding Balances as on 31st March</b>		
Security Deposits (Long-term loans and advances)	44,100,000	44,100,000
Trade Receivables	1,129,778,715	802,432,208
Trade Advances (Short-term loans and advances)	85,856,778	140,327,258
Long-term Loans and Advances	466,105,155	404,166,461
<b>Associates and Joint Ventures:</b>		
Sales of Materials	428,968,352	314,644,139
Operational Income	3,972,960	—
Purchase of Materials	53,707,357	38,822,088
Interest Received	29,361,220	24,202,621
Lease Rent Paid	—	225,555
Mining, Other Charges Payments	74,756,413	91,930,201
Reimbursement of Administrative Expenses	47,912,207	53,141,510
Export Shipment and Other Expenses	159,709,919	185,007,441
Purchase of Fixed Assets	—	3,387,544
Sales of Fixed Assets	969,043	7,720,884
R & D Charges Receipts	2,800,000	4,250,000
Issue of Equity Shares	—	147,320,000
<b>Outstanding Balances as on 31st March</b>		
Trade Receivables	344,920,308	259,357,528
Trade Advances (Short-term loans and advances)	318,739,853	144,767,157
Security Deposits (Long-term loans and advances)	23,200,000	23,200,000
Long-term Loans and Advances	180,504,551	207,572,311
Trade Payables	2,085,243	42,617,431
Advances from Customers	38,924,729	36,605,152
Short-term Borrowings	—	—
Interest Receivable (Short-term loans and advances)	18,714,114	5,146,258
<b>Key Management Personnel :</b>		
Remuneration	25,228,225	3,600,000
<b>Outstanding Balances as on 31st March</b>	—	—



#### 41 Additional information (as certified by the Management)

##### a. Details of Stocks & Trading Purchases

(Amounts in ₹)

Material	Opening Stock		Purchases		Closing Stock	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Processed Industrial Minerals	1,154,244,802	1,207,506,888	—	—	789,776,621	1,154,244,802
Traded Industrial Minerals	78,447,848	97,474,997	606,600,791	738,400,544	105,374,663	78,447,848
Work in Progress	7,677,948	6,907,375	—	—	2,488,338	7,677,948
Total	1,240,370,598	1,311,889,260	606,600,791	738,400,544	897,639,622	1,240,370,598

##### b. Details of Materials Consumed

Material	2014-2015			2013-2014		
	Total	Indigenous	Imported	Total	Indigenous	Imported
Raw Minerals	235,256,433	235,256,433	—	190,917,250	190,189,450	727,800
		100.00%	—		99.62%	0.38%
Chemicals and Others	166,471,307	92,190,685	78,280,622	139,111,459	58,107,908	81,003,552
		55.38%	44.62%		41.77%	58.23%

##### c. Expenditure in Foreign Currency

Particulars	2014-15 ₹	2013-14 ₹
i) Travelling Expenses	13,797,699	9,335,170
ii) Commission	32,270,330	8,971,733
iii) C.I.F. Value of Import of Materials	94,158,821	51,327,605
iv) C.I.F. Value of Import of Capital Goods	6,967,873	17,160,955
v) Others	884,898,228	440,422,053

##### d. Earnings in Foreign Currency

Particulars	2014-15 ₹	2013-14 ₹
F.O.B. Value of Exports	5,370,094,130	4,360,413,799

42 Figures in the brackets are the figures for the previous year, unless otherwise stated.

43 All the amounts have been stated in Indian Rupees, unless otherwise stated.

44 Previous year's figures has regrouped and rearranged, wherever necessary.

Signatures to notes no. 1 to 44

As per our Report of even date

**For SANGHAVI & COMPANY**  
Chartered Accountants

sd/-

**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2015

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

sd/-

**CHETAN SHAH**  
Chairman (Non Executive)

sd/-

**ASHISH DESAI**  
Sr. General Manager - Accounts

Mumbai  
26<sup>th</sup> May, 2015

sd/-

**RAJNIKANT PAJWANI**  
Whole-time Director & CEO

sd/-

**ASHOK KADAKIA**  
Audit Committee Chairman & Ind. Director

sd/-

**SACHIN POLKE**  
Company Secretary and Vice President

## NOTES

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## CONSOLIDATED FINANCIAL STATEMENTS

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## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
**ASHAPURA MINECHEM LIMITED**

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Ashapura Minechem Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies and associates, which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the 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 preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows 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 the Directors of the companies included in the Group and its joint venture companies and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture companies and associates 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

### Auditors' 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 auditors' 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 auditors consider internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give 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 Holding Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 obtained by us and the audit evidence obtained by the 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 consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, 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 31<sup>st</sup> March 2015 and of the consolidated loss and its consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of eight subsidiaries and two joint venture companies, whose financial statements reflect total assets of ₹ 17,326.22 (previous year: ₹ 10,234.96)



lacs as at the balance sheet date and total revenues of ₹ 19,290.69 (previous year: ₹ 10,671.71) lacs for the year then ended, and of two associates whose financial statements reflect the Holding Company's share of profit (net) of ₹ 262.30 (previous year: ₹ 4.71) lacs as considered in the consolidated financial statements.

These financial statements have been 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 these subsidiaries, joint venture companies and associates is based solely on the report of the other auditors.

Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, based on the comments in the Auditors' Report of the Holding Company and subsidiaries, joint venture companies and associates incorporated in India, we give in the Annexure a statement on the matters specified in clause 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report, to the extent applicable, 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 purpose 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 so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant 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 as on 31<sup>st</sup> March 2015 and taken on record by the Board of Directors of the Holding Company and its subsidiaries, joint venture companies and associates incorporated in India, none of the directors of the Group is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms section 164(2) of the Act;
- f) With respect to the other matters to be included in the Auditors' 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 explanation given to us and based on the consideration of the reports of the other auditors on separate financial statements, as noted in the 'Other Matters' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture companies and associates. Refer note no. 28, 29 and 37;
  - ii. The Group and its joint venture companies and associates did not have any material foreseeable losses on long-term contracts including derivatives contracts;
  - iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company, its subsidiaries, joint venture companies and associates incorporated in India.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN : 109099W

sd/-  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

Mumbai  
26<sup>th</sup> May, 2015

## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Our reporting on the order is based on the comments in the Auditors' Reports on the standalone financial statements of the Holding company, its subsidiaries, joint venture companies and associates incorporated in India.

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

- 1 In respect of fixed assets of the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India:
  - a. The respective entities, have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The fixed assets were physically verified by the management of the respective entities at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.
- 2 In respect of inventories of the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India:
  - a. The inventories were physically verified by the management of the respective entities at reasonable intervals during the year.
  - b. The procedures of physical verification of inventories followed by the management of the respective entities are reasonable and adequate in relation to the size of the respective entities and the nature of their business.
  - c. The respective entities have maintained proper records of their inventories and no material discrepancies were noticed on physical verification carried out by the management of the respective entities.
- 3 The Holding Company, its subsidiaries, joint venture companies and associates incorporated in India, on a consolidated basis, have granted unsecured loans to companies, firms or other parties covered in the register maintained by the respective entities under section 189

of the Companies Act, 2013. Since no terms and conditions of these loans are stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any. The receipts of interest on these loans are regular.

- 4 There are adequate internal control procedures in the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India commensurate with the size of the respective entities and the nature of their business with regard to purchase of inventory and fixed assets and for the sale of goods and services except for certain functional areas in the Holding Company, two subsidiaries and a joint venture company, where internal control procedures need to be strengthened. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5 The Holding Company, its subsidiaries, joint venture companies and associates incorporated in India have not accepted any deposits in accordance with the provisions of sections 73 to 76 of the Act and the rules framed thereunder.
- 6 The Auditors of the respective entities have broadly reviewed the cost records maintained by the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India, wherever applicable, pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. The Auditors have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7 In respect of statutory and other dues of the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India:
  - a. The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable by the respective entities except for land revenue tax of ₹ 0.13 lacs in one subsidiary.
  - b. There are no amounts outstanding, which have not



been deposited on account of dispute except for the followings:

Company	Nature of Dues	Statute	₹ in lacs	Relevant Year	Forum where dispute is pending
Ashapura Minechem Limited	Value Added Tax	Kerala VAT Act	8.23	2007-08	Appellate Tribunal
	Value Added Tax	Andhra Pradesh Value Added Tax Act	16.12	2006-07 to 2009-10	The Commercial Tax Officer
	Value Added Tax	Gujarat Value Added Tax Act	30.57	2009-10 to 2013-14	The Assistant Commissioner of VAT
	Service Tax	Service Tax Rules	6.05	2008-09, 2009-10	CESTAT – Ahmedabad
	Income Tax	Income Tax Act	141.79	2007-08, 2008-09	Gujarat High Court
			1,403.32	2010-11	The Commissioner of Income Tax (Appeals)
Ashapura Aluminium Limited	Income Tax	Income Tax Act	3.65	2011-12	The Commissioner of Income Tax (Appeals)
Bombay Minerals Limited	Income Tax	Income Tax Act	0.65	2011-12	The Commissioner of Income Tax (Appeals)
	Excise Duty	Central Excise Duty Act	2,699.02	2005-06 to 2012-13	Customs, Excise and Service Tax Appellate Tribunal

- c. The amounts required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder have been transferred to such fund within time by the respective entities, wherever applicable.
- 8 The Holding Company and its four subsidiaries have accumulated losses exceeding its net worth at the end of the financial year. The Holding Company and its one subsidiary have incurred cash losses during the current year. None of the entities have incurred cash losses in the immediately preceding financial year.
- 9 The Holding Company, its subsidiaries, joint venture companies and associates incorporated in India have not defaulted in repayment of dues to banks *except for the dues of certain banks in the Holding Company in respect of losses and liabilities for foreign currency derivatives transactions which are disputed by the Company as stated in note no. 28 and to the extent the amounts stated under note no. 9 and 10.* None of the companies has obtained any borrowings from any financial institutions or by way of debentures.
- 10 The terms and conditions, on which the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India, on a consolidated basis, have given guarantees for others are, prima facie,
- not prejudicial to the interest of the Group, its joint venture companies and associates.
- 11 Terms loans obtained, wherever applicable, by the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India have been applied for the purpose for which they were obtained.
- 12 To the best of our knowledge and belief and according to the information and explanations given to us and based on the consideration of the reports of other Auditors, no fraud on or by the Holding Company, its subsidiaries, joint venture companies and associates incorporated in India was noticed or reported during the year.

**For SANGHAVI & COMPANY**  
Chartered Accountants  
FRN : 109099W

sd/-  
**MANOJ GANATRA**  
Partner  
Membership No. 043485

Mumbai  
26<sup>th</sup> May, 2015



# ASHAPURA MINECHEM LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2015

	Note No.	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>EQUITY AND LIABILITIES :</b>			
<b>Shareholders' Funds</b>			
Share Capital	4	173,972,196	173,972,196
Reserves and Surplus	5	(1,616,157,046)	(1,173,563,662)
		<b>342,412</b>	<b>(999,591,466)</b>
<b>Minority Interest</b>			
			2,749,016
<b>Non-Current Liabilities</b>			
Long-term Borrowings	6	477,338,742	511,663,712
Deferred Tax Liabilities (net)		19,377,218	27,319,941
Other Long Term Liabilities	7	12,262,641	12,892,294
Long-term Provisions	8	159,499,563	133,942,534
		<b>668,478,164</b>	<b>685,818,480</b>
<b>Current Liabilities</b>			
Short-term Borrowings	9	1,092,162,160	1,535,370,770
Trade Payables		1,939,856,365	1,102,013,993
Other Current Liabilities	10	8,985,538,006	7,374,545,909
Short-term Provisions	11	114,247,908	24,680,431
		<b>12,131,804,440</b>	<b>10,036,611,104</b>
		<b>11,358,440,166</b>	<b>9,725,587,134</b>
<b>ASSETS :</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
	12		
Tangible Assets		3,329,158,481	2,812,011,720
Intangible Assets		5,063,566	7,175,204
Capital Work-in-Progress		182,883,426	258,620,581
		<b>3,517,105,473</b>	<b>3,077,807,505</b>
Goodwill on Consolidation		105,056,795	104,400,525
Non-current Investments	13	622,476,404	596,246,377
Long-term Loans and Advances	14	398,137,884	409,286,027
Other Non-current Assets		—	—
		<b>4,642,776,556</b>	<b>4,187,740,434</b>
<b>Current Assets</b>			
Current Investments	15	2,874,800	14,285,878
Inventories	16	2,084,869,185	2,139,423,337
Trade Receivables	17	2,685,951,452	2,167,868,266
Cash and Bank Balances	18	578,329,492	337,560,135
Short-term Loans and Advances	19	1,363,638,681	878,709,084
Other Current Assets		—	—
		<b>6,715,663,610</b>	<b>5,537,846,700</b>
		<b>11,358,440,166</b>	<b>9,725,587,134</b>

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our Report of even date	<b>For and on Behalf of the Board of Directors</b>		
For SANGHAVI & COMPANY	sd/-	sd/-	sd/-
Chartered Accountants	<b>CHETAN SHAH</b>	<b>RAJNIKANT PAJWANI</b>	<b>ASHOK KADAKIA</b>
	Chairman (Non Executive)	Whole-time Director & CEO	Audit Committee Chairman & Ind. Director
sd/-	sd/-	sd/-	
<b>MANOJ GANATRA</b>	<b>ASHISH DESAI</b>	<b>SACHIN POLKE</b>	
Partner	Sr. General Manager - Accounts	Company Secretary and Vice President	

Mumbai  
26<sup>th</sup> May, 2015

Mumbai  
26<sup>th</sup> May, 2015



## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

	Note No.	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>REVENUE :</b>			
Revenue from Operations (Gross)	20	17,667,616,341	10,959,155,214
Less : Excise duty		139,150,751	126,948,251
Revenue from Operations (Net)		17,528,465,590	10,832,206,963
Other Income	21	71,450,487	56,601,682
		17,599,916,077	10,888,808,645
<b>EXPENSES :</b>			
Cost of Materials Consumed	22	2,494,463,469	1,713,241,499
Purchases of Stock-in-Trade		1,597,216,033	1,062,829,027
Changes in Inventories	23	238,028,836	44,204,392
Employee Benefits Expenses	24	629,565,759	554,293,930
Finance Costs	25	188,882,236	285,260,324
Depreciation and Amortization		348,545,534	256,809,312
Other Expenses	26	9,884,107,735	5,676,780,610
		15,380,809,602	9,593,419,093
<b>Profit/(Loss) before exceptional and extraordinary items and tax</b>		2,219,106,475	1,295,389,552
Exceptional Items	34	(2,313,307,893)	545,314,651
<b>Profit/(Loss) before extraordinary items and tax</b>		(94,201,418)	1,840,704,203
Extraordinary Items		—	—
<b>Profit/(Loss) Before Tax</b>		(94,201,418)	1,840,704,203
Tax Expenses			
Current tax		293,869,663	92,415,000
Earlier Years' Tax		(107,481)	(8,537,560)
Deferred tax		2,948,042	15,085,830
		296,710,224	98,963,270
<b>Net Profit/(Loss) After Tax</b>		(390,911,642)	1,741,740,933
Share of Profit/(Loss) in Associate Companies		26,230,027	471,372
Minority Interest		(19,588)	(99,504)
<b>Net Profit/(Loss) for the Year</b>		(364,701,203)	1,742,112,801
Face Value per Equity Share		2.00	2.00
<b>Earnings per Equity Share</b>			
Basic / Diluted (before exceptional and extra ordinary items)		22.40	14.41
Basic / Diluted (after exceptional and extra ordinary items)		(4.19)	20.97

The accompanying notes 1 to 41 are an integral part of these financial statements.

As per our Report of even date	<b>For and on Behalf of the Board of Directors</b>		
sd/-	sd/-	sd/-	
<b>For SANGHAVI &amp; COMPANY</b>	<b>CHETAN SHAH</b>	<b>RAJNIKANT PAJWANI</b>	<b>ASHOK KADAKIA</b>
Chartered Accountants	Chairman (Non Executive)	Whole-time Director & CEO	Audit Committee Chairman & Ind. Director
sd/-	sd/-	sd/-	
<b>MANOJ GANATRA</b>	<b>ASHISH DESAI</b>	<b>SACHIN POLKE</b>	
Partner	Sr. General Manager - Accounts	Company Secretary and Vice President	

Mumbai  
26<sup>th</sup> May, 2015

Mumbai  
26<sup>th</sup> May, 2015



# ASHAPURA MINECHEM LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015

			(₹. in lacs)
	2014-2015	2013-2014	
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax and Extraordinary Items	22,191.06		12,953.90
Adjustments for -			
Depreciation and Amortization	3,485.46	2,568.09	
Exchange Rate Adjustment (net)	(339.73)	(891.52)	
Loss (Profit) on Sale/disposal of Fixed Assets	59.13	81.04	
Loss (Profit) on Sale of Investments	(84.21)	(13.71)	
Provisions and Write-offs	421.86	2,529.11	
Dividend	(46.62)	(18.09)	
Interest (net)	1,730.49	5,226.38	2,446.55
Operating Profit Before Working Capital Changes	27,417.44		19,655.37
Adjustments for -			
Trade and Other Receivables	(10,935.63)	(3,658.93)	
Inventories	545.54	47.60	
Trade and Other Payables	25,204.23	14,814.14	308.81
Cash Generated From Operations	42,231.58		16,352.85
Direct Taxes Paid / Refund Receipts	(2,335.93)	(2,335.93)	(804.51)
Cash Flow before Exceptional / Extra Ordinary Items	39,895.65		15,548.34
Exceptional / Extra Ordinary Items	(21,256.37)		5,453.15
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>18,639.28</b>		<b>21,001.49</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>			
Purchase of Fixed Assets	(11,034.54)		(3,989.33)
Sale of Fixed Assets	669.82		84.27
Sale (Purchase) of Investments (net)	198.32		(5,564.82)
Interest Received	277.40		313.46
Dividend Received	46.62		18.09
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(9,842.37)</b>		<b>(9,138.32)</b>

**C CASH FLOW FROM FINANCING ACTIVITIES :**

Proceeds (Repayments) from Long Term Borrowings	(343.25)	(4,546.66)
Proceeds (Repayments) from Short Term Borrowings	(4,432.09)	(4,994.60)
Loans lent / recovered	399.85	(257.93)
Dividend Paid	(5.85)	(1.88)
Interest Paid	(2,007.89)	(2,760.01)
Net Change in Statutory Restricted Accounts Balances	(618.20)	(242.27)
Increase in Share Capital (including premium)	—	1,104.90
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(7,007.43)</b>	<b>(11,698.45)</b>
 <b>Net Increase in Cash and Cash Equivalents</b>	 <b>1,789.49</b>	 <b>164.73</b>
Cash and cash equivalents as at beginning of the year	2,514.20	2,349.47
Cash and cash equivalents as at end of the year	<u>4,303.69</u>	<u>2,514.20</u>
 <b>Cash and Cash Equivalents:</b>		
Cash and Bank Balances	5,783.29	3,375.60
Statutory restricted accounts	(1,479.60)	(861.40)
	<u>4,303.69</u>	<u>2,514.20</u>

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

sd/-  
**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2015

**For and on Behalf of the Board of Directors**  
sd/-

**CHETAN SHAH**  
Chairman (Non Executive)

sd/-  
**ASHISH DESAI**  
Sr. General Manager - Accounts

Mumbai  
26<sup>th</sup> May, 2015

sd/-

**RAJNIKANT PAJWANI**  
Whole-time Director & CEO

sd/-  
**SACHIN POLKE**  
Company Secretary and Vice President

sd/-

**ASHOK KADAKIA**  
Audit Committee Chairman & Ind. Director

# ASHAPURA MINECHEM LIMITED

## 1. Basis of Presentation of Financial Statements

The consolidated financial statements relate to Ashapura Minechem Limited (“the Company”), its subsidiary companies, joint venture companies and associates. The consolidated accounts have been prepared on the following basis:

- The financial statements of the subsidiaries, joint ventures and associates used in the consolidation are drawn up to the same reporting date as that of the parent company, i.e. year ended 31<sup>st</sup> March 2015 except for an overseas joint venture company, Sohar Ashapura Chemicals LLC and an overseas associate, Hudson MPA Sdn Bhd–Malaysia where the accounts are last drawn up to 31<sup>st</sup> December, 2014.
- The financial statements of the subsidiaries, joint venture companies and associates are audited.
- The consolidated financial statements present the consolidated accounts of Ashapura Minechem Limited with its following subsidiaries, joint ventures and associates.

Particulars	Country of Incorporation	% voting power held as at 31st March 2015 (either directly or through subsidiaries)	% voting power held as at 31st March 2014 (either directly or through subsidiaries)
<b>Subsidiaries:</b>			
1 Ashapura Aluminum Limited	India	100.00	100.00
2 Ashapura Claytech Limited	India	99.44	95.25
3 Ashapura Consultancy Service Private Limited	India	100.00	100.00
4 Ashapura Holdings (UAE) FZE	UAE	100.00	100.00
5 Ashapura International Limited	India	100.00	100.00
6 Ashapura Maritme FZE	UAE	100.00	100.00
7 Ashapura Minechem (UAE) FZE	UAE	100.00	100.00
8 Bombay Minerals Limited	India	100.00	100.00
9 Peninsula Property Developers Private Limited	India	100.00	100.00
10 Prashansa Ceramics Limited	India	100.00	100.00
11 PT Ashapura Resources	Indonesia	100.00	100.00
12 Sharda Consultancy Private Limited	India	100.00	100.00
<b>Joint Ventures:</b>			
1 Ashapura Midgulf NV	Belgium	50.00 %	50.00 %
2 Ashapura Perfoclay Limited	India	50.00 %	50.00 %
3 Sohar Ashapura Chemicals LLC	Oman	40.00 %	40.00 %
<b>Associates:</b>			
1 Hudson MPA Sdn Bhd	Malaysia	25.00 %	25.00 %
2 Ashapura Arcadia Logistic Private Limited	India	50.00 %	50.00 %
3 Emo Ashapura Energy and Mining Limited	Nigeria	48.00 %	48.00 %



**d. Details of Assets and Profits:**

Name of the Entity	Net Assets		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount ₹ in lacs	As % of consolidated net profit	Amount ₹ in lacs
<b>Parent Company:</b>				
Ashapura Minechem Limited	(187.07)	(27,018,.14)	(339.83)	(12,393.72)
<b>Subsidiaries:</b>				
<b>Indian</b>				
Ashapura Aluminum Limited	0.43	61.48	(0.35)	(12.67)
Ashapura Claytech Limited	4.09	590.63	0.96	34.98
Ashapura Consultancy Service Private Limited	(1.25)	(180.71)	0.19	6.95
Ashapura International Limited	25.70	3,711.70	19.31	704.34
Bombay Minerals Limited	55.13	7,962.48	123.57	4,506.52
Peninsula Property Developers Private Limited	(0.06)	(8.88)	0.01	0.47
Prashansha Ceramics Limited	(1.72)	(248.91)	0.16	5.99
Sharda Consultancy Private Limited	(0.73)	(106.03)	0.08	3.00
<b>Foreign</b>				
Ashapura Holdings (UAE) FZE	1.45	210.01	1.98	72.26
Ashapura Maritme FZE	(18.86)	(2,723.75)	0.05	1.84
Ashapura Minechem (UAE) FZE	10.14	1,465.10	47.00	1,713.97
PT Ashapura Resources	2.03	292.91	(0.07)	(2.45)
<b>Joint Ventures:</b>				
<b>Indian</b>				
Ashapura Perfoclay Limited	36.06	5,207.88	20.81	759.06
<b>Foreign</b>				
Ashapura Midgulf NV	6.71	969.77	9.88	360.31
Sohar Ashapura Chemicals LLC	6.59	951.93	9.96	363.27
<b>Associates:</b>				
<b>Indian</b>				
Ashapura Arcadia Logistic Private Limited			8.60	313.64
<b>Foreign</b>				
Hudson MPA Sdn Bhd			(1.41)	(51.34)
Total Eliminations	(38.62)	(5,576.98)	(0.92)	(33.42)
<b>Total...</b>	<b>(100.00)</b>	<b>(14,439.51)</b>	<b>(100.00)</b>	<b>(3,647.01)</b>

## 2. Principles of Consolidation

- a. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard (AS) – 21 “Consolidated Financial Statements”.
- b. Interests in joint ventures have been accounted for by using the proportionate consolidation method as per Accounting Standard (AS) – 27 “Financial Reporting of Interest in Joint Ventures”.
- c. Interests in associates have been accounted for by using the equity method as per Accounting Standard (AS) – 23 “Accounting for Investments in Associates in Consolidated Financial Statements”.
- d. The financial statements of the parent company and its subsidiaries and joint ventures have been consolidated using uniform account policies for like transactions and other events in similar circumstances.
- e. The excess of cost to the parent company of its investment in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognized in the financial statements as goodwill on consolidation and carried in the Balance Sheet as an asset.
- f. The investment in associates is initially recorded at cost. Goodwill and/or capital reserve arising at the time of acquisition and the carrying amount are adjusted to recognize the share of profit or loss of the invested after the date of acquisition.

## 3. Significant Accounting Policies

### Basis of Accounting:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the recognition and measurement principles laid down the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (‘Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable, and are based on the historical cost convention on an accrual basis.

### Use of Estimates:

The preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

### Fixed Assets:

Fixed Assets are stated at cost less depreciation. All costs incurred till the date the asset is ready for use, including interest on loans relating to the acquisition, installation and substantial modification to the fixed assets are capitalized and included in the cost of the respective fixed assets.

Depreciation is provided at the rates and in the manner specified in the Schedule II in accordance with the provisions of section 123(2) of the Companies Act, 2013.

The assets of foreign subsidiaries, joint venture companies and associates are depreciated over the estimated useful life of the respective assets.

### Investments:

Long-term investments are stated at cost. Provision, if any, is made for permanent diminution in the value of investments.



Current investments are stated at lower of cost or market value determined category wise. Dividends/interests are accounted for as and when the right to receive the same is established.

#### **Inventories:**

Inventories are valued at cost or net realizable value, whichever is lower. Cost is determined on the following basis:

Raw materials, traded goods and stores and spares – on a first-in first-out (FIFO) basis;

Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads.

#### **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 be measured.

Revenue from sale of goods are recognized when significant risks and rewards of ownership are passed to the buyer, which generally coincides with dispatch of goods. Sales taxes and value added taxes, wherever applicable, are collected on behalf of the Government and therefore, excluded from the revenue.

Revenue from services are recognized as and when the services are rendered in terms of the agreements with the customers. Service tax, wherever applicable, is collected on behalf of the Government and therefore, excluded from the revenue.

#### **Mining Expenses:**

Expenses incurred on mining including removal of overburden of mines are charged to the profit & loss statement as mining cost based on quantity of minerals mined during the year since removal of overburden and mining are carried out concurrently and relatively within short period of time. Mining restoration expenses are annually reviewed and provided for.

#### **Research and Development Expenses & Receipts:**

Revenue expenditure on research and development is charged against the profit for the year in which it is incurred. Capital expenditure on research and development is shown as an addition to the fixed assets and is depreciated on the same basis as other fixed assets. Receipts of research & development center of the company are accounted for as revenue receipts.

#### **Foreign Currency Transactions:**

- a. Foreign currency transactions are accounted for at the rates prevailing on the date of transactions. Exchange rate differences related to sales and other transactions are dealt with in the profit & loss statement.
- b. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year except where the ultimate recovery or the payment, as the case may be, are uncertain, are translated at the closing rates and profit or loss arising there from is dealt with in the profit & loss statement.
- c. In respect of forward foreign exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense, as the case may be, over the life of the contract.
- d. Realized gain or loss on cancellation of forward exchange contracts are recognized in the profit and loss statement for the year in which they are cancelled.
- e. Operations of the foreign subsidiary and joint venture companies are classified as non-integral. Revenue items of the foreign subsidiary and joint venture companies are translated at average rate. Monetary assets and liabilities of the foreign subsidiary and joint venture companies are translated at the closing rate.

In respect of operations of the foreign subsidiary and joint venture companies, the translation of functional currency into reporting currency is performed for the consolidation purpose. The gain or loss resulting from such translation is recognized in foreign currency translation reserve.

### **Borrowing Costs:**

Net cost of borrowed funds for the projects are capitalized and included in the cost of fixed assets till its completion and other borrowing costs are recognized as expenses in the period in which they are incurred.

### **Employee Benefits:**

#### **Post-employment benefit plans**

- i) Defined Contribution Plan: Contribution for provident fund are accrued in accordance with applicable statutes and deposited with 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 as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss statement for the period in which they occur.

Contributions in respect of gratuity are 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.

In respect of the foreign subsidiaries and joint venture companies, the provision for employee benefits is made in accordance with the respective local statutes applicable.

### **Taxation:**

Provisions are made for current income tax based on tax liability computed in accordance with relevant tax rates and tax laws. Deferred tax is recognized, subject to the consideration of prudence, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

### **Earning Per Share:**

Basic earning 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 shares outstanding at year-end.

### **Provision and Contingencies:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.





## Note No. 4

### 4.1 SHARE CAPITAL

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Authorised</b>		
125,000,000 equity shares of ₹ 2/- each	250,000,000	250,000,000
6,500,000 preference shares of ₹ 100/- each	650,000,000	650,000,000
	<u>900,000,000</u>	<u>900,000,000</u>
<b>Issued, Subscribed and Paid up</b>		
86,986,098 equity shares of ₹ 2/- each	173,972,196	173,972,196
	<u>173,972,196</u>	<u>173,972,196</u>

Of the total capital, 65,543,049 equity shares were issued as fully paid up bonus shares including equity shares issued as fully paid up bonus shares during the preceding five years : Nil

### 4.2 Share Capital Reconciliation

#### Equity Shares

Particulars	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	No. of Shares	₹.	No. of Shares	₹
Shares outstanding at the beginning of the year	86,986,098	173,972,196	82,986,098	165,972,196
Shares issued during the year	—	—	4,000,000	8,000,000
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	86,986,098	173,972,196	86,986,098	173,972,196

### 4.3 Shares held by each shareholder holding more than five percent shares

Name of Shareholder	31 <sup>st</sup> March, 2015		31 <sup>st</sup> March, 2014	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Chetan Navnitlal Shah	13,543,814	15.57	12,143,814	13.96
Mr. Navanitlal Ratanji Shah	6,847,960	7.87	9,514,087	10.94
Mrs. Dina Chetan Shah	7,768,020	8.93	7,768,020	8.93
Ashapura Industrial Finance Limited	8,088,000	9.30	8,088,000	9.30
Albula Investment Fund Limited	7,857,345	9.03	7,857,345	9.03

### 4.4 Rights, preferences and restrictions attached to shares

#### Equity Shares

The Company has one class of equity shares having a face value of ₹ 2/- each ranking *pari passu* in all respects including voting rights and entitlement to dividend.

# ASHAPURA MINECHEM LIMITED

## Note No. 5 RESERVES AND SURPLUS

	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	₹.	₹.
<b>a. Capital Reserve</b>	<b>33,193,924</b>	<b>33,111,461</b>
<b>b. Capital Redemption Reserve</b>	<b>390,000</b>	<b>390,000</b>
<b>c. Statutory Reserve</b>		
Balance at the beginning of the year	4,646,324	423,321
Transferred from Profit & Loss account	761,586	4,223,003
Balance at the end of the year	<u>5,407,910</u>	<u>4,646,324</u>
<b>d. Securities Premium Account</b>		
Balance at the beginning of the year	1,773,458,645	1,634,138,645
Premium received during the year	—	139,320,000
Balance at the end of the year	<u>1,773,458,645</u>	<u>1,773,458,645</u>
<b>e. Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	(86,215,688)	(49,191,342)
Current year transfer	(33,973,428)	(37,024,346)
Balance at the end of the year	<u>(120,189,116)</u>	<u>(86,215,688)</u>
<b>f. Surplus</b>		
Balance at the beginning of the year	(2,898,954,404)	(4,634,558,394)
Adjustment on account of depreciation (Refer Note No. 31)	(41,152,150)	—
Net Profit/(Loss) for the year	(364,701,203)	1,742,112,801
Corporate dividend tax	(2,849,066)	(2,285,808)
Transfer to Statutory Reserve	(761,586)	(4,223,003)
Balance at the end of the year	<u>(3,308,418,409)</u>	<u>(2,898,954,404)</u>
	<u>(1,616,157,049)</u>	<u>(1,173,563,662)</u>

**Note No. 6 LONG TERM BORROWINGS**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>a. Secured</b>		
Term loans from banks (Foreign currency accounts)	305,608,224	275,569,162
Term loans from banks and others (Indian rupee accounts) *	3,500,000	58,087,958
Hire purchase finance	6,037,399	3,655,302
* includes accounts upon assignment from a financial institution		
	<u>315,145,623</u>	<u>337,312,422</u>
Period of default	NA	NA
Amount	Nil	Nil
<b>b. Unsecured</b>		
Inter corporate loans	98,589,999	113,031,500
Others	63,603,120	61,319,790
	<u>162,193,119</u>	<u>174,351,290</u>
	<u>477,338,742</u>	<u>511,663,712</u>

**Note No. 7 OTHER LONG TERM LIABILITIES**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
Sales tax deferred payment liabilities	11,512,641	12,142,294
Security deposits	750,000	750,000
	<u>12,262,641</u>	<u>12,892,294</u>

**Note No. 8 LONG TERM PROVISIONS**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
Provision for leave encashment	12,954,010	9,711,201
Provision for mining restoration	146,074,980	123,695,369
Provision for Gratuity	470,573	535,964
	<u>159,499,563</u>	<u>133,942,534</u>

# ASHAPURA MINECHEM LIMITED

## Note No. 9 SHORT TERM BORROWINGS

	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	₹.	₹.
<b>a. Secured</b>		
Working capital finance from banks (Foreign currency accounts)	31,680,180	66,320,427
Working capital finance from banks (Indian rupee accounts)	497,199,024	700,154,562
Working capital finance from financial institutions and others * (Indian rupee accounts)	402,282,956	420,282,956
Term loans from financial institutions and others * (Indian rupee accounts)	—	52,000,000
* includes accounts upon assignments from banks/financial institution		
	<u>931,162,160</u>	<u>1,238,757,945</u>
Amount of default : Of the above, accounts with aggregate balances of ₹ 614,282,956 (614,282,956) have been classified by the respective bankers as non-standard.		
<b>b. Unsecured</b>		
Inter corporate loans	161,000,000	296,612,825
	<u>161,000,000</u>	<u>296,612,825</u>
	<u>1,092,162,160</u>	<u>1,535,370,770</u>

## Note No. 10 OTHER CURRENT LIABILITIES

	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	₹.	₹.
Current maturities of long-term debt [including amount in default in repayment ₹ 243,703,153 (229,107,507)]	311,048,497	802,857,208
Interest accrued and due on borrowings	334,306,533	346,352,493
Interest accrued but not due on borrowings	1,529,906	3,061,647
Sales tax deferred liabilities	—	4,494,630
Payables on purchase of capital assets	18,014,264	13,860,879
Advances from customers	249,167,397	333,546,076
Statutory liabilities	136,373,494	89,378,058
Unclaimed dividends	344,621	929,644
Shipping claims payable	5,620,288,244	5,620,288,244
Derivatives and other claim payables [refer note No. 28]	2,110,137,363	—
Other liabilities	204,327,687	159,777,030
	<u>8,985,538,004</u>	<u>7,374,545,909</u>

## Note No. 11 SHORT TERM PROVISIONS

	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2014
	₹.	₹.
Provision for Royalty	45,357,152	—
Provision for Taxes (Net of Payments)	42,929,303	—
Provision for bonus	20,454,927	19,853,357
Provision for leave encashment	2,657,460	2,541,266
Provision for corporate dividend tax	2,849,066	2,285,808
	<u>114,247,908</u>	<u>24,680,431</u>

## Note No. 12 FIXED ASSETS

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 <sup>st</sup> April, 2014 ₹	Additions ₹	Deductions ₹	As at 31 <sup>st</sup> March, 2015 ₹	As at 1 <sup>st</sup> April, 2014 ₹	For the Year ₹	On Deductions/ Adjustment ₹	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2015 ₹	As at 31 <sup>st</sup> March, 2014 ₹
<b>Owned Tangible Assets</b>										
Freehold Land	175,176,124	12,584,300	449,006	187,311,418	—	—	—	—	187,311,418	175,176,124
Buildings	958,608,727	289,209,506	231,263,504	1,016,554,729	186,795,085	34,576,761	45,535,578	175,836,268	840,718,461	771,813,642
Plant and Equipment	2,843,215,999	822,061,006	119,239,292	3,546,037,713	1,115,072,936	263,888,348	550,783	1,378,410,501	2,167,627,212	1,728,143,063
Barges	7,598,314	—	—	7,598,314	7,353,950	—	—	7,353,950	244,364	244,364
Vehicles	120,408,110	7,384,680	5,089,426	122,703,364	87,267,434	13,465,572	5,072,717	95,660,289	27,043,075	33,140,676
Furniture & Fixtures	127,914,981	34,322,450	1,505,795	160,731,636	85,800,947	17,998,472	(336,802)	104,136,221	56,595,415	42,114,034
Office Equipment	98,018,919	13,276,544	91,821	111,203,642	70,913,498	13,736,450	(7,075,631)	91,725,579	19,478,063	27,105,421
	4,330,941,174	1,178,838,486	357,638,844	5,152,140,817	1,553,203,850	343,665,603	43,746,645	1,853,122,808	3,299,018,008	2,777,737,324
<b>Tangible Assets Under Lease</b>										
Freehold Land	30,800	—	—	30,800	—	—	—	—	30,800	30,800
Buildings	12,838,268	—	—	12,838,268	2,852,860	365,822	(94,819)	3,313,501	9,524,767	9,985,408
Plant and Equipment	35,761,590	—	—	35,761,590	11,828,862	3,130,710	(418,528)	15,378,100	20,383,490	23,932,728
Vehicles	75,000	—	—	75,000	28,520	—	—	28,520	46,480	46,480
Furniture & Fixtures	319,902	—	—	319,902	136,686	41,135	(36,672)	214,493	105,409	183,216
Office Equipment	253,871	—	—	253,871	158,107	44,948	(1,289)	204,344	49,527	95,764
	49,279,431	—	—	49,279,431	15,005,035	3,582,615	(551,308)	19,138,958	30,140,473	34,274,396
<b>Owned Intangible Assets</b>										
Compensation for Premises Rights	24,434,113	—	—	24,434,113	20,548,278	—	(1,141,571)	21,689,849	2,744,264	3,885,835
Computer Softwares	6,042,180	352,347	—	6,394,527	2,890,006	1,297,316	(11,378)	4,198,700	2,195,827	3,152,174
Mining Lease Rights	137,195	—	13,720	123,475	—	—	—	—	123,475	137,195
	30,613,488	352,347	13,720	30,952,115	23,438,284	1,297,316	(1,152,949)	25,888,549	5,063,566	7,175,204
<b>Total...</b>	4,410,834,093	1,179,190,833	357,652,564	5,232,372,363	1,591,647,169	348,545,534	42,042,388	1,898,150,315	3,334,222,048	2,819,186,924
<b>Capital Work in Progress</b>	258,620,581	602,871,245	678,608,400	182,883,426	—	—	—	—	182,883,426	258,620,581
<b>Grand Total...</b>	4,669,454,674	1,782,062,078	1,036,260,964	5,415,255,789	1,591,647,169	348,545,534	42,042,388	1,898,150,315	3,517,105,474	3,077,807,505
<b>Previous Year</b>	4,248,993,223	871,163,897	450,702,446	4,669,454,674	1,348,918,876	256,809,309	14,081,016	1,591,647,169	3,077,807,505	2,900,074,347



# ASHAPURA MINECHEM LIMITED

## Note No. 13 NON-CURRENT INVESTMENTS

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Quoted; at cost:</b>		
<b>a. Investments in Equity Shares</b>		
21,535,056 Equity Shares of Orient Abrasive Ltd. of ₹ 1/- each (Aggregate market value of quoted investments ₹ 507,150,569 (₹ 409,166,064))	549,143,928	549,143,928
	<u>549,143,928</u>	<u>549,143,928</u>
<b>Unquoted; at cost:</b>		
<b>b. Investments in Associates</b>		
<b>Hudson MPA Sdn Bhd, Malaysia</b>		
Goodwill on acquisition	37,662,910	37,662,910
Carrying amount of investment	10,349,100	10,349,100
Accumulated share of profit or (loss)	(15,542,240)	(10,408,595)
	<u>32,469,770</u>	<u>37,603,415</u>
<b>Emo Ashapura Energy &amp; Mining Limited, Nigeria</b>		
Goodwill on acquisition	112,884,398	112,884,398
Carrying amount of investment	101,099,602	101,099,602
Accumulated share of profit or (loss)	—	—
Provision for Impairment of investment	(213,984,000)	(213,984,000)
	<u>—</u>	<u>—</u>
<b>Ashapura Arcadia Logistic Private Limited</b>		
Goodwill on acquisition	(7,825,342)	(7,825,342)
Carrying amount of investment	8,375,342	8,375,342
Accumulated share of profit or (loss)	36,338,706	4,975,034
	<u>36,888,706</u>	<u>5,525,034</u>
	<u>69,358,476</u>	<u>43,128,449</u>
<b>c. Investments in Other Equity Shares:</b>		
186,285 equity shares of Shantilal Multiport Infrastructure Pvt Limited of ₹ 10/- each	2,500,000	2,500,000
	<u>2,500,000</u>	<u>2,500,000</u>
<b>d. Investments in Government Securities:</b>		
National Savings Certificates (under lien with sales tax/mining authorities)	1,474,000	1,474,000
	<u>1,474,000</u>	<u>1,474,000</u>
	<u>622,476,404</u>	<u>596,246,377</u>

**Note No. 14 LONG-TERM LOANS AND ADVANCES**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Unsecured (considered good)</b>		
Capital advances	4,451,206	15,815,003
Security deposits	201,172,302	161,545,574
includes - Security deposits towards land and premises to directors, firms and companies in which some of the directors are interested ₹ 33,200,000 (34,200,000)		
Loans to joint venture companies	188,310,058	202,226,529
Loans to associate companies	1,898,303	27,966,063
Loans to staff	1,246,485	1,478,870
Other loans and advances	1,059,530	253,989
	<u>398,137,884</u>	<u>409,286,027</u>

**Note No. 15 CURRENT INVESTMENT**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Investments in Government Securities:</b>		
National Savings Certificates (under lien with sales tax/mining authorities)	374,800	374,800
<b>Investments in Mutual Funds :</b>		
Religare Liquid Fund	—	3,805,196
Reliance Invesco Liquid Fund	—	7,605,882
Union KBC FMP Fund	2,500,000	2,500,000
	<u>2,500,000</u>	<u>13,911,078</u>
	<u>2,874,800</u>	<u>14,285,878</u>

**Note No. 16 INVENTORIES**

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
(Valued at lower of cost or net realisable value)		
Raw materials	523,409,950	349,500,001
Work-in-progress	66,840,904	49,066,950
Finished goods	1,072,554,213	1,441,937,419
Materials in transit	8,252,629	2,145,690
Stock-in-trade	262,811,325	155,337,848
Stores & spares	106,984,153	102,332,331
Packing materials	44,016,011	39,103,099
	<u>2,084,869,184</u>	<u>2,139,423,337</u>



# ASHAPURA MINECHEM LIMITED

## Note No. 17 TRADE RECEIVABLES

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Unsecured (considered good, unless otherwise stated)</b>		
Over six months	557,224,179	600,252,605
Others	2,294,579,965	1,676,973,892
	2,851,804,144	2,277,226,497
less: Provision for doubtful debts	165,852,692	109,358,231
	2,685,951,452	2,167,868,266
	<b>More than Six Months</b>	<b>Others</b>
includes -		
due from joint venture and associate companies	102,034,671	75,357,200
due from firms and companies in which directors are interested	12,307,726	28,112,966

## Note No. 18 CASH AND BANK BALANCES

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>I. Cash and Cash Equivalents</b>		
<b>a. Balances with Banks:</b>		
Current accounts	420,588,304	242,072,253
Short term deposits	645,648	163,473
	421,233,952	242,235,726
<b>b. Cash on Hand</b>	6,550,228	4,407,424
	427,784,180	246,643,149
<b>II. Other Bank Balances</b>		
Dividend accounts	344,141	928,997
Margin Money Accounts	4,861,664	1,462,026
Terms deposits with more than 12 months maturity	80,635,777	17,531,073
Other term deposits	64,703,730	66,685,449
Cheques on Hand	—	1,529,000
Funds in Transit	—	2,780,441
	150,545,312	90,916,986
	578,329,492	337,560,135

Term deposits of ₹ 147,616,136 are under lien with banks against working capital finance, letter of credits and bank guarantees (previous year ₹ 85,210,565)



## Note No. 19 SHORT-TERM LOANS AND ADVANCES

	31 <sup>st</sup> March, 2015 ₹.	31 <sup>st</sup> March, 2014 ₹.
<b>Unsecured (considered good, unless otherwise stated)</b>		
Trade advances to suppliers	1,079,658,003	744,715,700
less: Provision for doubtful advances	230,658,683	230,658,683
	<u>848,999,320</u>	<u>514,057,017</u>
Trade advances to companies or firms in which some of the directors are interested ₹ 257,537,947 (139,634,917)		
Advance payments of income tax (net of provisions)	—	19,526,833
Loans and advances to staff	6,269,344	7,133,745
Claims receivable	292,893,408	159,496,902
Prepaid expenses	16,998,602	16,095,236
Advance payments of royalty	46,414,035	41,082,867
Input credits receivable	45,654,017	38,069,687
Other loans and advances	106,409,955	83,246,797
	<u>1,363,638,681</u>	<u>878,709,084</u>

## Note No. 20 REVENUE FROM OPERATIONS

	2014 - 2015 ₹.	2013 - 2014 ₹.
<b>Sale of Products</b>		
Export sales	13,633,702,587	6,831,774,821
Domestic sales	<u>3,392,123,301</u>	<u>3,194,464,351</u>
	17,025,825,888	10,026,239,172
<b>Sale of Services</b>		
Cargo handling income	187,373,091	446,072,525
Mining Charges Receipts	<u>173,845,274</u>	<u>—</u>
	361,218,365	446,072,525
<b>Other Operating Revenue</b>		
Export incentives and credits	46,058,087	13,846,653
Foreign currency fluctuation gain	55,381,925	143,192,241
Research & development fees receipts	22,018,140	2,125,000
Machinery Hire charges receipts	—	136,129,515
Freight receipts on sales	106,047,157	101,385,388
Other operational income	<u>51,066,779</u>	<u>90,164,720</u>
	<u>17,667,616,341</u>	<u>10,959,155,214</u>

## ASHAPURA MINECHEM LIMITED

### Note No. 21 OTHER INCOME

	2014 - 2015 ₹.	2013 - 2014 ₹.
Dividend receipts	4,662,171	1,808,850
Interest receipts	27,740,167	31,345,983
Profit on sale of Investments (net)	8,421,027	1,370,918
Sundry balances / excess provisions written back (net)	9,857,492	5,572,005
Miscellaneous income	20,769,630	16,503,926
	<u>71,450,487</u>	<u>56,601,682</u>

### Note No. 22 COST OF MATERIALS CONSUMED

	2014 - 2015 ₹.	2013 - 2014 ₹.
<b>Materials and Mining Expenses</b>		
Opening stock	349,500,001	330,512,122
Purchase and direct expenses	991,209,449	723,512,370
	<u>1,340,709,450</u>	<u>1,054,024,492</u>
Closing stock	<u>523,409,950</u>	<u>349,500,001</u>
	817,299,500	704,524,491
Rent and Royalty	589,014,889	278,886,588
Mining expenses	1,088,149,080	729,830,420
	<u>2,494,463,469</u>	<u>1,713,241,499</u>

**Note No. 23 CHANGES IN INVENTORIES**

		2014-2015 ₹.		2013-2014 ₹.
<b>Opening Stock</b>				
Finished Goods	1,441,937,419		1,413,553,028	
Stock-in-trade	155,337,848		231,666,957	
Materials in transit	2,145,690		3,467,295	
Work-in-progress	<u>49,066,950</u>	<u>1,648,487,907</u>	<u>44,005,019</u>	<u>1,692,692,299</u>
<b>Closing Stock</b>				
Finished Goods	1,072,554,213		1,441,937,419	
Stock-in-trade	262,811,325		155,337,848	
Materials in transit	8,252,629		2,145,690	
Work-in-progress	<u>66,840,904</u>	<u>1,410,459,071</u>	<u>49,066,950</u>	<u>1,648,487,907</u>
		<u>238,028,836</u>		<u>44,204,392</u>

**Note No. 24 EMPLOYEE BENEFIT EXPENSES**

	2014-2015 ₹.	2013-2014 ₹.
Salaries, wages, allowances and bonus	558,411,737	496,726,584
Contribution to employee benefit funds	37,053,423	29,056,756
Staff welfare expenses	34,100,599	28,510,590
	<u>629,565,759</u>	<u>554,293,930</u>
includes directors' remuneration	3,264,498	3,600,000

**Note No. 25 FINANCE COSTS**

	2014-2015 ₹.	2013-2014 ₹.
<b>Interest</b>		
Working capital finance	120,947,964	174,244,711
Term loans	32,722,019	38,765,757
Others	<u>33,542,135</u>	<u>18,162,728</u>
Loss / (Gain) on foreign currency borrowings	(5,838,584)	45,325,963
Other borrowing costs	7,508,702	8,761,165
	<u>188,882,236</u>	<u>285,260,324</u>

# ASHAPURA MINECHEM LIMITED

## Note No. 26 OTHER EXPENSES

		2014-2015 ₹.		2013-2014 ₹.
<b>Manufacturing Expenses</b>				
Power & Fuel	303,667,204		405,287,562	
Machinery repairs and maintenance	84,006,207		65,233,818	
Packing materials and expenses	194,719,778		170,286,956	
Stores & spares consumption	155,638,559		193,030,867	
Carriage inward	47,092,258		76,256,470	
Other expenses	<u>224,435,873</u>	<u>1,009,559,879</u>	<u>283,763,529</u>	1,193,859,202
<b>Selling and Distribution Expenses</b>				
Sales commission and discount	207,237,867		27,672,526	
Cargo handling expenses	141,684,590		331,989,405	
Export freight and insurance	1,275,461,167		644,537,770	
Export Duty	1,487,732,587		374,186,986	
Export and other shipment expenses	<u>5,067,012,292</u>	<u>8,179,128,503</u>	<u>2,416,943,028</u>	3,795,329,715
<b>Administrative and Other Expenses</b>				
Travelling expenses	69,506,313		54,987,782	
Rent	41,286,276		39,743,592	
Rates and taxes	54,654,572		17,270,455	
Insurance premiums	7,978,117		6,344,238	
Building and other repairs	21,274,200		28,970,532	
Advertisement and business promotion	23,003,932		23,142,960	
Directors' sitting fees	595,000		437,888	
Liquidated damages	124,152,550		—	
Legal and professional fees	81,496,851		66,983,979	
Payments to auditors	8,150,001		7,715,822	
Provisions/write off of doubtful debts/ advances (net)	42,186,394		252,911,012	
Bank discount, commission and other charges	10,082,175		10,785,179	
Donations	17,862,203		3,842,450	
Corporate social responsibility Expenses	10,346,445		8,838,750	
Loss on sale of assets (net)	5,912,948		8,104,167	
Prior period expenses (net)	2,000,541		355,545	
General expenses	<u>174,930,835</u>	<u>695,419,353</u>	<u>157,157,342</u>	687,591,693
		<u>9,884,107,735</u>		<u>5,676,780,610</u>



- 27 Based on the audited annual accounts for the year ended 31<sup>st</sup> March 2011, the company became a sick industrial company within the meaning of section 3(1)(O) of the Sick Industrial Companies (Special Provisions) Act, 1985 and pursuant the proviso to section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985.

The Board for Industrial & Financial Reconstruction (BIFR) on considering the material on their record, declared the company as a sick company vide its order dated 20<sup>th</sup> March 2012. Further, in terms of the order passed and the powers available u/s 17(3) of SICA, the Bench has appointed Bank of India as Operating Agency with directions to submit Draft Rehabilitation Scheme which is under consideration and discussion.

- 28 The Security and Exchange Board of India (SEBI) vide its letter no. CFD/DIL/ HB/OW/35705/ 2014 dated 12<sup>th</sup> December 2014, has directed the Company to make the necessary provisions of unprovided disputed losses/liabilities in respect of foreign currency derivative contracts, which were the subject matter of qualification in the Auditors' Report in the previous year. Accordingly, the Company has, during the year, provided for such disputed liabilities aggregating to ₹ 21,101.37 lacs under exceptional items. The Company, however, based on the legal advice received, maintains that these financial derivative contracts are void and unenforceable.

- 29 The company had entered into Contract of Affreightment (COA) with four shipping companies viz. (i) British Marine, (ii) IHX Pacific (UK), (iii) Eitzen Bulk A/S and (iv) Armada (Pte) Singapore.

The company has settled the claim of British Marine Plc, for ₹ 22.64 crores as against award passed for ₹ 553.41 crores, which was initially claimed by British Marine Plc.

The quantum of awards in respect of the other three companies are as under:

Shipping Company	₹ in crore
IHX (UK) Limited	107.97
Eitzen Bulk S/A	161.83
Armada (Singapore) Pte Ltd.	292.23
Total...	562.03

Since the award of claims of each of the three shipping companies were heavily exaggerated. the company has, much prior in time to filing of the application for enforcement of the award, initiated legal proceedings against the alleged arbitration awards by filing an Application under Section 34 of the Arbitration & Conciliation Act, 1996 against each of the three shipping companies in the Court of Civil Judge at Jamkhambaliya on the ground of opposed to the public policy of India.

By an order dated 26<sup>th</sup> June 2013, Jam Khambhaliya District Court refused to pass any order on the ground of the jurisdiction issue.

Aggrieved by the above order, the company has preferred an appeal before the Honourable Gujarat High Court, which has been admitted.

In view of the above, the company has “strictly without prejudice and without admitting the claims of the shipping companies” made the provision of ₹ 562.03 cr. in the earlier years against the shipping claims.

The company has been declared as a sick company by the BIFR as stated in note no. 28 above and the matter is sub-judice.

- 30 The Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements.
- 31 Depreciation for the year in respect of the companies incorporated in India has been aligned to comply with requirement of Part C of Schedule II of the Companies Act, 2013. Consequently, depreciation for the year is higher by ₹ 61,385,664. Further, ₹ 41,152,150 (net of deferred tax assets ₹ 10,890,765 in the respect of the fixed assets where the useful lives as specified in Schedule II is already expired, has been adjusted to the opening balances of the retained earnings.

- 32 Balances with some of the banks as well as balances for trade payables, trade receivables, for loans and advances in many cases are subject to confirmations from the respective parties and reconciliations, if any. In absence of such confirmations, the balances as per books have been relied upon by the auditors.
- 33 In the opinion of the directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably required.

34 **Exceptional Items:**

(₹. in Lacs)

Particulars	2014-2015	2013-2014
Net liabilities in respect of certain secured loans as well as disputed and unprovided foreign currency derivative contracts upon settlement with certain terms and conditions with some of the banks and financial institutions.	(155.00)	6,968.88
Disputed losses/liabilities in respect of foreign currency derivative contracts as per the directions by the SEBI (refer note no. 28)	(21,101.37)	—
Loss on shifting of manufacturing facilities from one location to another	(1,876.71)	—
Pre-operative expenses written off	—	(1,515.73)

- 35 Based on the principles of prudence and in view of the uncertainty, deferred tax assets arising out of the carried forward business losses in the parent company are not accounted for in accordance with the provisions of Accounting Standard (AS) - 22 “accounting for Taxes on Income”.

Details of the balance of ₹ 19,377,218 are as under:

Particulars	₹
Depreciation	65,578,126
Disallowances u/s 43B & others under the Income Tax Act	(28,890,908)
MAT Credit Entitlement	(17,310,000)
Total...	19,377,218

- 36 The proportionate share of assets, liabilities, income and expenses in respect of the Company having interest in the jointly controlled entities, Ashapura Perfoclay Limited (holding: 50%), and Ashapura Midgulf NV (holding: 50%) & Sohar Ashapura Chemicals LLC (holding:40%) are as under:

(₹. in Lacs)

	Current Year	Previous Year
<b>Assets</b>		
Fixed Assets (Net Block including WIP)	10,793.68	9,326.49
Investments	25.00	25.00
Current Assets	6,085.58	5,643.19
Long term Loans and Advances	186.49	251.75
Short Term Loans and Advances	733.85	1,528.33
<b>Total...</b>	<b>17,824.60</b>	<b>16,774.76</b>





<b>Liabilities</b>		
Non Current Liabilities	3,892.19	4,014.39
Current Liabilities	6,774.40	6,480.42
<b>Total ...</b>	<b>10,666.59</b>	<b>10,494.81</b>
<b>Income</b>		
Sales and Operational Income	12,388.20	14,792.69
Other Income	127.96	92.70
<b>Total...</b>	<b>12,516.16</b>	<b>14,885.39</b>
<b>Expenditure</b>		
Manufacturing and Other Expenses	9,764.19	11,716.78
Interest	335.65	597.84
Depreciation	905.34	1,049.66
<b>Total...</b>	<b>11,005.18</b>	<b>13,364.28</b>

### 37 Contingent Liabilities:

(₹. in Lacs)

Particulars	31 <sup>st</sup> March	
	2015	2014
Guarantees to banks against credit facilities extended to group companies	1,755.00	2,058.00
Guarantees given to others on behalf of inter-group companies	285.65	191.30
Guarantees given to various Government Authorities and Others	8,257.26	8,228.97
In respect of guarantees given by the company	6,296.03	3,736.29
In respect of disputed Income Tax liabilities	1,551.48	1,541.85
Claims against the company not acknowledged as debt	---	769.23
In respect of contracts remaining to be executed	254.27	3.11
Disputed Liabilities in respect of Excise Duty	2,754.36	2,456.43
In respect of Other matters	3,113.27	632.83

### 38 Related Party Transactions:

#### Associates and Joint Ventures:

- Altage Stone Crushing Co
- Ashapura Midgulf NV
- Ashapura Arcadia Logistic Pvt Ltd.
- Ashapura Exports Pvt Limited
- Ashapura Industrial Finance Limited
- Ashapura Infin Pvt. Limited
- Ashapura Mineral Company
- Ashapura Overseas Limited
- Ashapura Perfoclay Limited
- Bharat Abrasives & Chemicals Industries
- CIF AVL Investment Holding Limited
- Emo Ashapura Energy and Mining
- Hudson MPA SDN BHD, Malaysia
- Kantilal Mohanlal Mehta
- Kutch Navnirman Trust
- Manico Resources Pvt Limited
- Maximine Resources Company
- Minguj Logistic Corporation
- Minologic Corporation
- Minotrans Logistic Corporation
- Prabhudas Vithaldas
- Sandeep Abrasive Industries
- Saurashtra Traders
- Sharda Industrial Corporation
- Sohar Ashapura Chemicals LLC
- Vinod J Pandya

## Key Managerial Personnel:

- Mr. Navnitlal R Shah
- Mr. Chetan Shah
- Mr. R B Pajwani
- Mr. Hemul Shah
- Ms. Geeta Nerurkar
- Mr. Chetan Mehra
- Ms. Surekha Sathe
- Mr. Suryakant Shah
- Mr. Sachin Polke
- Mr. Vipul Saxena
- Mr. Ajay Phalod
- Mr. Ashish Desai
- Ms. Harsha Joshi

## Relatives of Key Managerial Personnel:

- Ms. Dina C Shah
- Mr. Manan C Shah

Particulars of Transactions	2014-2015 ₹	2013-2014 ₹
<b>Associates:</b>		
Sales of Materials	345,929,312	140,376,894
Purchases of Materials	494,700,468	34,564,435
Interest Received	18,964,490	13,554,768
Interest Paid	14,857,172	8,867,446
Export Shipment & Other Expenses	159,709,919	185,007,441
Transportation Charges	44,374,374	32,266,232
Lease Rent Paid	2,442,903	2,040,555
Reimbursement of Administrative Expenses	26,579,408	24,465,134
Rent Received	112,258	2,650,000
Mining and Other Charges Payments	74,756,413	85,158,802
Loans Received	—	105,000,000
Loans Repaid	65,000,000	5,000,000
Purchase of Fixed Assets	2,414	1,711,097
Sale of Fixed Assets	1,864,355	3,865,892
R&D Charges Receipts	1,400,000	2,125,000
Machinery Repairs & Maintenance	3,232,556	2,157,150
Service Charge Receipts	—	1,582,800
Operational Income	3,972,960	—
Donations and CSR expenses	15,372,800	5,745,750
Outstanding Balances as on 31 <sup>st</sup> March		
Trade Payables	168,652,967	43,879,968
Trade Receivables	293,244,774	151,632,416
Long-term Loans and Advances	92,650,579	118,718,339
Advance from Customers	19,462,365	23,302,576
Security Deposits	28,200,000	28,200,000
Trade Advances (Short-term loans and advances)	309,678,338	133,797,689
Long-term and Short-term Borrowings	142,272,500	214,299,312
Interest Receivable	9,357,057	2,573,129
Interest Payable	—	1,793,836



<b>Key Management Personnel:</b>		
Remuneration	<b>27,455,100</b>	3,600,000
Rent Paid	<b>180,000</b>	180,000
Guarantee Commission	<b>3,510,000</b>	8,646,000
Outstanding Balances as on 31 <sup>st</sup> March		
Trade Payables	<b>300,825</b>	5,078,075
Security Deposits	<b>5,000,000</b>	6,000,000
Others payables	<b>1,000,000</b>	1,000,000

- 39** Figures pertaining to the subsidiary companies as well as a joint venture companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements.
- 40** Figures for the previous year are regrouped and rearranged, wherever necessary.
- 41** All the amounts are stated in Indian Rupees, unless otherwise stated.

#### Signatures to Notes No. 1 to 41

As per our Report of even date  
**For SANGHAVI & COMPANY**  
Chartered Accountants

sd/-  
**MANOJ GANATRA**  
Partner

Mumbai  
26<sup>th</sup> May, 2015

**For and on Behalf of the Board of Directors**  
sd/-

**CHETAN SHAH**  
Chairman (Non Executive)

sd/-  
**ASHISH DESAI**  
Sr. General Manager - Accounts

Mumbai  
26<sup>th</sup> May, 2015

sd/-

**RAJNIKANT PAJWANI**  
Whole-time Director & CEO

sd/-

**ASHOK KADAKIA**  
Audit Committee Chairman & Ind. Director

sd/-

**SACHIN POLKE**  
Company Secretary and Vice President

<b>PARTICULARS</b>	<b>Name of the Subsidiary Companies</b>	<b>Ashapura International Limited</b>	<b>Ashapura Claytech Limited</b>	<b>Bombay Minerals Limited</b>	<b>Prashansha Ceramics Limited</b>	<b>Peninsula Property Developers (P) Limited</b>
Currency and Exchange Rate as on last date of relevant Financial Year (Foreign Subsidiaries)		—	—	—	—	—
Share Capital		30,000,000	35,799,000	2,180,800	14,500,000	100,000
Reserves & Surplus		341,169,551	23,523,270	795,630,299	(39,391,234)	(988,388)
Total Assets		2,225,925,987	208,551,922	2,237,253,412	12,402,397	1,122,039
Total Liabilities		1,854,756,436	149,229,652	1,439,442,313	37,293,631	2,010,427
Investments (except investments in Subsidiary(ies)#)		86,000	—	549,143,928	—	—
Turnover (including Other Income)		3,057,574,975	79,647,241	5,705,927,324	842,100	79,980
Profit/(Loss) Before Taxation		86,515,591	6,852,075	682,931,206	599,050	33,669
Provision for taxation		16,081,287	3,354,248	232,278,716	—	(13,060)
Profit/(Loss) After Taxation		70,434,304	3,497,827	450,652,490	599,050	46,729
Proposed Dividend		—	—	—	—	—
% of Shareholding (either directly or indirectly)		100%	99.44%	100%	100%	100%

\* Balance Sheet Items are converted at closing Exchange Rate of USD 1 = Rs. 62.50 (As on 31/03/2015) (rounded off to the nearest Rupee)

## # Details of Investment by the Company's Subsidiaries:

<b>Name of the Subsidiary Company</b>	<b>Particulars of Investments</b>	<b>Nature of Investments</b>
Bombay Minerals Limited	Prashansha Ceramics Limited	Equity Shares
Ashapura Minechem (UAE) FZE	Ashapura Holdings (UAE) FZE	Shares
Ashapura Holdings (UAE) FZE	Ashapura Maritime FZE	Shares
Ashapura Minechem (UAE) FZE	PT. Ashapura Resources Indonesia	Shares

1 USD = 3.67 AED

**Note :** The Company will make available the annual accounts of the subsidiary companies and related prescribed information upon request by any member of the Company and of its subsidiaries. Any member interested in obtaining such documents and details may inspect the same on all working days except Saturday and holidays, between 11 am to 1 pm at the Registered Office of the Company at Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278, Dr. D. N. Road, Fort, Mumbai – 400001.

Place : Mumbai

Date : 26<sup>th</sup> May, 2015



read with rule 5 of Companies (Accounts) Rules, 2014)

**SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2015**

(Amount in ₹.)

Sharda Consultancy (P) Limited	Ashapura Consultancy Services (P) Limited	Ashapura Aluminium Limited	Ashapura Minechem (UAE) FZE	Ashapura Holdings (UAE) FZE	Ashapura Maritime FZE	PT Ashapura Resources Indonesia
—	—	—	1\$ = Rs. 62.50	1\$ = Rs. 62.50	1\$ = Rs 62.50	1\$ = Rs 62.50
100,000	100,000	500,000	173,668,125*	2,554,500*	2,554,500*	62,500,000*
(10,702,624)	(18,171,135)	5,647,583	(27,157,688)*	18,446,813*	(274,929,375)*	(33,208,750)*
3,436,030	4,974,219	6,150,583	567,570,563*	223,693,063*	1,056,250*	29,590,000*
14,038,654	23,045,354	3,000	421,060,125*	202,691,750*	273,431,125*	298,750*
—	—	—	201,288,188	16,312,500	—	—
242,184	580,222	14,682	1,184,100,898**	7,953,001**	517,862**	—
213,898	550,693	(1,267,171)	168,409,735**	7,099,889**	180,958**	(241,277)**
(86,001)	(163,689)	—	—	—	—	-
299,899	714,382	(1,267,171)	168,409,735**	7,099,889**	180,958**	(241,277)**
—	—	—	—	—	—	—
100%	100%	100%	100%	100%	100%	100%

\*\* Revenue Items are converted at an average Exchange Rate of USD 1 = Rs.61.30 (As on 31/03/2015) (rounded off to the nearest Rupee)

Face Value	No. of Shares	Amount in ₹.
₹. 10/-	750,000	7,500,000/-
AED 150000	1	2,554,500/-*
AED 150000	1	2,554,500/-*
USD 1/-	1,000,000	62,500,000/-*

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

Sd/-  
**CHETAN SHAH**  
Chairman (Non-Executive)

Sd/-  
**ASHOK KADAKIA**  
Audit Committee Chairman &  
Independent Director

Sd/-  
**SACHIN POLKE**  
Company Secretary &  
Vice President

Sd/-  
**ASHISH DESAI**  
S.G.M.-Accounts

**Part “B”: Associates and Joint Ventures**  
**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

<b>Name of Associates/ Joint Ventures</b>	<b>Ashapura Perfoclay Ltd (Formerly known as Ashapura Volclay Ltd)</b>	<b>Ashapura Midgulf NV – Antwerp @</b>	<b>Sohar Ashapura Chemicals LLC- Oman*</b>	<b>Hudson MPA SDN. BHD – Malaysia**</b>	<b>Ashapura Arcadia Logistic Private Ltd.</b>	<b>Emo Ashapura Energy and Mining Ltd- Nigeria</b>
<b>1.Latest audited Balance Sheet Date</b>	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> March 2015</b>	<b>31<sup>st</sup> December, 2014</b>	<b>31<sup>st</sup> December 2014</b>	<b>31<sup>st</sup> March 2015</b>	
<b>2.Shares of Associates/ Joint Ventures held by the Company on the year end</b>						
No. of Shares	8,966,590	1,500,000	1,00,000	1,700,000	55,000	6,720,000
Amount of Investment in Associates/ Joint Venture	89,665,900	134,973,067	16,312,500	48,012,010	550,000	213,984,000
Extent of Holding %	50%	50%	40%	25%	50%	48%
<b>3. Description of how there is significant influence</b>	By Board & Equity Holding	By Board & Equity Holding	By Equity Holding/ Voting Power	By Equity Holding/ Voting Power	By Board & Equity Holding	By Equity Holding/ Voting Power
<b>4. Reason why the associates/ joint venture not consolidated</b>	N.A	N.A	N.A	N.A	N.A	The Investment in the said Company impaired during Financial Year 2011-2012.
<b>5. Networth attributable to Shareholding as per latest audited Balance Sheet</b>	520,787,730	96,977,269	95,192,701	-	-	N.A
<b>6. Profit/Loss for the year</b>						
i. Considered in Consolidation	75,905,327	36,031,000	36,327,000	(5,133,645)	31,363,672	N.A
ii. Not considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A

Notes:-

@ The partly Shares held directly and partly through Company's Wholly Owned Subsidiary Company Viz. Ashapura Minechem (UAE) FZE.

\* The Shares held through Company's step down Subsidiary Company Viz. Ashapura Holding (UAE) FZE.

\*\* The Shares held through Company's Wholly Owned Subsidiary Company Viz. Ashapura Minechem (UAE) FZE.



# ASHAPURA MINECHEM LIMITED

CIN: L14108MH1982PLC026396

Regd. Office: Jeevan Udyog Building, 3<sup>rd</sup> Floor, 278,

D.N. Road, Fort, Mumbai – 400001

Tel. No. : +91-22 66221700 Fax : +91-22 22079395 / 22074452

Website: www.ashapura.com

E-mail ID : cosec@ashapura.com

FORM NO. MGT-11

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and

Rule 19(3) of the Companies

(Management and Administration) Rules, 2014)

## 34<sup>th</sup> Annual General Meeting – September 30, 2015

Name of the Member (s) : \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No / Client Id / DP ID: \_\_\_\_\_

I / We, being the member(s) of \_\_\_\_\_ shares of the above mentioned Company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_,

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34<sup>th</sup> Annual General Meeting of the Company, to be held on Wednesday, 30<sup>th</sup> September, 2015 at 3.00 p.m. at M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubhash Marg, Kala Ghoda, Mumbai – 400 001 and at any adjournment thereof, in respect of such resolution as are indicated below:

Resolution No.	Ordinary Resolutions	Optional*	
		For	Against
1.	Adoption of Audited Financial Statements for the year ended 31 <sup>st</sup> March, 2015 and Reports of the Directors and Auditors thereon.		
2.	Appointment of Shri Chetan Shah, who retires by rotation.		
3.	Ratification of Appointment and remuneration of M/s. Sanghavi & Co., Chartered Accountants, as Statutory Auditors of the Company for the F.Y. 2015-2016.		
4.	Appointment of M/s. B. Purushottam & Co., Chartered Accountants, as Branch Auditors of the Company.		
5.	Ratification of appointment and remuneration payable to M/s. S. K. Rajani & Co., Cost Accountants, as Cost Auditors for the FY 2015-2016.		
6.	Appointment of Smt. Navita Gaiha as a Non-Executive Independent Woman Director of the Company ( <b>Special Business</b> )		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy Holder (s)

Affix  
Revenue  
Stamp

### Notes:

- \* It is optional to put a (tick) '✓' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- This form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not less than 48 hours before the commencement of the Meeting.



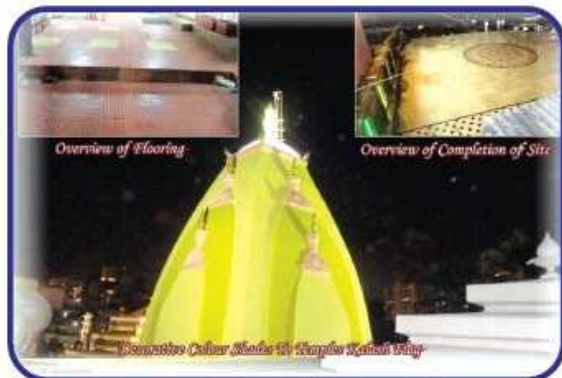
## ROUTE MAP OF VENUE OF ANNUAL GENERAL MEETING



# PAYING BACK TO SOCIETY ...

Being a part of the society, we understand our responsibilities and strive to fulfill them. At Ashapura, while we are known to have won the trust and faith of our shareholders, the stakeholders are never left behind. We aim to fulfill our social responsibilities by contributing towards a sustainable and beneficial growth for the society. By conducting business in a fair and transparent manner, we look beyond the financial aspects and extend ourselves to the betterment of humanity and the environment.

Ashapura Foundation goes beyond the requisite corporate responsibilities by following an ethical and sound path; be it business, economics, environment and the society.



**Beautification of Mahalaxmi Temple**



**Surrounding Area**



**Promotion of Handicrafts**



**Ashapura Womens Academy**



**Mobile Clinics**



**Promotion of Education**



*Value Beyond Mining*

***Regd .Office :***

Jeevan Udyog Building, 3rd Floor,

Fort, Mumbai - 400001. India

Tel. : +91-22 6665 1700



Email : [info@ashapura.com](mailto:info@ashapura.com)

**[www.ashapura.com](http://www.ashapura.com)**



**ASHAPURA**  
**MINECHEM LIMITED**  
CIN No. L14108MH1982PLC026396

**FORM A**  
**(Pursuant to Clause 31 (a) of Listing Agreement)**

1.	Name of the Company	ASHAPURA MINECHEM LTD.
2.	Annual Financial Statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit Observation	Un-qualified
4.	Frequency of observation	Not applicable
5.	Rajnikant Pajwani, Whole time Director & CEO	
	Manoj Ganatra, Partner - M/s. Sanghavi & Co., Auditors	
	Ashok Kadakia, Chairman - Audit Committee	