

ASHAPURA
Value Beyond Mining

Annual Report
2012 - 2013



ASHAPURA

Value Beyond Mining

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ASHAPURA MINECHEM LIMITED

BOARD OF DIRECTORS

Executive Directors

Mr. Navnitlal Shah
(Executive Chairman)

Mr. Chetan Shah
(Managing Director)

Non-Executive Directors

Mr. Ashok Kadakia

Mr. Harish Motiwalla

Mr. Abhilash Munsif

Mr. Rajendra Khanna
(Nominated by EXIM Bank)

Mr. Arun Chadha
(Appointed by BIFR)

Mr. Piyush Vora
(Resigned w.e.f. 1/10/2012)

Company Secretary & Vice President

Mr. Sachin Polke

Auditors

M/s. Sanghavi & Company
Chartered Accountants

Bankers

**Bank of India &
other Banks in the Consortium**

● **REGISTERED AND ADMINISTRATIVE 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

● **REGISTRAR & 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 : mt.helpdesk@linkintime.co.in

● **PLANT LOCATIONS**

1. Plot No. 256/3, Village Baraya,
Bhuj-Mundra Highway, Tal. Mundra,
Kutch (Gujarat) - 370 415.
2. Survey No. 328/2, KINFRA Apparel Park,
Menamkulam, Thiruvananthapuram,
Kerala - 695586.
3. Plot No. 182, Baikampady Industrial Area,
Baikampady, New Mangalore- 575011.
4. Jamnagar - Dwarka Highway, Khambhaliya,
Dist. Jamnagar, Gujarat - 361305.

● **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 - 400051.



NOTICE

NOTICE is hereby given that the Thirty Second **Annual General Meeting** of the Members of **ASHAPURA MINECHEM LIMITED** will be held on Thursday, 26th September, 2013 at 11.30 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Ashok Kadakia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Sanghavi & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration and to pass the following resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 224, and other applicable provisions, if any, of the Companies Act, 1956, M/s. Sanghavi & Co., Chartered Accountants (Registration No – 109099W), be and are hereby appointed as the Auditors of the Company for the purpose of audit of the Company’s Accounts and to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors and the Auditors of the Company.”

4. To appoint Branch Auditors:

“**RESOLVED THAT** pursuant to the provisions of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to re-appoint in consultation with the Company’s Auditors, M/s. B. Purushottam & Co., Chartered Accountants, Chennai, 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 2013-2014 and to hold their office until the conclusion of next Annual General Meeting and to fix their remuneration.”

By order of the Board of Directors

sd/-

Sachin Polke

Company Secretary & Vice President

Place : Mumbai

Date : 8th August, 2013

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 not less than 48 hours before the commencement of the meeting.
3. Members are requested to bring their copies of Annual Report and duly filled Attendance Slip for attending the Meeting. The members who hold shares in electronic form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio No., in the Attendance Slip for attending the meeting.
4. 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.
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 109A of the Companies Act, 1956, by filing prescribed Form-2B (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 DP.
8. The Company's Transfer Books will remain closed from 16th September, 2013 to 26th September, 2013 (both days inclusive).
9. The relevant details of Director seeking re-appointment under item number 2 of the Notice, as required under clause 49 of the Listing Agreement entered into with the Stock Exchanges are appearing in the Corporate Governance Report, which forms the part of the Annual Report.
10. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with the Company Secretary at the Company's Registered Office. 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 205A of the Companies Act, 1956, be transferred to the Investor Education and Protection Fund.
11. 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.
12. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered email addresses of shareholders.

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

By order of the Board of Directors

sd/-

Sachin Polke
Company Secretary & Vice President

Place : Mumbai

Date : 8th August, 2013

Registered Office :

Jeevan Udyog Building,
3rd Floor, 278, D. N. Road, Fort,
Mumbai - 400 001.



DIRECTORS' REPORT

To
The Members,

Your Directors present the Thirty Second Annual Report of the Company together with the Annual Statements of Accounts (Standalone & Consolidated) for the year ended 31st March, 2013.

FINANCIAL RESULTS AND PERFORMANCE:

	Ashapura Minechem Ltd. (₹. in Lacs)		Consolidated (₹. in Lacs)	
	2012-2013	2011-2012	2012-2013	2011-2012
Net Sales / Income from Operations	47,846.70	42,764.22	77,191.85	65,259.99
Less: Total Expenditure	44,171.48	42,124.20	70,364.42	63,232.93
Profit /(Loss) from Operations before Dep., Other Income and Exceptional Items	3,675.22	640.02	6,827.43	2,027.06
Less: Depreciation	(1,145.43)	(1,091.23)	(2,579.64)	2,791.27
Profit /(Loss) from Operations before Other Income and Exceptional Items	2,529.79	(451.21)	4,247.79	(764.21)
Add: Other Income	999.71	1,333.85	1,437.57	1,116.18
Profit/(Loss) before Exceptional and Extra-ordinary Items and Tax	3,529.51	882.64	5,685.36	351.97
Exceptional Items	(285.71)	(226.40)	(725.31)	(3,170.79)
Extra-ordinary Items	—	—	—	—
Profit /(Loss) before Tax	3,243.80	656.24	4,960.05	(2,818.82)
Tax Expenses				
Current Tax	—	—	641.15	549.48
Earlier Year's Tax	(4.78)	(4.56)	(81.74)	(14.40)
Deferred	—	—	9.38	16.02
Net Profit / (Loss)	3,239.02	660.81	4,391.26	(3,369.92)
Minority Interest	—	—	(0.87)	(0.63)
Share of Profit/(Loss) in Associate Company	—	—	23.94	6.16
Net Profit / (Loss) of the Group	3,239.02	660.81	4,414.33	(3,364.39)

During the year under review, the Stand-alone sales/income from operations for the year ended 31st March, 2013 stood at ₹ 47,847 Lacs as against ₹ 42,764 Lacs in the previous year. The net profit of the Company stood at ₹ 3,239 Lacs as against ₹ 661 Lacs in the previous year.

In respect of Consolidated Accounts, the sales/income from operations stood at ₹ 77,192 Lacs as against ₹ 65,260 Lacs in the previous year and the net profit stood at ₹ 4,414 Lacs for the year ended 31st March, 2013 as against the net loss of ₹ 3,364 in the previous year.

DIVIDEND

Considering the state of affairs of the Company and in view of the accumulated losses, your Directors have not recommended any Dividend for the financial year 2012-2013.

REVIEW OF OPERATIONS:

In the financial year 2012-2013, your Company got the much awaited push with the ad-interim relief granted by the Hon. Supreme Court, whereby the Government of Gujarat gave conditional permissions in favour of certain mine owners to resume bauxite sales. Accordingly, despite working capital constraints, your Company along with its subsidiaries resumed the export of bauxite. This much awaited and needed boost helped the Company to achieve a good top line with steady profitability. The stand-alone revenue from operations increased by around 12% and stood at ₹ 47,847 Lacs. Similarly, the consolidated revenue from operations increased by around 18%.

ASHAPURA MINECHEM LIMITED

Your Company is one of the most integrated player in the 'Industrial Minerals' business of India. Moreover, it is persistently working on diversifying and developing its product portfolio by adding more value added products from its mine resources. Bauxite which is an important constituent of the Company's mineral portfolio is the primary ore for making aluminium metal. It is also used as an additive in the cement industry. Calcined Bauxite which is a value added product of bauxite obtained by calcining (heating) superior grade bauxite at high temperature; is used mainly in steel industry. Simultaneously, the Company is exploring new application of calcined bauxite which is used for road surfacing.

Bentonite which is an another important constituent of the Company's mineral portfolio is very versatile in its application; it is used in several industries like foundry, iron and ore pallets, oil well drilling, construction, paint, paper etc. During the year under review, iron ore pellets industry experiencing slow down due to deprived economic conditions and low demand for steel and steel products. However, bentonite being used in several industries has diversified advantages and as such a bright outlook is anticipated in the coming years.

SUBSIDIARIES AND JOINT VENTURES:

The principal subsidiaries and joint ventures of the Company showed promising growth. Ashapura International Limited which mainly caters to the bentonite business showed a 45% increase in revenues attributable to a buoyant export demand. Bombay Minerals Limited which sells bauxite and its value added derivative calcined bauxite had a 5.5 times revenue multiple as compared to the previous year on account of the ad-interim order of the Supreme Court for the resumption of issue of royalty passes for the sale of bauxite.

Ashapura Volclay Limited, one of the Company's tenured joint ventures and a market leader in bleaching clay exhibited a modest increase in revenues despite structural volatilities in the composition of edible oil consumption in India.

Sohar Ashapura Chemicals LLC, a joint venture company in the Sultante of Oman setup as a mineral processing hub for bentonite, barites, calcium carbonate and kaolin, garnered a significant market share in the region and has generated a modest yet promising profit within its first year of operations.

M. V. Asha Prestige, a shipping vessel owned by Ashapura Maritime FZE and operated by Asha Prestige Company (both wholly owned step down subsidiaries of Ashapura Minechem Limited) was sold on account of its operational and economic unviability caused by the prolonged downturn in the shipping industry. Consequently, Asha Prestige Company was wound up.

The other overseas subsidiaries and joint ventures of the Company in Belgium, UAE and Indonesia exhibited resilience in the scale of operations despite freight & foreign exchange volatilities.

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

Based on the Audited Financial Accounts for the year ended 31st March, 2011, the Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 20th 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 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.

PREFERENTIAL ALLOTMENT:

Pursuant to the Special Resolution passed by the Shareholders through postal ballot as on 5th December, 2012, the duly constituted Committee of Directors has in its meeting held on 26th December, 2012, allotted 40,00,000 equity shares and 40,00,000 convertible warrants at a price of ₹ 36.83 per share/warrant to M/s. Ashapura Industrial Finance Limited, a Promoter Group Entity.

Further, the Company has received ₹ 184,150,000 upon such allotment of equity shares and convertible warrants till date and the same were utilized for the purpose for which they have been raised i.e. for re-structuring or settlement of loans/liabilities/debts with banks and/or other creditors.

STATUS OF THE PENDING LITIGATIONS:

- a) The Contracts of Affreightment entered into by the Company with Shipping Companies - viz. [1] British Marine PLC [2] I.H.X. (UK) Ltd. [3] Eitzen Bulk A/s and [4] Armada Singapore Pte Ltd.

The Company has successfully settled the claims with British Marine Plc. In case of the other shipping companies, the Company is facing applications for enforcement of ex-parte awards passed in respect of three Contracts of Affreightment in the Bombay High Court filed by remaining shipping companies 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 filled 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 filled by the Company challenging the foreign awards stands upheld or sustained in the Court of Law.

- b) 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 been defending the legal claim made by a few of the bankers. In light of the recently concluded court cases, the Company has approached the bankers to settle the claims amicably.

SUBSIDIARIES:

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, Ministry of Corporate Affairs vide its General Circular No. 2 & 3 dated 8th February, 2011 and 21st February, 2011, respectively, has granted general exemption from attaching the balance sheet, statement of profit and loss and other documents of the subsidiary companies with the balance sheet of the Company. However, some key information on the financial details of the subsidiary companies for the financial year 31st March, 2013 is contained in the Annual Report.

The Annual Accounts of these subsidiaries along with the related information will be made available for inspection at the Company's registered office and copies will be provided to the any member of the Company who may be interested in obtaining the same.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report on the operations and the financial position of the Company have been provided in the separate section which forms part of this Annual Report.

CORPORATE GOVERNANCE:

As per Clause 49 VI of the Listing Agreement entered into with the Stock Exchanges, a detailed report on Corporate Governance has been provided in the separate section which forms part of this Annual Report. The Auditors' Certificate on compliance with the Corporate Governance requirements has also been provided in the same.

DIRECTORS:

Appointment of Special Director:

Pursuant to the powers conferred on the Board for Industrial & Financial Reconstruction under Section 16(4) of the Sick Industrial Companies (Special Provisions) Act, 1985, Shri Arun Chadha has been appointed as a Special Director on the Board of the Company with immediate effect.

Resignation of Director:

Shri Piyush Vora, Director, resigned from the directorship of the Company on account of his pre-occupation and existing commitments w.e.f. 1st October, 2012. The Board of Directors places on record its sincere appreciation for the significant contribution, valuable assistance and guidance provided by him during his tenure as a Director of the Company.

Retire by Rotation:

In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri Ashok Kadakia, Director of your Company is due to retire by rotation and being eligible offers himself for re-appointment. The brief details of him has been provided in the Corporate Governance Report under the heading "Board of Directors".

DIRECTORS' RESPONSIBILITY STATEMENT:

As required under the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors hereby confirm:

- i) that in the preparation of the Annual Accounts for the year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 ended 31st March, 2013 and of the **Profit** of the Company for the year under review;
- iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Annual Accounts for the year ended 31st March, 2013, have been prepared on a 'going concern' basis.

STATUTORY INFORMATION:

The information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is set out in the statement annexed hereto (Annexure I) and forms part of this Report.

The information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is not given, as there are no employees employed during the year or part thereof as required under Section 217(2A).

Your Company has not accepted any Fixed Deposits during the year under review. The Company's equity shares are listed at the Bombay Stock Exchange Limited and National Stock Exchange of India Limited and the annual listing fees have been paid to each of these Exchanges.

AUDITORS:

M/s. Sanghavi and Co., Chartered Accountants (Registration No. 109099W), the Auditors of the Company hold their office until the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment as the Company's Auditors for the financial year 2013-2014. The Company has received a letter from them to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. The Company has also received a copy of the Peer Review Certificate received by the Auditors from the Institute of Chartered Accountants of India.

AUDITORS' OBSERVATION:

- a) In case of interest free loan to wholly owned subsidiary, the Management stated that the said wholly owned subsidiary was incorporated to set up the alumina Project. However, the said project is still in the initial stage of being set-up, which impelled the Parent Company to provide interest free loan.
- b) Other observations made by the Auditors in their Report are self-explanatory and need not require any further clarifications.

BRANCH AUDITORS:

M/s. B. Purushottam & Co., Chartered Accountants, Chennai, the Branch Auditors appointed pursuant to Section 228 of the Companies Act, 1956, hold their office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment for Chennai, Kodur and Trivendrum branch offices of the Company for the financial year 2013-2014. The Company has received letter from them to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956.

COST AUDITORS:

Pursuant to the provisions of Section 233B of the Companies Act, 1956, and in terms of circular No. 52/10/CAB-2010 issued by the MCA dated 30th June, 2011 and with the prior approval of the Central Government, M/s. S. K. Rajani & Co., Cost Accountants, were appointed to conduct audit of cost records of bauxite, calcined bauxite, bleaching clay, bentonite and allied minerals and kaolin for the year ended 31st March, 2013.

The Cost Audit Report of the Company for the financial year ended 31st March, 2012 was filled on 15th March, 2013.

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, employees, investors, clients, other business associates during the year under review.

We also thank all government agencies for their support during the year and look forward for their contributed support in future.

For and on Behalf of the Board of Directors

sd/-	sd/-
Navnitlal Shah	Chetan Shah
Executive Chairman	Managing Director

Place : Mumbai
Date : 8th August, 2013



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – “I”

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED U/S 217 (1) (e) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken:

- The Company has been strictly observing and monitoring the power consumption in its grinding mills and several other automatic power control systems.
- The Company has reviewed the implementation of automatic process control system in its grinding mills to minimise power consumption.
- Several efforts have been taken for efficient utilization of the natural light to reduce energy consumption and carbon emission.

b) Impact of above measures:

Optimization of the grind-ability and reduction in power consumption and carbon emission has been maintained.

B. POWER AND FUEL CONSUMPTION:

Particulars	2012-2013	2011-2012
i) Electricity		
(a) Purchased:		
Units	12,908,659	15,109,761
Total Amount (₹)	81,881,330.00	85,697,048.00
Rate / unit (₹)	6.34	5.67
(b) Own generation:		
Through diesel generator		
Units	66,620	20,944
Total Amount (₹)	1,317,920.00	349,118.00
Cost / unit (₹)	19.78	16.85
ii) Coal		
Qty. (Tonnes)	---	129
Total Cost (₹)	Nil	847,282.00
Average Rate (₹)	---	6,568.08
iii) Furnace Oil/Diesal		
Qty. (K. Liters)	26,000	48,093
Total Cost (₹)	1,269,464.00	2,134,213.00
Average Rate (₹)	48.33	44.38
iv) Biomass :		
Qty. (Tonnes)	7,451,688	8,926.02
Total Cost (₹)	39,807,110.00	42,455,594.00
Rate / unit (₹)	5,342.02	4,756.39
TOTAL (₹)	124,275,824.00	131,464,133.00

C. ACTUAL PRODUCTION:

Production of	2012-2013 Qty. (in MTS)	2011-2012 Qty. (in MTS)
Bentonite Granules	30,885	22,335
Bentonite Powder	109,306	185,149
Bentonite Processed Lumps	257,214	358,586
Bentonite Unactivated Lumps	263,461	88,997
Bauxite Lumps	769,200	760,197
Attapulgite Lumps	2,127	2,853
Bleaching Clay	—	—
Kaolin	38,857	33,623
China Clay	27,192	75,108

D. RESEARCH & DEVELOPMENT (R & D):

<p>i) Specific areas in which R & D is conducted by the Company</p>	<p>Company's Innovation and Knowledge Centre focused on various Minerals and its processing leading to the mineral specific process development and value addition. Innovation & Knowledge Centre also focussed on product development as well as process development and process improvement. Major focus during this year has been on developing value added products from Ashapura's Mine resources and on developing Zeolite for detergent application. This will be an important environmental friendly material from Ashapura. Commercialization of in-house developed technology was another area of major activities.</p> <p>For example:-</p> <ul style="list-style-type: none"> i) Commercialization of Mullite (based on in-house technology) ii) Zeolite for detergent application iii) Sand beneficiation process for high end glass making. iv) Polymerized Bentonite for IOP
<p>ii) Benefits derived as a result of above R & D</p>	<ul style="list-style-type: none"> a) In-house technology based Mullite products started manufacturing at our Khambalia plant. b) Sand beneficiation process developed at R & D used for setting up Ashapura's sand plant. c) Ashapura's technology of making high quality Zeolite used for manufacturing Zeolite which is a replacement of environmentally hazardous phosphate based detergents. d) Technical input to the marketing team for customer support and hence improved realization on products and better customer satisfaction. e) High-tech equipments installed at R & D is continuously used for accurately evaluating our mineral product.
<p>iii) Future Plan of Action</p>	<p>Company's continued focus on new areas of development of minerals and in specific application to ceramics, refractories, paints, paper etc., and improvement of existing products. To name a few:</p>



	1. Proppant based on bauxite 2. Ceramic product development 3. Huge grade alumina from bauxite resources	
iv) Management Review	Research and Development activities at Innovation & Knowledge Centre, have been one of the most priority areas of our Company. Our focus on R&D along with our customer as partner puts us in win-win situation even during the difficult time. Our dedicated experts at Innovation & Knowledge Centre work on the new areas of mineral development to convert this to new business opportunity for the group.	
v) Expenditure on R&D	2012-2013 (₹)	2011-2012 (₹)
a) Capital	3,692,094.00	1,536,892.00
b) Recurring	14,592,969.00	9,345,392.00
c) Total	18,285,063.00	10,882,284.00
d) Total R&D Expenditure as a Percentage of total turnover	0.37%	0.25%

E. TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION:

	2012-2013	2011-2012
a) Efforts, in brief, made towards technology absorption, adaptation and innovation	Polymerized Bentonite Started Commerical production	Mullite processing Technology
b) Benefits derived as a result of the above		Mullite Production
c) <i>In case of imported technology(imported during the last 5 years reckoned from the beginning of the financial year)</i>		
1. Technology imported	—	—
2. Year of import	—	—
3. Has technology been fully absorbed	—	—
4. If not fully absorbed, areas where this has not taken place, reasons there for and future plans of action	—	—

F. FOREIGN EXCHANGE EARNING AND OUTGO:

Activities relating to exports; initiatives taken to increase exports; developments of new exports markets for products and services; and export plans	In view of the volatilities in the freight and foreign exchange markets, the Company has significantly reduced its risk exposure by focusing on Free On Board sales versus sales. Cost Insurance Freight basis along with a bias towards INR denominated sales. However it continues to enjoy a healthy market share in bentonite and barite export markets.	
	2012-2013 (₹)	2011-2012 (₹)
Total Foreign Exchange used	144,367,140.00	49,000,362.00
Total Foreign Exchange earned (F.O.B.)	3,524,204,052.00	1,913,974,452.00

For and on Behalf of the Board of Directors

sd/-

Navnilal Shah
Executive Chairman

Place : Mumbai
Date : 8th August, 2013

REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR 2012-2013:

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

Corporate Governance is the system of rules, practices and processes which provide a framework to control, direct and manage the business affairs of the Company in the interest of the various stakeholders viz. shareholders, employees, customers, suppliers, financiers, the government and the society. Corporate Governance at 'Ashapura' envisages the attainment of the optimum levels of fairness, transparency, accountability and equity, in all spheres of its operations in the best interest of its stakeholders. The Company endeavors to achieve its business objectives by applying the best management practices and adherence to the ethical standards of management.

Your Company believes that adoption of Good Corporate Governance practices will strengthen the shareholders confidence and enhance the shareholders' value. The Company has adopted a Code of Conduct for its employees including the Executive Chairman, the Managing Director and the Non-Executive Directors.

Your Company confirms the compliance with Clause 49 of the Listing Agreement with regard to Corporate Governance for the financial year ended 31st March, 2013, the details of which are given hereunder:

II. Board of Directors:

I. Composition and Other related matters:

The Board of Directors of the Company 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.

As on date, your Company's Board of Directors comprises of 7 Directors including an Executive Chairman and a Managing Director. Of these, 5 Directors are Independent Directors which include 1 Nominee Director and 1 Special Director. As per Clause 49 of the Listing Agreement if the Chairman of the Board is an Executive Director, then at least half of the Board of Directors of such company should consist of Independent Directors. The Company is in compliance with the said requirement of Clause 49 of the Listing Agreement.

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, 1956 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 28th September, 2012 and also their directorship in other companies and membership/chairmanship of committees as on 31st March, 2013 is as under:

Name of Directors	Category	No. of Board Meetings Attended	Attendance at last AGM	No. of Directorships in other companies as on 31 st March, 2013#	No. of Committee Positions held including Ashapura Minechem Ltd. as on 31 st March, 2013 ##	
					Member	Chairman
Shri Navnitlal Shah (Chairman)	Executive, Promoter, Non- Independent	4	Present	3	1	—
Shri Chetan Shah (Managing Director)	Executive, Promoter, Non- Independent	4	Present	8	1	—
Shri Piyush Vora®	Non-Executive, Independent	1	Absent	N.A.	N.A.	N.A.
Shri Ashok Kadakia	Non-Executive, Independent	3	Absent	5	—	2
Shri Harish Motiwalla	Non-Executive, Independent	4	Present	6	5	3
Shri Abhilash Munsif	Non-Executive, Independent	4	Absent	—	1	—
Shri Rajendra Khanna*	Nominee, Independent	4	Absent	1	—	—
Shri Arun Chadha§	Independent	N.A.	N.A.	N.A.	N.A.	N.A.



- @ Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.
- * Shri Rajendra Khanna was nominated on the Board of Directors of the Company as the Director to represent Export-Import Bank of India (Exim Bank) w.e.f. 8th June, 2011.
- \$ Shri Arun Chadha has been appointed as the Special Director by the Board for Industrial & Financial Reconstruction pursuant to the provisions of Section 16(4) of the Sick Industrial Companies (Special Provisions) Act, 1985.
- # Excludes Directorship held in Private Limited Companies, Foreign Companies, Companies incorporated under Section 25 of the Companies Act, 1956 and Alternate Directorships.
- ## Represents only Membership/Chairmanship of the Audit Committee and the Shareholders'/Investors' Grievance Committee of Indian Public Limited Companies.

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

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

In accordance with the provisions of Section 256 of the Companies Act, 1956, Shri Ashok Kadakia is liable to retire by rotation and being eligible, has offered himself for re-appointment. A brief resume and other information as required under Clause 49(IV) (G) of the Listing Agreement in respect of the said Director is given as under:

Name of Director	Shri Ashok Kadakia
Date of Birth	07.06.1942
Qualification	Commerce Graduate
Profile	Shri Ashok Kadakia is an Industrialist with over 3 decades of experience in Chemical Industry.
Directorship in other Public Companies	1. Ashapura International Ltd. 2. Ashok Cellulose Ltd. 3. Hotel Rugby Ltd. 4. Kadakia Alkalis & Chemical Ltd. 5. Emmessar Biotech & Nutrition Ltd.
Chairmanship/ Membership of the Committees of the Board	Ashapura Minechem Ltd.: (a) Audit Committee - Chairman (b) Shareholders'/Investors' Grievance Committee-Chairman
No. of shares held in the Company as on 31.03.2013	19,750 Equity Shares of ₹ 2 each

Note: As per Clause 49(III) of the Listing Agreement with the Stock Exchanges, at least one Independent Director on the Board of Directors of the Holding Company shall be a Director on the Board of Directors of a material non listed Indian subsidiary company. Shri Ashok Kadakia was appointed as an Additional Director on the Board of Directors of Ashapura International Ltd., Wholly Owned Subsidiary of the Company w.e.f. 11th February, 2013 so as to ensure compliance with the provisions of the said clause.

3. 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.

4. Board Meetings:

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

30th May 2012, 8th August, 2012, 26th October, 2012 and 7th February, 2013

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

III. Committees of the Board of Directors:

The Board has constituted four Committees to deal with the matters and activities falling within the terms of reference as follows:

A. 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 and effectively supervises the Company's financial reporting process with a view to provide accurate, timely and proper disclosure and oversees the integrity and quality of financial reporting. The Committee presently comprises of 3 Non-Executive Directors, all of whom are Independent Directors.

I. Composition and Meetings:

During the year under review, 5 (five) meetings of the Audit Committee were held on the dates mentioned below: 30th May, 2012, 8th August, 2012, 26th October, 2012, 7th February, 2013 and 22nd February, 2013.

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 2012-2013	
		Held	Attended
Shri Ashok Kadakia (Chairman)	Non-Executive, Independent	5	4
Shri Harish Motiwalla	Non-Executive, Independent	5	5
Shri Piyush Vora *	Non-Executive, Independent	5	2
Shri Abhilash Munsif \$	Non-Executive, Independent	5	2

* Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.

\$ Shri Abhilash Munsif was co-opted as a Member of the Audit Committee w.e.f. 26th October, 2012

Notes:

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

2. Terms of Reference:

The role and terms of reference of the Audit Committee are as per Section 292A of the Companies Act, 1956 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 results;
- ii. review of financial reporting systems and ensuring its compliance with regulatory guidelines;
- iii. discussion and review of quarterly/annual Internal Audit Report;
- iv. recommendation for appointment of Statutory Auditors, Branch Auditors, Cost Auditors and their remuneration;
- v. Any other matter that the Board of Directors refer to the Audit Committee.

B. Shareholders'/Investors' Grievance Committee:

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

- i. issue of Duplicate Share Certificates;
- ii. matters connected with transfer/credit of securities/transmission;
- iii. 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.

I. Composition and Meetings:

During the year under review, 10 (ten) meetings of the Shareholders'/Investors' Grievance Committee were held on the dates mentioned below:



7th April, 2012, 7th May, 2012, 7th July, 2012, 29th August, 2012, 18th September, 2012, 8th October, 2012, 28th November, 2012, 15th January, 2013, 20th February, 2013 and 16th March, 2013.

The composition of the Shareholders'/Investors' Grievance Committee and the particulars of attendance of the Committee members are as follows:

Name of Directors	Category	No. of Meetings during the year 2012-2013	
		Held	Attended
Shri Ashok Kadakia (Chairman)	Non-Executive, Independent	10	10
Shri Navnitlal Shah	Executive, Non-Independent	10	9
Shri Chetan Shah	Executive, Non-Independent	10	10
Shri Piyush Vora *	Non-Executive, Independent	10	-
Shri Suryakant Shah [#]	Authorised Representative	10	2

* Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.

[#] Shri Suryakant Shah, Authorised Representative of the Company was appointed as member w.e.f. 7th February, 2013.

2. Compliance Officer:

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

3. Status of Investors' Complaints:

The status of Investors' complaints received and dealt within the year 2012-2013 are as given below:

No. of Investor complaints received	Pending at the end of the year	No. of pending Share transfers
12	Nil	Nil

C. Remuneration Committee:

The broad terms of reference of the Remuneration Committee are as under:

- Reviewing and approving the Company's policy on remuneration packages for the Executive Chairman, Managing Director and Executive Directors including pension rights and any compensation payment;
- 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 Remuneration Committee to examine and recommend/approve.

I. Composition and Meetings:

The composition of the Remuneration Committee is as under:

Name of Directors	Category
Shri Ashok Kadakia (Chairman)	Non-Executive, Independent
Shri Abhilash Munsif	Non-Executive, Independent
Shri Piyush Vora *	Non-Executive, Independent
Shri Harish Motiwalla [§]	Non-Executive, Independent

* Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.

[§] Shri Harish Motiwalla was co-opted as a Member of the Remuneration Committee w.e.f. 7th February, 2013.

During the year under review, no meeting of the Remuneration Committee was held.

2. Remuneration to Directors:

The remuneration to the Executive Chairman and the Managing Director is approved by the Remuneration Committee and governed by the respective Agreements executed between them and the Company. The same is approved by the Board and the Shareholders.

The Non-Executive Independent Directors are paid sitting fees for attending the meetings of the Board of Directors and the Audit Committee. All fees/compensation, if any, including sitting fees paid to the Non-Executive Directors of the Company as fixed by the Board of Directors are within the limits as per the provisions of the Companies Act, 1956.

The Details of Remuneration and Sitting Fees paid to the Directors for the year ended 31st March, 2013:

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

During the year under review, the Board of Directors decided to increase the sitting fees paid to the Non-Executive Directors from ₹ 5000 per meeting to ₹ 15,000 per meeting considering the valuable time, contribution and guidance required in view of proposed business initiatives/plans of the Company.

Name of the Directors	Sitting Fees (₹.)
Shri Ashok Kadakia	*₹.105,000
Shri Harish Motiwalla	*₹.115,000
Shri Abhilash Munsif	*₹. 80,000
Shri Rajendra Khanna \$	₹. 50,000
Shri Piyush Vora @	*₹. 25,000

* Includes sitting fees paid for attending Audit Committee Meetings and Board Meetings.

\$ The said sitting fees are paid in favour of Export-Import Bank of India (Exim Bank).

@ Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.

As on 31st March, 2013, the Non-Executive Directors of the Company viz. Shri Ashok Kadakia held 19,750 Equity Shares of the Company, Shri Abhilash Munsif held 17,468 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) Remuneration paid to Executive Chairman and Managing Director:

Name of Directors	Designation	Salaries & Perquisites (₹.)	Service Contract	Notice Period
Shri Navnitlal R. Shah	Executive Chairman	₹.1,800,000/-*	Re-appointed for 3 years w.e.f 1 st October, 2011	3 months
Shri Chetan N. Shah	Managing Director	₹.1,800,000/-*	Re-appointed for 3 years w.e.f. 1 st October, 2011	3 months

* TDS as applicable has been deducted from the above.

Note:

- The Effective Capital of the Company as on 31st March, 2012 calculated as per the provisions of Schedule XIII to the Companies Act, 1956 was negative. Thus, the Executive Chairman and the Managing Director opted to receive remuneration of ₹ 150,000 p.m. respectively for the financial year 2012-2013. The payment of the said remuneration is as per the provisions of the Companies Act, 1956 and in accordance with approval of the Shareholders of the Company at the Annual General Meeting held on 28th September, 2011.

D. 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:



- i. reviewing various day-to-day administrative, operational and finance matters requiring urgent decisions;
- ii. availing/making of loans, raising of funds, giving of corporate guarantees/securities considering the limits and provisions as specified in the Companies Act, 1956;
- iii. investment/disinvestment of company's funds, decisions in respect of establishment of Wholly-owned subsidiary(s), Export Oriented Unit(s) in accordance with the provisions of the Companies Act, 1956 and other related Acts;
- iv. such other matters as may be delegated by the Board to the Committee pursuant to the provisions of the Companies Act, 1956 and such other Acts.

I. Composition and Meetings:

During the year under review, 18 (eighteen) meetings of the Committee of Directors were held on the dates mentioned below:

17th April, 2012, 7th May, 2012, 28th May, 2012, 4th June, 2012, 30th June, 2012, 24th July, 2012, 1st August, 2012, 16th August, 2012, 29th August, 2012, 18th September, 2012, 15th October, 2012, 28th November, 2012, 15th December, 2012, 26th December, 2012, 2nd January, 2013, 15th January, 2013, 20th February, 2013 and 6th March, 2013.

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 2012-2013	
		Held	Attended
Shri Navnitlal Shah (Chairman)	Executive, Non-Independent	18	18
Shri Chetan Shah	Executive, Non-Independent	18	18
Shri Ashok Kadakia	Non-Executive, Independent	18	18
Shri Piyush Vora *	Non-Executive, Independent	18	10
Shri Harish Motiwalla \$	Non-Executive, Independent	18	2

* Shri Piyush Vora resigned from the Board of Directors of the Company w.e.f. 1st October, 2012.

\$ Shri Harish Motiwalla was co-opted as a Member of the Committee of Directors w.e.f. 7th February, 2013.

IV. General Body Meetings:

I. Details of last three Annual General Meetings (AGMs) are as under:

Financial Year	Date	Time	Location
2009-2010	24 th September, 2010	11.30 a.m.	Walchand Hirachand Hall, 4 th floor, Indian Merchants' Chamber, Mumbai-400020.
2010-2011	28 th September, 2011	11.30 a.m.	The K. R. Cama Oriental Institute Hall, 136, Mumbai Samachar Marg, Opp. Lion Gate, Fort, Mumbai-400023.
2011-2012	28 th September, 2012	11.00 a.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6 th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001.

2. Special Resolutions passed in the previous three AGMs:

Financial Year	Special Resolutions passed for:
2009-2010	N.A.
2010-2011	<ol style="list-style-type: none"> 1. Approval for re-appointment of Shri Navnitlal Shah as the Executive Chairman of the Company for period of 3 years w.e.f. 1st October, 2011 and terms of remuneration. 2. Approval for re-appointment of Shri Chetan Shah as the Managing Director of the Company for period of 3 years w.e.f. 1st October, 2011 and terms of remuneration. 3. Approval for making further loans to or investments in the subsidiary(ies)/joint venture(s)/other associates in India or Abroad upto a maximum limit of ₹ 100 Crores
2011-2012	N.A.

3. Special Resolution passed through postal ballot during FY 2012-2013:

During the year under review, the following Special Resolution was passed on 5th December, 2012 by the members of the Company through Postal Ballot:

- Special Resolution under Section 81(IA) of the Companies Act, 1956 for Issue and Allotment of Shares/Securities on Preferential basis

Shri Sudeshkumar Joshi, Practicing Chartered Accountant was appointed as a Scrutinizer for conducting Postal Ballot. The procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001 has been followed for the Postal Ballot conducted during the year under review for the resolution mentioned above.

The details of the voting pattern of the Postal Ballot as reported by the Scrutinizer are as given below:

I.	Total number of Shareholders of the Company	25304
II.	Total no. of Shareholders to whom Postal Ballot Papers were sent	25304
III.	Total no. of Postal Ballot Papers returned underlivered	350
IV.	Total Postal Ballot Papers received	588
	- Number of Postal Ballot Paper - in favour of the Resolution	471
	- Number of Postal Ballot Papers - against the Resolution	27
V.	Number of Postal Ballot Papers rejected	90
	Number of shares	251268
VI.	Total votes (in terms of number of voting rights/shares) exercised through Postal Ballot	57819075
	- Number of votes in favour of the Resolution	57803585
	- Number of votes against the Resolution	15490
VII.	Votes in favour of the Resolution as a percentage of votes cast	99.97

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

During the current year, if special resolutions are proposed to be passed through Postal Ballot, the same would be taken up at the appropriate time.

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

All Board Members and the Senior Management Personnel have affirmed their compliance with the said Code for the financial year ended 31st March, 2013. A declaration to this effect signed by Shri Chetan Shah, Managing Director is enclosed with this Report.

VII. Disclosures:

• Disclosures of Related Party Transactions:

There were no materially significant related party transactions during the year under review having potential conflict with the interest of the Company.

The Company places all the relevant details before the Audit Committee from time to time. The attention of the Members is drawn to the disclosure of transactions with the related parties as set out in the Notes on Financial Statements forming part of the Annual Report.



- **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 31st March, 2013 is prepared in accordance with the Clause 49 of the Listing Agreement and forms part of this Annual Report.

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

The Company has complied with 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.

- **Utilisation of funds raised through Preferential Issue:**

During the year under review, the Company raised ₹ 184,150,000 through preferential issue of 40,00,000 Equity Shares and 40,00,000 Convertible Warrants to Ashapura Industrial Finance Ltd., Promoter Group Company. The Preferential Issue was made at price of ₹ 36.83 per equity share/convertible warrant (Total Consideration received includes 100% received against issue of equity shares and 25% received against issue of convertible warrants). The funds so raised have been utilized towards settlement of certain liabilities/debts.

- **CEO/CFO Certification:**

As per the requirement of Clause 49(V) of the Listing Agreement, a Certificate duly signed by Shri Chetan Shah, Managing Director was placed at the Board Meeting of the Company held on 28th May, 2013 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. Your Company has fulfilled non-mandatory requirement as prescribed in Annexure ID to Clause 49 of the Listing Agreement as regards Remuneration Committee, details of the same are provided earlier in the Report under the head Remuneration Committee.

VIII. Means of communication:

Financial Results:

The quarterly, half yearly and annual financial results are normally published in:

Newspaper	Cities of Publication
Business Standard	Mumbai Edition
Sakal	Mumbai Edition

The results are also available on the Company's website: 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

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.

IX. 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 31st March, 2013 is enclosed with this Report.

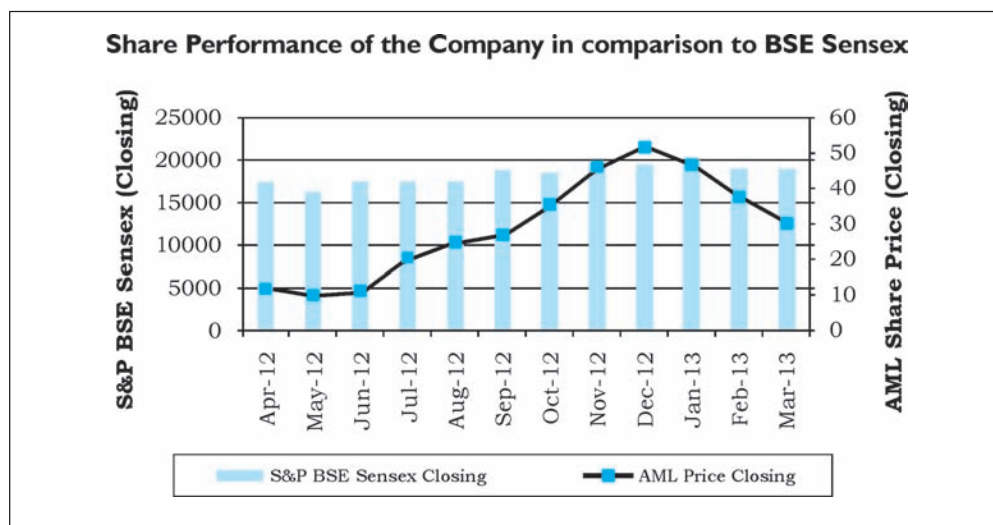
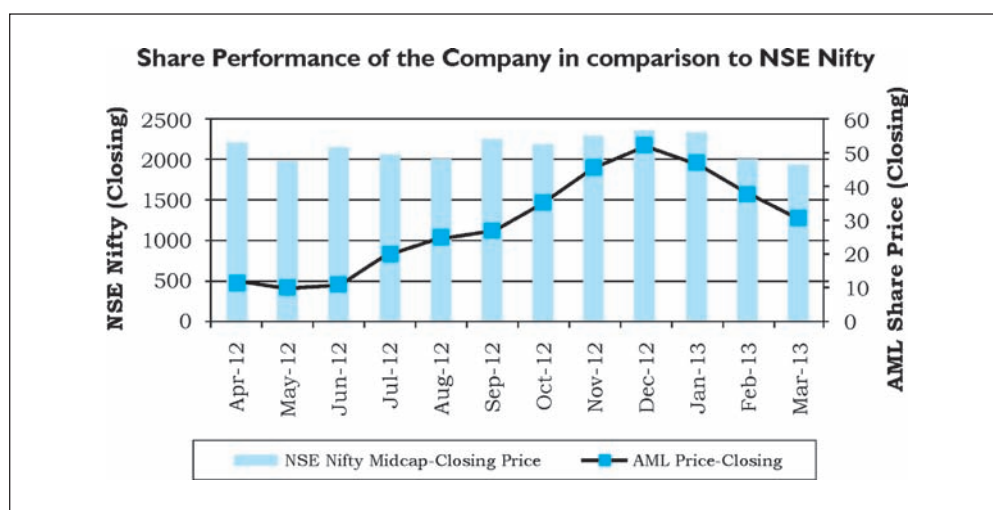
X. General Shareholder Information:

Annual General Meeting:	<p>Day & Date : Thursday, 26th September, 2013</p> <p>Time : 11.30 a.m.</p> <p>Venue : Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001</p>
Tentative Financial Calendar :	<p>Financial reporting for the quarter ending 30th June, 2013: On or before 14th August, 2013</p> <p>Financial reporting for the quarter ending 30th September, 2013: On or before 14th November, 2013</p> <p>Financial reporting for the quarter ending 31st December, 2013: On or before 14th February, 2014</p> <p>Financial reporting for the quarter ending 31st March, 2014: On or before 30th May, 2014</p>
Date of Book Closure :	16 th September, 2013 to 26 th September, 2013(Both days inclusive)
Dividend Payment Date:	No Dividend is recommended for the FY 2012-2013
Listing Details:	<p>Equity Shares are listed on the following Stock Exchanges:</p> <ol style="list-style-type: none"> Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. National Stock Exchange of India Limited, “Exchange Plaza”, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. <p>The Annual Listing Fees for the year 2013-14 have been paid to the said Stock Exchanges.</p>
Stock Code :	<p>Bombay Stock Exchange Ltd. 527001</p> <p>National Stock Exchange of India Ltd. ASHAPURMIN</p>
ISIN Number :	INE348A01023
Corporate Identification Number (CIN):	L14108MH1982PLC026396



Market Price Data:

Period	Indices		BSE		NSE	
	Indices (₹.)		Rate (₹.)		Rate (₹.)	
	High	Low	High	Low	High	Low
April,2012	17664.10	17010.16	14.30	8.91	14.35	9.10
May,2012	17432.33	15809.71	11.95	9.51	11.90	9.50
June,2012	17448.48	15748.98	12.30	9.50	12.20	9.25
July,2012	17631.19	16598.48	21.31	10.05	21.10	9.85
August,2012	17972.54	17026.97	32.75	19.60	32.75	19.80
September,2012	18869.94	17250.80	29.45	21.25	29.45	21.25
October,2012	19137.29	18393.42	39.15	27.05	39.20	26.60
November,2012	19372.70	18255.69	48.75	34.50	48.40	34.00
December,2012	19612.18	19149.03	57.95	45.00	58.60	44.70
January,2013	20203.66	19508.93	53.10	42.60	53.20	43.00
February,2013	19966.69	18793.97	49.45	37.40	49.40	37.10
March,2013	19754.66	18568.43	40.00	27.80	40.25	28.50



ASHAPURA MINECHEM LIMITED

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																		
Share Transfer System :	<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>																		
Distribution of Shareholding & Category-wise distribution :	Refer Table A & B																		
Dematerialization of Shares and Liquidity :	<p>As on 31st March, 2013, 99.32% 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 border="1"> <thead> <tr> <th>Mode</th> <th>No. of equity shares</th> <th>% to the Total Share Capital</th> </tr> </thead> <tbody> <tr> <td>Physical</td> <td>564,913</td> <td>0.68%</td> </tr> <tr> <td>Electronic:</td> <td></td> <td></td> </tr> <tr> <td>(A) NSDL</td> <td>56,873,199</td> <td>68.53%</td> </tr> <tr> <td>(B) CDSL</td> <td>25,547,986</td> <td>30.79%</td> </tr> <tr> <td>TOTAL</td> <td>82,986,098</td> <td>100.00%</td> </tr> </tbody> </table>	Mode	No. of equity shares	% to the Total Share Capital	Physical	564,913	0.68%	Electronic:			(A) NSDL	56,873,199	68.53%	(B) CDSL	25,547,986	30.79%	TOTAL	82,986,098	100.00%
Mode	No. of equity shares	% to the Total Share Capital																	
Physical	564,913	0.68%																	
Electronic:																			
(A) NSDL	56,873,199	68.53%																	
(B) CDSL	25,547,986	30.79%																	
TOTAL	82,986,098	100.00%																	
Plant Locations :	<ol style="list-style-type: none"> Plot No. 256/3, Village Baraya, Bhuj-Mundra Highway, Tal. Mundra, Kutch (Gujarat) – 370 415. Survey No. 328/2, KINFRA Apparel Park, Menamkulam, Thiruvananthapuram, Kerala – 695586. Plot No. 182, Baikampady Industrial Area, Baikampady, New Mangalore- 575011. Jamnagar-Dwarka Highway, Khambhaliya, Dist. Jamnagar, Gujrat-361 305. 																		
Address for Correspondence :	<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: rnt.helpdesk@linkintime.co.in</p>																		

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

As on 31st March, 2013, 40,00,000 number of convertible warrants are outstanding representing 40,00,000 Equity Shares of face value of ₹ 2 each. The said warrants are issued to M/s. Ashapura Industrial Finance Ltd., Promoter Group Company, which has an option to exercise the warrants to subscribe to Equity Shares of the Company within 18 months from date of its allotment, i.e., 26th December, 2012. Consequent to exercise of the option, the total shareholding of M/s. Ashapura Industrial Finance Ltd. would be increased to 80,88,000 Equity Shares constituting 9.298% of the paid-up share capital of the Company. There will not be change in control of the Company pursuant to the preferential allotment.

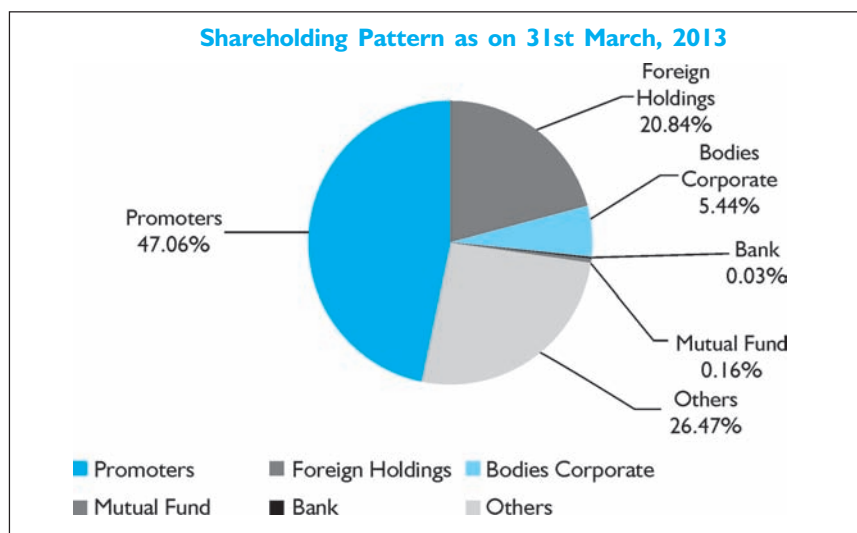


**“TABLE A”
DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2013**

No. of Equity Shares held	No. of Shareholders	% of Shareholders	Shares Amount in ₹	% of Shareholding
1-5000	22015	94.99	14,064,012	8.47
5001-10000	590	2.55	4,349,156	2.62
10001-20000	264	1.14	3,947,374	2.38
20001-30000	91	0.39	2,266,420	1.37
30001-40000	54	0.23	1,928,458	1.16
40001-50000	17	0.07	793,026	0.48
50001-100000	60	0.26	4,150,348	2.50
100001 & above	85	0.37	134,473,402	81.02
TOTAL	23176	100.00	165,972,196	100.00

**“TABLE B”
CATEGORY-WISE DISTRIBUTION AS ON 31ST MARCH, 2013**

Categories	Total No. of Shares	% of Holding
A) Promoters Holding:		
Individuals	34963741	42.132
Bodies Corporate	4093040	4.932
Total (A)	39056781	47.064
B) Public Holding:		
i) Institutions		
Mutual Fund	130000	0.157
Foreign Inst. Investors	98814	0.119
Nationalised Bank	21900	0.026
Total (B)(i)	250714	0.302
ii) Non-Institutions		
Bodies Corporate	4516912	5.443
Foreign Company	15714690	18.937
Non Resident Indian	654992	0.789
Non Resident (non-repatriable)	822890	0.992
Market Maker	51795	0.062
Clearing Members	113174	0.136
Trust	1434340	1.728
Public	20369810	24.546
Total (B)(ii)	43678603	52.634
Total B [Total (B)(i) + (B)(ii)]	43929317	52.936
Grand Total (A+B)	82986098	100.000



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 31st March, 2013, as stipulated by 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 : 8th August, 2013

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

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

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the Senior Management Team of the Company and the Members of the Board a declaration of Compliance with the Code of Conduct as applicable to them.

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

Sd/-

CHETAN SHAH
MANAGING DIRECTOR

Place : Mumbai
Date : 8th August, 2013



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 2012-2013 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:

Slowdown in Indian economy was carried forward in the fiscal year 2012-2013, where the economy grew just 5% being lowest in the decade. This along with limited fiscal maneuverability on account of stubborn inflation and a ballooning current account deficit left the economy little strength to shake off the global congestion of sluggish growth rates. Emerging economies today seemed to be too fatigued to shoulder the burden of growth which the developed economies seemed to have abdicated for the last few years.

But for any bold policy initiatives, the growth forecasts for FY 2013-14 of 6.5% may well be the 'new normal' growth rates that India may learn to benchmark with.

INDUSTRY SCENARIO:

Mining & Minerals Sector has always been in the forefront of a nation's economy and India is no exception. However, changes in global liquidity flows and a significant deceleration in the Chinese economy which are the two major factors have affected the demand and prices of metals and their ores. On the other hand legislative and environmental issues have equally affected the supply of some of the ores and raw materials world over thereby bringing forth an uneasy equilibrium in the markets.

Uncertainty in regulatory regime and inordinate delays in progressive legislations like the Mines and Minerals Development & Regulation Act (MMDR) have impeded the growth of the mining sector in India.

OUTLOOK:

The core demand base for minerals & ores remains fairly inelastic resilient in spite of tapering domestic and global growth rates. Benign freight rates and favorable foreign exchange rates continue to enhance the competitiveness and value proposition of the Company's mineral portfolio.

The Company's two major mineral portfolios of Bentonite and Bauxite have continued to exhibit a healthy growth. Many of the downstream user industries such as iron ore pelletization, foundries, oil well drilling have thus far demonstrated exceptional demand resilience.

FINANCIAL PERFORMANCE:

The Financial Statements for the year ended 31st March, 2013, have been prepared in accordance with the requirements of the Companies Act, 1956 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 stood at ₹ 47,847 lacs as compared to ₹ 42,764 lacs in the previous year. The increase in turnover was result of resumption of its bauxite business pursuant to the interim relief granted by the Supreme Court of India.

ASHAPURA MINECHEM LIMITED

The Company achieved Earnings Before Interest Tax Depreciation & Amortisation (EBITDA) of ₹ 9053 lacs (i.e. 19% of revenue) as compared to the previous year's EBITDA of ₹ 6282 lacs (i.e. 15% of revenue).

OPPORTUNITIES:

The Supreme Court has to a great extent undone a lot of damage caused by ad hoc State Government action in various ores and minerals exports. Bold legislative intervention seems to be the only effective solution to set aside roadblocks created in the mining industry by ambiguous Governmental policy and action.

The Company is a preferred supplier of raw materials to many large companies and conglomerates world over, even in volatile and uncertain times as reliability gets its due weightage. In addition to expanding its traditional customer base, the Company is confident of exploring new markets / customer base, as it has already initiated developmental activities of its mineral derivatives. The Company is also working on bridging the gaps and managing its supply chain.

THREATS:

A prolonged global economic slowdown accompanied by stubborn domestic inflationary cost pressures may lead to waning demand and margins for the Company.

Adverse legislative or regulatory decisions in connection with the Company's Bauxite operations could significantly affect the Company's revenue and profitability.

RISK & CONCERNS:

Based on the Audited Accounts for the year ended 31st March, 2011, the Board for Industrial and Financial Reconstruction ("BIFR") has declared the Company a 'Sick Company' vide its order dated 20th 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 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:

The Company has a comprehensive system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of all operational and financial functions with the intent to adhere to procedures, guidelines and regulations, as applicable in transparent manner.

The Company, with a view to encourage transparency in internal control systems, has appointed an independent Audit Firm as its Internal Auditors who conduct audits in accordance with an audit plan adopted by the Audit Committee.

Further, as recommended by the Audit Committee initiatives have been taken by the Internal Auditors alongwith the Senior Management to develop and document 'Standard Operating Procedures' (SOP) for various departments of the Company for detecting deviations, so that timely remedial measures can be taken without inviting any significant loss.

The Internal Audit Reports are reviewed at the Audit Committee meetings and appropriate actions on the recommendations are initiated by the Management.

RESEARCH & DEVELOPMENT:

At Ashapura, Research & Development (R&D) has been considered as primary activity that helps it to maximize value creation by developing product & process based on minerals being excavated / traded by the Company.



The Company's Research & Development activities are carried out at its Innovation & Knowledge Centre, Navi Mumbai.

Our dedicated experts at Innovation & Knowledge Centre focus primarily on product/process quality & safety, new product/process development and reduction in the Company's cost. The said experts also provide technical inputs to Marketing Team for customer support and thereby improved realization on products and better customer satisfaction.

During the year under review, the R & D Centre majorly focused on commercialization of mullite (based on in-house technology); developing Zeolite for detergent application, sand beneficiation process for high end glass making and polymerized Bentonite for IOP. Further, the Centre's continuous zeal to make commercially feasible development in minerals and value added products have led them to focus on improved application of minerals in areas like ceramics, refractories, paints, papers and such other industry, so as to optimize the consumption and conserve the natural resources.

HUMAN RESOURCES:

Your Company believes that all employees are instrumental in success of the Company, as they stand firm in challenging situations of the Company. Your Company has taken initiatives in the up-skilling and overall development of its employees so as to fill the capability gaps and at the same time has managed the cost involved therein in a responsible manner.

Your Company has experienced staff and executives at different levels and employs directly or indirectly over 1,800 proficient employees spread across diverse locations. It is the commitment of these employees at all levels and their contribution to innovation and change that is essential to compete successfully in an increasingly competitive global market place. The Company believes in 'working not for each other but with each other'.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Ashapura Group carries out its CSR activities with vigor and purpose towards the underprivileged section of society. The Company has been engaged in series of community welfare programs especially in the areas of Education, Healthcare and Social awareness.

During the year under review, it has rendered many healthcare services such as mobile medical services and awareness, distribution of generic medicines to remotest villages. At Mumbai, it has organized camps for conducting cancer detection test and medical check-up camps for the general public.

On the Educational front, it has organized summer camps for children and has received ISO 9001 standard certification for Ashapura Women's Academy. Presently, it has also applied for ISO 8000 standard for the aforesaid Academy.

On the Social front, it has rendered services and has achieved water connectivity in schools, deepening of water storage tank in 2 villages of Lakhpat; organised for nutritive grass feeding program in 5 talukas of Kutch; initiated process for construction of boundary around Gaushala at Beru. Furthermore, initiatives are taken for sea side beautification of Mahalaxmi Temple, Mumbai, which is near to completion.

At Ashapura, we believe in paying back to Society by contributing towards a sustainable and benefical growth for the betterment of humanity and the environment.



AUDITORS' REPORT

To,

The Members of

ASHAPURA MINECHEM LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Ashapura Minechem Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

- note no. 25(ii) in respect of write-back and non-provision for losses on foreign currency derivatives transactions and certain loans in connection thereto in the earlier years aggregating to ₹ 27,779.75 lacs;
- note no. 25(iii) in respect of non-provision of foreign currency derivatives losses of ₹ 611.49 lacs;

and thereby overstatement of the net profit in the financial statements by ₹ 611.49 lacs and overstatement of reserves and surplus by ₹ 28,391.24 lacs.

give a true and fair view in conformity with the accounting principles generally accepted in India:

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

Report on Other Legal and Regulatory Requirements :

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) On the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess to be paid, no cess is due and payable by the Company.

For SANGHAVI & COMPANY

Chartered Accountants
FRN : 109099W

sd/-

MANOJ GANATRA

Partner

Membership No. 043485

Mumbai
28th May, 2013

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph I of the report of even date of the Auditors to the members of **ASHAPURA MINECHEM LIMITED** on the accounts for the year ended 31st March, 2013.

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. Fixed assets were physically verified during the year by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. According to information and explanations given to us, no material discrepancies were noticed on such verification.
 - c. There was no substantial disposal of fixed assets during the year.
- 2 In respect of inventories:
 - a. The inventories were physically verified by the management at reasonable intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, 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 as informed to us, no material discrepancies were noticed on physical verification carried out by the company.
- 3 In respect of loans granted or taken to/from companies, firms or other parties in the register maintained under section 301 of the Companies Act, 1956:
 - a. The company has granted unsecured loans (excluding trade advances) to the companies covered in the register maintained under section 301 of the companies Act, 1956. The number of companies to which loans are granted, are four and the amount involved in the transactions is ₹ 13.60 lacs and the year-end balances were ₹ 7,532.50 lacs.
 - b. The rate of interest and other terms and conditions of loans given by the company, wherever stipulated, are *prima facie* not prejudicial to the interest of the company *except that no interest is charged on the loans to a wholly owned subsidiary company, aggregating to ₹ 1,992.33 lacs.*
 - c. Since no stipulations as to the recovery of principal amount as well as payment of interest are made for the loans granted as stated in (a) above, we cannot offer any comments for regularity of payments or overdue amounts, if any.
- d. The company has taken unsecured loans from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act. The number of parties from whom such loans are taken were one and the amount involved in the transactions and the year-end balance are ₹ 138.50 lacs.
- e. The rate of interest and other terms and conditions of loans taken by the company, are *prima facie* not prejudicial to the interest of the company.
- f. The repayments of the loans taken by the company is not due during the year.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls. There are certain operational areas, which needs improvement for which the company is taking necessary steps.
- 5 In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956:
 - a. Based on the audit procedures applied by us and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register maintained under that section.
 - b. According to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are *prima facie*, reasonable having regard to the prevailing market prices at the relevant time, wherever such comparison is possible.
- 6 The company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies Act 1956 and the rules framed there under.
- 7 In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
- 8 We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that, *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 9 In respect of statutory and other dues:
 - a. The company has generally been regular in depositing undisputed statutory dues, including Provident Fund,



Investor Education & Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year.

- b. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable except for tax deducted at source ₹ 0.16 lacs.
- c. There are no statutory dues as prescribed under the clause, which have not been deposited on account of any dispute except for the followings:

Nature of Dues	Name of the Statute	₹ in lacs	Relevant Year	Forum where dispute is pending
Value Added Tax	Kerala Commercial Tax Act	5.67	2007-08	The Dy Commissioner of Sales Tax (Appeals)
Value Added Tax	Andhra Pradesh Value Added Tax Act	16.12	2006-07 to 2009-10	The Commercial Tax Officer
Service Tax	Service Tax Rules	6.05	2008-09, 2009-10	CESTAT - Ahmedabad
Baraya Gram Panchayat Tax	Gram Panchayat	15.00	2010-11	District Development Officer - Kutch

- 10 *The company has accumulated losses as at the end of the financial year exceeding its entire net worth. The Company has not incurred cash losses during the current year or in the immediately preceding financial year.*
- 11 *Based on our audit procedures and the information and explanations given to us, 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 on foreign currency derivatives transactions and certain loans in connection thereto are unpaid and being disputed by the Company as stated in note no. 25 and to the extent the amounts stated under notes no.4 and 6. The company has not obtained any borrowings by way of debentures.*
- 12 *The company has not granted loans or advances on the basis of security by way of pledge of shares, debentures and other securities.*
- 13 *In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) are not applicable to the company.*
- 14 *The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Order are not applicable to the company.*
- 15 *In our opinion, the terms and conditions on which the company has given guarantees for loans taken by the subsidiary, associates and joint venture companies from banks and financial institutions are, prima-facie not prejudicial to the interest of the company.*
- 16 *In our opinion, the term loans raised have been applied for the purpose for which they were raised.*
- 17 *According to the information and explanations given to us and on an overall examination of the balance sheet of the company, funds raised on short-term basis including increase in current liabilities have been used for long-term investment.*
- 18 *The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act 1956 except for allotment of 4,000,000 equity shares on preferential basis to a company in which some of the directors are interested in accordance with the guidelines issued by the Securities and Exchange Board of India in this regard.*
- 19 *The company did not have any outstanding debentures during the year.*
- 20 *The company has not raised any money through a public issue during the year.*
- 21 *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
28th May, 2013

ASHAPURA MINECHEM LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	31 st March, 2013 ₹	31 st March, 2012 ₹
EQUITY AND LIABILITIES :			
Shareholders' Funds			
Share Capital	2	165,972,196	157,972,196
Reserves and Surplus	3	(3,168,914,200)	(3,632,136,189)
Money Received against Share Warrants		36,830,000	—
		(2,966,112,004)	(3,474,163,993)
Non-Current Liabilities			
Long-term Borrowings	4	467,232,017	136,452,272
Other Long Term Liabilities		—	—
Long-term Provisions	5	6,350,866	5,263,389
		473,582,883	141,715,661
Current Liabilities			
Short-term Borrowings	6	1,547,441,242	2,827,232,993
Trade Payables		542,678,463	724,792,106
Other Current Liabilities	7	7,247,891,821	6,430,437,261
Short-term Provisions	8	9,746,635	9,210,050
		9,347,758,161	9,991,672,410
		6,855,229,040	6,659,224,078
ASSETS :			
Non-Current Assets			
Fixed Assets	9		
Tangible Assets		1,483,776,311	1,538,194,307
Intangible Assets		3,003,641	3,840,849
Capital Work-in-Progress		47,928,185	51,883,089
		1,534,708,137	1,593,918,245
Non-current Investments	10	386,679,238	434,696,248
Long-term Loans and Advances	11	912,402,099	968,021,103
Other Non-current Assets		—	—
		2,833,789,474	2,996,635,596
Current Assets			
Current Investments	12	369,800	354,800
Inventories	13	1,489,022,461	1,363,990,418
Trade Receivables	14	1,456,987,010	1,371,368,016
Cash and Bank Balances	15	119,729,865	50,756,343
Short-term Loans and Advances	16	955,330,430	876,118,905
Other Current Assets		—	—
		4,021,439,566	3,662,588,482
		6,855,229,040	6,659,224,078

The accompanying notes 1 to 46 are an integral part of these financial statements.

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	2012-2013 ₹	2011-2012 ₹
REVENUE :			
Revenue from Operations	17	4,784,670,181	4,276,421,584
Other Income	18	99,971,348	133,384,938
		<u>4,884,641,529</u>	<u>4,409,806,522</u>
EXPENSES :			
Cost of Materials Consumed	19	873,051,618	820,276,785
Purchases of Stock-in-Trade		578,132,203	832,237,883
Changes in Inventories	20	(87,928,493)	99,894,616
Employee Benefits Expenses	21	211,444,870	198,120,961
Finance Costs	22	457,090,473	473,984,560
Depreciation and Amortization		114,542,983	109,122,980
Other Expenses	23	2,385,357,191	1,787,904,708
		<u>4,531,690,845</u>	<u>4,321,542,493</u>
Profit before exceptional and extraordinary items and tax		352,950,684	88,264,029
Exceptional Items	35	(28,570,778)	(22,639,593)
Profit before extraordinary items and tax		324,379,906	65,624,436
Extraordinary Items		—	—
Profit Before Tax		324,379,906	65,624,436
Tax Expenses			
Current tax		—	—
Earlier years' tax		(477,917)	(456,169)
Deferred tax		—	(456,169)
		<u>(477,917)</u>	<u>(456,169)</u>
Net Profit for the year		323,901,989	66,080,605
Face Value per Equity Share		2.00	2.00
Earnings per Equity Share Basic / Diluted		4.05	0.84

The accompanying notes 1 to 46 are an integral part of these financial statements.

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President

ASHAPURA MINECHEM LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

	2012-2013 (₹. in lacs)		2011-2012 (₹. in lacs)	
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Items		3,529.51		882.64
Adjustments for -				
Depreciation	1,145.43		1,091.23	
Loss (Profit) on Sale/disposal of Fixed Assets	13.55		211.37	
Dividend	(89.67)		(92.76)	
Interest (net)	2,682.02	3,751.33	1,323.05	2,532.89
Operating Profit Before Working Capital Changes		7,280.84		3,415.53
Adjustments for -				
Trade and Other Receivables	(916.51)		(4,052.93)	
Inventories	(1,250.32)		1,720.75	
Trade and Other Payables	6,370.67	4,203.84	2,623.81	291.62
Cash Generated From Operations		11,484.68		3,707.16
Direct Taxes Paid / Refund Receipts	210.48	210.48	1,318.78	1,318.78
Cash Flow before Exceptional / Extra Ordinary Items		11,695.16		5,025.94
Exceptional / Extra Ordinary Items		(285.71)		(226.40)
NET CASH FROM OPERATING ACTIVITIES		11,409.45		4,799.54
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets	(587.27)		(764.74)	
Sale of Fixed Assets	20.39		31.44	
Sale (Purchase) of Investments (net)	480.17		(13.68)	
Increase (decrease) in Non-cash Equivalents	(53.68)		248.30	
Interest Received	544.33		545.34	
Dividend Received	89.67		92.76	
NET CASH USED IN INVESTING ACTIVITIES		493.61		139.42



C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds (Repayments) from Long Term Borrowings	3,307.80	(758.48)
Proceeds (Repayments) from Short Term Borrowings	(12,797.92)	(699.69)
Loans lent / recovered	(391.01)	(1,895.10)
Dividend Paid	(1.02)	(0.65)
Interest Paid	(3,226.35)	(1,868.39)
Increase in Share Capital (including premium)	1,473.20	—
Share Warrants Application Money	368.30	—
NET CASH USED IN FINANCING ACTIVITIES	(11,267.00)	(5,222.31)
Net Increase in Cash and Cash Equivalents	636.06	(283.35)
Cash and cash equivalents as at beginning of the year	193.36	476.71
Cash and cash Equivalents as at end of the year	<u>829.42</u>	<u>193.36</u>
Cash and Cash Equivalents		
Cash and Bank Balances	1,197.30	507.56
Statutory restricted accounts	(367.88)	(314.20)
	<u>829.42</u>	<u>193.36</u>

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President

I SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING:

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956 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:

Tangible 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 XIV in accordance with the provisions of section 205 (2) (b) of the Companies Act, 1956.

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:

- i. Raw materials and Stores & Spares are valued at cost determined on FIFO basis or net realizable value whichever is lower.
- ii. Stock of finished and semi-finished goods is valued at lower of the cost or net realizable value.

SALES:

Sales comprise of sale of goods and services and are stated net of inter division transfer of sales and services.

MINING EXPENSES:

Expenses incurred on mining including removal of overburden of mines are charged to the profit & loss account 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:

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.

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 account.
- 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 account.



- 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 account of the year in which they are cancelled.

FINANCIAL DERIVATIVES TRANSACTIONS:

In view of the legal advice received by the Company that the financial derivative contracts are void, the Company has not provided for unpaid claims of the counter parties and has written back in earlier years, provisions made for such unpaid claims/converted loans in connection with such losses. The Company has, however, accounted for such claims wherever paid due to uncertainty of recovery of such claims.

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 st March, 2013 ₹	31 st March, 2012 ₹
Authorised		
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
	900,000,000	900,000,000
Issued, Subscribed and Paid up		
82,986,098 (78,986,098) Equity Shares of ₹ 2/- each	165,972,196	157,972,196
	165,972,196	157,972,196

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 :

Particulars	Equity Shares		Preference Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	78,986,098	157,972,196	—	—
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	82,986,098	165,972,196	—	—

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

Name of Shareholder	31 st March, 2013		31 st March, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Volclay International Corporation	15,714,690	18.94	15,714,690	19.90
Mr. Chetan Navnitlal Shah	11,843,814	14.27	11,543,814	14.61
Mr. Navnitlal Ratanji Shah	10,314,087	12.43	10,619,087	13.44
Mrs. Dina Chetan Shah	7,768,020	9.36	7,768,020	9.83



Note No. 3 RESERVES AND SURPLUS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Capital Reserve	3,400,694	3,400,694
b. Capital Redemption Reserve	100,000	100,000
c. Securities Premium Account		
Balance at the beginning of the year	1,494,818,645	1,494,818,645
Premium received during the year	139,320,000	—
Balance at the end of the year	<u>1,634,138,645</u>	<u>1,494,818,645</u>
d. Stock Options Outstanding Account		
Balance at the beginning of the year	—	7,108,918
Current year transfer	—	—
Written back in current year	—	(7,108,918)
Balance at the end of the year	<u>—</u>	<u>—</u>
e. Surplus		
Balance at the beginning of the year	(5,130,455,528)	(5,203,645,051)
Outstanding Stock options written back	—	7,108,918
Net Profit for the current year	323,901,989	66,080,605
Balance at the end of the year	<u>(4,806,553,539)</u>	<u>(5,130,455,528)</u>
	<u>(3,168,914,200)</u>	<u>(3,632,136,189)</u>

Note No. 4 LONG TERM BORROWINGS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Secured		
Term loans from financial institutions (Foreign currency accounts)	56,858,192	108,372,327
Term loans from banks (Foreign currency accounts)	—	27,109,620
Term loans from banks (Indian rupee accounts)	373,825	608,556
Working capital finance from financial institutions (Indian rupee accounts)	60,000,000	—
Working capital finance from banks (Indian rupee accounts)	350,000,000	—
Hire purchase finance	—	361,770
	<u>467,232,017</u>	<u>136,452,272</u>

Notes:

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

Hire purchase finance is against hypothecation of vehicles.

Working capital 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 fixed assets of the company.

Period of default	NA	NA
Amount	Nil	Nil
b. Unsecured	—	—
	—	—
	<u>467,232,017</u>	<u>136,452,272</u>

ASHAPURA MINECHEM LIMITED

Note No. 5 LONG TERM PROVISIONS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Provision for leave encashment	6,350,866	5,263,389
	<u>6,350,866</u>	<u>5,263,389</u>

Note No. 6 SHORT TERM BORROWINGS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Secured		
Working capital finance from banks (Foreign currency accounts)	—	334,109,075
Working capital finance from banks (Indian rupee accounts)	654,182,120	2,132,840,962
Working capital finance from financial institutions * (Indian rupee accounts)	781,019,556	360,282,956
Term Loans from financial institutions * (Indian rupee accounts)	98,389,566	—
* Includes accounts upon assignment from banks		
	<u>1,533,591,242</u>	<u>2,827,232,993</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 fixed assets of the company

Amount of default : Of the above, accounts with aggregate balances of ₹ 1,533,591,292 (2,455,362,553) have been classified by the respective bankers as non-standard.

b. Unsecured

Inter corporate loans	13,850,000	
	<u>13,850,000</u>	<u>—</u>
	<u>1,547,441,242</u>	<u>2,827,232,993</u>



Note No. 7 OTHER CURRENT LIABILITIES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Current maturities of long-term debt [including amount in default in repayment ₹ 98,615,036; (70,246,599)]	854,318,293	183,760,278
Interest accrued but not due on borrowings	—	33,634,731
Interest accrued and due on borrowings	389,344,999	240,536,936
Payables on purchase of capital assets	2,064,298	1,713,878
Advances from customers	40,102,664	36,189,649
Statutory liabilities	56,459,704	21,473,690
Unclaimed dividends	1,118,344	1,220,201
Shipping claims payable	5,620,288,244	5,620,288,244
Other liabilities	284,195,275	291,619,654
	<u>7,247,891,821</u>	<u>6,430,437,261</u>

Note No. 8 SHORT TERM PROVISIONS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Provision for bonus	8,497,741	8,157,986
Provision for leave encashment	1,248,894	1,052,064
	<u>9,746,635</u>	<u>9,210,050</u>

Note No. 9 FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1 st April 2012 ₹	Additions ₹	Deductions ₹	As at 31 st March, 2013 ₹	As at 1 st April 2012 ₹	For the Year ₹	On Deductions ₹	As at 31 st March, 2013 ₹	As at 31 st March 2012 ₹
OWNED TANGIBLE ASSETS									
LAND AND LAND DEVELOPMENT	127,935,139	22,729,181	2,401,876	148,262,444	—	—	—	148,262,444	127,935,139
BUILDINGS	520,875,429	10,774,867	—	531,650,296	73,060,155	16,099,498	—	442,490,643	447,815,274
PLANT AND EQUIPMENT	1,220,968,618	24,210,846	4,601,673	1,240,577,791	333,041,634	82,336,681	4,419,973	829,619,449	887,926,984
BARGES	7,598,314	—	—	7,598,314	7,353,950	—	—	244,364	244,364
VEHICLES	81,879,164	1,868,766	3,469,807	80,278,123	61,837,289	5,129,238	2,752,929	16,064,525	20,041,875
FURNITURE & FIXTURES	86,051,927	284,858	410,696	85,926,089	49,416,609	6,664,391	390,161	30,235,250	36,635,318
OFFICE EQUIPMENT	63,699,893	2,813,005	559,502	65,953,396	46,104,540	3,475,967	486,747	16,859,636	17,595,353
TOTAL	2,109,008,484	62,681,523	11,443,554	2,160,246,453	570,814,177	113,705,775	8,049,810	1,483,776,311	1,538,194,307
OWNED INTANGIBLE ASSETS									
COMPENSATION FOR PREMISES RIGHTS	1,602,693	—	—	1,602,693	—	—	—	1,602,693	1,602,693
COMPUTER SOFTWARES	3,405,373	—	—	3,405,373	1,300,912	837,208	—	1,267,253	2,104,461
MINING LEASE	133,695	—	—	133,695	—	—	—	133,695	133,695
TOTAL	5,141,761	—	—	5,141,761	1,300,912	837,208	—	3,003,641	3,840,849
CAPITAL WORK IN PROGRESS	51,883,089	20,873,153	24,828,057	47,928,185	—	—	—	47,928,185	51,883,089
GRAND TOTAL	2,166,033,334	83,554,676	36,271,611	2,213,316,399	572,115,089	114,542,982	8,049,810	1,534,708,137	1,593,918,245
PREVIOUS YEAR	2,118,024,088	153,959,003	105,949,758	2,166,033,334	467,176,437	109,122,980	4,184,328	1,593,918,245	1,650,847,651



Note No. 10 NON-CURRENT INVESTMENTS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unquoted; at cost :		
a. Investments in Subsidiary Companies:		
3,000,000 equity shares of Ashapura International Limited of ₹ 10 each (A wholly owned subsidiary)	32,727,000	32,727,000
3,410,000 equity shares of Ashapura Claytech Limited of ₹ 10 each (extent of holding: 95.25%)	34,100,000	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>290,793,959</u>	<u>290,793,959</u>
b. Investments in Joint Ventures:		
8,966,590 equity shares of Ashapura Volclay 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>
c. Investments in Associates:		
- (1,700,000) equity shares of Hudson Malayasia of Ringgit 1.00 each (extent of holding: 25.00%)	—	48,012,010
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>48,562,010</u>
d. Investments in Other Equity shares:		
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>
e. Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	1,393,000	1,398,000
	<u>1,393,000</u>	<u>1,398,000</u>
	<u>386,679,238</u>	<u>434,696,248</u>

ASHAPURA MINECHEM LIMITED

Note No. 11 LONG-TERM LOANS AND ADVANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good)		
Capital advances	2,644,866	46,999,810
Security deposits	156,209,000	205,911,244
includes -		
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	541,044,015	497,928,193
Loans to a joint venture company	189,045,901	195,643,671
Loans to associate companies	23,161,136	20,578,598
Loans to staff	297,181	959,586
	<u>912,402,099</u>	<u>968,021,103</u>

Note No. 12 CURRENT INVESTMENT

	31 st March, 2013 ₹	31 st March, 2012 ₹
Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	369,800	354,800
	<u>369,800</u>	<u>354,800</u>

Note No. 13 INVENTORIES

	31 st March, 2013 ₹	31 st March, 2012 ₹
(as taken and certified by the management; valued as stated in note no. 1)		
Raw materials	130,087,420	88,807,516
Work-in-progress	6,907,375	13,161,051
Finished goods	1,207,506,888	1,132,742,421
Stock-in-trade	97,474,997	78,057,295
Stores & spares	36,524,253	32,509,470
Packing materials	10,521,528	18,712,665
	<u>1,489,022,461</u>	<u>1,363,990,418</u>

**Note No. 14 TRADE RECEIVABLES**

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Over six months	444,947,084	255,700,866
Others	1,067,180,204	1,170,807,428
	<u>1,512,127,288</u>	<u>1,426,508,294</u>
less: Provision for doubtful debts	55,140,278	55,140,278
	<u>1,456,987,010</u>	<u>1,371,368,016</u>
includes -	<u>More than Six Months</u>	<u>Others</u>
due from subsidiaries	42,168,446	281,800,751
due from joint venture and associate companies	87,351,298	78,395,712
due from firms and companies in which directors are interested	8,256,780	7,187,467

Note No. 15 CASH AND BANK BALANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks :		
Current accounts	81,236,019	17,838,925
Short term deposits	—	—
	<u>81,236,019</u>	<u>17,838,925</u>
b. Cash on Hand	1,705,618	1,496,802
	<u>82,941,637</u>	<u>19,335,727</u>
II. Other Bank Balances		
Dividend accounts	1,118,008	1,218,202
Margin money accounts	1,363,000	—
Terms deposits with more than 12 months maturity	403,261	1,271,485
Other terms deposits	33,903,959	28,930,929
	<u>36,788,228</u>	<u>31,420,616</u>
	<u>119,729,865</u>	<u>50,756,343</u>

Term deposits of ₹ 34,307,220 are under lien with banks against working capital finance, letter of credits and bank guarantees (previous year ₹ 30,202,414)

ASHAPURA MINECHEM LIMITED

Note No. 16 SHORT-TERM LOANS AND ADVANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers	738,310,502	681,527,203
less: Provision for doubtful advances	<u>41,817,922</u>	<u>31,100,211</u>
	696,492,580	650,426,992
includes -		
Trade advances to subsidiaries, joint venture and associate companies ₹ 145,972,318 (163,836,432)		
Trade advances to companies or firms in which some of the directors are interested ₹ 133,456,757 (24,568,911)		
Advance payments of income tax (net of provisions)	10,952,676	32,478,869
Loans and advances to staff	3,318,212	4,468,614
Claims receivable	136,959,024	130,904,059
Prepaid expenses	8,972,181	10,248,952
Other loans and advances	<u>98,635,757</u>	<u>47,591,419</u>
	<u>955,330,430</u>	<u>876,118,905</u>

Note No. 17 REVENUE FROM OPERATIONS

	2012-2013 ₹		2011-2012 ₹	
Sale of Products				
Export sales	3,640,718,190		2,086,678,288	
Domestic sales	<u>1,079,871,778</u>	<u>4,720,589,968</u>	<u>1,841,252,994</u>	<u>3,927,931,282</u>
Sale of Services				
Cargo handling income		10,490,000		260,232,284
Other Operating Revenue				
Export incentives and credits	2,046,393		3,444,770	
Foreign currency fluctuation gain/(loss)	37,485,829		74,068,886	
Other operational income	<u>14,057,992</u>	<u>53,590,213</u>	<u>10,744,362</u>	<u>88,258,018</u>
		<u>4,784,670,181</u>		<u>4,276,421,584</u>



Note No. 18 OTHER INCOME

	2012-2013		2011-2012
	₹		₹
Dividend receipts			
from subsidiary companies	—	—	—
from joint venture companies	8,967,070	8,966,590	8,966,590
from others	—	8,967,070	309,114
			9,275,704
Interest receipts	54,433,051		54,534,306
Insurance claims receipts	—		5,314,465
Profit on sale of assets (net)	—		1,502,822
Sundry balances/excess provisions written back (net)	32,321,862		55,389,601
Miscellaneous income	4,249,365		7,368,040
	<u>99,971,348</u>		<u>133,384,938</u>

Note No. 19 COST OF MATERIALS CONSUMED

	2012-2013		2011-2012
	₹		₹
Materials and Mining Expenses			
Opening stock	88,807,516	171,225,814	171,225,814
Purchase and direct expenses	339,377,060	393,402,583	393,402,583
	<u>428,184,576</u>	<u>564,628,397</u>	<u>564,628,397</u>
Closing stock	<u>130,087,420</u>	<u>298,097,156</u>	<u>88,807,516</u>
			475,820,881
Rent and royalty	224,905,213		35,807,288
Mining expenses	350,049,249		308,648,616
	<u>873,051,618</u>		<u>820,276,785</u>

ASHAPURA MINECHEM LIMITED

Note No. 20 CHANGES IN INVENTORIES

	2012-2013 ₹		2011-2012 ₹	
Opening Stock				
Finished Goods	1,132,742,421		1,121,664,494	
Stock-in-trade	78,057,295		189,769,335	
Work-in-progress	<u>13,161,051</u>	<u>1,223,960,767</u>	<u>12,421,554</u>	<u>1,323,855,383</u>
Closing Stock				
Finished Goods	1,207,506,888		1,132,742,421	
Stock-in-trade	97,474,997		78,057,295	
Work-in-progress	<u>6,907,375</u>	<u>1,311,889,260</u>	<u>13,161,051</u>	<u>1,223,960,767</u>
		<u>(87,928,493)</u>		<u>99,894,616</u>

Note No. 21 EMPLOYEE BENEFIT EXPENSES

	2012-2013 ₹		2011-2012 ₹	
Salaries, wages, allowances and bonus	185,674,090		163,325,554	
Contribution to employee benefit funds	12,312,884		20,687,588	
Staff welfare expenses	13,457,896		14,107,819	
		<u>211,444,870</u>		<u>198,120,961</u>
includes directors' remuneration	3,600,000		3,600,000	

Note No. 22 FINANCE COSTS

	2012-2013 ₹		2011-2012 ₹	
Interest				
Working capital finance	383,908,413		373,991,713	
Term loans	53,599,226		46,863,089	
Others	<u>300,360</u>	<u>437,807,999</u>	<u>5,517,098</u>	<u>426,371,900</u>
Loss / (gain) on foreign currency borrowings	19,282,474		43,087,939	
Other borrowing costs	—		4,524,721	
		<u>457,090,473</u>		<u>473,984,560</u>

**Note No. 23 OTHER EXPENSES**

	2012-2013		2011-2012	
	₹		₹	
Manufacturing Expenses				
Power & Fuel	123,889,597		131,464,133	
Machinery repairs and maintenance	7,981,310		13,055,408	
Packing materials and expenses	50,363,431		65,976,851	
Carriage inward	20,458,508		28,192,571	
Other expenses	<u>113,784,055</u>	<u>316,476,901</u>	<u>122,744,182</u>	361,433,145
Selling and Distribution Expenses				
Sales commission	13,268,278		4,996,587	
Cargo handling expenses	5,931,899		230,828,268	
Export freight and insurance	131,679,100		172,703,836	
Export and other shipment expenses	<u>1,680,291,328</u>	<u>1,831,170,605</u>	<u>766,961,434</u>	1,175,490,125
Administrative and Other Expenses				
Travelling expenses	34,671,803		31,440,530	
Rent	11,324,360		13,623,996	
Rates and taxes	10,431,478		8,070,947	
Insurance premiums	2,616,055		2,722,305	
Building and other repairs	6,692,509		8,932,812	
Advertisement and business promotion	7,755,199		4,637,718	
Directors' sitting fees	375,000		135,000	
Legal and professional fees	48,923,474		61,993,877	
Payments to auditors	3,885,340		3,290,696	
Provision for doubtful debts and advances	—		35,309,449	
Bank discount, commission and other charges	3,160,529		14,784,661	
Donations	63,100		116,705	
Loss on sale of assets (net)	1,355,030		—	
Prior period expenses	2,403,823		661,677	
General expenses	<u>104,051,985</u>	<u>237,709,685</u>	<u>65,261,066</u>	250,981,438
		<u><u>2,385,357,191</u></u>		<u><u>1,787,904,708</u></u>

- 24 Based on the audited annual accounts for the year ended 31st 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 to 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 20th 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 to which the company has submitted Draft Rehabilitation Scheme which is under consideration and discussion.

- 25
- Certain foreign currency derivatives contracts entered into by the Company with the various bankers are under litigation at various stages. Based on the legal opinion obtained by the Company, these contracts are void in nature and cannot be legally enforced.
 - The Company has, in the earlier years, written back liabilities of ₹ 15,334.50 lacs on account of the provision for such foreign currency derivatives losses; and not provided for foreign currency derivatives losses of ₹ 26,508.05 lacs in the earlier years. (net of settlement with some of the banks and financial institutions for certain secured loans and unprovided disputed foreign currency contracts ₹ 27,779.75 lacs)
 - Apart from the above, the Company has also not provided for the losses arising during the year on foreign currency derivatives contracts aggregating to ₹ 611.49(3,972.19) lacs including mark to market (MTM) valuation as on the balance sheet date ₹ Nil (previous year ₹ 3,131.20 lacs)
 - As a result of the above, net profit for the year as well as reserves and surplus are overstated by ₹ 611.49 (3,972.19) lacs and ₹ 28,391.24 (43,408.95) lacs respectively.
- 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) 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 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 20th December, 2010, passed in the Petition filed by IHX Pacific (UK) Ltd. (a) under Section 9 (being arbitration petition No.25 of 2010) and (b) Section 44 to 47 (being arbitration petition No.24 of 2010) of the Arbitration and Conciliation Act, 1996, the company has been allowed to contest the proceedings including Application under Section 34 provided the company furnishes security to an extent of ₹ 107.73 crore.

Aggrieved by the above order, the company has preferred an appeal before the divisional bench of Bombay High Court, wherein the matter got stayed.

IHX (UK) Ltd. moved to the Supreme Court and at present matter is pending before the Supreme Court.

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 Balances for trade payables, trade receivables, for loans and advances are subject to confirmations from the respective parties and reconciliations, if any, in many cases. In absence of such confirmations, the balances as per books have been relied upon by the auditors.
- 28 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 prescribed under the Companies (Accounting Standards) Rules, 2006. 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.



- 29 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 of Accounting Standard (AS) – 17 "Segment Reporting" prescribed under the Companies (Accounting Standards) Rules, 2006, in the opinion of the management, not applicable.
- 30 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 provision of all known liabilities is adequate and not in excess of the amount reasonably required.
- 31 In accordance with Accounting Standard (AS) 13 prescribed under the Companies (Accounting Standards) Rules, 2006, 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, and hence, is not provided for.
- 32 The company has during the year issued 4,000,000 Equity Shares as well as 4,000,000 convertible equity warrants of Rs. 2 each to Ashapura Industrial Finance Limited, a body corporate under the promoters group on preferential basis at a premium of ₹ 34.83 per share/warrant. These warrants are convertible into one Equity Share against each warrant within a period of 18 months from the date of the issue.
- 33 Of total loans granted to other bodies corporate, including subsidiary companies, (excluding trade advances) loans aggregating to ₹ 1,992.33 (₹ 1,979.06) lacs are granted free of interest.
- 34 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."
- 35 Exceptional Items :

(₹ in lacs)

Particulars	2012-2013	2011-2012
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.	285.71	—
Loss on dismantling of certain assets on inter unit shifting of manufacturing facilities	—	226.40

- 36 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.
- 37 Necessary documents in respect of purchase of land at Baraya plant of the company are yet to be executed.

38 Contingent Liabilities:

(₹ in lacs)

Particulars	31 st March	
	2013	2012
Guarantees to banks against credit facilities extended to Subsidiary Companies	5,271.20	3,100.00
Guarantees to banks against credit facilities extended to Joint Venture and Associate Companies	7,827.00	7,827.00
Guarantees given by the Company to various Government Authorities	4,569.22	4,432.94
In respect of contracts remaining to be executed	150.89	31.99
In respect of disputed Income Tax Matters	138.53	—
In respect of Other Matters	183.21	568.16

39 Payments to Auditors:

Particulars	2012-2013 ₹.	2011-2012 ₹
Audit Fees including Limited Review	3,100,000	2,750,000
Tax audit Fees	400,000	400,000
Other Services and Service Tax	263,259	99,411
Reimbursement of Expenses	122,081	41,285

40 DISCLOSURE AS PER AS – 15 (REVISED) ON “EMPLOYEE BENEFIT” FOR THE YEAR ENDED 31ST MARCH, 2013:

Gratuity Plan	2012-13	2011-2012
Change in the defined benefit obligations		
Defined benefit obligations as at 1 st April	39,295,396	28,692,145
Service cost	3,354,039	2,636,894
Interest cost	3,143,632	2,295,372
Actuarial loss / (Gain)	(10,852,473)	8,172,378
Benefits paid	(2,682,337)	(2,501,393)
Defined benefit obligations as at 31 st March (a)	32,258,257	39,295,396
Change in plan assets		
Fair Value of plan assets as at 1 st April	34,000,496	33,517,117
Expected return on plan assets	3,207,026	2,984,772
Contributions by employer	2,872,735	—
Actuarial Gain / (loss)	—	—
Benefits paid	(2,682,337)	(2,501,393)
Fair Value of plan assets as at 31 st March (b)	37,397,920	34,000,496
Present Value of unfunded obligations (a-b)	5,139,663	5,294,900
The net amount recognized in the statement of profit and loss for the year ended 31 st March is as follows:		
Current service cost	3,354,039	2,636,894
Interest cost	3,143,632	2,295,372
Expected return on plan assets	(3,207,026)	(2,984,772)
Net actuarial loss / (gain) recognized	(10,852,473)	8,172,378
Net amount recognized	(7,561,828)	10,119,872
Actual Return on Plan Assets		
The principal actuarial assumptions used as at 31 st March are as follows:		
Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	9.00%	9.00%
Rate of increase in compensation levels	5.00%	4.00%



41 In view of the inadequacy of net profit in accordance with section 198 read with section 349 and 350 of the companies Act, 1956, remuneration of ₹. 1,800,000 each to two of the directors is paid as per Schedule XIII to the Companies Act, 1956.

42 RELATED PARTY TRANSACTIONS:

a. Subsidiaries:

- Ashapura International Limited
- Ashapura Claytech Limited
- Bombay Minerals Limited
- Prashansa Ceramics Limited
- Peninsula Property Developers Pvt. Ltd.
- Sharda Consultancy Pvt. Ltd.
- PT Ashapura Resources
- Ashapura Consultancy Service Pvt. Ltd.
- Ashapura Aluminium Limited
- Ashapura Minechem (UAE) FZE
- Ashapura Holdings (UAE) FZE
- Ashapura Maritime FZE
- Asha Prestige Company

b. Associates and Joint Ventures:

- Ashapura Volclay Ltd
- Ashapura Volclay Chemical Pvt Ltd.
- Hudson MPA SDN BHD, Malaysia
- Ashapura Arcadia Logistic Private Ltd.
- Emo Ashapura Energy and Mining
- Ashapura Amcol NV
- Ashapura Infin Pvt. Limited
- Minologistic Corporation
- Ashapura Mineral Company
- Sohar Ashapura Chemicals LLC
- Prabhudas Vithaldas
- Kantilal Mohanlal Mehta
- Sharda Industrial Corporation
- Ashapura Exports Pvt Limited
- Gem Ashapura Granite Pvt Limited
- Minotrans Logistic Corporation

c. Key Managerial Personnel:

- Mr. Navnitlal R Shah
- Mr. Chetan Shah

ASHAPURA MINECHEM LIMITED

Particular of Transaction	2012-2013 ₹	2011-2012 ₹
Subsidiaries :		
Sales of Materials	634,147,578	383,824,204
Purchase of Materials	449,470,215	140,097,135
Export Shipment and Other Expenses	1,968,000	10,751,269
Interest Received	21,803,812	18,598,552
Interest Paid	—	2,638,873
Lease Rent Paid	1,368,000	2,167,200
Loan granted	1,359,500	3,919,348
Reimbursement of Adm. Expenses (net) Receipts	75,172,736	64,876,105
Reimbursement of Royalty Payments	63,931,521	—
Sale of Investments	48,012,010	—
Outstanding Balances as on 31st March		
Security Deposits (Long-term loans and advances)	44,100,000	44,100,000
Trade Receivables	323,969,197	334,517,917
Trade Payables	14,108,525	195,708,079
Trade Advances (Short-term loans and advances)	145,972,318	163,836,432
Long-term Loans and Advances	541,044,015	497,928,193
Associates and Joint Ventures :		
Sales of Materials	120,406,209	177,913,227
Purchase of Materials	3,130,254	74,823
Interest Received	27,624,895	17,976,498
Lease Rent Paid	—	120,000
Mining, Other Charges Payments	76,577,194	—
Reimbursement of Administrative Expenses	40,350,920	60,229,938
Export Shipment and Other Expenses	186,543,660	165,513
Operational Income	—	20,10,331
Loans granted	—	181,504,550
Loan Received	13,850,000	—
Advance Received	—	20,224,938
Fixed Assets purchase	5,159,995	—
Outstanding Balances as on 31st March		
Trade Receivables	181,191,257	130,060,713
Trade Advances	144,599,165	24,568,911
Security Deposits (Long-term loans and advances)	23,200,000	43,200,000
Long-term Loans and Advances	212,207,037	216,222,269
Trade Payables	37,653,818	5,115,978
Advances from Customers	12,923,714	20,224,938
Short-term Borrowings	13,850,000	—
Key Management Personnel :		
Remuneration	3,600,000	3,600,000
Outstanding Balances as on 31st March		
Security Deposits (Long-term loans and advances)	—	1,800,000



43 Additional information (as certified by the Management)

a Details of Stocks & Trading Purchases

(Amounts in ₹)

Material	Opening Stock		Purchases		Closing Stock	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Processed Industrial Minerals	1,132,742,421	1,121,664,494	—	—	1,207,506,888	1,132,742,241
Traded Industrial Minerals	78,057,295	189,769,335	578,132,203	832,237,883	97,474,997	78,057,295
Work in Progress	13,161,051	12,421,554	—	—	6,907,375	13,161,051
Total	1,223,960,767	1,323,855,383	578,132,203	832,237,883	1,311,889,260	1,223,960,767

b Details of Materials Consumed

Material	2012-2013			2011-2012		
	Total	Indigenous	Imported	Total	Indigenous	Imported
Raw Minerals	172,821,586	172,821,586 100.00%	—	215,695,074	215,695,074 100.00%	—
Chemicals and Others	125,275,570	125,275,570 100.00%	—	260,125,807	260,125,807 100.00%	—

c Expenditure in Foreign Currency

Particulars	2012-13 ₹	2011-2012 ₹
i) Travelling Expenses	12,151,780	9,589,608
ii) Commission	12,442,698	4,447,792
iii) C.I.F. Value of Import of Packing Materials	6,918,117	1,713,367
iv) C.I.F. Value of Import of Capital Goods	—	5,436,226
v) Others	112,854,545	27,813,369

d Earnings in Foreign Currency

Particulars	2012-13 ₹	2011-2012 ₹
F.O.B. Value of Exports	3,509,039,090	1,913,974,452

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

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

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

Signatures to notes no. 1 to 46

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVINITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President

ASHAPURA MINECHEM LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,

PARTICULARS	ASHAPURA INTERNATIONAL LTD.	ASHAPURA CLAYTECH LTD.	PENISULA PROPERTY DEVELOPERS PVT. LTD.	SHARDA CONSULTANCY PVT. LTD.	ASHAPURA CONSULTANCY SERVICES PVT. LTD.
1. The Financial year of the Company ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2. Shares of the Subsidiary Companies held by Ashapura Minechem Limited (a) Number	3,000,000 Equity Shares of ₹.10/- each fully paid-up	3,410,000 Equity Shares of ₹.10/- each fully paid-up	10,000 Equity Shares of ₹.10/- each fully paid-up	10,000 Equity Shares of ₹.10/- each fully paid-up	10,000 Equity Shares of ₹.10/- each fully paid-up
(b) Extent holding – Equity Shares Preference Shares	100% —	95.25% —	100% —	100% —	100% —
3. The net aggregate of profits/ (losses) of the Subsidiary Companies for the Financial Year, so far as they concern the members of Ashapura Minechem Limited were: (a) Dealt with in the accounts of Ashapura Minechem Limited for the year ended 31/03/2013 (b) Not dealt with in the accounts of Ashapura Minechem Limited for the year ended 31/03/2013	NIL ₹.32,648,111/-	NIL ₹.1,735,154/-	NIL (₹. 55,142/-)	NIL (₹.689,281/-)	NIL (₹.1,028,106/-)
4. The net aggregate of profits/(losses) of the Subsidiary Companies for previous Financial Years, so far as they concern the members of Ashapura Minechem Limited were: (a) Dealt with in the accounts of Ashapura Minechem Limited for the year ended 31/03/2013 (b) Not dealt with in the accounts of Ashapura Minechem Limited for the year ended 31/03/2013	NIL ₹. 41,642,052/-	NIL ₹.15,451,735/-	NIL (₹. 898,077/-)	NIL (₹.9,338,204/-)	NIL (₹.16,397,271/-)

Notes :

- a) * 51.72% shares are held by Wholly Owned Subsidiary – Bombay Minerals Limited
- ** 100% shares are held by Wholly Owned Subsidiary – Ashapura Minechem (UAE) FZE
- *** 100% shares are held by Step down Subsidiary – Ashapura Holdings (UAE) FZE
- **** 100% shares are held by Wholly Owned Subsidiary – Ashapura Minechem (UAE) FZE

Place : Mumbai
Date : 28th May, 2013


1956, RELATING TO SUBSIDIARY COMPANIES

(Amount in ₹)

BOMBAY MINERALS LTD.	PRASHANSHA CERAMICS LTD.	ASHAPURA ALUMINIUM LTD.	ASHAPURA MINECHEM (UAE) FZE	ASHAPURA HOLDINGS (UAE) FZE	ASHAPURA MARITIME FZE	PT ASHAPURA RESOURCES INDONESIA
31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
218,080 Equity Shares of ₹.10/- each fully paid-up	700,000 Equity Shares of ₹. 10/- each fully paid-up	50,000 Equity Shares of ₹.10/- each fully paid-up	68 Shares of Dhs. 150,000	NIL **	NIL ***	NIL ****
100% —	48.28% * —	100% —	100% —	NIL ** —	NIL *** —	NIL **** —
NIL ₹52,810,936/-	NIL (₹. 269,686/-)	NIL (₹.602,129/-)	NIL USD (10,052,874) [Equivalent to (₹ 528,580,115/-)] #	NIL N.A	NIL N.A	NIL N.A
NIL ₹170,868,563/-	NIL (₹.19,145,486/-)	NIL (₹.24,983,825/-)	NIL USD 6,319,741 (Equivalent to ₹.343,035,542) ##	NIL N.A.	NIL N.A.	NIL N.A

b) # The profits as on 31.03.2013 are converted into Indian Rupees at an average rate of USD 1 = ₹. 52.58/- (Rounded off to nearest Rupee)

The profits are converted in Indian Rupees at the closing rate of USD 1 = ₹. 54.28/- (As on 31/3/2013) (Rounded off to nearest Rupee)

c) During the year under review, Asha Prestige Co., Wholly Owned Subsidiary of Ashapura Maritime FZE was dissolved w.e.f. 9th August, 2012. The Annual Accounts of Asha Prestige Co. has been consolidated with the Annual Accounts of Ashapura Maritime FZE (the Holding Company).

For and on behalf of the Board of Directors

Sd/-
SACHIN POLKE
Company Secretary & Vice President

Sd/-
ASHISH DESAI
General Manager - Accounts

Sd/-
NAVNITLAL R. SHAH
Executive Chairman

Sd/-
CHETAN SHAH
Managing Director
& Chief Executive Officer

CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED AUDITORS' REPORT

To,
The Board of Directors of
ASHAPURA MINECHEM LIMITED

We have audited the accompanying consolidated financial statements of **Ashapura Minechem Limited** ("the Company") and its subsidiaries, joint venture companies and associates (collectively referred to as "the Ashapura Group") which comprise the Consolidated Balance Sheet as at 31st March 2013, the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Ashapura Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 control relevant to the Ashapura Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint venture companies and associates as noted below, the consolidated financial statements, subject to –

- note no. 29(ii) in respect of write-back and non-provision for losses on foreign currency derivatives transactions and certain loans in connection thereto in the earlier years aggregating to ₹ 27,779.75 lacs;
- note no. 29(iii) in respect of non-provision of foreign currency derivatives losses of ₹ 611.49 lacs; and thereby overstatement of the net profit in the financial statements by ₹ 611.49 lacs and overstatement of reserves and surplus by ₹ 28,391.24 lacs.

give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Ashapura Group as at 31st March, 2013;
- b) In the case of the Consolidated Profit and Loss Statement, of the profit of the Ashapura Group for the year ended on that date; and
- c) In the case of the consolidated Cash Flow Statement, of the cash flows of the Ashapura Group for the year ended on that date.

Other Matters

We did not audit the financial statements of certain subsidiaries and joint venture companies whose financial statements reflect total assets of ₹ 8,898.25 lacs (previous year ₹ 11,372.51 lacs) as at 31st March, 2013 and total revenues of ₹ 4,797.50 lacs (previous year ₹ 4,734.33 lacs) for the year ended on that date and of associates whose financial statements reflect the Ashapura group's share of profit (net) of ₹ 23.94 lacs (previous year ₹ 6.16 lacs) for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose audit reports (except for those stated below) have been furnished to us by the management of the Company and our opinion is based solely on the report of the other auditors so far as it relates to the financials of these entities.

Financial statements of overseas associates wherein the Ashapura Group's share of loss is ₹ 9.84 lacs (previous year profit ₹ 6.16 lacs) are unaudited. We have relied upon the unaudited financial statements as provided by the Company's management for the purpose of our examination of consolidated financial statements of Ashapura Group.

Our opinion is not qualified in respect of other matters.

For SANGHAVI & COMPANY

Chartered Accountants
FRN : 109099W

sd/-

MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
28th May, 2013

ASHAPURA MINECHEM LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2013

	Note No.	31 ST March, 2013 ₹.	31 ST March, 2012 ₹.
EQUITY AND LIABILITIES :			
Shareholders' Funds			
Share Capital	4	165,972,196	157,972,196
Reserves and Surplus	5	(3,015,686,309)	(3,641,418,311)
Money Received against Share Warrant		36,830,000	—
		(2,812,884,113)	(3,483,446,115)
Minority Interest	6	2,649,512	2,562,982
Non-Current Liabilities			
Long-term Borrowings	7	966,330,166	936,979,923
Deferred Tax Liabilities (net)	35	12,181,000	11,243,044
Other Long Term Liabilities	8	33,355,365	22,503,733
Long-term Provisions	9	63,580,403	24,610,472
		1,075,446,934	995,337,172
Current Liabilities			
Short-term Borrowings	10	2,042,093,469	3,327,483,377
Trade Payables		872,736,808	940,524,064
Other Current Liabilities	11	7,620,239,362	6,709,150,639
Short-term Provisions	12	20,207,534	15,769,609
		10,555,277,173	10,992,927,689
		8,820,489,506	8,507,381,728
ASSETS :			
Non-Current Assets			
Fixed Assets			
Tangible Assets	13	2,589,385,638	2,917,820,616
Intangible Assets		7,569,925	10,690,275
Capital Work-in-Progress		303,082,689	323,233,389
		2,900,038,252	3,251,744,280
Goodwill on Consolidation		104,400,525	104,400,525
Non-current Investments	14	46,636,077	44,382,545
Long-term Loans and Advances	15	382,672,003	377,551,181
Other Non-current Assets		—	—
		3,433,746,857	3,778,078,531
Current Assets			
Current Investments	16	5,572,483	17,639,009
Inventories	17	2,144,182,970	1,884,043,695
Trade Receivables	18	1,868,498,727	1,650,603,032
Cash and Bank Balances	19	296,859,667	172,139,473
Short-term Loans and Advances	20	1,071,628,802	1,004,877,988
Other Current Assets		—	—
		5,386,742,649	4,729,303,197
		8,820,489,506	8,507,381,728

The accompanying notes 1 to 43 are an integral part of these financial statements.

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	2012-2013 ₹.	2011-2012 ₹.
REVENUE :			
Revenue from Operations	21	7,719,184,772	6,525,999,179
Other Income	22	143,757,843	111,617,850
		<u>7,862,942,615</u>	<u>6,637,617,029</u>
EXPENSES :			
Cost of Materials Consumed	23	1,820,643,279	1,357,256,748
Purchases of Stock-in-Trade		313,919,453	913,525,755
Changes in Inventories	24	(208,470,155)	(88,496,327)
Employee Benefits Expenses	25	447,488,090	391,338,585
Finance Costs	26	543,033,542	554,645,080
Depreciation and Amortization		257,964,189	279,127,090
Other Expenses	27	4,119,828,015	3,195,023,255
		<u>7,294,406,413</u>	<u>6,602,420,186</u>
Profit before exceptional and extraordinary items and tax		568,536,201	35,196,843
Exceptional Items	34	(72,531,023)	(317,078,636)
Profit / (Loss) before extraordinary items and tax		496,005,178	(281,881,793)
Extraordinary Items		—	—
Profit / (Loss) Before Tax		496,005,178	(281,881,793)
Tax Expenses			
Current tax		64,115,000	54,948,000
Earlier Years' Tax		(8,173,748)	(1,439,567)
Deferred tax		937,956	1,602,445
		<u>56,879,208</u>	<u>55,110,878</u>
Net Profit / (Loss) After Tax		439,125,970	(336,992,671)
Share of Profit in Associate Companies		2,393,632	616,050
Minority Interest		(86,530)	(62,825)
Net Profit / (Loss) for the Year		441,433,072	(336,439,446)
Face Value per Equity Share		2.00	2.00
Earnings per Equity Share			
Basic / Diluted (before exceptional and extra ordinary items)		6.42	(0.25)
Basic / Diluted (after exceptional and extra ordinary items)		5.52	(4.26)

The accompanying notes 1 to 43 are an integral part of these financial statements.

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President

ASHAPURA MINECHEM LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

(₹. in lacs)

	2012-2013	2011-2012
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax and Extraordinary Items	5,685.36	351.97
Adjustments for -		
Depreciation and Amortization	2,579.64	2,791.27
Exchange Rate Adjustment (net)	472.65	(746.60)
Loss (Profit) on Sale of Investments	1.35	—
Loss (Profit) on Sale/disposal of Fixed Assets	3,540.69	218.80
Provisions and Write-offs	227.14	548.34
Impairment of investment and advances	—	2,944.39
Dividend	(4.41)	(17.58)
Interest (net)	3,477.27	2,313.99
Operating Profit Before Working Capital Changes	15,979.69	8,404.58
Adjustments for -		
Trade and Other Receivables	(2,891.23)	(3,804.11)
Inventories	(2,601.39)	(1,328.45)
Trade and Other Payables	8,968.30	4,785.92
Cash Generated From Operations	19,455.37	8,057.94
Direct Taxes Paid / Refund Receipts	52.47	784.47
Cash Flow before Exceptional / Extra Ordinary Items	19,507.84	8,842.41
Exceptional / Extra Ordinary Items	(725.31)	(3,170.79)
NET CASH FROM OPERATING ACTIVITIES	18,782.53	5,671.62
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(4,093.97)	(4,201.24)
Sale of Fixed Assets	1,490.70	74.91
Sale (Purchase) of Investments (net)	120.73	(95.44)
Increase (decrease) in Non-cash Equivalents	(96.76)	(248.15)
Interest Received	413.45	329.78
Dividend Received	4.41	17.58
NET CASH USED IN INVESTING ACTIVITIES	(2,161.44)	(4,122.56)



C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds (Repayments) from Long Term Borrowings	293.50	(472.51)
Proceeds (Repayments) from Short Term Borrowings	(12,853.90)	374.97
Proceeds from Issuance of Share Capital (incl. Premium)	1,473.20	—
Proceeds from issue of Share Warrants	368.30	—
Loans (lent) / recovered	(860.01)	(101.60)
Dividend Paid	(1.02)	(0.65)
Interest Paid	(3,890.72)	(2,643.77)
NET CASH USED IN FINANCING ACTIVITIES	(15,470.65)	(2,843.56)
Net Increase in Cash and Cash Equivalents	1,150.44	(1,294.50)
Cash and cash equivalents as at beginning of the year	1,199.03	2,493.53
Cash and cash equivalents as at end of the year	<u>2,349.47</u>	<u>1,199.03</u>
Cash and Cash Equivalents:		
Cash and Bank Balances	2,968.60	1,721.40
Statutory restricted accounts	(619.13)	(522.37)
	<u>2,349.47</u>	<u>1,199.03</u>

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-
MANOJ GANATRA
Partner

Mumbai
28th May, 2013

For and on Behalf of the Board of Directors

sd/-
NAVNITLAL SHAH
Executive Chairman

sd/-
ASHISH DESAI
General Manager - Accounts

Mumbai
28th May, 2013

sd/-
CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-
SACHIN POLKE
Company Secretary and Vice President

I 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:

- a. 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 31st March, 2013 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 31st December, 2012.

In respect of another overseas associate company, EMO Ashapura Energy and Mining Limited–Nigeria, unaudited financial statements last drawn up to 30th September, 2012 only are provided by the associate, which are considered in these consolidated financial statements.

- b. The financial statements of the subsidiaries and joint venture companies are audited.

The Financial statements of all the associates are audited except for two associates, Hudson MPA Sdn Bhd–Malaysia and EMO Ashapura Energy and Mining Limited – Nigeria where the financial statements are unaudited as provided by the company.

- c. The consolidated financial statements present the consolidated accounts of Ashapura Minechem Limited with its following subsidiaries, joint ventures and associates.

Proportion of Ownership
Interest as at 31st March, 2013
(either directly or through subsidiaries)

Subsidiaries:

1	Ashapura International Limited	100.00 %
2	Ashapura Claytech Limited	95.25 %
3	Bombay Minerals Limited	100.00 %
4	Prashansa Ceramics Limited	100.00 %
5	Peninsula Property Developers Private Limited	100.00 %
6	Sharda Consultancy Private Limited	100.00 %
7	Ashapura Consultancy Service Private Limited	100.00 %
8	Ashapura Minechem (UAE) FZE	100.00 %
9	Ashapura Holdings (UAE) FZE	100.00 %
10	Ashapura Maritime FZE	100.00 %
11	Asha Prestige Co.	100.00 %
12	Ashapura Aluminium Limited	100.00 %
13	PT Ashapura Resources Indonesia	100.00 %

Joint Ventures:

1	Ashapura Volclay Limited	50.00 %
2	Ashapura Volclay Chemicals Private Limited	50.00 %
3	Ashapura Midgulf NV – Antwerp	50.00 %
4	Sohar Ashapura Chemicals LLC	40.00 %

Associates:

1	Hudson MPA Sdn Bhd – Malaysia	25.00 %
2	Ashapura Arcadia Logistic Private Limited	50.00 %
3	Emo Ashapura Energy and Mining Limited – Nigeria	48.00 %



- d. The financial statements have been prepared in accordance with Generally Accepted Accounting Principles (“GAAP”) in India, the Accounting Standards prescribed under the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable, and are based on the historical cost convention on an accrual basis.

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” prescribed under the Companies (Accounting Standards) Rules, 2006.
- b. Interests in joint ventures have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) – 27 “Financial Reporting of Interest in Joint Ventures” prescribed under the Companies (Accounting Standards) Rules, 2006.
- 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” prescribed under the Companies (Accounting Standards) Rules, 2006.
- 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

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:

Tangible 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 XIV in accordance with the provisions of section 205 (2) (b) of the Companies Act, 1956.

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:

- i. Raw Materials and Stores and Spares are valued at cost determined on FIFO basis or net realizable value, whichever is lower.
- ii. Stock of finished and semi-finished goods is valued at lower of the cost or net realizable value.

Sales:

Sales comprise of sale of goods and services and are stated net of inter division transfer of sales and services.

Mining Expenses:

Expenses incurred on mining including removal of overburden of mines are charged to the profit & loss account as mining cost on the basis of 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:

Revenue expenditure on Research & 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.

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 account.
- 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 account.
- 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 account 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.

Financial Derivatives Transactions:

In view of the legal advice received by the Company that the financial derivative contracts are void, the Company has not provided for unpaid claims of the counter parties and similarly, written back provisions made for such unpaid claims of the earlier years. The Company has, however, accounted for such claims wherever paid due to uncertainty of recovery of such claims.

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

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

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.

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 st March, 2013 ₹	31 st March, 2012 ₹
Authorised		
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>
Issued, Subscribed and Paid up		
82,986,098 (78,986,098) equity shares of ₹ 2/- each	165,972,196	157,972,196
	<u>165,972,196</u>	<u>157,972,196</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

Particulars	Equity Shares		Preference Shares	
	No. of Shares	₹	No. of Shares	₹
Shares outstanding at the beginning of the year	78,986,098	157,972,196	—	—
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	82,986,098	165,972,196	—	—

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

Name of Shareholder	31 st March, 2013		31 st March, 2012	
	No. of shares	% of holding	No. of shares	% of holding
Volclay International Corporation	15,714,690	18.94	15,714,690	19.90
Mr. Chetan Navnitlal Shah	11,843,814	14.27	11,543,814	14.61
Mr. Navanitlal Ratanji Shah	10,314,087	12.43	10,619,087	13.44
Mrs. Dina Chetan Shah	7,768,020	9.36	7,768,020	9.83

ASHAPURA MINECHEM LIMITED

Note No. 5 RESERVES AND SURPLUS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Capital Reserve	33,111,461	33,111,461
b. Capital Redemption Reserve	390,000	390,000
c. Securities Premium Account		
Balance at the beginning of the year	1,494,818,645	1,494,818,645
Premium received during the year	139,320,000	—
Balance at the end of the year	<u>1,634,138,645</u>	<u>1,494,818,645</u>
d. Stock Options Outstanding Account		
Balance at the beginning of the year		7,108,918
Current year transfer	—	—
Written back in the year		(7,108,918)
Balance at the end of the year	<u>—</u>	<u>—</u>
e. Foreign Currency Translation Reserve		
Balance at the beginning of the year	(96,456,080)	(21,795,909)
Current year transfer	47,264,738	(74,660,171)
Balance at the end of the year	<u>(49,191,342)</u>	<u>(96,456,080)</u>
f. Surplus		
Balance at the beginning of the year	(5,073,282,337)	(4,742,497,204)
Outstanding Stock options written back	—	7,108,918
Net Profit / (Loss) for the year	441,433,072	(336,439,446)
Corporate dividend tax	(2,285,808)	(1,454,605)
Balance at the end of the year	<u>(4,634,135,073)</u>	<u>(5,073,282,337)</u>
	<u>(3,015,686,309)</u>	<u>(3,641,418,311)</u>

Note No. 6 MINORITY INTEREST

	31 st March, 2013 ₹	31 st March, 2012 ₹
Balance at the beginning of the year	2,562,982	2,500,157
Share of profit for the year	86,530	62,825
Balance at the end of the year	<u>2,649,512</u>	<u>2,562,982</u>



Note No. 7 LONG TERM BORROWINGS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Secured		
Term loans from financial institutions (Foreign currency accounts)	56,858,192	108,372,327
Term loans from banks (Foreign currency accounts)	251,990,032	476,995,925
Term loans from banks (Indian rupee accounts)	61,852,686	87,337,798
Working capital finance from financial institutions (Indian rupee accounts)	60,000,000	—
Working capital finance from banks (Indian rupee accounts)	350,000,000	—
Term loans from others	9,976,773	—
Hire purchase finance	1,571,719	3,110,561
	<u>792,249,402</u>	<u>675,816,611</u>
Period of default	NA	NA
Amount	Nil	Nil
b. Unsecured		
Inter corporate loans	95,519,324	223,115,655
Others	78,561,440	38,047,657
	<u>174,080,764</u>	<u>261,163,312</u>
	<u>966,330,166</u>	<u>936,979,923</u>

Note No. 8 OTHER LONG TERM LIABILITIES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Sales tax deferred payment liabilities	16,605,365	21,753,733
Other liabilities	16,750,000	750,000
	<u>33,355,365</u>	<u>22,503,733</u>

Note No. 9 LONG TERM PROVISIONS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Provision for leave encashment	9,824,532	8,077,004
Provision for mining restoration	34,730,701	16,533,468
Provision for income tax	19,025,170	—
	<u>63,580,403</u>	<u>24,610,472</u>

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Note No. 10 SHORT TERM BORROWINGS

	31 st March, 2013 ₹	31 st March, 2012 ₹
a. Secured		
Working capital finance from financial institutions * (Indian rupee accounts)	781,019,556	360,282,956
Working capital finance from banks (Foreign currency accounts)	53,403,503	473,026,411
Working capital finance from banks (Indian rupee accounts)	932,352,330	2,411,909,496
Term loans form financial institutions * (Indian rupee accounts)	98,389,661	—
Other Loans	7,262,799	—
* includes accounts upon assignments from banks		
	<u>1,872,427,848</u>	<u>3,245,218,863</u>
Amount of default : Of the above, accounts with aggregate balances of ₹ 1,533,591,242 (2,455,362,553) have been classified by the respective bankers as non-standard.		
b. Unsecured		
Inter corporate loans	169,665,621	82,264,514
	<u>169,665,621</u>	<u>82,264,514</u>
	<u>2,042,093,469</u>	<u>3,327,483,377</u>

Note No. 11 OTHER CURRENT LIABILITIES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Current maturities of long-term debt [including amount in default in repayment ₹ 98,615,036; (70,246,599)]	883,910,708	212,919,437
Interest accrued but not due on borrowings	3,946,169	33,634,731
Interest accrued and due on borrowings	390,294,554	240,536,936
Sales tax deferred liabilities	4,255,394	4,449,000
Payables on purchase of capital assets	2,310,411	10,367,110
Advances from customers	214,695,519	70,210,909
Statutory liabilities	84,611,515	48,901,946
Unclaimed dividends	1,118,344	1,220,201
Shipping claims payable	5,620,288,244	5,620,288,244
Other liabilities	414,808,505	466,622,125
	<u>7,620,239,362</u>	<u>6,709,150,639</u>

Note No. 12 SHORT TERM PROVISIONS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Provision for bonus	16,048,333	12,733,263
Provision for leave encashment	1,873,394	1,581,741
Provision for corporate dividend tax	2,285,808	1,454,605
	<u>20,207,534</u>	<u>15,769,609</u>



Note No. 13 FIXED ASSETS

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	As at 1 st April, 2012 ₹	Additions ₹	Deductions ₹	As at 31 st March, 2013 ₹	As at 1 st April, 2012 ₹	For the Year ₹	On Deductions ₹	As at 31 st March, 2013 ₹	As at 31 st March, 2012 ₹
Owned Tangible Assets									
Land and Land Development	147,721,721	26,231,569	2,739,718	171,213,572	—	—	—	171,213,572	147,721,721
Buildings	744,904,829	127,984,542	850,200	872,039,171	127,222,728	27,322,116	125,762	154,419,082	617,682,101
Plant and Equipment	2,292,986,774	204,832,028	17,099,551	2,480,719,251	736,118,687	179,282,552	9,094,532	906,306,707	1,556,868,087
Barges	7,598,314	—	—	7,598,314	7,353,950	—	—	7,353,950	244,364
Ships	751,240,184	57,876,884	809,117,068	—	296,315,754	22,919,536	319,235,290	—	454,924,430
Vehicles	110,851,194	5,087,997	3,469,807	112,469,384	74,828,867	10,236,561	2,440,488	82,624,940	36,022,327
Furniture & Fixtures	114,039,920	2,446,599	1,080,318	115,406,201	70,243,495	8,336,781	576,438	78,003,838	43,796,425
Office Equipment	84,521,118	5,088,469	1,055,883	88,553,704	61,954,406	4,616,317	800,809	65,769,914	22,566,712
	4,253,864,054	429,548,087	835,412,545	3,847,999,595	1,374,037,887	252,713,863	332,273,319	1,294,478,431	2,879,826,167
Tangible Assets Under Lease									
Land	30,800	—	—	30,800	—	—	—	—	30,800
Buildings	12,838,268	—	—	12,838,268	2,178,596	384,541	—	2,563,137	10,659,672
Plant and Equipment	35,761,590	—	—	35,761,590	8,852,653	1,697,369	—	10,550,022	26,908,937
Vehicles	75,000	—	—	75,000	16,027	7,125	—	23,152	58,973
Furniture & Fixtures	319,902	—	—	319,902	108,284	16,198	—	124,482	211,618
Office Equipment	253,871	—	—	253,871	129,422	24,743	—	154,165	124,449
	49,279,431	—	—	49,279,431	1,284,982	2,129,976	—	13,414,938	37,994,449
Owned Intangible Assets									
Compensation for Premises Rights	24,434,113	—	—	24,434,113	15,981,994	2,283,142	—	18,265,136	8,452,119
Computer Softwares	3,405,373	—	—	3,405,373	1,300,912	837,208	—	2,138,120	2,104,461
Mining Lease	133,695	—	—	133,695	—	—	—	—	133,695
	27,973,181	—	—	27,973,181	17,282,906	3,120,350	—	20,403,256	10,690,275
Total	4,331,116,666	429,548,087	835,412,545	3,925,252,208	1,402,605,775	257,964,189	332,273,319	1,328,296,645	2,928,510,891
Capital Work in Progress	170,444,132	214,872,317	233,807,458	151,508,991	—	—	—	—	170,444,132
Pre-Operative Expenses	152,789,257	—	1,215,559	151,573,698	—	—	—	—	152,789,257
Total	4,654,350,055	644,420,404	1,070,435,562	4,228,334,897	1,402,605,775	257,964,189	332,273,319	1,328,296,645	3,251,744,280
Previous Year	4,385,307,617	656,619,138	387,576,700	4,654,350,055	1,215,198,780	279,127,090	91,720,095	1,402,605,775	3,170,108,837

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Note No. 14 NON-CURRENT INVESTMENTS

	31 st March, 2013 ₹	31 st March, 2012 ₹
Quoted; at cost:		
a. Investments in Equity Shares		
3,000 equity shares of Bank of India of ₹ 10/- each (Aggregate market value of quoted investments: Nil (1,083,000))	—	135,000
Unquoted - at cost:		
a. Investments in Associates		
Hudson MPA Sdn Bhd, Malaysia		
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)	(8,732,114)	(7,748,565)
	<u>39,279,869</u>	<u>40,263,445</u>
Emo Ashapura Energy & Mining Limited, Nigeria		
Goodwill on acquisition	—	112,884,398
Carrying amount of investment	—	101,099,602
Accumulated share of profit or (loss)	—	—
Provision for Impairment of investment	—	(213,984,000)
	<u>—</u>	<u>—</u>
Ashapura Arcadia Logistic Private Limited		
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)	2,827,181	(550,000)
	<u>3,377,181</u>	<u>—</u>
	<u>42,657,077</u>	<u>40,263,445</u>
b. Investments in Other Equity Shares:		
186,285 equity shares of Shantilal Multiport Infrastructure Pvt Limited of ₹ 10/- each	2,500,000	2,500,000
- (1) equity shares of The Commercial Co-Op. Bank Limited of ₹ 100/- each	—	100
	<u>2,500,000</u>	<u>2,500,100</u>
c. Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	1,479,000	1,484,000
	<u>1,479,000</u>	<u>1,484,000</u>
	<u>46,636,077</u>	<u>44,382,545</u>



Note No. 15 LONG-TERM LOANS AND ADVANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good)		
Capital advances	12,923,931	54,655,810
Security deposits	159,270,291	197,864,404
includes -		
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)		
Loans to a joint venture company	179,341,293	97,821,835
Loans to associate companies	25,059,439	20,578,598
Loans to staff	1,502,750	2,763,699
Other loans and advances	4,574,299	3,866,835
	<u>382,672,003</u>	<u>377,551,181</u>

Note No. 16 CURRENT INVESTMENT

	31 st March, 2013 ₹	31 st March, 2012 ₹
Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	369,800	354,800
Investments in Mutual Funds :		
Religare Liquid Fund	3,627,974	15,815,161
Reliance Liquidity Fund	1,574,709	1,469,048
	<u>5,202,683</u>	<u>17,284,209</u>
	<u>5,572,483</u>	<u>17,639,009</u>

Note No. 17 INVENTORIES

	31 st March, 2013 ₹	31 st March, 2012 ₹
(as taken and certified by the management; valued as stated in note no. 1)		
Raw materials	330,512,122	273,696,876
Work-in-progress	44,005,019	40,501,803
Finished goods	1,413,553,028	1,362,543,155
Materials in transit	3,467,295	3,119,891
Stock-in-trade	231,666,957	78,057,295
Stores & spares	92,933,192	92,345,072
Packing materials	28,045,358	33,779,603
	<u>2,144,182,970</u>	<u>1,884,043,695</u>

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Note No. 18 TRADE RECEIVABLES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Over six months	277,552,655	380,316,633
Others	1,681,336,932	1,360,217,323
	<u>1,958,889,587</u>	<u>1,740,533,956</u>
less: Provision for doubtful debts	<u>90,390,860</u>	<u>89,930,924</u>
	<u>1,868,498,727</u>	<u>1,650,603,032</u>
	More than Six Months	Others
includes -		
due from joint venture and associate companies	41,890,289	33,053,545
due from firms and companies in which directors are interested	8,256,780	7,187,467

Note No. 19 CASH AND BANK BALANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	211,194,629	98,181,693
Short term deposits	—	137,500
	<u>211,194,629</u>	<u>98,319,193</u>
b. Cash on Hand	2,950,833	3,286,778
	<u>214,145,462</u>	<u>101,605,971</u>
II. Other Bank Balances		
Dividend accounts	1,118,008	1,218,202
Terms deposits with more than 12 months maturity	658,436	40,384,371
Other term deposits	62,002,709	28,930,929
Cheques on Hand	2,193,039	—
Funds in Transit	500,963	—
Margin Money Accounts	16,241,050	—
	<u>82,714,205</u>	<u>70,533,502</u>
	<u>296,859,667</u>	<u>172,139,473</u>

Term deposits of ₹ 60,795,421 are under lien with banks against working capital finance, letter of credits and bank guarantees (previous year ₹ 51,018,685)



Note No. 20 SHORT-TERM LOANS AND ADVANCES

	31 st March, 2013 ₹	31 st March, 2012 ₹
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers	843,855,557	676,431,894
less: Provision for doubtful advances	<u>42,553,722</u>	<u>31,836,011</u>
	801,301,835	644,595,883
Trade advances to companies or firms in which some of the directors are interested ₹ 136,232,928 (25,687,975)		
Advance payments of income tax (net of provisions)	25,238,750	87,881,039
Loans and advances to staff	5,012,484	7,524,145
Claims receivable	136,959,025	130,904,059
Prepaid expenses	12,647,797	10,911,686
Advance payments of royalty	39,822,663	26,758,006
Input credits receivable	7,011,188	15,574,435
Other loans and advances	<u>43,635,061</u>	<u>80,728,735</u>
	<u>1,071,628,802</u>	<u>1,004,877,988</u>

Note No. 21 REVENUE FROM OPERATIONS

	2012-2013 ₹	2011-2012 ₹
Sale of Products		
Export sales	5,094,062,036	2,911,064,942
Domestic sales	<u>2,388,508,232</u>	<u>2,972,060,415</u>
	7,482,570,268	5,883,125,357
Sale of Services		
Cargo handling income	42,130,000	286,722,284
Shipping operations income	<u>28,479,651</u>	<u>111,119,805</u>
	70,609,651	397,842,089
Other Operating Revenue		
Export incentives and credits	15,982,181	10,467,872
Foreign currency fluctuation gain/(loss)	50,253,597	79,837,306
Freight receipts on sales	77,259,089	124,008,130
Other operational income	<u>22,509,986</u>	<u>30,718,425</u>
	<u>166,004,853</u>	<u>245,031,733</u>
	<u>7,719,184,772</u>	<u>6,525,999,179</u>

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Note No. 22 OTHER INCOME

	2012-2013 ₹	2011-2012 ₹
Dividend receipts	441,494	1,757,910
Interest receipts	41,344,809	32,978,132
Insurance claims receipts	—	5,314,465
Profit on sale of assets (net)	—	760,412
Sundry balances / excess provisions written back	89,680,997	59,895,837
Miscellaneous income	12,290,543	10,911,094
	<u>143,757,843</u>	<u>111,617,850</u>

Note No. 23 COST OF MATERIALS CONSUMED

	2012-2013 ₹	2011-2012 ₹
Materials and Mining Expenses		
Opening stock	273,696,876	256,972,365
Purchase and direct expenses	799,204,924	915,148,183
	<u>1,072,901,800</u>	<u>1,172,120,548</u>
Closing stock	330,512,122	273,696,876
Rent and Royalty	380,267,149	63,033,199
Mining expenses	697,986,452	395,799,877
	<u>1,820,643,279</u>	<u>1,357,256,748</u>



Note No. 24 CHANGES IN INVENTORIES

		2012-2013 ₹		2011-2012 ₹
Opening Stock				
Finished Goods	1,362,543,155		1,156,626,015	
Stock-in-trade	78,057,295		192,729,981	
Materials in transit	3,119,891		—	
Work-in-progress	<u>40,501,803</u>	<u>1,484,222,144</u>	<u>46,369,821</u>	<u>1,395,725,817</u>
Closing Stock				
Finished Goods	1,413,553,028		1,362,543,155	
Stock-in-trade	231,666,957		78,057,295	
Materials in transit	3,467,295		3,119,891	
Work-in-progress	<u>44,005,019</u>	<u>1,692,692,299</u>	<u>40,501,803</u>	<u>1,484,222,144</u>
		<u>(208,470,155)</u>		<u>(88,496,327)</u>

Note No. 25 EMPLOYEE BENEFIT EXPENSES

		2012-2013 ₹		2011-2012 ₹
Salaries, wages, allowances and bonus		405,388,386		343,753,680
Contribution to employee benefit funds		21,079,201		29,453,247
Staff welfare expenses		21,020,503		18,131,658
		<u>447,488,090</u>		<u>391,338,585</u>
includes directors' remuneration		3,600,000		3,600,000

Note No. 26 FINANCE COSTS

		2012-2013 ₹		2011-2012 ₹
Interest				
Working capital finance	425,647,122		415,351,124	
Term loans	70,957,772		82,515,108	
Others	<u>12,535,914</u>	<u>509,140,808</u>	<u>6,043,357</u>	<u>503,909,589</u>
Loss / (gain) on foreign currency borrowings		24,894,595		45,105,156
Other borrowing costs		8,998,139		5,630,335
		<u>543,033,542</u>		<u>554,645,080</u>

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Note No. 27 OTHER EXPENSES

		2012-2013 ₹		2011-2012 ₹
Manufacturing Expenses				
Power & Fuel	339,267,419		308,821,095	
Machinery repairs and maintenance	48,039,625		57,867,736	
Packing materials and expenses	158,825,103		145,608,544	
Stores & spares consumption	137,327,964		106,391,987	
Carriage inward	71,721,929		202,388,225	
Other expenses	189,569,717	944,751,757	190,339,543	1,011,417,130
Ship Operating Expenses		29,956,499		91,290,776
Selling and Distribution Expenses				
Sales commission and discount	33,205,137		25,291,955	
Cargo handling expenses	25,501,423		237,912,638	
Export freight and insurance	413,289,556		271,034,372	
Export and other shipment expenses	2,271,309,828	2,743,305,944	1,149,406,528	1,683,645,493
Administrative and Other Expenses				
Travelling expenses	44,030,310		40,975,879	
Rent	32,443,543		32,253,588	
Rates and taxes	12,614,395		12,662,297	
Insurance premiums	5,388,554		4,990,725	
Building and other repairs	17,914,566		16,463,507	
Advertisement and business promotion	16,559,870		10,725,974	
Directors' sitting fees	420,000		159,500	
Legal and professional fees	65,105,941		84,058,643	
Payments to auditors	6,501,843		5,246,054	
Provisions/ write off of doubtful debts/advances	22,714,095		54,833,886	
Bank discount, commission and other charges	8,294,591		18,849,294	
Donations	10,459,795		8,494,194	
Prior period expenses (net)	2,578,700		543,418	
Loss on sale of assets (net)	1,831,639		—	
Loss on sale of investments (net)	135,100		—	
General expenses	154,820,876	401,813,815	118,412,897	408,669,856
		4,119,828,015		3,195,023,255



28. Based on the audited annual accounts for the year ended 31st 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 to 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 20th 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 to which the Company has submitted Draft Rehabilitation Scheme which is under consideration and discussion.

29. (i) Certain foreign currency derivatives contracts entered into by the Company with the various bankers are under litigation at various stages. Based on the legal opinion obtained by the Company, these contracts are void in nature and cannot be legally enforced.
- (ii) The Company has, in the earlier years, written back liabilities of ₹ 15,334.50 lacs on account of the provision for such foreign currency derivatives losses; and not provided for foreign currency derivatives losses of ₹ 26,508.05 lacs in the earlier years. (net of settlement with some of the banks and financial institutions for certain secured loans and unprovided disputed foreign currency contracts: ₹ 27,779.75 lacs)
- (iii) Apart from the above, the Company has also not provided for the losses arising during the year on foreign currency derivatives contracts aggregating to ₹ 611.49 (3,972.19) lacs including mark to market (MTM) valuation as on the balance sheet date ₹ Nil (previous year ₹ 3131.20 lacs)
- (iv) As a result of the above, net profit for the year as well as reserves and surplus are overstated by ₹ 611.49 (3,972.19) lacs and ₹ 28,391.24 (43,408.95) lacs respectively.
30. 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 20th December 2010, passed in the Petition filed by IHX Pacific (UK) Ltd. (a) under Section 9 (being arbitration petition No.25 of 2010) and (b) Section 44 to 47 (being arbitration petition No.24 of 2010) of the Arbitration and Conciliation Act, 1996, the company has been allowed to contest the proceedings including Application under Section 34 provided the company furnishes security to an extent of ₹ 107.73 crores.

Aggrieved by the above order, the company has preferred an appeal before the divisional bench of Bombay High Court, wherein the matter got stayed.

IHX (UK) Ltd. moved to the Supreme Court and at present matter is pending before the Supreme Court.

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 previous year 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.

31. 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.
32. Balances for trade payables, trade receivables, for loans and advances are subject to confirmations from the respective parties and reconciliations, if any, in many cases. In absence of such confirmations, the balances as per books have been relied upon by the auditors.
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 provision of all known liabilities is adequate and not in excess of the amount reasonably required.

34 Exceptional Items:

Particulars	2012-2013	2011-2012
Impairment of investments in and loans (net) to an associate company	—	(178,858,262)
Impairment of fixed assets	(352,236,785)	(115,580,781)
Loss on dismantling of certain assets on inter unit shifting of manufacturing facilities	—	(22,639,593)
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.	279,705,762	—
Total	(72,531,023)	(317,078,636)

35. Based on the principles of prudence and in view of 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 ₹ 12,181,000 are as under:

Particulars	₹
Depreciation	26,177,490
Disallowances u/s 43B of the Income Tax Act	(13,996,490)
Total	12,181,000

36. Necessary documents in respect of purchase of land at Baraya plant of the Company are yet to be executed.
37. The proportionate share of assets, liabilities, income and expenses in respect of the Company having interest in the jointly controlled entities, Ashapura Volclay Limited (holding: 50%), Ashapura Volclay Chemicals Pvt. Limited (holding: 50%) and Ashapura Midgulf NV (holding: 50%) are as under:

(₹. in Lacs)

	Current Year	Previous Year
Assets		
Fixed Assets (Net Block including WIP)	7275.62	7,682.56
Investments	—	10.00
Current Assets	3,946.96	3,964.31
Long term Loans and Advances	179.52	141.54
Short Term Loans and Advances	517.35	132.44
Total	11,919.45	11,930.86



Liabilities		
Non Current Liabilities	3,186.19	4,408.80
Current Liabilities	3,866.05	3,148.38
Total	7,052.24	7,557.18
Income		
Sales and Operational Income	10,062.10	10,543.55
Other Income	34.61	29.79
Total	10,096.71	10,573.34
Expenditure		
Manufacturing and Other Expenses	7,896.47	7,613.62
Interest	535.46	336.76
Depreciation	893.34	721.62
Total	9,325.27	8672.00

38 Contingent Liabilities: (other than those stated in note no. 29)

(₹. in Lacs)

Particulars	31 st March	
	2013	2012
a. Guarantees to banks against credit facilities extended to group companies	3,913.50	3,913.50
b. Guarantees given to others on behalf of inter-group companies	821.71	561.79
c. Guarantees given to various Government Authorities and Others	4,569.22	4,565.03
d. In respect of guarantees given by the company	3,344.75	1,189.60
e. In respect of disputed Income Tax liabilities	160.01	360.08
f. Claims against the company not acknowledged as debt	708.98	769.12
g. In respect of contracts remaining to be executed	150.89	31.99
h. In respect of Other matters	236.32	626.00

39 Related Party Transactions:

a. Joint ventures & Associates:

- Ashapura Volclay Limited
- Ashapura Volclay Chemicals Private Limited
- Ashapura Exports Private Limited
- Ashapura Mineral Company
- Sharda Industrial Corporation
- Prabhudas Vithaldas
- Kantilal Mohanlal Mehta
- Ashapura Infin Private Limited
- Hudson MPA Sdn Bhd, Malaysia
- Ashapura Midgulf NV, Antwerp
- Emo Energy & Mining Co. Limited, Nigeria
- Ashapura Arcadia Logistic Private Limited

ASHAPURA MINECHEM LIMITED

- Sohar Ashapura Chemicals LLC
- Manico Resources Pvt. Limited (Previously known as Gem Ashapura Granite (Gujrat) Pvt. Limited)
- Minologic Corporation
- Minotrans Logistic Corporation

b. Key Management Personnel:

- Mr. Navnitlal R Shah
- Mr. Chetan Shah
- Mrs. Dina C Shah

Particulars of Transactions	2012-2013 ₹	2011-2012 ₹
Associates:		
Sales of Materials	81,942,619	103,542,763
Purchases of Materials	1,842,550	6,305,683
Interest received	15,106,220	9,887,350
Interest Paid	5,596,612	3,523,245
Export Shipment & Other Expenses	—	1,65,513
Lease Rent Paid	4,620,000	1,530,000
Reimbursement of Administrative Expenses	17,748,622	33,282,819
Miscellaneous Expenditure	2,193,195	2,888,750
Miscellaneous Income	—	3,079,673
Impairment of Investment	—	213,984,000
Impairment of investments and loans (net)	—	178,858,262
Outstanding Balances as on 31st March		
Trade Payables	37,863,815	34,131,994
Trade Receivables	77,711,651	144,167,633
Loans and Advances	124,922,229	142,932,872
Advance from Customers	—	20,224,938
Security Deposits	28,200,000	48,200,000
Trade Advances	136,232,928	16,229,236
Key Management Personnel:		
Remuneration and Perquisites	3,600,000	3,600,000
Rent Paid	180,000	180,000
Salary Paid	—	234,000
Land Deposit	5,000,000	—
Outstanding Balances as on 31st March		
Trade Payables	458,875	148,175
Security Deposits	1,000,000	2,800,000
Others payables	5,000,000	—

**40 Segment Information :**

(₹ in lacs)

Sr No.	Particulars	2012-2013	2011-2012
1	Segment Revenue		
	Minerals	75,272.91	61,513.74
	Shipping	258.89	1,295.94
	Total	75,531.80	62,809.67
	Add : unallocated corporate income	1,660.05	2,450.32
	Revenue from Operations	77,191.85	65,259.99
2	Segment Results		
	(Profit before borrowing cost and tax)		
	Minerals	11,115.70	7,166.17
	Shipping	—	(1,267.75)
	Total	11,115.70	5,898.42
	Less : Borrowing Cost	5,430.34	5,546.45
	Less : Unallocable expenditure net off unallocable income	—	—
	Profit Before tax & exceptional items	5,685.36	351.97
3	Other Information		
	Segment Assets	18.20	4,861.61
	Total Assets	88,204.90	85,073.82
	Segment Liabilities	2,377.56	11,482.08
	Total Liabilities	116,185.43	119,770.22

41. 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.
42. Figures for the previous year are regrouped and rearranged, wherever necessary.
43. All the amounts are stated in Indian Rupees, unless otherwise stated.

Signatures to Notes No. 1 to 43

As per our Report of even date

For SANGHAVI & COMPANY
Chartered Accountants

sd/-

MANOJ GANATRA
PartnerMumbai
28th May, 2013**For and on Behalf of the Board of Directors**

sd/-

NAVNITLAL SHAH
Executive Chairman

sd/-

ASHISH DESAI
General Manager - AccountsMumbai
28th May, 2013

sd/-

CHETAN SHAH
Managing Director and Chief Executive Officer

sd/-

SACHIN POLKE
Company Secretary and Vice President

ASHAPURA MINECHEM LIMITED

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

PARTICULARS	Name of the Subsidiary Companies	Ashapura International Limited	Ashapura Claytech Limited	Bombay Minerals Limited	Prashansa Ceramics Limited	Peninsula Property Developers (P) Limited
Capital		30,000,000	35,799,000	2,180,800	14,500,000	100,000
Reserves (including balance in Statement of Profit & Loss)		225,594,963	20,014,388	250,498,553	(40,213,695)	(953,219)
Total Assets		1,072,940,967	85,211,322	656,988,980	12,730,276	1,571,217
Total Liabilities		817,346,004	29,397,933	404,309,627	38,443,971	2,424,436
Investments (except investments in Subsidiary(ies)#)		86,000	3,627,974	—	—	—
Turnover (including Other Income)		2,273,373,480	55,909,835	680,853,075	—	68,102
Profit/(Loss) Before Taxation		49,098,575	2,249,524	65,462,364	(558,588)	(53,948)
Provision for taxation		16,450,464	427,840	12,651,428	—	1,194
Profit/(Loss) After Taxation		32,648,111	1,821,684	52,810,936	(558,588)	(55,142)
Proposed Dividend		—	—	—	—	—
Misc. Exp. – not written off		—	—	—	—	—

* Balance Sheet Items are converted at closing Exchange Rate of USD 1 = ₹. 54.28 (As on 31/03/2013) (rounded off to the nearest Rupee)

Details of Investment by the Company's Subsidiaries:

Name of the Subsidiary Company	Particulars of Investments	Nature of Investments
Bombay Minerals Limited	Prashansa 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

Notes :

- The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011, respectively has granted a general exemption from compliance with provisions of Section 212 of the Companies Act, 1956. Accordingly, the Annual Report of the Company does not contain the individual financial statements of its subsidiaries. However, a gist of the financial details of the Subsidiary Companies is given in the Annual Report. The Company will make available the Annual accounts of the subsidiary companies and the related prescribed information upon request by any member of the Company and of its Subsidiaries. Any member interested in obtaining such document 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, 3rd Floor, 278, D. N. Road, Fort, Mumbai – 400001.

Place : Mumbai

Date : 28th May, 2013


FOR THE YEAR ENDED 31st MARCH, 2013

(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
100,000	100,000	500,000	150,827,293*	2,218,532*	2,218,532*	54,280,000*
(10,027,485)	(17,425,377)	(25,585,954)	(202,634,459)*	3,541,444*	(238,154,477)*	(28,259,416)*
4,922,257	7,447,759	174,232,796	431,514,710*	161,845,862*	1,819,737*	26,047,724*
14,849,742	24,773,136	199,318,750	483,321,876*	156,085,885*	237,755,682*	27,140*
—	—	—	212,228,450*	16,385,612*	—	—
217,618	494,979	1,427,123	—	9,861,642**	29,531,242**	433,522**
(692,321)	(1,031,904)	(602,129)	(528,580,115)**	(8,333,720)**	455,621,106**	(3,408,393)**
(3,040)	(3,798)	—	—	—	—	—
(689,281)	(1,028,106)	(602,129)	(528,580,115)**	(8,333,720)**	455,621,106**	(3,408,393)**
—	—	—	—	—	—	—
—	—	—	—	—	—	—

** Revenue Items are converted at an average Exchange Rate of USD 1 = ₹ 52.58 (As on 31/03/2013) (rounded off to the nearest Rupee)

Face Value	No. of Shares	Amount in ₹.
₹ 10/-	750,000	7,500,000/-
AED 150000	1	2,218,532/-*
AED 150000	1	2,218,532/-*
USD 1/-	1,000,000	54,280,000/-*

2. During the year under review, the business affairs of Asha Prestige Co., Wholly Owned Subsidiary of Ashapura Maritime FZE were wound up and the said company was dissolved w.e.f. 9th August, 2012. The Vessel owned by the said company was sold on the account of commercial viability and in order to honor repayment of loan taken against the vessel. All expenses of Asha Prestige Co. were accounted for in the records of its Holding Company viz. Ashapura Maritime FZE.

For and on behalf of the Board of Directors

Sd/-
SACHIN POLKE
 Company Secretary & Vice President

Sd/-
ASHISH DESAI
 General Manager - Accounts

Sd/-
NAVNILAL R. SHAH
 Executive Chairman

Sd/-
CHETAN SHAH
 Managing Director
 & Chief Executive Officer

ASHAPURA MINECHEM LIMITED

CONSOLIDATED FINANCIAL HIGHLIGHTS

(₹. In Millions)

PROFIT / LOSS	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
Revenue from Operations	7,719.18	6,526.00	6,356.21	7,136.66	9,612.64
Operating Expenses	5,644.11	4,968.64	4,869.19	5,867.68	12,494.31
Operating Profit / (Loss)	2,075.07	1,557.36	1,487.02	1,268.98	(2,881.67)
Other Income	143.76	111.62	91.53	52.83	131.43
Finance Cost	543.03	554.65	503.28	595.31	283.40
Depreciation	257.97	279.13	264.47	256.86	243.99
Other Expenses	849.30	800.01	681.31	749.26	897.88
Tax Expenses	56.88	55.11	1,004.63	(145.62)	1,299.71
Prior Period Adjustments	—	—	—	55.33	(9.08)
Exceptional & Extra-ordinary Items	(72.53)	(317.08)	(5,141.76)	682.18	(5.27)
Share of Profit / (Loss) in Associate Company	2.40	0.61	(3.53)	(4.66)	(2.19)
Minority Interest	(0.09)	(0.06)	(0.20)	0.41	0.69
Net Profit / (Loss) for the Year	441.43	(336.45)	(6,020.63)	307.20	(2,893.03)

NOTES

ASHAPURA MINECHEM LIMITED

Regd. Office : Jeevan Udyog Bldg., 3rd Floor,
278, D. N. Road, Fort, Mumbai - 400 001.

PROXY FORM

Regd. Folio No. _____

No. of Shares held _____

DP. ID / Client ID _____

I/We _____

of _____ a member/members of **ASHAPURA MINECHEM LIMITED** hereby appoint

_____ of _____ or failing him/her

_____ of _____ as my/our proxy to attend

and vote for me/us and on my/our behalf at the Thirty Second Annual General Meeting of the Company to be held on

Thursday, 26th September, 2013 at 11.30 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013

Affix
Re. I/-
Revenue
Stamp

Notes :

- The Form should be signed across the stamp as per specimen signature registered with the Company.
- The Proxy Form duly completed must be deposited at the Registered Office of the Company at Jeevan Udyog Bldg., 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001, not later than 48 hours before the time fixed for holding the aforesaid meeting.

TEAR HERE

ASHAPURA MINECHEM LIMITED

Regd. Office : Jeevan Udyog Bldg., 3rd Floor,
278, D. N. Road, Fort, Mumbai - 400 001.

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting room)

ANNUAL GENERAL MEETING - 26th SEPTEMBER, 2013

I/We hereby record my/our presence at the Thirty Second Annual General Meeting being held at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kaala Ghoda, Fort, Mumbai - 400 001 on Thursday, 26th September, 2013 at 11.30 A.M.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS)

NAME OF THE PROXY

(To be filled in if the Proxy attends instead of the Member(s))

(SIGNATURE OF THE MEMBER(S) OR PROXY(IES) PRESENT)

Regd. Folio No. _____

No. of Shares held _____

DP.ID./ CLIENT ID. _____

- Notes :
- Please complete and sign this attendance slip and handover at the entrance of the meeting room.
 - Only Member(s) or their Proxies with this attendance slip will be allowed entry to the 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.

At Ashapura, we go beyond the requisite corporate responsibilities by following an ethical and sound path; be it business, economics, environment or the society. In continuation of our social obligations, we have organised an exhibition cum sale of the Kutch handcrafts for the benefit, upliftment and welfare of the Artisans of Kutch. This event will be held on 19th - 21st September, 2013, (Thu-Sat) between 10.00 a.m. to 7.00 p.m. at Yogi Sabhagruh, Swaminarayan Temple, Opp. Dadar Station (C.R.), Mumbai.



Check Dam, Village Sambhda,
Tal : Lakhpat storage capacity 72 lacs litre.



Distributed Jaipur foot at 'Bhagwan Mahavir Viklang Sangath', Mumbai to the handicapped people



Kutch handcraft by women at Hiralaxmi Craft Park, Bhujodi



Beautification of backside of Mahalaxmi Temple, Mumbai



Cancer Detection Medical Camp for ladies at Mumbai



Vaccination for Animals at Mamvara Village, Kutch



Ongoing Certified courses by Ashapura Women's Academy at Bhuj affiliated with ITI Bhuj

Standard ISO 9001 is received for the AWA courses



ASHAPURA
Value Beyond Mining

Jeevan Udyog Building, | Tel. + 91 22 66221700
3rd Floor, 278, D. N. Road, | Fax. +91 22 22079395
Fort, Mumbai - 400 001, India. | Website: www.ashapura.com