ASHAPURA
MINECHEM LIMITED

Ref No.: Minechem/Stock Exch/Letter/7713

27th September, 2017

The Dy. General Manager,
Bombay Stock Exchange Limited
Corporate Relations & Services Dept.,
Phirojsha Jeejibhoy Towers,
Dalal Street,
Mumbai - 400 023.

Scrip Code: 527001

The Dy. General Manager,
National Stock Exchange of India Ltd.,
Corporate Relations Dept.,
Exchange Plaza,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Scrip Code: ASHAPURMIN

Dear Sir/Madam,

Sub: Annual Report of the Company for the FY 2016-17

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith copy of the Annual Report of the Company for the financial year 2016-17, duly approved and adopted by the Members as per the provisions of the Companies Act, 2013.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For **ASHAPURA MINECHEM LTD.**

SACHIN POLKE
COMPANY SECRETARY & VP

Encl.: As Above



ASHAPURA
Group of Industries

ANNUAL REPORT
2016-17

REGISTERED OFFICE

Jeevan Udyog Bldg., 3rd Floor,
278, D. N. Road, Fort,
Mumbai – 400 001.
Tel No. : +91-22-66221700
Fax No. : +91-22-22079395
Website : www.ashapura.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. Link Intime India Pvt. Ltd.
C-101, 247 Park, L.B.S. Marg,
Vikhroli (West), Mumbai – 400 083.
Tel No. : +91-22-49186000
Fax No.: +91-22-49186060
E-mail : rnt.helpdesk@linkintime.co.in

PLANT LOCATION

1. Survey no. 254/3 & 255/3,
   Village Baraya, Bhuj-Mundra Highway,
   Tal. Mundra, Kutch, Gujarat.

2. 236-39 Chitra, GIDC Bhavnagar,
   Gujarat.

3. Plot no. 437/1 & 438, Village Paddhar,
   Taluka - Bhuj, Dist. Kutch, Gujarat.

4. Survey no. 276/277 & 483, Mamuara,
   Taluka - Bhuj, Dist. Kutch, Gujarat.

5. Survey no. 328/2, KINFRA Apparel Park,
   Menamkulam, Thiruvananthapuram, Kerala.

6. Plot no. 182, Industrial Area,
   Baikampady, Mangalore.

SHAREHOLDERS INFORMATION

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

1. Bombay Stock Exchange Limited
   Phiroze Jeejeebhoy Towers,
   Dalal Street, Mumbai – 400 001.

2. National Stock Exchange of India Limited
   "Exchange Plaza", Bandra Kurla Complex,
   Bandra (East), Mumbai – 400 051.

ASHAPURA MINECHEM LIMITED

BOARD OF DIRECTORS

■ Shri Chetan Shah (DIN :- 00018960)	Chairman (Non-Executive)
■ Shri Rajnikant Pajwani (DIN :- 00086007)	Whole-Time Director & Chief Executive Officer
■ Shri Harish Motiwalla (DIN :- 00029835) Chairman – Audit Committee	Non-Executive, Independent Director
■ Shri Ashok Kadakia (DIN :- 00317237)	Non-Executive, Independent Director
■ Shri Abhilash Munsif (DIN :- 02773542)	Non-Executive, Independent Director
■ Shri Pundarik Sanyal (DIN :- 01773295)	Non-Executive, Independent Director
■ Smt. Navita Gaiha (DIN :- 07248115)	Non-Executive, Independent (Woman) Director
■ Shri Sachin Polke	Company Secretary & Vice President
■ M/s. Sanghavi & Company	Auditors
■ Bank of India Other Banks in the Consortium	Bankers

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NOTICE

NOTICE is hereby given that the 36th **Annual General Meeting** of the Members of **ASHAPURA MINECHEM LIMITED** will be held on **Thursday, 21st September, 2017** at **3.00 p.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 Financial Statements (Standalone & Consolidated) of the Company for the year ended 31st March, 2017, together with the Directors' and Auditors' Reports thereon.

2. To appoint a Director in place of Shri Chetan Shah (DIN - 00018960) who retires by rotation and being eligible, offers himself for re-appointment.

3. **Appointment of Statutory Auditors:**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, M/s. P A R K & Co, Chartered Accountants (Registration No – 116825W), be and is hereby appointed as Statutory Auditors of the Company, in place of M/s. Sanghavi & Co., Chartered Accountants (FRN: 109099W), the retiring auditors, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 41st Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment at every Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

4. **Appointment of Branch Auditors:**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, M/s. Sri Sesha & Ravi, Chartered Accountants (FRN: 013764S), be appointed as Branch Auditors for the Company's Branches at Chennai and Kodur, for carrying out the audit of the books of accounts for the Financial Year 2017-2018 and to hold office until the conclusion of next Annual General Meeting, at such remuneration as may be decided by the Board of Directors in consultation with the said Branch Auditors."

5. **Appointment of Cost Auditors:**

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

   "**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time and subject to such guidelines and approval as may be required, appointment of M/s. S. K. Rajani & Co., Cost Accountants as Cost Auditors, for conducting audit of the cost accounting records relating to the Company's Products for the Financial Year 2017-2018 at the remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) per annum and reimbursement of actual travel & out of pocket expenses, as approved by the Board of Directors of the Company, be and is hereby ratified."

SPECIAL BUSINESS:

6. **Re-appointment of Shri Rajnikant Pajwani as the Whole-Time Director & Chief Executive Officer of the Company:**

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

   "RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial

Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and in terms of recommendations of the Nomination & Remuneration Committee and approval of the Board of Directors, the Company hereby accord its approval and consent for the re-appointment of Shri Rajnikant Pajwani (DIN-00086007) as the Whole-Time Director & Chief Executive Officer of the Company, for a further period of 1 year with effect from 1st October, 2017 to 30th September, 2018, on terms and conditions including remuneration, as are set out in the Statement pursuant to Section 102 of the Companies Act, 2013 annexed to this Notice and which forms part of the Agreement between the Company & Shri Rajnikant Pajwani, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the duly authorised Committee of the Board including the Nomination & Remuneration Committee) to alter and vary the terms and conditions of the said appointment, including the remuneration, subject to ceiling as specified in Schedule V of the Companies Act, 2013."

"RESOLVED FURTHER THAT the Board of Directors of the Company or any Committee thereof be and is hereby authorized to do all such acts, deeds and things as it may in its absolute discretion think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/consent from the concerned/appropriate authorities, as may be required in this regard."

7. Loans & Investments by the Company:

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

"**RESOLVED THAT** pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed there under (including any statutory modification and re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions, as may be necessary, approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which shall include any committee thereof for the time being exercising the power conferred by the Board), to make investments and/or give loans / guarantees and/or provide securities in connection with various financial and operational obligations / commitments / requirements of the Company and/or its subsidiaries / step down subsidiaries / associate companies / group companies for the ongoing or future projects, provided that the aggregate value of such investments to be made and/or securities to be provided and/or loans / guarantees to be given, shall not exceed an amount of ₹ 100 Crore over and above the limits specified in Section 186 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board or a Committee thereof be and is hereby authorized to decide and finalize the terms and conditions while making investment, giving loans or guarantee or providing securities within the aforesaid limits inclusive of the power to transfer and/or dispose of the investments so made, considering the business exigencies, if any, from time to time and to execute all deeds, documents and other writings and to do all such acts, deeds, matters and things, as may be necessary and expedient for implementing and giving effect to foregoing resolution."

By Order of the Board of Directors
Sd/-
SACHIN POLKE
COMPANY SECRETARY & VICE PRESIDENT

Place: Mumbai
Date: 10th August, 2017

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of Special Business is annexed hereto.

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

3. The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

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 bring their copies of Annual Report and Attendance Slip for attending the Meeting.

6. Brief details of the Director(s), who are seeking appointment/re-appointment, are annexed hereto as per requirements of the Regulation 36(3) of the Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations 2015 ('Listing Regulations') read with Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India.

7. 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-101, 1st Floor, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083.

8. 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.

9. Members, holding shares in physical form, may avail of the facility of nomination in terms of Section 72 of the Act and Rules made thereunder, by filing prescribed Form No. SH. 13 (in duplicate) with the Company's Registrar & Share Transfer Agent. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participants (DP).

10. The Company's Transfer Books will remain closed from Wednesday, 13th September, 2017 to Thursday, 21st September, 2017 (both days inclusive).

11. Queries on accounts and operations of the Company, if any, may please be sent to the Company at cosec@ashapura.com, at least three 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 adopted/implemented "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. The Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered email addresses of the shareholders.

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

13. The Notice of the Meeting along with the Annual Report 2016-2017 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has specifically requested for a

physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

E-Voting Facility:

I. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 36th Annual General Meeting (AGM), by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on **Monday, 18th September, 2017 at 9.00 a.m.** and ends on **Wednesday, 20th September, 2017 at 5.00 p.m.** During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Thursday, 14th September, 2017**, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

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

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/ Depository Participant(s)]:

(i) Open the attached PDF file **"AML remote e-voting.pdf"** giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your "User ID" and "Password for e-voting". Please note that the password is an initial password. If you are already registered with NSDL for e-Voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: **https://www.evoting.nsdl.com/**

(iii) Click on Shareholder - **Login**

(iv) Put User ID and password as initial password noted in step (1) above and Click Login. If you are already registered with NSDL for e-voting then you can use your existing user ID and password. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

(v) Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof.

(vi) Home page of remote "e-Voting" opens. Click on e-Voting: Active Voting Cycles.

(vii) Select "EVEN" of **"Ashapura Minechem Ltd.".** Members can cast their vote online from **Monday, 18th September, 2017 (9.00 a.m.) till Wednesday, 20th September, 2017 (5.00 p.m.).**

Note: e-Voting shall not be allowed beyond said time.

(viii) Now you are ready for "e-Voting" as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm", when prompted.

(x) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail **bhattvirendra1945@yahoo.co.in** with a copy marked to **evoting@nsdl.co.in**.

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

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

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
-	-	-

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

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of **www.evoting.nsdl.com** or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Thursday, 14th September, 2017.**

X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. Thursday, 14th September, 2017, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in** or **cosec@ashapura.com.**

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Shri Virendra Bhatt, Practicing Company Secretary (Membership No. 1157) has been appointed as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company **www.ashapura.com** and on the website of NSDL **www.evoting.nsdl.com** immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Bombay Stock Exchange Limited & the National Stock Exchange of India Limited.

By Order of the Board of Directors

Sd/-
SACHIN POLKE
COMPANY SECRETARY &
VICE PRESIDENT

Mumbai, 10th August, 2017

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

CIN: L14108MH1982PLC026396

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

Item No. 6:

Re-appointment of Shri Rajnikant Pajwani as a Whole-Time Director & Chief Executive Officer:

Shri Rajnikant Pajwani was appointed as the Whole Time Director & Chief Executive Officer of the Company for a period of 3 years w.e.f. 1st October, 2014 on terms & conditions including remuneration that formed part of the agreement entered into with the Company for which approval was obtained from the Shareholders, by way of a Postal Ballot, the result of which was declared on 1st December, 2014. As such, Shri Rajnikant Pajwani's present term of office expires on 30th September, 2017.

However, considering the current state of affairs of the Company and his expertise in aspects of mining, mineral processing, projects, logistics, resource and business development, the Nomination and Remuneration Committee recommended and the Board of Directors have decided to re-appoint Shri Rajnikant Pajwani as a Whole-Time Director & Chief Executive Officer and renew his term as such for a further period of 1 year from the expiry of his current term, i.e. 30th September, 2017, on terms & conditions including remuneration that forms part of the agreement between the Company & Shri Rajnikant Pajwani, the key excerpts of same are reproduced below and which are subject matter of Shareholders' approval:

a.	Salary	:	₹ 2,50,000/- (Rupees Two Lakh Fifty Thousand only) per month, with authority to the Board to sanction increments, subject to the provisions of the Companies Act, 2013.
b.	Perquisites & other Allowances	:	Perquisites & other allowances shall be paid in addition to the Salary as per the policy of the Company but within the overall limit, if any, prescribed under the Companies Act, 2013, as amended from time to time. He shall also be entitled to receive the following:- a) Contribution to Provident Fund, Superannuation Fund and Gratuity as per the rules of the Company. b) Encashment of leave at the end of tenure.

The above details may be treated as an abstract of terms under the provisions of the Companies Act, 2013.

Shri Rajnikant Pajwani aged 68 years is a mechanical engineer by qualification and is endowed with over 3 decades of rich and varied experience in the mining and mineral processing industry. Having spent a better part of his professional career with the Ashapura Group, Shri Rajnikant Pajwani has played a pivotal in widening the resource base of the Group within India and overseas both though green field applications and through brown field acquisitions.

The specified information required under Section II of Part II to the Schedule V of the Companies Act, 2013 for Payment of Remuneration to Shri Rajnikant Pajwani, Whole Time Director & Chief Executive Officer, while seeking approval/consent of the shareholders, is listed out herein below:

I	**General Information:**	
1.	Nature of Industry	Mining and Mineral Processing Industry
2.	Date or expected date of commencement of commercial production	19th February, 1982
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable

<table>
<tr><td>4.</td><td colspan="2">Financial performance based on given indicators:
(₹ in Lakhs)
<table>
<tr><th></th><th>2016-2017</th><th>2015-2016</th><th>2014-2015</th></tr>
<tr><td>Paid up Capital</td><td>1,739.72</td><td>1,739.72</td><td>1,739.72</td></tr>
<tr><td>Reserves & Surplus</td><td>(28,185.13)</td><td>(22,288.43)</td><td>(28,757.86)</td></tr>
<tr><td>Revenue from Operations</td><td>23,455.36</td><td>59,248.75</td><td>74,923.51</td></tr>
<tr><td>Other Income</td><td>1,253.68</td><td>643.19</td><td>945.18</td></tr>
<tr><td>Profit before Taxation</td><td>(5,896.70)</td><td>6,469.44</td><td>(12,393.72)</td></tr>
<tr><td>Tax Expenses including Deferred Tax</td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>Profit after Taxation</td><td>(5,896.70)</td><td>6,469.44</td><td>(12,393.72)</td></tr>
<tr><td>Managerial Remuneration</td><td>30.00</td><td>30.00</td><td>30.00</td></tr>
</table></td></tr>
<tr><td>5.</td><td>Foreign investments or collaborators, if any</td><td>The holdings of Foreign Portfolio Investor (Corporate), Foreign Institutional Investors and NRIs as on 31st March, 2017 is 24.94% of the equity share capital.</td></tr>
<tr><td>II</td><td colspan="2">Information about the Appointee:</td></tr>
<tr><td>1.</td><td>Background details</td><td>The background details/profile of Shri Rajnikant Pajwani are stated in Annexure-A to this Notice.</td></tr>
<tr><td>2.</td><td>Past remuneration</td><td>₹ 30,00,000/- per annum</td></tr>
<tr><td>3.</td><td>Recognition or awards</td><td>–</td></tr>
<tr><td>4.</td><td>Job profile and his suitability his job</td><td>The job profile of the Whole-Time Director & CEO of the Company includes overall supervision and control of the Company's activities subject to superintendence, direction and control of the Board of Directors.

Further considering his long term association with the Company and his vast expertise in aspects of mining, mineral processing, projects, logistics, resource development and business development etc., he is ideally suited for the job.</td></tr>
<tr><td>5.</td><td>Remuneration proposed</td><td>As stated in the explanatory statement above.</td></tr>
<tr><td>6.</td><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person</td><td>The remuneration proposed to be paid to Shri Rajnikant Pajwani has been determined after taking into consideration the financial performance of the Company.</td></tr>
<tr><td>7.</td><td>Pecuniary relationship directly or indirectly with the company or relationship with the managerial personnel, if any</td><td>Shri Rajnikant Pajwani has no pecuniary relationship with the Company except for the remuneration paid to him as the Whole Time Director and Chief Executive Officer of the Company.

He is not related to any of the Managerial Personnel of the Company.</td></tr>
</table>

III	Other Information:	
1.	Reasons of loss or inadequate profits	During the year under review, there has been a considerable drop in sale of bauxite which was attributed to conservative government policies, custom duty, price fluctuation, increasing logistic cost, reduced demand from Chinese buyers/market, availability of minerals at much cheaper cost & of better quality from the third world countries as also due to low phase in the industry and other industry driven factors, the Company witnessed slow moving pace in its performance during the year 2016-2017. In view of the same, the Company reported Net Loss of ₹ 5,896.70 Lakhs.
2.	Steps taken or proposed to be taken for improvement & expected increase in productivity and profits in measurable terms	The Company, considering a long term approach and sustainable nature of specialized products, is focusing on adding more value added & specialized products to its mineral basket in addition to exploring new geographies. Further, it is taking all necessary efforts to improve its performance and to bring down the cost of operations.
IV.	Disclosures:	
The elements of remuneration to be paid to Shri Rajnikant Pajwani are as stated in explanatory statement above. However, the requisite disclosures have been made in the Boards' Report under the heading "Corporate Governance Report" forming part of the Annual Report for 2016-2017.		

Further, pursuant to provisions of Section 203 of the Companies Act, 2013, he shall be recognized as Key Managerial Personnel of the Company.

In view of above and pursuant to provisions of Section 196 of the Companies Act, 2013, approval of the shareholders is sought for his re-appointment as a Whole Time Director & Chief Executive Officer of the Company, on terms & conditions of his appointment & remuneration that forms part of the Agreement between the Company and Shri Rajnikant Pajwani.

The Board of Directors of your Company accordingly recommends the Resolution as set out in Item No. 6 of the accompanying Notice for the approval of Shareholders of the Company as an Ordinary Resolution.

None of the Directors, Promoters, Manager or any other Key Managerial Personnel and their respective relative(s) is/are concerned or interested in the said Resolution, either financially or otherwise, except to the extent of their shareholding in the Company, if any, other than Shri Rajnikant Pajwani who is concerned or interested in the said resolution as it is relating to his own appointment.

Item No. 7:

Loans & Investments by the Company:

In order to support & supplement ongoing and/or future financial and operational commitments/requirements/exigencies of the Company and/or its subsidiaries/step down subsidiaries/associate companies/group companies, the Company may make investments and/or give loans/guarantees and/or provide securities in/to any of the aforementioned body corporate.

However, in terms of provisions of Section 186 read with rules framed thereunder of the Companies Act, 2013, no Company shall directly or indirectly, without prior approval by means of special resolution passed at a general meeting, make any investment in or give any loan/guarantee or provide any security to any other body corporate exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more.

It is therefore necessary to obtain approval of the shareholders by means of a Special Resolution, authorizing the Board or any of its duly constituted committee thereof, to exercise aforesaid powers, up to maximum amount of ₹ 100 Crores (Rupees Hundred Crores only) over and above the limits specified in the provisions of Section 186 of the Companies Act, 2013.

The Board of Directors of your Company accordingly recommends the Resolution as set out in Item No. 7 of the accompanying Notice for the approval of Shareholders of the Company as Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested financially or otherwise in the resolution except to the extent of their shareholding, if any.

By Order of the Board of Directors

Sd/-
SACHIN POLKE
COMPANY SECRETARY & VICE PRESIDENT

Mumbai, 10th August, 2017

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

CIN: L14108MH1982PLC026396.

'Annexure A'

DETAILS OF DIRECTOR(S) SEEKING APPOINTMENT/RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Name of Director	Shri Chetan Shah	Shri Rajnikant Pajwani
Date of Birth	28th January, 1955	22nd January, 1949
Qualification	Commerce Graduate	Diploma in Mechanical Engineering
Brief Profile & Expertise in specific functional areas	Shri Chetan Shah, co-founder and Promoter of the Company has more than 3 decades of hands-on experience in the field of mining & minerals industry and has been supervising operational & marketing functions of the Ashapura Group's mineral portfolio which among other includes bentonite, bauxite, kaolin, barites and their derivatives/by-products. He has been the governing force behind the rise of Ashapura Group and now under his able guidance & mentoring as also sharing of his immense knowledge of minerals & its derivatives and its usage in various industry has helped Ashapura Group to be a leader in bentonite/bauxite industry.	Shri Rajnikant Pajwani is endowed with expertise in aspects of mining, mineral processing, projects, logistics, resource development and business development by virtue of his over 3 decades of rich and varied experience in the mining and mineral processing industry. Having spent a better part of his professional career with the Ashapura Group, Shri Rajnikant Pajwani has played a pivotal in widening the resource base of the Group within India and overseas both through green field applications and through brown field acquisitions.
Directorship in other Public Companies	1. Ashapura International Ltd. 2. Ashapura Perfoclay Ltd. 3. Ashapura Claytech Ltd. 4. Ashapura Industrial Finance Ltd. 5. Ashapura Aluminium Ltd. 6. Bombay Minerals Ltd.	**1.** Prashansha Ceramics Ltd. **2.** Ashapura Perfoclay Ltd.
Chairmanship/Membership of the Committees of the Board*	**Membership** 1. Ashapura Minechem Ltd. - SRC 2. Ashapura Perfoclay Ltd. - AC	**Membership:** 1. Ashapura Perfoclay Ltd. - AC
No. of shares held in the Company as on 31st March, 2017	1,35,43,814 Equity Shares	36,800 Equity Shares

* Represents only Membership/Chairmanship of the Audit Committee (AC) and the Stakeholders Relationship Committee (SRC) of Indian Public Limited Companies.

DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Thirty Sixth Annual Report of the Company together with the Audited Financial Statements (Standalone & Consolidated) for the year ended 31st March, 2017.

FINANCIAL RESULTS AND PERFORMANCE:

(₹ In Lakhs)

	Ashapura Minechem Ltd.		Consolidated	
	2016-2017	2015-2016	2016-2017	2015-2016
Net Sales / Income from Operations	**23,455.36**	59,248.75	**1,00,272.31**	1,77,534.81
Less: Total Expenditure	**28,169.82**	52,923.57	**94,108.94**	1,55,796.05
Profit /(Loss) from Operations before Dep., Other Income and Exceptional Items	**(4,714.46)**	6,325.18	**6,163.37**	21,738.76
Less: Depreciation	**2,435.91**	2,041.45	**6,160.59**	4,386.24
Add: Other Income	**1,253.68**	643.19	**1,202.44**	895.95
Profit/(Loss) before Exceptional & Extra-ordinary Items and Tax	**(5,896.70)**	4,926.92	**1,205.22**	18,248.47
Exceptional Items	**—**	1,542.52	**—**	1,542.52
Profit /(Loss) before tax	**(5,896.70)**	6,469.44	**1,205.22**	19,790.99
Tax Expenses				
Current Tax	**—**	—	**2,795.53**	4,836.00
Earlier Year's Tax	**—**	—	**(5.40)**	59.26
Deferred	**—**	—	**104.29**	(406.36)
Net Profit / (Loss)	**(5,896.70)**	6,469.44	**(1,689.20)**	15,302.08
Minority Interest	**—**	—	**(1.80)**	1.16
Share of Profit/(Loss) in Associate Company	**—**	—	**(41.94)**	930.17
Net Profit / (Loss) of Group	**—**	—	**(1,732.94)**	16,233.41

The Financial Year 2016-17 was below par in terms of revenues and profits both on a stand-alone and a consolidated basis. Although on one hand many of the Company's Bentonite, Bleaching Clay and other value-added products surpassed expectations this year, the Bauxite revenues were subdued on account of export duties continuing to erode the competitiveness of Indian Bauxite versus other global suppliers into Asia. Accordingly, the revenue from operations stood at ₹ 23,455.36 lakhs for Financial Year ended 31st March, 2017 on standalone basis, i.e. approx. 60% down as compared to the previous financial year that stood at ₹ 59,248.75 lakhs. At Consolidated level also, the revenue from operations dropped by 43% and stood at ₹ 1,00,272.31 lakhs as compared to previous financial year that stood at ₹ 1,77,534.81 lakhs.

In the back drop of decline in total income from operations, the Company at standalone level reported Net loss of ₹ 5,896.70 lakhs for the financial year ended 31st March, 2017 as against Net profit of ₹ 6,469.44 lakhs for the previous financial year ended 31st March, 2016 after having provided for expenditure of ₹ 28,169.82 lakhs for the year under review. At consolidated level also, the Company reported having Net Loss of ₹ 1,689.20 lakhs for the financial year ended 31st March, 2017 as against Net profit of ₹ 15,302.08 lakhs for the previous financial year ended 31st March, 2016 after providing for expenditure of ₹ 94,108.94 lakhs & tax/exceptional item of ₹ 2,894.42 lakhs for the year under review.

While the Company is in the process of re-aligning its Bauxite operations to enhance its competitiveness and to recoup market share in Bauxite exports, it continues to petition to the Government of India to abolish export duties on Bauxite.

Consistent with its strategy to expand its resource and marketing base the Company has already set-up base in Indonesia, Guinea & South Korea via step-down subsidiaries.

Furthermore, green shoots in the domestic and global infrastructure, auto, refractory industries augur well for the Company's value offerings for FY 2017-18.

DIVIDEND:

Considering the net loss for the year and financial position of the Company, your Directors have not recommended any Dividend for the year ended 31st March, 2017.

DEPOSITS:

Your Company has not accepted any amount as deposits within the meaning of provisions of Chapter V – Acceptance of Deposits by Companies of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

SUBSIDIARIES AND JOINT VENTURES:

The business performance and overview of the principal subsidiaries and joint venture companies is given herein below:

Ashapura International Limited (AIL)

Despite Bentonite business exhibiting substantial growth rate during the Financial Year 2016-17 which mainly emanated from industries like Foundry, Civil & Oil Drilling, Pump Sets, Iron Ore Pallets (IOP) Industry, the revenues declined on account of drop in the sale of bulk ores and minerals such as Bauxite and Barytes. For the Financial Year 2017-18, it is expected that demand for Bentonite will continue to grow with the growing Automobile Industry, Infrastructure projects, favourable government policies and prediction of good monsoon.

Bombay Minerals Limited (BML)

During the year under review, though the major revenue emanated from export of Bauxite, BML reported overall decline in its revenue due to subdued global economic environment impacting the export. Apart from Bauxite, BML generated revenues from supply of Calcined Bauxite to domestic users and also from sale of Proppant & different grade of Cement processed at the BML's newly set-up unit at Baraya. BML, however, is hopeful that in long run Indian Bauxite will be considered as reliable source of supply both at high and low levels of ocean freight.

As regard Calcined Bauxite, BML is carrying out various research & development activities for its application in other products/ industries which presently is used in Refractory, Abrasive, Steel & Anti-Skid (Road Surfacing) application industries.

As stated above, BML's new unit set-up at Baraya will be utilised for production of Proppant and High Alumina Refractory Binder (HARB). Proppants are used in non-conventional Hydraulic fracturing – technique for extraction of shale oil and gas reserves. HARB is a Calcium Aluminate Bonder for formulating conventional, low cement and insulating castables used in the Cement Industry, Ferrous and Non-ferrous industry. The new facility would be operational at optimal capacity during Financial Year 2017-18.

Ashapura Perfoclay Limited (APL)

During the year under review, APL registered a growth of 29% in net revenue as compared to previous financial year which was mainly on account of strong volume growth in both domestic and export market aided by improved realisation in international market. Accordingly, APL continues to expand its presence in Global market as demand continue to grow in Middle East, South East Asia, SAARC with significant breakthrough in Indonesia, Vietnam, Bangladesh and Korea. Also, APL reduced its long term borrowing through better fiscal management aided by good cash flows and operational efficiency.

APL is the world 3rd largest Bleaching Clay producer in the world and during the year has successfully commissioned 2 new phase of capacity expansion that increased its capacity by 50% thereby making LER, Bhuj facility as the largest single location Bleaching Earth facility in the world as also it managed to retain its number one position of a quality and reliable supplier to the Edible oil refineries in India. In regard to clay catalyst, the business remained stable due to the slowdown in new petrochemical projects worldwide due to depressed crude prices. However, APL is exploring the option to supply other products required by the industry and is in advanced stage of product development and subsequent launch in the market. Towards the end of Financial Year 2017-18, APL will have further added 2/3rd of its existing capacity.

International Business

The other overseas subsidiaries and joint ventures of the Company in Antwerp, UAE and Oman exhibited modest increases in revenues and profits, concomitant to the growth in their respective regions.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiaries, Associates and Joint Ventures (in Form AOC-1) is attached to the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS:

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

INDIAN ACCOUNTING STANDARDS (IND AS):

Pursuant to the provisions of Companies (Indian Accounting Standards) Rules, 2015, the Indian Accounting Standards (Ind AS) have been adopted and implemented in the Company w.e.f. 1st April, 2017. Accordingly, the Company shall prepare and present the 'Ind AS' compliant Financial Results starting from 1st Quarter of the Financial Year 2017-18.

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' (BIFR Case no. 34/2011) under section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985.

Consequently, the BIFR Bench appointed Bank of India as Operating Agency (OA) with directions to submit Draft Rehabilitation Scheme (DRS). Based on the various meetings with the Operating Agency and subsequent revisions, your Company presented revised Draft Rehabilitation Scheme (DRS) and the same was under discussion amongst various concerned lenders for finalization.

However, vide Notification dated 25th November, 2016 from Ministry of Finance (Department of Financial Services), the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 has been enforced with effect from 1st December, 2016 and as a result of which BIFR stands dissolved & Shri Arun Chadha, a Special Director appointed by BIFR, ceases to exist on the Board of the Company.

Even though your Company is currently seeking legal advice for further course of action, it is committed to arrive at an arrangement with lenders/creditors and accordingly, has initiated discussions/negotiations with all financial institutions/banks. Your Company has also concluded and completed settlements with a majority of the lenders. Similarly, discussions are being conducted with other major creditors which are pending settlement.

STATUS OF THE PENDING LITIGATIONS:

1. SHIPPING MATTERS:

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

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

Since the award of claims of each of the three shipping companies were heavily exaggerated, the Company had much prior in time filed an application against the enforcement of award and had initiated legal proceedings against the alleged arbitration award in the Civil Court at Jam-Khambhaliya, Gujarat on the ground that the same are opposed to the Public Policy of India.

Matters are also pending in the Hon'ble Supreme Court apart from District Court at Khambhaliya and Jamnagar.

In the matter of Eitzen, the Company is proposing to file a Curative Petition before the Hon'ble Supreme Court of India against the Order / Judgment passed by the Hon'ble Supreme Court of India in Special Leave Petition filed by Eitzen.

In the matter of Armada and Pacific Basin, the Company has filed a SLP before the Hon'ble Supreme Court of India against the Order / Judgment passed by Hon'ble Bombay High Court.

2. FOREX DERIVATIVES:

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

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

Proceedings filed by HDFC Bank Limited and J P Morgan are pending at various stage in the Tribunals and Court of Law.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN 31st MARCH, 2017 AND 10th AUGUST, 2017 (DATE OF THE REPORT):

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and date of this report.

SIGNIFICANT AND MATERIAL ORDERS BY THE REGULATIONS:

During the year under review, except as earlier stated, the Company has not received any significant or material order passed by any regulatory authority, court or tribunals which shall affect the going concern status of the Company.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on 'Corporate Governance' along with the Certificate from M/s. Sanghavi & Co., Chartered Accountants regarding its compliance and 'Management Discussion and Analysis' Report as stipulated under Regulation 34 of the Listing Regulations are set out separately which form part of this Annual Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In pursuance of Section 134(5) of the Companies Act, 2013 read with the rules made there under, including any enactment or re-enactment thereon, the Directors hereby confirm that:

a. in the preparation of the annual accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

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

c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d. the Directors had prepared the annual accounts on a going concern basis;

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

f. the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Retire by Rotation:

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of your Company, Shri Chetan Shah, Chairman (Non-Executive), retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment.

The details of Shri Chetan Shah for re-appointment as required under the provisions of the Companies Act and Listing Regulations are provided in the Notice convening the ensuing Annual General Meeting.

Re-appointment of Mr. Rajnikant Pajwani as Whole-Time Director & Chief Executive Officer:

Shri Rajnikant Pajwani was appointed as the Whole-Time Director & Chief Executive Officer of the Company for a period of 3 years w.e.f. 1st October, 2014 on terms & conditions including remuneration that formed part of the agreement entered into with the Company for which approval was obtained from the Shareholders, by way of a Postal Ballot, the result of which was declared on 1st December, 2014. As such, Shri Rajnikant Pajwani present term of office expires on 30th September, 2017.

However, considering the current state of affairs of the Company and his expertise in aspects of mining, mineral processing, projects, logistics, resource and business development, the Nomination and Remuneration Committee recommended and the Board of Directors at their meeting decided to re-appoint Shri Rajnikant Pajwani as a Whole-Time Director & Chief Executive Officer and renew his term as such for a period of 1 year from the expiry of his present term, i.e. 30th September, 2017, on the same terms & conditions including remuneration, which is subject to the approval of the Members of the Company.

Accordingly, pursuant to provisions of Section 196 of the Companies Act, 2013, resolution seeking approval of the shareholders for his re-appointment as a Whole Time Director & Chief Executive Officer of the Company forms part of Notice convening Annual General Meeting.

Declaration by Independent Directors:

The Company has received declarations from all the Independent Directors of the Company confirming that each of them, respectively meet the criteria of independence as provided under the provisions of the Companies Act and the Listing Regulations.

Appointment of Key Managerial Personnel:

In accordance with the provisions of Sections 2(51) and 203 of the Companies Act, 2013, Shri Rajnikant Pajwani, Whole Time Director & Chief Executive Officer and Shri Sachin Polke, Company Secretary & Vice President are recognized as the Key Managerial Personnel of the Company.

In addition, the following Executives of your Company have been recognized as a whole-time Key Managerial Personnel to perform such duties/functions as may be assigned to them under their prescribed designation and/or generally and specifically assigned to them by the Board of Directors and/or its Committee from time to time:

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

PERFORMANCE EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, Listing Regulations and Performance Evaluation Policy of the Company, the Board of Directors, in consultation with the Nomination & Remuneration Committee and Independent Directors, carried out & analysed the annual performance evaluation of all the Directors, the Board as a whole and its Committees.

The performance evaluation framework was designed keeping in view the Guidance Note on Board Evaluation issued by SEBI and accordingly, a structured questionnaire was formulated having qualitative parameters such as functioning, information availability, leadership qualities, compliance and governance, effectiveness etc.

Evaluation of the Board was based on criteria such as composition and role of the Board, Board communication and relationships, functioning of Board Committees, strategic planning, etc.

Evaluation of Directors was based on criteria such as participation and contribution in Board and Committee meetings, experience and expertise to provide feedback and guidance to top management on business strategy, governance and risk, understanding of the organization's strategy, risk and environment etc.

Based on the annual performance evaluation the Board expressed its satisfaction with the evaluation process.

NOMINATION & REMUNERATION POLICY:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Nomination & Remuneration Committee formulated the Nomination & Remuneration Policy that was duly adopted by the Board of Directors to ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and to meet appropriate performance benchmark. The Nomination & Remuneration Policy lays down the framework for selection and appointment of Directors including determining qualifications and independence of a Director, Key Managerial Personnel, Senior Management Personnel and their remuneration.

The Nomination & Remuneration Committee, after identifying and ascertaining the integrity, quotient, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management Level, recommends his/her appointment to the Board of Directors. The remuneration and commission paid to the Whole-Time Director is in accordance with the percentage/ slabs/conditions as per the provisions of the Companies Act, 2013. The KMPs, Senior Management Personnel and other employees of the Company are paid monthly remuneration as per the Company's HR policies and/or as may be approved by the Committee. If the remuneration of KMPs or any other officer is to be specifically approved by the Committee and/or the Board of Directors then such approval is accordingly procured.

The Policy on Nomination & Remuneration is available on the website of the Company viz. www.ashapura.com. The details about the Nomination & Remuneration Committee and payment of remuneration to the Directors are provided in the Report on Corporate Governance which forms part of this Annual Report.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

The information required under Section 197 of the Companies Act, 2013 in respect of Directors/ employees of your Company is set out in "**Annexure - A**" to this Report.

MEETINGS OF THE BOARD:

During the year under review, four (4) meetings of the Board of Directors were held. The dates of the meetings are provided in the Report on Corporate Governance which forms a part of this report.

AUDIT COMMITTEE:

The Company has an Audit Committee of the Board of Directors in place. The terms of reference of the Audit Committee are in line with Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Detailed information pertaining to the Audit Committee including its composition has been provided in the Corporate Governance Report, which forms part of this Annual Report.

AUDITORS AND AUDITORS' REPORT:

Statutory Auditors:

At the 33rd Annual General Meeting held on 25th September, 2014, the Company pursuant to provisions of Section 139 of the Companies Act, 2013 appointed M/s. Sanghavi & Co., Chartered Accountants as the Statutory Auditors of the Company to hold the office till the conclusion of Annual General Meeting to be held in the year 2017.

In reference to this, the Board of Directors at their Meeting held on 10th August, 2017, recommended that M/s PARK & Co., Chartered Accountants, be appointed as Statutory Auditor of the Company, in place of M/s. Sanghavi & Co., for a period of five years so as to hold the office till the conclusion of Annual General Meeting to be held in the year 2022, subject to the ratification of Members of the Company at every Annual General Meeting.

The Company has received written consent and certificate of eligibility in accordance with Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 from M/s. PARK & Co., Chartered Accountants.

The Board places on record its appreciation for the services rendered by M/s. Sanghavi & Co., Chartered Accountants, during their tenure as Statutory Auditor of the Company.

Auditors' Observations:

In reference to the observation made by Auditors in their Report on page number 60, the Management, based on the legal opinion obtained by the Company, is of the view that the said claims are continued to be disputed and the Company is pursuing various legal options available to challenge the said arbitration awards.

Other observations made by Auditors in their Report are self-explanatory and does not require any further clarifications.

Branch Auditors:

In terms of provisions of Section 139, 143(8) and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, it is proposed that M/s. Sri Sesha & Ravi, Chartered Accountants (FRN: 013764S) be appointed as Branch Auditors, in place of M/s. B. Purushottam & Co., Chartered Accountants, to conduct the audit of the Company's branches at Chennai and Kodur for the financial year 2017-18.

Accordingly, the Company has received consent from M/s. Sri Sesha & Ravi, Chartered Accountants, to act as Branch Auditors of the Company for the Financial Year 2017-18 and that the resolution seeking approval of the Members forms part of Notice convening Annual General Meeting.

Cost Auditors:

Pursuant to Section 148 of the Companies Act, 2013, the Board of Directors has appointed M/s. S. K. Rajani & Co., Cost Accountants as the Cost Auditors of the Company to conduct audit of the Company's Cost Accounting Records in respect of the products of the Company for the financial year 2017-2018 at the remuneration of ₹ 2,00,000/- (Rupees Two Lakhs only) per annum and reimbursement of actual travel & out of pocket expenses.

Your Company has received consent from M/s. S. K. Rajani & Co., Cost Accountants, to act as the Cost Auditors of your Company for the financial year 2017-2018 along with a certificate confirming their independence. As per the provisions of the Companies Act, 2013, a resolution seeking approval of the Members for the remuneration payable to the Cost Auditors forms part of the Notice convening Annual General Meeting.

The Cost Audit Report for the financial year 2015-2016 was filed with the Ministry of Corporate Affairs on 22nd August, 2016.

Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, your Company engaged the services of Shri Virendra G. Bhatt, Company Secretary in Practice, Mumbai to undertake the Secretarial Audit of the Company for the financial year ended 31st March, 2017. The Secretarial Audit Report in **Form No. MR – 3** for the Financial Year ended 31st March, 2017 is annexed with this report as **"Annexure - B"**.

SECRETARIAL AUDITOR'S OBSERVATIONS:

Your Directors would like to bring to the notice of the Members that considering the financial condition, the Company has been finding it difficult to induct able and willing candidates who is suitable to hold fiduciary positions including that of the Chief Financial Officer i.e. Key Managerial Personnel as required under the provisions of the Companies Act, 2013.

Considering the current scenario, the management has recognized Shri Ajay Phalod, Sr. General Manager–Corporate Finance and Shri Ashish Desai, Sr. General Manager – Accounts as whole time Key Managerial Personnel to perform such duties/functions as may be generally performed by the Chief Financial Officer.

INTERNAL (FINANCIAL) CONTROL SYSTEM & THIER ADEQUACY:

The Company has in place appropriate internal (financial) control systems for business processes with regard to its financial & operational reporting, safeguarding of assets of the Company, prevention and detection of frauds & errors, accuracy & completeness of accounting records, ensuring of compliance of corporate policies and applicable laws & regulations.

In order to strengthen the Internal (financial) Control System, the Company has appointed M/s. Atul HMV & Associates LLP, Chartered Accountants as its Internal Auditors for the financial year 2017-18 to carry out the periodic audit of the functions and activities of the Company as per the Scope of work approved by the Audit Committee.

The Audit Committee is entrusted with the responsibility of reviewing & confirming the adequacy and effectiveness of Internal (financial) Control System whereby significant internal audit observations and management comments thereon are reported on a quarterly basis as also the events of major concerns are reported to the Board of Directors. The Audit Committee further reviews the status report on follow-up of proposed/recommended actions & their due implementation.

Besides this, the Company has also implemented 'SAP' Systems, an advanced IT business solution platform, to achieve standardizing operations that ensures seamless data and information flow. This would further ensure ease in working environment & style and shall enable the Company to be in line with the best Global practices.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has adopted the Corporate Social Responsibility (CSR) Policy in accordance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013. The CSR Policy lays down the guiding principles for social welfare programs/projects for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons. The Policy is available on the website of the Company viz. www.ashapura.com. The Composition of the CSR Committee is given in the Report on Corporate Governance.

During the year under review, your Company taking into account the below par operational & financial performance as also continued reflection of negative Net Worth, has not specifically made provision for CSR activities for the Financial Year 2016-2017 as required under Section 135 of the Companies Act, 2013.

However, the Company at Group Level continues to contribute towards CSR activities and has always focused on its Corporate Social Responsibility obligation and is undertaking various initiatives to touch and improve lives of less fortunate and underprivileged sections of the Society by conducting and contributing towards various social welfare programs like Education, Women Empowerment, Health, Culture & Rural Development etc.

VIGIL MECHANISM - WHISTLE BLOWER POLICY:

The Company has formulated a Whistle Blower Policy in compliance with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations with a view to build and strengthen a culture of transparency and trust within the Company and to provide a framework to its Directors and Employees for responsible and secure reporting of improper activities. Through Vigil Mechanism Directors and Employees of the Company may report unethical behaviour, malpractices, wrongful conduct fraud and violation of Company's Code of Conduct to the Vigilance and Ethics Officer/Whistle Committee. The said mechanism is available to the Directors and Employees to report to the Whistle Committee on a confidential basis.

The policy provides for adequate safeguards against victimization of Directors or Employees who avail the mechanism and also provides for direct excess to the Chairman of the Audit Committee.

The said Policy is available on the website of the Company viz. www.ashapura.com. During the year under review, no compliant has been received under the Whistle Blower Policy (Vigil Mechanism).

RISK MANAGMENT POLICY:

The Board of Directors of your Company has laid down a Risk Management Policy for the Company that identifies elements of risks inherent to the business and have entrusted the Audit Committee with the responsibility of reviewing the said policy. The policy is reviewed by the Audit Committee on regular basis considering the industry & global risk associated with the business of the Company.

RELATED PARTY TRANSACTIONS:

Pursuant to the provision of the Companies Act and Listing Regulations, the Company has in place the Policy on Related Party Transactions and the same is uploaded on Company's website at www.ashapura.com.

As per the policy, all related party transactions are pre-approved by the Audit Committee and the Board of Directors. The Audit Committee, after taking into account such repetitive/regular transactions with related party(ies) that will be entered / carried out in the Ordinary Course of Business and at Arm's Length basis, grant omnibus approval, based on the criteria formulated and duly approved by the Board of Directors. Moreover to monitor due compliance, all related party transactions are reviewed by the Audit Committee & the Board of Directors on quarterly basis.

During the year under review, all the transactions entered pursuant to the contracts and arrangements with related parties under Section 188 (1) of the Companies Act, 2013, were on arm's length basis and in the ordinary course of business. The Company has not entered into any transaction with related party which were material in nature (i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements). Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The details of related party transaction are disclosed in the notes to Financial Statements. (Note No. 40)

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

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

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under the Companies Act, 2013, are provided in "**Annexure - C**" to this Report.

EXTRACT OF ANNUAL RETURN:

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

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has in place a Policy on Prevention of Sexual Harassment at workplace in compliance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules framed thereunder. This policy has been formulated to create and maintain a safe working environment where all employees treat each other with courtesy, dignity and respect irrespective of their gender, race, caste, creed, religion, place of origin, sexual orientation, disability, economic status or position in the hierarchy.

An Internal Complaints Committee has been constituted under the policy which provides a forum to female employee to lodge complaints, if any, therewith for Redressal.

During the year, no complaint was lodged with the Internal Complaints Committee (ICC) formed under the policy. The said Policy is available on the website of the Company viz. www.ashapura.com.

ACKNOWLEDGEMENT:

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

For and on Behalf of the Board of Directors

Sd/-	**Sd/-**
CHETAN SHAH	**RAJNIKANT PAJAWANI**
CHAIRMAN (NON-EXECUTIVE)	**WHOLE-TIME DIRECTOR & CEO**
(DIN: 00018960)	**(DIN: 00086007)**

Place : Mumbai
Date : 10th August, 2017

E. & O.E. are regretted

ANNEXURES TO DIRECTORS' REPORT

"ANNEXURE - A"

INFORMATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR THE F.Y. 2016-2017

a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year: **11.81 times***

* Ratio calculated on the basis of remuneration of Whole-time Director & CEO.

b) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year: **Nil**

c) The percentage increase in the median remuneration of employees in the financial year: **23.36%**

d) The number of permanent employees on the rolls of company: **690** (Previous year 978)

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

Overall increase in salary	**:**	**-13.34%**
Increase in salary for Managerial person	**:**	**4.39%**
Increase in salary for other than Managerial person	**:**	**-14.51%**

Note: 1) The Managerial Personnel include the other Whole Time Key Managerial Personnel recognized by the Board of Directors of the Company.

2) Decrease in salary as on 31.03.2017 is due to reduction in manpower to 690 versus last year 978 (31.03.2016).

f) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel (KMP) and other employees is as per the remuneration policy of the company.

Note: Considering the financial position of the Company and the negative Effective Capital for the year ended 31st March, 2016 calculated as per the provisions of Schedule V of the Companies Act, 2013, the Whole-time Director continued to receive minimum remuneration during the Financial Year 2016-2017 as prescribed under Schedule V of the of the Companies Act, 2013 and for which approval was obtained from the members of the Company, by way of a Postal Ballot, the result of which was declared on 1st December, 2014.

g) A statement showing the name of top ten employees in terms of remuneration drawn and the name of every employee who:

1. if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees: **NA**
2. if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month: **NA**
3. if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: **NA**
4. Particulars of employees posted and working in a country outside India, not being directors or their relatives, drawing more than sixty lakh rupees per financial year or five lakh rupees per month: **NA**

"ANNEXURE - B"

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Ashapura Minechem Limited

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company during the audit period covering the financial year ended on March 31, 2017 has prima facie complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under**;**

(iii) Foreign Exchange Management Act, 1999 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;

(iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31st March, 2017:-

(a) The Securities And Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;

(b) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(c) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(d) The Securities & Exchange Board of India (Issue & listing of Debt securities) Regulations, 2008 (Not applicable during the audit period);

(e) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable during the audit period);

(f) The Securities & Exchange Board of India (Buyback of Securities) Regulations,1998;

(v) For the other applicable laws, our audit was limited to:

i. Industrial Disputes Act, 1947

ii. The Payment of Wages Act, 1936

iii. The Minimum Wages Act, 1948

iv. The Employees Provident Fund & Miscellaneous Provisions Act, 1952

v. The Payment of Bonus Act, 1965

vi. The Payment of Gratuity Act, 1972

vii. The Contract Labour (Regulations & Abolition) Act, 1970

I further report that, based on the Management Representation Letter, the Company has *inter-alia* complied with the following laws:

i. Mines Act, 1952

ii. Metalliferous Mines Regulations, 1961

iii. Water (Prevention & Control) of Pollution Act, 1974

iv. Air (Prevention & Control) of Pollution Act, 1981

v. Customs Act, 1962

vi. Hazardous Wastes (M&H) Rules

vii. Environment Protection Rules, 1986

viii. Mineral Conservation & Development Rules, 1988

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

a. The Listing agreements entered into by the Company with Stock Exchange read with Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

b. Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.

I report that the Company has not appointed Chief Financial Officer as required under section 203 (1) (iii) of the Companies Act, 2013 during the audit period under review.

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

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

I further report that the board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

I further report that:-

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

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

Place: Mumbai
Date: 10th August, 2017

"ANNEXURE – C"

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

A. CONSERVATION OF ENERGY

a) Energy Conservation measures taken:

1. Use of CFL into LED lights.
2. VFD-provision given in almost all rotatory equipments i.e. Blunger, Agitator & Primary Air Blower.
3. Transparent sheet and Roof ventilation fan is fitted reduce power consumption as well as dust heat reduction.
4. Installed screw classifier to separate the silica sand from kaolin clay.
5. Installed different capacity of Granulator, Pulveriser, Ball Mill, Jaw Crusher, Filter Press as well as different grinding mills for varied batch size of mineral processing.
6. Installed HT capacitor in HT motor for improvement of power factor.
7. Integration of PLC- Automated Control System along with VFD provision in Dryer and Kiln.
8. Silo is fitted to feed material in bucket elevator, avoid manual feeding practices.
9. Additional burner provision and new discharge opening fabricated before kiln feed for use of Dryer only for low temperature processing.

b) Impact of above measures:

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

B. TECHNOLOGY ABSORPTION:

	2016-2017	2015-2016
1. Efforts made towards technology absorption	**(1) Specialty Mineral Products** a. Scale-up implementation of Proppant production at Plant level. b. Developed- Activated Bauxite and its scale up production for purification of Petrochemical industry bye-products. c. Developed various grades of High Alumina Cement i.e. Supercem – 50, 70 & 80 and establish SOP at Plant level. d. Value-addition in the refractory and castable products by improvement in process i.e. BFA grades and HFST-grade Calcined Alumina. e. Inert Ceramic Balls development for bed support application in Oil refinery industries. f. Development of light weight – High-temperature insulating material i.e. Grog.	**(1) Specialty Mineral Products** a. Development of Ceramic Proppants - High & Intermediate Strength, for Hydraulic Fracturing Applications. b. Developed Activated Bauxite for purification of Lubricant Oil and Transformer Oil. c. Development of Ashlite-60 products. d. Development of Ashlite-70 product at R&D level. e. Beneficiation studies of Silica-rich Bauxite i.e. Silica-removal, suitable for refractory application. f. Development of Yellow colored-Calcined Bauxite for Anti-skid road applications. g. Activated bauxite development for purification of Lubricant Oil.

	g. Resourcing and development of resin coated Sand grade proppant. **(2) Industrial Functional Minerals** a. Development of Bentonite grades for various industries i.e. Pharma & Cosmetic, Ceramic, Wine, Fiber & foundry grade Bentonite and successfully completed the production of trial order of the developed products. b. Developed Bentonite with property of retaining viscosity in KCL solution. c. Developed cat-litter with whiteness properties and change in color identification while its use. d. Worked on regeneration and reuse of spent clay use in Oil Bleaching application. e. Development of liquid-coal additive for improvement in coal burning efficiency in boilers. **(3) Water & Waste Water Treatment (WWWT)** a. Developed MetaCIL products and carried out trials in various industries for treatment of industrial effluent/waste water containing pollutants such as Pb, Mn, Zn, Cr, Ni, F, As, etc. b. Successfully, treated effluents samples from electroplating, metal processing, pesticide industries, etc. up to the safe-discharge/disposal, limits / norms of Hazardous waste management categories defined by Government of India. c. Mineral based Adsorbents developed for effective/efficient removal of pollutant such as Fluoride, Arsenic, Selenium, etc. in Drinking water purification process.	**(2) Industrial Functional Minerals** a. Development of Bentonite suitable for Pond Sealing. b. Development of Cement Stability grade Bentonite. c. Development of Pharma and soap-grade Attapulgite. d. Studies of optimization of Bentonite use, for Hematite and Magnetite Grade Iron Ore. e. Development of High-WTS and High-Thermal durability Bentonite products. f. Developed Ceramic Grade Bentonite material. g. Development of Pharma, Cosmetic & Wine Grade Bentonite at R&D level. h. Development of Activated Bauxite/ Attapulgite for Wax refining application. **(3) Water & Waste Water Treatment (WWWT)** a. Development of MetaCIL - product for heavy metal ions removal from Effluent/ Waste-water. b. Material development for removal of Heavy metals/Toxic ions from effluent collected from various industries i.e. Hindalco, Unilever, Textile, etc. c. APL-waste acid treatment studies completed at R&D.

	(4) White Performance Minerals & Products a. Ground Calcium Carbonate - resourcing from various mines in different part of the world. b. Development and implementation of Ceramic grade - Kaolin suitable of its use in Glaze application. c. Beneficiation and development of Pharma and Cosmetic grade minerals products of Kaolin, Talc, Attapulgite, GCC, etc. d. Development of alumina based adsorbent for various applications i.e. desiccant, Polyethylene and chloride grade. e. Processing of Trivandrum-Clay in TAC-center for its application in Chemical industry. f. Improvement in Bleaching efficiency of Attapulgite using edible-grade acid. **(5) Silica sand** a. Resourcing and development of uncoated-silica sand for hydraulic fracturing application. **(6) Technology Absorption Center** Process parameters optimization of the following developed materials: i) Activated Bauxite processing – 4 MT. ii) High Alumina Cement Supercem–70. iii) Brown Fused Alumina and HFST-grade Calcined Alumina. iv) Kaolin processing – finer fraction for Chemical Industrial use. v) Processing of various grade minerals i.e. Bentonite, Bauxite, Attapulgite, Kaolin, etc. vi) Waste water treatment process optimization at large volume.	**(4) White Performance Minerals & Products** a. Kaolin resourcing from different mines located near to Bhuj and optimization study of all process parameters. b. Process and optimized all process parameters for manufacturing of Ground Calcium Carbonate at Plant level. c. Development of Precipitated Calcium Carbonate at R&D stage. **(5) Allied Minerals Products** a. Development of Building Material Products such as Wall putty, Instant Sealing compounds, Tile adhesive, etc. for Building material applications. b. Utilization of waste Gypsum in making Bricks.

2. Benefits derived like product improvement, cost reduction, product development, import substitution, etc.	a. Various - types of High Alumina Cement and refractory grade products development will increase the business volume and profitability. Continuous, in-house research and development of products leads to improvement of quality gives customer satisfaction. b. Scale-up of the product development process at Technology Absorption Center (TAC) help to decide the SOP required for production at Plant. Also, scale-up study requires low investment in using raw material, power & fuel consumption. c. In-house product development of Pharma & Cosmetic grade products of various minerals open-up new areas/ field for business development. On adding such niche products, value additions can also be done in terms of overall profitability of business and open-up the new application area to supply products to Pharma and cosmetic industries. d. Addition of efficient adsorbents in the product basket also provide opportunity to provide effective solution to the Drinking Water and Waste-water / effluent industries on removal of pollutants such as Fluoride, Arsenic, Selenium, etc. and because of continual R&D-approach will introduce efficient adsorbent with long lasting properties and low cost. e. During current year, TAC-facility commissioning work is completed in area of 14,000 sq. ft. where have different mineral processing sections i.e. Dry and Wet, Drying, Calcination and sintering section -dedicated facilities to pulverize, grind, mill, drying, calcination and sintering of minerals. TAC facilities access is for R&D for in-house projects scale up study as well as used by the various mineral processing plants. TAC-facility is also used by Quality and production team to optimize process parameters by formulating trials at medium scale batch size i.e. 200 kg to	a. Ceramic proppant useful for fracturing of shell to extract Oil & Gas from Oil wells. In-house technology development for High & Intermediate strength proppant with low specific gravity value will give better performance at application end. The use of raw materials with low cost, reduce the production cost of developed Proppant. b. High-alumina products i.e. Ashlite – 60 & 70, development using Clay, Calcined Bauxite and appropriate Binder will enhance the product portfolio. In-house know-how of the products technologies save cost for new product development with low apparent porosity and high bulk density property. c. In-house technology development for Bentonite based various enhanced properties i.e. High-WTS, High thermal durability as well as its development for various applications such as Pond Sealing, Pharma & Cosmetic grade, IOP-grade, Ceramic grade, Cement Stability grade, etc. give value addition in terms of finding new application areas. Enhancement in the properties for niche product development, create profitability by beneficiating high grade minerals. d. High content of silica in bauxite limits its usage for refractory applications. Beneficiation of bauxite i.e. Silica removal by using screening and washing methods improve the quality of Raw Bauxite for development of high grade products. e. In-house testing/mine resource exploration of Ground Calcium Carbonate & Kaolin mineral and its process enhancement create quality in the current range of products. R&D development on Precipitated Calcium Carbonate will be introducing new products range of applications. f. Mineral base solution to Water and Waste-water treatment collected from various industries lead to the

	1 tons of mineral processing. f. Additionally, in TAC center - new adjacent area of around 18,000 sq. ft. is coming up. Further expansion of existing facility includes establishment of new laboratories for Oil, Water and Microbial testing will come up for creating expansion and advancement of in-house facilities. The state of the art facilities in the new laboratories make us self-dependent for day to day testing required and provide self-sustainability in implementation of current research projects for Pharma, Cosmetic, Oil and Water Purification product development.	development of range of new products. In-house working for waste material or effluent treatment will reduce the problem of waste disposal.
3. In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: a. Details of technology imported b. Year of import c. Whether the technology has been fully absorbed d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No technology has been imported in the last 3 years.	No technology has been imported in the last 3 years.

4. Expenditure on Research & Development:

	2016-17 (₹)	2015-16 (₹)
a) Capital	**26,182,283**	9,350,411
b) Recurring	**32,568,399**	30,222,623
c) Total	**58,750,682**	39,573,034
d) Total R&D Expenditure as a Percentage of total turnover	**2.38%**	0.67%

C. FOREIGN EXCHANGE EARNING AND OUTGO:

	2016-17 (₹)	2015-16 (₹)
a. Foreign Exchange earned in terms of actual inflows during the year (F.O.B.)	**646,921,108**	3,620,961,121
b. Foreign Exchange outgo during the year in terms of actual outflows	**241,387,361**	1,356,781,221

"ANNEXURE -D"

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2017
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L14108MH1982PLC026396
ii)	Registration Date	19/02/1982
iii)	Name of the Company	Ashapura Minechem Limited
iv)	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company
v)	Address of the Registered office and contact details	Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai-400001 Tel. No.: 022-66651700 Email Id: cosec@ashapura.com
vi)	Whether listed companyYes / No	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L. B. S Marg, Vikhroli (West), Mumbai - 400083 Tel.: +91-22-49186000; Fax : +91-22-49186060 E-mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products/services	NIC Code of the Product/ Services	% to total turnover of the Company
1.	Bentonite	14108	42.23%
2.	Bauxite	13203	20.54%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	Ashapura International Ltd. Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U14108MH1989PLC054664	Wholly-owned Subsidiary	100%	2(87)
2.	Bombay Minerals Ltd. Jamnagar-Dwarka Highway, Opp. Ashok Petrol Pump, Khambhalia, Gujarat - 361001	U14100GJ1953PLC000699	Wholly-owned Subsidiary	100%	2(87)
3.	Ashapura Aluminium Ltd. Plot No. 206, Madhapar, Bhuj Kutch, Gujarat – 370020	U27203GJ2007PLC051421	Wholly-owned Subsidiary	100%	2(87)

4.	Ashapura Consultancy Services Pvt. Ltd. Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U74140MH1993PTC075194	Wholly-owned Subsidiary	100%	2(87)
5.	Sharda Consultancy Pvt. Ltd. Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U74140MH1993PTC075195	Wholly-owned Subsidiary	100%	2(87)
6.	Penisula Property Developers Pvt. Ltd. Jeevan Udyog Building, 2nd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U45202MH1997PTC109395	Wholly-owned Subsidiary	100%	2(87)
7.	Ashapura Claytech Ltd. Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U26939MH1995PLC090484	Subsidiary	99.44%	2(87)
8.	Prashansha Ceramics Ltd. Jamnagar-Dwarka Highway, Opp. Ashok Petrol Pump, Khambhalia, Gujarat - 361001	U51909GJ1995PLC028159	Subsidiary	48.28% (51.72% BML)	2(87)
FOREIGN SUBSIDIARIES:					
9.	Ashapura Minechem (UAE) FZE – (AMUF) Leased Office Building- 2, Office No.2G-11, P.O. Box - 42236, Hamriyah Free Zone, Sharjah, U.A.E.	Foreign Company	Wholly-owned Subsidiary	100%	2(87)
10.	Ashapura Holdings (UAE) FZE - (AHUF) Leased Office Building- 2, Office No.2G-18, P.O. Box - 49270, Hamriyah Free Zone, Sharjah, U.A.E.	Foreign Company	Step Down Subsidiary	100% held by AMUF	2(87)
11.	PT Ashapura Resources Indonesia Plaza BII, Tower II, Lantai 25, JI. M.H. Thamrin No. 31, Jakarta - Pusat - 10350	Foreign Company	Step Down Subsidiary	100% held by AMUF	2(87)
12.	Ashapura Maritime FZE E- Lease Office Building, Office No.56G-24, P.O. Box 42386, Hamriyah Free Zone, Sharjah, U.A.E.	Foreign Company	Step Down Subsidiary	100% held by AHUF	2(87)

13.	Ashapura Guinea Resources SARL, Guinea Koulewondy, 6th Avenue Street, Immeuble ALY next to Dounia voyage; BP: 4082, Commune of Kaloum, Conakry, Republic of Guinea	Foreign Company	Step Down Subsidiary	100% held by AHUF	2(87)
JOINT VENTURE COMPANIES/ASSOCIATE COMPANIES:					
14.	Ashapura Perfoclay Ltd. (APL) (Formerly known as Ashapura Volclay Ltd.) Jeevan Udyog Building, 3rd Floor, 278, D. N. Road, Fort, Mumbai - 400 001	U14108MH1997PLC107300	Joint Venture	50%	2(6)
15.	Ashapura Arcadia Logistic Pvt. Ltd. 5th Floor, City Point, Opp. Town Hall, Jamnagar, Gujarat- 361001	U63032GJ2006PTC049157	Associate	50%	2(6)
16.	Ashapura Midgulf NV 2030 Antwerp, 12 Mulhouselaan Noord, Haven 158	Foreign Company	Joint Venture	50% (48.98 % held by AMUF & 1.02% by AML)	2(6)
17.	Ashapura Fareast SDNBHD (MALAYSIA) 24A (Room No. 1) Jalan 21/19, Sea Park, 46300 Petaling Jaya, Selangor Darul Ehsan, Malaysia	Foreign Company	Joint Venture	25% held by AMUF	2(6)
18.	Sohar Ashapura Chemicals LLC P.O Box 1160, Ruwi, Postal Code 112, Muscat, Sultanate of Oman	Foreign Company	Joint Venture	40% held by AHUF	2(6)
19.	Orient Abrasives Limited GIDC Industrial Area, Porbandar, Gujarat- 360577	L24299GJ1971PLC093248	Associate	39.10% Held by BML	2(6)
20.	APL Valueclay Pvt. Ltd. Survey No. 167, Near Bhujodi, Off Ajmer-Bhuj Highway, Village : Ler, Kutch - 370001, Gujarat	U14100GJ2006PTC048632	Associate	100% Held by APL	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	34,235,124	—	34,235,124	39.36%	34,036,303	—	34,036,303	39.13%	—0.23%
b) Central Govt	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) State Govt(s)	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) Bodies Corp.	8,093,040	—	8,093,040	9.30%	8,093,040	—	8,093,040	9.30%	0.00%
e) Banks / FI	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Any other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (1)	**42,328,164**	**—**	**42,328,164**	**48.66%**	**42,129,343**	**—**	**42,129,343**	**48.43%**	**—0.23%**
(2) **Foreign**									
a) NRI Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Other Individuals	—	—	—	0.00%	—	—	—	0.00%	0.00%
c) Bodies Corp.	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) Any other	—	—	—	0.00%	—	—	—	0.00%	0.00%
Sub Total (A) (2)	—	—	—	0.00%	—	—	—	0.00%	0.00%
TOTAL (A)	**42,328,164**	**—**	**42,328,164**	**48.66%**	**42,129,343**	**—**	**42,129,343**	**48.43%**	**—0.23%**
B. Public Shareholding									
***1.* Institutions**									
a) Mutual Funds	118,000	12,000	130,000	0.15%	118,000	12,000	130,000	0.15%	0.00%
b) Banks / FI	43,696	—	43,696	0.05%	82,128		82,128	0.09%	0.04%
c) Central Govt	—	—	—	0.00%	—	—	—	0.00%	0.00%
d) State Govt(s)	—	—	—	0.00%	—	—	—	0.00%	0.00%
e) Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
f) Insurance Companies	—	—	—	0.00%	—	—	—	0.00%	0.00%
g) FIIs	8,181,408		8,181,408	9.41%	516,323		516,323	0.59%	—8.81%
h) Foreign Venture Capital Funds	—	—	—	0.00%	—	—	—	0.00%	0.00%
i) Others (specify) a. Foreign Mutual Fund	—		—	0.00%	—	—	—	0.00%	0.00%
b. Foreign Portfolio Investor (Corporate)	10,968,435	—	10,968,435	12.61%	19,719,404	—	19,719,404	22.67%	10.06%
Sub-total (B)(1):-	19,311,539	12,000	19,323,539	22.21%	20,435,855	12,000	20,447,855	23.51%	1.29%

2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4,466,778	77,170	4,543,948	5.22%	5,030,526	77,000	5,107,526	5.87%	0.65%
ii) Overseas	—	—	—	0.00%	—	—	—	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹. 1 lakh	10,318,995	378,243	10,697,238	12.30%	9,609,881	376,399	9,986,280	11.48%	-0.82%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	5,877,711	57,000	5,934,711	6.82%	6,776,210	57,844	6,834,054	7.86%	1.03%
c) Others (specify)									
a. Non Resident Indians (Repatriable)	588,112	2,000	590,112	0.68%	574,246	2,000	576,246	0.66%	-0.02%
b. Non Resident (Non-Repatriable)	885,955	—	885,955	1.02%	889,923	—	889,923	1.01%	-0.01%
c. Overseas Corporate Bodies	—	—	—	0.00%	4,000	—	4,000	0.00%	0.00%
d. Foreign Nationals	—	—	—	0.00%	1500	—	1,500	0.00%	0.00%
e. Clearing Members	1,777,904	—	1,777,904	2.04%	228,135	—	228,135	0.26%	-1.78%
f. Market Makers	98,917	—	98,917	0.11%	5,741	—	5,741	0.01%	-0.10%
g. Trusts	—	—	—	0.00%	250	—	250	0.00%	0.00%
h. Foreign Bodies – D R	—	—	—	0.00%	—	—	—	0.00%	0.00%
i. Other Directors	52,050	—	52,050	0.06%	52,050	—	52,050	0.06%	0.00%
j. Hindu Undivided Family	753,560	—	753,560	0.87%	723,195	—	723,195	0.83%	-0.04%
Sub-total (B)(2):-	**24,819,982**	**514,413**	**25,334,395**	**29.12%**	**23,895,657**	**513,243**	**24,408,900**	**28.06%**	**-1.06%**
Total Public (B)	**44,131,521**	**526,413**	**44,657,934**	**51.34%**	**44,331,512**	**525,243**	**44,856,755**	**51.57%**	**0.23%**
C. Shares held by Custodian for GDRs & ADRs	—	—	—	0.00%	—	—	—	0.00%	0.00%
Grand Total (A+B+C)	**86,459,685**	**526,413**	**86,986,098**	**100%**	**86,460,855**	**525,243**	**86,986,098**	**100%**	**0.00%**

ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Chetan Navnitlal Shah	13,543,814	15.57%	0.00%	13,543,814	15.57%	0.00%	0.00%
2	Dina Chetan Shah	7,768,020	8.93%	0.00%	9,202,360	10.58%	0.00%	1.65%
3	Late Navnitlal Ratanji Shah	129,460	0.15%	0.00%	129,460	0.15%	0.00%	0.00%
4	Fizzah Navnitlal Shah	9,156,010	10.53%	0.00%	7,522,849	8.65%	0.00%	-1.88%
5	Manan Chetan Shah	2,239,220	2.57%	0.00%	2,239,220	2.57%	0.00%	0.00%
6	Chaitali Chetan Shah	1,255,620	1.44%	0.00%	1,255,620	1.44%	0.00%	0.00%
7	Himani Chetan Shah	142,980	0.16%	0.00%	142,980	0.16%	0.00%	0.00%
8	Ashapura Industrial Finance Ltd.	8,088,000	9.30%	0.00%	8,088,000	9.30%	0.00%	0.00%
9	Hemprabha Trading Co. Pvt. Ltd.	2,520	0.00%	0.00%	2,520	0.00%	0.00%	0.00%
10	Gurbarga Trading Co. Pvt. Ltd.	2,520	0.00%	0.00%	2,520	0.00%	0.00%	0.00%

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

Sr. No.	Name of the Share-holders	Shareholding at the beginning of the year		Changes During the year				Cumulative Share-holding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	No. of Shares (Increased/ Decreased	% of total shares	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	Dina Chetan Shah	7,768,020	8.93%	08/04/2016	1,434,340	1.65%	Transfer	9,202,360	10.58%	9,202,360	10.58%
2	Fizzah Navnitlal Shah	9,156,010	10.53%	15/04/2016	-400,000	-0.46%	Transfer	8,756,010	10.07%	7,522,849	8.65%
				22/04/2016	-374,114	-0.43%	Transfer	8,381,896	9.64%		
				06/05/2016	-525,886	-0.60%	Transfer	7,856,010	9.03%		
				13/05/2016	-333,161	-0.38%	Transfer	7,522,849	8.65%		

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Changes During the year				Cumulative Share-holding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	No. of Shares (Increased/ Decreased	% of total shares	Reason	No. of shares	% of total shares	No. of shares	% of total shares
1	Albula Investment Fund Ltd.	7,857,345	9.03%	—	—	—	—	7,857,345	9.03%	7,857,345	9.03%
2	LTS Investment Fund Ltd.	4,100,000	4.71%	—	—	—	—	4,100,000	4.71%	4,100,000	4.71%
3	Eriska Investment Fund Ltd.	3,757,345	4.32%	—	—	—	—	3,757,345	4.32%	3,757,345	4.32%
4	LGOF Global Opportunities Limited	2,998,517	3.45%	—	—	—		2,998,517	3.45%	2,998,517	3.45%
5	Nayana Mahendra Ramani	1,510,750	1.74%	19/08/2016	10,000	0.01%	Transfer	1,520,750	1.75%	1,525,750	1.75%
				07/10/2016	5,000	0.01%	Transfer	1,525,750	1.75%		
6	Four Dimensions Securities (India) Ltd.	—	0.00%	14/10/2016	500,000	0.57%	Transfer	500,000	0.57%	1,440,000	1.66%
				28/10/2016	50,000	0.06%	Transfer	550,000	0.63%		
				25/11/2016	10,000	0.01%	Transfer	560,000	0.64%		
				02/12/2016	5,000	0.01%	Transfer	565,000	0.65%		
				13/01/2017	237,745	0.27%	Transfer	802,745	0.92%		
				27/01/2017	61,255	0.07%	Transfer	864,000	0.99%		
				24/02/2017	81,158	0.09%	Transfer	945,158	1.09%		
				03/03/2017	125,000	0.14%	Transfer	1,070,158	1.23%		
				24/03/2017	19,822	0.02%	Transfer	1,089,980	1.25%		
				31/03/2017	350,020	0.40%	Transfer	1,440,000	1.66%		
7	Mahendra Jethalal-Ramani	935,670	1.08%	19/08/2016	3,000	0.00%	Transfer	938,670	1.08%	941,670	1.08%
				26/08/2016	3,000	0.00%	Transfer	941,670	1.08%		
8	Kamal Visaria	—	0.00%	22/04/2016	17,500	0.02%	Transfer	17,500	0.02%	895452	1.03%
				29/04/2016	25,000	0.03%	Transfer	42,500	0.05%		
				06/05/2016	57,500	0.07%	Transfer	100,000	0.12%		
				13/05/2016	27,945	0.03%	Transfer	127,945	0.15%		
				20/05/2016	102,165	0.12%	Transfer	230,110	0.26%		
				27/05/2016	19,888	0.02%	Transfer	249,998	0.29%		
				03/06/2016	228,957	0.26%	Transfer	478,955	0.55%		
				10/06/2016	46,045	0.05%	Transfer	525,000	0.60%		
				17/06/2016	100,000	0.11%	Transfer	625,000	0.72%		
				24/06/2016	60,541	0.07%	Transfer	685,541	0.79%		
				30/06/2016	150,000	0.17%	Transfer	835,541	0.96%		
				12/08/2016	59,911	0.07%	Transfer	895,452	1.03%		
9	New Leaina Investments Limited	112,573	0.13%	06/05/2016	411,550	0.47%	Transfer	524,123	0.60%	647,554	0.74%
				13/05/2016	95,431	0.11%	Transfer	619,554	0.73%		
				20/05/2016	28,000	0.03%	Transfer	647,554	0.74%		
10	Surekha Anil Shah	635,647	0.73%	28/10/2016	-5,000	-0.01%	Transfer	630,647	0.73%	625,647	0.72%
				20/01/2017	-5000	-0.01%	Transfer	625,647	0.72%		

11	Mohideen Mohamed Sheik Dawood	438,485	0.50%	12/08/2016	-5,000	-0.01%	Transfer	433,485	0.50%	428,485	0.49%
				09/09/2016	-5000	-0.01%	Transfer	428,485	0.49%		
12	Manubhai Mangaldas Sec. Pvt. Ltd	1,434,356	1.65%	01/04/2016	400	0.00%	Transfer	1,434,756	1.65%	16	0.00%
				08/04/2016	-1432840	-1.65%	Transfer	1,916	0.00%		
				15/04/2016	398163	0.46%	Transfer	400,079	0.46%		
				22/04/2016	-329987	-0.38%	Transfer	70,092	0.08%		
				29/04/2016	-67526	-0.08%	Transfer	2,566	0.00%		
				06/05/2016	16475	0.02%	Transfer	19,041	0.02%		
				13/05/2016	34268	0.04%	Transfer	53,309	0.06%		
				20/05/2016	-53293	-0.06%	Transfer	16	0.00%		
				27/05/2016	2500	0.00%	Transfer	2,516	0.00%		
				03/06/2016	2500	0.00%	Transfer	5,016	0.01%		
				30/06/2016	725	0.00%	Transfer	5,741	0.01%		
				01/07/2016	-3725	0.00%	Transfer	2,016	0.00%		
				08/07/2016	1500	0.00%	Transfer	3,516	0.00%		
				15/07/2016	1000	0.00%	Transfer	4,516	0.01%		
				22/07/2016	-1000	0.00%	Transfer	3,516	0.00%		
				29/07/2016	-2000	0.00%	Transfer	1,516	0.00%		
				12/08/2016	-1500	0.00%	Transfer	16	0.00%		
				19/08/2016	2100	0.00%	Transfer	2,116	0.00%		
				26/08/2016	-100	0.00%	Transfer	2,016	0.00%		
				16/09/2016	1000	0.00%	Transfer	3,016	0.00%		
				23/09/2016	-3000	0.00%	Transfer	16	0.00%		
				07/10/2016	3500	0.00%	Transfer	3,516	0.00%		
				14/10/2016	-3500	0.00%	Transfer	16	0.00%		
				06/01/2017	40	0.00%	Transfer	56	0.00%		
				13/01/2017	10	0.00%	Transfer	66	0.00%		
				20/01/2017	-50	0.00%	Transfer	16	0.00%		
				24/02/2017	50	0.00%	Transfer	66	0.00%		
				03/03/2017	-50	0.00%	Transfer	16	0.00%		
				17/03/2017	100	0.00%	Transfer	116	0.00%		
				24/03/2017	-100	0.00%	Transfer	16	0.00%		
13	Vibgyor Investors & Developers Pvt. Ltd.	800,000	0.92%	12/08/2016	-353500	-0.41%	Transfer	446,500	0.51%	0	0.00%
				26/08/2016	-114950	-0.13%	Transfer	331,550	0.38%		
				09/09/2016	-40590	-0.05%	Transfer	290,960	0.33%		
				16/09/2016	-102960	-0.12%	Transfer	188,000	0.22%		
				30/09/2016	-4257	0.00%	Transfer	183,743	0.21%		
				07/10/2016	-22137	-0.03%	Transfer	161,606	0.19%		
				14/10/2016	-161606	-0.19%	Transfer	0	0.00%		

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Changes During the year				Cumulative Shareholding during the year		Shareholding at the end of the year	
		No. of shares	% of total shares	Date	No. of Shares (Increased/ Decreased	% of total shares	Reason	No. of shares	% of total shares	No. of shares	% of total shares
NO CHANGE IN SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONEL											

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i. Principal amount	**77,65,00,000**	**NIL**	**NIL**	**77,65,00,000**
ii. Interest due but not paid	**15,29,33,818**			**15,29,33,818**
iii. Interest accrued but not due	**-**			**-**
Total (i+ii+iii)	**92,94,33,818**			**92,94,33,818**
Changes in Indebtedness during the financial year				
• Addition	**-**			**-**
• Reduction	**74,938,749**	**NIL**	**NIL**	**74,938,749**
Net Change	**74,938,749**			**74,938,749**
Indebtedness at the end of the Financial Year				
i. Principal amount	**67,18,00,000**	**NIL**	**NIL**	**67,18,00,000**
ii. Interest due but not paid	**18,26,95,069**			**18,26,95,069**
iii. Interest accrued but not due	**-**			**-**
Total (i+ii+iii)	**85,44,95,069**			**85,44,95,069**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

During the year under review, Shri Rajnikant Pajwani, Whole-Time Director & Chief Executive Officer was paid remuneration of Rupees Thirty Lacs only. * (TDS as applicable was deducted).

* Considering the financial position of the Company combined with negative Effective Capital for the year ended 31st March, 2016, calculated as per the provisions of Schedule V of the Companies Act, 2013, the Whole-time Director continued to receive minimum remuneration during the Financial Year 2016-2017 as prescribed under Schedule V of the Companies Act, 2013 and for which approval was obtained from the members of the Company, by way of a Postal Ballot, the result of which was declared on 1st December, 2014.

B. Remuneration to other directors:

During the year under review, the Non-Executive Independent Directors were paid Sitting Fees @ ₹ 50,000/- each for attending the every meeting of the Board of Directors and Audit Committee.

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

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on Behalf of the Board of Directors

Sd/-	**Sd/-**
CHETAN SHAH	**RAJNIKAT PAJWANI**
CHAIRMAN (NON-EXECUTIVE)	**WHOLE-TIME DIRECTOR & CEO**
(DIN: 00018960)	**(DIN: 00086007)**

Place: Mumbai
Date: 10th August, 2017

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

Effective Corporate Governance ensures that the business environment is fair and transparent and also strengthens the stakeholders' confidence and enhances the shareholders' value. Good Governance can deliver sustainable business performance.

The Corporate Governance framework at Ashapura ensures timely disclosures of all mandatory & reportable events, based on performance/activities undertaken by the Management under the guidance of the Board of Directors of the Company and is committed to meet the aspirations of all the Stakeholders be it Shareholders, Employees, Suppliers, Customers, Investors, Banks, Government and Community at large.

The Company is in compliance with the requirements stipulated under the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on compliance with the principles of Corporate Governance as prescribed by the Securities and Exchange Board of India (SEBI), is given below:

2. BOARD OF DIRECTORS:

A. **Composition and category of Board of Directors:**

The composition of the Board of Directors is in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, on 31st March, 2017, the Board consisted of Seven (7) Directors which apart from Chairman, a Non-Executive Promoter-Director, comprised One (1) Executive Director and Five (5) Non-Executive Independent Directors (including One Woman Director).

The Company has obtained the requisite disclosures from the Directors in respect of their Directorships and Memberships in Committees of other Companies.

The Composition of the Board of Directors and their attendance at the Board Meetings during the year and at the previous Annual General Meeting as also number of Directorships/Memberships of committees of other Companies are as under:-

Name of Directors	DIN	Category	No. of Board Meetings Attended	Attendance at last AGM Held on 29th September, 2016	No. of Directorships in other companies as on 31st March, 2017[1]	No. of Committee Positions held including Ashapura Minechem Ltd. as on 31st March, 2017[2]	
						Member	Chairman
Shri Chetan Shah	00018960	Promoter, Chairman (Non-Executive)	4	Present	7	2	—
Shri Rajnikant Pajwani	00086007	Whole Time Director & Chief Executive Officer (CEO)	4	Present	2	1	—
Shri Ashok Kadakia	00317237	Non-Executive, Independent	4	Present	6	4	4
Shri Harish Motiwalla	00029835	Non-Executive, Independent	4	Present	7	3	5
Shri Abhilash Munsif	02773542	Non-Executive, Independent	4	Present	1	2	—

Smt. Navita Gaiha	07248115	Non-Executive, Independent	4	Present	—	—	—
Shri Pundarik Sanyal	01773295	Non-Executive, Independent	4	Present	4	2	2
Shri Arun Chadha[3]	06747459	Special Director appointed by BIFR	3	Present	—	—	—

1 Excludes directorships in Private Limited Companies, Foreign Companies, Companies incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorships.

2 Represents only Membership/Chairmanship of the Audit Committee and the Stakeholders' Relationship Committee of Indian Public Companies.

3 Mr. Arun Chadha was nominated by Board for Industrial & Financial Reconstruction (BIFR) as Special Director on the Board of the Company. However upon cessation of Sick Industrial Companies (Special Provisions) Act (SICA) & winding-up of BIFR w.e.f. 1st December, 2016, Mr. Arun Chadha also ceased to exist on the Board of the Company w.e.f. 1st December, 2016 vide discharge order no. 16(6)/3/2011/BIFR/SD.

None of the Directors are related inter-se.

B. **Number of shares held by Non-Executive Directors:**

The details of number of shares held by the Non-Executive Directors as on 31st March, 2017 is given below:

Name of Director	Designation	Number of Shares Held
Shri Chetan Shah	Chairman (Non-Executive), Non-Independent	1,35,43,814
Shri Ashok Kadakia	Non-Executive, Independent	14,750
Shri Harish Motiwalla	Non-Executive, Independent	500

C. **Number of Meetings held during the Financial Year 2016-2017:**

During the Financial Year 2016-2017, the Board of Directors of the Company met four (4) times on 26th May, 2016, 10th August, 2016, 10th November, 2016 and 14th February, 2017 and that the time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

D. **Independent Directors:**

a. **Cessation of Shri Arun Chadha, Special Director nominated by BIFR:**

In pursuance of Government Notification S. O. No. 3568 (E) dated 25th November, 2016 and S. O. 3569 (E) dated 25th November, 2016, the Board for Industrial and Financial Reconstruction (BIFR) has been wound up w.e.f. 1st December, 2016. Accordingly, the Company has on 29th December, 2016, received a discharge order vide F. No. 16(6)/3/2011/BIFR/SD Discharge, stating that Mr. Arun Chadha, a Special Director nominated by BIFR, ceases to exist on the Board of the Company w.e.f. 1st December, 2016.

b. The Company has received necessary declarations from the Independent Directors of the Company, confirming that they meet the criteria of independence as prescribed.

c. During the Financial Year 2016-2017, following events were specially conducted/organized for Independent Directors keeping in view the role/responsibility assumed by them:

- A separate meeting of Independent Directors was held on 3rd March, 2017 with the objective of reviewing the performance of Chairperson; Non-Independent Directors; the Board as a whole and assessing the quality, quantity and timeliness of flow of information between the Management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

  The said meeting was conducted without the attendance of Non-Independent Directors and Management Personnel of the Company.

- The Company at regular interval conducted Familiarization Programme for the Independent Directors enabling them to familiarize with operational performance and forward going business formulations/strategies, so as to gain a better understanding of their roles, rights and responsibilities for the purpose of providing appropriate assistance, counselling & directions in order to achieve growth of the Company, the details of which are available on the website of the Company at www.ashapura.com.

  As a part of such programme, the Independent Directors are given opportunity to interact with Management Personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations.

E. **CEO Certificate:**

A Compliance Certificate, pursuant to the provisions of Regulation 17(8) of the Listing Regulations, duly signed by the Whole Time Director & CEO and Sr. General Manager (Accounts) in respect of the financial year ended 31st March, 2017 was taken on record by the Board of Directors of the Company.

F. **Code of Conduct:**

The Company has adopted Ashapura's Code of Conduct for the Board Members, Senior Management and all employees in and above Officers level and the same is posted on the website of the Company. The duties of the Independent Directors as laid down in the Companies Act, 2013 has been framed separately and forms part of Ashapura's Code of Conduct.

A declaration from the Whole-Time Director that all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2017, forms part of the Annual Report.

The Company is in due compliance of all the provisions of Regulation 17 of the Listing Regulation for the Financial Year 2016-2017.

3. COMMITTEES OF BOARD OF DIRECTORS:

The following Committees were constituted by the Board of Directors, the basic structure of which is detailed herein below:

A. AUDIT COMMITTEE:

The Board has constituted a qualified and Independent Audit Committee in line with the provisions of Regulation 18 of the Listing Regulations, read with Section 177 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

a. Terms of Reference:

The terms of reference of the Audit Committee are in line with the regulatory requirements which among other are specified herein below:

- Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- Reviewing with the management, the quarterly/half yearly/annual financial statements before submission to the Board and wherever required necessary recommendations are made to comply with applicable legislations.
- Approving or subsequently modifying transactions of the Company with related parties and to grant omnibus approval after confirming that they satisfy the requirement of law.
- Reviewing the adequacy of internal audit function, reporting structure, coverage and frequency of internal audit.
- Discussion with auditors before the audit commences on nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Overseeing/Reviewing the Vigil (Whistle Blower) Mechanism.
- Recommending appointment, removal and terms of remuneration of Auditors.
- Reviewing statement of deviations, if any.
- To review all other information as requested by the Board of Directors and/or are required under the Regulations.

b. Composition:

As on 31st March, 2017, the Audit Committee comprised of four (4) Directors. The composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the F.Y. 2016-2017	
		Held	Attended
Shri Harish Motiwalla **(Chairman)**	Non-Executive, Independent	4	4
Shri Ashok Kadakia	Non-Executive, Independent	4	4
Shri Abhilash Munsif	Non-Executive, Independent	4	4
Shri Pundarik Sanyal	Non-Executive, Independent	4	4

Shri Harish Motiwalla, the Chairman of the Audit Committee was present at the 35th Annual General Meeting of the Company held on 29th September, 2016.

The Sr. General Manager - Accounts, the representative of Statutory Auditors and the Internal Auditors are permanent invitees to the Audit Committee Meetings.

Shri Sachin Polke, Company Secretary & Vice President acts as the Secretary of the Audit Committee.

c. Meetings:

During the Financial Year 2016-2017, the members of the Audit Committee met four (4) times on 26th May, 2016, 10th August, 2016, 10th November, 2016 and 14th February, 2017 and that time elapsed between any two consecutive meetings never exceeded 120 days. The necessary quorum was present for all the meetings.

B. NOMINATION AND REMUNERATION COMMITTEE:

The Board has constituted the Nomination and Remuneration Committee in line with the provisions of Regulation 19 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in compliance of all the provisions stated therein.

a. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee are in line with the regulatory requirements which among other are specified herein below:

- To form criteria/policy for appointment/remuneration/removal of Directors including Whole-Time Director / Managing Director, if any and Senior Management Executives.
- To identify deserving candidates for Directorships & Senior Management positions.
- To form policy for performance evaluation and to evaluate performance of Directors/CEO/Committee of Directors and to alter and modify the same to be in line with the Companies Act, 2013 and the Listing Regulations.

- To devise guidelines for Diversity of Board of Directors of the Company.
- To recommend extension/termination of the term of appointment of the Independent Directors, on the basis of the report of performance evaluation of the Independent Directors.

b. Composition:

As on 31st March, 2017, the Nomination & Remuneration Committee comprised of three (3) Directors. The composition of the Nomination & Remuneration Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the F.Y. 2016-2017	
		Held	Attended
Shri Ashok Kadakia **(Chairman)**	Non-Executive, Independent	1	1
Shri Harish Motiwalla	Non-Executive, Independent	1	1
Shri Abhilash Munsif	Non-Executive, Independent	1	1

c. Meetings:

During the Financial Year 2016-2017, the members of the Nomination & Remuneration Committee met one (1) time on 3rd March, 2017.

d. Performance Evaluation:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a policy containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

As a part of the said policy, a structured questionnaire covering various aspects has been framed depending on the category of Director, Board & Committee, whose performance is to be evaluated. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2016-17 by Independent Directors at their separate meeting held on 3rd March, 2017, as also by the Nomination & Remuneration Committee and the same was analyzed & confirmed by the Board of Directors.

Details of methodology adopted for performance evaluation of Directors including that of the Board as a whole and its Committee have been provided in the Board's Report.

e. Remuneration of Directors:

The Non-Executive Directors have no pecuniary relationship or transactions with the Company in their personal capacity except that the sitting fees is paid for attending the Board Meetings and Audit Committee Meetings (detailed herein below) as recommended by the Board pursuant to the provisions of the Companies Act, 2013 and rules framed thereunder. Besides payment of sitting fees, no other fees/compensation/commission is paid to the Non-Executive Directors.

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

(Amount in ₹.)

Name of the Directors	Board Meetings	Audit Committee Meetings
Shri Chetan Shah	2,00,000/-	—
Shri Harish Motiwalla	2,00,000/-	2,00,000/-
Shri Ashok Kadakia	2,00,000/-	2,00,000/-
Shri Abhilash Munsif	2,00,000/-	2,00,000/-
Shri Arun Chadha	1,50,000/-	—
Smt. Navita Gaiha	2,00,000/-	—
Shri Pundarik Sanyal	2,00,000/-	2,00,000/-

The details of remuneration paid to Executive Director for the year ended 31st March, 2017 are as under:

Name of the Directors	Salaries & Perquisites including allowance	Tenure as per agreement upto	Notice Period
Shri Rajnikant Pajwani	₹. 30,00,000/-*	30th September, 2017 (3 Years w.e.f. 1st October, 2014)	3 months

* Considering the current financial position of the Company combined with negative Effective Capital for the year ended 31st March, 2016, calculated as per the provisions of Schedule V of the Companies Act, 2013, the Whole-Time Director continued to receive minimum remuneration during the Financial Year 2016-2017 as prescribed under Schedule V of the Companies Act, 2013 and for which approval was obtained from the members of the Company, by way of a Postal Ballot, the result of which was declared on 1st December, 2014. (TDS as applicable has been deducted).

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Board has constituted the Stakeholders' Relationship Committee in line with the provisions of Regulation 20 of the Listing Regulations, read with Section 178 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

a. Terms of Reference:

The terms of reference of the Stakeholders' Relationship Committee are in line with the regulatory requirements which among other are specified herein below:

- Issue of Duplicate Share Certificates.
- Matters connected with transfer/credit of securities/transmission.
- Redressal of Shareholders'/Investors' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of annual reports, non-receipt of duplicate share certificates etc.
- To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

b. Composition:

As on 31st March, 2017, the Stakeholders' Relationship Committee comprised of three (3) Directors. The composition of the Stakeholders' Relationship Committee and the details of meetings attended by its members are given below:

Name	Category	Number of meetings during the F.Y. 2016-2017	
		Held	Attended
Shri Ashok Kadakia (**Chairman**)	Non-Executive, Independent,	7	7
Shri Chetan Shah	Non-Executive, Non-Independent	7	7
Shri Suryakant Shah	Member	7	7

c. Meetings:

During the Financial Year 2016-2017, the members of the Stakeholders' RelationshipCommittee met seven(7) times on 8th April, 2016, 4th June, 2016, 20th July, 2016, 2nd September, 2016, 14th October, 2016, 5th January, 2017 and 22nd March, 2017.

d. Name, Designation and address of Compliance Officer:

Shri Sachin Polke, Company Secretary & Vice President 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.

e. Details of investor complaints received and redressed during the financial year 2016-2017 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
NIL	3	3	NIL

D. COMMITTEE OF DIRECTORS:

a. Terms of Reference:

The terms of reference of the Committee of Directors are as follows:

- Reviewing various day to day administrative, operational and finance matters requiring urgent decisions;
- Availing/making of loans, raising of funds, giving of corporate guarantees/securities considering the limits and provisions as specified in the Companies Act, 2013.
- To consider and approve intrinsic & time bound policy decisions such as investment/disinvestment in other body corporate(s)/firm(s), leasing / disposing off the Company's assets within the group & such other where time is essence and that the said decisions are placed before the Board of Directors for ratification.
- Such other matters as may be delegated by the Board to the Committee pursuant to the provisions of the Companies Act, 2013 and such other Acts.

b. Composition:

As on 31st March, 2017, the Committee of Directors comprised of four (4) Directors. 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 F.Y. 2016-2017	
		Held	Attended
Shri Rajnikant Pajwani (**Chairman**)	Whole-Time Director & CEO	10	10
Shri Chetan Shah	Non-Executive, Non-Independent	10	10
Shri Ashok Kadakia	Non-Executive, Independent	10	9
Shri Harish Motiwalla	Non-Executive, Independent	10	10

c. Meetings:

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

12th April, 2016, 30th May, 2016, 20th June, 2016, 1st August, 2016, 2nd September, 2016, 9th November, 2016, 1st December, 2016, 5th January, 2017, 3rd February, 2017 and 2nd March, 2017.

E. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee of the Company is constituted in line with the provisions of Section 135 of the Companies Act, 2013 and is in due compliance of all the provisions stated therein.

a. Terms of reference:

- Formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating the activities to be undertaken by the Company after taking into consideration Schedule VII of the Act.
- Recommend the amount of expenditure to be incurred on the activities referred above.
- Monitor the CSR activities of the Company from time to time.
- To finalize the budget for CSR expenditure and recommend the same to the Board for approval considering the applicable rules/regulations.

b. Composition:

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

Name of Directors	Category	No. of Meetings during the FY 2016-2017	
		Held	Attended
Shri Harish Motiwalla **(Chairman)**	Non-Executive, Independent	2	2
Shri Chetan Shah	Non-Executive, Non-Independent	2	2
Shri Rajnikant Pajwani	Whole-Time Director & CEO	2	2

c. Meetings:

During the year under review, two (2) meetings of the CSR Committee were held on 10th August, 2016 and 3rd March, 2017.

4. GENERAL BODY MEETINGS:

Details of the Annual General Meetings (AGMs) of the last three years are as follows:

Financial Year	Date	Time	Location	Special resolution passed
2015-2016	29th September, 2016	3.00 p.m.	Walchand Hirachand Hall, 4th Floor, Indian Merchants' Chamber, Mumbai-400020	No
2014-2015	30th September, 2015	3.00 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K Dubash Marg, Kala Ghoda, Mumbai-400001	No
2013-2014	25th September, 2014	3.30 p.m.	Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai-400001.	No

During the year under review, no Special Resolution has been passed through the exercise of postal ballot.

5. MEANS OF COMMUNICATION:

a. Quarterly/half-yearly/annual financial results as prescribed under Regulations 33 and 47 of the Listing Regulations are published in the following newspapers and also displayed on the Company's website www.ashapura.com:

Newspaper	Cities of Publication
Business Standard	Mumbai Edition
Sakal	Mumbai Edition

b. All other statutory information as may be prescribed under the Companies Act, 2013 and/or Listing Regulation are displayed on the website of the Company.

6. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting:	Day & Date : 21st September, 2017 Time : 3.00 p.m. Venue : Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kalaghoda, Fort, Mumbai - 400001.
Tentative Financial Calendar:	Financial reporting for the quarter ending 30th June, 2017: On or before 14th September, 2017* Financial reporting for the quarter ending 30th September, 2017: On or before 14th December, 2017* Financial reporting for the quarter ending 31st December, 2017: On or before 14th February, 2018 Financial reporting for the quarter ending 31st March, 2018: On or before 30th May, 2018 * In view of applicability of Indian Accounting Standard (Ind - AS) to the Company vide Companies (Indian Accounting Standard) Rules, 2015 and subsequent relaxation granted by the SEBI vide Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016, the Company has availed the extended period for approval and submission of financial results for the said quarters.
Date of Book Closure:	
Listing Details:	Equity Shares are listed on the following Stock Exchanges: 1. Bombay Stock Exchange Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001. 2. National Stock Exchange of India Limited, "Exchange Plaza", Bandra Kurla Complex, Bandra (East), Mumbai – 400051. The Annual Listing Fees for the year 2016-2017 have been paid to the said Stock Exchanges.
Stock Code:	Bombay Stock Exchange Ltd. 527001 National Stock Exchange of India Ltd. ASHAPURMIN
ISIN Number:	INE348A01023

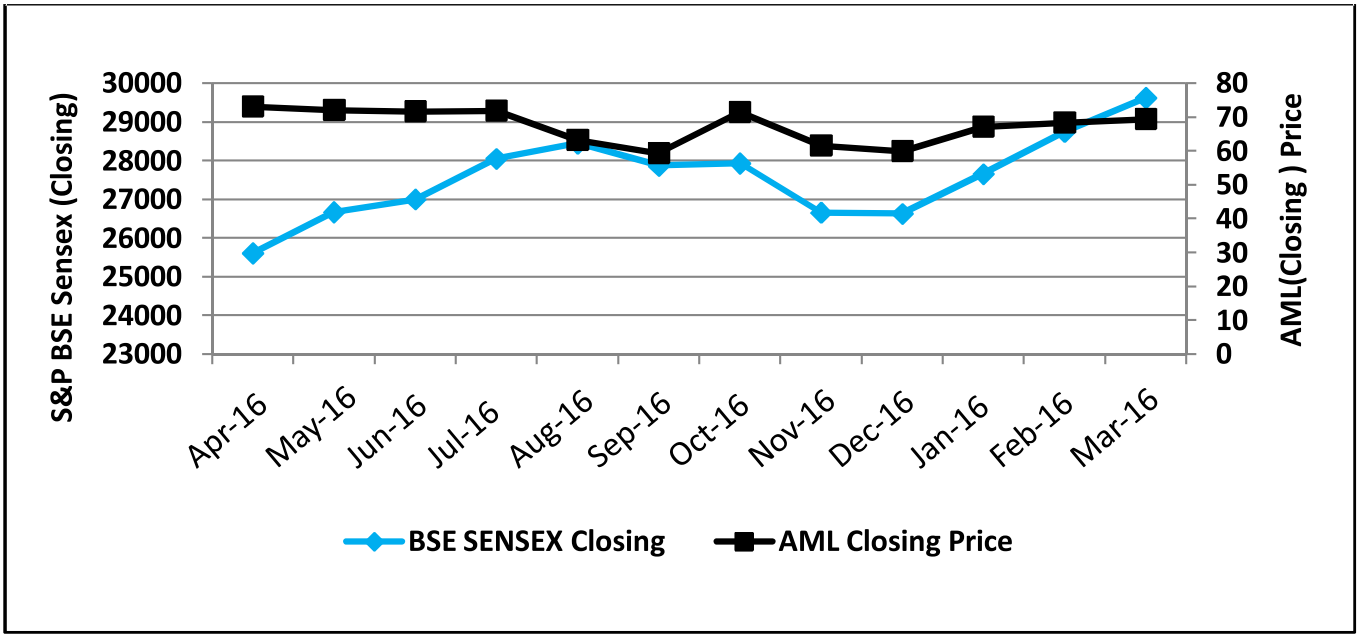
Ashapura Minechem Limited

Corporate Identification Number (CIN):	L14108MH1982PLC026396

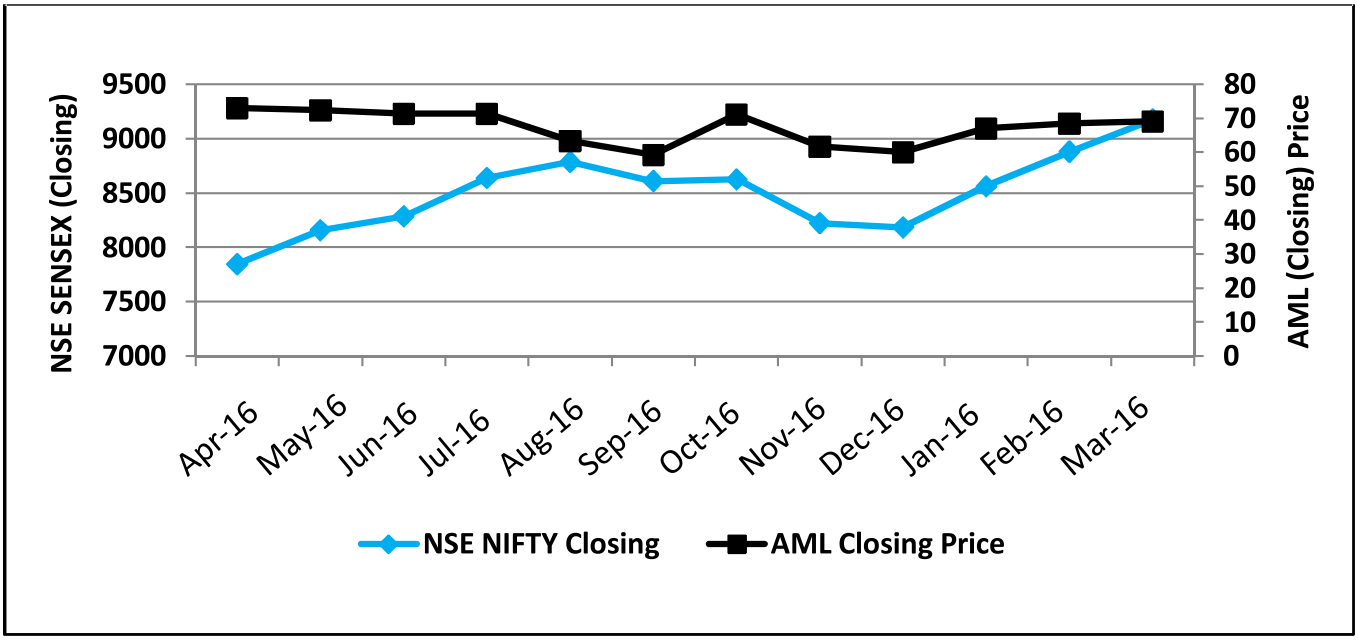
Market Price Data:

Period	Bombay Stock Exchange Limited				National Stock Exchange of India Limited			
	Sensex (₹.)		AML Share price (₹.)		Nifty (₹.)		AML Share price (₹.)	
	High	Low	High	Low	High	Low	High	Low
Apr-16	26100.54	24523.20	87.00	72.80	7992.00	7516.85	86.80	72.70
May-16	26837.20	25057.93	85.40	70.70	8213.60	7678.35	85.40	70.55
Jun-16	27105.41	25911.33	77.70	61.25	8308.15	7927.05	77.80	61.40
Jul-16	28240.20	27034.14	74.50	68.40	8674.70	8287.55	74.60	68.40
Aug-16	28532.25	27627.97	74.40	60.65	8819.20	8518.15	74.25	60.50
Sep-16	29077.28	27716.78	66.55	55.00	8968.70	8555.20	66.40	56.00
Oct-16	28477.65	27488.30	73.70	59.00	8806.95	8506.15	73.95	59.00
Nov-16	28029.80	25717.93	73.80	52.95	8669.60	7916.40	73.90	52.70
Dec-16	26803.76	25753.74	64.00	59.10	8274.95	7893.80	64.80	59.00
Jan-17	27980.39	26447.06	73.45	60.10	8672.70	8133.80	73.95	59.90
Feb-17	29065.31	27590.10	73.35	60.65	8982.15	8537.50	73.40	60.85
Mar-17	29824.62	28716.21	71.75	64.00	9218.40	8860.10	71.90	63.80

Share Performance of the Company in comparison to BSE Sensex:



Share Performance of the Company in comparison to NSE Nifty:



Registrar and Share Transfer Agent:	M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083
Share Transfer System:	The Company's shares are traded on the Stock Exchanges in Demat Mode as well as in Physical Mode. 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. 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.
Distribution of Shareholding & Category-wise distribution:	Refer Table A & B
Dematerialization of shares and liquidity:	As on 31st March, 2017, 99.39% of the paid-up share capital (face value of Equity Shares of ₹. 2 each) is held in Demat form with NSDL and CDSL.

Mode	No. of equity shares	% to the Total Share Capital
Physical	5,25,243	00.61%
Electronic:		
(A) NSDL	7,74,13,224	88.99%
(B) CDSL	90,47,631	10.40%
TOTAL	**8,69,86,098**	**100.00%**

Outstanding GDR / ADR / Warrants or any Convertible Instruments and their likely impact on Equity:	The Company has not issued any GDR/ADR/Warrants or any convertible instruments in the past and hence as on 31st March, 2017, the Company does not have any outstanding GDR/ADR/ Warrants or any convertible instruments.

Plant Locations:	1. Survey no. 254/3 & 255/3, Village Baraya, Bhuj-Mundra Highway, Tal. Mundra, Kutch, Gujarat. 2. 236-39 Chitra, GIDC Bhavnagar, Gujarat. 3. Plot no. 437/1 & 438, Village Paddhar, Taluka - Bhuj, Dist. Kutch, Gujarat. 4. Survey no. 276/277& 483, Mamuara, Taluka - Bhuj, Dist. Kutch, Gujarat. 5. Survey no. 328/2, KINFRA Apparel Park, Menamkulam, Thiruvananthapuram, Kerala. 6. Plot no. 182, Industrial Area, Baikampady, Mangalore.
Address for Correspondence:	The Company's Registrar and Share Transfer Agent viz. M/s Link Intime India Pvt. Ltd. provides all shareholder related services. Any query relating to shares and requests for transactions such as transfers, transmissions and nomination facilities, duplicate share certificates, change of address and also dematerialization of shares may please be taken up with: M/s. Link Intime India Pvt. Ltd. C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083 Tel.: +91-22-49186000 Fax: +91-22-49186060. E-mail: rnt.helpdesk@linkintime.co.in

7. OTHER DISCLOSURES:

a. The Company has in place a policy (uploaded and available on the Company's website - www.ashapura.com) on Related Party Transactions approved by the Board of Directors to deal with the related party transactions entered into by the Company. The Board of Directors has entrusted responsibility on the Audit Committee to grant omnibus approval for the transactions which are repetitive in nature and to confirm that they meet the criteria of having entered into ordinary course of business and at arm's length basis. Related Party Transactions have been disclosed under Note__ to the Accounts for the year under review. A Statement in summary form of transactions with related parties in the ordinary course of business are placed periodically before the Audit Committee/Board for review and approval.

b. During the year under review, no penalty was imposed on the Company by any authority but for the Financial Year 2015-16 i.e. previous year, the Company had paid the penalty to Stock Exchanges for Non-Compliance of erstwhile Clause 49 (II)(A)(1) of the Listing Agreement i.e. non-appointment of woman director on the Board of the Company on or before 31st March, 2015.

The Company has complied with all the requirements of the provisions of the Listing Regulations, as well as regulations and guidelines of SEBI, as issued from time to time and applicable to the Company.

c. A Vigil Mechanism/Whistle Blower Policy has been established for Directors and employees to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The mechanism provides for adequate safeguard against victimization of Director(s)/employee(s) who avail the mechanism, by providing for direct access to the Chairman of the Audit Committee in exceptional cases. No person has been denied access to the Chairman of the Audit Committee. The Policy is available on the Company's website (www.ashapura.com).

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

d. The Company has in place a Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information to regulate, monitor and report trading by Insiders as prescribed under SEBI (Prohibition of Insider Trading) Regulations, 2015, as approved by the Board of Directors.

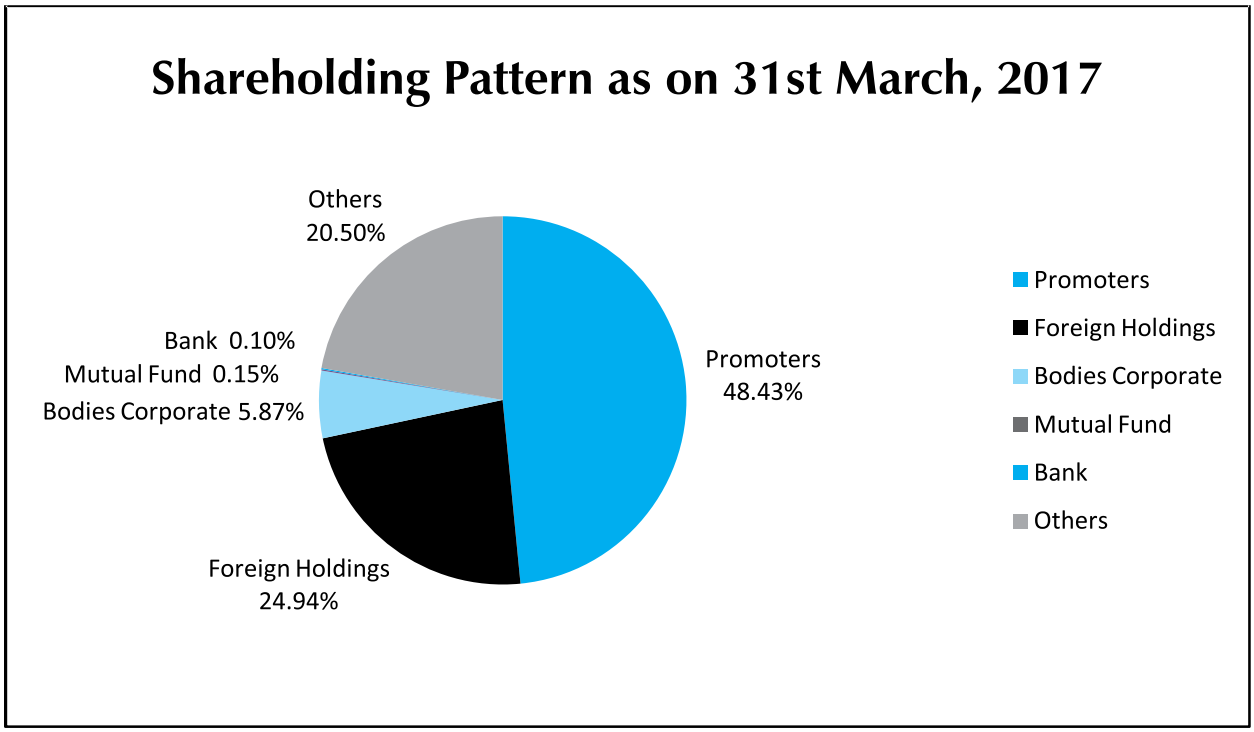
e. In terms of Regulation 16 of the Listing Regulations, the Company has in place a policy on determining Material subsidiary, duly approved by the Board of Directors and the same has been displayed on the Company's website www.ashapura.com.

"TABLE A"
DISTRIBUTION OF SHAREHOLDING AS ON 31st MARCH, 2017

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. Shares	% of Shareholding
1-500	15145	79.33	2242966	2.58
501-1000	1774	9.29	1484460	1.71
1001-2000	1103	5.78	1830396	2.10
2001-3000	318	1.67	831198	0.96
3001-4000	146	0.76	534225	0.61
4001-5000	143	0.75	689752	0.79
5001-10000	201	1.05	1475780	1.70
10001 & above	262	1.37	77897321	89.55
Total	**19092**	**100.00**	**86986098**	**100.00**

"TABLE B"
CATEGORY-WISE DISTRIBUTION AS ON 31st MARCH, 2017

Categories	Total No. of Shares	% of Holdings
A) **Promoters Holding**		
Individuals	34036303	39.13
Bodies Corporate	8093040	9.30
Total (A)	**42129343**	**48.43**
B) **Public Holding**		
i) **Institutions**		
Mutual Fund	130000	0.15
Foreign Portfolio Investor (Corporate)	19719404	22.67
Foreign Inst. Investors	516323	0.59
Nationalised Bank	8000	0.01
Non-Nationalised Bank	74128	0.09
Total (B)(i)	**20447855**	**23.51**
ii) **Non-Institutions**		
Bodies Corporate	5107526	5.87
Overseas Body Corporate	4000	0.00
Foreign Nationals	1500	0.00
Non-Resident Indian (Repatriable)	576246	0.66
Non-Resident (Non-Repatriable)	889923	1.02
Market Maker	5741	0.01
Hindu Undivided Family	723195	0.83
Other Directors	52050	0.06
Clearing Members	228135	0.26
Public	16820584	19.34
Total (B)(ii)	**24408900**	**28.06**
Total (B)(i) + (B)(ii)	**44856755**	**51.57**
Grand Total (A+B)	**86986098**	**100.00**


Shareholding Pattern as on 31st March, 2017
Others
20.50%
Bank 0.10%
Mutual Fund 0.15%
Bodies Corporate 5.87%
Promoters
48.43%
Foreign Holdings
24.94%
Promoters
Foreign Holdings
Bodies Corporate
Mutual Fund
Bank
Others

AUDITORS' 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 March 31, 2017, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as referred to in Regulation 15(2) of the Listing Regulations.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the corporate governance. 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-referred Listing Regulations except that the Company has not appointed Chief Financial Officer during the year under review.

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 : 10th August, 2017

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

This is to confirm that Company has adopted a Code of Conduct for all the Board Members, Senior Management and all employees in and above Officer Level. These Codes are available on the Company's website.

I further confirm that the Company has in respect of the financial year ended on 31st March, 2017, received from all the Board Members and Senior Management Personnel of the Company, a declaration of compliance with the Code of Conduct as applicable to them.

For and on behalf of the Board,

Sd/-
Rajnikant Pajwani
Whole-Time Director & CEO
(DIN: 00086007)

Place: Mumbai
Date: 10th August, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

CAUTIONARY STATEMENT:

Certain Statements in this Management Discussion and Analysis portraying the Company's views, objectives, projections, estimates, expectations or predictions may be considered as "FORWARD LOOKING STATEMENTS" within the meaning of applicable laws and regulations. Forward looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions and expectations of future events, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved.

The Management of Ashapura Minechem Limited presents the analysis of the performance of the Company during the year 2016-2017 and a future outlook, which is based on the assessment of the current business scenario. The business scenario may vary due to the future economic, political and other developments, both in India and abroad.

ECONOMIC ENVIRONMENT:

The world economy is in the midst of a decade long slow growth environment characterized by an imminent productivity growth crisis. It is estimated to have expanded by just 2.2 percent in 2016, the slowest rate of growth since the Great Recession of 2009. It continues to face significant uncertainties and downside risks over changes in the international policy environment, unconventional monetary policy, debt overhang in emerging economies and volatile financial flows. Many economies have experienced a marked downturn in private and public investment in recent years. Conflicts and geopolitical tensions continued to weigh on economic prospects in several regions.

India's GDP grew about 7.1%. This was primarily on the back of improving agricultural sector with good monsoons and Government's public spending program. The manufacturing, mining, construction and service sectors registered a weak growth. India's GDP growth is expected to remain stable during Financial Year 2017-2018. The Government's stimulus for improving overall business sentiments will be the major growth drivers as the Government continues to drive reforms such as the introduction of Goods and Service Tax (GST) that will have positive impact as also will encourage development. Furthermore, accountability, enhanced transparency and liberalization of the Foreign Direct Investment (Policy) will also help to revel India's operational & economical potential.

INDUSTRY SCENARIO:

India is endowed with vast reserves of key metallic and non-metallic minerals. However, growth in the mining with and metals industry lags behind the country's overall economic growth. Currently, Metals and mining industry is confronted with several hurdles, like inadequate infrastructural facilities in terms of transportation or logistics facilities, regulatory challenges and policy gridlocks, corruption, social unrest etc. Many of planned projects have hindered due to issues related to land acquisitions, mining leases, forest clearances and relief and rehabilitation (R&R) policies.

OUTLOOK:

The global economic climate continues to be volatile, uncertain and prone to risks that combined with weak consumer sentiment and low commodity prices are expected to affect global growth adversely.

In this scenario, your Company has decided to focus on development of value-added & speciality products, explore inventive concepts & theories to improve the quality of its products at the same time to bring down the logistic and operational cost which will help the Company to reduce its dependence on its core minerals/products and at the same time broad base its mineral portfolio and revenue generating avenues.

The Company is also exploring diverse prospects of expanding its business presence geographically considering the availability of quality of minerals as also to achieve economies of scale.

FINANCIAL PERFORMANCE:

The Financial Statements for the year ended 31st March, 2017, have been prepared in accordance with the requirements of the Companies Act, 2013 and the Generally Accepted Accounting Principles (GAAP) in India and are based on the historical cost convention on an accrual basis.

The financial year under review was considerably not in the favour of the Company as the top line and bottom line at the Standalone and Consolidated level dropped which could mainly be attributed to the reduction in sale of Bauxite. As such, the total income from operations at a Standalone Level stood at ₹ 23,455.36 Lakhs as against ₹ 59,248.75 Lakhs for the previous financial year ended 31st March, 2016 and at Consolidated Level, the same stood at ₹ 1,00,272.31 Lakhs as against ₹ 1,77,534.81 Lakhs in the previous financial year ended 31st March, 2016. In view of the decline in total income from operations, the Company at Standalone Level reported Net Loss of ₹ 5,896.70 Lakhs as against Net Profit of ₹ 6,469.44 Lakhs for the previous financial year ended 31st March, 2016. At Consolidated Level also, the Company reported Net Loss of ₹ 1,732.94 Lakhs as against Net Profit of ₹ 16,233.41 Lakhs for the previous financial year ended 31st March, 2016.

The Company pursuant to the provisions of Companies (Indian Accounting Standards) Rules, 2015, has adopted and implemented the Indian Accounting Standards (Ind AS) w.e.f. 1st April, 2017.

OPPORTUNITIES:

Asia continues to hold fort in terms of demand for metals and ores, moreover global infrastructure initiatives such as the Belt and Road initiatives that span over 60 countries are bound to translate into core demand for ores, clays and building material. Companies such as yours, with global expertise to operate and transport from multiple resource bases would be in a position to take advantage of such opportunities. The Company's bulk mineral strategy is also parallelly supplemented by its focus on value added products which would eventually dominate their niche applications.

THREATS:

A deeper and prolonged weakness in commodity and mineral markets is likely to impact the Company's medium term profitability; furthermore adverse legislative or regulatory decisions in connection with the Company's operations, shipping and other claims, conservative government policies, custom duty, price fluctuation, reduced demand, environmental issues, increased freight rates, sluggish Chinese market, availability of the minerals at much cheaper cost from third world countries could significantly affect the Company's revenue and profitability.

RISK & CONCERNS:

The Company was declared as a 'Sick Company' by the erstwhile Board for Industrial & Financial Reconstruction (BIFR) vide its order dated 20th March, 2012. However, upon coming into effect of the Sick Industrial Companies (Special Provision) Repeal Act, 2003 and Insolvency & Bankruptcy Code 2016, the Company has lost the available protection under the earlier BIFR and may now have to fend itself from the various claims/process under the new legislations.

Further attention is drawn to the audit qualification in respect of no provision been made for the additional liability towards translation of the liability at the closing exchange rates as well as interest on the arbitral award amounts, that led to loss for the year being understated by ₹ 52,169.09 Lakhs.

In relation to aforesaid legal processes, the Company is of the opinion that the said claims are continued to be disputed and that it is pursuing available legal options including approaching the National Company Law Tribunal as also amicable options of entering into settlement arrangement/agreement with such creditors.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY:

The Resource optimization i.e. optimal utilization of available resources play a vital role in the Company's performance and Internal Control System helps in achieving such pre-set objectives. Internal Control ensures that all assets are safeguarded and protected against unauthorized use or disposal.

Your Company has established a proper system of Internal Controls including Financial Controls and procedures that are compatible with the size, scale and nature of its operation and business. An Independent Audit firm of Chartered Accountants has been appointed with a view to ensure that the system of internal control and procedures are properly adhered to. Internal Auditors periodically conduct Internal Audit of the Company's operations and activities as per the scope of work approved by the Audit Committee under the policy guidelines recommended by the Board of Directors. The Internal Auditors based on their findings/ observations submits Internal Audit Report to Audit Committee which also includes recommendations to the Management for the corrective actions, if any. The Audit Committee periodically discusses and reviews the reports submitted by the Internal Auditors and gives parts with their valuable suggestions, wherever required, for adequacy, effectiveness and improvement of the Internal Audit Process viz-a-viz Internal Control Systems.

The performance of the Company is regularly reviewed by the Audit Committee and the Board of Directors to ensure that it is in consonance with the overall corporate policy and in line with pre-set objectives.

RESEARCH & DEVELOPMENT:

The Mining and Mineral development in the present age requires a strong base of suitable research and development efforts. Accordingly, Ashapura Knowledge & Innovation Center that spreads over a lush four acre Innovation Complex at Bhuj, Gujarat, carries out extensive research on product and process development by highly qualified expert/scientists team to pursue technology development of new/value added products keeping in mind the mineral portfolio of the Company. Apart from innovation & value-addition, the Company's Research & Development (R&D) activities also focuses on providing cost-effective and sustainable solutions to support consistent growth of business.

During the year under review, the Company carried out research activities exploring commercial use of other minerals/ores to broad base its mineral portfolio as also carried out development of specialty/value-added products using its existing & core minerals/ores i.e. bentonite and bauxite. The brief details of the research & development activities during the year are given under 'Annexure – C' forming part of the Directors' Report.

HUMAN RESOURCES DEVELOPMENT:

Human Resources are capital of the Company. Your Company believes that all employees are instrumental in the success of the Company, as they stand firm in challenging situations of the Company. To retain a sustainable competitive advantage in the new knowledge economy, learning is a key catalyst for an organization's survival and success. Therefore, your Company provides learning, training and development opportunities to its employees starting from induction programme to career development program and much more. Your Company provides a platform for employees at all levels to interact and connect with their seniors as also within their peer groups which enables them to share information and feedback on individual and Company's performance and the way forward.

Your Company has experienced staff and executives at different levels. As on 31st March, 2017 the total permanent employee strength of the Company was 690. The Company, at the Group Level, spread across varied locations, employed directly or indirectly, approximately 2000 employees.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility in Ashapura Group is a continuous process. The Group has been carrying out numerous CSR activities in a resolute manner from last several years.

Several schemes have been taken up and being implemented under CSR in the current financial year, which broadly includes the women & child development, rural development, educational & vocational training, healthcare by providing medical mobile clinics & medical camps, water harvesting, agricultural development, upliftment of handicrafts and artisans, culture and history.

Ashapura Group has also been taking up initiatives in the Community Development Programme which inter alia includes agricultural development by providing training to farmers, environment development by arranging sewage treatment plant, sanitation facilities, water filtration, solar system etc., livestock development which includes animal vaccination, service station for cattle feeds, providing services of veterinary doctors etc., water management i.e. improving ground water level by water harvesting.

Apart from this, during the year under review, Ashapura Group has completed its Vande Mataram Museum Project that spreads over 12 acres of land in Hiralaxmi Memorial Craft Park which has been constructed as a tribute to Indian Independence struggle. The said museum has the combination of history, art and technology. The said museum amongst other things include replicas of Indian Parliament House (Sansad Bhavan), Delhi's India Gate, Ahmedabad's Sabarmati Ashram, Statues of Freedom Fighters, re-creating selected few events occurred during the years of Indian Freedom struggle i.e. 1857 to 1947.

INDEPENDENT AUDITORS' REPORT

To
The Members of
ASHAPURA MINECHEM LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Ashapura Minechem Limited** ("the Company") which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditors' Responsibility

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

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

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

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

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

Basis for Qualified Opinion

Attention is invited to –

Note No. 25 regarding non provision of the additional liability aggregating to ₹ 5,216,908,537 crores towards translation of the liability at the closing exchange rates as well as interest on the award amounts from the date of the repective awards as specified in the arbitration awards. The loss for the year is understated and reserves as at the balance sheet date are overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matters described in the Basis for Qualified Opinion paragraph above,* the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and of the loss and its cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of two branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 102,220,844 (previous year: 118,244,827) as at 31st March 2017 and total revenues of ₹ 5,852,195 (previous year: 13,754,141) lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India terms of sub-section (11) of section 143 of the Act, we give in the Annexure – A, a statement on the matters specified in clause 3 and 4 of the Order, to the extent possible.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The reports on the accounts of two branch offices of the Company audited under section 143 (8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

d) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

f) On the basis of written representations received from the directors as on 31st March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017, from being appointed as a director in terms section 164(2) of the Act;

g) With respect to the adequacy of internal financial controls over financial reporting of the Company and operating effectiveness of such controls, our separate report in annexure – B may be referred;

h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note no. 35;

ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring the amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November 2016 to 30th December 2016. In absence of any external evidences, based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. Refer note no. 34.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Sd/-
MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
30th May, 2017

ANNEXURE - A TO THE INDEPENDENT AUDITORS' REPORT

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

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

1 In respect of fixed assets:

a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified by the management at reasonable intervals in a phased manner in accordance with a programme of physical verification. No discrepancies were noticed on such verification.

c. The title deeds of immovable properties are held in the name of the Company.

2 The inventories were physically verified by the management at reasonable intervals during the year. No material discrepancies were noticed on such physical verification carried out by the Company.

3 The Company has granted unsecured loans to companies covered in the register maintained under section 189 of the Act. Since no terms and conditions of these loans are stipulated, we cannot offer any comments as to the repayment of principal amount or overdue amounts, if any. The receipts of interest on these loans are regular.

4 The Company has complied with provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security, to the extent applicable.

5 The Company has not accepted any deposits within the meaning of the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder with regard to the deposits accepted from the public. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.

6 We have broadly reviewed the cost records maintained by the Company pursuant to Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7 In respect of statutory and other dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues, to the extent applicable, with the appropriate authorities during the year. There are no undisputed statutory dues outstanding for a period of more than six months from the date they became payable.

b. There are no statutory dues, which have not been deposited on account of dispute except for the followings:

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

8 The Company has not defaulted in repayment of loans or borrowing to banks except for the dues of certain banks in respect of losses and liabilities for foreign currency derivative transactions which are disputed by the Company as stated in note no. 24 and to the extent the amounts stated under note no. 6. The Company has not obtained any borrowings from any financial institutions or government or by way of debentures.

Lender wise details of the defaults are as under:

Bank	Balance as on 31st March 2017 ₹
HDFC Bank	254,000,000

* excluding interest

9 Term loans obtained by the Company have been applied for the purpose for which they were obtained. The Company has not raised any money during the year, by way of public offer (including debt instruments).

10 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 or on the Company by its officers or employees was noticed or reported during the year.

11 Managerial remuneration paid or provided by the Company during the year is in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

12 Since the Company is not a Nidhi Company, the provisions of clause 3 (xii) of the Order are not applicable to the Company.

13 All transactions with the related parties are in compliance with Section 177 and 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards.

14 The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

15 The Company has not entered into any non-cash transactions during the year with directors or persons concerned with him.

16 The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Sd/-
MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
30th May, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Ashapura Minechem Limited** ("the Company") as of 31st March, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for the Internal Financial Statements

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that -

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Sd/-
MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
30th May, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note No.	31st March, 2017 ₹		31st March, 2016 ₹	
EQUITY AND LIABILITIES :					
Shareholders' Funds					
Share Capital	2	173,972,196		173,972,196	
Reserves and Surplus	3	(2,818,512,581)	(2,644,540,385)	(2,228,842,557)	(2,054,870,361)
Non-Current Liabilities					
Long-term Borrowings	4	326,600,000		417,800,000	
Other Long Term Liabilities		—		—	
Long-term Provisions	5	96,023,861	422,623,861	88,650,850	506,450,850
Current Liabilities					
Short-term Borrowings	6	254,000,000		264,000,000	
Trade Payables		502,984,974		934,318,708	
Other Current Liabilities	7	8,381,494,647		8,252,586,421	
Short-term Provisions	8	18,477,814	9,156,957,435	18,289,891	9,469,195,020
Total...			6,935,040,911		7,920,775,509
ASSETS :					
Non-Current Assets					
Fixed Assets	9				
Tangible Assets		2,327,941,848		1,886,884,049	
Intangible Assets		16,656,939		2,325,669	
Capital Work-in-Progress		22,150,767		492,273,965	
		2,366,749,554		2,381,483,683	
Non-current Investments	10	390,049,038		390,049,038	
Long-term Loans and Advances	11	1,049,471,378		1,125,256,556	
Other Non-current Assets		—	3,806,269,970	—	3,896,789,277
Current Assets					
Current Investments		—		—	
Inventories	12	876,974,537		1,205,881,182	
Trade Receivables	13	1,380,758,889		1,847,965,248	
Cash and Bank Balances	14	105,884,394		163,808,835	
Short-term Loans and Advances	15	765,153,121		806,330,967	
Other Current Assets		—	3,128,770,941	—	4,023,986,232
Total...			6,935,040,911		7,920,775,509

The accompanying notes 1 to 44 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
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

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

Particulars	Note No.	2016-2017 ₹		2015-2016 ₹	
REVENUE :					
Revenue from Operations	16	2,354,312,432		5,924,875,452	
Less: Excise Duty		8,776,572	2,345,535,860	—	5,924,875,452
Other Income	17		125,367,733		64,318,500
			2,470,903,593		5,989,193,952
EXPENSES :					
Cost of Materials Consumed	18		684,361,211		1,155,415,773
Purchases of Stock-in-Trade			308,018,007		454,342,228
Changes in Inventories	19		241,217,434		(50,367,541)
Employee Benefit Expenses	20		358,764,532		381,107,075
Finance Costs	21		94,247,624		93,555,778
Depreciation and Amortization			243,591,288		204,145,253
Other Expenses	22		1,130,373,521		3,258,304,035
			3,060,573,617		5,496,502,601
Profit before exceptional and extraordinary items and tax			(589,670,024)		492,691,351
Exceptional Items	32		—		154,252,363
Profit before extraordinary items and tax			(589,670,024)		646,943,714
Extraordinary Items			—		—
Profit Before Tax			(589,670,024)		646,943,714
Tax Expenses					
Current tax		—	—	—	—
Deferred tax		—	—	—	—
Net Profit for the year			(589,670,024)		646,943,714
Face Value per Equity Share			2.00		2.00
Basic /Diluted (before extra ordinary items)			(6.78)		7.44
Basic /Diluted (after extra ordinary items)			(6.78)		7.44

The accompanying notes 1 to 44 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
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2017

Particulars		2016-2017 (Amount in ₹)		2015-2016 (Amount in ₹)
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Items		(589,670,024)		492,691,351
Adjustments for -				
Depreciation	243,591,288		204,145,253	
Loss (Profit) on Sale/disposal of Fixed Assets	9,099,695		(523,193)	
Loss (Profit) on Sale of Investment	(402,016)		(2,210,937)	
Dividend	(13,996,177)		(13,998,495)	
Interest (net)	(16,973,292)	221,319,498	229,275,545	416,688,173
Operating Profit Before Working Capital Changes		(368,350,526)		909,379,524
Adjustments for -				
Trade and Other Receivables	514,720,709		406,430,194	
Inventories	328,906,645		(144,608,298)	
Trade and Other Payables	(294,864,576)	548,762,778	156,069,599	417,891,495
Cash Generated From Operations		180,412,252		1,327,271,019
Direct Taxes Paid		(14,329,954)		(17,924,127)
Cash Flow before Exceptional / Extra Ordinary Items		166,082,298		1,309,346,892
Exceptional / Extra Ordinary Items		—		154,252,363
NET CASH FROM OPERATING ACTIVITIES		166,082,298		1,463,599,255
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(242,731,577)		(1,126,170,705)
Sale of Fixed Assets		4,774,723		49,778,669
Sale (Purchase) of Investments (net)		402,016		2,210,937
Interest Received		81,459,666		43,309,198
Dividend Received		13,996,177		13,998,495
NET CASH USED IN INVESTING ACTIVITIES		(142,098,995)		(1,016,873,406)

C CASH FLOW FROM FINANCING ACTIVITIES :

Proceeds (Repayments) from Long Term Borrowings	(91,200,000)	414,300,000
Proceeds (Repayments) from Short Term Borrowings	(10,000,000)	(392,282,956)
Loans lent / recovered	83,778,631	(312,939,041)
Dividend Paid	—	(344,621)
Interest Paid	(64,486,374)	(272,584,743)
Net Change in Statutory Restricted Accounts Balances	(1,445,788)	84,237,370
NET CASH USED IN FINANCING ACTIVITIES	(83,353,531)	(479,613,991)
Net Increase in Cash and Cash Equivalents	(59,370,228)	(32,888,142)
Cash and cash equivalents as at beginning of the year	124,997,448	157,885,590
Cash and cash Equivalents as at end of the year	65,627,219	124,997,448
Cash and Cash Equivalents		
Cash and Bank Balances	105,884,394	163,808,835
Statutory restricted accounts	(40,257,175)	(38,811,387)
	65,627,219	124,997,448

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

Sd/-
MANOJ GANATRA
Partner

Mumbai
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

1 SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING:

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

USE OF ESTIMATES:

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

FIXED ASSETS:

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

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

INVESTMENTS:

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

INVENTORIES:

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

- Raw materials, traded goods and stores and spares – on a weighted average price basis;
- Finished and semi-finished goods – at material cost plus direct expenses and appropriate value of overheads.

REVENUE RECOGNITION:

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

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

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

MINING EXPENSES:

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

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

FOREIGN CURRENCY TRANSACTIONS:

a. Foreign currency transactions are accounted for at the rates prevailing on the date of transaction. Exchange rate differences related to sales and other transactions are dealt with in the profit & loss statement.

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

c. In respect of forward foreign exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense, as the case may be, over the life of the contract.

d. Realized gain or loss on cancellation of forward exchange contracts are recognized in the profit & loss statement of the year in which they are cancelled.

BORROWING COSTS:

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

EMPLOYEE BENEFITS:

Post-employment benefit plans

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

ii. Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date. Actuarial gains and losses are recognized in full in the profit and loss account for the period in which they occur.

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

Short-term employee benefits

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

TAXATION:

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

EARNING PER SHARE:

Basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year, by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at year-end.

PROVISION AND CONTINGENCIES:

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

Note No. 2

2.1 Share Capital:

Particulars	31st March, 2017 ₹	31st March 2016 ₹
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		
86,986,098 equity shares of ₹ 2 each	173,972,196	173,972,196
	173,972,196	173,972,196

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

2.2 Share Capital Reconciliation:

Equity Shares:

Particulars	31st March, 2017		31st March 2016	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	86,986,098	173,972,196	86,986,098	173,972,196
Shares issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	86,986,098	173,972,196	86,986,098	173,972,196

2.3 Shares held by each shareholder holding more than five per cent shares:

Name of Shareholder	31st March, 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Chetan Navnitlal Shah	13,543,814	15.57	13,543,814	15.57
Mrs. Dina Chetan Shah	9,202,360	10.58	7,768,020	8.93
Ashapura Industrial Finance Limited	8,088,000	9.30	8,088,000	9.30
Albula Investment Fund Limited	7,857,345	9.03	7,857,345	9.03
Mrs. Fizzah N Shah	7,522,849	8.65	9,156,010	10.53

2.4 Rights, preferences and restrictions attached to shares:

Equity Shares:

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

Note No. 3 RESERVES AND SURPLUS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
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	1,773,458,645	1,773,458,645
Premium received during the year	—	—
Balance at the end of the year	1,773,458,645	1,773,458,645
d. Surplus		
Balance at the beginning of the year	(4,005,801,896)	(4,652,745,610)
Net profit for the current year	(589,670,024)	646,943,714
Balance at the end of the year	(4,595,471,920)	(4,005,801,896)
	(2,818,512,581)	(2,228,842,557)

Note No. 4 LONG TERM BORROWINGS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
a. Secured		
Term loans/WCTL from banks and others (Indian rupee accounts)*	326,600,000	417,800,000
* upon assignment from a financial institution		
	326,600,000	417,800,000

Notes:

Term Loans /WCTL from banks and others are against hypothecation of plant & equipment and vehicles, Inventroy and books debts and further secured by equitable mortgage of certain immovable assets of the company and also against personal gurantees of some of the directors.

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	—	—
	—	—
	326,600,000	417,800,000

NOTE NO. 5 LONG TERM PROVISIONS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Provision for leave encashment	13,580,849	11,828,763
Provision for mining restoration	82,443,012	76,822,087
	96,023,861	88,650,850

NOTE NO. 6 SHORT TERM BORROWINGS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
a. Secured		
Working capital finance from a bank (Indian rupee accounts)	254,000,000	254,000,000
Working capital finance from financial institutions and others* (Indian rupee accounts)	—	10,000,000
*inclues accounts upon assignment from banks/financial institution		
	254,000,000	264,000,000

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

Amount of default : Of the above, accounts with aggregate balances of ₹ 254,000,000 (254,000,000) have been classified by the respective lenders as non-standard.

b. Unsecured

	—	—
	—	—
	254,000,000	264,000,000

Note No. 7 OTHER CURRENT LIABILITIES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Current maturities of long-term debt	**91,200,000**	94,700,000
Interest accrued and due on borrowings	**182,695,069**	152,933,818
Payables on purchase of capital assets	**42,550,889**	3,918,039
Advances from customers	**109,156,858**	64,202,155
Statutory liabilities	**26,271,979**	31,013,905
Shipping claims payable	**5,620,288,244**	5,620,288,244
Derivatives and other claims payable (refer note no. 24)	**2,110,137,363**	2,110,137,363
Other liabilities	**199,194,245**	175,392,897
	8,381,494,647	8,252,586,421

Note No. 8 SHORT TERM PROVISIONS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Provision for bonus	**10,501,659**	11,831,081
Provision for leave encashment	**2,867,816**	2,016,407
Provision for royalty	**5,108,339**	4,442,403
	18,477,814	18,289,891

Note No. 9 FIXED ASSETS

PARTICULARS	Gross Block				Accumulated Depreciation				Net Block	
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions / Adjustment	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
OWNED TANGIBLE ASSETS										
LAND AND LAND DEVELOPMENT	171,104,818	784,761	—	171,889,579	—	—	—	—	171,889,579	171,104,818
BUILDINGS	533,831,844	229,541,596	290,589	763,082,851	92,755,866	16,551,725	—	109,307,591	653,775,260	441,075,978
PLANT AND EQUIPMENT	1,932,977,081	444,275,788	7,612,053	2,369,640,816	734,583,764	199,941,260	4,629,251	929,895,773	1,439,745,043	1,198,393,317
BARGES	7,598,314	—	—	7,598,314	7,353,950	—	—	7,353,950	244,364	244,364
VEHICLES	79,155,156	784,153	1,978,914	77,960,395	68,112,209	2,243,202	1,282,700	69,072,711	8,887,684	11,042,947
FURNITURE & FIXTURES	132,810,842	4,759,595	—	137,570,437	84,569,064	14,083,436	—	98,652,500	38,917,937	48,241,778
OFFICE EQUIPMENT	90,860,440	6,354,731	859,029	96,356,142	74,079,593	8,126,595	332,027	81,874,161	14,481,981	16,780,847
TOTAL..	2,948,338,495	686,500,624	10,740,585	3,624,098,534	1,061,454,446	240,946,218	6,243,978	1,296,156,686	2,327,941,848	1,886,884,049
OWNED INTANGIBLE ASSETS							—			
COMPENSATION FOR PREMISES RIGHTS	1,602,693	—	—	1,602,693	—	—	—	—	1,602,693	1,602,693
COMPUTER SOFTWARES	5,453,281	16,976,340	—	22,429,621	4,841,432	2,645,070	—	7,486,502	14,943,119	611,849
MINING LEASE	111,127	—	—	111,127	—	—	—	—	111,127	111,127
TOTAL...	7,167,101	16,976,340	—	24,143,441	4,841,432	2,645,070	—	7,486,502	16,656,939	2,325,669
CAPITAL WORK IN PROGRESS	492,273,965	3,211,228	473,334,426	22,150,767	—	—	—	—	22,150,767	492,273,965
GRAND TOTAL...	3,447,779,561	706,688,192	484,075,011	3,670,392,742	1,066,295,878	243,591,288	6,243,978	1,303,643,188	2,366,749,554	2,381,483,683
PREVIOUS YEAR	2,407,930,083	1,620,777,702	580,928,224	3,447,779,561	899,216,376	204,145,253	37,065,751	1,066,295,878	2,381,483,683	1,508,713,707

Note No. 10 NON-CURRENT INVESTMENTS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
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: 99.44%)	37,100,000	37,100,000
10,000 equity shares of Ashapura Consutancy Pvt Limited of ₹ 10 each (A wholly owned subsidiary)	100,000	100,000
10,000 equity shares of Sharda Consutancy 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
	293,793,959	293,793,959
b. Investments in Joint Ventures:		
8,966,590 equity shares of Ashapura Perfoclay Limited of ₹ 10 each (extent of holding: 50.00%)	89,665,900	89,665,900
30,750 equity shares of Ashapura Midgulf NV Antwerp of Euro 1.00 each (extent of holding: 50.00%)	1,776,379	1,776,379
	91,442,279	91,442,279
c. Investments in Associates:		
55,000 equity shares of Ashapura Arcadia Logistics Pvt Limited of ₹ 10 each (extent of holding: 50.00 %)	550,000	550,000
	550,000	550,000
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
	2,500,000	2,500,000
e. Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	1,762,800	1,762,800
	1,762,800	1,762,800
	390,049,038	**390,049,038**

Note No. 11 LONG-TERM LOANS AND ADVANCES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Unsecured (considered good)		
Capital advances	**13,965,272**	2,550,034
Security deposits	**155,684,111**	161,125,209
includes -		
Security deposits towards land and premises to directors, firms and companies in which some of the directors are interested ₹ 5,700,000 (5,700,000)		
security deposits towards premises to subsidiary companies ₹ 44,100,000 (44,100,000)		
Loans to wholly owned subsidiary companies	**832,647,066**	825,651,696
Loans to a joint venture company	**44,123,050**	134,897,051
Loans to staff	**3,051,879**	1,032,566
	1,049,471,378	1,125,256,556

Note No. 12 INVENTORIES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
(valued at the lower of cost or net realisable value)		
Raw materials	**116,180,013**	171,983,449
Semi finished goods	**377,251,017**	2,042,151
Finished goods	**281,857,559**	683,692,055
Stock-in-trade	**47,681,153**	262,272,957
Stores & spares	**37,780,192**	55,455,311
Packing materials	**16,224,603**	30,435,259
	876,974,537	1,205,881,182

Note No. 13 TRADE RECEIVABLES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Unsecured (considered good, unless otherwise stated)		
Over six months	745,835,027	614,831,703
Others	712,338,208	1,318,985,048
Trade Receivables	1,458,173,235	1,933,816,751
less: Provision for doubtful debts	77,414,346	85,851,503
	1,380,758,889	1,847,965,248

includes -

	More than Six Months	Others
due from subsidiaries	433,883,227	235,365,979
due from joint venture and associate companies	165,575,752	96,803,899
due from firms and companies in which directors are interested	38,557,727	-

Note No. 14 CASH AND BANK BALANCES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	62,294,259	121,234,916
Short term deposits	—	—
	62,294,259	121,234,916
b. Cash on Hand	3,332,960	3,762,532
	65,627,219	124,997,448
II. Other Bank Balances		
Dividend accounts	—	—
Margin money accounts	—	11,910
Terms deposits with more than 12 months maturity	40,257,175	13,196,665
Other terms deposits	—	25,602,812
	40,257,175	38,811,387
	105,884,394	163,808,835

Term deposits of ₹ 40,257,175 are under lien with banks against letter of credits and bank guarantees (previous year ₹ 38,799,477)

Note No. 15 SHORT-TERM LOANS AND ADVANCES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers	821,994,437	738,010,422
less: Provision for doubtful advances	213,182,035	217,422,883
	608,812,402	520,587,539
includes -		
Trade advances to subsidiaries, joint venture and associate companies ₹ 78,703,896 (78,003,067)		
Trade advances to companies or firms in which some of the directors are interested ₹ 54,496,827 (47,461,679)		
Advance payments of income tax (net of provisions)	70,936,956	56,607,002
Loans and advances to staff	2,601,063	6,402,209
Claims receivable	32,341,006	120,640,394
Prepaid expenses	9,930,528	12,560,827
Input credits receivable	16,101,512	9,786,469
Other loans and advances (includes doubtful advances ₹ 12,374,510 fully provided for)	24,429,654	79,746,527
	765,153,121	806,330,967

Note No. 16 REVENUE FROM OPERATIONS

Particulars		2016-2017 ₹		2015-2016 ₹
Sale of Products				
Export sales	754,312,044		4,376,767,191	
Domestic sales	1,528,827,526		1,257,957,499	
	—	2,283,139,570	—	5,634,724,690
Other Operating Revenue				
Export incentives and credits	2,803,516		1,837,860	
Foreign currency fluctuation gain	(11,776,216)		60,150,445	
Research & development fees receipts	35,000,000		137,500,000	
Other operational income	45,145,562	71,172,862	90,662,457	290,150,762
		2,354,312,432		5,924,875,452

Note No. 17 OTHER INCOME

Particulars		2016-2017 ₹		2015-2016 ₹
Dividend receipts				
from subsidary and joint venture companies	13,449,885		13,995,085	
from others	546,292	13,996,177	3,410	13,998,495
Interest receipts		81,459,666		43,309,198
Profit on sale of assets (net)		—		523,193
Profit on sale of investment (net)		402,016		2,210,937
Rent receipts		20,704,101		—
Miscellaneous income		8,805,773		4,276,677
		125,367,733		64,318,500

Note No. 18 COST OF MATERIALS CONSUMED

Particulars		2016-2017 ₹		2015-2016 ₹
Materials and Mining Expenses				
Opening stock	171,983,449		113,293,115	
Purchase and direct expenses	316,540,307		749,498,877	
	488,523,756		862,791,992	
Closing stock	116,180,013	372,343,743	171,983,449	690,808,543
Rent and royalty (net)		70,263,949		75,958,424
Mining expenses		241,753,519		388,648,806
		684,361,211		1,155,415,773

Note No. 19 CHANGES IN INVENTORIES

Particulars	2016-2017 ₹		2015-2016 ₹	
Opening Stock				
Finished goods	683,692,055		789,776,621	
Stock-in-trade	262,272,957		105,374,663	
Semi finished goods	2,042,151	948,007,163	2,488,338	897,639,622
Closing Stock				
Finished goods	281,857,559		683,692,055	
Stock-in-trade	47,681,153		262,272,957	
Semi finished goods	377,251,017	706,789,729	2,042,151	948,007,163
		241,217,434		(50,367,541)

Note No. 20 EMPLOYEE BENEFIT EXPENSES

Particulars	2016-2017 ₹	2015-2016 ₹
Salaries, wages, allowances and bonus	311,023,736	313,667,819
Contribution to employee benefit funds	24,128,489	42,672,111
Staff welfare expenses	23,612,307	24,767,145
	358,764,532	381,107,075
includes directors' remuneration	2,933,996	2,933,996

Note No. 21 FINANCE COSTS

Particulars	2016-2017 ₹		2015-2016 ₹	
Interest				
Working capital finance	20,757,502		20,841,555	
Term loans	72,503,749		69,305,293	
Others	986,373	94,247,624	1,065,180	91,212,028
Other borrowing cost		—		2,343,750
		94,247,624		93,555,778

Note No. 22 OTHER EXPENSES

Particulars	2016-2017 ₹		2015-2016 ₹	
Manufacturing Expenses				
Power & fuel	100,834,484		118,446,599	
Machinery repairs and maintenance	12,181,646		14,029,220	
Packing materials and expenses	48,254,622		44,620,784	
Carriage inward	3,834,016		12,485,351	
Stores and spares	114,280,334		55,963,965	
Other expenses	85,956,366	365,341,468	97,141,120	342,687,039
Selling and Distribution Expenses				
Sales commission	3,433,998		106,888,975	
Export freight and insurance	107,390,936		755,806,070	
Export duty	41,375,524		540,224,065	
Export and other shipment expenses	307,616,908	459,817,366	1,206,938,999	2,609,858,109
Administrative and Other Expenses				
Travelling expenses	65,460,531		60,706,272	
Rent	9,097,505		10,270,485	
Rates and taxes	26,095,384		22,276,941	
Insurance premiums	6,284,786		5,295,179	
Building and other repairs	15,601,746		14,491,353	
Advertisement and business promotion	7,971,628		11,643,092	
Directors' sitting fees	2,150,000		1,645,000	
Legal and professional fees	33,742,195		51,084,931	
Payments to auditors	4,776,927		5,217,672	
Provisions and write off for doubtful debts and advances (net)	10,405,704		3,191,718	
Bank discount, commission and other charges	5,042,556		6,033,396	
Donations	2,233,799		1,218,801	
Loss on sale of assets (net)	9,099,695		—	
Prior period expenses	—		3,175,052	
General expenses	107,252,231	305,214,687	109,508,995	305,758,887
		1,130,373,521		3,258,304,035

23 Based on the audited annual accounts for the year ended 31st March 2011, the Board for Industrial Financials Reconstruction (BIFR) declared the Company as a sick company vide its order dated 20th March 2012. Further, in terms of the guideline for preparation of rehabilitation scheme, the Company has submitted the Draft Rehabilitation Scheme to Bank of India (Operating Agency) and BIFR. However, vide notification S.O No. 3568(E) and 3569(E) dated 25th November 2016, SICA has been ceased to operate w.e.f. 1st December 2016. The Company is seeking legal advice for further course of action in the regard.

24 As directed by the Security and Exchange Board of India (SEBI), the Company has, during the financial year 2014-15, made provisions of unprovided disputed loss/liability aggregating to ₹ 2,110,137,363 lacs in respect of foreign currency derivative contracts, which were the subject matter of the qualification in the Auditors' Report in the earlier years. The Company, however, based on the legal advice received, maintains that that these financial derivatives contracts are void and unenforceable.

25 Three shipping companies by virtue of arbitration awards passed in their favour under section 34 of the Arbitrations & Conciliation Act, 1996 arising out of the Contract of Affreightment, had raised claims aggregating to US $ 126.02 millions against the Company. Since the awards of these claims of each of three shipping companies were heavily exaggerated, the Company had challenged the said arbitration awards before the Hon. Supreme Court of India. The Hon. Supreme Court of India vide order dated 13th May, 2016 held that the said awards are enforceable. The Company subsequently filed a review petition before the Hon. Supreme Court, which was rejected during the year.

The management, however, based on the legal opinion obtained by the Company, is of the opinion that the said claims are disputed and the Company is pursuing various legal options available to challenge the said arbitration awards. In view of this, the additional liability aggregating to ₹ 5,216,908,537 crores towards translation of the liability at the closing exchange rates as well as interest on the award amounts from the date of the respective awards as specified in the arbitration awards have not been provided for in the financial statements.

As a result, the loss for the year is understated and reserves as at the balance sheet date are overstated by ₹ 5,216,908,537 crores.

26 Balances with some of the banks as well as 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.

27 The management of the Company has, during the year, carried out technological valuation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS) – 28. Based on the judgment of the management and as certified by the directors, no provision for impairment is found to be necessary in respect of any of the assets.

28 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", in the opinion of the management, are not applicable.

29 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.

30 In accordance with Accounting Standard (AS) 13, the long-term investments held by the company are carried at cost. All the investments of the company in subsidiaries, joint ventures and associate companies have been considered by the management to be of a long-term nature and diminution in the value of investments, being considered by the management to be for a temporary period is not provided for.

31 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."

32 Exceptional Items :

(₹ in lacs)

Particulars	2016-2017	2015-2016
Loss on shifting of manufacturing facilities from one location to another	—	(444.27)
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.	—	1,986.80

33 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.

34 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016:

Particulars	SBNs	Other Denomination	Total
Closing cash on hand as on 8th November 2016	2,526,000	7,990,982	10,516,982
Add: Permitted Receipts	—	9,106,513	9,106,513
Less: Permitted Payments	—	8,311,543	8,311,543
Less: Amounts deposited in Banks	2,526,000	—	2,526,000
Closing cash on Hand as on 30th December 2016	—	8,785,952	8,785,952

35 Contingent Liabilities:

(₹ in lacs)

Particulars	31st March	
	2017	2016
Guarantees to banks against credit facilities extended to Subsidiary Companies	7,484.00	6,425.00
Guarantees to banks against credit facilities extended to Joint Venture and Associate Companies	3,200.00	3,200.00
Guarantees given by the Company to various Government Authorities	6,499.00	8,656.89
In respect of contracts remaining to be executed	19.82	19.82
In respect of disputed Income Tax Matters	1,545.11	1,545.11
In respect of Other Matters	4,426.57	4,396.98

36 Payments to Auditors:

Particulars	2016-2017 ₹	2015-2016 ₹
Audit Fees including Limited Review	3,700,000	4,230,000
Tax Audit Fees	795,000	515,000
Other Services	260,000	301,000
Reimbursement of Expenses	21,927	171,672

37 Disclosure as per AS – 15 (Revised) on '"Employee Benefit" for the year ended 31st March 2017:

Gratuity Plan	2016-2017 ₹	2015-2016 ₹
Change in the defined benefit obligations		
Defined benefit obligations as at 1st April	65,835,765	41,727,443
Service cost	5,230,598	3,601,942
Interest cost	5,266,861	3,338,195
Actuarial loss / (Gain)	(7,187,763)	18,816,799
Benefits paid	(4,225,316)	(1,648,614)
Defined benefit obligations as at 31st March (a)	64,920,145	65,835,765
Change in plan assets		
Fair Value of plan assets as at 1st April	42,341,778	39,630,775
Expected return on plan assets	5,113,198	3,609,705
Contributions by employer	28,370,779	749,912
Actuarial Gain / (loss)	—	—
Benefits paid	(4,225,316)	(1,648,614)
Fair Value of plan assets as at 31st March (b)	71,600,438	42,341,778
Present Value of unfunded obligations (a-b)	(6,680,293)	23,493,987
The net amount recognized in the statement of profit and loss for the year ended 31st March is as follows:		
Current service cost	5,230,598	3,601,942
Interest cost	5,266,861	3,338,195
Expected return on plan assets	5,113,197	(3,609,705)
Net actuarial loss / (gain) recognized	(7,187,763)	18,816,799
Net amount recognized	1,803,501	22,147,231
Actual Return on Plan Assets		
The principal actuarial assumptions used as at 31st March are as follows:		
Discount Rate	8.00%	8.00%
Expected rate of return on plan assets	8.00%	8.00%
Rate of increase in compensation levels	5.00%	5.00%

38. Details of Income and Expenditure on Research and Development:

Particulars	2016-2017		2015-2016		2014-2015	
Salaries, wages, allowances and bonus	18,263,591		15,776,579		13,494,451	
Contribution to employee benefit funds	722,121		512,089		640,447	
Staff welfare expenses	1,102,201		818,195		227,858	
Machinery repairs and maintenance	1,418,940		746,610		642,460	
Laboratory analysis and other expenses	3,179,827		2,153,980		875,534	
Other selling exp. expenses	263,387		259,998		150,863	
Travelling expenses	774,731		624,874		587,285	
Rent	1,240,050		1,477,050		3,046,840	
Rates and taxes	77,617		—		312,734	
Building and other repairs	367,972		2,023,446		689,417	
Advertisement and business promotion	11,266		15,350		11,517	
Legal and professional fees	930,752		825,855		384,814	
Sundry balances written off	9,586		—		—	
Bank commission and other charges	373		25,866		2,145	
Payment to Auditors	30,000		—		—	
Insurance Premium	69,209		—		—	
Prior Period Expenses	-		385,084		—	
General expenses	3,812,057	32,273,683	4,577,647	30,222,623	4,121,368	25,210,415
Material Cost		251,248		—	—	
Finance Cost		43,468		—	—	
Depreciation		26,182,283		9,350,411		7,359,398
		58,750,681		39,573,034		32,569,813
Less :						
Receipt from Research Activities	35,000,000		137,500,000		62,237,140	
Interest income	11,319		8,969			
Other Operational Income	52,625		56,000			
Sale of Products		35,063,944	—	137,564,969	121,311	62,358,451
Net Surplus / (Deficit)		(23,686,737)		**97,991,936**		**29,788,638**

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

	Balance at the year end	Maximum amount outstanding at any time during the year	Guarantees given by the Company
Ashapura Minechem (UAE) FZE	432,647,066	432,647,066	259,400,000
Ashapura Perfoclay Limited	44,123,050	44,123,050	320,000,000
Bombay Minerals Limited	400,000,000	400,000,000	291,500,000
Ashapura International Limited	—	—	197,500,000
All the above loans were utilized towards working capital requirements.			

40. Related Party Transactions:

Subsidiaries:

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

Associates and Joint Ventures:

- Altage Stone Crushing Industries
- Ashapura Midgulf NV
- Ashapura Arcadia Logistic Pvt. Ltd.
- Ashapura Exports Pvt. Limited
- Ashapura Mineral Company
- Ashapura Overseas Pvt. Ltd.
- Ashapura Perfoclay Limited
- Emo Ashapura Energy and Mining
- Ashapura Fareast
- Kutch Navnirman Trust
- Manico Resources Pvt. Ltd.
- Minologistic Corporation
- Minotrans Logistic Corporation
- Orient Abrasives Limited
- Sharda Industrial Corporation
- Sohar Ashapura Chemicals LLC

Key Managerial Personnel:

- Mr. Chetan Shah
- Mr. Rajnikant Pajwani
- Mr. Sachin Polke
- Mr. Ashish Desai
- Mr. Ajay Phalod
- Ms. Surekha Sathe
- Ms. Harsha Joshi

Relative of Key Managerial Personnel:

- Mr. Manan Shah

Particular of Transaction	2016-2017 ₹	2015-2016 ₹
Subsidiaries:		
Sales of Materials	634,702,987	957,767,176
Purchase of Materials	132,266,893	290,836,872
Export Shipment and Other Expenses	—	501,448
Interest Received	68,455,211	17,285,528
Lease Rent Paid	2,787,000	1,368,000
Rent Received	17,881,008	—
Loans granted	—	400,000,000
Reimbursement of Adm. Expenses Receipts (net)	51,270,436	100,104,471
Reimbursement of Royalty Payments	—	14,944,298
R&D Charges Receipts	10,000,000	50,000,000
Sale of Assets	47,379,089	473,758,730
Purchase of Assets	—	587,096,652
Stores, Spares & Packing Materials Purchase	12,191,051	19,865,421
Shipment Income (Other Operational Income)	23,232,725	50,255,243
Outstanding Balances as on 31st March		
Security Deposits (Long-term loans and advances)	44,100,000	44,100,000
Trade Receivables	669,249,206	805,268,783
Trade Advances (Short-term loans and advances)	78,703,896	78,003,067
Long-term Loans and Advances	832,647,066	825,651,696
Associates and Joint Ventures:		
Sales of Materials	195,026,004	292,165,778
Purchase of Materials	213,896,764	75,722,762
Interest Received	8,714,954	19,679,886
Rent Received	120,000	120,000
Mining, Other Charges Payments	—	4,215,150
Reimbursement of Adm. Expenses Receipts (net)	49,101,348	48,786,898
Export Shipment and Other Expenses	2,243,667	53,460,063
Operational Income	7,010,900	13,529,474
Purchase of Assets	82,900	374,899
Sale of Assets	—	49,935
R&D Charges Receipts	14,000,000	46,000,000
Outstanding Balances as on 31st March		
Trade Receivables	300,937,378	359,056,228
Trade Advances	54,496,827	47,461,679
Security Deposits (Long-term loans and advances)	5,700,000	5,700,000
Long-term Loans and Advances	44,123,050	134,897,051
Trade Payables	19,849,392	27,819,590
Advances from Customers	—	43,657,096
Interest Receivable	1,135,580	4,010,068
Key Management Personnel and Relatives		
Remuneration	28,427,758	27,011,438
Sitting Fees	200,000	200,000
Outstanding Balances as on 31st March	—	—

41. Additional information:

a Detail of Stocks & Trading Purchases

(Amounts in ₹)

Material	Opening Stock		Purchases		Closing Stock	
	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016
Processed Industrial Minerals	683,692,055	789,776,621	—	—	281,857,559	683,692,055
Traded Industrial Minerals	262,272,957	105,374,663	308,018,007	454,342,228	47,681,153	262,272,957
Work in Progress	2,042,151	2,488,338		-	377,251,017	2,042,151
Total	948,007,163	897,639,622	308,018,007	454,342,228	706,789,729	948,007,163

b Details of Materials Consumed

Material	2016-2017			2015-2016		
	Total	Indigenous	Imported	Total	Indigenous	Imported
Raw Minerals	91,256,362	91,256,362 100.00%	—	311,760,889	311,760,889 100.00%	—
Chemicals and Others	281,087,381	247,339,293 87.99%	33,748,088 12.01%	379,047,654	204,792,370 54.03%	174,255,284 45.97%

c Expenditure in Foreign Currency

Particulars	2016-2017 ₹	2015-2016 ₹
i) Travelling Expenses	11,370,208	14,595,536
ii) Commission	2,873,214	107,974,299
iii) CIF Value of Import of Materials & Capital Goods	145,471,332	392,630,532
iv) Others	81,672,607	841,580,854

d Earnings in Foreign Currency

Particulars	2016-2017 ₹	2015-2016 ₹
FOB Value of Exports	646,921,108	**3,620,961,121**

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

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

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

Signatures to Notes No. 1 to 44

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

Sd/-
MANOJ GANATRA
Partner

Mumbai
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS' REPORT

To
The Members of
ASHAPURA MINECHEM LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Ashapura Minechem Limited** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies and associates, which comprise the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its joint venture companies and assoiciates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of the Directors of the companies included in the Group and its joint venture companies and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint venture companies and associates and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for Qualified Opinion

Attention is invited to –

Note No. 28 regarding non provision of the additional liability by the Holding Company aggregating to ₹ 5,216,908,537 crores towards translation of the liability at the closing exchange rates as well as interest on the award amounts from the date of the repective awards as specified in the arbitration awards. The loss for the year is understated and reserves as at the balance sheet date are overstated to that extent.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2017 and of the loss and its cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements of nine (previous year:

eight) subsidiaries and two joint venture companies, whose financial statements reflect total assets of ₹ 1,280,883,534 (previous year: ₹ 1,914,423,492) lacs as at the balance sheet date and total revenues of ₹ 836,084,389 (previous year: ₹ 921,202,123) lacs for the year then ended, and of three associates whose financial statements reflect the Holding Company's share of loss (net) of ₹ 4,194,000 (previous year: profit ₹ 930,017,061) lacs as considered in the consolidated financial statements.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture companies and associates is based solely on the report of the other auditors. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiaries, joint venture companies and associates incorporated in India as noted in the "Other Matters' paragraph, we report, to the extent possible, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of the written representations received from the directors as on 31st March 2017 and taken on record by the Board of Directors of the Holding Company and its subsidiaries, joint venture companies and associates incorporated in India, none of the directors of the Group is disqualified as on 31st March 2017, from being appointed as a director in terms section 164(2) of the Act;

f) With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and its subsidiaries, joint venture companies and associates and operating effectiveness of such controls, our separate report in annexure – A may be referred;

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us and based on the consideration of the reports of the other auditors on separate financial statements, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture companies and associates. Refer note no. 27, 28 and 35;
ii. The Group and its joint venture companies and associates did not have any material foreseeable losses on long-term contracts including derivatives contracts;
iii. There has been no delay in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Holding company, its subsidiaries, joint venture companies and associates incorporated in India.
iv. The Group and its joint venture companies and associates have provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes (SBNs) during the period from 8th November 2016 to 30th December 2016. In absence of any external evidences, based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the management. Refer note no. 36

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Sd/-
MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
30th May, 2017

ANNEXURE – A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **Ashapura Minechem Limited** ("the Holding Company") and subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint venture companies and associates which are companies incorporated in India.

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

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting
A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that -

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

Opinion
In our opinion, the Holding Company, its subsidiaries, joint venture companies and associates which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial

reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to four subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the other auditors of these companies.

For SANGHAVI & COMPANY
Chartered Accountants
FRN: 109099W

Sd/-
MANOJ GANATRA
Partner
Membership No. 043485

Mumbai
30th May, 2017

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2017

(Amounts in Indian ₹)

Particulars	Note No.	31st March 2017 ₹		31st March 2016 ₹	
EQUITY AND LIABILITIES :					
Shareholders' Funds					
Share Capital	4	173,972,196		173,972,196	
Reserves and Surplus	5	(136,473,979)	37,498,217	18,633,298	192,605,494
Minority Interest			46,330		226,485
Non-Current Liabilities					
Long-term Borrowings	6	856,938,797		994,046,490	
Other Long Term Liabilities	7	11,619,525		11,679,417	
Long-term Provisions	8	221,050,103	1,089,608,425	190,587,762	1,196,313,669
Current Liabilities					
Short-term Borrowings	9	600,472,064		800,229,052	
Trade Payables		2,133,304,345		2,736,630,245	
Other Current Liabilities	10	9,480,418,478		8,936,481,788	
Short-term Provisions	11	256,568,201	12,470,763,088	439,188,227	12,912,529,312
Total...			13,597,916,060		14,301,674,960
ASSETS :					
Non-Current Assets					
Fixed Assets	12				
Tangible Assets		4,110,262,870		3,450,392,607	
Intangible Assets		25,988,159		4,315,215	
Capital Work-in-Progress		53,295,568		999,331,101	
		4,189,546,597		4,454,038,923	
Goodwill on Consolidation		105,006,795		105,056,795	
Non-current Investments	13	1,459,142,723		1,463,336,723	
Long-term Loans and Advances	14	322,482,408		391,996,778	
Deferred Tax Assets		10,287,801		21,094,754	
Other Non-current Assets		—	6,086,466,324	—	6,435,523,973
Current Assets					
Inventories	15	2,715,801,032		2,852,460,122	
Trade Receivables	16	2,604,233,130		2,956,302,128	
Cash and Bank Balances	17	838,041,152		688,115,662	
Short-term Loans and Advances	18	1,353,374,422		1,369,273,075	
Other Current Assets		—	7,511,449,736	—	7,866,150,987
Total...			13,597,916,060		14,301,674,960

The accompanying notes 1 to 40 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
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

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

(Amounts in Indian ₹)

Particulars	Note No.		2016-2017 ₹		2015-2016 ₹
REVENUE :					
Revenue from Operations (Gross)	19	10,191,609,135		17,923,052,445	
Less: Excise duty		164,377,888		169,571,882	
Revenue from Operations (Net)			10,027,231,247		17,753,480,563
Other Income	20		120,244,242		89,595,012
			10,147,475,489		17,843,075,575
EXPENSES :					
Cost of Materials Consumed	21		2,285,943,482		2,930,169,168
Purchases of Stock-in-Trade			970,119,088		1,659,716,039
Changes in Inventories	22		(7,261,058)		(724,781,521)
Employee Benefits Expenses	23		872,899,024		783,710,171
Finance Costs	24		170,154,678		208,066,977
Depreciation and Amortization			616,058,834		438,623,901
Other Expenses	25		5,119,038,899		10,722,724,564
			10,026,952,947		16,018,229,299
Profit before exceptional and extraordinary items and tax			120,522,542		1,824,846,276
Exceptional Items	32		—		154,252,363
Profit before extraordinary items and tax			120,522,542		1,979,098,639
Extraordinary Items			—		—
Profit Before Tax			120,522,542		1,979,098,639
Tax Expenses					
Current tax		279,553,048		483,600,000	
Earlier Years' Tax		(539,941)		5,926,467	
Deferred tax		10,428,850	289,441,957	(40,635,525)	448,890,942
Net ProfitAfter Tax			(168,919,415)		1,530,207,697
Share of Profit/(Loss)in Associate Companies			(4,194,000)		93,017,061
Minority Interest			(180,155)		115,927
Net Profitfor the Year			(173,293,570)		1,623,340,685
Face Value per Equity Share			2.00		2.00
Earnings per Equity Share					
Basic/Diluted (before extra ordinary items)			(1.99)		18.66
Basic/Diluted (after extra ordinary items)			(1.99)		18.66

The accompanying notes 1 to 40 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
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Particulars		2016-2017		2015-2016
A CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit Before Tax and Extraordinary Items		120,522,542		1,824,846,276
Adjustments for -			—	
Depreciation and Amortization	616,058,834		438,623,901	
Exchange Rate Adjustments (net)	18,186,293		14,298,729	
Loss (Profit) on Sale/disposal of Fixed Assets	35,109,079		2,302,169	
Loss (Profit) on Sale of Investments	(2,261,974)		(9,811,919)	
Provisions and Write-offs	53,637,093		23,045,559	
Dividend	(13,381,742)		(5,734,366)	
Interest (net)	473,474,335	1,180,821,918	343,356,183	806,080,256
Operating Profit Before Working Capital Changes		1,301,344,460		2,630,926,533
Adjustments for -				
Trade and Other Receivables	310,141,146		(321,062,246)	
Inventories	136,659,090		(767,590,937)	
Trade and Other Payables	7,265,621	454,065,857	903,009,614	(185,643,569)
Cash Generated From Operations		1,755,410,317		2,445,282,964
Direct Taxes Paid / Refund Receipts		(497,885,510)	(291,714,005)	(291,714,005)
Cash Flow before Exceptional / Extra Ordinary Items		1,257,524,807		2,153,568,959
Exceptional / Extra Ordinary Items		—		154,252,363
NET CASH FROM OPERATING ACTIVITIES		1,257,524,807		2,307,821,322
B CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Fixed Assets		(534,865,868)		(1,400,376,203)
Sale of Fixed Assets		148,190,301		22,516,666
Sale (Purchase) of Investments (net)		2,261,974		(735,156,539)
Interest Received		31,634,251		27,089,988
Dividend Received		13,381,742		5,734,366
NET CASH USED IN INVESTING ACTIVITIES		(339,397,600)		(2,080,191,722)

C CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds (Repayments) from Long Term Borrowings	**(137,107,693)**	516,707,748
Proceeds (Repayments) from Short Term Borrowings	**(199,756,988)**	(291,933,108)
Loans lent / recovered	**73,771,550**	28,172,723
Dividend Paid	**—**	(344,621)
Interest Paid	**(505,108,586)**	(370,446,171)
Net Change in Statutory Restricted Accounts Balances	**66,174,056**	(21,089,234)
NET CASH USED IN FINANCING ACTIVITIES	**(702,027,662)**	(138,932,662)
Net Increase in Cash and Cash Equivalents	**216,099,545**	88,696,937
Cash and cash equivalents as at beginning of the year	**519,066,152**	430,369,215
Cash and cash Equivalents as at end of the year	**735,165,697**	519,066,152
Cash and Cash Equivalents		
Cash and Bank Balances	**838,041,152**	688,115,663
Statutory restricted accounts	**(102,875,455)**	(169,049,511)
	735,165,697	519,066,152

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

Sd/-
MANOJ GANATRA
Partner

Mumbai
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

1. **Basis of Presentation of Financial Statements**

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

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 2017 except for an overseas joint venture company, Sohar Ashapura Chemicals LLC and an overseas associate, Ashapura Fareat – Malaysia where the accounts are last drawn up to 31st December, 2016.

b. The financial statements of the subsidiaries, joint venture companies and associates are audited, except for an overseas associate, Emo Ashapura Energy and Mining Limited, Nigeria.

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

	Particulars	Country of Incorporation	% voting power held as at 31st March 2017 (either directly or through subsidiaries)	% voting power held as at 31st March 2016 (either directly or through subsidiaries
Subsidiaries:				
1	Ashapura Aluminum Limited	India	100.00	100.00
2	Ashapura Claytech Limited	India	99.44	99.44
3	Ashapura Consultancy Service Private Limited	India	100.00	100.00
4	Ashapura Holdings (UAE) FZE	UAE	100.00	100.00
5	Ashapura International Limited	India	100.00	100.00
6	Ashapura Maritme FZE	UAE	100.00	100.00
7	Ashapura Minechem (UAE) FZE	UAE	100.00	100.00
8	Ashapura Guinea Resources SARL	Guinea	100.00	NA
9	Bombay Minerals Limited	India	100.00	100.00
10	Peninsula Property Developers Private Limited	India	100.00	100.00
11	Prashansha Ceramics Limited	India	100.00	100.00
12	PT Ashapura Resources	Indonesia	100.00	100.00
13	Sharda Consultancy Private Limited	India	100.00	100.00
Joint Ventures:				
1	Ashapura Midgulf NV	Belgium	50.00 %	50.00 %
2	Ashapura Perfoclay Limited	India	50.00 %	50.00 %
3	Sohar Ashapura Chemicals LLC	Oman	40.00 %	40.00 %
4	APL Valueclay Pvt. Ltd.	India	50.00%	-
Associates:				
1	Ashapura Arcadia Logistic Private Limited	India	50.00 %	50.00 %
2	Emo Ashapura Energy and Mining Limited	Nigeria	48.00 %	48.00 %
3	Ashapura Fareast MPA Sdn Bhd	Malaysia	25.00 %	25.00 %
4	Orient Abrasives Limited	India	39.10 %	39.10%

d. Details of Assets and Profits:

Name of entity	Net Assets		Share in Profit/(Loss)	
	As % of consolidated net assets	Amount ₹ In Lakhs	As % of consolidated net profits	Amount ₹ In Lakhs
Parent Company				
Ashapura Minechem Limited	(7,052.48)	(26,445.40)	340.27	(5,896.70)
Subsidiaries:				
Indian				
Ashapura Aluminum Limited	12.91	48.40	0.34	(5.84)
Ashapura Claytech Limited	17.20	64.50	18.56	(321.71)
Ashapura Consultancy Service Private Limited	(45.33)	(169.99)	(0.31)	5.32
Ashapura International Limited	2,537.92	9,516.71	(130.21)	2,256.48
Bombay Minerals Limited	3,326.69	12,474.41	(45.47)	787.93
Peninsula Property Developers Private Limited	(2.07)	(7.77)	(0.03)	0.60
Prashansha Ceramics Limited	(65.32)	(244.94)	(0.09)	(1.62)
Sharda Consultancy Private Limited	(27.16)	(101.84)	(0.12)	2.12
Foreign				
Ashapura Holdings (UAE) FZE	203.15	761.77	(2.20)	38.14
Ashapura Maritme FZE	(682.62)	(2,559.67)	(14.20)	246.14
Ashapura Guniea Resources	(94.98)	(356.17)	20.83	(360.94)
Ashapura Minechem (UAE) FZE	101.32	379.92	9.70	(168.02)
PT Ashapura Resources	79.75	299.06	0.14	(2.46)
Joint Ventures:				
Indian				
Ashapura Perfoclay Limited	1,995.50	7,482.72	(87.95)	1,524.05
APL Valueclay Pvt Limited	12.84	48.13	(0.00)	(0.03)
Foreign				
Ashapura Midgulf NV	253.11	949.10	9.85	(170.71)
Sohar Ashapura Chemicals LLC	480.35	1,801.22	(28.80)	499.10
Associates:				
Indian				
Ashapura Arcadia Logistic Private Limited			13.70	(237.46)
Orient Abrasives Limited			(15.62)	270.67
Foreign				
Ashapura Fareast MPA Sdn Bhd			4.34	(75.14)
Total Eliminations	(950.77)	(3,565.18)	7.09	(122.84)
Total	**100.00**	**374.98**	**100.00**	**(1,732.94)**

2. Principles of Consolidation

a. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of the assets, liabilities, income and expenses, after fully eliminating there from intra-group balances and intra-group transactions as per Accounting Standard (AS) – 21 "Consolidated Financial Statements".

b. Interests in joint ventures have been accounted for by using the proportionate consolidation method as per Accounting Standard (AS) – 27 "Financial Reporting of Interest in Joint Ventures".

c. Interests in associates have been accounted for by using the equity method as per Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements".

d. The financial statements of the parent company and its subsidiaries and joint ventures have been consolidated using uniform account policies for like transactions and other events in similar circumstances.

e. The excess of cost to the parent company of its investment in each of the subsidiary over its share of equity in the respective subsidiary, on the acquisition date, is recognized in the financial statements as goodwill on consolidation and carried in the balance sheet as an asset.

f. The investment in associates is initially recorded at cost. Goodwill and/or capital reserve arising at the time of acquisition and the carrying amount are adjusted to recognize the share of profit or loss of the invested after the date of acquisition.

3. Significant Accounting Policies

Basis of Accounting:

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

Use of Estimates:

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

Fixed Assets:

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

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

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

Investments:

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

Inventories:

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

Raw materials, traded goods and stores and spares – on weighted average price basis;

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

Revenue Recognition:

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

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

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

Mining Expenses:

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

Research and Development Expenses & Receipts:

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

Foreign Currency Transactions:

a. Foreign currency transactions are accounted for at the rates prevailing on the date of transactions. Exchange rate differences related to sales and other transactions are dealt with in the profit & loss statement.

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

c. In respect of forward foreign exchange contracts, the difference between the forward rate and exchange rate at the inception of the contract is recognized as income or expense, as the case may be, over the life of the contract.

d. Realized gain or loss on cancellation of forward exchange contracts are recognized in the profit and loss statement for the year in which they are cancelled.

e. Operations of the foreign subsidiary and joint venture companies are classified as non-integral. Revenue items of the foreign subsidiary and joint venture companies are translated at average rate. Monetary assets and liabilities of the foreign subsidiary and joint venture companies are translated at the closing rate.

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

Borrowing Costs:

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

Employee Benefits:

Post-employment benefit plans

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

ii) Defined Benefit Plan: The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out as at balance sheet date.

Actuarial gains and losses are recognized in full in the profit and loss statement for the period in which they occur.

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

Short-term employee benefits

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

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

Taxation:

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

Earning Per Share:

Basic earning per share is computed by dividing the net profit attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding at year-end.

Provision and Contingencies:

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

Note No. 4
4.1 SHARE CAPITAL:

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
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		
86,986,098 equity shares of ₹ 2 each	173,972,196	173,972,196
	173,972,196	173,972,196

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

4.2 Share Capital Reconciliation:

Equity Shares:

Particulars	31st March, 2017		31st March, 2016	
	No. of shares	₹	No. of shares	₹
Shares outstanding at the beginning of the year	86,986,098	173,972,196	86,986,098	173,972,196
Shares issued during the year	—	—	—	—
Shares bought back during the year	—	—	—	—
Shares outstanding at the end of the year	86,986,098	173,972,196	86,986,098	173,972,196

4.3 Shares held by each shareholder holding more than five per cent shares

Name of Shareholder	31st March 2017		31st March 2016	
	No. of shares	% of holding	No. of shares	% of holding
Mr. Chetan Navnitlal Shah	13,543,814	15.57	13,543,814	15.57
Mrs. Dina Chetan Shah	9,202,360	10.58	7,768,020	8.93
Ashapura Industrial Finance Limited	8,088,000	9.30	8,088,000	9.30
Albula Investment Fund Limited	7,857,345	9.03	7,857,345	9.03
Mrs. Fizzah N Shah	7,522,849	8.65	9,156,010	10.53

4.4 Rights, preferences and restrictions attached to shares

Equity Shares:

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

Note No. 5 RESERVES AND SURPLUS

Particulars	31st March 2017 ₹	31st March 2016 ₹
a. Capital Reserve	**33,193,924**	33,193,924
b. Capital Redemption Reserve	**390,000**	390,000
c. Statutory Reserve		
Balance at the beginning of the year	**5,407,910**	5,407,910
Transferred from Profit & Loss account	**—**	—
Balance at the end of the year	**5,407,910**	5,407,910
d. Securities Premium Account		
Balance at the beginning of the year	**1,773,458,645**	1,773,458,645
Premium received during the year	**—**	—
Balance at the end of the year	**1,773,458,645**	1,773,458,645
e. Foreign Currency Translation Reserve		
Balance at the beginning of the year	**(105,890,387)**	(120,189,116)
Current year transfer	**18,186,293**	14,298,729
Balance at the end of the year	**(87,704,094)**	(105,890,387)
f. Surplus		
Balance at the beginning of the year	**(1,687,926,794)**	(3,308,418,409)
Net profit/(loss) for the year	**(173,293,570)**	1,623,340,685
Corporate dividend tax	**—**	(2,849,070)
Balance at the end of the year	**(1,861,220,364)**	(1,687,926,794)
	(136,473,979)	18,633,298

Note No. 6 LONG TERM BORROWINGS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
a. Secured		
Term loans from banks (Foreign currency accounts)	246,960,378	315,207,346
Term loans from banks and others (Indian rupee accounts) *	400,333,538	417,800,000
Hire purchase finance	14,925,222	140,454,548
* includes accounts upon assignment from a financial institution		
	662,219,138	873,461,894
b. Unsecured		
Inter corporate loans	26,996,418	53,145,791
Others	167,723,241	67,438,805
	194,719,659	120,584,596
	856,938,797	994,046,490

Note No. 7 OTHER LONG TERM LIABILITIES

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Sales tax deferred payment liabilities	10,869,525	10,929,417
Security deposits	750,000	750,000
	11,619,525	11,679,417

Note No. 8 LONG TERM PROVISIONS

Particulars	31st March, 2017 ₹	31st March, 2016 ₹
Provision for leave encashment	28,530,461	19,685,454
Provision for mining restoration	192,519,642	170,195,732
Provision for gratuity	—	706,576
	221,050,103	190,587,762

Note No. 9 SHORT TERM BORROWINGS

Particulars	31st March 2017 ₹	31st March 2016 ₹
a. Secured		
Working capital finance from banks (foreign currency accounts)	—	27,511,187
Working capital finance from banks (Indian rupee accounts)	600,472,064	540,024,120
Working capital finance from financial institutions and others* (Indian rupeee accounts)	—	10,000,000
*includes accounts upon assignments from banks/financial institution		
	600,472,064	577,535,307

Amount of default : Of the above, accounts with aggregate balances of ₹ 254,000,000 (254,000,000) have been classified by the respective bankers as non-standard.

b. Unsecured		
Inter corporate loans	—	222,693,745
	—	222,693,745
	600,472,064	800,229,052

Note No. 10 OTHER CURRENT LIABILITIES

Particulars	31st March 2017 ₹	31st March 2016 ₹
Current maturities of long-term debt	286,508,171	243,902,672
Interest accrued and due on borrowings	182,695,069	152,933,818
Interest accrued but not due on borrowings	5,550,641	1,309,190
Payables on purchase of capital assets	53,583,312	4,478,432
Advances from customers	338,256,849	514,019,635
Statutory liabilities	83,503,262	91,049,518
Shipping claims payable	5,620,288,244	5,620,288,244
Derivatives and other claims payable	2,110,137,363	2,110,137,363
Other liabilities	799,895,567	198,362,916
	9,480,418,478	8,936,481,788

Note No. 11 SHORT TERM PROVISIONS

Particulars	31st March 2017 ₹	31st March 2016 ₹
Provision for royalty	195,663,307	163,665,652
Provision for taxes (net of payments)	27,567,497	243,590,831
Provision for bonus	27,697,145	24,721,515
Provision for leave encashment	4,915,536	4,361,159
Provision for gratuity	724,716	—
Provision for corporate dividend tax	—	2,849,070
	256,568,201	439,188,227

Note No. 12 FIXED ASSETS

Particulars	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at 1st April 2016	Additions	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions/ Adjustments	As at 31st March 2017	As at 31st March 2017	As at 31st March 2016
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Owned Tangible Assets										
Freehold Land	195,221,625	1,336,971	—	196,558,596	—	—	—	—	196,558,596	195,221,625
Buildings	1,061,122,607	332,914,972	3,371,865	1,390,665,714	211,504,686	41,612,771	620,489	252,496,968	1,138,168,746	849,617,921
Plant & Equipment	3,680,585,438	1,052,938,844	42,262,879	4,691,261,403	1,670,301,992	449,052,699	21,356,287	2,097,998,404	2,593,262,998	2,010,283,446
Barges	7,598,314	—	—	7,598,314	7,353,950	—	—	7,353,950	244,364	244,364
Vehicles	420,832,933	24,257,418	274,649,220	170,441,131	151,646,814	83,192,655	118,939,584	115,899,885	54,541,246	269,186,119
Furniture & Fixtures	194,174,642	16,329,120	568,617	209,935,145	121,613,923	21,213,938	538,255	142,289,606	67,645,539	72,560,719
Office Equipments	130,023,792	27,602,673	4,443,267	153,183,198	103,351,085	13,625,037	541,853	116,434,269	36,748,930	26,672,707
Total	**5,689,559,351**	**1,455,379,998**	**325,295,848**	6,819,643,501	**2,265,772,450**	**608,697,100**	**141,996,468**	2,732,473,082	4,087,170,419	**3,423,786,886**
Tangible Assets Under Lease										
Freehold Land	30,800	—	—	30,800	—	—	—	—	30,800	30,800
Buildings	12,838,268	—	—	12,838,268	3,679,322	354,144	—	4,033,466	8,804,805	9,158,945
Plant And Equipment	35,761,591	—	—	35,761,591	18,501,658	3,131,885	—	21,633,543	14,128,049	17,259,932
Vehicles	75,000	—	—	75,000	28,520	—	—	28,520	46,480	46,480
Furniture & Fixtures	319,902	—	—	319,902	255,628	27,245	—	282,873	37,030	64,274
Office Equipment	253,871	—	—	253,871	208,583	—	—	208,583	45,288	45,289
Total	**49,279,432**	**—**	**—**	49,279,432	**22,673,711**	**3,513,274**	**—**	26,186,985	23,092,451	**26,605,721**
Intangible Assets										
Compensation for Premises Right	24,434,113	—	—	24,434,113	21,689,849	—	—	21,689,849	2,744,264	2,744,264
Computer Software	7,212,899	25,521,403	—	32,734,302	5,753,075	3,848,460	—	9,601,535	23,132,767	1,459,824
Mining Lease Rights	111,127	—	—	111,127	—	—	—	—	111,127	111,127
Total	31,758,139	25,521,403	—	57,279,542	27,442,924	3,848,460	—	31,291,384	25,988,159	4,315,215
Capital Work in Progress	999,331,101	146,739,420	1,092,774,953	53,295,568	—	—	—	—	53,295,568	999,331,101
GRAND TOTAL	**6,769,928,023**	**1,627,640,821**	**1,418,070,801**	6,979,498,043	**2,315,889,085**	**616,058,834**	**141,996,468**	2,789,951,451	4,189,546,597	**4,454,038,922**
Previous Year	**5,415,255,789**	**1,548,476,519**	**193,804,281**	6,769,928,024	**1,898,150,315**	**438,623,901**	**20,885,130**	2,315,889,085	4,454,038,923	**3,517,105,495**

Note No. 13 NON-CURRENT INVESTMENTS

Particulars	31st March 2017 ₹	31st March 2016 ₹
Quoted; at cost:		
a. Investments in Associates		
Orient Abrasive 46,782,953 equity shares of ₹ 1 each (extent of holding: 39.10%)		
Goodwill on acquisition	670,126,512	670,126,512
Carrying amount of investment	626,485,874	626,485,874
Acumulated share of profit or (loss)	100,175,651	73,109,067
	1,396,788,037	1,369,721,453
(Aggregate market value of quoted investment ₹ 1,639,742,503 (₹ 2,334,469,355)		
Unquoted ; at Cost		
Ashapura Fareast 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)	(32,514,455)	(25,000,020)
	15,497,555	23,011,990
Emo Ashapura Energy & Mining Limited, Nigeria		
Goodwill on acquisition	112,884,398	112,884,398
Carrying amount of investment	101,099,602	101,099,602
Accumulated share of profit or (loss)	—	—
Provision for impairment of investment	(213,984,000)	(213,984,000)
	—	—
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)	41,958,331	65,704,480
	42,508,331	66,254,480
	1,454,793,923	1,458,987,923
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
	2,500,000	2,500,000
c. Investments in Government Securities:		
National Savings Certificates (under lien with sales tax/mining authorities)	1,848,800	1,848,800
	1,848,800	1,848,800
	1,459,142,723	1,463,336,723

Note No. 14 LONG-TERM LOANS AND ADVANCES

Particulars	31st March 2017 ₹	31st March 2016 ₹
Unsecured (considered good)		
Capital advances	**17,256,472**	2,704,420
Security deposits	**201,367,548**	224,198,393
includes -		
Security deposits towards land and premises to directors, firms and companies in which some of the directors are interested ₹ 10,700,000 (10,700,000)		
Loans to joint venture companies	**88,264,088**	162,035,638
Loans to staff	**4,073,290**	2,965,837
Other loans and advances	**11,521,010**	92,490
	322,482,408	391,996,778

Note No. 15 INVENTORIES

Particulars	31st March 2017 ₹	31st March 2016 ₹
(Valued at lower of cost or net realisable value)		
Raw materials	**369,229,937**	564,107,250
(including material -in transit ₹ 8,749,809)		
Semi finished goods	**677,558,819**	55,393,060
Finished goods	**835,448,881**	1,131,551,047
Materials in transit	**5,073,967**	18,365,103
Stock-in-trade	**624,419,984**	929,931,382
Stores & spares	**134,955,834**	97,254,155
Packing materials	**69,113,610**	55,858,125
	2,715,801,032	2,852,460,122

Note No. 16 TRADE RECEIVABLES

Particulars	31st March 2017 ₹	31st March 2016 ₹
Unsecured (considered good, unless otherwise stated)		
Over six months	**1,111,242,875**	689,704,027
Others	**1,629,020,265**	2,387,383,581
	2,740,263,140	3,077,087,608
less: Provision for doubtful debts	**136,030,010**	120,785,480
	2,604,233,130	2,956,302,128
	More than Six Months	**Others**
includes -		
due from joint venture and associate companies	**142,976,380**	76,224,917
due from firms and companies in which directors are interested	**107,145,625**	94,487,453

Note No. 17 CASH AND BANK BALANCES

Particulars	31st March 2017 ₹	31st March 2016 ₹
I. Cash and Cash Equivalents		
a. Balances with Banks:		
Current accounts	541,398,919	510,828,605
Short term deposits	65,593,534	873,099
	606,992,453	511,701,704
b. Cash on Hand	8,881,504	5,892,409
	615,873,957	517,594,113
II. Other Bank Balances		
Dividend accounts	—	—
Margin money accounts	10,817,126	25,761,231
Terms deposits with more than 12 months maturity	202,314,439	23,195,436
Other term deposits	6,485,630	121,451,932
Cheques on hand	2,550,000	112,950
	222,167,195	170,521,549
	838,041,152	688,115,662

Term deposits of ₹ 102,875,455 are under lien with banks against working capital finance, letter of credits and bank guarantees (previous year ₹ 169,049,511)

Note No. 18 SHORT-TERM LOANS AND ADVANCES

Particulars	31st March 2017 ₹	31st March 2016 ₹
Unsecured (considered good, unless otherwise stated)		
Trade advances to suppliers	1,247,121,642	963,534,144
less: Provision for doubtful advances	213,917,835	218,158,683
	1,033,203,807	745,375,461

Trade advances to Jointventure & Associates ₹ 7,664,129 (6,148,529)

Trade advances to companies or firms in which some of the directors are interested ₹ 46,832,698 (41,313,150)

Loans and advances to staff	11,411,671	10,335,411
Claims receivable	154,597,918	356,215,883
Prepaid expenses	16,221,963	17,832,288
Advance payments of royalty	1,891,660	45,887,655
Input credits receivable	69,802,717	53,848,696
Other loans and advances	66,244,686	139,777,681
	1,353,374,422	1,369,273,075

Note No. 19 REVENUE FROM OPERATIONS

Particulars	2016-2017 ₹		2015-2016 ₹	
Sale of Products				
Export sales	5,997,014,878		13,845,912,472	
Domestic sales	4,011,278,982	10,008,293,860	3,653,321,941	17,499,234,413
Sale of Services				
Cargo handling income	—		10,507,275	
Mining Charges Receipts	—	—	41,365,660	51,872,935
Other Operating Revenue				
Export incentives and credits	11,586,747		14,767,045	
Foreign currency fluctuation gain	(16,686,641)		59,131,189	
Research & development fees receipts	23,000,000		82,000,000	
Freight receipts on sales	122,454,147		106,908,952	
Rent income from Tippers	—		60,224,037	
Other operational income	42,961,022	183,315,275	48,913,874	371,945,097
		10,191,609,135		17,923,052,445

Note No. 20 OTHER INCOME

Particulars	2016-2017 ₹	2015-2016 ₹
Dividend receipts	13,381,742	5,734,366
Interest receipts	31,634,251	27,089,988
Profit on sale of investments (net)	2,261,974	9,811,919
Sundry balances/excess provisions written back (net)	26,293,354	2,408,219
Miscellaneous income	46,672,921	44,550,520
	120,244,242	89,595,012

Note No. 21 COST OF MATERIALS CONSUMED

Particulars	2016-2017 ₹		2015-2016 ₹	
Materials and Mining Expenses				
Opening stock	564,107,250		523,409,950	
Purchase and direct expenses	1,237,383,680		1,198,740,802	
	1,801,490,930		1,722,150,752	
Closing stock	360,480,127	1,441,010,803	564,107,250	1,158,043,502
Rent and royalty		229,870,386		617,195,566
Mining expenses		615,062,293		1,154,930,100
		2,285,943,482		2,930,169,168

Note No. 22 CHANGES IN INVENTORIES

Particulars		2016-2017 ₹		2015-2016 ₹
Opening Stock				
Finished goods	1,131,551,047		1,072,554,213	
Stock-in-trade	929,931,382		262,811,325	
Materials in transit	18,365,103		8,252,629	
Semi finished goods	55,393,060	2,135,240,592	66,840,904	1,410,459,071
Closing Stock				
Finished goods	835,448,881		1,131,551,047	
Stock-in-trade	624,419,984		929,931,382	
Materials in transit	5,073,967		18,365,103	
Semi finished goods	677,558,818	2,142,501,650	55,393,060	2,135,240,592
		(7,261,058)		(724,781,521)

Note No. 23 EMPLOYEE BENEFIT EXPENSES

Particulars	2016-2017 ₹	2015-2016 ₹
Salaries, wages, allowances and bonus	757,620,676	673,136,843
Contribution to employee benefit funds	65,172,593	71,910,665
Staff welfare expenses	50,105,755	38,662,663
	872,899,024	783,710,171
includes directors' remuneration	12,840,100	13,952,799

Note No. 24 FINANCE COSTS

Particulars		2016-2017 ₹		2015-2016 ₹
Interest				
Working capital finance	61,044,140		50,057,986	
Term loans	75,442,911		75,282,549	
Income tax	10,239,617		2,019,032	
Others	15,893,201	162,619,869	61,493,172	188,852,739
Loss/(gain) on foreign currency borrowings		(21,449)		9,395,515
Other borrowing costs		7,556,258		9,818,723
		170,154,678		208,066,977

Note No. 25 OTHER EXPENSES

Particulars	2016-2017 ₹		2015-2016 ₹	
Manufacturing Expenses				
Power & fuel	490,198,656		329,638,201	
Machinery repairs and maintenance	77,268,374		73,736,674	
Packing materials and expenses	245,605,878		205,739,277	
Stores & spares consumption	188,750,245		148,287,749	
Carriage inward	78,946,440		38,132,767	
Other expenses	399,700,779	1,480,470,372	263,299,782	1,058,834,450
Selling and Distribution Expenses				
Sales commission and discount	91,722,740		274,529,479	
Cargo handling expenses	-		9,394,217	
Export freight and insurance	504,012,151		1,429,306,335	
Export duty	390,690,164		1,344,301,287	
Export and other shipment expenses	1,900,272,345	2,886,697,400	5,886,289,022	8,943,820,340
Administrative and Other Expenses				
Travelling expenses	104,413,745		85,098,794	
Rent	39,595,307		40,281,312	
Rates and taxes	69,672,725		59,310,837	
Insurance premiums	14,653,424		10,019,221	
Building and other repairs	9,089,180		31,930,203	
Advertisement and business promotion	20,986,416		25,768,336	
Directors' sitting fees	3,410,000		2,100,000	
Legal and professional fees	94,084,273		96,975,322	
Payments to auditors	9,555,985		9,697,865	
Provisions/write off of doubtful debts/advances (net)	79,930,448		25,453,778	
Bank discount, commission and other charges	12,727,900		15,592,039	
Donations	29,791,261		87,146,309	
Corporate social responsibility expenses	18,394,731		22,661,339	
Loss on sale of assets (net)	35,109,079		2,302,169	
Prior period expenses (net)	11,681,166		4,730,369	
General expenses	198,775,487	751,871,127	201,001,881	720,069,774
		5,119,038,899		10,722,724,564

26 Based on the audited annual accounts for the year ended 31st March 2011, the Board for Industrial Financials Reconstruction (BIFR) declared the Company as a sick company vide its order dated 20th March 2012. Further, in terms of the guideline for preparation of rehabilitation scheme, the Company has submitted the Draft Rehabilitation Scheme to Bank of India (Operating Agency) and BIFR. However, vide notification S.O No. 3568(E) and 3569(E) dated 25th November 2016, SICA has been ceased to operate w.e.f. 1st December 2016. The Company is seeking legal advice for further course of action in the regard.

27 As directed by the Security and Exchange Board of India (SEBI), the Company has, during the financial year 2014-15, made provisions of unprovided disputed loss/liability aggregating to ₹ 2,110,137,363 lacs in respect of foreign currency derivative contracts, which were the subject matter of the qualification in the Auditors' Report in the earlier years. The Company, however, based on the legal advice received, maintains that that these financial derivatives contracts are void and unenforceable.

28 Three shipping companies by virtue of arbitration awards passed in their favour under section 34 of the Arbitrations & Conciliation Act, 1996 arising out of the Contract of Affreightment, had raised claims aggregating to US $ 126.02 millions against the Company. Since the awards of these claims of each of three shipping companies were heavily exaggerated, the Company had challenged the said arbitration awards before the Hon. Supreme Court of India. The Hon. Supreme Court of India vide order dated 13th May, 2016 held that the said awards are enforceable. The Company subsequently filed a review petition before the Hon. Supreme Court, which was rejected during the year.

The management, however, based on the legal opinion obtained by the Company, is of the opinion that the said claims are disputed and the Company is pursuing various legal options available to challenge the said arbitration awards. In view of this, the additional liability aggregating to ₹ 5,216,908,537 crores towards translation of the liability at the closing exchange rates as well as interest on the award amounts from the date of the respective awards as specified in the arbitration awards have not been provided for in the financial statements.

As a result, the loss for the year is understated and reserves as at the balance sheet date are overstated by ₹ 5,216,908,537 crores.

29 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.

30 Balances with some of the banks as well as balances for trade payables, trade receivables, for loans and advances in many cases are subject to confirmations from the respective parties and reconciliations, if any. In absence of such confirmations, the balances as per books have been relied upon by the auditors.

31 In the opinion of the directors, the current assets, loans and advances are approximately of the value as stated in the balance sheet, if realized in the ordinary course of the business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably required.

32 Exceptional Items:

(₹ in lacs)

Particulars	2016-2017	2015-2016
Loss on shifting of manufacturing facilities from one location to another	—	(444.27)
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.	—	1,986.80

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

Details of the balance of ₹ 10,287,801 are as under:

Particulars	₹
Depreciation	(89,003,639)
Disallowances u/s 43B & others under the Income Tax Act	99,291,440
Total…	10,287,801

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

(₹ in Lacs)

	Current Year	Previous Year
Assets		
Fixed Assets (Net Block including WIP)	8,873.47	9,968.73
Current Assets	7,066.88	6,469.54
Long term Loans and Advances	188.19	191.35
Short Term Loans and Advances	952.27	847.41
Total…	17,080.80	17,477.03
Liabilities		
Non Current Liabilities	3,475.82	2,611.59
Current Liabilities	3,097.41	6,048.67
Total …	6,573.23	8,660.26
Income		
Sales and Operational Income	19,304.62	13,335.41
Other Income	104.60	112.59
Total…	19,409.22	13,447.99
Expenditure		
Manufacturing and Other Expenses	14,876.04	10,052.69
Interest	235.71	401.46
Depreciation	1,319.14	1,157.16
Total…	16,430.88	11,611.31

35 Contingent Liabilities:

(₹ in Lacs)

Particulars	31st March	
	2017	2016
Guarantees to banks against credit facilities extended to group companies	1,600.00	1,600.00
Guarantees given to others on behalf of inter-group companies	—	244.32
Guarantees given to various Government Authorities and Others	6,499.00	8,656.89
In respect of guarantees given by the company	18,031.92	9,672.70
In respect of disputed Income Tax liabilities	2,805.22	1,551.93
In respect of contracts remaining to be executed	258.37	146.06
Disputed Liabilities in respect of Excise Duty	2,993.81	2,993.81
In respect of Other matters	5,476.19	5,438.26

36 Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December, 2016

Particulars	SBNs	Other Denomination	Total
Closing cash in hand as on 8th November 2016	4,358,000	10,291,778	14,649,778
Add: Permitted Receipt	—	12,110,527	12,110,527
Less: Permitted Payments	—	12,473,265	12,473,265
Add: Amount deposited in Banks	4,358,000	2,100	2,100
Closing cash in hand as on 30th December 2016	—	11,799,797	11,799,797

37 Related Party Transactions:

Associates and Joint Ventures:

- Altage Stone Crushing Co
- Ashapura Midgulf NV
- Ashapura Arcadia Logistic Pvt Ltd.
- Ashapura Exports Pvt Limited
- Ashapura Industrial Finance Limited
- Ashapura Infin Pvt. Limited
- Ashapura Mineral Company
- Ashapura Perfoclay Limited
- Ashapura Valueclay Pvt. Ltd
- CIF AVL Investment Holding Limited
- Emo Ashapura Energy and Mining
- Ashapura Fareast MPA SDN BHD
- Kutch Navnirman Trust
- Manico Resources Pvt Limited
- Minguj Logistic Corporation
- Minologistic Corporation
- Minotrans Logistic Corporation
- Orient Abrasives Limited
- Sharda Industrial Corporation
- Sohar Ashapura Chemicals LLC

Key Managerial Personnel:

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

Relatives of Key Managerial Personnel:

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

Particulars of Transactions	2016-2017 ₹	2015-2016 ₹
Associates:		
Sales of Materials	178,943,667	254,343,920
Purchases of Materials	237,762,474	74,774,999
Interest Received	4,357,477	9,839,943
Interest Paid	2,963,989	11,201,601
Export Shipment & Other Expenses	7,759,671	53,460,036
Transportation Charges	41,941,598	30,673,514
Lease Rent Paid	2,818,000	2,460,000
Reimbursement of Administrative Expenses	24,550,674	24,659,338
Rent Received	420,000	320,000
Mining and Other Charges Payments	—	4,215,150
Purchase of Fixed Assets	82,900	5,019,557
Sale of Fixed Assets	—	40,275,822
R&D Charges Receipts	12,000,000	40,500,000
Machinery Repairs & Maintenance	3,934,072	—
Operational Income	11,454,608	25,115,603
Donations and CSR expenses	20,000,000	58,529,709
Dividend Receipts	11,695,738	11,474,317
Outstanding Balances as on 31st March		
Trade Payables	47,167,688	34,847,645
Trade Receivables	420,834,375	339,362,649
Long-term Loans and Advances	22,061,525	67,448,526
Advance from Customers	—	21,828,548
Security Deposits	10,700,000	10,700,000
Trade Advances (Short-term loans and advances)	54,496,827	47,461,679
Long-term and Short-term Borrowings	28,371,875	121,148,625
Interest Receivable	—	2,005,034
Interest payable	381,451	—
Key Management Personnel:		
Remuneration	38,333,862	38,030,241
Directors' Sitting Fees	230,000	200,000
Outstanding Balances as on 31st March		
Security Deposits	3,000,000	5,700,000
Other Payables	13,500	1,030,750

38 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.

39 Figures for the previous year are regrouped and rearranged, wherever necessary.

40 All the amounts are stated in Indian Rupees, unless otherwise stated.

Signatures to Notes No. 1 to 40

As per our report of even date

For SANGHAVI & COMPANY
Chartered Accountants

Sd/-
MANOJ GANATRA
Partner

Mumbai
30th May 2017

For and on behalf of the Board of Directors

Sd/-
CHETAN SHAH
Chairman (Non Executive)

Sd/-
ASHISH DESAI
Sr. General Manager-Accounts

Mumbai
30th May 2017

Sd/-
RAJNIKANT PAJWANI
Whole Time Director & CEO

Sd/-
SACHIN POLKE
Company Secretary & Vice President

NOTES

FORM AOC – I

(Pursuant to first proviso to sub-section (3) of section 129

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT

Part "A": Subsidiaries

Sl. No.	1	2	3	4	5
Name of the Subsidiary Co. / Particulars	Ashapura International Limited	Ashapura Claytech Limited	Bombay Minerals Limited	Prashansha Ceramics Limited	Penisula Property Developers (P) Limited
Currency and Exchange Rate as on last date of relevant Financial Year (Foreign Subsidiares)	—	—	—	—	—
Share Capital	30,000,000	35,799,000	2,180,800	14,500,000	100,000
Reserves & Surplus	921,670,838	(29,348,590)	1,245,260,490	(38,994,120)	(876,666)
Total Assets	3,069,576,550	234,634,223	3,425,417,359	12,090,363	1,238,294
Total Liabilities	2,117,905,712	228,183,813	2,177,976,069	36,584,483	2,014,960
Investments (except investments in Subsidiary(ies)#)	86,000	—	1,296,612,386	—	—
Turnover (including Other Income)	4,363,426,025	132,463,856	2,347,342,078	2,940	84,384
Profit/(Loss) Before Taxation	370,553,243	(30,263,500)	108,841,521	(161,837)	59,137
Provision for taxation	144,904,867	1,907,059	30,048,523	—	(390)
Profit/(Loss) After Taxation	225,648,376	(32,170,559)	78,792,998	(161,837)	59,527
Proposed Dividend	—	—	545,200	—	—
% of Shareholding (either directly or indirectly)	100%	99.44%	100%	100%	100%

* Balance Sheet Items are converted at closing Exchange Rate of USD 1 = ₹ 64.85 (As on 31/03/2017) (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	Prashansha Ceramics Limited	Equity Shares
Ashapura Minechem (UAE) FZE	Ashapura Holdings (UAE) FZE	Shares
Ashapura Holdings (UAE) FZE	Ashapura Maritime FZE	Shares
Ashapura Minechem (UAE) FZE	PT. Ashapura Resources Indonesia	Shares
Ashapura Guinea Resources SARL	Ashapura Holdings (UAE) FZE	Shares

1 USD = 3.67 AED

Note: The Company will make available the annual accounts of the subsidiary companies and related prescribed information upon request by any member of the Company and of its subsidiaries. Any member interested in obtaining such documents and details may inspect the same on all working days except Saturday and holidays, between 11.00 a.m. to 1.00 p.m. at the Registered Office of the Company at Jeevan Udyog Building, 3rd Floor, 278, Dr. D. N. Road, Fort, Mumbai – 400001.

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

OF SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31st MARCH, 2017

(Amount in ₹)

6	7	8	9	10	11	12	13
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	Ashapura Guinea Resources SARL
—	—	—	—	—	—	—	—
100,000	100,000	500,000	180,198,047*	2,650,549*	2,650,549*	64,850,000*	90,790*
(10,283,613)	(17,098,752)	4,340,008	(68,119,607)*	73,103,849*	(258,617,585)*	(34,943,644)*	(35,708,161)*
3,886,987	6,049,159	4,874,508	597,549,949*	221,347,641*	3,547,684*	30,226,715*	3,721,871*
14,070,600	23,047,911	34,500	485,471,510*	145,593,243*	259,514,720*	320,359*	39,339,242*
—	—	—	208,856,623*	16,925,850*	—	—	—
248,544	613,239	—	57,257,270**	5,584,401**	25,230,064**	—	—
209,695	529,485	(584,281)	(16,801,645)**	3,813,633**	24,614,091**	(245,747)**	(36,093,600)**
(2,000)	(2,760)	—	—	—	—	—	—
211,695	532,245	(584,281)	(16,801,645)**	3,813,633**	24,614,091**	(245,747)**	(36,093,600)**
—	—	—	—	—	—	—	—
100%	100%	100%	100%	100%	100%	100%	100%

** Revenue Items are converted at an average Exchange Rate of USD 1 = ₹.65.55 (As on 31/03/2017) (rounded off to the nearest Rupee)

Face Value	No. of Shares	Amount in ₹.
₹. 10/-	750,000	7,500,000/-
AED 150000	1	2,650,549/-*
AED 150000	1	2,650,549/-*
USD 1/-	1,000,000	64,850,000/-*
GNF 1/-	10,000,000	90,790/-*

For and on behalf of the Board of Directors

Sd/-	**Sd/-**	**Sd/-**	**Sd/-**
Chetan Shah	**Rajnikant Pajawani**	**Ashish Desai**	**Sachin Polke**
Chairman (Non-Executive)	Whole-Time Director & CEO	S.G.M- Accounts	Company Secretary & Vice President

Place : Mumbai
Date : 10th August, 2017

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of Associatess/ Joint Ventures	Ashapura Perfoclay Ltd	Ashapura Midgulf NV – Antwerp @	Sohar Ashapura Chemicals LLC-Oman*	Ashapura Fareast MPA-SDN-BHD – Malaysia** (Formerly known as Hudson MPA SDN BHD)	Orient Abrasives Limited #	Ashapura Arcadia Logistic Pvt. Ltd.	Emo Ashapura Energy and Mining Ltd- Nigeria	APL Valueclay Private Limited##
1.Latest audited Balance Sheet Date	31st March, 2017	31st March, 2017	31st December, 2016	31st December, 2016	31st March, 2017	31st March, 2017		31st March, 2017
2.Shares of Associates/ Joint Ventures held by the Company on the year end								
No. of Shares	8,966,590	1,500,000	1,00,000	1,700,000	46,782,953	55,000	6,720,000	10,000
Amount of Investment in Associates/ Joint Venture	89,665,900	134,973,067	16,312,500	48,012,010	1,296,612,386	550,000	213,984,000	100,000
Extent of Holding %	50%	50%	40%	25%	39.10%	50%	48%	100%
3.Description of how there is significant influence	By Board & Equity Holding	By Board & Equity Holding	By Equity Holding/ Voting Power	By Equity Holding/ Voting Power	By Equity Holding/ Voting Power	By Board & Equity Holding	By Equity Holding/ Voting Power	By Board & Equity Holding
4.Reason why the associates/ joint venture not consolidated	N.A	N.A	N.A	N.A	N.A	N.A	The Investment in the said Company impaired during Financial Year 2011-2012.	N.A
5.Networth attributable to Shareholding as per latest audited Balance Sheet	748,271,779	94,910,203	180,121,947	24,762,586	712,642,074	46,083,159	N.A	4,812,878
6.Profit/Loss for the year								
i. Considered in Consolidation	152,404,971	(17,070,924)	49,910,188	(7,514,435)	27,066,584	(23,746,149)	N.A	2,591
ii. Not considered in Consolidation	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A

Notes:-

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

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

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

 # The Shares held through Company's Wholly Owned Subsidiary Company Viz.Bombay Minerals Limited

The Shares held through Company's Joint Venture Company viz. Ashapura Perfoclay Limited.

NOTES

NOTES

Ashapura Minechem Limited

CIN: L14108MH1982PLC026396
Regd. Office: Jeevan Udyog Building, 3rdFloor, 278,
D.N. Road, Fort, Mumbai – 400001
Tel. No. : +91-22 66221700 Fax : +91-22 22079395
Website: www.ashapura.com
E-mail ID : cosec@ashapura.com

FORM NO. MGT-11
PROXY FORM

(Pursuant t o Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

36th Annual General Meeting – 21st September, 2017

Name of the Member (s) : _____

Registered address: _____

E-mail Id: _____

Folio No / Client Id / DP ID: _____

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

1. Name: _____ Address: _____

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

2. Name: _____ Address: _____

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

3. Name: _____ Address: _____

   E-mail Id: _____ Signature: _____,

As my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 36th Annual General Meeting of the Company, to be held on Thursday, 21st September, 2017 at 3.00 p.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Oricon House, 6th Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai 400 001 and at any adjournment thereof, in respect of such resolution as are indicated below:

Resolution No.	Ordinary Business	Optional*	
		For	Against
1.	Adoption of Audited (Standalone/Consolidated) Financial Statements for the year ended 31st March, 2017 and Reports of the Directors and Auditors thereon.		
2.	Appointment of Shri Chetan Shah, who retires by rotation.		
3.	Appointment of M/s. PARK & Co, Chartered Accountants as Statutory Auditors of the Company, to hold office from the conclusion of this AGM till the conclusion of the 41st AGM of the Company to be held in the year 2022, subject to ratification of their appointment at every AGM.		
4.	Appointment M/s. Sri Sesha & Ravi., Chartered Accountants, as Branch Auditors for the Company's Branches at Chennai and Kodurfor the FY 2017-2018.		
5.	Ratification of appointment and remuneration payable to M/s. S. K. Rajani & Co., Cost Accountants, as Cost Auditors for the FY 2017-2018.		
	Special Business		
6.	Re-appointment of Shri Rajnikant Pajwani (DIN 00086007) as the Whole Time Director & Chief Executive Officer of the Company (Ordinary Resolution)		
7.	Consent of the Members of the Company for Loans and Investments by the Company, pursuant to the provisions of Section 186 of the Companies Act, 2013 (Special Resolution)		

Signed this _____ day of _____ , 2017

Affix Revenue Stamp

_____
Signature of Shareholder

_____
Signature of Proxy Holder (s)

Notes:

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

ROUTE MAP OF VENUE OF ANNUAL GENERAL MEETING



TOUCHING LIVES

The land, the people and the society that have sustained Ashapura and its transformation deserve an equal amount of affection and indulgence. The group has created institutions and vocational training infrastructure for the amelioration and development of rural women and child education, medical mobile clinics & camps, water harvesting, agricultural and animal vaccination, upliftment of handicrafts and artisans, culture and Indian history monuments.



Promotions of Handicrafts



Judo Karate Training



Distribution of Grass Fodder



Women Empowerment Training



Ashapura Primary School



Construction of Wells



Mobile Clinics & Medical Camps

ASHAPURA
Group of Industries

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

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Fax. +91 22 22079395
Website: www.ashapura.com