

23rd ANNUAL REPORT

OF

ASHOKA REFINERIES LTD.

**FOR THE YEAR
2013-14**

STATUTORY AUDITORS

SUNIL JOHRI AND ASSOCIATES

CHARTERED ACCOUNTANTS

**110 WALLFORT OZONE, FAFADIH CHOWK
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CERTIFIED TO BE TRUE COPY



ASHOKA REFINERIES LIMITED

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DIRECTORS' REPORT

Dear Members

Your Directors have pleasure in presenting the **23rd Annual Report** on the business and operation of the Company together with audited statement of accounts for the period ending 31st Mar' 14.

1. FINANCIAL RESULTS:

<u>Particulars</u>	Financial year ended 31st March	
	2014	2013
Operating Income	2,17,313	4,42,460
Other Income	5,206	15,00,000
Total Receipts:	2,22,519	19,42,460
Employee Benefit Expenses	16,200	16,200
Finance Cost	257	0
Other Expenses	2,22,044	18,52,401
Total Expenses	2,38,501	18,68,601
Profit Before Tax:	21,740	73,859
Tax Expenses	5,228	29,250
Profit for the period :	<u>16,512</u>	<u>44,609</u>
Earning Per Share (in Rs.)	0.0	0.01

2. APPROPRIATION:

No amount is proposed to be transferred to Reserves. The Profit has been carried over to Balance Sheet under Surplus in statement of Profit & Loss.

3. DIVIDEND

Due to inadequacy of profits, the Board of Directors regrets that no dividend is being recommended for the year under review.

4. PERFORMANCE REVIEW

The most significant event has been that the BSE has revoked suspension of trading in securities of the Company during the year. The equity shares are tradable on BSE.

Due to non-renewal of C & H activities, the revenue has further declined. The total income for the financial year 2013-14 is Rs.2.17 lacs as against Rs. 4.42 lacs for the year 2012-13. The profit before tax is Rs.0.21 lacs and profit after tax is Rs.0.16 lacs for the year under review against the profit before tax of Rs.0.73 lacs and profit after tax of Rs.0.40 lacs for the year 2012-13 respectively.

Your Directors feel that, barring any unforeseen circumstances, the prospects for the current year are much favorable as compared to the year under review. The Company is making all efforts cope up with the market situations and increase the operations.

5. No material changes and commitment occurred since the conclusion of the financial year.

6. PERSONNEL:

Since there was no employee who was drawing more than Rs.60.00 Lacs per annum, if employed through out the year, or Rs.500000/- per month if employed for the part of the year, the required information under sub-section (2A) of section 217 of the companies Act, 1956 read with companies (particulars of the employees) rules 1974 as amended is not given.

7. CONSERVATION OF ENERGY & TECHNICAL ABSORPTION:

The Company have not been engaged in manufacturing activities and as such the provisions of section 217 (i) (e) of the companies Act, 1956 read with the companies (disclosure of particulars in report of Board of Directors) rules 1988, regarding conservation of energy are not applicable.

R&D efforts were not made towards technology absorption and no foreign exchange outgo and inflow included during the year.

8. MANAGEMENT DISCUSSION AND ANALYSIS:

A report on Management Discussion and Analysis (MDA), which is forming part of this Report, inter-alia, adequately deal with the operations as also current and future outlook of the Company.

9. DEPOSITS:

Company has not accepted any deposits from public which is covered within the meaning of section 58-A & 58-AA of companies Act.

10. DIRECTORS

Shri Shabir Menon & Shri Sudhir Dixit Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your directors recommend his appointment.

Directors declared that no directors are disqualified from being appointed as Director of the Company under Section 184 of The Companies Act, 2013.

Women Director:

Smt. Satyawati Parashar has informed of her consent to get appointed as a women director in accordance with the provisions of the listing agreement as well the provisions of the Companies Act, 2013 at the ensuing annual general meeting.

11. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:-

- i. That in the preparation of the account for the financial year ended on 31st March' 2014, the applicable accounting standards have been followed and there were no material departures.
- ii. That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii. That the Directors have taken proper a sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. That the Directors have prepared the accounts for the financial year ended 31st March' 2014 on a going concern basis.

12. AUDITORS

M/s Sunil Johri & Associates, Chartered Accountants, who are the Statutory Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment, subject to the approval of shareholders. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits of section 139 (2) of the Companies Act, 2013 and that they are not disqualified for reappointment within the meaning of Section 141 of the said Act.

Directors recommend their reappointment on a remuneration to be decided by the Board and the Auditor mutually for the ensuing Financial Year i.e. 2014-15.

13. AUDITORS OBSERVATION:

Remarks made by the auditors in their report on the accounts stand explained in the notes to accounts which are self-explanatory.

14. VIGIL MECHANISM:

As per Section 177 (9) & (10) of the Companies Act, 2013 and Clause 49 of the Listing agreements with the Stock Exchanges has to establish a Vigil Mechanism for Directors and employees to report genuine concerns.

15. ACKNOWLEDGEMENT

Your directors wish to place on record their sincere appreciation for contributions made by employees of the company and cooperation extended by the bankers and all persons who have directly and indirectly contributed to the success of the company.

Your directors also acknowledge the trust and confidence you have reposed in the company.

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

This is to confirm that the Company has adopted Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors. I confirm that the Company has in respect of the financial year ended March 31, 2014, received from the senior management team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

BY AND ON BEHALF OF THE BOARD.

SD/-

(Ravi Kamra)
Director
DIN 00745058

SD/-

(Sudhir Dixit)
Director
DIN 02023125

DATED: 02.09.2014

PLACE: RAIPUR (C.G.)

CORPORATE GOVERNANCE REPORT
(Pursuant to clause 49 of the Listing Agreement)

Company Philosophy on code of governance:

The essence of Corporate Governance lies in its transparency, its efficiency lies in its ability to protect the stakeholders interest. Sound ethical practices, transparency in operations and timely disclosures go a long way to enhancing long-term shareholder value while safeguarding the interest of all the stakeholders.

Clause 49 of the listing agreement with stock exchanges in India has set the benchmark compliance rules for a listed company and the baseline for governance standards.

Corporate governance is an integral part of the way your Company does business. Gangotri Cement Ltd. continues to believe that a good Corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders' value.

Your Company is a listed company on the Mumbai & M. P. Stock Exchange and have a governance process and practices venture to achieve transparency and professionalism in action as well as the implementation of policies and procedures to ensure high ethical standards as well as responsible management.

We also believe that Corporate Governance is a continuously improving process and are always striving towards achieving the highest standards possible.

1. Board of Directors :

a. Composition of Board of Directors.

As on March 31st 2014, your Company's Board of the Directors of the Company consisted of four Directors with varied experience in different areas. The composition of the Board is in conformity with the clause 49 of the provisions of Listing agreement, with 50% of the Board consisting of Independent Directors. The details of composition and categories of Directors are as follows.

- | | |
|-----------------------|------------------------|
| a. Shri Sudhir Dixit | (Executive Director) |
| b. Shri Shabbir Menon | (Managing Director) |
| c. Shri Ravi Kamra | (Independent Director) |
| d. Shri Deepak Tyagi | (Independent Director) |

b. Policy

All statutory & other significant and material information are placed before the Board to enable it to discharge its responsibilities of strategic supervision of the company and as trustees of stakeholders, as per policy the Board meets at least once every quarter. During the year the Board met 5 times on 18th Apr'13, 8th Jul'13, 13th Aug'13, 28th Oct'13, and 12th Feb'14.

- c. Meeting attendance of each directors at the BOD meeting and last AGM is as under:-

Name of Directors	No. of Board Meetings Attended	Attendance at Last AGM
Shri Sudhir Dixit	5	Yes
Shri Ravi Kamra	4	Yes
Shri Shabbir Menon	5	Yes
Shri Deepak Tyagi	4	Yes

- d. Directors seeking reappointment

Name of the Director	Shri Sudhir Dixit	Shri Shabbir Menon
Designation	Director	M. D.

2. Code of Business Conducts and Ethics

The Board of Directors has laid down a Code of Conduct for all Board Members and senior employees of the Company. The annual accounts contain the Code of Conduct and a declaration by the **Managing Director**.

Your company has adopted a code of conduct for all the Board members and members of senior management, between whom it has been circulated and compliance thereto affirmed. A declaration signed by the Managing Director is given below.

I hereby confirm that:

“The company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct for directors and senior management in respect of the financial year 2013-14”

Sd/-
Shabir Menon,
Managing Director

3. Committees of the Board

a) **Audit Committee**

The Audit Committee continued working under Chairmanship of Shri Ravi Kamra with Shri Shabir Menon and **Shri Sudhir Dixit** as co-members.

The sub-committee met on four occasions with full attendance of all the members.

The committee met on the following dates with attendance as shown below:

Date of Meeting	Committee strength	No. of members present
8 th Jul'13	3	3
13 th Aug'13	3	2
28 th Oct'13	3	2
12 th Feb'14	3	2

b) **Executive Committee**

The Executive Committee continued working under Chairmanship of Shri Sudhir Dixit with Shri Ravi Kamra and Shri Shabbir Memon as co-member, during the year, the sub-committee met on four occasions with full attendance of all the members.

The committee met on the following dates with attendance as shown below:

Date of Meeting	Committee strength	No. of members present
18 th Apr'14	3	2
8 th Jul'13	3	3
28 th Oct'13	3	2
12 th Feb'14	3	2

c) **Nomination & Remuneration Committee**

The Nomination & Remuneration Committee has been constituted under the Chairmanship of Shri Sudhir Dixit with Shri Shabbir Memon and Shri Ravi Kamra as co-members. The Committee has been formed to review and recommend the remuneration policy of the Company and to recommend the revision in salary structure of Directors. During the year, the sub-committee met once on 18th Apr'13 with full attendance of all the members and decided that due to slow growth in Industries and low profits directors should not draw any remuneration.

d) **Shareholders Committee**

The committee has been renamed as **Stakeholders Relationship Committee** Shri Ravi Karma with Shri Sudhir Dixit and Shri Shabbir Memon are the members. In the Financial year under review, one meeting of the Committee was held 13th Aug'13. As on March 31, 2014 there were no requests pending for transfer of shares.

4. General Body Meeting

Particulars of last three Annual General Meetings

AGM	Year ended 31 st March	Venue	Date	Time
20 th	2011	Registered office of the Company	30-09-2011	03:00 PM
21 th	2012		29-09-2012	03:00 PM
22 nd	2013		27-09-2013	03:00 PM

5. **Disclosures**

- i. There was no transaction of material nature with any of the related party, which is in conflict with the interest of the company.
- ii. Details of non compliance by the company, penalties, and strictures imposed on the company by the Stock Exchange or SEBI or any authority on any matter related to capital markets during last 3 years. However, due to some non-compliance in the earlier years, the trading of the listed securities has remained suspended.
- iii. The company has put in place a mechanism of reporting illegal or unethical behavior. Employees are free to report violations of laws, rules, regulations or unethical conduct to their immediate supervisor/notified persons. The reports received from any employee will be reviewed by the audit committee. It is affirmed that no person has been denied access to the audit committee in this respect. The Directors and senior management are to maintain confidentiality of such reporting and ensure that the whistle blowers are not subjected to any discriminatory practice.

6. **Means of Communication**

Information like financial results (quarterly, half-yearly or annual) and press releases on significant developments in the Company that has been updated on the company's website www.ashokarefineries.com and have also submitted to the stock exchanges to enable them to put them on their websites and communicate to their members.

Details of management discussion are a part of the annual report.

No presentation made to institutional investors or to the analysts. Management Discussion & Analysis are not a part of Annual Report.

7. **General Shareholder Information for the year**

AGM- Date, Time and venue	30-09-2014, 3.00pm at Registered Office
Financial Year	31-03-2014
Book Closure Date	28 TH Sept'14 to 30 th Sept'13
Dividend Payment Date	No dividend declared
Listing of Equity Shares on Stock Exchange	Mumbai, M. P. Stock Exchange,
Market price data and other related information	None as the trading remained suspended during the year as explained above during the year 2013-14
Registrar & Transfer Agent.	Beetal Financial & Computer Services (P) Ltd

8. **Auditors' Certificate on Corporate Governance**

As required under clause 49 of the listing Agreement, the Auditors Certificate is given as an Annexure to the Directors Report.