

ANNUAL REPORT 2012-13



Assam Petro-Chemicals Limited

Board of Directors

Nominee Directors of AIDC Ltd.

1. Shri Rameswar Dhanowar, Chairman
2. Shri R.T. Jindal, IAS
3. Shri P.K. Borthakur, IAS (w.e.f. 23.08.2013)
4. Shri Rajesh Prasad, IAS
5. Shri N.N. Barkakoty (w.e.f. 23.08.2013)
6. Shri Jiban Choudhury (upto 23.08.2013)

Independent Directors

7. Shri D. N. Barua
8. Shri B.K. Sarma
9. Shri A.N. Das
10. Shri Utpal Borah
11. Shri Sanjeev Kr. Choubey (w.e.f. 19.12. 2012)

Whole Time Director

12. Shri Ratul Bordoloi, *Managing Director*

Audit Committee

1. Shri D. N. Barua, *Chairman of Audit Committee*
2. Shri A. N. Das
3. Shri B. K. Sarma
4. Shri Jiban Choudhury (upto 23.08.2013)
5. Shri Utpal Borah
6. Shri Ratul Bordoloi

Company Secretary and Compliance Officer

Shri Uttam Bailung

Statutory Auditors

M/s L.K. Kejriwal & Co.
4th Floor, Mangal Ram Tower,
A.T. Road, Guwahati, PIN-781001

Registrar and Share Transfer Agent

M/s C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700 019

Bankers

State Bank of India
United Bank of India
UCO Bank
Axis Bank

Registered Office

4th Floor, Orion Place
G.S. Road, Bhangagarh
Guwahati, Assam-781005

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NOTICE

NOTICE is hereby given that 42nd Annual General Meeting of the members of Assam Petro-Chemicals Limited will be held on Tuesday, 31st December 2013 at 11:00 A.M. in the registered office (4th Floor Orion Place, G. S. Road, Bhangagarh, Guwahati, Assam-781 005) to transact the following business:

A. ORDINARY BUSINESS :

1. To receive, consider and adopt the Company's Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss and Cash Flow Statement for the year ending on that date along with the Directors' Report and Corporate Governance Disclosures and Independent Auditors' Report and comments of the Comptroller and Auditor General of India thereon.
2. To Declare Dividend.
3. To consider and appoint Director in place of Shri Rameswar Dhanowar who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Rameswar Dhanowar, being eligible, offers himself for reappointment.
4. To consider and appoint Director in place of Shri Utpal Borah, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Utpal Borah being eligible, offers himself for reappointment.
5. To consider and appoint Director in place of Shri Sanjeev Kr. Choubey, who retires by rotation in pursuance of Section 256 of the Companies Act, 1956. Shri Sanjeev Kr. Choubey being eligible, offers himself for reappointment.
6. To fix remuneration of the Statutory Auditors.

B. SPECIAL BUSINESS

7. Appointment of Director

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

"RESOLVED THAT pursuant to Section 257 and other applicable provisions, if any of the Companies Act, 1956 Shri Nityananda Barkakoty be and is hereby appointed as Director of the Company."

By order of the Board of Directors

Place: 4th Floor, Orion Place
G.S. Road, Bhangagarh, Guwahati-781005
Date: 7th December 2013

Sd/-
(CS Uttam Bailung)
Company Secretary

Notes :

1. Explanatory statement under section 173 of the Companies Act, 1956, in respect of the above item of Special Business is annexed hereto.
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than Forty Eight hours before the commencement of the meeting.
3. Share holders are requested to bring their copy of their Annual Report.
4. Shareholders are requested to inform their respective e-mail id to the company so that corporate information may be disseminated promptly.
5. In order to help us in providing appropriate answers backed by relevant financial data, the shareholders may please send their queries that they would desire to raise at the AGM at least one week in advance to the Company Secretary at the Registered Office.



Explanatory Statement under Section 173(2) of the Act

Item No. 7: Appointment of Director

Pursuant to Section 260 of the Companies Act, 1956 and Article 90A of the Articles of Association of the company, Shri Nityananda Barkakoty was appointed as Additional Director of the company w.e.f. 23rd of August, 2013 in the 304th Meeting of Board of Directors.

Shri Nityananda Barkakoty being appointed as Additional Director of the company, will hold the office of Director till the date of ensuing Annual General Meeting. The Company received a notice under Section 257 of the Companies Act, 1956 for a member proposing the name of Shri Nityananda Barkakoty as Director of the Company. His brief profile is given in the Corporate Governance Disclosure enclosed with Directors' Report. Your Directors recommend appointment of Shri Nityananda Barkakoty as Director of the company.

None of the Director except Shri Nityananda Barkakoty is interested in the Resolution.

By order of the Board of Directors

Place: 4th Floor, Orion Place
G.S. Road, Bhangagarh, Guwahati-781005
Date: 7th December 2013

Sd/-
(CS Uttam Bailung)
Company Secretary

Directors' Report to the Shareholders

Your Directors take pleasure in presenting the 42nd Annual Report of the company for the Financial Year 2012-2013 along with the Audited Financial Statements for the year ending on March 31, 2013.

The Financial Year 2012-13 was started with challenges and expectations to turn around the company from losses suffered by the company during last two consecutive financial years due to accident in the Methanol Plant and its subsequent maintenance works. There was also expectation for better productivity from the Methanol Plant after being replacement of reformer tubes. The Company could stand before challenges by achieving the highest turnover in the history of the company and capacity utilisation more than 100% of the Methanol Plant during the financial year FY 2012-13.

Financial Performance

In the Financial Year 2012-13 the company posted turnover of ₹ 90.29 crore which is highest ever achieved by the company in its history. The sales turnover jumped by 35.34% over the last financial year. The company earned Profit Before Prior Period, Exceptional and Extraordinary Item and Tax jumped by 269.76% to ₹ 12.59 Crore from ₹ 3.40 Crore in the previous year. Similarly, the Profit After Tax (PAT) recorded at ₹ 4.04 Crore during the Financial Year against Loss of ₹ 1.06 Crore in previous year. The Profit After Tax (PAT) has reduced substantially due to giving effect of arrear pay of ₹ 7.62 Crore as exceptional item from the Profit Before Exceptional and Extraordinary items and Tax of ₹ 12.59 Crore.

The financial results for the financial year 2012-13 compared to those of the previous year are summarized as below:

Financial Results:

(₹ in Lacs)

Particulars	As at 31-03-13	As at 31-03-12
Revenue from Operation	9029.65	6671.42
Less: Excise Duty	944.58	623.78
Revenue from Operations (NET)	8085.07	6047.64
Other Income	620.71	371.85
Total Income	8705.78	6419.49
Gross Profit/Loss	1491.80	516.33
Less : Depreciation	232.51	175.55
Finance Cost	0	2.04
Profit/Loss for the year before prior period adjustment, exceptional and extraordinary items	1259.29	340.78
Less: (a) Exceptional Item	762.58	(0.87)
(b) Adjustment of prior period items	(8.60)	452.59
Profit Before Tax	505.31	-110.94
Less: Tax Expenses		
(a) Deferred Tax	8.61	10.39
(b) Excess Provision for income tax written back	43.49	-15.12
(c) Current tax	49.19	-
Profit /Loss for the year after Taxation	404.00	-106.21
Balance brought forward from previous year	0	0
Balance carried to Balance sheet		-106.21
Earning Per Share (EPS) (in ₹)	4.43	-1.16

Operating Results

During the year 2012-13, the capacity utilisation of both the Methanol and Formalin Plants were satisfactory. The Methanol Plant and Formalin Plant capacity utilisation were 102% and 92% respectively during the FY

2012-13. The Company achieved this record capacity utilisation of the Methanol Plant despite of power supply interruptions from Assam Power Generation Corporation Ltd. for number of occasions, scheduled maintenance works of Compressors and Circulators during the Financial Year. The capacity utilisation of the Formalin plant is dependant purely on market dynamics. Company produces Formalin according to demand of the market. The capacity of the Formalin Plant was revamped during the financial year 2012-13 from enhancement of its production capacity from 100 TPD to 125 TPD. The revamped plant was commissioned on 27th August, 2012.

The plant operating highlights are given as under:

PLANT	PRODUCTION (MT)		
	Annual Installed Capacity	FY 2012-13	FY 2011-12
Methanol	33000	33547	26994
Formalin	41250	34877	29888
Capacity Utilization of Plants:			
Methanol	-	102%	82%
Formalin	-	92%	91%

Sales & Marketing

The company achieved highest sales turnover during the Financial Year 2012-13. The company sold 13648.06 MT Methanol during the year compared to the 11500 MT during the previous year. The company consumed 19898.94 MT Methanol as raw materials for production of 40619.832 MT of Formalin in the Financial Year 2012-13. This is higher by 8360.47 MT from the previous year sales quantity of Formalin.

The company marketing its products in North Indian States, West Bengal and North Eastern States and exporting to Nepal, Bhutan and Bangladesh. The Company is giving importance to export its products for earning foreign exchange. The company appointed one commission agent in the last financial year to export Methanol to Bangladesh.

The area wise sales quantity of the company's products in the year 2012-13 vis-a-vis in the previous year 2011-12 are as follows:

AREA	FORMALIN (in MT)	
	FY 2012-13	FY 2011-12
North Eastern Region	6914.352	6561.28
Bhutan	1244.990	1482.59
North Bengal	5695.010	5645.98
South Bengal	8810.100	7810.83
Purnea/ Adjacent Area	5069.220	2903.43
Patna	10747.900	5342.61
Jharkhand/ South Bihar	255.140	426.22
Nepal and Bangladesh	1955.12	2032.53
Other area	-	125.85
Total	40691.832	32331.32
	METHANOL (in MT)	
North Eastern Region	1024.530	868.38
West Bengal	2865.780	1830.64
North India	8174.930	7870.62
Export	1582.82	911.50
Total	13648.060	11481.14

Project & Development Activities

You were informed in our previous report that the company is embarking upon an expansion project for manufacturer of 500TPD Methanol and 200 TPD Acetic Acid. During the year 2012-13, following significant milestones were achieved:-

I. Technology Selection and EPCM Contract for 500 TPD Methanol Plant

The company selected Holder Topsoe, Denmark as technology supplier and M/s Engineers India Ltd. (EIL), New Delhi as Engineering Procurement Construction Management (EPCM) contractor for implementation of 500 TPD Methanol Plant of the company. The work order for the same is to be issued very shortly on receipt of certain statutory approvals.

II. Technology Selection for Acetic Acid Project.

The quest for appropriate technology for implementation of 200 TPD Acetic Acid plant is in progress. The company is in touch with all the major Acetic Acid Technology suppliers for having the technology licence. Your board expects that the company will be able to finalize the Acetic Acid Technology soon.

III. Financial Closure:

The financial closure for the project has been achieved by the company. Both equity and debt for the project have been firmed up by the company. As per the emerged financial structure the Equity portion will be ₹ 393 Crore against the Debt of ₹ 635 Crore. The Company signed Term Loan Facility Agreements with a consortium of Banks led by State Bank of India on 1st of July, 2013.

IV. Environmental Clearance

Pursuant to the Approved Terms of Reference (TOR) received from Ministry of Environment and Forest, Government of India, the company made a presentation on the compliance of TOR before the meeting of Expert Appraisal Committee (Industry -II) on 10th and 11th June, 2013. The Expert Appraisal Committee (Industry -II) accepted the same. However, the committee advised the company to submit certain additional information about the project which have already been submitted at the satisfaction of the Ministry of Environment and Forests, Govt. of India. The Environmental Clearance is likely to be received very shortly.

V. Natural Gas Supply and Transportation Agreement

The Ministry of Oil and Natural Gas, Govt. of India has allocated 0.5 MMCMD Natural Gas to Assam Petro-Chemicals Ltd. for its expansion project and same will be supplied by M/s Oil India Limited. In this connection letter has been received from Oil India Limited. An agreement will be signed between Oil India Limited and Assam Petro-Chemicals Ltd. for supply of 0.5MMCMD gas soon.

M/s Assam Gas Company Ltd will transport Natural Gas from the Off Take point of M/s Oil India Limited to Assam Petro-Chemicals Limited through a dedicated gas pipeline. Agreement for transmission will be executed with M/s Assam Gas Company Ltd very soon.

VI. River Water Drawal for the Operation of the Project:

All the necessary approval required for drawal of raw water from nearby Dichang (Dilli) river have already been received by the company for the project.

Dividend

Your Directors are pleased to recommend for your approval, a dividend of 10% (₹ 1/- per fully paid up equity Shares of ₹ 10/-each) for the Financial Year 2012-13 on the paid-up share capital of ₹ 9,11,99,470/-.



Board of Directors

The Board of Directors Assam Petro-Chemicals Limited has been constituted in compliance with the Clause 49 of SEBI Listing Agreement. Shri Rajesh Prasad, IAS, Shri D.N. Barua and Shri Birinchi Kr. Sarma were reappointed as Directors of the company in the 41st Annual General Meeting of the company as per the Section 256 of the Companies Act.

Assam Industrial Development Corporation Ltd. appointed Shri Paban Kr. Borthakur, IAS as Director of the Company in place of Shri Jiban Choudhury w.e.f 23rd August, 2013. The Holding Company also nominated Shri Nityananda Barkakoty as Additional Director of the company. The Board of Directors of the company appointed Shri Barkakoty as Additional Director in its 304th Meeting held on 23rd August, 2013. Being Additional Director of the Company, he will hold the office upto the date of the ensuing AGM. The Company received a notice form a shareholder under Section 257 of the Act proposing his name for appointment as Director at the ensuing AGM.

Pursuant to Section 255 of the Companies Act, Shri Rameswar Dhanowar, Shri Utpal Borah and Shri Sanjeev Kr. Choubey, Directors will retire by rotation in the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment as Directors at the same Meeting.

As required under Clause 49 of the SEBI Listing Agreement, brief profile of the Directors who are proposed to be appointed/re-appointed at the ensuing Annual General Meeting are provided in the Corporate Governance Report.

Statutory Auditors

Pursuant to section 619 (2) of the Companies Act, 1956 the Comptroller and Auditor General of India appointed M/s L.K. Kejriwal & Co., Guwahati as the statutory auditors of the company for the Financial Year 2012-13. M/s L.K. Kejriwal & Co. will hold the office till the ensuing Annual General Meeting.

Human Resource

Your Board of Directors believe that human resources are the key drivers of sustainable growth and development of any organisation. Keeping that in mind your Directors have been focusing on enhancement of knowledge and skills of the employees of the company. During the financial year 2012-13 the company organised 13 (thirteen) in-house training programmes/workshops where 250 employees attended in the programmes. Your company also sends its employees for outside training to enhance their knowledge and skills. During the year under review 35 employees were sent to different organisations, places such training programme.

As on 31st March, 2013 there were total 381 nos of employees on the roll of the company. Out of 381 regular employees, 153 employees are of Officers Cadre and remaining 228 employees are of unionized cadre.

The company implemented the revised pay scales of the employees as per the Assam Services (Revision of Pay) Rules, 2010 effective from 1st April, 2009.

Industrial Relations

Your company has been continuously maintaining a peaceful and harmonious relationship between the management and the workers of the company. All the issues that were raised by the Workers' Union of the company were resolved in transparent manner through discussion. There was no incident of industrial unrest during the year 2012-13. However, the company received couple of strike notices from the Workers' Union for non-implementation of revised pay which were disposed off by the appropriate authorities under Industrial Disputes Act.

Industrial Safety Management

Your Directors have been emphasizing on the safety of the life and properties of the company and the environment of the region. To ensure the same, the management of the company undertook number of measures during the

Financial Year 2012-13. Your company regularly organises seminars, workshop and safety programmes to create Safety awareness among the employees of and households of Company's township.

Particulars of Employees under Section 217(2A)

A list of the employees of the company receiving remuneration and requiring disclosure of particulars under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is annexed herewith.

Corporate Social Responsibility

The company recognises its strong commitments towards promoting socio-economic development of the lives of the people of the neighbouring areas of the Plant at Namrup. During the FY 2012-13, the company contributed to Chief Minister's Relief Fund and distributed mosquito nets among the victims of communal riot in the lower Assam districts as a part of the Corporate Social Responsibility. The company has been providing free drinking water to its neighbouring villages of the plant area, free education to students upto Class X standard, free medical facilities and health check-up to the people of neighbouring villages.

Energy Conservation, Technology Absorption and Foreign Exchange Earning and Outgo:

The additional information in respect of the energy conservation, technology absorption and foreign exchange earnings and outgo, as required by the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988 is set out in the statement annexed hereto as Annexure 'A'.

Particulars as to Subsidiary

Your company is having a subsidiary company viz., M/s Pragjyotish Fertilizers & Chemicals Ltd. (PFCL). The subsidiary company has not been carrying out any business during the financial year 2012-13. Pragjyotish Fertilizers & Chemicals Ltd. is under winding-up process. The Annual accounts for the Financial Year 2012-13 have not been finalized by PFCL yet and therefore the same could not be enclosed herewith. It is therefore the attachments specified in Section 2012 of the Act could not be attached with the Financial Statements of the holding company. As soon as the accounts of the subsidiary are received, that will be forwarded to the shareholders of Assam Petro-Chemicals Ltd.

DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956

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

- (i) In the preparation of the annual accounts for the financial year ended 31st March, 2013, all applicable accounting standards had been followed, along with proper explanations relating to material departures;
- (ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31st March 2013 and of the profit of the Company for the year ended on that date;
- (iii) The Directors had taken proper and 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) The Directors had prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.



Compliance Certificate

A certificate from a Company Secretary in Whole Time Practice regarding compliance of conditions of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement is enclosed to this report.

Acknowledgement

Your Directors place on record their appreciation of the unstinted support and encouragement extended by the Government of Assam, Assam Industrial Development Corporation Ltd., banks, the shareholders, customers and the employees of the company.

Your Directors also place on record their sincere appreciation to Oil India Limited for uninterrupted supply of Natural Gas as main feedstock for production of methanol and Assam Gas Company Ltd. for transporting natural gas to the plant.

For and on behalf of the Board of Directors

Place: Guwahati
Date: November 14, 2013

Sd/-
(Rameswar Dhanowar)
Chairman

Annexure 'A'

Annexure to the Directors' Report (2012-13)

(Additional Information in terms of notification GSR No. 1029 Dated 31st December, 1988 by The Department of Company Affairs)

I. CONSERVATION OF ENERGY

A. Energy Conservation Measures taken

The process technology adopted in our plants is energy efficient even though it has become old now. The Company selected the most developed ICI, Low Pressure Methanol Technology and Humphreys and Glasgow Reformation Process for manufacture of Methanol & Derivados Forestales, Netherland's technology for manufacture of formaldehyde. The waste heat is recovered to produce steam required for the process. Hence the heat is not radiated to atmosphere. Water used for cooling in the plant is totally recycled to prevent pollution and loss. Steam condensate are recovered and recycled back from Turbo Generator. The plants are being operated to the full satisfaction of Pollution Control Board, Assam.

B. Additional investments and proposals if any being implemented for reduction of the consumption of energy:

There was no such proposal.

C. Impact of the measures (A) and (B) above:

The specific consumption of electricity and fuel natural gas was well within the tolerance limit. The company has a pollution free environment.

D. Total energy consumption and specific energy consumption per unit of production.

a. Electricity	2012-13	2011-12
i. Purchase unit (MWH)	15861	13887
Total amount (₹ in Crore)	8.89	7.41
Rate per unit (₹/KWH)	5.60	₹ 5.34
ii. Own Generation (MWH)	3258	2873
b. Consumption per unit of production	2012-13	2011-12
i) Electricity (KWH)		
Unit -II	507	550
ii) Natural Gas (NM3)(Ref)		
Unit -II	980	132

II. TECHNOLOGY ABSORPTION: RESEARCH AND DEVELOPMENT(R & D)

1. Specific area in which R & D carried out by the Company: The Company so far has not started full time R & D activities except in plant improvement of process and debottlenecking. The Company shall start R & D activities shortly to identify future diversification.
2. Benefit derived as a result of above R & D : Doesn't arise
3. Future Plan of Action

4. Expenditure of R & D
- a) Capital
 - b) Recurring
 - c) Total
 - d) Total R & D expenditure as per % of total Turnover
- } Not Applicable

III. TECHNOLOGY ABSORPTION AND ADAPTATION

1. Efforts in brief made towards technology absorption, adaptation and innovation: **APL has been operating the plant supplied by foreign supplier.**
2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.: **Product quality improved, cost of production & pollution Problem reduced.**
3. In case of imported technology (imported during last 5 years reckoned from the Beginning of the financial year) following information may be furnished:-
 - a) Technology imported : DOES NOT ARISE
 - b) Year of import -do-
 - c) Has full technology been fully absorbed :-do-
 - d) If not fully absorbed, areas where this has Not taken place, plan of action : -do-

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Activities relating to exports: Initiative taken to increase export, development of new export market for products and services and export Plans:

EXPORT SALES	2012-13	2011-12
Methanol	1582.82 (MT)	351.55 (MT)
Formalin	3200.11 (MT)	358.00 (MT)

- b) Total Foreign exchange used and earned:

	2012-13	2011-12
i) Earnings in Foreign Exchange (sales)	₹ 3807664/- (\$69402.53)	₹ 1740156/- (\$ 240800)
ii) Foreign Exchange Outgo	₹ 295024/-	₹ 43280568/-

Continuous efforts are being made to increase exports against foreign currency.

Annexure 'B'
Particulars Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 for the year ended on 31st March, 2013

- (1) Employed throughout the year was in receipt remuneration not less than ₹ 60 Lacs: NIL
- (2) Employed for a part of the financial year was in receipt remuneration not less than ₹ 05 Lacs per month

Details given below showing employees who received more than ₹ 05 Lacs in a particular month.

Sl. No.	NAME	QUALIFICATION	AGE	DESIGNATION	DATE OF COMMENCEMENT OF EMPLOYMENT	EXPERIENCE (Nos. of years) in APL	REMUNERATION (in ₹)	PARTICULARS OF LAST EMPLOYMENT
1	R.P. Neog	B.Sc (Hons.)	59	DGM (MM)	24.01.1976	36	5,38,620	--
2	Atul Gogoi	M.A(SW)	59	GGM (HRM)	22.08.1991	21	12,32,086	Assam State Electricity Board
3	Manik Ahmed	D.M.E, AMIEE	59	DGM (TS)	21.05.1982	30	7,09,539	Sarada Engineering
4	Bhaskar J. Baruah	B.SC, MBA	46	Sr.Mgr (Mkt.)	28.02.1994	18	6,11,098	--
5	Jagat Gohain	B.SC	59	Dy. Mgr (TS)	18.05.1977	35	6,36,428	M/s W.C.P. Ltd.

Note:

1. The remuneration includes regular monthly salary, company's contribution towards PF, terminal benefits, pension and Medical expenses paid by the company.
2. There is no employee who is in receipt of remuneration in excess of that drawn by Managing Director/ Whole-time Director/ Manager and holds not less than 2% of the equity shares of the company.
3. None of the above employees are related to any director of the company.

Annexure- C

Management Reply to the Statutory Auditors' Comment as per Section 217(3)

Sl. No.	Independent Auditors' Comment	Management Reply
1	<p><i>Amortisation of ROC fees Expenses: Expenses related to ROC fees for enhancement of authorised share capital total amounting ₹ 1,66,50,510 /- has been amortised as per decision of the management and accordingly ₹ 33,30,102/- (Refer Note 9.C) has been charged under Depreciation and Amortisation expenses and balance amount ₹ 1,33,20,408/- shown as Unamortised Expenses under Other Non-Current Assets (Refer Note 11). On the basis of Accounting Standard (AS)-26 Para 56 under The Companies Accounting Standards Rules, 2006, in our opinion, the whole expense related to ROC fees for enhancement of authorised share capital ₹ 1,66,50,510/- should have been charged to Statement of Profit and Loss. This has resulted in overstatement of Profit and Other Current Assets by ₹ 1,33,20,408/-</i></p>	<p>Accounting Standard 26 as prescribed under the Companies Accounting Standard Rules, 2006, deals with Intangible Assets which is defined in para 7 of the said Accounting Standards as under.</p> <p>"Intangible Assets</p> <p>7. Enterprises frequently expend resources, or incur liabilities, on the acquisition, development, maintenance or enhancement of intangible resources such as scientific or technical knowledge, design and implementation of new processes or systems, licences, intellectual property, market knowledge and trademarks (including brand names and publishing titles). Common examples of items encompassed by these broad headings are computer software, patents, copyrights, motion picture films, customer lists, mortgage servicing rights, fishing licences, import quotas, franchises, customer or supplier relationships, customer loyalty, market share and marketing rights. Goodwill is another example of an item of intangible nature which either arises on acquisition or is internally generated."</p> <p>In view of above, expenses related to ROC fees for enhancement of authorised share capital total amounting ₹ 1,66,50,510.00 is not an Intangible Asset and hence the Companies Accounting Standard Rules, 2006, is not applicable in the instant case. Adopting a prudent accounting policy and also considering the provisions as contained in the section 35D(2) of the Income Tax Act, 1961, the Management has decided to amortise the expenses over a period of 5 (five) years and accordingly, 1/5th of the expenditures amounting to ₹ 33,30,102.00 were charged off in the current year's account. Hence, there is no overstatement of profit and Other Current Assets by ₹ 1,33,20,408.00. Adequate disclosures have been made in the "Notes of Accounts" in this regard.</p>

Sl. No.	Independent Auditors' Comment	Management Reply
2	<p><i>Methanol Revamping Expenses:</i></p> <p><i>Feasibility Study Expenses ₹ 40,32,106/- relating to Methanol Revamping Expenses shown under capital work in progress and Health Study Expenses ₹ 43,65,589/- relating to Methanol Revamping Expenses shown under Long term loans and advances for which the Board had taken decision on 25-08-2010 that no further action will be taken for implementation of 30 % Methanol Expansion scheme of the existing Methanol Plant. Based on the decision taken by the Board on 25.08.2010, in our opinion, the whole expense related to Methanol Revamping Expenses ₹83,97,695 /- should have been charged to Statement of Profit and Loss. This has resulted in overstatement of Profit by ₹ 83,97,695/-, capital work in progress by ₹ 40,32,106/- and Long term loans and advances by ₹ 43,65,589/-.</i></p>	<p>The company views that the expenditure is relating to basically consultancy job for finding possibility of expansion of exiting of 100 TPD(Tone Per Day) capacity Methanol plant to 130 TPD capacity and health study of the plant. After considering the usefulness of the information from the reports submitted by the consultant the company will take final decision whether it will be treated as sunk cost or a normal consultancy fees and accordingly it will be treated in the accounts of the next financial year i.e. FY 2013-14.</p>
3	<p><i>Provision for Pay revision shown under exceptional items:</i></p> <p><i>Provision for Pay Revision (Arrear Salary) - ₹ 6,55,61,915/- and Arrear Contribution to PF ₹ 1,07,83,211/- have been shown under exceptional items (Refer Note 23B). Based on discussions made in Para 14 & Para 16 of the Accounting Standard (AS) -5 under The Companies Accounting Standards Rules, 2006 and Para 9.6 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, in our opinion 'the amount should have been shown under Employees benefits expenses'. This resulted in 'understatement of employees benefits expenses' by ₹ 7,63,45,126/- and overstatement of 'exceptional items' by ₹ 7,63,45,126/-</i></p>	<p>Accounting Standard 5 as prescribed under the Companies Accounting Standard Rules, 2006, deals with the (a) Net Profit & Loss for the period, (b) Extra Ordinary Items and (c) Prior Period Items and has not stated anything about disclosures to be made for "Exceptional Items" now incorporated in Revised Schedule VI.</p> <p>Provision for Pay Revision (Arrear Salary) ₹ 6,55,61,915.00 and Arrear Contribution to PF ₹ 1,07,83,211.00 is not a "normal and ordinary activity" of the Company and hence, have been rightly shown under "Exceptional Items" as prescribed under Revised Schedule VI. Even it is shown under the "Exceptional Items", it has still retained the character of "Employees Benefit Expenses", for which adequate disclosures have been made in the Note of Accounts.</p> <p>In the above facts and circumstances of the case, there is no understatement of employees benefits expenses' by ₹ 7,63,45,126.00 and overstatement of 'exceptional items' by ₹ 7,63,45,126.00.</p>

Sl. No.	Independent Auditors' Comment	Management Reply
4	<p><i>Unused Old catalyst not written off :</i></p> <p><i>As per Note no. 25.10 "The Company is carrying unused catalyst valued ₹ 65,97,535/- which is more than 20 years old. A committee has been constituted for disposal of the same. The loss/gain on sale will be accounted for at the time of disposal." The company has not identified & charged to Statement of Profit and Loss, the loss on impairment of above asset.</i></p> <p><i>Moreover, As mentioned in CAG comments for the year 2011-12, formal order by the Managing Director of the company had been issued for treating old catalyst worth ₹ 20,12,234.00 as obsolete on 26/11/2004.</i></p> <p><i>On the basis of above, in our opinion, the company should have charge to Statement of Profit and Loss ₹ 45,85,301/- as 'Other Expenses' and ₹ 20,12,234/- as 'Prior period Items'. This has resulted in overstatement of Profit and Inventory by ₹ 65,97,535/-</i></p>	<p>Management has decided to first dispose off the stock of the unused old catalysts and if any loss arises than decision will be taken for writing off the loss amount and will provide in the books of accounts accordingly in due course.</p>
5	<p><i>The Total effect of the qualifications in Para (i), (ii) & (iv) above is that the Profit has been overstated by ₹ 2,83,15,638/- and overstatement of 'other Current Assets' by ₹ 1,33,20,408/-, 'capital work in progress' by ₹ 40,32,106/-, 'Long term loans and advances' by ₹ 43,65,589/- and 'Inventory' by ₹ 65,97,535/-. The effect of qualifications in Para (iii) above is inter-se in the statement of Profit & Loss and has no effect on Profit for the year in the statement of Profit & Loss and on the Balance Sheet.</i></p>	<p>In view of the above management reply no. 1, 2 and 4 above, there is no overstatement of profit, other Current Assets, Capital Work in progress, long term loans and advances and inventory.</p>

Annexure- D

Replies of Management to comments of Comptroller and Auditor General of India under section 619(4) of the Companies Act, 1956 for the year ended 31st March, 2012.

Comments of Comptroller and Auditor General of India	Replies of Management
<p>A. COMMENT ON PROFITABILITY</p> <p>1. Statement of Profit and Loss for the year ended 31 March 2013</p> <p>Exceptional Items (Note-23B) : ₹ 7.63 crore Arrear Salary : ₹ 6.56 crore</p> <p>This is understand by ₹ 6.28 crore, being the arrears payable against pay revision of salaries of employees for the years 2009-10 & 2010-11 as approved by the Board of Directors of the Company and Government of Assam. Since the liability was quantifiable and known to the Company at Balance Sheet date, same should have been provided for instead of disclosing under the 'Contingent Liabilities and Commitments' (Note 24.2). This has resulted in understatement of Current liabilities by ₹ 6.28 crore with corresponding overstatement of 'profit for the year' to the same extent.</p>	<p>Pursuant to the Government of Assam order, the company has made calculation of arrear salary from 01.04.2009 to 31.03.2013. It has been observed that the establishment cost for the FY 2009-10 and FY 2010-11 already exceeded the ceiling 35% of annual turnover as mentioned in the order. Therefore, the provision of arrear for the FY 2011-12 and FY 2012-13 have only made in the books of accounts and arrear for the FY 2009-10 & 2010-11 has been shown in Contingent Liability.</p>
<p>2. Continuing operations Expenses</p> <p>Finance Cost (Note-21)</p> <p>Interest Expenses on others: Nil</p> <p>This is understated by ₹ 38.53 lakh, being the interest paid due to the delayed payment of Income Tax for the Assessment Year 2009-10, which should be booked under 'Finance cost' instead of clubbing under 'Tax Expenses' as per para 9.8.1.3 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956. This has correspondingly resulted in overstatement of 'Tax Expenses - current Tax expenses relating to prior years' to the same extent.</p>	<p>The interest on Advance Income Tax relating to earlier year was shown as prior year tax expenses instead of Finance Cost, Interest. The observation is noted and will be correctly reflected in the Financial Statement of next year.</p>
<p>3. Depreciation and amortization expense (Note-9C): ₹ 2.33 crore</p> <p>This is understated by ₹ 0.18 crore, being the depreciation not provided for in respect of the Standby Servicing Equipment worth ₹ 1.47 crore lying unutilized since the year 2005. This has correspondingly resulted in overstatement of 'profit for the year' as well as 'Fixed Assets - Tangible assets' to the same extent.</p>	<p>The equipment is shown as standby servicing equipment/capital spare. No depreciation was charged as the item was not put into use. However, to comply with AS 6 and observation, corrective action will be taken in the next financial year, i.e. 2013-14.</p>
<p>4. Other Income (Note-18) : ₹ 6.21 crore</p> <p>Interest Income : ₹ 5.28 crore</p> <p>The above is understated by ₹ 0.15 crore due to short accountal of accrued interest on bank deposits. This has also resulted in an understatement of 'profit for the year' by ₹ 0.15 crore with the corresponding understatement of 'Current assets- other current assets- Interest accrued on deposits' to the same extent.</p>	<p>The observation is noted. Necessary care will be taken from the next Financial year.</p>

For and on the behalf of the
Comptroller and Auditor General of India

Sd/-
(C H KHARSHIING)
Accountant General (Audit), Assam

For Assam Petro-Chemicals Limited

Sd/-
(Ratul Bordoloi)
Managing Director

Management Discussion and Analysis Report

Industry Structure and Developments

The Petrochemicals industry is one of the fastest growing industry in the country. The company is in this business of manufacturing and marketing of two very versatile petrochemicals products viz. Methanol and Formaldehyde for last four decades. The company is one of the leading manufacturers of Methanol and Formaldehyde in the country. The domestic consumption of Methanol has been increasing gradually and but production of Methanol is not increasing in the same pace in the Country. It is therefore the demand of the country largely dependent on imported Methanol. Formaldehyde is a downstream product of Methanol produces by the company in its plants located at Namrup, Assam and Raninagar, West Bengal.

Opportunities, Threats, Risks and Concerns

• Opportunities

The Methanol market is growing very fast in India. Considering the growing demand, the company is currently implementing Natural Gas based 500 TPD Methanol expansion project alongwith a value added downstream 200TPD Acetic Acid Project. The Formalin Market is also growing very rapidly in India and our neighboring countries. In order to tap the growing market demand for formalin, the company has successfully completed its 25% expansion project in the Financial Year 2012-13 and it is running satisfactorily.

The company has started exporting its products in Bangladesh in FY 2012-13 and it planning to continue in future. The Look East policy of Govt. of India and opening up trade and business with SAARC countries is expected to help the company to market its Products in the SAARC countries.

• Threats, Risks and Concerns:

- The existing Methanol plant is twenty five years old and needs regular maintenance to keep the plant in healthy operating condition to get better results.
- The cost of production is high due to low capacity of the plant with old technology resulting in high energy consumption as well as high fixed cost per ton of production of Methanol.
- Hike in the price of main raw materials (Natural Gas) by the Ministry of Oil and Natural Gas is a major concern of the company. This hike is and will directly affecting the profitability of the company.
- Non availability of an adequate market in the present economic environment in the N.E. region is major concern of the company because of which the products are required to be transported at high freight cost to the distant market situated at Eastern, Northern and Southern parts of the country which lead to erodes the profitability.
- Stiff competition for the products due to existence of a large number of small and big manufacturers of formaldehyde and import of Methanol in large quantity. While the demand of both methanol and formalin in the country is constantly on the rise, domestic production is also rising due to setting up of new plants especially in case of formalin.

Outlook

The company is implementing a new 500 TPD Methanol 200 TPD Acetic Acid project along with a Captive Power Plant at an estimated capital investment of ₹ 1028 crore with equity participation of Oil India Limited (49%) and Assam Gas Company Limited. M/s Oil India Ltd. has since given the commitment for the supply of the requisite quantity of Natural Gas for the new plants. Availability of 30% capital investment subsidy on the cost of plant and machineries under the North East Industrial Investment Promotion Policy, 2007 has made the

project more viable and profitable in the long run. This new Petrochemical complex in Namrup will be a giant petrochemical complex in the entire North Eastern India.

Internal Control Systems and their Adequacy

The company has an effective internal control system which is further strengthened by conducting internal audit by outside expert firms. All the proposals involving expenditure above certain basic amount are subject to financial concurrence through the Finance Department followed by approval from Competent Authority of the Management or from the Board of Directors (depending upon the value of proposals).

Discussion on Financial Performance with Respect of Operational Performance

The financial performance of the company for the Financial Year 2012-13 is discussed in details in the Directors' Report.

Material Developments in Human Resources/IR Front, Including Number of People Employed.

The company has been utilizing the available human resources in the most effective manner to improve production and productivity with minimum recruitments.

The company has been inducting mixture of experienced and young professionals during the last few years such that the strength of the qualified persons in all disciplines does not get depleted. Induction in the intake level is planned to be increased in the future with the implementation of the expansion and diversification scheme undertaken by the company.

The manpower strength and Industrial Relation have been deliberated in the Directors' Report in details.

Corporate Governance Disclosure

1. Philosophy on Corporate Governance

The company continues with its efforts to attain the highest level of accountability and transparency in every aspect and in all interactions with its stakeholders and the State Government and also with its employees. The company aims at satisfaction of all stakeholders in a balanced manner through sustainable growth and profitability.

2. Board of Directors

As on this report date there are 11 (Eleven) members on the Board of the Company. The Board of the company is constituted as per the requirement of Clause 49 of SEBI Listing Agreement. The Board of Assam Petro-Chemicals Ltd. constituted with 1 (one) Whole Time Director (Managing Director), 5 (five) nominee Directors from the holding company M/s Assam Industrial Development Corporations Ltd. and 5 (five) Independent Directors. During the Financial Year 2012-13, there were 7 (seven) meetings of the Board of Directors. The gap between two consecutive meetings of the Board of Directors never exceeds four months.

The details of the Meetings of the Board of Directors held during the Financial Year 2012-13 are as follows:

Sl. No.	Date of Board Meeting	Board Strength	Numbers of Directors Present
1	17 th April, 2012	10	4
2	13 th July, 2012	10	9
3	30 th July, 2012	10	7
4	28 th September, 2012	10	5
5	19 th December, 2012	10	7
6	26 th December, 2012	10	7
7	12 th February, 2013	10	8

Particulars of Directors including their attendance at meeting of Board of Directors /Shareholders during the Financial Year 2012-13.

Sl. No.	Name of Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 7 meeting of Board held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				Nos. of Meetings Attended	%		
1	Shri Rameswar Dhanowar, Chairman	BA	8th June, 2007	4	57	Attended	1. ATCL
2	Shri R.T. Jindal, IAS, Principal Secretary to the Govt. of Assam, Industries and Commerce Department, Dispur, Guwahati-781 006	M.Sc (Chemistry) from Punjab Agricultural University	13th July, 2012	4	67	Absent	1. NRL; 2. BCPL; 3. AIDC Ltd.; 4. AGCL; 5. DNPL; 6. AHECL; 7. ATCL; 8. ATPO; and 9. MBCBL
3	Shri Jatinderbir Singh, IAS, Principal Secretary to the Govt. of Assam, Industries and Commerce Department, Dispur, Guwahati-781 006 (Upto 13th July, 2012)	M.A (English), MBA	16th July, 2011	1	100	Not Applicable	--

Sl. No.	Name of Directors	Academic Qualifications	Date of joining as Director of the Company	Attendance out of 7 meeting of Board held during the year and percentage thereof		Attendance at the last Annual General Meeting	Details of Directorship held in other Companies
				Nos. of Meetings Attended	%		
4	Shri Rajesh Prasad, IAS, Commissioner of Industries and Managing Director of Assam Industrial Development Corporation Limited, UDYOG BHAWAN, Bamunimaidam, Guwahati-781021	MA (History)	08th July, 2011	2	28	Absent	1. AIDC Ltd.; 2. Assam Syntex Ltd. 3. ASWMCL; 4. CSML; 5. Fertichem Ltd. 6. AAHCL; 7. APML; 8. ACPL; 9. PLLL; 10. CCIL; 11. ASFCL; 12. AIIDCL; 13. ASIDCL; 14. PBSL; 15. ASTCL; 16. BTP;
5	Shri Jiban Choudhury, Director (Finance), Finance Department, Govt. of Assam, Dispur, Guwahati-781 006	MA(Economics), Guwahati University	19th October, 2011	5	71	Absent	AAIDCL
6	Shri D.N. Barua	B. Sc.(Hons), B.Ch.E, M.I.I. Chem. E.	4th February, 1987	7	100	Attended	PFCL
7	Shri A.N. Das, Former Executive Director, Indian Oil Corporation Ltd.	B. Tech (Hons), IIT Kharagpur	09th November 2011	6	85	Attended	OIPL
8	Shri Birinchi Kr. Sarma, Former Executive Director, Indian Oil Corporation Ltd.	B.Sc. (Chemical Engineering) Institute of Technology of Banaras Hindu University.	09th November 2011	5	71	Attended	Nil
9	Shri Utpal Borah, Former Executive Director, Oil India Limited	BE (Mechanical), Guwahati University	29th December, 2010	4	57	Absent	Nil
10	Shri Sanjeev Kr. Choubey	B. Com Chartered Accountant (CA)	19th December, 2012	1	50	Absent	NPIPL
11	Shri Ratul Bordoloi, Managing Director	B. Sc., BE(Mechanical), Dibrugarh University	10 th September, 2010	7	100	Attended	PFCL

ATCL: Assam Tea Corporation Ltd.; NRL: Numaligarh Refinery Ltd.; DNPL: DNP Ltd.; AIDCL: Assam Industrial Development Corporation Ltd.; BCPL: Brahmaputra Cracker and Polymer Ltd.; ATPO: Assam Trade Promotion Organisation; MBBCL: Mandakini 'B' Coal Block Ltd.; AHECL: Assam Hydrocarbon & Energy Company Ltd.; ASWMCL: Assam State Weaving & Manufacturing Co. Ltd.; CSML: Cachar Sugar Mills Ltd; IPL: Industrial Paper (Assam) Ltd.; AAHCL: Assam Ashok Hotel Corporation Ltd.; APML: Ashok Paper Mills Ltd.; ACPL: Assam Carbon

Products Ltd.; PLLL: Pearl Life Line Ltd.; CCIL: Calcom Cements India Ltd.; ASFC: Assam State Fertilizers & Chemicals Ltd.; AIIDCL: Assam Industrial Infrastructure Development Corporation Ltd.; ASIDCL: Assam Small Industrial Development Corporation Ltd.; BTP: Bamboo Technology Park; PBSL: Prag Bosimi Synthetics Ltd.; ASTCL: Assam State Textile Corporation Ltd.; AAIDCL: Assam Agro Industrial Development Corporation Ltd.; OIPL: Om Infracon Pvt. Ltd.; NPIPL: Natural Penal Industries Pvt. Ltd.; PFCL: Pragjyotish Fertilizers and Chemicals Ltd.

3. Audit Committee

The Company constituted an Audit Committee under the Chairmanship of an Independent Director of the company in terms of the Section 293A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

Sl. No.	Name of the Director	Status	No. of meeting attended	Attendance in the last AGM
1	Shri D.N. Barua	Chairman	5	Attended
2	Shri A.N. Das	Member	6	Attended
3	Shri B K Sarma	Member	5	Attended
4	Shri Ratul Bordoloi	Member	6	Attended
5	Shri Jiban Choudhury (w.e.f 13/07/2012)	Member	4	Not Attended
6	Shri Utpal Borah (w.e.f 13/07/2012)	Member	1	Not Attended

During the Financial Year 2012-13 the company hold 6 (Six) Audit Committee Meetings of the company.

Terms of Reference: The terms of reference/powers of the Audit Committee are as under:

A. Powers of the Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of Audit Committee includes

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the Board for fixation of Audit Fee to the statutory auditors appointed by the Comptroller and Auditor General of India.
3. Approval of payment to the statutory auditors including cost auditors, VAT auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of Sub-Section 2AA of Section 217 of the companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimate based on the exercise of judgment by the management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with the listing and other legal requirements relating to financial statement.
 - Disclosure of related party transactions
 - Qualification of draft audit report.

5. Reviewing with the management, the quarterly financial statement before submission with the Board for approval.
6. Reviewing, with the Management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for the purposes other than for those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendation to the Board to take up steps in this matter.
7. Reviewing with the management, the performance of statutory including cost auditors and internal auditors, adequacy of internal control system.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discussion with Internal Auditors, any significant findings and follow-up thereon.
10. Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
11. Discussion with Statutory Auditors including Cost Auditors before the audit compliances about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
12. To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
13. To review the functioning of the whistle Blower Mechanism.
14. Approval of appointment of CFO (i.e., the whole time Finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience & background, etc of the candidate.
15. Carrying out such other functions as may be specifically referred to the committee by the Board of Directors and/or other Committee of Directors of the company.
16. To review the following information:
 - The management Discussion and Analysis of financial condition and results of operation;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weakness issued by the statutory auditors;
 - Internal audit reports relating to internal control weakness; and
 - The appointment, removal and terms of remuneration of internal auditors;
17. Reviewing the financial statements and in particular the investments made by the unlisted subsidiaries of the company.

4. Remuneration Committee of the Board

No remuneration committee has been constituted by the Board to determine the remuneration and paid/payable to the Whole Time Director of the company. The company is a Government of Assam company all the whole time director(s) is/are selected by the Public Enterprise Selection Board (PESB) of the Government and all the pays and perks of the Whole Time Director are paid by the company as per the government approved pay scale.

The Managerial Remuneration paid to the Managing Director during the FY 2012-13 is as under:

Name of Director	All elements of remuneration package of Directors i.e. salary, benefits, bonus (in ₹)	Other benefits (in ₹)	Service contracts, notice period, severance fee.
Shri Ratul Bordoloi, Managing Director	10,82,656.00	NIL	Initially appointed for a period of three years w.e.f.10/09/2010 with a provision for extension upto five years. The Govt. of Assam extended his term for another two years w.e.f. 10/09/2013 to 09/09/2015 vide letter No.MI/113/98/Pt /312 Dated 26/08/2013. Notice Period: Three months

The company pays sitting fee of ₹ 1000/- each to the members to the board for attending the Meeting of Board of Directors and Committee where the particular Independent Director is a member. Total sitting fee paid to the Directors are as under.

Sl. No.	Names of the Directors	Amount of Sitting Fees
1.	Shri D.N. Barua	₹ 14000/-
2.	Shri B. K. Sarma	₹ 11000/-
3.	Shri A. N. Das	₹ 14000/-
4.	Shri S.K. Choubey	₹ 1000/-
5.	Shri Utpal Borah	₹ 7000/-

5. Shareholders' Grievance Committee

The company constituted a Shareholders' Grievance Committee with the chairmanship of an Independent Director of the Board. There are three members of the Board in the Shareholders' Grievance Committee and they are 1) Shri D.N. Barua; 2) Shri B.K. Sarma and 3) Shri Ratul Bordoloi. The Company Secretary is also the secretary to the committee. The Shareholders'/Investors' Grievance Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of shares of the Company. The Committee also looks into redressal of Shareholders'/Investors' complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividend, etc.

6. General Body Meetings

Details of General Body Meetings held in the last three years are given below:

General Body Meeting	Day and Date	Time	Venue
39 th AGM	Wednesday, 29 th December, 2010	11:00 am	4 th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005
40 th AGM	Monday, 30 th April, 2012	11:00 am	4 th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005
41 st AGM	Saturday, 30 th March, 2013	11: 00 am	4 th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005

Special Resolution:

In the 39th AGM the company passed no special resolution.

In the 40th Annual General Meeting of the company held on Monday, 2012 the company passed one special resolution to alter the Memorandum and Articles of Association of the company for enhancement of Authorised Share Capital from ₹ 17 Cr. to ₹ 350 Cr.

In the 41st AGM the company passed no special resolution.

Postal Ballot: No special resolution passed through postal ballot in the 41st Annual General Meeting. No special resolution also proposed to be passed in the ensuing 42nd AGM of the company through postal ballots.

7. Disclosures

- I. There was no transaction of material nature with Directors or Management or their relatives having potential conflict with the interest of the company at large.
- II. The company failed to comply certain mandatory listing agreement clauses during the previous financial years and due to which Bombay Stock Exchange, Mumbai suspended trading of shares w.e.f. 23/04/2012. The suspension of trading of shares still continues. The company has submitted an application to BSE to revoke the suspension recently and it is pending at their end.

8. Brief Resume of the Directors Seeking Re-Appointment/Appointment

1) Shri Rameswar Dhanowar

Shri Rameswar Dhanowar, is a Member of the State Legislative Assembly, Assam. He elected to Assam Legislative Assembly for the first time in 1978 from Digboi constituency and then onwards he has been continuously elected for 8 (eight) consecutive terms. He was minister of Labour and Employment to the Govt. of Assam from 1983 to 1985. He was again became State Cabinet Minister for Excise and Labour & Employment form 2001 to 2005. Shri Dhanowar is a highly respected politician of Assam.

Prior to become a member of the Board and Chairman of the company, he was Chairman of Assam Gas Company Limited in 1992. Shri Rameswar Dhanowar is also Chairman of Assam Tea Corporation Ltd.

2) Shri Nityananda Barkakoty

Shri Nityananda Barkakoty did his M. Sc. in Geology from the prestigious Guwahati University and L.Lb. from Dibrugarh University. He started his career as Asstt. Geologist in State Directorate of Geology & Mining in 1976. He joined in the Civil Services of Assam in September, 1976 as Magistrate (sub-divisional officer, Civil). During his 35 years of tenure in State Government he held various key positions in the Govt. of Assam including as Managing Director of State Level Public Enterprises of Assam. Shri Nityananda Barkakoty is presently holding the position of Commissioner and Secretary to the Government of Assam, Public Enterprise Department.

Shri Barkakoty is apart from being Director of this company also holding five other State Level Public Enterprises of Assam.

Shri NN Barkakoty is nominated as Director of the company by Assam Industrial Development Corporation Ltd. The Board of Directors of the company appointed him as Additional Director of the company in its 304th Meeting held on 23rd August, 2013. Being an Additional Director, he holds office upto the date of ensuing Annual General Meeting. The Company received a notice under Section 257 of the Companies Act, 1956 from a member proposing his name as a Director of the Company.

3) Shri Utpal Borah

Shri Utpal Borah completed Bachelor's degree in Mechanical Engineering from Assam Engineering College,



Guwahati in 1972 and joined Oil India Limited (OIL), a premium upstream oil company, in 1973. He retired from OIL in May, 2010 as Resident Chief Executive, which is the highest position at OIL's Field Head Quarters in Duliajan, responsible for exploration and production (E&P) operation of OIL in the North East.

Shri Borah has long experience in the E & P business especially in the area of crude oil and natural gas production and its utilization and distribution. Besides, his experience also encompasses Project Execution, Business development, Strategic Planning and Corporate Management. He travelled widely and represented OIL and Ministry of Petroleum & Natural Gas, GOI, in many international forums.

Shri Borah was nominated as Director to the Board of Assam Gas Company Limited, Duliajan (June, 2005 to May, 2010) and DNP Limited (April, 2009 to May, 2010) while he was working in OIL.

Presently Shri Borah is working at Brahmaputra Cracker and Polymer Limited (BCPL) as Adviser (Coordination).

4) Shri Sanjeev Kr. Choubey

Shri Sanjeev Kr. Choubey is a Commerce Graduate and a Member of Institute of Chartered Accountants of India (ICAI). He qualified as a Chartered Accountant in 1991 and joined in Senior Executive position in Kitply Industries Ltd. He worked in Kitply Industries in various positions and became General Manager of the company in 1997. Shri Choubey left Kitply Industries Ltd. in 2007 and started his own business. He is presently Managing Director of Natural Panel Industries Pvt. Ltd. which manufactures of all kind of Plywood, Block Board, Flush Door/ Shuttering etc. Shri Choubey is also successfully doing tea productions business.

Shri S.K. Choubey is the Vice President of The All India Manufacturing Organisation also Vice President of Federation of North East Plastic Industries & Commerce, Tinsukia and associated with various social organisations.

Shri Sanjeev Kr. Choubey joined Board of Assam Petro-Chemicals Limited on 19th December, 2012.

9. General Shareholder Information

- i. 42nd Annual General Meeting: Tuesday, 31st December, 2013 at 11: 00 am
Venue: Registered Office at 4th Floor, Orion Place, Bhangagarh, G.S. Road, Guwahati-781005.
Time: 11:00 am
- ii. Date of Book Closure/ Record Date: 25th December 2013 to 31st December 2013 (Both days inclusive)
- iii. Financial Year: 1st day of April to 31st day of March of the following year.
- iv. Listing: The shares of the company are listed in BSE Ltd., Mumbai and Guwahati Stock Exchange, Guwahati. However, the BSE has suspended the trading of the shares in April, 2012 due to non-compliance with certain clauses of listing agreement.

The shares of the company didn't quote during the last financial year.

Stock Code: 506267; Scrip ID: ASSAPET
- v. Dividend Payment Date: The Board of Assam Petro-Chemicals Limited has recommended dividend to the shareholders at the rate of 10% of the paid up share capital. The Dividend Payment date is 27th January 2014
- vi. **Unclaimed Dividend:**

As per the Companies Act, 1956 any unpaid and unclaimed dividend become due to transfer to "Investor Education and Protection Fund" (IEPF) after seven years. There are some amount of dividend have been laying unclaimed by the valued shareholders of the company since FY 2005-06. Details of the dividend unclaimed accounts are as follows:

Financial Year	Date of Declaration	Amount laying unclaimed	Due for transfer
2005-06	29-12-2006	₹ 10524/-	January, 2014
2006-07	28-12-2007	₹ 34916/-	January, 2015
2007-08	30-12-2008	₹ 40904/-	October, 2015
2008-09	22-12-2009	₹ 42626/-	January, 2016
2009-10	29-12-2010	₹ 43613/-	January, 2017

All the shareholders who have not claimed their dividend for abovementioned years are requested to claim the same before the amount become due to transfer to IEPF.

- vii. Share Transfers: All the shares of the company are in physical mode. The company appointed M/s C.B. Management Services (P) Ltd., Kolkata as Registrar and Share Transfer Agent with effect from 1st of March, 2010. The Share Transfer Agent scrutinises the Share Transfer related documents received and forward the same to the company for endorsement the transfer by Board Committee of the company. The Shareholders Grievance Committee sits for approve the transfer as and when it requires.

Subject to the documents are being valid and complete, share transfer are processed and share certificates returned within 15-20 days. Shareholders grievances/quarries/complaints/share transfer documents may please be directly communicated with our Registrar and share Transfer agent in their following address

- viii. Registrar & Share Transfer Agent:
M/s C.B. Management Services (P) Ltd.
P-22, Bondel Road, Kolkata-700 019
E-mail: rta@cbmsl.com. Company's Website: www.assampetrochemicals.co.in

- ix. Dematerialisation of Shares and liquidity:

All the shares of the company are in physical mode as on this date. The company is in the process of dematerialisation of its shares.

- x. There are no outstanding of GDRs/ADRs/Warrants or any convertible instruments as on 31-03-2013.

- xi. Distribution of Shares as on 31st March, 2013

Sl. No.	Name of shareholder	Nos. of Shares held	Capital Contribution (in ₹)	Percentage of holding (%)
1	Assam Industrial Development Corporation Ltd.	8041540	80415400	88.18
2	Industrial Development Bank of India Ltd.	852500	8525000	9.35
3	ICICI Bank	90700	907000	0.99
4	IFCI*	45350	453500	0.50
5	Others	89857	898570	0.99
Total		9119947	91199470	100

* All the shares of IFCI have transferred to Shri Vipul Rajendrabhai Gandhi on 23/08/2013.

- xii. Plant Locations:

Assam Petro-Chemicals Ltd.
P.O. - Parbatpur, Namrup
Distt.: Dibrugarh, Assam-786623

- xiii. Address for communications:

Assam Petro-Chemicals Ltd.
4th Floor, Orion Place, G.S. Road
Bhangagarh, Guwahati-781 005
E-Mail: aplguw@bsnl.in



To
The Members
Assam Petro-Chemicals Limited
Regd. Office : 4th Floor, Orion Place,
G. S. Road, Bhangagarh, Guwahati - 781 005

We have examined the compliance of the conditions of corporate governance by Assam Petrochemicals Limited, for the year ended **31st March 2013** as stipulated under clause 49 of the Listing Agreement of the said Company with concerned Stock Exchange(s) in India.

The Compliance of the 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 corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We state that in respect of the investor grievances received during the year ended **31st March 2013**, no such investor grievances remained unattended /pending for more than 30 days.

In our opinion and to the best of our information and explanations given to us, we certify that that the Company has complied with all the mandatory conditions of the said Clause 49 of the Listing Agreement.

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

For Narayan Sharma & Associates
Company Secretaries

Sd/-
(NARAYAN SHARMA)
Proprietor

C.P. No. 3844
Membership No. FCS 5117

Place : Guwahati
Date : 08th October' 2013

To,
The Board of Directors
Assam Petro-Chemicals Limited
4th Floor, Orion Place, G.S. Road
Bhangagarh, Assam-781 005

Sub.: Certificate Under Clause 49 (IV) (V) of Listing Agreement

The undersigned hereby certify that:

1. We have reviewed Financial Statements and the Cash Flow Statement for the year and that to the best of their knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
2. There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are in fraudulent, illegal or violative of the Company's code of conduct.
3. They accept responsibility for establishing and maintaining internal controls for financial reporting and they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. They have indicated to the Auditors and Audit Committee
 - i. Significant changes in internal control over financial reporting during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or employee having significant role in the company's internal control system over financial reporting.

Dated: 25/10/2013
Place: Namrup

Sd/-
(Ratul Bordoloi)
Managing Director

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF ASSAM PETRO-CHEMICALS LIMITED FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of Assam Petro-Chemicals Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 25 September 2013.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3) (b) of the Companies Act, 1956 of the financial statements of Assam Petro-chemicals Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under section 619(4) of the Companies Act, 1956 which have come to my attention and which in my view, are necessary for enabling a better understanding of the financial statements and the related Audit Report.

A. COMMENT ON PROFITABILITY

1. Statement of Profit and Loss for the year ended 31 March 2013

Exceptional Items (Note-23B)	:	₹ 7.63 crore
Arrear Salary	:	₹ 6.56 crore

This is understood by ₹ 6.28 crore, being the arrears payable against pay revision of salaries of employees for the years 2009-10 & 2010-11 as approved by the Board of Directors of the Company and Government of Assam. Since the liability was quantifiable and known to the Company at Balance Sheet date, same should have been provided for instead of disclosing under the 'Contingent Liabilities and Commitments' (Note 24.2). This has resulted in understatement of Current liabilities by ₹ 6.28 crore with corresponding overstatement of 'profit for the year' to the same extent.

2. Continuing operations

Expenses

Finance Cost (Note-21)

Interest Expenses on others:	Nil
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This is understated by ₹ 38.53 lakh, being the interest paid due to the delayed payment of Income Tax for the Assessment Year 2009-10, which should be booked under 'Finance cost' instead of clubbing under 'Tax Expenses' as per para 9.8.1.3 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956. This has correspondingly resulted in overstatement of 'Tax Expenses - current Tax expenses relating to prior years' to the same extent.

3. Depreciation and amortization expense (Note-9C): ₹ 2.33 crore

This is understated by ₹ 0.18 crore, being the depreciation not provided for in respect of the Standby Servicing Equipment worth ₹ 1.47 crore lying unutilized since the year 2005. This has correspondingly resulted in overstatement of 'profit for the year' as well as 'Fixed Assets - Tangible assets' to the same extent.

4. Other Income (Note-18)	:	₹ 6.21 crore
Interest Income	:	₹ 5.28 crore

The above is understated by ₹ 0.15 crore due to short account of accrued interest on bank deposits. This has also resulted in an understatement of 'profit for the year' by ₹ 0.15 crore with the corresponding understatement of 'Current assets- other current assets- Interest accrued on deposits' to the same extent.

For and on the behalf of the
Comptroller and Auditor General of India

Place: Guwahati
Date : 12-12-2013

Sd/-
(C H KHARSHIING)
Accountant General (Audit), Assam

INDEPENDENT AUDITORS' REPORT

TO
THE MEMBERS OF ASSAM PETRO-CHEMICALS LIMITED

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

(i) *Amortisation of ROC fees Expenses:*

Expenses related to ROC fees for enhancement of authorised share capital total amounting Rs. 1,66,50,510 /- has been amortised as per decision of the management and accordingly Rs. 33,30,102/- (Refer Note 9.C) has been charged under Depreciation and Amortisation expenses and balance amount Rs. 1,33,20,408/- shown as Unamortised Expenses under Other Non-Current Assets (Refer Note 11). On the basis of Accounting Standard (AS)-26 Para 56 under The Companies Accounting Standards Rules, 2006, in our opinion, the whole expense related to ROC fees for enhancement of authorised share capital Rs. 1,66,50,510/- should have been charged to Statement of Profit and Loss. This has resulted in overstatement of Profit and Other Current Assets by Rs. 1,33,20,408/-

(ii) *Methanol Revamping Expenses:*

Feasibility Study Expenses Rs. 40,32,106/- relating to Methanol Revamping Expenses shown under capital work in progress and Health Study Expenses Rs. 43,65,589/- relating to Methanol

Revamping Expenses shown under Long term loans and advances for which the Board had taken decision on 25-08-2010 that no further action will be taken for implementation of 30 % Methanol Expansion scheme of the existing Methanol Plant. Based on the decision taken by the Board on 25.08.2010, in our opinion, the whole expense related to Methanol Revamping Expenses Rs.83,97,695 /- should have been charged to Statement of Profit and Loss. This has resulted in overstatement of Profit by Rs. 83,97,695/-, capital work in progress by Rs. 40,32,106/- and Long term loans and advances by Rs. 43,65,589/-.

(iii) *Provision for Pay revision shown under exceptional items:*

Provision for Pay Revision (Arrear Salary) – Rs.6,55,61,915/- and Arrear Contribution to PF Rs. 1,07,83,211/- have been shown under exceptional items (Refer Note 23B). Based on discussions made in Para 14 & Para 16 of the Accounting Standard (AS) -5 under The Companies Accounting Standards Rules, 2006 and Para 9.6 of the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, in our opinion ‘the amount should have been shown under Employees benefits expenses’. This resulted in ‘understatement of employees benefits expenses’ by Rs.7,63,45,126/- and overstatement of ‘exceptional items’ by Rs. 7,63,45,126/-

(iv) *Unused Old catalyst not written off :*

As per Note no. 25.10 “The Company is carrying unused catalyst valued Rs. 65,97,535/- which is more than 20 years old. A committee has been constituted for disposal of the same. The loss/gain on sale will be accounted for at the time of disposal.” The company has not identified & charged to Statement of Profit and Loss, the loss on impairment of above asset.

Moreover, As mentioned in CAG comments for the year 2011-12, formal order by the Managing Director of the company had been issued for treating old catalyst worth Rs. 20,12,234.00 as obsolete on 26/11/2004.

On the basis of above, in our opinion, the company should have charge to Statement of Profit and Loss Rs.45,85,301/- as ‘Other Expenses’ and Rs. 20,12,234/- as ‘Prior period Items’. This has resulted in overstatement of Profit and Inventory by Rs. 65,97,535/-

(v) *The Total effect of the qualifications in Para (i), (ii) & (iv) above is that the Profit has been overstated by Rs.2,83,15,638/- and overstatement of ‘other Current Assets’ by Rs. 1,33,20,408/-, ‘capital work in progress’ by Rs. 40,32,106/- , ‘Long term loans and advances’ by Rs. 43,65,589/- and ‘Inventory’ by Rs. 65,97,535/- . The effect of qualifications in Para (iii) above is inter-se in the statement of Profit & Loss and has no effect on Profit for the year in the statement of Profit & Loss and on the Balance Sheet.*

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 matter described in the Basis for Qualified Opinion paragraph*, the 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:

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

Emphasis of Matter

- (i) We draw attention to Note 3(v) and Note 24.1 to the financial statements related to Equity capital money received during the year from Government of Assam amounting Rs. 1702 lakhs shown under Share Application money pending allotment for which legal formalities relating to issue of share

capital will be taken by the Board in due course as mentioned in above notes. Our opinion is not qualified in respect of this matter.

- (ii) We draw attention to Note No. 25.12 to the financial statements.

The documents in respect of Subsidiary Company (Pragjyotish Fertilizers and Chemicals Ltd. (PFCL) required to be attached with the Balance Sheet of this Company as per section 212(1) of the Companies Act, 1956, have not been attached. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. *except for the matter described in the basis for qualified opinion Paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. The provisions of Section 274(1)(g) of the Companies Act, 1956 regarding "Disqualifications of Directors" do not apply to this company, being a Government Company, as per notification No. G.S.R. 829 (E) dated 21.10.2003 issued by the Ministry of Company Affairs, Government of India;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For L. K. Kejriwal & Co.
Chartered Accountants
Firm Registration No. 001368C

Sd/-

(CA. Samta Agarwal)
Partner
Membership No. 068296

Place: Guwahati

Date: 25/09/2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

[Annexure referred to in paragraph under 'Report on other legal and Regulatory requirements' section of our report of even date on the accompanying financial statements of ASSAM PETRO-CHEMICALS LIMITED for the year ended on 31st March, 2013]

- (i) (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets. The records maintained for a part period do not tally with the financial statements.
- (b) According to the information given to us, Physical verification of fixed assets has not been done by the management during the year and as such material discrepancies with financial records, if any, could not be noticed and have not been dealt with in the books of account.
- (c) The Company has not disposed off substantial part of fixed assets during the year and thus the going concern concept of the Company has not been affected.
- (ii) (a) As explained to us the inventories of Stores and Spares have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) In accordance with the information and explanations given to us, the procedures of physical verification of inventory followed by the management appear to be reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records of inventory. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business.
- (iii) (a) The Company has granted loan to its subsidiary M/s Pragjyotish Fertilizers & Chemicals Limited which is ₹38,36,585/- and advance for Share Application Money to the Subsidiary Company is ₹4,80,000/- as on 31st March, 2013. The Company has made provision for the full amount i.e. ₹38,36,585/- & ₹4,80,000/- respectively considering them doubtful.
- (b) The Company had also granted loans to Assam Tea Corporation Limited as per details given in Note No. 25.11. As per above details, the repayment of principal of loan II was received on 22.10.2009 against the due date of 10.04.2008 and the interest due ₹5,15,671/- has not been received so far. In case of loan I, out of principal ₹35,00,000/-, ₹10,00,000/- only was received on 17.03.2011 against the due date of 07.08.2007. The Balance amount of principal of ₹25,00,000/- is still overdue. Interest accrued and due ₹ 27,49,005/- has not been received so far. Though the Company is pursuing through Govt. of Assam for the recovery of the balance amount of principal and the amount of interest overdue, however the steps are not reasonable in view of long overdues.
- (c) According to information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such, clauses (iii)(e), (f) & (g) of para 4 of the Order are not applicable.
- (iv) In our opinion and according to information and explanations given to us, except non-maintenance of Fixed Asset register, no physical verification of Fixed Assets, there is an adequate internal control system commensurate with size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. As informed to us, steps have been taken to correct weaknesses in Internal Control System but still the weaknesses persist.
- (v) According to the information and explanations given by the management, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act' 1956.
- (vi) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year and hence directives issued by the Reserve Bank of India and provisions of sections 58A, 58AA or any other relevant provisions of Companies Act, 1956 and the rules framed there under are not applicable.

- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) We have broadly reviewed the Cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, for maintenance of Cost records and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (ix) (a) According to the information and explanations given to us and as per the records of the company, the company has been generally regular in depositing undisputed statutory dues including Provident Fund, Income tax, Sales tax, VAT, Custom duty, Excise duty and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanation given to us there is no material amount of the disputed tax etc. which are not deposited with appropriate authority as at 31st March '2013. However, the Company has received certain demands and show cause notices for payment of duty and penalty as detailed in Note No. 24.02.
- (x) As per the records of the Company, the Company has accumulated Losses of Rs.791.79 lakhs (Previous year Rs.1130.02 lakhs) as at 31st March, 2013 and the Company has not incurred any cash losses in the financial year ended on that date or in the immediate preceding financial year.
- (xi) According to the information and explanations given to us the Company has not defaulted in repayment of dues to the bank, and the Company has not taken any loans from any financial institutions.
- (xii) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The Company is not a chit fund/nidhi/mutual benefit/ society.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) According to the information and explanations given to us, the Company has not obtained any term loan during the year.
- (xvii) According to the information and explanations given to us, we report that the funds raised on short-term basis have not been used for long-term investment.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) According to the information and explanations given to us no fraud on or by the Company has been noticed or reported during year.

For L. K. Kejriwal & Co.
Chartered Accountants
Firm Registration No. 001368C

Sd/-
(CA. Samta Agarwal)
Partner
Membership No. 068296

Place: Guwahati
Date: 25/09/2013

Balance Sheet as at 31st March, 2013

Particulars	Note No.	As at 31 st March, 2013	As at 31 st March, 2012
		₹	₹
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	3	9,12,59,720	9,12,59,720
(b) Reserves and surplus	4	66,69,91,748	63,72,77,254
(c) Money received against share warrants			
		75,82,51,468	72,85,36,974
2 Share application money pending allotment		17,02,00,000	-
3 Non-current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred tax liabilities (net)	25.10	87,13,191	78,52,514
(c) Other long-term liabilities	5	90,00,140	71,43,907
(d) Long-term provisions		-	-
4 Current liabilities		17,713,331	14,996,421
(a) Short-term borrowings		-	-
(b) Trade payables	6	6,75,17,004	6,37,92,814
(c) Other current liabilities	7	4,41,53,127	6,29,07,350
(d) Short-term provisions	8	12,41,11,985	7,51,52,950
		23,57,82,116	20,18,53,114
TOTAL		1,18,19,46,915	94,53,86,509
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9.A	16,71,42,388	15,01,55,028
(ii) Intangible assets	9.B	3,29,738	4,83,748
(iii) Capital work-in-progress	9.D	92,21,502	3,24,35,510
(iv) Intangible assets under development		-	-
		17,66,93,628	18,30,74,286
(b) Non-current investments	10.A	-	-
(c) Deferred tax assets (net)	25.10	-	-
(d) Long-term loans and advances	10.B	8,49,40,137	11,03,89,429
(e) Other non-current assets	11	1,98,68,947	1,35,57,828
2 Current assets		104,809,084	123,947,257
(a) Current investments		-	-
(b) Inventories	12	9,83,54,240	9,66,66,241
(c) Trade receivables	13	7,70,29,264	6,92,65,476
(d) Cash and cash equivalents	14	68,66,45,087	44,63,81,746
(e) Short-term loans and advances	15	1,66,27,587	1,66,55,981
(f) Other current assets	16	2,17,88,025	93,95,522
		90,04,44,203	63,83,64,966
TOTAL		1,18,19,46,915	94,53,86,509
See accompanying notes forming part of the financial statements (1 to 26)			

As per our report of even date attached.

For L.K.Kejriwal & Co.

Chartered Accountants

FRN : 001368C

Sd/-

(CA. Samta Agarwal)

Partner

M.No. 068296

Place : Guwahati

Date : 25-09-2013

For and on behalf of the Board of Directors

Sd/-
(D.N.Barua)
DirectorSd/-
(Ratul Bordoloi)
Managing DirectorSd/-
(Uttam Bailung)
Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2013

Particulars	Note No.	For the year ended	For the year ended
		31 st March, 2013	31 st March, 2012
		₹	₹
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	17	90,29,65,369	66,71,42,231
Less: Excise duty	17	9,44,57,817	6,23,77,506
Revenue from operations (net)		80,85,07,552	60,47,64,725
2 Other income	18	6,20,70,771	3,71,85,173
3 Total revenue (1+2)		87,05,78,323	64,19,49,898
4 Expenses :			
(a) Cost of materials consumed	19.A	31,73,74,674	25,84,61,034
(b) Purchases of stock-in-trade		-	-
(c) Changes in inventories of finished goods, WIP and stock-in-trade	19.B	50,67,835	(44,37,698)
(d) Employee benefits expense	20	24,62,16,456	21,08,25,790
(e) Finance costs	21	-	2,03,892
(f) Depreciation and amortisation expense	9.C	2,32,51,438	1,75,54,721
(g) Other expenses	22	15,27,38,995	12,52,63,602
Total expenses		74,46,49,398	60,78,71,341
5 Profit / (Loss) before prior period, exceptional and extraordinary items and tax (3 - 4)		12,59,28,925	3,40,78,557
6 Prior Period Items	23.A	(8,60,036)	4,52,58,624
7 Profit / (Loss) before exceptional and extraordinary items and tax (5 - 6)		12,67,88,961	(1,11,80,067)
8 Exceptional items	23.B	7,62,58,343	(86,783)
9 Profit / (Loss) before extraordinary items and tax (7 ± 8)		5,05,30,618	(1,10,93,284)
10 Extraordinary items			
11 Profit / (Loss) before tax (9 ± 10)		5,05,30,618	(1,10,93,284)
12 Tax expense:			
(a) Current tax expense for current year		49,19,700	-
(b) (Less): MAT credit (where applicable)		-	-
(c) Current tax expense relating to prior years		43,49,534	(15,12,992)
(d) Net current tax expense			
(e) Deferred tax	25.6	8,60,677	10,39,699
13 Profit / (Loss) from continuing operations (11 ± 12)		4,04,00,707	(1,06,19,991)
B DISCONTINUING OPERATIONS			
14.i Profit / (Loss) from discontinuing operations (before tax)		-	-
14.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
14.iii Add / (Less): Tax expense of discontinuing operations		-	-
(a) on ordinary activities attributable to the discontinuing operations		-	-
(b) on gain / (loss) on disposal of assets / settlement of liabilities		-	-
15 Profit / (Loss) from discontinuing operations (14.i ± 14.ii ± 14.iii)		-	-
C TOTAL OPERATIONS			
16 Profit / (Loss) for the year (11 ± 13)		4,04,00,707	(1,06,19,991)

Statement of Profit and Loss for the year ended 31st March, 2013 (contd.)

Particulars	Note No.	For the year ended	For the year ended
		31 st March, 2013	31 st March, 2012
		₹	₹
17.i Earnings per equity share (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	25.5.a	4.43	(1.16)
(ii) Total operations	25.5.b	4.43	(1.16)
(b) Diluted			
(i) Continuing operations	25.5.e	4.43	(1.16)
(ii) Total operations	25.5.f	4.43	(1.16)
17.ii Earnings per equity share (excluding extraordinary items) (of ₹ 10/- each):			
(a) Basic			
(i) Continuing operations	25.5.c	4.43	(1.16)
(ii) Total operations	25.5.d	4.43	(1.16)
(b) Diluted			
(i) Continuing operations	25.5.g	4.43	(1.16)
(ii) Total operations	25.5.h	4.43	(1.16)
See accompanying notes forming part of the financial statements (1 to 26)			

As per our report of even date attached.
For L.K.Kejriwal & Co.
Chartered Accountants
FRN : 001368C

Sd/-
(CA. Samta Agarwal)
Partner
M.No. 068296

Place : Guwahati
Date : 25-09-2013

For and on behalf of the Board of Directors

Sd/-
(D.N.Barua)
Director

Sd/-
(Ratul Bordoloi)
Managing Director

Sd/-
(Uttam Bailung)
Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
	₹	₹	₹	₹
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		5,05,30,618		(1,10,93,284)
<u>Adjustments for:</u>				
Depreciation and amortisation	2,32,51,438		1,75,54,721	
Finance costs	-		2,03,892	
Interest income	(5,21,71,745)		(3,50,24,722)	
Adjustments to the carrying amount of investments	-		20,00,000	
Provision for doubtful trade and other receivables, loans and advances	-		14,87,317	
Liabilities / provisions no longer required written back	(75,43,617)		15,12,992	
Other non-cash charges	-		(10,08,252)	
Capital Subsidy Written Back	(86,783)	(3,65,50,707)	(86,783)	(1,33,60,835)
Operating profit / (loss) before working capital changes		1,39,79,911		(2,44,54,119)
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	16,87,999		(6,15,113)	
Trade receivables	77,63,788		(5,34,20,253)	
Short-term loans and advances	(28,394)		-	
Long-term loans and advances	(2,54,49,292)		3,74,65,839	
Other current assets	1,23,92,503		-	
Other non-current assets	63,11,119		-	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	37,24,190		2,21,50,483	
Other current liabilities	(1,87,54,223)		-	
Other long-term liabilities	18,56,233		4,04,61,551	
Short-term provisions	4,89,59,035		-	
Long-term provisions	-	3,84,62,958	-	4,60,42,507
		5,24,42,869		2,15,88,388
Cash flow from extraordinary items				
Cash generated from operations		5,24,42,869		2,15,88,388
Net income tax (paid) / refunds		(2,60,80,365)		(5,57,33,411)
Net cash flow from / (used in) operating activities (A)		2,63,62,504		(3,41,45,023)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
	₹	₹	₹	₹
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(84,70,908)		(6,68,94,669)
Interest received				
- Subsidiaries				
- Associates				
- Joint ventures				
- Others		5,21,71,745		3,32,68,028
Cash flow from extraordinary items				
Net income tax (paid) / refunds				
Net cash flow from / (used in) investing activities (B)		4,37,00,837		(3,36,26,641)

Cash Flow Statement for the year ended 31st March, 2013 (Contd.)

Particulars	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
	₹	₹	₹	₹
C. Cash flow from financing activities				
Share application money received / (refunded)		17,02,00,000		-
Finance cost		-		(2,03,892)
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		17,02,00,000		(2,03,892)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		24,02,63,341		(6,79,75,556)
Cash and cash equivalents at the beginning of the year		44,63,81,746		51,43,57,302
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		-		-
Cash and cash equivalents at the end of the year		68,66,45,087		44,63,81,746
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 14)		68,66,45,087		44,63,81,746
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 <i>Cash Flow Statements</i> (give details)		-		-
Net Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)		68,66,45,087		44,63,81,746
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 <i>Cash Flow Statements</i>)		-		-
Cash and cash equivalents at the end of the year *		68,66,45,087		44,63,81,746
* Comprises:				
(a) Cash on hand		58,120		58,987
(b) Cheques, drafts on hand				
(c) Balances with banks				
(i) In current accounts		2,80,27,963		4,86,20,805
(ii) In EEFC accounts				
(iii) In deposit accounts with original maturity of less than 12 months		48,80,92,194		39,74,00,000
(iv) In earmarked accounts (Advance against Equity Participation)		17,02,09,174		-
(d) Others (Unpaid Dividend)		2,57,636		3,01,954
(e) Current investments considered as part of Cash and cash equivalents		-		-
		68,66,45,087		44,63,81,746
Notes:				
(i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.				
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes. See accompanying notes forming part of the financial statements (1 to 26)				

As per our report of even date attached.
For L.K.Kejriwal & Co.
Chartered Accountants
FRN : 001368C

Sd/-
(CA. Samta Agarwal)
Partner
M.No. 068296

Place : Guwahati
Date : 25-09-2013

For and on behalf of the Board of Directors

Sd/-
(D.N.Barua)
Director

Sd/-
(Ratul Bordoloi)
Managing Director

Sd/-
(Uttam Bailung)
Company Secretary

Notes forming part of the financial statements

1. Corporate information

The company was incorporated on 22.04.1971 with a view to use Natural Gas as feedstock to produce Methanol. Currently the company is engaged in manufacture and marketing of two versatile industrial petrochemical products i.e. methanol and formaldehyde. The profitability of the company is largely dependent on the price of methanol in the international market which has direct impact on domestic price of methanol.

2. Significant accounting policies:

2.1 Basis of accounting and preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3 Inventories

Items of inventories are measured at lower of cost or net realizable value, after providing for obsolescence, if any. Cost of inventories comprises of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition. Cost of raw-materials, process chemicals, stores and spares, packing materials, and other products are determined on weighted average basis. Cost of production of finished stocks is determined on by absorption costing method. In calculating the valuation of unsold finished stock, overhead expenses have been absorbed up to the stage of Production only.

2.4 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Depreciation and amortisation

Depreciation has been provided on the written down value method as per the rates prescribed in Schedule XIV to the Companies Act, 1956. However, in case of plant & machinery and electrical equipment, depreciation has been charged on straight line method up to 95% of the historical cost retaining 5% as salvage value. Similarly for other Assets depreciation has not been charged on residual 5 % written down value.

Intangible assets are amortised over their estimated useful life. 'The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern.

2.7 Revenue recognition

Sale of goods

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales include excise duty but exclude sales tax and value added tax.

2.8 Other income

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

2.9 Tangible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Exchange differences arising on restatement / settlement of long-term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining useful life of such assets. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till commissioning of the project.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately in the Balance Sheet.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

2.10 Intangible assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate

future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

2.11 Foreign currency transactions and translations

Initial recognition

Transactions in foreign currencies entered into by the Company and its integral foreign operations are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company and its net investment in non-integral foreign operations outstanding at the Balance Sheet date are restated at the year-end rates. In the case of integral operations, assets and liabilities (other than non-monetary items), are translated at the exchange rate prevailing on the Balance Sheet date. Non-monetary items are carried at historical cost. Revenue and expenses are translated at the average exchange rates prevailing during the year. Exchange differences arising out of these translations are charged to the Statement of Profit and Loss.

Treatment of exchange differences

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company and its integral foreign operations are recognised as income or expense in the Statement of Profit and Loss. The exchange differences on restatement / settlement of loans to non-integral foreign operations that are considered as net investment in such operations are accumulated in a "Foreign currency translation reserve" until disposal / recovery of the net investment.

The exchange differences arising on restatement / settlement of long-term foreign currency monetary items are capitalised as part of the depreciable fixed assets to which the monetary item relates and depreciated over the remaining useful life of such assets or amortised on settlement / over the maturity period of such items if such items do not relate to acquisition of depreciable fixed assets. The unamortised balance is carried in the Balance Sheet as "Foreign currency monetary item translation difference account" net of the tax effect thereon.

2.12 Government grants, subsidies and export incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets are presented by deducting them from the carrying value of the assets. The grant is recognised as income over the life of a depreciable asset by way of a reduced depreciation charge.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

Government grants in the nature of promoters' contribution like investment subsidy, where no repayment is ordinarily expected in respect thereof, are treated as capital reserve. Government grants in the form of non-monetary assets, given at a concessional rate, are recorded on the basis of their acquisition cost. In case the non-monetary asset is given free of cost, the grant is recorded at a nominal value.

Other government grants and subsidies are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

Note 2 Significant accounting policies (contd.)

2.13 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties. Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Tangible Fixed Assets. Impairment of investment property is determined in accordance with the policy stated for Impairment of Assets.

2.14 Employee benefits

Employee benefits include provident fund, superannuation fund, gratuity fund, compensated absences, long service awards and post-employment medical benefits.

Defined contribution plans

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made.

Defined benefit plans

For defined benefit plans in the form of gratuity fund and post-employment medical benefits, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under :

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long Service Awards are recognised as a liability at the present value of the defined benefit obligation as at the Balance Sheet date.

2.15 Employee share based payments

The Company has no Employee Stock Option Schemes (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.

2.16 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.17 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance. Management has identified two reportable business segments namely Methanol & Formalin and Siliguri has been identified as a geographical segment.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.18 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

2.19 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

Current and deferred tax relating to items directly recognised in equity are recognised in equity and not in the Statement of Profit and Loss.

2.20 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.21 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

2.22 Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.23 Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is no uncertainty in availing / utilising the credits.

2.24 Employee Separation Cost :

Compensation to employees who have opted for retirement under voluntary retirement scheme of the company is debited to the Profit and Loss Account in the year of payment

2.25 Dearness Allowance :

Dearness Allowance accrues after being approved by the Board of Directors and accordingly is charged to the Statement of Profit and Loss in the year of approval.

2.26 Other Non Current Assets :

The value of Non Current Assets includes value of unamortised catalyst which are amortised on the basis of the utilisation certificates of the Engineering Department.

2.27 Excise Duty :

Excise duty is accounted on the basis of, both, payment made in respect of goods cleared as also provision made for goods lying in excise bonded tank.

Note 3 Share Capital

Particulars	As at 31 st March, 2013		As at 31 st March, 2012					
	Number of shares	₹	Number of shares	₹				
(a) Authorised								
Equity shares of ₹ 10/- each with voting rights	35,00,00,000	3,50,00,00,000	1,50,00,000	15,00,00,000				
Redeemable Cumm. preference shares of ₹ 100/- each	-	-	2,00,000	2,00,00,000				
	35,00,00,000	3,50,00,00,000	1,52,00,000	17,00,00,000				
(b) Issued								
Equity shares of ₹ 10/- each with voting rights	91,35,047	9,13,50,470	91,35,047	9,13,50,470				
(c) Subscribed and fully paid up								
Equity shares of ₹ 10/- each with voting rights (80,41,540 Shares held by AIDCL (Holding Company))	91,19,947	9,11,99,470	91,19,947	9,11,99,470				
(d) Subscribed but not fully paid up								
Amount received and forfeited	15,100	60,250	15,100	60,250				
Total	91,35,047	9,12,59,720	91,35,047	9,12,59,720				
Particulars								
Notes:								
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:								
Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Other changes	Closing Balance
Equity shares with voting rights								
Year ended 31 March, 2013								
- Number of shares	91,19,947	-	-	-	-	-	-	91,19,947
- Amount (₹)	9,11,99,470	-	-	-	-	-	-	9,11,99,470
Year ended 31 March, 2012								
- Number of shares	91,19,947	-	-	-	-	-	-	91,19,947
- Amount (₹)	9,11,99,470	-	-	-	-	-	-	9,11,99,470
(ii) Shareholders holding more than 5% of Shares								
Name of the Shareholders	As at 31 st March, 2013		As at 31 st March, 2012					
	Number of shares	Amount originally paid up ₹	Number of shares	Amount originally paid up ₹				
Assam Industrial Development Corporation Ltd.	80,41,540	88.18%	80,41,540	88.18%				
Industrial Development Bank of India	8,52,500	9.35%	8,52,500	9.35%				
Particulars								

Class of shares	As at 31 st March, 2013		As at 31 st March, 2012	
	Number of shares	Amount originally paid up ₹	Number of shares	Amount originally paid up ₹
Equity shares with voting rights	15,100	60,250	15,100	60,250

(iv) Rights, preference and restrictions attached :

Particulars	Equity Shares
Distribution of Dividend	As approved by the shareholders in AGM
Repayment of Capital	Not Fixed

(v) The company embarking upon to set up a 500TPD Methanol & 200 TPD Acetic Acid Project. To mobilize the requisite capital for the project, the company has decided to raise the fund by partly issuing additional equity. To raise the requisite additional equity capital the company has increased its Authorised capital to ₹350 Crores. On the basis of proposal made by the company, Govt. of Assam has sanctioned ₹17.02 crores vide letter No.CI&C(V)(P)67/2011/18/9986 Dtd.23-11-2011 . Now, it has been shown under the head "Share application money pending allotment". All formalities for issue of additional share capital are under process and decision will be taken by the Board in due course after completion of the formalities.

Note 4 Reserves and Surplus

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Capital reserve		
Opening balance	13,625	13,625
Add: Additions during the year	-	-
Less: Utilised / transferred during the year	-	-
Closing balance	13,625	13,625
(b) Capital redemption reserve		
Opening balance	1,10,29,100	1,10,29,100
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Closing balance	1,10,29,100	1,10,29,100
(g) General reserve		
Opening balance	73,89,33,072	73,89,33,072
Add: Transferred from surplus in Statement of Profit and Loss	10,10,018	-
Less: Utilised / transferred during the year for:	-	-
Closing balance	73,99,43,090	73,89,33,072
(j) Deffered Capital Subsidy		
Opening balance	3,03,736	3,90,519
Add: Additions / transfers during the year	-	-
Less: Utilisations / transfers during the year	86,783	86,783
Closing balance	2,16,953	3,03,736
(k) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(11,30,02,279)	(10,23,82,288)
Add: Profit / (Loss) for the year	4,04,00,707	(1,06,19,991)
Less: Dividends proposed to be distributed to equity shareholders (₹ 1/- per share)	91,19,947	-
Tax on dividend	14,79,483	-
Transferred to General Reserve	10,10,018	-
Closing balance	(8,42,11,020)	(11,30,02,279)
Total	66,69,91,748	63,72,77,254

Note 5 Other long-term liabilities

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Trade Payables:		
(b) Others:		
(i) Trade / Security deposits received	74,76,623	60,55,870
(ii) Earnest Money	13,23,517	10,88,037
(iii) Ear Marked Government Grant	2,00,000	-
Total	90,00,140	71,43,907

Note 6 Trade Payables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
Trade payables:		
Acceptances	6,75,17,004	6,37,92,814
Other than Acceptances	-	-
Total	6,75,17,004	6,37,92,814

Note 7 Other current liabilities :

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Unpaid dividends	2,02,189	2,40,218
(b) Other payables		
(i) Statutory remittances (Contributions to PF and ESIC, Excise Duty, VAT, Service Tax, etc.)	3,07,39,446	4,96,24,089
(ii) Contractually reimbursable expenses	7,36,233	6,36,322
(iii) Salaries & Wages payables	82,792	44,16,516
(iv) Advances from customers	82,52,170	59,56,918
(v) Others (Work Bill Payable)	36,75,316	20,33,287
(v) Others (Misc.)	4,64,981	-
Total	4,41,53,127	6,29,07,350

Note 8 Short-term provisions

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Provision for employee benefits:		
(i) Provision for bonus & ex-gratia	33,00,000	33,58,400
(ii) Provision for other defined contribution plans (net)	1,07,83,211	-
(iii) Provision for Arrear Salary	6,55,61,915	-
	7,96,45,126	33,58,400
(b) Provision - Others:		
(i) Provision for tax	3,35,12,429	7,15,59,550
(ii) Provision - others (Audit Fee)	3,55,000	2,35,000
(iii) Provision for proposed equity dividend	91,19,947	-
(iv) Provision for tax on proposed dividends	14,79,483	-
	4,44,66,859	7,17,94,550
Total	12,41,11,985	7,51,52,950

Note 9 Fixed assets

A.	Tangible assets	Dep. Rate	Gross Block								Balance as at 31 st March, 2013
			Balance as at 1 st April, 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Revaluation increase	Effect of foreign currency exchange differences	Borrowing cost capitalised	
			₹	₹	₹	₹	₹	₹	₹	₹	₹
1	LAND	0.00%	30,55,506								30,55,506
2	BUILDING FACTORY	10.00%	6,58,63,699								6,58,63,699
3	BUILDING RESIDENCE	5.00%	5,80,81,959								5,80,81,959
4	BUILDING GUEST HOUSE	5.00%	14,53,166								14,53,166
5	BUILDING - REGISTERED OFFICE	5.00%	52,11,231								52,11,231
6	BUILDING - KOLKATA OFFICE	5.00%	16,13,596								16,13,596
7	PLANT & MACHINERY U-I	5.28%	100								100
8	PLANT & MACHINERY (IND) U-II	5.28%	29,88,67,250								29,88,67,250
9	PLANT & MACHINERY CO2	5.28%	1,82,53,294								1,82,53,294
10	PLANT & MACHINERY (IND) 125TPD	5.28%	10,08,95,922	2,97,12,027							13,06,07,949
11	PLANT & MACHINERY (IMP) U-II	5.28%	8,22,83,070							-23,184	8,22,59,886
12	PLANT & MACHINERY (IMP) 100TPD	5.28%	2,97,28,866								2,97,28,866
13	ELECTRICAL EQUIPMENT	5.28%	2,17,47,535								2,17,47,535
14	LABORATORY EQUIPMENT	13.91%	15,43,561								15,43,561
15	FIRE FIGHTING EQUIPMENT	13.91%	37,43,565								37,43,565
16	HOSPITAL EQUIPMENT	20.00%	2,66,937								2,66,937
17	OFFICE EQUIPMENT	13.91%	21,00,950								21,00,950
18	GUEST HOUSE EQUIPMENT	13.91%	1,50,331								1,50,331
19	TELEPHONE EQUIPMENT	13.91%	12,53,299	7,98,215							20,51,514
20	FURNITURE & FIXTURES	18.10%	58,73,390								58,73,390
21	MOTOR VEHICLE & CYCLE	25.89%	39,00,389								39,00,389
22	E.D.P.EQUIPMENT	40.00%	51,35,136	4,15,470							55,50,606
23	WATER SUPPLY	10.00%	1,89,12,362	7,19,454							1,96,31,816
24	MISC. FIXED ASSETS	13.91%	26,69,225								26,69,225
25	DISCARDED ASSETS (Held for sale)	0.00%	7,40,691								7,40,691
	TOTAL 'A'		73,33,45,030	3,16,45,166	-	-	-	-	-	-23,184	76,49,67,012
	STANDBY SERVICING EQUIPMENT / CAPITAL SPARE										-
1	PLANT & MACHINERY (IND) U-II		55,44,899								55,44,899
2	PLANT & MACHINERY (IMP) U-II		92,45,279								92,45,279
	TOTAL 'B'		1,47,90,178	-							1,47,90,178
	Total		74,81,35,208	3,16,45,166	-	-	-	-	-	-23,184	77,97,57,190
	Previous year		70,11,23,505	6,18,25,520	1,48,13,817						74,81,35,208

Note 9 Fixed assets (contd.)

A	Tangible assets		Accumulated depreciation and impairment										Net block	
			Balance as at 1 st April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised in statement and loss	Reversal of impairment losses recognised in Statement of Profit and Loss	Other adjustments	Balance as at 31 st March, 2013	Balance as at 31 st March, 2013	Balance as at 31 st March, 2012		
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
1	LAND	0.00%	-	-	-	-	-	-	-	-	-	-	30,55,506	30,55,506
2	BUILDING FACTORY	10.00%	5,80,80,738	7,78,296	-	-	-	-	-	-	-	5,88,59,034	70,04,665	77,82,961
3	BUILDING RESIDENCE	5.00%	4,01,21,678	8,98,014	-	-	-	-	-	-	-	4,10,19,692	1,70,62,267	1,79,60,281
4	BUILDING GUEST HOUSE	5.00%	10,16,136	21,852	-	-	-	-	-	-	-	10,37,988	4,15,178	4,37,030
5	BUILDING - REGISTERED OFFICE	5.00%	17,52,954	1,72,914	-	-	-	-	-	-	-	19,25,868	32,85,363	34,58,277
6	BUILDING - KOLKATA OFFICE	5.00%	5,47,930	53,283	-	-	-	-	-	-	-	6,01,213	10,12,383	10,65,666
7	PLANT & MACHINERY U-I	5.28%	-	-	-	-	-	-	-	-	-	-	100	100
8	PLANT & MACHINERY (IND) U-II	5.28%	28,48,71,135	2,79,274	-	-	-	-	-	-	-	28,51,50,409	1,37,16,841	1,39,96,115
9	PLANT & MACHINERY CO2	5.28%	1,52,29,993	9,63,774	-	-	-	-	-	-	-	1,61,93,767	20,59,527	30,23,301
10	PLANT & MACHINERY(IND)125TPD	5.28%	7,72,10,993	60,36,486	-	-	-	-	-	-	-	8,32,47,479	4,73,60,470	2,36,84,929
11	PLANT & MACHINERY(IMP) U-II	5.28%	4,24,60,013	20,63,633	-	-	-	-	-	843	-	4,45,22,803	3,77,37,083	3,98,23,057
12	PLANT & MACHINERY(IMP)100TPD	5.28%	2,27,62,568	15,69,684	-	-	-	-	-	-	-	2,43,32,252	53,96,614	69,66,298
13	ELECTRICAL EQUIPMENT	5.28%	2,06,60,158	-	-	-	-	-	-	-	-	2,06,60,158	10,87,377	10,87,377
14	LABORATORY EQUIPMENT	13.91%	13,34,432	29,090	-	-	-	-	-	-	-	13,63,522	1,80,039	2,09,129
15	FIRE FIGHTING EQUIPMENT	13.91%	19,72,127	2,46,407	-	-	-	-	-	-	-	22,18,534	15,25,031	17,71,438
16	HOSPITAL EQUIPMENT	20.00%	2,59,329	-	-	-	-	-	-	-	-	2,59,329	7,608	7,608
17	OFFICE EQUIPMENT	13.91%	17,33,350	51,133	-	-	-	-	-	-	-	17,84,483	3,16,467	3,67,600
18	GUEST HOUSE EQUIPMENT	13.91%	1,46,095	-	-	-	-	-	-	-	-	1,46,095	4,236	4,236
19	TELEPHONE EQUIPMENT	13.91%	11,58,862	33,213	-	-	-	-	-	-	-	11,92,075	8,59,439	94,437
20	FURNITURE & FIXTURES	18.10%	55,79,720	-	-	-	-	-	-	-	-	55,79,720	2,93,670	2,93,670
21	MOTOR VEHICLE & CYCLE	25.89%	24,83,279	3,66,890	-	-	-	-	-	-	-	28,50,169	10,50,220	14,17,110
22	E.D.P EQUIPMENT	40.00%	47,26,243	2,67,006	-	-	-	-	-	-	-	49,93,249	5,57,357	4,08,893
23	WATER SUPPLY	10.00%	1,13,36,683	7,85,952	-	-	-	-	-	-	-	1,21,22,635	75,09,181	75,75,679
24	MISC. FIXED ASSETS	13.91%	25,35,764	18,564	-	-	-	-	-	-	-	25,54,328	1,14,897	1,33,461
25	DISCARDED ASSETS (Held for sale)	0.00%	-	-	-	-	-	-	-	-	-	-	7,40,691	7,40,691
	Total A		59,79,80,180	1,46,35,465	-	-	-	-	-	843	-	61,26,14,802	15,23,52,210	13,53,64,850
	STANDBY_SERVICING EQUIPMENT / CAPITAL SPARE													
1	PLANT & MACHINERY (IND) U-II			-								-	55,44,899	55,44,899
2	PLANT & MACHINERY (IMP) U-II			-								-	92,45,279	92,45,279
	Total B		-	-	-	-	-	-	-	-	-	-	1,47,90,178	1,47,90,178
	Total		59,79,80,180	1,46,35,465	-	-	-	-	-	843	-	61,26,14,802	16,71,42,388	15,01,55,028
	Previous year		59,89,44,533	1,31,08,773	-	-	-	-	-	1,40,73,126	-	59,79,80,180	15,01,55,028	10,21,78,972

Note 9 Fixed assets (contd.)

B	Gross Block									
	Balance as at 1 st April, 2012	Additions	Disposals	Acquisitions through business combinations	Reclassified as held for sale	Effect of foreign currency exchange differences	Borrowing cost capitalised	Other adjustments	Balance as at 31 st March, 2013	
	₹	₹	₹	₹	₹	₹	₹	₹	₹	
Intangible assets	23,49,988	39,750							23,89,738	
COMPUTER SOFTWARE	23,49,988	39,750							23,89,738	
Total	23,49,988	39,750							23,89,738	
Previous year	23,49,988	-							23,49,988	

B	Accumulated Depreciation and Impairment						Net Block		
	Balance as at 1 st April, 2012	Depreciation / amortisation expense for the year	Eliminated on disposal of assets	Eliminated on reclassification as held for sale	Impairment losses recognised / (reversed) in Statement of Profit and Loss	Other adjustments	Balance as at 31 st March, 2013	Balance as at 31 st March, 2013	Balance as at 31 st March, 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹
Intangible assets	18,66,240	1,93,760					3,29,738	4,83,748	4,83,748
COMPUTER SOFTWARE	18,66,240	1,93,760					3,29,738	4,83,748	4,83,748
Total	18,66,240	1,93,760					3,29,738	4,83,748	4,83,748
Previous year	15,43,742	3,22,498					4,83,748	8,06,246	8,06,246

UNAMORTISED CATALYST :

PARTICULARS	(Value in ₹)	
	As at 31-03-2013	As at 31-03-2012
Value of Catalyst issued	1,16,41,493	1,76,81,278
Amortised during the year on the basis of technical certificate of 100000 MT of Methanol production	50,92,954	41,23,450
Balance Unamortised amount	65,48,539	1,35,57,828

9C. AMORTISATION EXPENSES

PARTICULARS	(Value in. ₹)	
	As at 31-03-2013	As at 31-03-2012
Value of catalyst consumed	50,92,954	41,23,450
Fee for increase of authorised capital	33,30,102	-
Total amortised amount for the year	84,23,056	41,23,450

9D. CAPITAL WORK IN PROGRESS

PARTICULARS	(Value in ₹)	
	As at 31-03-2013	As at 31-03-2012
FORMALIN PLANT 100TPD	-	41,07,008
METHANOL PLANT 500TPD	51,89,396	36,03,668
METHANOL REVAMING	40,32,106	40,32,106
FORMALIN REVAMPING	-	2,06,92,728
TOTAL	92,21,502	3,24,35,510

C. Depreciation and amortisation relating to continuing operations:			
Particulars		For the year ended	For the year ended
		31 st March, 2013	31 st March, 2012
		₹	₹
Depreciation and amortisation for the year on tangible assets as per Note 9 A		1,46,34,622	1,31,08,773
Depreciation and amortisation for the year on intangible assets as per Note 9 B		1,93,760	3,22,498
Amortisation of Pre-operative expenses for the year on intangible assets as per Note 9 C		84,23,056	41,23,450
Less: Utilised from revaluation reserve		-	-
Depreciation and amortisation relating to discontinuing operations		-	-
Depreciation and amortisation relating to continuing operations		2,32,51,438	1,75,54,721

Note 10 A Non Current Investment

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
Other than Trade Investment		
Invest in Pragjyotish Fertilizers & Chemicals Ltd. (PFCL) (A subsidiary company)		
100000 Equity Shares of ₹100/-each (55.55% of total Shares)	1,00,00,000	1,00,00,000
Less: Provision for Diminution in the value of Investment	1,00,00,000	1,00,00,000
Net Value of Investment in Shares	-	-

Note 10 B Long-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	1,13,90,964	1,12,55,233
Doubtful	1,53,750	1,53,750
	1,15,44,714	1,14,08,983
Less: Provision for doubtful deposits	1,53,750	1,53,750
	1,13,90,964	1,12,55,233
(b) Loans and advances to related parties (Refer Note 25.4)		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	43,16,585	43,16,585
	43,16,585	43,16,585
Less: Provision for doubtful loans and advances	43,16,585	43,16,585
	-	-
(c) Loans and advances to employees		
Secured, considered good	-	-

Unsecured, considered good	78,41,454	1,03,54,307
Doubtful	-	-
	78,41,454	1,03,54,307
Less: Provision for doubtful loans and advances	-	-
	78,41,454	1,03,54,307
(d) Advance income tax - Unsecured, considered good	4,46,63,578	7,33,65,748
(e) MAT credit entitlement - Unsecured, considered good	-	-
(f) Other loans and advances	-	-
Secured, considered good	-	-
Unsecured, considered good	2,10,44,141	1,54,14,141
Doubtful	7,50,000	7,50,000
	6,64,57,719	8,95,29,889
Less: Provision for other doubtful loans and advances	7,50,000	7,50,000
	6,57,07,719	8,87,79,889
	-	-
Total	8,49,40,137	11,03,89,429

Note: Long-term loans and advances include amounts due from:

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
Managing Director	56,250	78,750
	56,250	78,750

Note 11 Other non-current assets

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Unamortised expenses		
(i) ROC Fee for Increase of Authorised Capital	1,33,20,408	-
(d) Others:		
(i) Others (Stock of Unamortised Catalyst)	65,48,539	1,35,57,828
	-	-
Total	1,98,68,947	1,35,57,828

Note 12 Inventories

(At lower of cost and net realisable value)

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Finished goods (other than those acquired for trading)	56,86,424	1,11,77,407
Goods-in-transit	4,23,148	-
	61,09,572	1,11,77,407
(b) Stores and spares	9,13,96,621	8,45,21,221
Goods-in-transit	-	-
	9,13,96,621	8,45,21,221
(c) Loose tools	8,48,047	9,67,613
Goods-in-transit	-	-
	8,48,047	9,67,613
Total	9,83,54,240	9,66,66,241

Note 13 Trade Receivables

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Secured, considered good	-	-
Unsecured, considered good	2,303	26,31,301
Doubtful	47,525	12,10,366
	49,828	38,41,667
Less: Provision for doubtful trade receivables	-	8,03,541
	49,828	30,38,126
Other Trade receivables		
Secured, considered good	2,08,53,345	-
Unsecured, considered good	5,61,26,091	6,62,27,350
Doubtful	-	-
	7,69,79,436	6,62,27,350
Less: Provision for doubtful trade receivables	-	-
	7,69,79,436	6,62,27,350
Total	7,70,29,264	6,92,65,476

Note 14 Cash and cash equivalents

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Cash on hand	58,120	58,987
(b) Cheques, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	2,80,27,963	4,86,20,805
(ii) In EEFC accounts	-	-
(iii) In deposit accounts upto 3 months maturity	13,39,92,194	20,00,000
(iv) In earmarked accounts		
- Unpaid dividend accounts	2,57,636	3,01,954
- Other earmarked accounts(Refer Note (i))	17,02,09,174	-
(d) Fixed Deposits with Banks:		
(i) With more than 3 months and upto 1 year maturity	35,41,00,000	38,53,00,000
(ii) With more than 1 year maturity	-	1,01,00,000
Total	68,66,45,087	44,63,81,746

Notes:

(i) Balances with banks - Other earmarked accounts include ₹ 17,02,00,000/- received against the equity participation of Govt. of Assam.

Note 15 Short-term loans and advances

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	95,32,526	65,91,823
Doubtful	-	-
	95,32,526	65,91,823
Less: Provision for doubtful loans and advances	-	-
	95,32,526	65,91,823

(b) Prepaid expenses - Unsecured, considered good	21,18,462	23,93,659
(e) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	25,49,472	61,00,197
(ii) VAT credit receivable	76,156	-
(iii) Service Tax credit receivable	4,50,780	-
(g) Others (Advance to Suppliers & Contractors, etc)		
Secured, considered good	-	-
Unsecured, considered good	19,00,191	15,70,302
Doubtful	-	-
	19,00,191	15,70,302
Less: Provision for other doubtful loans and advances	-	-
	19,00,191	15,70,302
Total	1,66,27,587	1,66,55,981

Particulars

Note: Short-term loans and advances include amounts due from:

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
Managing Directors	22,500	22,500
	22,500	22,500

Note 16 Other current assets

Particulars	As at 31 st March, 2013	As at 31 st March, 2012
	₹	₹
(a) Accruals		
(i) Interest accrued on deposits	2,17,88,025	93,95,522
(ii) Interest accrued on investments	-	-
(iii) Interest accrued on trade receivables	-	-
Total	2,17,88,025	93,95,522

Note 17 Revenue from operations

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
(a) Sale of products (Refer Note (i))	90,29,65,369	66,71,42,231
<u>Less:</u>	90,29,65,369	66,71,42,231
(b) Excise duty	9,44,57,817	6,23,77,506
Total	80,85,07,552	60,47,64,725

Note	Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		₹	₹
(i)	Sale of products comprises:		
	<u>Manufactured goods</u>		
	Methanol (Gross)	32,92,34,566	25,40,21,521
	Less: Sales Tax (i.e. Vat & CST)	65,41,754	59,47,616
	Less: Quatity Discount	28,56,000	20,18,989

		31,98,36,812	24,60,54,916
	Formalin (Gross)	61,32,86,147	44,12,15,850
	Less: Sales Tax (i.e. Vat & CST)	1,47,43,710	1,01,69,494
	Less: Quatity Discount	1,54,13,880	99,59,041
		58,31,28,557	42,10,87,315
	Others		
	Total - Sale of products	90,29,65,369	66,71,42,231

Note 18 Other Income

	Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		₹	₹
(a)	Interest income (Refer Note (i))	5,27,52,804	3,57,74,052
(b)	Net gain on foreign currency transactions and translation (other than considered as finance cost)	1,64,120	-
(c)	Other non-operating income (net of expenses directly attributable to such income) (Refer Note (ii))	91,53,847	14,11,121
	Total	6,20,70,771	3,71,85,173

Note	Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		₹	₹
(i)	Interest income comprises:		
	Interest from banks on:		
	deposits	5,21,71,745	3,50,24,722
	other balances		
	Interest on loans and advances	5,81,059	7,49,330
	Other interest		
	Total - Interest income	5,27,52,804	3,57,74,052
(ii)	Other non-operating income comprises:		
	Miscellaneous income [net of expenses directly attributable]	91,53,847	14,11,121
	Total - Other non-operating income	91,53,847	14,11,121

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
Opening stock	-	-
Add: Purchases	31,73,74,674	25,84,61,034
	31,73,74,674	25,84,61,034
Less: Closing stock	-	-
Cost of material consumed	31,73,74,674	25,84,61,034
Material consumed comprises:		
Natural Gas	29,58,40,631	22,82,51,359

Raw Material Chemicals	27,93,947	32,59,614
Gas Transmission Charges	1,87,40,096	1,65,62,335
Methanol Purchases	-	1,03,87,726
Total	31,73,74,674	25,84,61,034

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
<u>Inventories at the end of the year:</u>		
Finished goods	56,86,424	1,11,77,407
Finished goods-in transit	4,23,148	-
	61,09,572	1,11,77,407
<u>Inventories at the beginning of the year:</u>		
Finished goods	1,11,77,407	67,39,709
Finished goods-in transit	-	-
	1,11,77,407	67,39,709
Net (increase) / decrease	50,67,835	(44,37,698)

Note 20 Employee benefits expense

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
Salaries and wages	19,44,80,126	17,33,14,781
Contributions to provident and other funds (Refer Note 25.2)	4,16,00,733	3,13,02,659
Staff welfare expenses	1,01,35,597	62,08,350
Total	24,62,16,456	21,08,25,790

Note 21 Finance costs

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
(a) Interest expense on:		
(i) Borrowings	-	2,03,892
(ii) Trade payables	-	-
(iii) Others	-	-
Total	-	2,03,892

Note 22 Other Expenses

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
Consumption of stores and spare parts	76,64,317	93,03,009
Consumption of loose tools	1,53,803	7,287
Consumption of Other spares & materials	14,45,943	9,42,033
Increase / (decrease) of excise duty on inventory	(5,06,109)	8,03,871
Power and fuel	8,89,53,374	7,41,00,858
Water	46,15,670	31,70,821
Conversion Charges	72,87,249	41,81,260

Repairs and maintenance - Buildings	13,18,658	22,27,970
Repairs and maintenance - Machinery	32,81,924	30,93,396
Repairs and maintenance - Others	66,74,506	36,11,350
Insurance	27,15,100	8,15,405
Rates and taxes	22,31,167	11,79,714
Travelling and conveyance	46,19,095	25,04,400
Printing and stationery	9,40,147	7,57,479
Freight and forwarding	68,66,669	37,53,804
Sales commission	69,52,616	57,36,123
Business promotion	40,113	13,85,104
Legal and professional	8,65,100	7,60,994
Payments to auditors (Refer Note (i))	5,93,574	1,39,360
Bad trade and other receivables, loans and advances written off	3,24,803	7,82,876
Provision for doubtful trade and other receivables, loans and advances (net)	-	34,87,317
Miscellaneous expenses	57,01,276	25,19,171
Total	15,27,38,995	12,52,63,602

Notes:

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
(i) Payments to the auditors comprises (net of service tax input credit):		
As auditors - statutory audit	85,000	45,000
For taxation matters	40,000	25,000
Reimbursement of expenses	6,060	69,360
Total	1,31,060	1,39,360

Note 23.A Prior Period Items :

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
Provisions for Past Service		
- Gratuity Liability	-	4,46,00,218
- Group Leave Encashment	-	20,21,403
Prepaid Insurance	-	15,48,043
Turnover Discount for FY 2010-2011	39,753	-
Expenses for Low Concentration of Formalin (FY 2008-2009)	1,02,496	-
Interest on Fixed Deposit	-	(10,08,252)
Unpaid Dividend	34	(250)
Insurance Claim Receivable	-	(4,08,582)
Provisions / Liabilities / Advances Written Off/Back	-	
Liability for Advertisement Expenses	(5,71,136)	-
Liability for VAT TDS	-	28,557
Liability for GSLI	-	(10,254)
Liability for Medical Expenses	-	4,22,465
Liability for Freight Charges	-	(8,06,256)
Liability for IT TDS	(394)	8,683
Liability for Income Tax	5	-
Liability for Misc. Expenses	-	(60,005)
Liability for Bonus Ex Gratia	99,831	(1,89,596)
Liability for Earnest Money	-	(1,49,560)

Trade Payables for Purchase	-	(50,069)
Capital WIP	-	(5,55,964)
Staff Festival Advance	-	(6,101)
Staff Medical Advance	-	8,21,762
Advance to Contractors	15,290	
Advance to Suppliers	46,216	
CENVAT Credit of Excise Duty	(1,927)	6,715
CENVAT Credit of Input	10,179	1,80,502
CENVAT Credit of Service Tax	-	(86,319)
Catalyst Amortisation (FY 2011-2012)	(5,82,856)	
Consumption of Stores & Spares	-	(28,75,626)
Stock of Raw Materials & Others	(1,24,662)	66,634
Stock of Building Material	-	2,35,910
Stock of Laboratory Chemicals	122	12,865
Stock of Loose Tools	3,138	12,272
Stock of Oils & Lubricants	-	(30,857)
Stock of Stores & Spares	1,03,875	2,56,594
Receivable from ASEB	-	2,82,894
AGST Refund Receivable	-	9,90,798
	(8,60,036)	4,52,58,624

Note 23.B Exceptional items:

Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
	₹	₹
Arrear Salary	6,55,61,915	-
Arrear Contribution to PF	1,07,83,211	-
Capital Subsidy Written Back	(86,783)	(86,783)
Total	7,62,58,343	(86,783)

Note : The arrear salary is for Pay-Revision of the employees which become due after approval of Govt. of Assam, Industries and Commerce Department Memo No MI 107/2002/358 dated 13.06.2013.

Note 24 Additional information to the financial statements

Note	PARTICULARS	As at 31 st March, 2013	As at 31 st March, 2012
		₹	₹
24.1	Share application money pending allotment As at 31 st March 2013, the Company has received an amount of ₹ 17,02,00,00/- towards share application money towards equity shares of the Company (As at 31 st March, 2012 ₹ Nil towards equity/preference shares). The money was received against the equity participation of Govt. of Assam in 500 TPD Methanol and 200 TPD Acetic Acid Plant Project. The Company has sufficient authorised capital to cover the allotment of these shares. Pending allotment of shares, the amounts are maintained in a designated bank account and is not available for use by the Company.		
24.2	Contingent liabilities and commitments (to the extent not provided for) Contingent liabilities (a) Claims against the Company not acknowledged as debt: (i) Central Excise Duty (CESTAT, Kolkata, period Feb.2009 to Jan.2011) (ii) Central Excise Duty (CESTAT, Kolkata, period Feb.2011 to Feb.2012) (iii) Oil India Limited (Debit Note for Vat on NG, period 2006-2007) (iv) AGCL (Debit Note for Service Tax on MDC from 2007 to 2012) (iv) Arrear salary for the year 2009-2010 & 2010-2011 against Pay Revision (b) Guarantees (c) Other money for which the Company is contingently liable	5,04,54,714 2,09,56,450 1,72,86,990 3,17,257 6,27,54,977 - -	5,04,54,714 2,09,56,450 1,72,86,990 - - - -

	(d) Commitments not provided for :		
	(i) Estimated amount of contract remaining to be executed in Capital Account and not provided for :		
	Estimated amount of contract for formalin revamping project remaining to be executed	-	50,00,000
	Project and Development India Ltd.	-	43,65,000
	Enpro Project Consultancy Pvt. Ltd.	-	50,00,000
	Tata Consulting Engineers Limited	1,50,00,000	1,50,00,000
	SBI Capital Market Limited	1,27,00,000	-
	Total	2,77,00,000	2,43,65,000
	Less: Advance to Consultants	1,41,78,552	1,29,14,141
	Balance	1,35,21,448	1,14,50,859
24.3	Value of imports calculated on CIF basis	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		₹	₹
	Raw materials	-	-
	Components	-	-
	Spare parts	-	-
	Total Components and spare parts	-	-
	Capital goods	-	3,28,92,842
24.4	Expenditure in foreign currency:	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		USD	USD
	Royalty	-	-
	Know-how	-	-
	Professional and consultation fees	-	-
	Interest	-	-
	Other matters	5,250	39,635
24.5	Details of consumption of imported and indigenous items *	For the year ended 31 st March, 2013	
		₹	%
	<u>Imported</u>		
	Raw materials	- (1,03,87,726)	- 2.82%
	Components	-	-
	Spare parts	-	-
	Total	- (1,03,87,726)	- 2.82%
Note: Figures / percentages in brackets relates to the previous year			

Note 24 Additional information to the financial statements (contd.)

Note	Particulars	For the year ended 31 st March, 2013	
	<u>Indigenous</u>	₹	%
	- Raw materials	31,45,80,727	100%

		(24,48,13,694)	100%
	Chemicals	27,93,947 (32,59,614)	100% 100%
	Stores & Spare Parts	92,64,063 (1,02,52,324)	100% 100%
	Catalyst	50,92,954 (41,23,450)	100% 100%
	Total	33,17,31,691 (26,24,49,082)	100% 100%
	Note: Figures / percentages in brackets relates to the previous year		
24.6	Earnings in foreign exchange:	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹	₹
	Export of goods calculated on FOB basis	38,07,664	1,17,40,157
	Royalty, know-how, professional and consultation fees	-	-
	Interest and dividend	-	-
	Other income, indicating the nature thereof.	-	-
24.7	Amounts remitted in foreign currency during the year on account of dividend :	For the year ended 31st March, 2013	For the year ended 31st March, 2012
		₹	₹
	Amount of dividend remitted in foreign currency	-	-
	Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	-	-
	Total number of shares held by them on which dividend was due	-	-
	Year to which the dividend relates	-	-

Note 25 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended 31 st March, 2013	For the year ended 31 st March, 2012
		₹	₹
25.1	Details of government grants Government grants received by the Company during the year towards - Other incentives (Grant for ISO Certification)	2,00,000	

Note	Particulars
25.2	Employee benefit plans
25.2.a	Defined contribution plans The Company makes Provident Fund and Superannuation Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,31,36,856/- (Year ended 31 st March, 2012 ₹ 1,25,54,005/-) for Provident Fund contributions and ₹ 38,71,144/- (Year ended 31 March, 2012 ₹ 44,84,092/-) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.
25.2.b	Defined benefit plans The Company offers the following employee benefit schemes to its employees: i. Earned Leave Benefits (EL)

<p>EL per employee accrual is 33 days per year. Two days of EL is earned after 22 days of continuous service by an employee. Accumulation up to 360 days is allowed, out of which one part is encashable and other part can either be encashed at the time retirement or avail leave during the service period.</p> <p>ii. Sick Leave (SL)</p> <p>SL per employee accrual is 10 days per year and same can't be encashed during the service tenure. Encashment of 50% of accumulated SL is permitted at the time of retirement.</p> <p>iii. Group Gratuity Scheme</p> <p>15 days salary for each completed year of service or part thereof in excess of 6 months of continuous service. The eligibility of gratuity falls due on completion of 5 years of continuous service. The company has taken a policy under "Group Gratuity Scheme" of employees with Life Insurance Corporation of India (LIC). The amount payable calculated by LIC based on membership data provided by the company, actuarial assumption & valuation made by LIC & the balance in the Gratuity Fund is charged to the Statement of Profit and loss. The APL Employees Gratuity Fund is maintained by LIC in which interest accrued & payments made by the company are credited and payment of claims made to employees is debited.</p> <p>iv. Leave Encashment Scheme</p> <p>For the payment of leave encashment at the time of retirement, a policy under "group leave Encashment scheme" of employees has been taken from LIC. The amount payable, calculated by LIC on the basis of membership data provided by the company, actuarial assumption and valuation made by LIC and the balance in the fund maintained by LIC is charged to the Statement of Profit and Loss.</p> <p>The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:</p>
--

Particulars	Year ended 31 st March, 2013		Year ended 31 st March, 2012	
	Gratuity	Group Leave Encashment	Gratuity	Group Leave Encashment
Valuation Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Actuarial Assumptions				
a) Mortality Rate	LIC(1994-96) Ultimate	LIC(1994-96) Ultimate	LIC(1994-96)Ultimate	LIC(1994-96) Ultimate
b) Withdrawal Rate	1-3% depending on age	1-3% depending on age	1-3% depending on age	
c) Discount Rate	8% p.a.	8% p.a.	8% p.a.	8% p.a.
d) Salary Escalation	5% p.a.	5% p.a.	5% p.a.	7% p.a.
Result of Valuation				
PV of Past Service Benefit	12,07,26,906	5,08,40,648	11,32,21,257	5,43,86,978
Current Service Cost	45,19,832	90,82,150	43,23,779	95,16,575
Total Service Gratuity	20,51,20,989		19,50,33,396	
Accrued Gratuity	14,59,46,175		13,78,17,239	
LCSA	5,91,74,814	1,14,08,674	5,72,16,157	1,07,70,623
LC Premium	3,47,199	98,513	3,31,961	92,247
Service Tax @12.36%	42,914	12,176	41,025	9,501
Recommended Contribution Rate				
Fund as on Renewal Date	10,65,91,998	5,44,85,608	7,86,62,119	5,96,28,035
Additional Contribution for Existing Fund	1,41,34,908	-	3,45,59,188	
Current Service Cost	45,19,832	54,37,191	43,23,779	42,75,518
Total Amount Payable	1,90,44,853	55,47,880	3,92,55,953	43,77,266
Expense recognised in the Statement of Profit and Loss				
Current service cost	45,19,832	54,37,191	43,23,779	95,16,575
Additional Contribution	1,41,34,908	-	-	-
LC Premium	3,90,113	1,10,689	3,31,961	92,247
Total expense	1,90,44,853	55,47,880	46,55,740	96,08,822

Note 25 Disclosures under Accounting Standards (contd.)

Note	Particulars	Particulars							
		For the year ended 31 st March, 2013			For the year ended 31 st March, 2012				
		Business segments		Total	Business segments		Total		
	Methanol	Formalin	Eliminations	Total	Methanol	Formalin	Eliminations	Total	
25.3	Segment information	The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily Methanol and Formalin. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographical segments of the Company are Namrup (Assam) and Siliguri (West Bengal) .							
	Revenue	28,84,11,840	52,00,95,712		80,85,07,552	21,57,20,166	38,90,44,559	-	60,47,64,725
	Inter-segment revenue	42,55,65,177	-	(42,55,65,177)	-	29,04,21,976	-	(29,04,21,976)	-
	Total	71,39,77,017	52,00,95,712	(42,55,65,177)	80,85,07,552	50,61,42,142	38,90,44,559	(29,04,21,976)	60,47,64,725
	Segment result	2,33,91,304	4,18,13,226		6,52,04,530	(63,94,222)	34,91,498	-	(29,02,724)
	Unallocable expenses (net)				13,46,376				(2,03,892)
	Operating income				6,38,58,154				(31,06,616)
	Other income (net)				6,20,70,771				3,72,71,956
	Profit before taxes & except.				12,59,28,925				3,41,65,340
	Unallocable prior period items				8,60,036				(4,52,58,624)
	Unallocable exceptional items				(7,62,58,343)				-
	Profit before taxes				5,05,30,618				(1,10,93,284)
	Tax expense				1,01,29,911				(4,73,293)
	Net profit/(Loss) for the year				4,04,00,707				(1,06,19,991)
	Segment assets	9,69,50,180	11,33,74,760		21,03,24,940	11,58,89,559	8,03,95,130	-	19,62,84,689
	Unallocable assets				97,16,21,975				74,91,01,820
	Total assets				1,18,19,46,915				94,53,86,509
	Segment liabilities	5,90,88,251	1,94,37,758		7,85,26,009	7,04,63,197	2,62,36,849		9,67,00,046
	Unallocable liabilities				1,10,34,20,906				12,01,49,489



Total liabilities	1, 18, 19, 46, 915		21, 68, 49, 535	
<u>Other information</u>	-	-	-	-
Capital expenditure (allocable)	2, 97, 12, 027	2, 97, 12, 027	11, 02, 594	47, 07, 246
Capital expenditure (unallocable)	-	19, 72, 889	-	58, 09, 840
Depreciation and amortisation (allocable)	90, 05, 545	1, 66, 11, 715	25, 76, 923	68, 96, 989
Depreciation and amortisation (unallocable)	-	66, 39, 723	-	94, 73, 912
Note Particulars				39, 57, 359
The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:				
Geographic Segment	For the year ended 31 st March, 2013		For the year ended 31 st March, 2012	
	Namrup	Siliguri	Namrup	Siliguri
Segment Revenue	72,52,71,990	8,32,35,562	56,93,28,277	3,54,36,448
Segment Assets	1,18,19,46,915	-	94,53,86,509	-
Capital Expenditure incurred	3,16,84,916	-	58,09,840	-
Total				
	80,85,07,552	8,32,35,562	60,47,64,725	3,54,36,448
	1,18,19,46,915	-	94,53,86,509	-
	3,16,84,916	-	58,09,840	-
Note: Fixed assets at Guwahati and Kolkata Office are shown under Namrup Geographical Segment.				

Note	Particulars			
25.4	Related party transactions			
25.4.a	Details of related parties:			
	Description of relationship	Names of related parties		
	Holding Company	Assam Industrial Development Corporation Limited		
	Subsidiaries	Pragjyotish Fertilisers and Chemicals Limited		
	Key Managerial Personal	Shri Ratul Bordoloi (Managing Director)		
25.4.b	Details of related party transactions during the year ended 31 st March, 2013 and balances outstanding as at 31 st March, 2013:			
	Particulars	Holding Company	Subsidiaries	KMP
	Investment in Equity Shares	-	1,00,00,000	-
		-	(1,00,00,000)	-
	Advance for Share Application	-	4,80,000	-
		-	(4,80,000)	-
	Loans	-	38,36,585	-
		-	(38,36,585)	-
	Salary & Other Benefits	-	-	10,82,656
		-	-	(9,78,733)
	Amount Receivable as on 31.03.2013	-	1,43,16,585	-
	(Equity shares, Loans & Share Application)	-	(1,43,16,585)	-
	Amount Payable as on 31.03.2013	8,04,15,400	-	-
	(Equity Shares)	(8,04,15,400)	-	-
	Note: Figures in bracket relates to the previous year			

Note 25 Disclosures under Accounting Standards (contd.)

Note	Particulars	For the year ended	For the year ended
		31 st March, 2013	31 st March, 2012
		₹	₹
25.5	Earnings per share		
	<u>Basic</u>		
25.5.a	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	4,04,00,707	(1,06,19,991)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share from continuing operations - Basic	4	(1)
25.5.b	<u>Total operations</u>		
	Net profit / (loss) for the year	4,04,00,707	(1,06,19,991)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares	91,19,947	91,19,947

	Par value per share	10	10
	Earnings per share - Basic	4	(1)
25.5.c	<u>Basic (excluding extraordinary items)</u> <u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	4,04,00,707	(1,06,19,991)
	(Add) / Less: Extraordinary items (net of tax) relating to continuing operations		
	Less: Preference dividend and tax thereon		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share from continuing operations, excluding extraordinary items - Basic	4	(1)
25.5.d	<u>Total operations</u>		
	Net profit / (loss) for the year	4,04,00,707	(1,06,19,991)
	(Add) / Less: Extraordinary items (net of tax)	-	-
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Basic	4	(1)
	<u>Diluted</u>		
	The diluted earnings per share has been computed by dividing the Net Profit After Tax available for Equity Shareholders by the weighted average number of equity shares, after giving dilutive effect of the outstanding Warrants, Stock Options and Convertible bonds for the respective periods. Since, the effect of the conversion of Preference shares was anti-dilutive, it has been ignored.		
25.5.e	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	4,04,00,707	(1,06,19,991)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	4,04,00,707	(1,06,19,991)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)		
	Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares for Basic EPS	91,19,947	91,19,947
	Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share, from continuing operations - Diluted	4	(1)
25.5.f	<u>Total operations</u>		
	Net profit / (loss) for the year	4,04,00,707	(1,06,19,991)
	Less: Preference dividend and tax thereon	-	-
	Net profit / (loss) for the year attributable to the equity shareholders	4,04,00,707	(1,06,19,991)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders (on dilution)	4,04,00,707	(1,06,19,991)

	Weighted average number of equity shares for Basic EPS	91,19,947	91,19,947
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share - Diluted	4	(1)
	<u>Diluted (excluding extraordinary items)</u>		
25.5.g	<u>Continuing operations</u>		
	Net profit / (loss) for the year from continuing operations	4,04,00,707	(1,06,19,991)
	(Add) / Less: Extraordinary items (net of tax)		
	Less: Preference dividend and tax thereon		
	Net profit / (loss) for the year from continuing operations attributable to the equity shareholders, excluding extraordinary items	4,04,00,707	(1,06,19,991)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)		
	Profit / (loss) from continuing operations attributable to equity shareholders (on dilution)	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares for Basic EPS	91,19,947	91,19,947
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share, from continuing operations, excluding extraordinary items - Diluted	4	(1)
25.5.h	<u>Total operations</u>		
	Net profit / (loss) for the year	4,04,00,707	(1,06,19,991)
	(Add) / Less: Extraordinary items (net of tax)		
	Less: Preference dividend and tax thereon		
	Net profit / (loss) for the year attributable to the equity shareholders, excluding extraordinary items	4,04,00,707	(1,06,19,991)
	Add: Interest expense and exchange fluctuation on convertible bonds (net)	-	-
	Profit / (loss) attributable to equity shareholders (on dilution)	4,04,00,707	(1,06,19,991)
	Weighted average number of equity shares for Basic EPS	91,19,947	91,19,947
	Add: Effect of Warrants, ESOPs and Convertible bonds which are dilutive	-	-
	Weighted average number of equity shares - for diluted EPS	91,19,947	91,19,947
	Par value per share	10	10
	Earnings per share, excluding extraordinary items - Diluted	4	(1)
25.6	Deferred tax (liability) / asset	78,52,514	68,12,815
AS 22.31	<u>Tax effect of items constituting deferred tax liability</u>		
	On difference between book balance and tax balance of fixed assets	(10,97,254)	(5,17,892)
	On expenditure deferred in the books but allowable for tax purposes	38,82,615	38,82,615
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
	Others		
	Tax effect of items constituting deferred tax liability	8,60,677	10,39,699
AS 22.31	<u>Tax effect of items constituting deferred tax assets</u>		
	Provision for compensated absences, gratuity and other employee benefits		
	Provision for doubtful debts / advances		
	Disallowances under Section 40(a)(i), 43B of the Income Tax Act, 1961		

	On difference between book balance and tax balance of fixed assets		
	Unabsorbed depreciation carried forward		
	Brought forward business losses		
	On items included in Reserves and surplus pending amortisation into the Statement of Profit and Loss		
	Others		
	Tax effect of items constituting deferred tax assets		
	Net deferred tax (liability) / asset	87,13,191	78,52,514
AS 22.32	The Company has recognised deferred tax asset on unabsorbed depreciation to the extent of the corresponding deferred tax liability on the difference between the book balance and the written down value of fixed assets under Income Tax (or) The Company has recognised deferred tax asset on unabsorbed depreciation and brought forward business losses based on the Management's estimates of future profits considering the non-cancellable customer orders received by the Company.		

25.7	Details of provisions					
	The Company has made provision for various contractual obligations and disputed liabilities based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:					
	Particulars	As at 1st April, 2012	Additions	Utilisation	Reversal (withdrawn as no longer required)	As at 31st March, 2013
		₹	₹	₹	₹	₹
	Investment, Security, Loans & Advances	1,52,20,335 (1,17,33,018)	- (34,87,317)	- -	- -	1,52,20,335 (1,52,20,335)
	Debtors	8,03,541 (8,03,541)	- -	8,03,541 -	- -	- (8,03,541)
	Bonus & Ex-gratia	33,58,400 (15,68,500)	33,00,000 (33,58,400)	- -	33,58,400 (15,68,500)	33,00,000 (33,58,400)
	Arrear Salary	- -	7,63,45,126 -	- -	- -	7,63,45,126 -
	Others	2,35,000 (2,47,500)	14,79,483 (2,05,000)	- -	2,35,000 (2,17,500)	14,79,483 (2,35,000)
	Total	52,64,717	7,40,73,892	8,03,541	18,07,400	7,67,27,668
	Note: - Figures in brackets relate to the previous year.					

25.8 Capital Work-In-Progress (CWIP)

All expenditure incurred for New 500TPD Methanol & 200TPD Acetic Acid Plant and Methanol Revamping have been shown under CWIP, since these expenditure are related to the project only. No expenses which should have been charged to Profit & Loss, has been included in CWIP.

25.9 Formalin Revamping Expenses :

All expenditure incurred for New 100TPD Formalin Plant and Formalin Revamping Plant has been capitalised to the Plant and Machinery of Formalin Plant on commissioning of the plant.

25.10 Unused old catalyst held for disposal :

The company is carrying unused catalyst valued ₹ 65.98 lakhs which is more than 20 years old. A committee has been constituted for disposal of the same. The loss / gain on sale will be accounted for at the time of disposal.

25.11 The company had given loans to Assam Tea Corporation Limited, details of which are as under:

(Figures in ₹)

Particulars	Principal	Date of Loan	Rate of Interest	Due Date of Repayment	Date of Repayment of Principal	Amount of Repayment of Principal	Interest Accrued & Due
1	2	3	4	5	6	7	8
Loan- I	35,00,000	08.05.2007	11.00%	07.08.2007	17.03.2011	10,00,000	27,49,005
Loan- II	15,00,000	11.10.2007	11.00%	10.04.2009	22.10.2009	15,00,000	5,15,671

The balance of principal of loan -I ₹ 25,00,000 is overdue and interest on none of the loans has been received so far. The company is pursuing through Govt. of Assam for repayment of balance amount of principal & the amount of interest over due as shown above. In past also the repayments were received through intervention of Govt. of Assam. The Company is fully hopeful of recovering the full amount of the balance principal and interest. Thus the principal outstanding ₹ 25,00,000 has been considered good but the interest has not been recognized as income in view of AS9 issued by the Companies Accounting Standard Rules, 2006 and prudent accounting principles.

25.12 Documents in respect of subsidiary company (M/s Pragjyotish Fertilizer and Chemicals Limited) under section 212(1) of Companies Act, 1956.

The documents required to be attached with Balance sheet of the company as per Section 212(1) of the Act are not available.

25.13 Dues to Micro, Small & Medium Enterprise:

There is no supplier under Micro, Small and Medium Enterprise Development Act, 2006 on the basis of information made available to the company. The company has neither paid any interest in the terms of section 16 of the above Act nor any interest remain unpaid and no payments were beyond the "appointed date" to such enterprise during the year ended 31.03.2013. Amount outstanding to these enterprise for the year ended 31st March 2013 is ₹ Nil (previous year ₹Nil)

Note 26 Previous year's figures

Note	Particulars
26	Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.



Assam Petro-Chemicals Limited

Regd. Office: 4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005

Proxy Form

I/We (L. Folio No.) being member of Assam Petro-Chemicals Limited hereby appoint Shri/Smti resident of as my proxy to attend and vote for me/us/our behalf at the 42nd Annual General Meeting of the company scheduled to be held on Tuesday, 31st December, 2013 at 11:00am in the registered office and at any adjourned meeting thereof.

Signed this day of 2013

Stamp Duty

Signature :

Address :

Nos. of Shares held :

- Note:
1. The proxy need not to be a member of the company
 2. The proxy form duly signed and stamped should reach the company's registered office of the company atleast 48 hours before the time of the meeting.

Assam Petro-Chemicals Limited

Regd. Office: 4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005

Attendance Slip

I/we hereby record my/our presence at 42nd Annual General Meeting of Assam Petro-Chemicals Limited held at 4th Floor, Orion Place, G.S. Road, Bhangagarh, Guwahati-781 005 on Tuesday, 31st December, 2013 at 11:00am.

Name of the Shareholder :

Ledger Folio No. :

Nos. of Shares held :

Name of Representative/Proxy :

Signature of Member/Proxy :

Signature of Representative :



FORM 2B

(See rules 4CC and 5D of

The Companies (Central Government's) General Rules & Forms, 1956)

NOMINATION FORM

(To be filled in by individual applying single or jointly, only up to two persons)

I/We..... and the holders of shares bearing number(s).....of Assam Petro-Chemicals Limited wish to make a nomination and do hereby nominate the following persons (s) in whom all rights of transfer and/or amount payable in respect of the said shares/ debentures shall vest in the event of my/ our death.

Particulars of Nominee

Name:

Address:

Pin Code-

Signature :

Date of Birth * :- (* to be furnished in case the nominee is a minor)

** The Nominee is a minor whose guardian is (Name and Address) (** To be deleted if not applicable)

Name, Address and Signature of Share holder (s)

Name:

Name:

Address:

Address:

Pin Code:

Pin Code :

Signature:-----

Signature:-----

Date: -----

Date:-----

Name, Address and Signature of two Witnesses

	Name and Address	Signature with date
1.		
2.		

(for instructions please see reverse)

Instructions:

- The nomination can be made by individuals only applying/holding share(s)/ debenture(s) on their own behalf singly or jointly up to two persons. Non-individuals including Society, Trust, Body Corporate, Partnership Firm, Karta of Hindu Undivided Family or a holder of Power of Attorney cannot nominate. If the shares/ debentures are held jointly by not more than two persons, both will sign the nomination form.
- A minor can be nominated by a share/ debenture holder and in that event the name and address of The Guardian shall be given by the holder.
- The nominee shall not be a Trust, Society, Body Corporate, Partnership Firm , Karta of Hindu Undivided Family or a Power of Attorney holder. A Non-resident Indian can be a nominee on repatriable basis.
- Nomination stands rescinded upon transfer of shares/ debentures.
- Transfer of share/ debenture in favour of a nominee shall be valid discharge by the Company against the legal heir (s).
- The intimation regarding Nomination/ Nomination Form shall be filed in duplicate with Company/ Registrar and Share Transfer Agents of the Company who will return one copy thereof to the share or debenture holder.



If un-delivered please mail it to -



Assam Petro-Chemicals Ltd.

(A Govt. of Assam Undertaking)

Regd Office: 4th Floor, Orion Place

G. S. Road, Bhangagarh, Guwahati - 781005

Phone: 0361-2461470-471

e-mail: aplguw@bsnl.in, Website: www.assampetrochemicals.co.in