



**ASHOK ALCO - CHEM LIMITED**  
*Annual Report 1998-99*

Annual Report  
1998-99**ASHOK ALCO - CHEM LIMITED****BOARD OF DIRECTORS**

ASHOK M. KADAKIA  
DR. ANIL M. KADAKIA  
PANKAJ M. KADAKIA  
MASASHIGE KATSU TAMBE  
HARISH N. MOTIWALLA  
PRAMOD M. CHAUDHARI  
RAJ R. NANGRANI  
HARISH C. PANDYA  
DILIP K. PATEL  
VIPIN P. SHAH  
MAJ. GEN. K. M. UPADHYAYA (Retd.) AVSM  
PRATAP R. MERCHANT  
MAJ. GEN. S. V. SHRIKHANDE (Retd.) AVSM

Chairman

Vice Chairman

Nominee SICOM Ltd.  
Alternate to M K. Tambe

**VICE PRESIDENT - FINANCE**

KARTIK H. SHUKLA

**COMPANY SECRETARY**

DHARMENDRA V. PARMAR

**BANKERS**

DENA BANK

**AUDITORS**

N. P. PATWA & CO., Mumbai  
Chartered Accountants

**SOLICITORS**

MULLA &amp; MULLA &amp; CRAIGIE BLUNT &amp; CAROE, Mumbai.

**REGISTERED OFFICE**

406, Sharda Chambers,  
33, New Marine Lines, Mumbai - 400 020.  
Tel. Nos. 2002236/56, Fax No. 2009456  
Email : akadakia@vsnl.com  
Internet : http://www.kadakiagroup.com

**PLANTS**

**ACETIC ACID & ESTER UNITS**  
Plot No. A-22/2/1, Mahad Industrial Area,  
Village Kamble, Mahad - 402 301,  
Dist. Raigad, Maharashtra,

**DISTILLERY & BIO-GAS UNITS**

Walchandnagar - 413 114,  
Dist. Pune, Maharashtra.

**SHARE TRANSFER AGENT****INTIME SPECTRUM REGISTRY PVT. LTD.**

203, Daver House, 2nd Floor,  
197/199, Dr. D.N. Road, Mumbai - 400 001.  
Phones : 265 6929 / 27.

Shree Ganesh Industrial House,  
1st Floor, 'B' Wing, W.T. Patil Marg,  
Chembur, Mumbai - 400 071.  
Phones : 558 1215, Fax : 558 1214  
Email : isrl@vsnl.com

260, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (W), Mumbai - 400 080.  
Phones : 564 7731, 568 4590, Fax : 567 2393.  
Email : isrl@vsnl.com

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## NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the members of ASHOK ALCO - CHEM LIMITED will be held at Kilachand Conference Room, Indian Merchants' Chamber, Churchgate, Mumbai - 400 020, on Friday, the 24th September, 1999 at 11.30 a.m. to transact the following business :

1. To receive, consider and adopt the Directors' Report and the audited Profit & Loss Account of the Company for the year ended 31st March, 1999 and the Balance Sheet as at that date.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Harish C. Pandya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Maj. Gen. K.M. Upadhyaya (Retd.) who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Pratap R. Merchant who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to authorise the Board to fix their remuneration.

## SPECIAL BUSINESS

7. To appoint Maj. Gen. Shrikant V. Shrikhande (Retd.) as a Director of the Company.
8. To consider and, if thought fit, to pass, with or without modifications, the following as a Special Resolution :

“ RESOLVED that pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be and are hereby amended and/or altered by inserting the following:

**A. Heading and Article as Article 21 A after Article 21:**

**DEMATERIALIZATION OF SECURITIES :**

## Definitions

- 21A. (1)** For the purpose of this Article : “Beneficial Owner” means a person whose name is recorded as such with a Depository;

“Depository” means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992:

"Depository Act" means the Depositories Act,

1996 or any statutory modification or re-enactment thereof:

"Registered Owner" means Depository whose name is entered as such in the records of the Company;

"Security" means such security as may be specified by the Securities and Exchange Board of India from time to time.

### Dematerialisation/Rematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise / rematerialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act.

### Securities in fungible form

- (3) All securities held by a Depository shall be dematerialised and shall be in fungible form. No Certificate shall be issued for the securities held by the Depository.

## Transfer of Securities

- (4) Nothing contained in these Articles shall apply to transfer of securities held in Depository.

## Allotment of Securities

- (5) Where the securities are dealt with in a Depository, the Company shall intimate the details of allotment of relevant securities to the Depository on allotment of such securities.

## Register and Index of Beneficial Owners

- (6) The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a Register and Index of Members and other Security-holders.

## Rights of Depository and Beneficial Owners

- (7) As a registered owner, Depository shall not have any voting rights or any other rights in respect of the securities held by it.

Every person whose name is entered as the beneficial owner of shares in the records of the Depository shall be deemed to be a member of the Company. Every beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by the Depository".

**B. Heading and Article as Article 58 A after existing Article 58:**

**NOMINATION FACILITY :**

- 58 A.** (i) Every holder of shares in, or debentures of the Company may, at any time nominate, in the



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prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his/her death.

- (ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders.

- (iii) Where a nomination is made in the prescribed manner to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the shareholder or holder of debentures of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of the Company, in the event of his/her death, during the minority.

By Order of the Board

Mumbai,  
17th May, 1999

**D. V. PARMAR**  
Company Secretary

Registered Office :  
406, Sharda Chambers,  
33, New Marine Lines,  
Mumbai - 400 020.

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**ASHOK ALCO - CHEM LIMITED**Annual Report  
1998-99**NOTES :**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and, on a poll vote instead of him/her. A proxy need not be a member. Proxies in order to be effective, must be received by the Company at its Registered Office not later than 48 hours before the commencement of the Meeting.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, the 14th September, 1999 to Friday, the 24th September, 1999 (both days inclusive).
3. Members are requested to notify changes, if any, in their address to the Registrars and Share Transfer Agents at the earliest.
4. Members are requested to hand-over the enclosed Attendance Slip, duly signed in accordance with their specimen signatures registered with the Company, for admission to the venue of the Meeting.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, Unclaimed Dividend, the details of which are given hereunder, will be transferred to the General Revenue Account of the Central Government :

Year		Rate	Date of Declaration / Disbursement
1995 - 96	2nd Interim	20	25.03.1996
1995 - 96	Final	7	11.06.1996
1996 - 97	Interim*	35	27.03.1997
1997 - 98	Interim*	30	27.03.1998

\* There was no further dividend in the respective years.

In view of this, Shareholders who may not have collected the Dividend(s) should claim payment thereof from the Company by returning the relevant Dividend Warrant(s) of the relevant period at the earliest.

6. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company at least seven days in advance of the Meeting so that the information required can be made readily available at the Meeting.

**ANNEXURE TO THE NOTICE**

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

**ITEM NO.7**

Maj. Gen. Shrikant V. Shrikhande ( Retd. ) was appointed as Additional Director of the Company with effect from 17th May, 1999, under Article 89 of the Articles of the Association of the Company and as per the provisions of Section 260 of the Companies Act, 1956. Maj. Gen. Shrikhande holds office

as an Additional Director of the Company upto the date of the ensuing Annual General Meeting of the Company.

A notice in writing has been received from a member of the Company under Section 257 of the Companies Act, 1956, signifying his intention to propose Maj. Gen. Shrikhande as a candidate for the office of Director of the Company. The requisite deposit of Rs.500/- has been received from the member. It is in the interest of the Company that the Board should continue to avail of the benefit of the experience and advice of Maj. Gen. Shrikhande. The Board commends his appointment.

Except Maj. Gen. Shrikhande, none of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

**ITEM 8**

There have been significant amendments in the provisions of the Companies Act, 1956 vide the Companies (Amendment ) Ordinance, 1998, in respect, inter alia, of :

- (i) issue, holding and transfer of securities in dematerialised form, consequent upon the setting up of the Depository System and the introduction of the Depositories Act, 1996, and
- (ii) facility of nomination for shares/debentures held in the Company.

The equity shares of your Company can be dematerialised under the Depository System. The members can also avail the facility of nomination in respect of the shares held by them.

It is therefore proposed to suitably amend the Articles as set out in the resolution in order to bring the provisions of the Articles of Association in consonance with the provisions of the Companies Act, 1956.

In compliance of the provisions of Section 31 of the Companies Act, 1956, the resolution is proposed as Special Resolution for approval by the members.

A copy of the Memorandum and Articles of Association of the Company, together with the proposed alterations, is available for inspection by the Members at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day.

None of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

By Order of the Board

Mumbai,  
17th May, 1999

**D.V. PARMAR**  
Company Secretary

Registered Office :  
406, Sharda Chambers,  
33, New Marine Lines,  
Mumbai - 400 020.

**KADAKIA GROUP**



## ASHOK ALCO - CHEM LIMITED

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### DIRECTORS' REPORT

Your Directors have great pleasure in presenting to you the Seventh Annual Report and Audited Statements of Account for the year ended on 31st March, 1999.

### FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

	1998-99	1997-98
<b>Gross Turnover</b>	5375	3743
Profit before Interest & Depreciation	517	563
Less : Interest	162	119
Depreciation	129	108
<b>Profit before Tax</b>	226	336
Less : Provision for Taxation	14	26
<b>Net Profit for the Year</b>	212	310
Balance in Profit & Loss Account	107	155
Balance Available for Appropriation	319	465
<b>APPROPRIATIONS</b>		
Dividend	98	98
Provision for Corporate Dividend Tax	10	10
Transfer to - Debenture Redemption Reserve	100	100
- General Reserve	50	150
Balance Carried to Balance Sheet	61	107

### DIVIDEND

Your Directors recommend the payment of dividend for the year 1998-99 @ 30 % (Rs.3.00 per share) on 32,75,343 Equity Shares of Rs.10/- each. The dividend when approved by the Members at the Annual General Meeting, will absorb a sum of Rs.98.26 lacs. The Dividend Tax borne by the Company on the year's dividend is Rs. 9.83 lacs.

### OPERATIONS

#### Distillery Unit

Distillery produced 96.67 lac litres of Industrial Alcohol during the year, as compared to 104.29 lac litres produced during the previous year.

#### Acetic Acid Unit

Production of Glacial Acetic Acid during the year stood at 8686 MT as compared to 8830 MT produced during the previous year.

Expansion Unit with capacity of 4000 MT has been commissioned in March, 1999 and the production has since stabilised.

#### Ester Unit

The Plant was successfully commissioned during the year and produced 1883 MT of Ester. The product has been well received in the market.

#### Bio-gas Unit

Bio-gas (Methane Gas) Unit operating on the discharge from Distillery Unit have been operating at satisfactory level. This has resulted in substantial savings in the cost of fuel.

### PERFORMANCE

Company continued to achieve optimum capacity utilisation at all the plants during the year.

Demand for acetic acid and ester remained fairly balanced during the year. This is noteworthy, especially in view of global recessionary trend and delay in implementation of additional capacities in consuming industries.

Realisations, however, remained subdued as compared to the previous year. International prices of acetic acid had been at their eight-year low, mainly due to depressed petroleum prices. On the other hand, prices of molasses in the domestic market ruled firm for first three quarters of the year.

Overheads, interest and depreciation of the new projects, the full benefits of which will get reflected in the year 1999-2000, had also impact on the profit for the year.

Your Directors consider the performance for the year satisfactory, especially in view of the inter-play of diverse forces.

### FINANCE

Your Company repaid during the year instalments of term borrowings aggregating to Rs.75 lacs.

Term Loan of Rs.250 lacs was sanctioned during the year by SICOM Ltd.

### PROSPECTS

Availability and prices of molasses have been favourable after commencement of the current crushing season which has been better than the previous one.

Demand for acetic acid and ester at home and abroad is expected to be stable. Prices, however, will be influenced, inter alia, by petroleum prices.

Performance of the year 1999-2000 will witness the full-year operations of the additional capacities viz. Ester and Acetic Acid Expansion Units and the consequent effect on the profitability.

Your Company is optimistic of achieving best performance in the prevailing circumstances.

### FIXED DEPOSITS

Your Company has not accepted any fixed deposit.

### INSURANCE

The properties and insurable assets of the Company including buildings, plant and machinery and inventories are adequately insured.

### BOARD OF DIRECTORS

Maj. Gen. Shrikant V. Shrikhande (Retd.) was appointed as Additional Director on 17th May, 1999 and holds office upto the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Mr. Harish C. Pandya, Maj. Gen. K. M. Upadhyaya (Retd.) and Mr. Pratap R. Merchant, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.