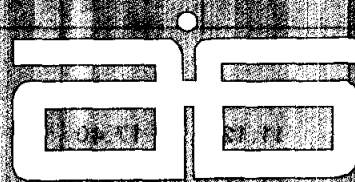
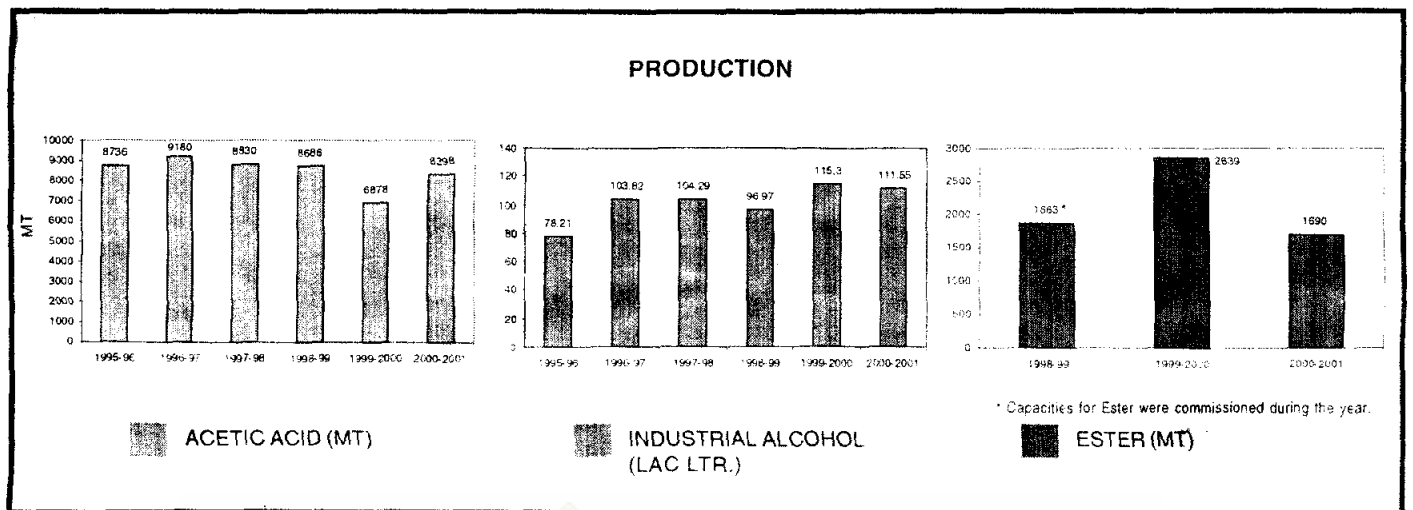
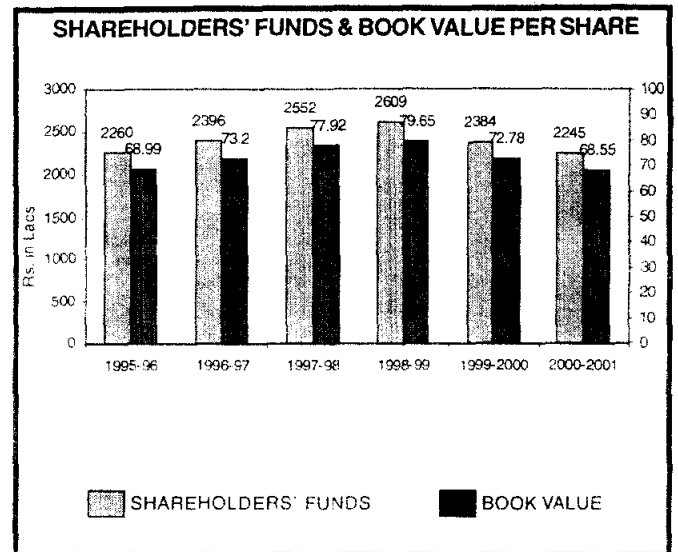
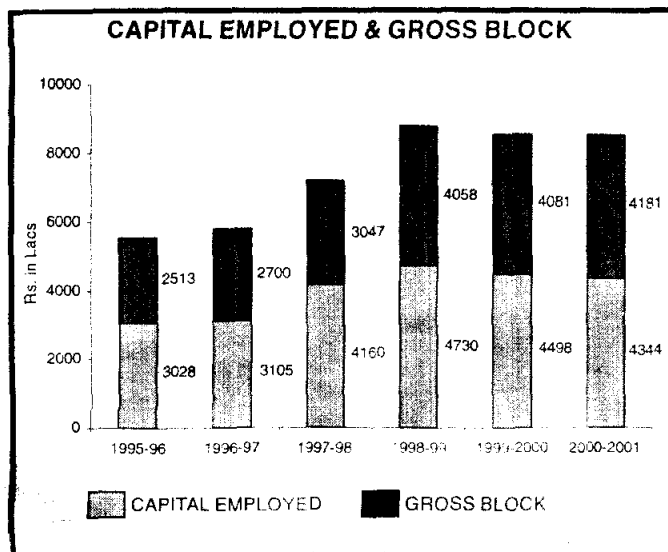


ANNUAL REPORT 2000-01



ASHOK ALCO-CHEM LIMITED



% DISTRIBUTION OF INCOME

PARTICULARS	YEAR	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01
Cost of Materials		42.05	36.55	49.53	65.57	61.16	62.82
Excise Duty		16.22	15.13	15.21	9.75	10.09	9.20
Power & Fuel		11.12	17.40	13.34	9.64	12.91	11.93
Personnel Expenses		1.77	2.66	2.51	1.97	2.46	2.72
Other Expenses		7.13	7.86	4.38	3.46	4.26	5.45
Financial Cost		3.70	4.65	3.18	3.01	8.25	6.25
Depreciation		2.98	3.95	2.89	2.40	3.78	3.09
Tax		—	1.06	0.70	0.26	—	—
Net Profit / (Loss)		15.03	10.74	8.26	3.94	(2.91)	(1.46)
TOTAL		100.00	100.00	100.00	100.00	100.00	100.00

ASHOK ALCO-CHEM LIMITED

BOARD OF DIRECTORS

ASHOK M. KADAKIA
PANKAJ M. KADAKIA
DR. ANIL M. KADAKIA
MASASHIGE KATSU TAMBE
HARISH N. MOTIWALLA
HARISH C. PANDYA
VIPIN P. SHAH
PRATAP R. MERCHANT
MAJ. GEN. S. V. SHRIKHANDE (Retd.) AVSM
ASPI E. MEDHORA
MAJ. GEN. R. K. GUPTA (Retd.) PVSM

Chairman
 Vice Chairman
 Managing Director

Alternate to M. K. Tambe

Nominee SICOM Ltd.

VICE PRESIDENT - FINANCE

KARTIK H. SHUKLA

BANKERS

DENA BANK

AUDITORS

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

SOLICITORS

MULLA & MULLA & CRAIGIE BLUNT & CAROE, MUMBAI

REGISTERED OFFICE

406, Sharda Chambers,
 33, New Marine Lines, Mumbai - 400 020.
 Tel. Nos. 2002236/56, Fax No. 2009456
 E-mail: 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
 E-mail: isrl@vsnl.com

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

CONTENTS

	Page No.(s)
Notice	2
Directors' Report	3
Auditors' Report	7
Balance Sheet	8
Profit and Loss Account	9
Schedules to the Balance Sheet	10
Schedules to the Profit & Loss Account	14
Accounting Policies	16
Notes on Accounts	17

9TH ANNUAL REPORT 2000-01

NOTICE

Notice is hereby given that the Ninth Annual General Meeting of the members of ASHOK ALCO-CHEM LIMITED will be held at Committee Hall, S.N.D.T. Women's University, New Marine Lines, Mumbai - 400 020, on Friday, the 28th September, 2001 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, 2001 and the Balance Sheet as at that date.
2. To appoint a Director in place of Mr. Raj R. Nangrani who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Maj. Gen. S.V. Shrikhande (Retd.) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Maj. Gen. R. K. Gupte (Retd.) who retires by rotation and being eligible, offers himself for re-appointment.
5. 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.

Mumbai,
30th May, 2001

Kartik H. Shukla
VICE PRESIDENT - FINANCE

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 Monday,

the 17th September, 2001 to Friday, the 28th September, 2001 (both days inclusive).

3. Members are requested to notify change, 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 (Interim)
1995 - 96	2nd Interim	20	25.03.1996
	Final	7	11.06.1998
1996 - 97	Interim/Final	35	27.03.1997
1997 - 98	Interim/Final	30	27.03.1998
1998 - 99	Final	30	24.09.1999
1999 - 00	Final	10	29.09.2000

In view of this, Shareholders who may not have encashed the dividend warrant(s) should claim payment thereof from the Company by returning the relevant Dividend Warrant(s) 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.

By Order of the Board,

Mumbai ,
30th May, 2001

Kartik H. Shukla
VICE PRESIDENT - FINANCE

ASHOK ALCO-CHEM LIMITED 26

DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the ninth Annual Report and Audited Statements of Account for the year ended on 31st March, 2001.

FINANCIAL HIGHLIGHTS

(Rs. In Lacs)

	2000-01	1999-00
Gross Turnover	6009	4744
Profit Before Interest & Depreciation	474	433
Less : Interest	376	392
Depreciation	186	179
Profit / (Loss) before Tax	(88)	(138)
Less : Provision for Taxation	-	-
Net Profit / (Loss) for the Year	(88)	(138)
Balance in Profit & Loss Account	3	61
Transfer from General Reserves	85	120
Balance Available for Appropriation	-	43
APPROPRIATIONS		
Dividend	-	33
Provision for Corporate Dividend Tax	-	7
Balance Carried to Balance Sheet	-	3

In view of the loss, your Directors do not recommend dividend.

OPERATIONS

Distillery Unit

Distillery produced 111.55 lac litres of Industrial Alcohol during the year, as compared to 115.30 lac litres produced during the previous year. .

Acetic Acid Unit

Production of Glacial Acetic Acid during the year stood at 8298 MT as compared to 6878 MT produced during the previous year.

Ester Unit

The Plant produced 1960 MT of Ester as compared to the production of 2839 MT in the previous year.

Bio-gas Unit

Bio-gas (Methane Gas) plant, operating on discharge from Distillery Unit, continued to operate satisfactorily, resulting in substantial savings in cost of fuel.

PERFORMANCE

Capacity Utilisation of acetic acid plant could be marginally augmented to 64 % during the year under review. Realisations during the year also remained better than those of the previous year.

However, the level of operations still remained lower than the desired levels which can absorb the escalated costs arising from expanded capacities.

Working Capital constraints, arising from the disruptions and loss of the previous year hindered the efforts of your management to enhance the levels of production.

Cash Profit for the year stood at Rs.98 lacs as compared to Rs.41 lacs for the previous year.

PROSPECTS

Realisations of acetic acid have been steady. However, the realisations from the downstream products have not been commensurate with the prices of acetic acid.

Your Company has its own standards of operational efficiencies, which result in substantial savings.

Your management has been making sincere efforts to revert back to the profitable operations.

FIXED DEPOSITS

Your Company has not accepted any fixed deposit from public.

INSURANCE

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

BOARD OF DIRECTORS

Mr. Pramod M. Chaudhari relinquished directorship in the Company due to his pre-occupation. Mr. Chaudhari had been Director of the Company since its inception and has made valuable contributions, especially towards up-gradation of facilities at Distillery Unit of the Company. Members of the Board wish to place on record the acknowledgement for the support received by the Company during the tenure of Mr. Chaudhari's Directorship.

Mr. Raj. R. Nangrani, Maj. Gen. S.V. Shrikhande (Retd.) and Maj. Gen. R.K. Gupte (Retd.), Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

AUDITORS

M/s. N.P. Patwa & Company, Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

COST AUDIT

In pursuance of the Directives of the Central Government, Mr. D.G. Kelkar, Cost Accountant has been appointed as Cost Auditor to conduct the cost audit of the accounts in respect of industrial alcohol for the year ended on 31st March, 2001.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm :

- that in the preparation of the annual accounts, the applicable accounting standards have been followed;

9TH ANNUAL REPORT 2000-01

- (ii) that the Directors have selected such accounting policies as are mentioned in Schedule 18 to the accounts and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2001 and of the loss of the Company for that year;
- (iii) that 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) that the Directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per the amended Listing Agreement with the Stock Exchange, your Company is required to comply with the requirements of Corporate Governance by 31st March, 2003. However, a statement on the steps initiated by the Company in this direction are attached to this report.

OTHER INFORMATION

Information as per section 217 (1) (a) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of this Report, is annexed.

During the year, there is no employee whose information is required to be given as per Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, as amended.

Pursuant to Clause 32 of the Listing Agreement with the Stock Exchanges, Cash Flow Statement together with the Auditors' Certificate thereto, is annexed to this Report.

In pursuance of SEBI's Directive No.SMDRP/CIR-14/98 dated April, 29, 1998, it is confirmed that Equity Shares of the Company are listed on the Stock Exchange at Mumbai. Annual Listing Fee, as prescribed, has been paid for the year 2001-02. Company had, in pursuance of the special resolution passed by the members at the annual general meeting held on 21st August, 1998, informed the Stock Exchanges at Ahmedabad and New Delhi to de-list the shares.

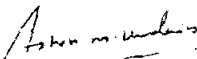
EMPLOYEES

An atmosphere of understanding prevails at all the locations between the employees and the management.

ACKNOWLEDGMENT

The Board acknowledges with thanks the assistance and support received from the Government, Local Authorities, Financial Institutions and Banks, Collaborators, Suppliers, Valued Customers and, of course, the Shareholders.

For and on behalf of the Board,


Ashok M. Kadakia
 CHAIRMAN

Mumbai,
 30th May, 2001

INFORMATION AS PER SECTION 217 (1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

A. CONSERVATION OF ENERGY

(a) Measures taken

The company undertook various energy conservation measures at its manufacturing units which, inter alia, include :

- Boiler at Distillery is compatible for use of alternative fuels viz. bio-gas, bagasse and coal.
- Energy-saving trickling filter process of Secondary ETP has been operational at Distillery.
- Cooling tower shows improved performance by use of non-conventional parts and accessories.
- Power factor improved by installation of capacitors.

(b) Additional Investments & Proposals

- Painting and insulation of pipelines and equipments periodically.
- Replacement of out-dated / old parts and accessories on regular basis.

(c) Impact of the measures :

The measures have brought down the energy consumption per unit of production.

(d) Total energy consumption and energy consumption per unit of production.

POWER & FUEL CONSUMPTION

	2000-01	1999-00
I) ELECTRICITY		
(a) Purchased -		
Unit (kwh in lacs)	63.51	59.86
Total Amount (Rs. in lacs)	264.64	265.54
Cost Per Unit	Rs.4.17	Rs.4.33
(b) Own Generation -		
Through Diesel Generator		
Units (kwh in lacs)	1.40	0.94
Units per Ltr. of Diesel Oil	3.72	3.56
Cost per Unit	Rs.5.09	Rs.4.18
2) FURNACE OIL		
Quantity (K. Ltrs.)	2861	2859
Total Amount (Rs. in lacs)	281.88	219.64
Average Rate (per K. Ltrs.)	Rs.10843	Rs.7383
3) DIESEL OIL		
Quantity (K. Ltrs.)	37.44	26.33
Total Amount (Rs. in lacs)	7.10	3.92
Average Rate (per K. Ltrs.)	Rs.18,300	Rs.14,880
4) COAL		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	92.77	283.23
Total Cost (Rs. in lacs)	2.46	5.58
Average Rate	Rs.2,586	Rs.1,939
5) BAGASSE / WOOD		
Quantity (MT)	8805.18	7674.99
Total Amount (Rs. in lacs)	32.62	18.14
Average Rate / Per MT	Rs.370	Rs.236
6) BIO-GAS		
Total Amount (Rs. in lacs)	128.43	102.79
II. CONSUMPTION PER UNIT OF PRODUCTION		
(Please refer Notes given hereinbelow)		
Name of Product		
(i) Industrial Alcohol :		
Electricity Kwh / Lac. Ltr.	16810	16518
(ii) Acetic Acid :		
Electricity Kwh / MT	505	531
Furnace Oil K. Ltrs. / MT	0.28	0.30
(iii) Ester :		
Electricity Kwh / MT	147	151
Furnace Oil K. Ltr. / MT	0.29	0.29

ASHOK ALCO-CHEM LIMITED

Notes:

- The consumption per unit of production gives only broad indication as it is arrived at without taking into consideration the variations in grade, quality and purity of the products.
- The consumption of power per unit of production includes the consumption for ETP.
- Coal, Bagasse and Bio-gas being alternative sources of energy, it is not possible to determine their respective consumption per unit of production.

B. I TECHNOLOGY ABSORPTION :

Efforts made in technology absorption :

RESEARCH & DEVELOPMENT :

- Specific area in which R&D carried out by the Company.**
 - Processes are modified on on-going basis for enhancing the efficiency and energy conservation.
 - Trials are being taken in respect of the composting project which has potential to generate revenue from the treated effluents of Distillery.
- Benefits derived as a result of above R&D.**
 - Higher production and productivity
 - Better product quality
 - Pollution-free environment
- Future plan of action :**
Continuous efforts are made to save energy and to improve the quality.
- Company has incurred expenditure of Rs.Nil on R & D. The benefits of the R & D carried out by the Group are also availed by the Company.

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

- Efforts, in brief, made towards technology absorption, adaptation & innovation.**
Effluent Treatment-cum-Bio-gas Plant and Secondary ETP are set up in technical collaboration from Aqua Technos Co. Ltd., Thailand. Under the agreement, the collaborators have supplied technical documentation and equipment list alongwith the specifications.
- Benefits derived as a result of the above efforts.**
Methane gas generated from Effluent Treatment-cum-Bio-gas Plant is available as fuel. Secondary ETP further processes the effluent for better environment and farming.
- Particulars of Imported technology in last 5 years.**
Technical Collaboration Agreement has been entered into with Aqua Technos Co. Ltd., Thailand, for setting up Effluent Treatment-cum-Bio-gas Plant and Secondary ETP.
- FOREIGN EXCHANGE EARNINGS AND OUTGO :**
 - Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services, and export plans.
Efforts made for enhancing exports performance have yielded excellent results
 - Total Foreign Exchange used and earned.

		(Amount in Lacs)
Total Foreign Exchange used	Rs. 9.76	Rs.6.87
Total Foreign Exchange earned	Rs.314.88	Nil

For and on behalf of the Board,

Mumbai,

30th May, 2001

Ashok M. Kadakia

Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2001 PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGE AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2001.

(Rupees in lacs)

	2000-01	1999-00
A. CASH FLOW FROM OPERATING ACTIVITIES :		
1. Net Profit before Interest, Tax & Extra-ordinary Items	258.90	253.27
2. Adjustments for -		
(i) Depreciation	185.62	179.48
(ii) Pre-operative and Public Issue Expenses	4.23	4.23
(iii) Loss/(Profit) on Sale of Fixed Asset/Investment (Net)	2.03	(19.82)
(iv) Others	26.72	14.34
	218.60	178.23
3. Operating Profit before Working Capital Charges	477.50	431.50
4. Adjustments for -		
(i) Trade & Other Receivables	147.60	54.80
(ii) Inventories	(46.09)	(6.88)
(iii) Trade Payables	(53.31)	76.45
(iv) Bank Borrowings	(59.65)	213.96
5. Cash Generated from Operations	(11.45)	338.33
6. Less:		
(i) Interest	(375.78)	(391.56)
(ii) Direct Taxes	—	(6.88)
	(375.78)	(398.44)
7. Cash Flow before Extra-ordinary Items (3+5-6)	90.27	371.39
8. Extra-ordinary Items	—	—
9. Net Cash from Operating Activities (A)	90.27	371.39
B. CASH FLOW FROM INVESTING ACTIVITIES :		
10. Purchase of Fixed Assets	(96.32)	(105.38)
11. Sale of Fixed Asset	—	—
12. Sale (Net) of Investment	4.00	0.04
13. Miscellaneous Expenditure	—	—
14. Net Cash used in Investing Activities (B)	(92.32)	(105.34)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
15. Capital Subsidy Received	—	—

16. Proceeds from Borrowings	—	—
- Long Term	—	—
- Short Term	(2.52)	(127.48)
17. Repayment of Term Liabilities	46.45	(93.54)
18. Dividend Paid	—	(32.75)
19. Net Cash from Financing Activities (C)	43.93	(253.77)
20. NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS [(A)+(B)+(C)]	41.88	12.28
21. CASH AND CASH EQUIVALENTS AS AT 1ST APRIL, 2000 (OPENING BALANCE)	66.37	54.09
22. CASH AND CASH EQUIVALENTS AS AT 31ST MARCH, 2001 (CLOSING BALANCE)	108.25	66.37

Notes on Cash Flow Statement :

- Purchase of Fixed Assets [Sr.No.B10] is inclusive of increase/decrease in capital work-in-progress.
- Cash Flow Statement is compiled after considering re-grouping of the figures for previous year, as per the audited statements of account.

As per our

certificate annexed

for N.P. PATWA & CO.

CHARTERED ACCOUNTANTS

N.P. PATWA
PROPRIETOR
Mumbai,
30th May, 2001

For and on behalf of the Board,

Ashok M. Kadakia
CHAIRMAN

AUDITOR'S CERTIFICATE

We have verified the Cash Flow Statement of Ashok Alco-chem Limited for the year ended on 31st March, 2001, with reference to the audited statement of account of the Company. The Cash Flow Statement is found to be in accordance with the requirements of Clause 32 of the Listing agreement with Stock Exchanges.

for N.P. PATWA & CO.
CHARTERED ACCOUNTANTS

Mumbai,
30th May, 2001

N.P. PATWA
PROPRIETOR