

# **ANNUAL REPORT**

## **2001-2002**



**ASHOK ALCO-CHEM LIMITED**

# 10TH ANNUAL REPORT 2001-02

## 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  
 RAJ R. NANGRANI  
 DR. UMESH S. KULKARNI

Chairman  
 Vice Chairman  
 Managing Director

Alternate to M. K. Tambe

## DY.GEN.MANAGER-FINANCE

N. SRINIVASAGOPALAN

## 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@vsni.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 LTD.  
 203, Daver House, 2nd floor,  
 197/199, Dr. D. N. Road, Next to Central Cinema,  
 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/ 597 3597  
 Fax: 558 1214  
 E-mail: isrl@vsni.com

260, Shanti Industrial Estate,  
 Sarojini Naidu Road,  
 Mulund (W),  
 Mumbai - 400 080.  
 Phones: 564 7731/ 592 3837  
 Fax: 567 2393  
 E-mail: isrl@vsni.com

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# ASHOK ALCO-CHEM LIMITED

## NOTICE

Notice is hereby given that the tenth 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 Saturday, the 28th September, 2002 at 10.30 a.m. to transact the following business :

### ORDINARY 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, 2002 and the Balance Sheet as at that date.
2. To appoint a director in place of Mr. Harish C. Pandya who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pratap R. Merchant who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 :

5. To consider and if thought fit, to pass with or without modification (s) the following resolution as an ORDINARY RESOLUTION :

**" RESOLVED THAT** Dr. Umesh S. Kulkarni, who was appointed as an Additional Director of the Company by the Board of Directors and who holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Article 89 of the Articles of Association of the Company, and in respect of whom the Company has received a Notice in writing from a member of the company, expressing his intention of proposing the candidature of Dr. Umesh S. Kulkarni for the office of Director, be and is hereby appointed as a Director of the Company. "

By Order of the Board  
**ASHOK M. KADAKIA**  
CHAIRMAN

Mumbai,  
17th June, 2002

## 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 17th September, 2002 to Monday, the 30th September, 2002 (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. Shareholders are hereby informed that after the amendment of the Companies Act, 1956, w.e.f. October 31, 1998, the Company is obliged to transfer any money lying in the Unpaid dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of Investor Education and protection fund ("the fund") established by the Central

Government. In accordance with Section 205 C of the companies Act, 1956, no claim shall lie against the Company or Fund in respect of individual amounts of dividends remaining unclaimed and unpaid for a period of seven years from the dates they became first due for payment and no payment shall be made in respect of any such claims.

Members who have not yet encashed their dividend Warrants(s) for the financial year ended March 31, 1995 onwards, are requested to make their claims to the Company accordingly, without any delay.

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.

## ANNEXURE TO THE NOTICE

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

### ITEM NO. 5

Dr. Umesh S. Kulkarni was appointed as an Additional Director of the company effective from June 17, 2002 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. Dr. Umesh Kulkarni 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, signifying his intention to propose Dr. Umesh S. Kulkarni 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 Dr. Umesh S. Kulkarni. The Board commends his appointment.

Except Dr. Umesh Kulkarni, none of the Directors of the Company is, in any way, concerned or interested in the proposed resolution.

By Order of the Board  
**ASHOK M. KADAKIA**  
CHAIRMAN

Mumbai,

17th June, 2002

Details of Directors seeking appointment/reappointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr. Harish C. Pandya	Mr. Pratap R. Merchant	Dr. Umesh S. Kulkarni
Date of Birth	03.09.1943	02.03.1935	12.03.1964
Date of Appointment	24.06.1994	09.05.1997	17.06.2002
Expertise in specific functional areas	Expert on production management and related technical matters	Expertise in the Banking sector	M.Sc., Ph.D. Environment Ecology, Pollution Control
Directorship in other public Ltd. Companies	1	3	2
Membership of Committees in other Public Ltd. Companies	-	2	-

# 10TH ANNUAL REPORT 2001-02

## DIRECTORS' REPORT

Your Directors have pleasure in presenting to you the tenth Annual Report and Audited Statements of Account for the year ended on 31st March, 2002.

### FINANCIAL HIGHLIGHTS

	(Rs. In Lacs)	
	2001-02	2000-01
Gross Turnover	4349	6009
Profit Before Interest & Depreciation	41	474
Less : Interest	262	376
Depreciation	190	186
Profit / ( Loss ) before Tax	(411)	(83)
Less : Deferred Tax Surplus	146	-
Net Profit / (Loss) for the Year	(265)	(88)
Balance in Profit & Loss Account	—	3
Transfer from General Reserves	265	85
Balance Available for Appropriation	—	—
<b>APPROPRIATIONS</b>		
Dividend	—	—
Provision for Corporate Dividend Tax	—	—
Balance Carried to Balance Sheet	—	—

### DIVIDEND

In view of the loss your Directors do not recommend dividend

### OPERATIONS

#### Distillery Unit

Distillery produced 95.26 lac litres of Industrial Alcohol during the year, as compared to 111.55 lac litres produced during the previous year.

#### Acetic Acid Unit

Production of Glacial Acetic Acid during the year stood at 6825 MT as compared to 8298 MT produced during the previous year.

#### Ester Unit

The Plant produced 474 MT of Ester as compared to the production of 1960 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 was lower during the year under review when compared with last year.

Working Capital constraints, lack of demand and uneconomical price structure for Acetic Acid contributed to disruptions in continuous production and this resulted in more than proportionate loss in the year under review compared with the last year's turnover.

Cash Loss for the year stood at Rs. 221 Lacs as compared to cash profit of Rs.98 lacs for the previous year.

The performance was mainly affected due to increase in the procurement price of molasses and intermittent running of the factory because of lesser demand and imports. This resulted in higher costs per unit of output. Paucity of availability of working capital funds also contributed to the disruption in production.

### PROSPECTS

While your company's operations have not been encouraging during the year under review, the international prices of acetic Acid and Ethyl Acetate have firmed up recently and are expected to increase further in the ensuing next two quarters.

Your management has been making all efforts to revert back to the profitable operations. With this in mind, your company is taking steps to broaden the products profile by launching a project for manufacture of car alcohol (autanol) with a capacity of 54 lac litres

per annum as this has a better price realisation. It is relevant to note that Government of India has decided to use Autanol (Car Alcohol) in petrol.

Your company has also decided to produce Extra Neutral Alcohol (ENA) used in potable alcohol industry. The project is under implementation. Manufacturing of other value added products is also under active consideration by your company.

The above projects will reduce our dependency of using alcohol only for Acetic Acid and Ethyl Acetate and broaden our product mix and make it flexible with better future prospects.

### FINANCE

Your company is trying to liquidate high-cost debts but lack of liquidity is preventing your company from proceeding further on this front. However, your company has concluded one time settlement with SICOM and concluded a package with Dena Bank which involved interest sacrifices on the part of the institution / Bank concerned. Your company is further in talks with Dena Bank and SICOM to arrive at a better package.

### 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

Maj. Gen. R K Gupte (Retd.) PVSM relinquished directorship in the Company due to his old age. He has been Director of the Company since inception and has made valuable contributions. Members of the Board wish to place on record their acknowledgement for the support received by the Company during the tenure of Maj. Gen R K Gupte (Retd.) PVSM.

Mr. Haren C Pandya and Mr. Pratap R Merchant, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

Dr. Umesh S Kulkarni, was appointed as Additional Director on June 27, 2002 and holds office upto the ensuing Annual General Meeting and being eligible, offers himself 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.

### AUDIT COMMITTEE

The Audit Committee reviewed during the year, the internal control system, scope of internal audit and compliance of related regulations. The committee reviewed at length and approved the annual financial statements before the same were considered by the Board of Directors.

### 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, 2002.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, confirm that -

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory auditors and have 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

# 10TH ANNUAL REPORT 2001-02

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	(Rs. In Lacs )	
	2001-02	2000-01
<b>Gross Turnover</b>	<b>4349</b>	<b>6009</b>
Profit Before Interest & Depreciation	<b>41</b>	<b>474</b>
Less : Interest	<b>262</b>	<b>376</b>
Depreciation	<b>190</b>	<b>186</b>
Profit / ( Loss ) before Tax	<b>(411)</b>	<b>(88)</b>
Less : Deferred Tax Surplus	<b>146</b>	<b>-</b>
<b>Net Profit / (Loss) for the Year</b>	<b>(265)</b>	<b>(88)</b>
Balance in Profit & Loss Account	<b>—</b>	<b>3</b>
Transfer from General Reserves	<b>265</b>	<b>85</b>
Balance Available for Appropriation	<b>—</b>	<b>—</b>
<b>APPROPRIATIONS</b>		
Dividend	<b>—</b>	<b>—</b>
Provision for Corporate Dividend Tax	<b>—</b>	<b>—</b>
Balance Carried to Balance Sheet	<b>—</b>	<b>—</b>

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# ASHOK ALCO-CHEM LIMITED

Company at the end of the financial year viz., March 31, 2002 and of the profit of the company for the year ended on that date;

- iii) they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) they have prepared the annual accounts on a going concern basis.

## AUDITOR'S REPORT

The note no. 5 in Schedule 19 to the accounts referred to by the Auditors in para 2 (vi) of their report.

Due to the current financial position of the company, the amount of Rs. 9.30 lacs has not been invested and provided. As soon as the financial position of the company improves, the same will be provided.

## 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 31.3.2003. 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) (e) 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

Mumbai,  
17th June, 2002

Ashok M. Kadakia  
CHAIRMAN

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, 2002.

## A. CONSERVATION OF ENERGY

### (a) Measures taken

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

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

### (b) Additional Investments & Proposals

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

### (c) Impact of the measures :

The measures bring down the energy consumption per unit of production under continuous operation.

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

## POWER & FUEL CONSUMPTION

	2001-02	2000-01
1) ELECTRICITY		
(a) Purchased -		
Unit (kwh in lacs)	54.54	63.51
Total Amount (Rs. in Lacs)	226.23	264.64
Cost Per Unit	Rs.4.15	Rs.4.17
(b) Own Generation -		
Through Diesel Generator		
Units (kwh in lacs)	1.31	1.40
Units per Ltr. of Diesel Oil	3.37	3.72
Cost per Unit	5.48	Rs.5.09
2) FURNACE OIL		
Quantity ( K. Ltrs. )	2009.69	2861
Total Amount ( Rs. in Lacs )	188.49	281.88
Average Rate ( per K. ltrs. )	Rs.9379.06	Rs.10843
3) DIESEL OIL		
Quantity ( K. Ltrs. )	1.17	37.44
Total Amount ( Rs. in lacs )	0.23	7.10
Average Rate ( per K. Ltrs. )	Rs. 19370	Rs.18,000
4) COAL		
(Steam Coal of Grade A/B used as fuel for Boiler )		

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Quantity ( MT )	13.58	92.72
Total Cost ( Rs. in Lacs )	0.35	2.40
Average Rate	Rs.2586	Rs.2,586
<b>5) BAGASSE / WOOD</b>		
Quantity ( MT )	7262	8805.18
Total Amount ( Rs. in lacs. )	39.79	32.62
Average Rate ( Per MT )	Rs.547.92	Rs.370
<b>6) BIO-GAS</b>		
Total Amount ( Rs. in lacs )	129.46	128.43
<b>II. CONSUMPTION PER UNIT OF PRODUCTION</b> ( Please refer Notes given hereinbelow )		
Name of Product		
(i) Industrial Alcohol :		
Electricity Kwh / Lac. Ltr.	19041	16810
(ii) Acetic Acid :		
Electricity Kwh / MT	523	505
Furnace Oil K. Ltrs. / MT	0.28	0.28
(iii) Ester :		
Electricity Kwh / MT	147	147
Furnance Oil K. Ltr. / MT	0.28	0.29

## 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 :

### 1) 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.

### 2) Benefits derived as a result of above R & D.

- Higher production and productivity
- Better product quality
- Pollution-free environment

### 3) Future plan of action :

Continuous efforts are made to save energy and to improve the quality.

### 4) Company has incurred expenditure of Rs.Nil on R & D.

## II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

### 1) 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.

### 2) 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.

### 3) 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.

## C. 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 are being made for enhancing exports performance.

- Total Foreign Exchange used and earned.

(Amount in Lacs)

Total Foreign Exchange used	Rs.6.72	Rs.9.76
Total Foreign Exchange earned	Rs.161.80	Rs.314.88

For and on behalf of the Board,

Mumbai,  
17th June, 2002

**Ashok M. Kadakia**  
Chairman

## CORPORATE GOVERNANCE AND THE CODE

### 1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE

The Company follows the corporate practice of deploying optimum utilisation of resources for maximising the return on the capital employed while consistently taking social responsibility in safety, security, environment and quality standards in the interest of the investors in particular and the society in general.

### 2. BOARD OF DIRECTORS

The Board of Directors comprises, apart from the promoters, professionals who are experts in their respective fields. More than one-third of the total number of Directors are independent directors.

The Board of Directors generally meet, at least four times in year. The Company's Financial Year is from April to March and as per mandatory listing requirement, Board of Directors release the performance statement for every quarter. Number of Board Meetings held during the Financial Year 2001-02 : Five (5) on 30th May, 2001, 31st July, 2001, 29th October, 2001, 30th November, 2001 and 31st January, 2002

### 3. AUDIT COMMITTEE

The Board has constituted Audit Committee, which comprises of :

Mr. Harish N. Motiwalla  
Mr. Vipin P. Shah  
Maj. Gen. S.V. Shrikhande (Retd.)  
Mr. Ashok M. Kadakia

- To review the auditors' report on the Financial statements and to seek clarification thereon, if required, from the auditors.

# ASHOK ALCO-CHEM LIMITED

- (ii) To review the weaknesses in internal controls, if any, reported by the internal and statutory auditors and report to the Board the recommendations relating thereto.
- (iii) To act as a link between the statutory and internal auditors and the Board of Directors.

## 4. REMUNERATION OF DIRECTORS / REMUNERATION COMMITTEE

The Board has constituted Remuneration Committee which comprises of :

Mr. Pratap R Merchant  
Mr. Raj R Nangrani  
Mr. Ashok M Kadakia

## 5. SHAREHOLDERS' / INVESTORS' GRIEVANCES COMMITTEE

The Board has constituted Shareholders' / Investors' Grievances Committee, comprising of:

Mr. Pratap R. Merchant  
Maj. Gen. R.K. Gupte (Retd.)  
Mr. Raj. R. Nangrani  
Mr. Ashok M. Kadakia

In addition, Share Transfer and Registration Committee was constituted on listing of Company's shares and is represented by four directors. The Meeting is held periodically to take note of registration and other share transfer. The head of finance is a Compliance Officer and reports to the Board on complete status of each aspect of shareholders' / investors' grievances and complaints and its redressal. The issues generally considered are Transfer and Transmission of Shares, Issue of Duplicate Share Certificate, etc.

Dates of the Share Transfer Meeting held during the year 2001-2002 :

16.04.2001	30.04.2001	30.05.2001	15.06.2001	30.06.2001	14.07.2001
30.07.2001	16.08.2001	30.08.2001	30.09.2001	15.10.2001	30.10.2001
15.11.2001	30.11.2001	15.12.2001	31.12.2001	15.01.2002	30.01.2002
28.02.2002	15.03.2002	30.03.2002			

Total number of shares transferred in physical form during the year April 1, 2001 to March 31, 2002 were 98,900.

## 6. GENERAL BODY MEETING

The Company's General Meetings (AGM) of the shareholders are held during the quarter July-September every year. Last AGM was held on 28th September, 2001 at Committee Hall, S.N.D.T. Women's University, New Marine Lines, Mumbai - 400 020.

The Register of Share Transfer and Register of Members were kept closed from 17th September, 2001 to 28th September, 2001 for the purpose of payment of the dividend.

No Dividend was paid in view of loss.

No Postal Ballot was used for any resolution in the last AGM.

## 7. NOTES ON DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT

Maj. Gen. R K Gupte (Retd.) PVSM relinquished directorship in the Company due to his old age. He has been Director of the Company since inception and has made valuable contributions. Members of the Board wish to place on record their acknowledgement for the support

received by the Company during the tenure of Maj. Gen R K Gupte (Retd.) PVSM.

Mr. Harish C Pandya and Mr. Pratap R Merchant, Directors of the Company, retire by rotation and, being eligible, offer themselves for re-appointment.

Dr. Umesh S Kulkarni, was appointed as Additional Director on June 17, 2002 and holds office upto the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. He is an expert in Environment, Ecology and Health. Dr. Kulkarni is a Chemistry graduate from the University of Mumbai and is post-graduate in Physical Chemistry. He completed his Ph.D., in treatment of Industrial Waste Water from the University of Mumbai. He is professionally affiliated to national and international bodies on Environment and Ecology and has professional expertise in hazardous waste management and environment and ecology sciences. He is an expert member on advisory committee of National Hydro-Electric Power Corporation (NHPC) and Technical Board Member of Maharashtra Pollution Control Board (MPCB).

## 8. DISCLOSURES

During the year there has been no instance of non-compliance inviting penalties, strictures imposed by the Stock Exchange or SEBI or such statutory regulatory body on any matter related to the capital markets.

## 9. MEANS OF COMMUNICATION

The Board Meeting is held every quarter, inter alia, to consider quarterly financial results of the Company. On approval of the financial results, an intimation is immediately given to Stock Exchange. The approved quarterly results are published in the newspaper.

## SHAREHOLDERS' INFORMATION

### 1. ANNUAL GENERAL MEETING

The Tenth Annual General Meeting of the Members of the Company will be held on Saturday, 28th September, 2002 at 10.30 a.m.

Venue : Committee Hall, S.N.D.T. Women's University, New Marine Lines, Mumbai - 400 020.

### 2. BOOK CLOSURE

The Company's Register of Members and Share Transfer Books will remain closed from Tuesday, the 17th September, 2002 to Monday, the 30th September, 2002.

### 3. DIVIDEND

The Board of Directors of the Company has not recommended dividend for the year 2001-02

### 4. DEMATERIALIZATION

Company's equity shares are presently dealt in both physical form and demat form. As on June 17, 2002 about 5.5 % of shares are held in Demat form and the balance in physical form.

### 5. LISTING ON STOCK EXCHANGE

The Company's equity shares are listed on The Stock Exchange Mumbai.

### 6. STOCK CODE

The Stock Exchange Code of the Company is 24594:

The market lot of the Company is 100 shares. The