

18TH
ANNUAL REPORT
2009-2010



ASHOK ALCO-CHEM LIMITED

ASHOK ALCO-CHEM LIMITED

BOARD OF DIRECTORS	: DR. ANIL M. KADAKIA PANKAJ M. KADAKIA VIPIN P. SHAH DR. UMESH S. KULKARNI SUBRAMANIAM AYYAR	Chairman & Managing Director Vice Chairman Independent Director Independent Director Independent Director
BANKERS	: DENA BANK	
AUDITORS	: R. A. KUVADIA & CO. Chartered Accountants, Mumbai	
SOLICITORS	: MULLA & MULLA & CRAIGE BLUNT & CAROE, MUMBAI	
REGISTERED OFFICE	: 404, Sharda Chambers, 33, New Marine Lines, V. Thakersey Marg, Mumbai - 400 020 Tel. Nos. : 22000024, Fax No.: 22009456 E-mail : anmk06@rediffmail.com; Internet: http://www.kadakiagroup.com	
PLANTS	: ACETIC ACID UNIT & ETHYL ACETATE UNIT Plot No.A-22/2/1, Mahad Industrial Area, Village Kamble, Mahad - 402 301, Dist: Raigad, Maharashtra	
REGISTRAR AND SHARE TRANSFER AGENT	: LINK INTIME INDIA PVT. LTD. C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078 Phones : 022- 2596 38 38 Fax: 022 – 2594 69 69 E-mail: isrl@vsnl.com	

ASHOK ALCO-CHEM LIMITED

NOTICE

Notice is hereby given that the Eighteenth Annual General Meeting of **Ashok Alco-Chem Limited** will be held on **Tuesday, the 14th September, 2010** at 11.00 a.m. at R.S. Bhatt Seminar Room, 6th Floor, Above Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai – 400 020, to transact the following business.

Ordinary Business.

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended **31st March 2010**, Balance sheet as of that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Subramaniam Ayyar, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

Special Business

4. To consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:
"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, 311 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines for managerial remuneration issued by the Central Government or any other competent authority from time to time and in partial modification to earlier resolution passed by the members in 17th Annual General Meeting held on 25-09-2009, Consent of members be and is hereby accorded to the revised terms and conditions including remuneration of Shri (Dr.) Anil Kadakia, the Managing Director of the Company for remaining tenure commencing from 01-04-2010, as are set out in the agreement to be entered into between the Company and Shri (Dr.) Anil Kadakia, a draft whereof is placed before this meeting which is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Remuneration Committee constituted by the Board) to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement, subject to the same not exceeding the limit specified in Schedule XIII to the Companies Act, 1956, including any statutory modifications or re-enactment thereof for the time being in force or as may be made by the Central Govt. in that behalf from time to time, or any amendments as may be agreed to between the Board and Shri (Dr.) Anil Kadakia "
5. **To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution through Postal Ballot which are being mailed. Result of Postal Ballot will be declared by the Chairman on 20th October, 2010 :**
"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, Draft of new set of Articles of Association as placed at the Meeting, be and is hereby approved and that the same be adopted instead and place of the existing Articles of Association of the Company"
"RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised to do and perform all the acts and deeds as they may think fit and proper for giving effect to aforesaid resolution."

For and on behalf of the Board,

Place : Mumbai
Date : 29th May, 2010

Dr. Anil M. Kadakia
Chairman & Managing Director

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 AND A PROXY NEED NOT BE A MEMBER.
2. 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.
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of Special Business enumerated at Item Nos.4 & 5 is annexed hereto.
4. **Members are requested to cast their votes on resolution proposed at Item No. 5 through Postal Ballot Forms attached herewith which should reach the Scrutinizer, not later than the close of the working hours on 15th October, 2010. All postal ballot forms received after this date will be strictly treated as if reply from such shareholder has not been received.**
5. The Register of Members and the Share Transfer Registers of the Company will remain closed from Friday, the 10th September, 2010 to Tuesday, 14th September, 2010 (both days inclusive).

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6. Members are requested
 - i) to notify changes, if any, in their address to the Registrar and Share Transfer Agents at the earliest.
 - ii) 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.
7. **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 readily available at the meeting.**
8. Pursuant to SEBI circular No. D&CC/FITTC/CIR-15/2002 dtd. 27.12.2002 all the work related to share registry in terms of both physical and electronic are being done by the Company's R&T Agents M/s. Link Intime India Pvt. Ltd. Therefore, shareholders are requested to send their communication directly to them in future.

ANNEXURE TO THE NOTICE OF ANNUAL GENERAL MEETING

Information pursuant to Clause 49 of the Listing Agreement regarding reappointment of Director.

Name of the Director	: Mr. Subramaniam Ayyar
Date of Birth	: 19-11-1949
Date of Appointment	: 28-09-2006
Specialized Expertise	: General Management (Corporate Affairs) and Communication (Marketing)
Educational Qualification	: M.A. P. G. D. M.
Directorships of others Companies as on 31st March, 2010	: NIL
Chairman/ Member of Committees of Other Companies	: NIL

ANNEXURE TO THE NOTICE

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

Item: 4.

Shri (Dr.) Anil Kadakia, is associated with the Company since incorporation and has performed duties of Managing Director till 01-04-2009. He was again reappointed as the Managing Director by the Shareholders at its 17th Annual General Meeting held on 25th September, 2009 effective from 2nd April, 2009, in terms of Sections 269, 309, 311 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

(Dr.) Anil Kadakia is a M.B.B.S. with Diploma in Anesthesiology from Mumbai University and possesses over 37 years' of vast and varied experiences in the Industrial Management in the Organic Chemicals Industry.

Considering his background, competence and extensive business experience, contributions provided to the Company and future expected contribution from him by the Company, keeping in view the Salaries being paid in comparable Industries and increasing activities of the Company, at the recommendation of the Remuneration Committee, the Board of Directors, at their meeting held on 29th May, 2010, have modified / revised, main terms and conditions of appointment of Shri (Dr.) Anil Kadakia, as the Managing Director for his remaining tenure of service as under, with effect from 1st April, 2010, subject to approval of the Shareholders.

i. Revised Remuneration : Rs. 2,00,000/- per month, inclusive of all perquisites.

Proposed Revised Remuneration of the Managing Director shall include all such perquisites, allowances, bonus and incentives, and house rent allowance or house maintenance allowance and repairs, medical reimbursement, leave travel concession for self and family including dependents, club fees, medical insurance, however it shall not include the Company's contribution to Provident Fund, Superannuation or Annuity Fund, Gratuity payable and encashment of leave at the end of his tenure, reimbursement of out of pocket expenses incurred under discharge of their duties and other incidental expenses incurred for attending the work of the Company in the aforesaid proposed remuneration. Proposed remuneration payable is in accordance with Schedule XIII of the Companies Act, 1956 with additional disclosures as stipulated thereunder.

In the case where in any financial year comprised by the period of appointment, the Company has no profit or its profits are inadequate, the aforesaid salary shall be paid to each of him in accordance with the applicable provisions of Schedule XIII of the said Act as the Minimum Remuneration.

ii. The terms and conditions set out for changes in terms of appointment and / or payment of remuneration herein and / or in the agreement, may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion, deem fit, provided that the overall yearly remuneration payable to the said Managing Director shall not exceed the limits specified under Schedule XIII of the Companies Act, 1956. (Including any statutory modification (s) or re-enactment thereof for the time being in force) or any amendment made thereto.

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- iii. The Agreement may be terminated by either party by giving three months' prior notice in writing to each other or salary in lieu thereof.

Information as required under B under Schedule XIII to the Companies Act, 1956.

I. General Information :

- (1) Nature of Industry : Manufacturing and trading of Organic Chemicals
- (2) Date or expected date of commencement of Commercial production : The Company is already in operation. It is a running Company, since 1992.
- (3) In case of new companies, expected date of Commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable

- (4) Financial Performance based on given indicators : (Rs. in Lacs)

Particulars	Year 2008-09	Year 2007-08	Year 2006-07
Gross Income- Turnover	665	1559	2546
Operating Profit before Interest & Depreciation	183	22	156
Net Profit after Tax	(330)	(51)	85
Debt Equity Ratio	(23)	8	6
Current Ratio	0.61	0.72	0.68
Net Worth	(772)	(460)	(385)

- (5) Export performance and net foreign Collaborations : The Company is not an exporting Company.

- (6) Foreign Investments or collaborators, if any : Not Applicable

II. Information about the Appointee : Dr. Anil M. Kadakia, the Chairman and Managing Director

- (1) Background details : Dr. Anil M. Kadakia holds degree of M.B.B.S. with Diploma in Anesthesiology from Mumbai University with and possesses 37 years' of extensive experiences in the field of Manufacturing and dealing in Organic Chemicals.
- (2) Past remuneration : Rs.1,50,000 p.m. inclusive of perquisites
- (3) Recognition or awards : N.A.
- (4) Job profile and his suitability : Over all Management of Operations of the Company on various project sites with responsibility of business development.
- (5) Remuneration proposed : Rs.2,00,000 p.m. inclusive of perquisites
- (6) Comparative remuneration profile with Respect to industry , size of the Company, Profile of the position and person : As detailed below:

(Rs. In Lacs)

Name of Company	Turnover	Directors' Remuneration
1. Tuticorin Alkali Chemicals & Fertilizers Ltd	727	17.28
2. Orchid Chemicals & Pharmaceuticals Ltd.	124983	128.94

- (7) Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any : —

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III. Other information :

- | | | |
|---|---|---|
| (1) Reasons of loss or inadequate profits | : | Under utilisation of production capacity of the Company due to paucity of Working Capital, Prevailing keen competition and availability of imported goods at cheaper rates. |
| (2) Steps taken or proposed to be taken for Improvement | : | Exploring new markets to increase Sales; Increasing production capacity and installing new Plant & Machineries to manufacture New products; Undertaking new business activity relating to Global Trading / Sales of various items generating surplus. |
| (3) Expected increase in productivity and Profits in measurable terms | : | By expansion of capacities followed by increase in production, fixed operative cost would get minimized.
Undertaken Trading activities on larger scale.
These would generate higher turnover with increased profits / surplus in future. |

The draft amendment to the Agreement executed between the Company and Shri (Dr.) Anil M. Kadakia, are available for inspection at the Registered Office of the Company on all working days, upto the date of the ensuing Annual General Meeting between 11.00 a.m. and 1.00 p.m.

None of the Directors of the Company, except Shri (Dr.) Anil M. Kadakia is, in any way, concerned or interested in the proposed resolutions.

The Board recommends the resolutions for consideration and approval.

Item No.5 : Alteration of Articles of Association of the Company :

In order to update the Articles of Association of the Company with all new amendments enforced by Securities Exchange Board of India and Bombay Stock Exchange Ltd. till the date, to keep the same in line with the present regulations and dispense with the restrictive articles earlier provided in the existing Articles of Association of the Company, the Board has, subject to the approval of the Shareholders and the Bombay Stock Exchange Ltd. where the shares are listed, approved adoption of New set of Articles of Association in place of existing.

In terms of provisions of Section 31 of the Companies Act, 1956 , the Articles of Association of a Company may be altered / adopted with the approval of its members by passing a Special Resolution.

Draft of new set of Articles of Association proposed to be adopted, would be kept open at the Registered office for inspection by the Members, during 10.30 a.m. to 1.00 p.m. on all working days except on Holidays, Saturdays and Sundays, till the date of Annual General Meeting.

None of the Directors of the Company, are in any way, concerned or interested in this resolution.

The Board recommends the Special resolution as set out in the Notice for adoption.

For and on behalf of the Board,

Place : Mumbai
Date : 29th May, 2010

Dr. Anil M. Kadakia
Chairman & Managing Director

ASHOK ALCO-CHEM LIMITED

DIRECTORS' REPORT

The Members,
Ashok Alco-Chem Limited
Mumbai

Your Directors submit their 18th Annual Report together with the Statement of Account for the year ended on 31st March, 2010.

The following figures summaries the financial performance of the Company during the year under review.

1. Financial Results :

	(Rs. In Lacs)	
Particulars	31 st March, 2010	31 st March, 2009
Turnover (net of excise and sales tax) and Other Income	19909	665
Profit/(Loss) before Interest, Depreciation and Tax	65	183
Add/Less : Interest	9	69
Depreciation	114	109
Fringe Benefit Tax	0	1
Deferred Tax Surplus	37	25
Add : Prior period adjustment	15	7
Net Profit / (Loss) for the Year	(36)	(330)
Balance in Profit & Loss Account	(1835)	(1505)
Balance Available for Appropriation	(1871)	(1835)

2. Dividend :

In view of the carried forward loss, your Directors regret their inability to recommend payment of dividend to the Shareholders for the year under review.

3. Operation in Retrospect :

During the Year under review, the Company showed significant improvement in performance by registering increased Gross Income of Rs.19909 lacs (net of excise and sales tax) as against Rs. 665 lacs of previous year. The Company also fetched reduced Net Loss of Rs. 36 lacs from Rs. 330 lacs of the previous year.

Chemical Division bear loss of Rs. 233 lacs as against Rs. 330 lacs of previous year despite phenomenal increase in Gross Income to Rs. 1890 lacs from Rs. 665 lacs of previous year. Whereas the new division created for undertaking trading activities, in its first year of operation, earned considerable Gross Income of Rs. 18018 lacs and yielded Net profit of Rs. 197.21 lacs which offset the overall loss to Rs. 36 lacs .

In Chemical division, the Company continued to face adverse and unfavorable conditions due to dumping of imported products at cheaper price, non availability of Alcohol at reasonable price, increase in cost / price of other inputs, non availability of working Capital facilities, etc. suppressing available margins and making the manufacturing cost higher than the sale price of the products available in the market. Volatile fluctuation in the market price had adversely affected to the Company's endeavors to operate its Chemical division profitably. The Company put thrust upon increasing production by utilization of its Optimum capacity and thereby achieve relatively lesser operative cost on production leverage.

The Company has plans to penetrate the market significantly, by promotion its trading business under its Trading division, in coming period to generate higher surplus.

4. Settlement of Overdue Debt under OTS :

In a planned endeavor, the Company could become a debt free Company by making requisite payment of settled dues to its long overdue Secured Creditors M/s. SICOM Ltd. and Dena Bank, under OTS entered in to with them.

5. De-registration under Sick Industrial Companies (Special Provisions) Act, 1985:

On account of Net Worth being positive, the Board of Industrial and Financial reconstruction (BIFR), has vide its order dated 1st October,2009, deregistered the Company as Sick Industrial Company.

6. Management Discussion And Analysis :

(a) Industry Structure and Development :

The overall growth of the Indian Economy and higher industrial growth augur well for the future. The industrial climate is also positive for an enhanced role in the global economy. In this scenario, market for the Company's products have improved substantially and this development is expected to continue in the future.

The improvement at macro-level helped your Company to restart the industrial activity which was otherwise standstill for some time.

(b) Outlook :

Organic Chemical Industry in India continues to face competition within it self from petro-route vis-à-vis the alcohol route. Again the pricing of petro-route had direct relation with the movements in crude prices internationally whereas the pricing of alcohol route had effects of government policies of using alcohol in automobile fuel, molasses controls and so on.

Trading Division continues to see volatility in commodity prices.

(c) Segment-wise Performance :

The Company has one segment of Organic Chemicals. The period saw the Company out of activity for major part thereof. The Company faced myriads of problems including non availability of Raw Material and Power at reasonable price along with paucity of Working Capital, which had cumulative effects making it more difficult for the Company to undertake its operational activities on continuous basis.

Beginning of Trading Division has started on a good note. Hopefully, the Company can continue to build on the platform.

(d) Opportunities, Threats, Risks and Concerns :

The uncertainties faced by the Indian economy through movements in crude prices in international market as well as changes in government policies with respect to controls on molasses prices and export of molasses and alcohol, represent threats and risks to be reckoned in the Industry. The Company being a part of the Industry is affected by these threats, risks and uncertainties. Volatility in foreign Exchange is major risk for trading division.

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(e) Financial Performance :

Financial Performance achieved by the Company during the year under review, are shown in the Directors' Report to the Shareholders.

During the year, the plant of the Company remained out of operations for major part of the period. As a result, the Company suffered losses. However, due to stricter control on expenditure, the Company could minimise loss. The Company has been pursuing various ways to operate continuously, at its optimum capacity.

(f) Internal Control Systems and Adequacy:

The Internal Control Systems, continuously made updated and strengthened, realizing the need for the same. Although during the year, for major part of the Year, the plant remained closed, however, whatever transactions that took place, were closely monitored with proper checks and controls.

(g) Human Relations :

There has been cordial relations in the Company during the period.

The Company wishes to thank the workers, its union and leaders for their tremendous support.

(h) Cautionary Statement :

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectation may be 'forward - looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include availability of adequate working capital, economic conditions affecting demand / supply, price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes.

8. Directors' Responsibility Statement :

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors state that

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii) 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 Company at the end of the financial year viz., March 31st, 2010 and of the Loss 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 standards and 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.

9. Directorate :

Shri Subramaniam Ayyar, the Director, retires by rotation at the ensuing Annual General Meeting, however, being eligible, offers himself for re-appointment.

10. Audit Committee :

As required in terms of Clause 49 of the Listing Agreement entered in to with the Bombay Stock Exchange Limited, the Audit Committee duly constituted by Independent Directors, performed its duties as required in terms thereof.

11. Remarks made by Auditors in their Report :

Remarks and observation made by the Statutory Auditors in their Report are self explanatory and do not call for any further explanation and clarification.

12. Statutory Disclosures :

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 to this report as **Annexure- A**.

As per Section 217 (2A) read with Companies (Particulars of Employees) Rules, 1975, as amended, are not furnished as no employee is covered there under, during the year under review.

13. Corporate Governance :

As per the amended Listing Agreement with the Bombay Stock Exchange Limited, your Company complied with the requirements of Corporate Governance and Report thereon forms part of this Report as **Annexure- B**.

14. Auditors :

M/s R.A. Kuvadia & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting, being eligible, offer themselves for re-appointment.

Members are requested to consider their appointment as the Statutory Auditors of the Company in place of retiring Auditors, for the current financial year and fix their remuneration.

15. Fixed Deposits :

Your Company has not accepted any fixed deposit from public attracting the provisions of Section 58 A of the Companies Act, 1956 and the rules made there under.

16. Insurance :

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

17. Employees :

An atmosphere of understanding prevailed at all levels of employees of the Company.

18. Acknowledgment :

The Board acknowledges with thanks the contributions and support received from the Government, Local Authorities, Financial Institutions and Banks, Creditors and Suppliers, Valued Customers, employees and the Shareholders of the Company.

For and on behalf of the Board,

**Place : Mumbai
Date : 29th May, 2010**

**Dr. Anil M. Kadakia
Chairman & Managing Director**

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Annexure "A"

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, 2010.

A. CONSERVATION OF ENERGY :

(a) Measures taken :

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

- (i) Cooling tower at Mahad shows improved performance by use of non-conventional parts and accessories.
- (ii) 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 have benefited the company in optimizing the energy consumption per unit of production under continuous operation.

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

A. Power and fuel Consumption :

	(Rs. in Lacs)	
	2009-10	2008-09
1) ELECTRICITY		
a) Purchased -		
Unit (kwh in lacs)	10.46	7.56
Total Amount (Rs.in lacs)	54.49	38.64
Cost Per Unit	5.21	5.11
b) Own Generation		
Through Diesel Generator –		
Units (Kwh. In lacs)	Nil	Nil
Units per liter of Diesel Oil	Nil	Nil
Cost per Units	Nil	Nil
2) FURNACE OIL		
Quantity (K. Ltrs.)	Nil	142.00
Total Amount (Rs. In lacs)	Nil	35.22
Average Rate (per K. Ltrs.)	Nil	24802.82
3) DIESEL OIL		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average Rate (per K. Ltrs.)	Nil	Nil
4) COAL		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	2971	844
Total Cost (Rs. In lacs)	135.19	41.21
Average Rate (per K. Ltrs.)	4.55	4.88

B. Consumption per unit production :

(Please refer Notes given here in below)

Name of the Product

(i) Acetic Acid :		
Electricity Kwh/MT	465	656
Furnace Oil Ltr./MT	Nil	258
Coal Kg./MT	547	1517
(ii) Ester :		
Electricity Kwh/MT	224	285
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	751	875
(iii) Acetaldehyde		
Electricity	247	Nil
Coal Kg./MT	585	Nil

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.

B. I. TECHNOLOGY ABSORPTION :

Efforts made in technology absorption : Nil

RESEARCH & DEVELOPMENT :

1) Specific area in which R & D carried out by the Company.

- a) Processes are modified on on-going basis for enhancing the efficiency and energy conservation.

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

- a) Higher production and productivity
- b) Better product quality
- c) Reduced Pollution

3) Future plan of action :

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

4) Company has not incurred any expenditure on R & D.

II. TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION :

1) Efforts, in brief, made towards technology absorption, adaptation & innovation.: N. A.

2) Benefits derived as a result of the above efforts. : N. A.

C. FOREIGN EXCHANGE EARNING AND OUT GO :

- Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.

Efforts are being to exports products

- Total Foreign Exchange earned and spent.

(Amount in Rupees)

	Current Year	Previous Year
i) Foreign Exchange used	31,16,85,961	Nil
ii) Foreign Exchange earned	1,33,85,46,050	Nil

For and on behalf of the Board,

Place : Mumbai,
Date : 29th May, 2010

Dr. Anil M. Kadakia
Chairman & Managing Director