

**19<sup>TH</sup>**  
**ANNUAL REPORT**  
**2010-2011**



**ASHOK ALCO-CHEM LIMITED**

## ASHOK ALCO-CHEM LIMITED

**BOARD OF DIRECTORS** : DR. ANIL M. KADAKIA Chairman & Managing Director  
VIPIN P. SHAH Independent Director  
DR. UMESH S. KULKARNI Independent Director  
SUBRAMANIAM AYYAR Independent Director  
RAJENDRA A. SHAH Independent Director  
MANOJ GANATRA Independent Director

**BANKERS** : AXIS BANK LTD.

**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 : info@ashokalcochem.com  
Internet: <http://www.ashokalcochem.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** : **LINK INTIME INDIA PVT. LTD.**

**TRANSFER AGENT** 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](mailto:isrl@vsnl.com)

# ASHOK ALCO-CHEM LIMITED

## NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of Ashok Alco-Chem Limited will be held on Thursday, the 4<sup>th</sup> August, 2011 at 12.30 p.m. at H. T. Parekh Board Room, Indian Merchant's Chamber, Churchgate, 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 31<sup>st</sup> March 2011, Balance Sheet as of that date together with Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vipin Shah, 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 though fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Rajendra Shah, who was appointed as an Additional Director of the Company on the Board 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 Mr. Rajendra Shah, for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT Mr. Manoj Ganatra, who was appointed as an Additional Director of the Company on the Board 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 Mr. Manoj Ganatra, for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. To consider and if though fit, to pass with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications, or reenactment thereof, for the time being in force), consent of the shareholder of the Company, be and is hereby accorded for the re-appointment of Dr. Anil M. Kadakia as the Managing Director of the Company, for a period of 3 years from 3<sup>rd</sup> April, 2011 to 2<sup>nd</sup> April, 2014 on the terms and conditions including remuneration as are set out in the Draft Agreement entered into between the Company and Dr. Anil M. Kadakia, a copy whereof is placed before the Meeting which is hereby specifically approved 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 draft of the agreement subject to the same not exceeding the limits set out in the said Schedule XIII to the Companies Act, 1956 including any statutory modification or reenactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf, from time to time or any amendments thereto as may be agreed to by the Board and Dr. Anil M. Kadakia."

"FURTHER RESOLVED THAT in the event of inadequacy or absence of profits in any financial year, Dr. Anil M. Kadakia, the Managing Director, be paid remuneration as Minimum Remuneration, subject to the ceiling as prescribed in Section II of Part II of Schedule XIII to the Companies Act, 1956."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

For and on behalf of the Board,

Place : Mumbai  
Date : 27-05-2011

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 VOTE ON A POLL INSTEAD OF HIM SELF 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 to 6, is annexed hereto.

## ASHOK ALCO-CHEM LIMITED

4. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 1<sup>st</sup> August, 2011 to Thursday, 4<sup>th</sup> August, 2011 (both days inclusive).
5. 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.
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 readily available at the meeting.**
7. 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.

### **Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business enumerated in the Notice at Item Nos. 4 to 6 .**

#### **Item Nos. 4 & 5 :**

Mr. Rajendra Shah and Mr. Manoj Ganatra who were appointed as Additional Directors of the Company during the year, hold office upto the date of ensuing Annual General Meeting. The Company has received notices in writing from some members, proposing their candidatures for their appointment as the Directors of the Company, along with requisite deposits as required in terms of Section 257 of the Companies Act, 1956. None of the Directors except Mr. Rajendra Shah and Mr. Manoj Ganatra are concerned or interested in the said Resolutions.

The Board recommends resolutions for adoption.

#### **Item 6 :**

Dr. Anil M. Kadakia has been associated with the Company in the capacity of the Promoter and Director from its inception and as Managing Director from 1<sup>st</sup> August, 2000.

He is M.B.B.S. with Diploma in Anesthesiology from Bombay University having 38 Years of rich, wide and varied experience in the management of Chemical Industry. During his tenure as a Managing Director, in past, the Company achieved remarkable success by earning huge turnover with sizeable surplus and successfully encountered adverse economy forces. His last tenure as Managing Director expired on 2<sup>nd</sup> April, 2011.

Considering rich experience, business acumen, valuable contributions provided to the Company and future utility of his service to the Company in the capacity of the Whole Time Director, at the recommendation of Remuneration Committee of Independent Directors, the Board of Directors of the Company, at their meeting held on 11<sup>th</sup> February, 2011, reappointed him as the Managing Director, for a period of three years effective from 3<sup>rd</sup> April, 2011, subject to the approval of the Shareholders, pursuant to Sections 269, 309, 311 and 314 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 on following main terms and conditions .

- 1) Tenure : 3 years from the date of appointment with effect from 3<sup>rd</sup> April, 2011 to 2<sup>nd</sup> April, 2014
- 2) I. Remuneration : Salary Rs. 3,00,000 per month inclusive of all perquisite.  
II. Perquisites : The Managing Director will also be entitled to the perquisite mentioned below:

#### **Category A :**

- i. Provident Fund : Company's contribution to Provident Fund, shall be as per the rules of the Company.
- ii. Gratuity : As per the rules of the Company.
- iii. Leave encashment : At the end of the tenure, as per the rules of the Company.

However, Company's contribution to Provident Fund and amount of leave encashment will not be included in the Computation of perquisites.

#### **Category - B: Other allowances:**

- i. Provision of chauffeur driven car for Company's business will not be considered as perquisite. Use of car for private purpose shall be billed by the Company.
- ii. Provision of Telephone at residence of the Managing Director and a Mobile Phone for his use not to be considered as perquisites. Personal long distance calls on telephone shall be billed by the Company.
- iii. Entitlement of Annual Privilege leave on full salary for 30 days, allowed to be accumulated upto 90 days.
- iv. Reimbursement of entertainment expenses actually and properly incurred by him in the course of legitimate business of the Company and lodging, boarding, traveling & other expenses incurred by the Managing Director in India and abroad exclusively for the business of the Company in accordance with its rules and regulations, from time to time.
- v. No payment of sitting fees to the Managing Director, for attending of Meetings of the Board of Directors or Committee thereof.
- vi. In the event of no profit or inadequacy of profits, the Company shall pay the aforesaid remuneration by way of Salary and perquisites as Minimum Remuneration.

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## 3) Other Terms and Conditions:

- i. The Company shall be entitled to forthwith terminate the agreement if the Managing Director becomes insolvent or makes any composition or arrangement with his creditors or he ceases to be a Director of the Company.
- ii. Notwithstanding anything to the contrary contained therein, the Agreement, at anytime, shall be terminated by either party giving 30 days' notice in writing to that effect, to the other party.
- iii. The terms and conditions including the remuneration payable to the Managing Director of the said appointment and/or Agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit.

## 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 and Global Trading
- (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 2010-11	Year 2009-10	Year 2008-09
Gross Income- Turnover	28692	19909	665
Operating Profit before Int.& Dep.	293	65	183
Net Profit after Tax	174	(36)	(330)
Debt Equity Ratio	26	72	(23)
Current Ratio	1.05	0.94	0.61
Net Worth	247.38	83.19	(98.57)

- (5) Export performance and net foreign exchange Collaborations : The Company is an exporting Company with income earned on export of Rs.16235 lacs during the year 2010-11 and Rs. 13385 lacs during the the year 2009-10.  
There is no foreign collaborations.
- (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 39 years' of extensive experiences in the field of Manufacturing and dealing in Organic Chemicals.
- (2) Past remuneration : Rs. 2,00,000 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 with responsibility of business development.
- (5) Remuneration proposed : Rs. 3,00,000 p.m. inclusive of perquisites
- (6) Comparative remuneration profile with Respect to industry, size of the Company, Profile of the position and person :

(Rs. In Lacs)

Name of Company	Turnover	Directors' Remuneration
i. Tuticorin Alkali Chemicals & Fertilizers Ltd	809.82	17.28
ii. Orchid Chemicals & Pharmaceuticals Ltd.	2,27,493.75	304.74

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

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### III. Other information :

- (1) Reasons of loss or inadequate profits : Under utilisation of production capacity of the Company, due to non availability of Working Capital, Keen Competition prevailing in the Market and dumping of imported goods at cheaper rates.
- (2) Steps taken or proposed to be taken for Improvement :  
i. Exploring new markets to increase business.  
ii. Increasing production as per increased installed capacity.  
iii. Plans to manufacture New products;  
iv. Undertaking expansion of global trading of Minerals & other items.  
v. Undertaking measures to control cost with increase in productivity.  
vi. Availing Working Capital facilities from Nationalised Bank.
- (3) Expected increase in productivity and Profits in measurable terms : Optimum utilization of Capacity and expansion of Global Trading activities on larger scale would likely to generate sizeable volume of business with adequate surplus in coming years.

The draft Agreement to be executed between the Company and Dr. Anil M. Kadakia, are available for inspection at the Registered Office of the Company on all working days, except Saturday and Sundays, upto the date of Annual General Meeting, during 11.00 a.m. and 1.00 p.m.

The Board recommends the resolution for adoption.

Dr. Anil M. Kadakia, is concerned or interested in the resolution.

**For and on behalf of the Board,**

**Place : Mumbai**  
**Date : 27-05-2011**

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

### Annexure to the Notice

Name of the Director	Mr. Vipin Shah	Mr. Rajendra A. Shah	Mr. Manoj Ganatra	Mr. Anil Kadakia
Date of Birth	01.08.1934	14.05.1946	21.11.1962	26.12.1946
Date of Appointment	07.10.1993	14.09.2010	08.04.2011	18.11.1992
Specialised Expertise	Accounts, Finance & Corporate Laws	Legal	Accounts, Finance & Taxation	Overall Business Management
Qualification	B.A., M.Com, LL.B, N.I.M.A, F.C.S., A.C.I.S (London)	B.Sc, LL.B	B.Com, LLB, FCA	M.B.B.S.&Diploma in Anesthesiology
Directorship in other Companies as on 31 <sup>st</sup> March, 2011	NIL	Simplex Castings Ltd.	Nil	Kumaka Industries Ltd., Kadakia Alkalies & Chemicals Ltd., Ashok Cellulose Ltd., Ashok Pharmaceuticals Pvt. Ltd. & Aqua-Alco Bio-Tech Pvt. Ltd.
Chairman / Member of Committees of Companies	Chairman of Audit Committee and Member of Remuneration Committee and Share holders' Grievance Committee of Ashok Alco-chem Ltd.	Nil	Nil	Member Audit Committee of Kumaka Industries Ltd.,
No. of Shares held in the Company	Nil	Nil	Nil	21,39,640

# ASHOK ALCO-CHEM LIMITED

## DIRECTORS' REPORT

The Members,

**Ashok Alco-Chem Limited**

Mumbai

Your Directors submit their 19<sup>th</sup> Annual Report together with the Statement of Account for the year ended 31<sup>st</sup> March, 2011.

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

### 1. Financial Results :

Particulars	(Rs. In Lacs)	
	31 <sup>st</sup> March, 2011	31 <sup>st</sup> March, 2010
<b>Turnover</b> (net of excise & sales tax)		
and Other Income	28692	19909
Profit (Loss) before Interest,		
Depreciation and Tax	293	65
Less : Interest	98	9
Depreciation	99	114
Deferred Tax Surplus	80	37
Add : Prior period adjustment	2	15
<b>Net Profit / (Loss) for the Year</b>	<b>174</b>	<b>(36)</b>
Balance in Profit & Loss Account	(1871)	(1835)
Balance Carried Forward	(1697)	(1871)

### 2. Dividend :

In view of carry forward loss, your Directors do not 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 Total Income of Rs. 28692 lacs ( net of excise and sales tax ) as against of Rs. 19909 lacs of previous year. The Company also earned Net Profit of Rs. 174 lacs as against Net Loss of of Rs. 36 lacs in the previous year.

The Chemical Division, despite of performing better by generating increased Gross Income of Rs. 2994 lacs against Rs. 2139 lacs of previous year, incurred loss of Rs. 109 lacs as against Rs. 233 lacs of previous year. Whereas the global trading division performed still better and earned Gross Income of Rs. 25698 lacs as against Rs. 18003 lacs of previous year and yielded Net profit of Rs. 283 lacs which offset overall loss of the Chemical division and generated Net surplus / Profit of Rs. 174 lacs .

In Chemical division, the Company continued to face adverse and unfavorable conditions due to dumping of imported products at cheaper price, increase in cost / price of other inputs, non availability of Working Capital facilities, etc. suppressing available margins. The Company put conscious efforts to exploit its increased installed capacity and generated higher Turnover and reduce its fixed and overhead cost with increase in volume of production, correspondingly.

The Company has been continuing to put thrust upon increasing productivity with utilization of its Optimum capacity in Chemical Division and promotion of its trading divisions. With effective penetration of market and undertaking of systematic and planned approach, the Company hopes to bring improved results in coming years.

### 4. 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's Organic Chemicals segment has shown significant working improvement during the last quarter of the year 2010-11 due to enhanced manufacturing capacity of Ethyl Acetate.

Minerals constitute the backbone of economic growth of any nation and your Company's trading division is on a sound platform and will continue to post improved performance.

#### (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.

#### (e) Financial Performance :

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

#### (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 have 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.

# ASHOK ALCO-CHEM LIMITED

## 5. 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 31<sup>st</sup>, 2011 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 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.

## 6. Board of Directors :

Mr. Vipin Shah retires by rotation and being eligible, offers himself for re-appointment.

Mr. Rajendra Shah and Mr. Manoj Ganatra have been appointed as Additional Directors on 14<sup>th</sup> September, 2010 and 8<sup>th</sup> April, 2011 respectively and hold office till conclusion of the Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received notices from some members proposing their candidature for appointment as Directors in the ensuing Annual General Meeting.

Mr. Pankaj Kadakia resigned as a Director from 14<sup>th</sup> June, 2010. The Board places on record its sincere appreciation for the contribution received from him during the tenure as a Director.

## 7. Audit Committee :

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

## 8. 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.

## 9. 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.

In compliance of Section 383-A of the Companies Act. 1956, Compliance Certificate issued by Mr. Jayesh Vyas, the Practising Company Secretary, is annexed to this report as **Annexure-B**.

## 10. 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- C**.

## 11. Report on Corporate Social Responsibility :

The Company embraces responsibility for impact of its operations and actions on all stakeholders including society and community at

large. Management's commitment, work ethics and business processes at the Company encourages all its employees and other participants to ensure a positive impact and its commitment towards corporate social responsibility.

The Company's commitment to excellence in Health and Safety is embedded in the Company's core values. The Company has a stringent policy of 'safety for all', which drives all employees to continuously break new ground in safety management for the benefit of people, property, environment and the communities where we operate on sites. The Company is aware of the environmental impact of its operations and it continually strives to reduce such impact.

The Company respects human rights, values its employees, and invests in technologies and solutions for economic growth. The Company has initiated to support social and community welfare activities touching the lives of people around the project locations and ensuring the highest standards of safety and environment protection in our operations.

## 12. Health Safety and Environment :

The Company has put emphasis on HSE as its prime focus in the business. The Company intends to reinforce with new initiatives and intends to establish Company-wide safety management objectives, guiding principles and processes.

The Company has a stringent policy / motto of "Safety for All." which in turn drives our employees to continuously break new grounds in safety management for the benefit of the people, property, environment and the communities where we operate. The Company's commitment to excellence in HSE is embedded in the company's core values while at the same time ensuring the highest standards of safety and environment protection in our operations.

## 13. 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.

## 14. Fixed Deposits :

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

## 15. Insurance :

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

## 16. Employees :

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

## 17. 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 in furthering interest of the Company.

**For and on behalf of the Board,**

**Place : Mumbai**

**Date : 27-05-2011**

**Dr. Anil M. Kadakia**

**Chairman & Managing Director**



# ASHOK ALCO-CHEM LIMITED

## 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 31<sup>st</sup> March, 2011.

### 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)	
	2010-11	2009-10
<b>1) ELECTRICITY</b>		
a) Purchased -		
Unit (kwh in lacs)	14.59	10.46
Total Amount (Rs. in lacs)	84.94	54.49
Cost Per Unit	5.82	5.21
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
<b>2) FURNACE OIL</b>		
Quantity (K. Ltrs.)	28.00	Nil
Total Amount (Rs. In lacs)	6.25	Nil
Average Rate (per K. Ltrs.)	22.17	Nil
<b>3) DIESEL OIL</b>		
Quantity ( K. Ltrs.)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average Rate (per K. Ltrs.)	Nil	Nil
<b>4) COAL</b>		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	4731	2971
Total Cost (Rs. In lacs)	238.16	135.19
Average Rate (per K. Ltrs.)	5.03	4.55

### B. Consumption per unit production :

(Please refer Notes given here in below)

#### Name of the Product

(i) Acetic Acid :		
Electricity Kwh/MT	460	465
Furnace Oil Ltr./MT	270	Nil
Coal Kg./MT	560	547
(ii) Ester :		
Electricity Kwh/MT	239	224
Furnace Oil Ltr./MT	220	Nil
Coal Kg./MT	598	751
(iii) Acetaldehyde		
Electricity	310	247
Coal Kg./MT	698	585

#### Notes :-

1. 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.
2. 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 :

1. 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
2. Total Foreign Exchange earned and spent.

	(Amount in Rupees)	
	Current Year	Previous Year
i) Foreign Exchange used	88,56,74,814	31,16,85,961
ii) Foreign Exchange earned	1,62,35,02,480	1,33,85,46,050

For and on behalf of the Board,

Place : Mumbai,  
Date : 27-05-2011

Dr. Anil M. Kadakia  
Chairman & Managing Director