

**20<sup>TH</sup>**  
**ANNUAL REPORT**  
**2011-2012**



**ASHOK ALCO-CHEM LIMITED**

## ASHOK ALCO-CHEM LIMITED

**BOARD OF DIRECTORS** : Dr. Anil M. Kadakia Chairman & Managing Director  
Mr. Vandravan P. Shah Independent Director  
Dr. Unesh Kulkarni Independent Director  
Mr. Rajendra A. Shah Independent Director  
Mr. Manoj Ganatra Independent Director  
Mr. Subramaniam Ayyar\* Independent Director  
\*(Resigned w.e.f. 11<sup>th</sup> July, 2011)

**BANKERS** : AXIS BANK LTD.

**AUDITORS** : R .A. KUVADIA & Co.  
Chartered Accountants, Mumbai

**REGISTERED OFFICE** : 404, Sharda Chambers, 33, New Marine Lines,  
V. Thakersey Marg, Mumbai - 400 020.  
Tel. No.: 022-6144600, Fax No.: 022-66104355

**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.  
Tel. No.: 022-25946970, Fax No.: 25946969  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

# ASHOK ALCO-CHEM LIMITED

## NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Shareholders of Ashok Alco-Chem Limited will be held on Thursday the 6<sup>th</sup> September, 2012, at 10.00 a.m. at Kilachand Conference Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020, to transact, with or without modification(s) as may be permissible, the following business:

### Ordinary Business.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Dr. Umesh Kulkarni, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration, and for the purpose, to pass the following Resolution, which will be proposed as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs R.A. Kuvadia & Co. (Registration No. 105487W), Chartered Accountants, Mumbai, the retiring Auditors, be and is hereby re-appointed as the Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and that the Board of Directors of the Company be and is hereby authorized to fix their remuneration for the said period and reimbursement of actual out of pocket expenses, as may be incurred in performance of their duties."

For and on behalf of the Board,

Place : Mumbai  
Date : 22.05.2012

Anil M. Kadakia  
Chairman & Managing Director

### NOTE FOR MEMBERS' ATTENTION:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Notice is also hereby given that the Register of Members and Transfer Books in respect of Equity Shares of the Company will remain closed from Saturday, the 1<sup>st</sup> September, 2012 to Thursday, the 6<sup>th</sup> September, 2012(both days inclusive).
4. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance pertaining to appointment of the Directors/reappointment of the retiring Directors, a statement containing details of the concerned Directors is attached herewith.
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 Registry Pvt. Ltd. Therefore, shareholders are requested to send their communication directly to them in future.

## ASHOK ALCO-CHEM LIMITED

The Ministry of Corporate Affairs, Government of India, through its Circular Nos. 17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular, it is proposed that henceforth documents as mentioned above will be sent electronically to the email addresses provided by you and made available to the Company by the Depositories viz. NSDL / CDSL. As and when there are changes in your email address, you are requested to update the same with your depository participant.

For Shares held in physical form, Shareholders can register their email address with the Company.

### **Details of Directors seeking re-appointment in Annual General Meeting fixed on 6<sup>th</sup> September, 2012.**

Name of Director	Dr. Umesh Kulkarni
Date of Birth	12.03.1946
Date of Appointment	17.06.2002
Expertise in specific functional areas	Expertise in Pollution Control
Qualifications	M.Sc. Ph.D.
List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies.	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	Audit Committee Investor Grievances Committee Remuneration Committee
Chairman/ Member of the Committee of the Board of Directors of other companies in which he/she is a Director a. Audit Committee b. Investor Grievances Committee	Nil
No. of Shares Held in the Company	Nil

# ASHOK ALCO-CHEM LIMITED

## DIRECTORS' REPORT

The Members,

**Ashok Alco-Chem Limited**

Mumbai.

Your Directors submit their 20<sup>th</sup> Annual Report together with the Statement of Account for the year ended on 31<sup>st</sup> March, 2012.

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

### 1. Financial Results :

	(Rs. In Lacs)	
Particulars	31 <sup>st</sup> March, 2012	31 <sup>st</sup> March, 2011
<b>Turnover</b> (net of excise & sales tax)		
and Other Income	<b>31883</b>	28692
Profit (Loss) before Interest,		
Depreciation and Tax	<b>658</b>	293
Less: Finance Cost	<b>104</b>	98
Depreciation	<b>99</b>	99
Deferred Tax Surplus/ (Provision)	<b>(109)</b>	80
 Add: Prior period adjustment	<b>2</b>	2
<b>Net Profit / (Loss) for the year</b>	<b>348</b>	174
Balance in Profit & Loss Account	<b>(1697)</b>	(1871)
Balance Carried Forward	<b>(1349)</b>	(1697)

### 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. 31883 lacs ( net of excise and sales tax ) as against of Rs. 28692 lacs of previous year. The Company also earned Net Profit of Rs. 328 lacs as against Net Profit of Rs 174 lacs in the previous year.

The Chemical Division has generated increased Gross Income of Rs. 8439 lacs against Rs. 2994 lacs of previous year.

In respect of Global trading, the company has made efforts to increase its margins. As a result, while the sale has not grown, profits have increased to Rs. 382 lacs in respect of trading division.

The overall profit for the year under review is of Rs. 348 lacs, as against profit of Rs. 174 lacs, of the previous year.

In spite of the odds faced by Chemical division, such as adverse and unfavorable conditions due to dumping of imported products at cheaper price, increase in cost of other inputs, non availability of Working Capital facilities, etc. suppressing available margins, the division has registered a growth of Rs 5445 lacs in turnover and a reduction in loss to Rs 55 lacs. This was possible because of continuous and conscious efforts to exploit its increased installed capacity and generate higher Turnover and reduce its fixed and overhead cost with increase in volume of production, correspondingly.

The Company has been as in past 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 has improved substantially and this development is expected to continue in the future.

#### (b) Outlook :

Organic Chemical Industry in India continues to face competition within itself 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, portable uses.

Trading Division continues to see volatility in commodity prices and a reduced demand globally. The availability of natural resources is also proving to be a constraint for growth. The Company seeks to improve operating margin by better sourcing.

#### (c) Segment-wise Performance :

The Company's Chemicals division has shown significant working improvement during the last quarter of the year 2011-12 due to enhanced manufacturing capacity of Ethyl Acetate. The trading division posted better operating margins and higher profitability. The volatility in foreign exchange however is getting difficult to manage. But the Company has maintained its profitability by better forex and freight management.

#### (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 as to molasses and alcohol, towards allocation of the same for portable and automobile sector 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 as to Chemical division.

Trading is highly exposed to various risks: Price risk, Credit risk, Exchange risk and Freight rates. The Company tries to minimize the impact of these risks by entering into suitable hedging / forward contracts, and effective risk management tools.

#### (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 are continuously being updated and strengthened, realizing the need for the same. The overall activities / transactions were closely monitored with proper checks and controls.

# ASHOK ALCO-CHEM LIMITED

**(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 continuing solid 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, overseas markets, and volatility in foreign Exchange in which the Company operates, changes in Government regulations, tax laws and other statutes.

**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 for the year ended 31<sup>st</sup> March, 2012, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- ii) the directors had selected such accounting policies and 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 as at 31<sup>st</sup> March, 2012 and of the profit of the company for the year ended on that date ;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) the directors have prepared the annual accounts on a 'going concern' basis.

**6. Board of Directors :**

Dr. Umesh Kulkarni retires by rotation and being eligible, offers himself for re-appointment.

**7. 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.

**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.

**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 - B**.

**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 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'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.

**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.

In pursuance to Section 233-B of the Companies Act, 1956 your Directors have appointed M/s N. RITESH & ASSOCIATES to conduct the cost audit of Chemical Division at Mahad for the year 2012-2013.

**14. 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.

**15. Insurance :**

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

**16. Employees :**

Cordial 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 of the Company.

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

**Place : Mumbai**

**Date : 22.05.2012**

**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, 2012.**

### 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 :

	(₹ in Lacs )	
	2011-12	2010-11
<b>1) ELECTRICITY</b>		
a) Purchased -		
Unit (Knh in lacs)	18.90	14.59
Total Amount (Rs. In Lacs)	128.14	84.94
Cost Per Unit	6.78	5.82
b) Own Generation		
Through Diesel Generator-		
Unit (Knh 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.)	Nil	28.00
Total Amount (₹ in lacs)	Nil	6.25
Average Rate (per K.ltrs)	Nil	22.17
<b>3) DIESEL OIL</b>		
Quantity ( K. Ltrs.)	Nil	Nil
Total Amount (₹ 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)	8117	4731
Total Cost (₹ In lacs)	450.83	238.16
Average Rate (per K. Ltrs.)	5.55	5.03

#### B. Consumption per unit production :

(Please refer Notes given here in below)

	2011-2012	2010-2011
(i) Acetic Acid :		
Electricity Kwh/MT	460	460
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	560	560

(ii) Ester :		
Electricity Kwh/MT	116	239
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	561	598
(iii) Acetaldehyde		
Electricity	397	310
Coal Kg./MT	879	698

#### 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.

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.

The Company has embarked on ISO 9001:2008 implementation.

##### 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 ₹)	
	Current Year	Previous Year
i) Foreign Exchange used	715363144	885674814
ii) Foreign Exchange earned	1503022433	1623502480

For and on behalf of the Board,

Place : Mumbai,  
Date : 22-05-2012

Dr. Anil M. Kadakia  
Chairman & Managing Director

# ASHOK ALCO-CHEM LIMITED

## REPORT ON CORPORATE GOVERNANCE

### 1. Company's Philosophy:

The Company believes in good Corporate Governance in turn with the guidelines recommended by SEBI and in terms of the Listing Agreements.

Given below is the report of the Board of Directors of the Company on Corporate Governance practices being followed by the Company.

### 2. Board of Directors:

Your Company's Board comprises of 5 Directors as on 31<sup>st</sup> March, 2012 with considerable experience in their respective fields; of these, 4 Directors are Independent Directors. As per Clause 49 of the Listing Agreement, requires that if the Chairman of the Company is executive than at least one-half of the Board of the company shall consist of independent directors and we are in compliance with the above requirement.

None of the Directors on the Board is a Member of more than 10 Committee or a Chairman of more than 5 Committee (as specified in Clause 49), across all the Company in which he/she is a Director. All the Directors have intimated periodically about their Directorship and Membership in the various Board Committees of other companies, which are within permissible limits of the Companies Act, 1956 and Corporate Governance Code.

The details of the attendance of each Director at the Board Meetings and Annual General Meeting held during the year and Directorships, Membership/ Chairmanship in Board Committees of other Companies are as follows:

Name of Directors	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other Directorship held*	Other Companies Committee Position held	
					As Member	As Chairman
Dr. Anil M. Kadakia	Managing Director	4	Yes	-	-	-
Mr. Vandravan P. Shah	Independent	3	Yes	1	-	-
Dr. Umesh Kulkarni	Independent	3	Yes	-	-	-
Mr. Rajendra Shah	Independent	3	Yes	1	3	-
Mr. Manoj Ganatra	Independent	3	Yes	-	-	-

\*Other Directorship includes directorship held in Indian Listed companies only.

### Board's functioning and Procedure:

Company's Board of Directors play the primary role in ensuring good governance and functioning of the Company. All statutory and other significant and material information including information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The Board also reviews periodically the compliance of all applicable laws. The Members of the Board have complete freedom to express their opinion and decisions are taken after detailed discussion. The details of Board meetings held during FY 2011-2012 are as outlined below:

Date of Board Meeting	No of Directors Present
27 <sup>th</sup> May, 2011	4 out of 6
4 <sup>th</sup> August, 2011	5 out of 5
10 <sup>th</sup> November, 2011	3 out of 5
8 <sup>th</sup> February, 2012	5 out of 5

### 3. Audit Committee :

Your Company has an Audit Committee at the Board level which acts as a link between the management, the statutory and internal auditors, the Board of Directors and oversees the financial reporting process. The Committee presently comprises four Non-Executive Directors; all of them are Independent Directors. During the year, the Audit Committee met 4 times to deliberate on various matters. The details of the attendance by the Committee members are as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Manoj Ganatra	Chairman	4	3
Mr. Vandravan P. Shah	Member	4	3
Dr. Umesh Kulkarni	Member	4	3
Mr. Rajendra Shah	Member	4	3
Mr. Subramaniam Ayyar*	Member	1	1

\*Ceased to be the Director on resignation w.e.f. 11<sup>th</sup> July, 2011.



## ASHOK ALCO-CHEM LIMITED

1. The Chairman of the Audit Committee, Mr. Manoj Ganatra (appointed as a Director on 8<sup>th</sup> April, 2011) was present at the last Annual General Meeting of your Company held on 4<sup>th</sup> August, 2011.
2. Dr. Anil M. Kadakia, Managing Director, the representative of the Statutory Auditor, Head of the Internal Auditor are permanent invitees of the Audit Committee.
3. The Board of Directors of the company in their meeting held on 4<sup>th</sup> August, 2011 has reconstituted the Audit Committee and appointed Mr. Manoj Ganatra as a Chairman and Mr. Vandravan P. Shah as a Member of the Audit Committee.

#### 4. Remuneration Committee:

The Company has Remuneration Committee of Directors. One meeting was held during the year under review.

The Remuneration Committee has been constituted to recommend /review remuneration of the Executive Director based on their performance and defined assessment criteria.

Remuneration Policy of the Company is directed towards rewarding performance, based on the review of achievements. The Remuneration policy is in consonance with the existing Industry practice.

The remuneration of Managing Director is approved by the Board within the overall limit fixed under the law. No other Directors are being paid remuneration excluding sitting fees for meeting attended by independent Directors.

The Composition and Attendance by the Committee members is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Subramaniam Ayyar*	Chairman	1	1
Mr. Vandravan P. Shah **	Chairman	1	1
Dr. Umesh Kulkarni	Member	1	-
Mr. Rajendra Shah	Member	1	1

\*Ceased to be the Director on resignation w.e.f. 11<sup>th</sup> July, 2011.

\*\* Designated as Chairman of Remuneration Committee w.e.f. 11<sup>th</sup> July, 2011.

#### Non Executive Directors' compensation and Disclosure

All fees/compensation including sitting fee paid to the Non-Executive directors of the Company are fixed by Board of Directors within the limits approved by the shareholders. Company has increased sitting fees from Rs. 500 to Rs. 2,500 per Board Meeting and from Rs. 500 to Rs. 1,000 per Committee Meeting w.e.f. 10<sup>th</sup> November, 2011.

Executive Director is paid remuneration within the limits envisaged under Schedule XIII of the Companies Act, 1956. The said remuneration is approved by the Board as well as the Shareholders of the Company.

#### The details of Sitting fees / Remuneration paid to Directors for the year ended 31<sup>st</sup> March, 2012

##### a. Non- Executive Directors

Name of Director(s)	Sittings Fees Paid (Amt in ₹)
Mr. Vandravan P.Shah	7,500
Dr. Umesh Kulkarni	7,500
Mr. Rajendra Shah	8,500
Mr. Manoj Ganatra	9,500
Mr. Subramaniam Ayyar*	1,500

\*Ceased to be the Director on resignation w.e.f. 11<sup>th</sup> July, 2011

##### b. Executive Directors

Name of Director	Business Relationship, if any with the Company	Remuneration paid during 2011-2012
Dr. Anil M. Kadakia	Managing Director	₹ 23,93,333 p.a.

#### 5. Shareholders' Grievance Committee:

The Company has an "Investor Grievance Committee" at the Board level to deal with various matters relating to redressal of shareholders and investor grievances, such as transfer and transmission of shares, issue of duplicate shares, non-receipt of dividend/notices/ Annual Reports, etc. In addition, the Committee looks into other issues including status of dematerialisation / rematerialisation of shares and debentures, systems and procedures followed to track investor complaints and suggest measures for improvement from time to time.

## ASHOK ALCO-CHEM LIMITED

During the year under review, the Committee met once to deliberate on various matters referred above. Details of attendance by Directors for the Committee meeting is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Vandravan P. Shah	Chairman	2	2
Dr. Umesh Kulkarni	Member	2	2
Mr. Rajendra Shah	Member	2	1
Mr. Manoj Ganatra	Member	2	1
Mr. Subramaniam Ayyar*	Member	1	1

\*Ceased to be the Director on resignation w.e.f. 11<sup>th</sup> July, 2011

The Company's shares are compulsorily traded and delivered in the dematerialised form in Stock Exchange. Mr. V.B. Parikh is Compliance Officer of the Company. Details of complaints received, disposed off and pending during the year, number of shares transferred during the year, time taken for effecting these transfers and the number of share transfers pending are furnished in the "Shareholder Information" section of this Annual Report.

**Details of Shareholding of Directors as on March 31, 2012 is as follows:**

Name of Directors	No of Shares held
Dr. Anil M. Kadakia	12,33,558
Mr. Vandravan P. Shah	Nil
Dr. Umesh Kulkarni	Nil
Mr. Rajendra Shah	Nil
Mr. Manoj Ganatra	Nil

### 6. Committee on Open Offer:

The Company has formed a Committee of Independent Directors (IDC) on the Open Offer pursuant to Open Offer given by Aura Alkalies and Chemicals Pvt. Ltd. to equity shareholder of Ashok Alco-Chem Ltd. as per regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

During the year under review, the Committee met once to give Recommendations on Open offer. Details of attendance by Directors for the Committee meeting is as follows:

Name of Members	Category	No. of Meetings held	No. of Meetings attended
Mr. Vandravan P. Shah	Chairman	1	1
Dr. Umesh Kulkarni	Member	1	1
Mr. Manoj Ganatra	Member	1	1

### 7. General Body Meetings:

Details of Annual General Meetings

Location and time, where Annual General Meetings (AGMs) in the last three years were held:-

Year	Location	Date	Time
2010-2011	H.T. Parekh Board Room, Indian Merchant's Chambers, Churchgate, Mumbai – 400 020.	04.08.2011	12.30 p.m.
2009-2010	R.S. Bhatt Seminar Room, 6 <sup>th</sup> floor, Above Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai – 400 020.	17.09.2010	10.30 a.m.
2008-2009	404, Sharda Chambers Hall, 8 <sup>th</sup> Floor, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020.	25.09.2009	10.30 a.m.

In the last three years special resolution as set out in the respective notices for AGM's were passed by shareholders.

Whether any special resolution passed in last year through postal ballot? No

Person who conducted the postal exercise : NA

Whether any special resolution is proposed to be conducted through postal ballot : No