

**21<sup>ST</sup>**  
**ANNUAL REPORT**  
**2012-2013**



**ASHOK ALCO-CHEM LIMITED**

## ASHOK ALCO-CHEM LIMITED

**BOARD OF DIRECTORS** : Mr. Sridhar Chari Whole Time Director  
Mr. Sanjay Bhatia Independent Director  
Mr. Manoj Ganatra Independent Director  
Dr. Umesh Kulkarni Independent Director  
Mr. Sunil Shah Independent Director

**BANKERS** : AXIS BANK LTD.

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

**REGISTERED OFFICE** : 104, Venkatesh Chambers, 1<sup>st</sup> Floor,  
Ghanshyam Talwatkar Marg, Fort,  
Mumbai – 400 001.  
Tel. No.: 022-61446900, 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 Twenty First Annual General Meeting of the Members of Ashok Alco-Chem Limited will be held on Tuesday, September 24, 2013 at 11.00 a.m. at Babasaheb Dahanukar Sabhagriha, Maharashtra Chamber of Commerce, Orion House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors' and the Auditors' thereon.
2. To appoint a Director in place of Mr. Manoj Ganatra, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. R. A. Kuvadia & Co., Chartered Accountants, as Auditors of the Company and to fix their remuneration and to pass the following resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. R. A. Kuvadia & Co., Chartered Accountants (Registration No. 105487W), be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as may be mutually agreed between the Board of Directors and the Auditors of the Company."

### SPECIAL BUSINESS:

4. **To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Mr. Sunil Shah, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 134 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 pursuant to the provisions of Section 257 of the said Act proposing his candidature 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 thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

**"RESOLVED THAT** Mr. Sridhar Chari, who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting in terms of Section 260 of the Companies Act, 1956 and Article 134 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 pursuant to the provisions of Section 257 of the said Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, to hold office pursuant to the provisions of the Articles of Association of the Company."

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

**"RESOLVED THAT** in accordance with Sections 198, 269 and 309 and other applicable provisions, if any, of the Companies Act, 1956 and Schedule XIII of the Act or any statutory modification(s) or re-enactment thereof, approval of the Company be and is hereby accorded to the appointment of Mr. Sridhar Chari as a Whole Time Director of the Company for a period of 3 years commencing from March 25, 2013 and ending on March 24, 2016, on the terms and conditions stated in the Agreement dated March 25, 2013, executed by and between the Company and Mr. Sridhar Chari.

**RESOLVED FURTHER THAT** Mr. Sanjay Bhatia, Director, be and is hereby authorised to prepare, sign, execute and file such document(s), paper(s) and form(s), as may be required, with the Registrar of Companies, Maharashtra and other regulatory authorities and to do all such acts, things, deeds and matters as may be necessary in this regard to give effect to this resolution."

**For and on behalf of the Board**

Place: Mumbai  
Date: August 8, 2013

**Sridhar Chari**  
**Whole Time Director**

### Registered Office:

104, Venkatesh Chambers,  
1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,  
Fort, Mumbai – 400 001.

### NOTES:

1. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY(IES) TO ATTEND AND VOTE ON HIS/HER BEHALF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

The instrument appointing proxy, in order to be effective, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

## ASHOK ALCO-CHEM LIMITED

3. The Register of Members and Share Transfer Books will remain closed from Thursday, September 19, 2013 to Tuesday, September 24, 2013 (both days inclusive).
4. As per the requirement of Clause 49 of the Listing Agreement on Corporate Governance pertaining to appointment of the Directors/re-appointment of the retiring Directors, a statement containing details of the concerned Directors is attached herewith.
5. Members are requested to notify changes, if any, in their registered address to the Company's Registrar and Share Transfer Agents M/s. Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai-400 078, in case of shares held in physical form and details about their email addresses to their respective Depository Participants, in case of shares held in dematerialized/electronic form at the earliest.
6. Members are requested to hand over the enclosed attendance slip, duly signed in accordance with their specimen signatures registered with the Company for admission to the venue of the Meeting.
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 dated 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, Members are requested to send their communication directly to them in future.
9. Corporate Members are required to send to the Company a certified true copy of the Board Resolution pursuant to Section 187 of the Companies Act, 1956, authorizing their representative to attend and vote at the Annual General Meeting.
10. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 11 a.m. to 1.00 p.m. except Saturday, Sundays and public holidays upto the date of this Annual General Meeting.
11. The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various notices/ documents to its shareholders through electronic mode to the registered email addresses of shareholders.

To support this green initiative and to receive communication from the Company through electronic mode, Members who have not registered their e-mail addresses and holding shares in physical form are requested to contact the Company's Registrar & Share Transfer Agent and register their e-mail ID and Members holding shares in dematerialised form are requested to contact their Depository Participant. Members may please note that notices, annual reports etc. will also be available on the Company's website viz. [www.ashokalcochem.com](http://www.ashokalcochem.com).

### Details of Directors seeking appointment / re-appointment at the Annual General Meeting

Name of Director	Mr. Manoj Ganatra	Mr. Sunil Shah	Mr. Sridhar Chari
Date of Birth	November 21, 1962	November 7, 1962	January 15, 1963
Date of Appointment	April 8, 2011	February 8, 2013	March 25, 2013
Expertise in specific functional areas	Accounts, Finance & Taxation	Project Management & Marketing	Material Management & Commercial Operations Professional
Qualifications	B.Com, LLB & FCA	DME, AIME, (Mechanical Engineer)	BSC (Statistics), MSC (Econometrics & Mathematical Economics) and MBA (in materials and supply chain management)
List of outside Directorships held Excluding Alternate Directorship, Private Companies and Foreign Companies.	Nil	Nil	Nil
Chairman/ Member of the Committee of the Board of Directors of the Company	- Audit Committee (Chairman) - Investor Grievances Committee (Member) - Remuneration Committee (Member)	- Audit Committee (Member)	Nil
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	Nil	Nil
No. of Shares Held in the Company	Nil	Nil	Nil

## ASHOK ALCO-CHEM LIMITED

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

#### Item No. 4:

Mr. Sunil Shah was appointed as an Additional Director (category Independent and Non-Executive) of the Company with effect from February 8, 2013 and holds office as Director up to the date of this Annual General Meeting.

Mr. Sunil Shah holds degrees of DME & AIME. Being Mechanical Engineer he is having vast experience in construction and earth moving technology. He has successfully completed major projects. He is involved in marketing activities in Gujarat State. He is also associated with many charity activities.

Notice under Section 257 of the Companies Act, 1956 has been received from a Member signifying intention to propose the appointment of Mr. Sunil Shah as a Director of the Company at this Annual General Meeting.

In view of the expertise and experience of Mr. Sunil Shah, his appointment as Director of the Company is recommended by the Board.

Mr. Sunil Shah does not hold any shares in the Company.

Your Directors recommend the Ordinary Resolution set out in Item No. 4 of the Notice for approval by the Members.

None of the Directors other than Mr. Sunil Shah is interested or concerned in the Resolution.

#### Item No. 5 & 6:

During the year under review, Dr. Anil M. Kadakia (Dr. Kadakia), Chairman & Managing Director of the Company, resigned w.e.f. November 26, 2012. To fill up the vacancy caused by the retirement of Dr. Kadakia, the Company started looking for suitable managerial executive who could handle the day to day operations of the Company. Accordingly, the Board of Directors of the Company at its Meeting held on March 25, 2013 appointed Mr. Sridhar Chari (Mr. Chari) as an Additional Director.

Mr. Chari is a Graduate in Statistics, Post Graduate in Econometrics and Mathematical Econometrics and Mathematical Economics, PGDBM – from MSPI, Delhi and MBA in materials & supply chain management. Mr. Chari comes with a rich & varied experience of 27 years, across several industries and reputed companies. He has experience in unit operations, commercial activities and in setting up green field projects in India and Overseas.

Pursuant to Section 260 of the Companies Act, 1956, Mr. Chari holds office as Director up to the date of this Annual General Meeting. Notice, under Section 257 of the Companies Act, 1956, has been received from a Member signifying intention to propose the appointment of Mr. Chari as a Director of the Company at this Annual General Meeting.

Considering Mr. Chari's qualifications & vast experience and at the recommendation of and on remuneration determined by Remuneration Committee, the Board of Directors of the Company at its Meeting held on March 25, 2013 appointed him as a Whole Time Director of the Company for a period of three years commencing from March 25, 2013 and ending on March 24, 2016, subject to approval of the shareholders, pursuant to Section 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and MCA's General Circular No. 14/03/2011/CL.VII dated July 14, 2011.

The Material terms of the Agreement dated March 25, 2013, entered into between the Company and Mr. Chari, are given herein below:-

1. Designation: Whole Time Director
2. Period: Three (3) years with effect from March 25, 2013 to March 24, 2016.
3. In consideration of the performance of his duties, Mr. Sridhar Chari shall be entitled to receive salary and perquisites as stated below:
  - (I) Salary : Up to Rs. 2,65,967/- (Rupees Two Lakhs Sixty Five Thousand Nine Hundred Sixty Seven only) per month.
  - (II) Perquisites & Allowances : Provision of use of Company's car for official duties, Petrol / Diesel reimbursement, Driver's Salary and other reimbursement incurred for official purpose, in accordance with the Company's rules, the monetary value of such perquisites being restricted to Rs. 67,367/- (Rupees Sixty Seven Thousand Three Hundred Sixty Seven only) per month.
4. Mr. Chari shall not be paid any sitting fees from the Company for attending meetings of the Board of Directors or Committee thereof.
5. Mr. Chari's appointment can be terminated by either party by giving three months notice in writing.

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**In terms of the requirements as per sub-clause (iv) of the proviso to sub-paragraph (C) of Paragraph (1) of Section II of Part II of Schedule XIII to the Act, the information is as furnished below:**

I.	General Information:																							
1)	Nature of Industry	Manufacturing of Organic Chemicals and Trading of Minerals.																						
2)	Date of Commencement of commercial production	The Company is already in operation. It is a commercial production 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 : <div style="text-align: right;">(Rupees in Lacs)</div> <table><tr><td>Particulars</td><td>FY 2011-12</td><td>FY 2010-11</td><td>FY 2009-10</td></tr><tr><td>Gross Income -Turnover</td><td>32,162</td><td>28,692</td><td>19,909</td></tr><tr><td>Net Profit before Interest &amp; Depreciation</td><td>658</td><td>293</td><td>65</td></tr><tr><td>Net Profit after Tax</td><td>348</td><td>174</td><td>(36)</td></tr><tr><td>Net Worth</td><td>596</td><td>247</td><td>83</td></tr></table>				Particulars	FY 2011-12	FY 2010-11	FY 2009-10	Gross Income -Turnover	32,162	28,692	19,909	Net Profit before Interest & Depreciation	658	293	65	Net Profit after Tax	348	174	(36)	Net Worth	596	247	83
Particulars	FY 2011-12	FY 2010-11	FY 2009-10																					
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Net Worth	596	247	83																					
5)	Export performance and net foreign exchange collaboration	The Company is an Exporting Company with income earned on export of Rs. 15,030 lacs during the year 2011-12 and Rs. 16,235 lacs during the year 2010-11.  There is no foreign collaboration.																						
6)	Foreign Investments or collaborators, if any	Not Applicable																						
II.	Information about the Appointee																							
1)	Background details	Please refer Paragraph 2 of this Explanatory Statement.																						
2)	Past remuneration	Not Applicable																						
3)	Recognition or awards	-																						
4)	Job profile & his suitability	In view of Mr. Chari's rich & varied experience, he will be responsible for the overall management and supervision of the Company's commercial & operational functions.																						
5)	Remuneration proposed	Please refer Paragraph 5 of this Explanatory Statement - Material terms of the Agreement summarized above.																						
6)	Comparative remuneration profile with respect to industry, size of Company, Profile of the position & person	Taking into consideration the profile of the incumbent, the responsibilities shouldered by him, the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.																						
7)	Pecuniary relationship directly or indirectly with the Company, or relationship with the management personnel, if any	Mr. Chari, Whole Time Director, is not related to any managerial personnel in the Company. He does not have any pecuniary relationship, directly or indirectly with the Company or with any managerial personnel nor does he have any direct or indirect interest in the Equity Shares capital of the Company beside the remuneration set out above in para 5 above.																						

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III	Other information:	
1)	Reasons of loss or inadequate profits	Under utilization of production capacity of the Company due to paucity of Working Capital, keen Competition prevailing in the Market and availability of imported goods at cheaper rates.
2)	Steps taken or proposed to be taken for Improvement	i. Exploring new markets to increase sales; ii. Increasing production capacity and Installing new Plant & Machineries to manufacture New products; iii. Undertaking expansion of business activity relating to Global Trading of Minerals & other items; iv. By expansion of capacities followed by increase in production, fixed operative cost would get minimized.
3)	Expected increase in productivity	Optimum utilization of Capacity and Profits in measurable terms, expansion of Global Trading activities on larger scale would likely to generate sizeable volume of business with adequate surplus in coming years.

Mr. Chari does not hold any shares in the Company.

In compliance of Section 302 of the Companies Act, 1956, an abstract of his appointment and of remuneration payable to him as a Whole Time Director was despatched to all the Members of the Company vide notice dated April 4, 2013.

Your Directors recommend the Ordinary Resolution and Special Resolution set out in Item Nos. 5 & 6 respectively of the Notice for approval by the Members.

None of the Directors other than Mr. Chari is interested or concerned in the Resolution.

**For and on behalf of the Board**

Place: Mumbai  
Date: August 8, 2013

**Sridhar Chari**  
**Whole Time Director**

**Registered Office:**  
104, Venkatesh Chambers,  
1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg,  
Fort, Mumbai - 400 001.

# ASHOK ALCO-CHEM LIMITED

## DIRECTORS' REPORT

The Members,

**Ashok Alco-Chem Limited**  
Mumbai.

Your Directors submit their 21<sup>st</sup> Annual Report together with the Statement of Account for the year ended on March 31, 2013.

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

### 1. Financial Results:

Particulars	(Rs. in Lacs)	
	March 31, 2013	March 31, 2012
<b>Turnover</b> (Net of Excise & Sales Tax) and Other Income	<b>23754</b>	32162
Profit (Loss) before Interest, Depreciation and Tax	<b>1146</b>	658
Less: Finance Cost	<b>76</b>	104
Depreciation	<b>117</b>	99
Deferred Tax Surplus/ (Provision)	<b>(342)</b>	(109)
Current Tax	<b>51</b>	-
Add: MAT Entitlement Credit	<b>51</b>	-
Prior Period Adjustments	-	2
<b>Net Profit / (Loss) for the year</b>	<b>611</b>	348
Balance in Statement of Profit & Loss	<b>(1349)</b>	(1697)
Balance Carried Forward	<b>(738)</b>	(1349)

### 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, your Company showed moderate performance by registering Total Income of Rs. 23,754 lacs (Net of Excise and Sales Tax) as against of Rs. 32,162 lacs of previous year. Your Company also earned Net Profit of Rs. 611 lacs as against Net Profit of Rs 348 lacs in 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 Chemical Division has generated Gross Income of Rs. 7,919 lacs against Rs. 8,439 lacs of previous year.

In respect of the Global Trading Division, your Company has made efforts to concentrate on margin rich markets rather than volume based sales; as a result, while the volumes have not grown, profits have increased to Rs. 1,080 lacs in respect of Trading Division.

The overall profit for the year under review is of Rs. 611 lacs, as against profit of Rs. 348 lacs of the previous year.

Your 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 Division. With effective penetration of market and undertaking of systematic and planned approach, your Company hopes to bring improved results in coming years.

### 4. Registered Office:

During the year under review, your Company's registered office shifted from 404, Sharda Chambers, Sir Vithaldas Thackersey Marg, 33,

New Marine Lines, Mumbai - 400 020 to Room No. 104, Venkatesh Chambers, 1<sup>st</sup> Floor, Ghanshyam Talwatkar Marg, Fort, Mumbai – 400 001 w.e.f. November 27, 2012.

### 5. Management Discussion And Analysis:

#### (a) Industry Structure and Development:

Although, the overall growth rates of the global and the Indian Economy were relatively muted last year, your Company succeeded in sustaining its market share and increasing its profits. The Chemical & Metal industries are expected to be fairly resilient in the near term. In this scenario, your Company expects to sustain its volumes on one hand and focus in enhancing its margins thereon.

#### (b) Outlook:

The Industrial Chemical Industry in India is expected to register a moderate growth in the near future. Raw material cost volatility on account fluctuating exchange rates, below par industrial growth are some of the key challenges that the industry would need to overcome this year. Your Company expect to achieve a flexible sourcing and distribution network to garner higher market share and margins.

The Trading Division which is largely export oriented is expect to continue its strategy of seeking higher margins with moderate volume growth. The global metal industry to which your Company's Trading Division caters to has been experiencing a mild growth rates over the last few quarters in terms of capacity addition but the existing demand there from is expected to be fairly resilient.

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

Your Company's Chemicals Division has shown sustained capacity utilisation throughout the year despite challenging market conditions.

Although the revenues for the Trading Division in FY 2012-13 were lower than the previous financial year, the profits before interest and tax in the Trading Division grew in excess of 150%. Your Company's overall profit after tax for FY 2012-13 was Rs. 611 lacs against Rs. 348 lacs in FY 2011-12.

#### (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. Your 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. Your 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 your 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.

#### (g) Human Relations:

There have been cordial relations in your Company during the period. Your Company wishes to thank the workers, its union and leaders for their tremendous support.



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**(h) Cautionary Statement:**

Statements in the Management Discussion and Analysis describing your 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 your 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 your Company operates changes in Government regulations, tax laws and other statutes.

**6. Directors' Responsibility Statement:**

Pursuant to Section 217 (2AA) of the Companies Act, 1956, in relation to the Financial Statements of your Company for the year ended March 31, 2013, the Board of Directors reports-

- a. that in the preparation of the annual accounts for the year ended March 31, 2013, 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;
- b. that 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 March 31, 2013 and of the profit of the Company for the year ended on that date;
- c. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. that the Directors have prepared the annual accounts on a going concern basis.

**7. Board of Directors:**

In accordance with the provisions of Section 256 of the Companies Act, 1956, Mr. Manoj Ganatra, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment.

During the year under review, following changes took place:

Sr. No.	Name of the Director	Remark
1.	Mr. Sanjay Bhatia	Appointed as an Additional Director on August 9, 2012 and got appointed as a Director of the Company in the Annual General Meeting held on September 6, 2012.
2.	Dr. Anil M. Kadakia, Chairman & Managing Director	Resigned w.e.f. November 26, 2012.
3.	Mr. Vandravan P. Shah	Passed away on February 6, 2013.
4.	Mr. Sunil Shah	Appointed as an Additional Director w.e.f. February 8, 2013.
5.	Mr. Sridhar Chari	Appointed as an Additional Director and Whole Time Director w.e.f. March 25, 2013.

Subsequent to the year under review, Mr. Rajendra Shah, Director, resigned from the Company w.e.f. April 5, 2013.

**8. 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.

**9. 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.

**10. 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.

**11. Compliance Certificate:**

In terms of Section 383 A of the Companies Act, 1956, the Company has received Compliance Certificate from Practicing Company Secretaries which is annexed to this Report as **Annexure – B**.

**12. Corporate Governance:**

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

**13. Report on Corporate Social Responsibility:**

Your 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 your Company encourages all its employees and other participants to ensure a positive impact and its commitment towards Corporate Social Responsibility.

Your Company respects human rights, values its employees, and invests in technologies and solutions for economic growth. Your 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.

**14. Health Safety and Environment:**

Your Company's commitment to excellence in Health and Safety is embedded in Your Company's core values. Your 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. Your Company is aware of the environmental impact of its operations and it continually strives to reduce such impact.

**15. 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.

Pursuant to the provisions of Section 233B of the Companies Act, 1956 and with the prior approval of Central Government, the Company has appointed M/s N. Ritesh & Co. as the cost auditor(s) of the Company to conduct the audit of cost accounting records maintained by the Company relating to "Chemicals" for the financial year 2013-14.

**16. 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.

**17. Insurance:**

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

**18. Employees:**

Cordial atmosphere of understanding prevailed at all levels of employees of your Company.

**19. 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 your Company.

**For and on behalf of the Board**

**Place: Mumbai**

**Date: August 8, 2013**

**Sridhar Chari**

**Whole Time Director**

**Sanjay Bhatia**

**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 March 31, 2013.**

### 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)	
	2012-13	2011-12
<b>1) ELECTRICITY</b>		
a) Purchased -		
Unit (Knh in lacs)	20.64	18.90
Total Amount (Rs. In Lacs)	162.29	128.14
Cost Per Unit	7.86	6.78
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	Nil
Total Amount (Rs. in lacs)	Nil	Nil
Average Rate (per K.Ltrs)	Nil	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)	8816	8117
Total Cost (Rs. In lacs)	475.16	450.83
Average Rate (per K. Ltrs.)	5.40	5.55

#### B. Consumption per unit production:

(Please refer Notes given here in below)

	2012-2013	2011-2012
(i) Acetic Acid:		
Electricity Kwh/MT	460	460
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	560	560

(ii) Ester:		
Electricity Kwh/MT	121	116
Furnace Oil Ltr./MT	Nil	Nil
Coal Kg./MT	592	561
(iii) Acetaldehyde		
Electricity	262	397
Coal Kg./MT	540	879

#### 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 used.

	(Amount in Rs.)	
	Current Year	Previous Year
i) Foreign Exchange used	Nil	715363144
ii) Foreign Exchange earned	1382621035	1503022433

For and on behalf of the Board

Place: Mumbai	Sridhar Chari	Sanjay Bhatia
Date: August 8, 2013	Whole Time Director	Director