

19TH
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

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 4th 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 31st 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 3rd April, 2011 to 2nd 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 1st August, 2011 to Thursday, 4th 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 1st 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 2nd 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 11th February, 2011, reappointed him as the Managing Director, for a period of three years effective from 3rd 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 3rd April, 2011 to 2nd 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.

ASHOK ALCO-CHEM LIMITED

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 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 :

Name of Company	Turnover	Directors' Remuneration (Rs. In Lacs)
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

ASHOK ALCO-CHEM LIMITED

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 during 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 st 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 19th Annual Report together with the Statement of Account for the year ended 31st March, 2011.

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

1. Financial Results :

	(Rs. In Lacs)	
Particulars	31 st March, 2011	31 st March, 2010
Turnover (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
Net Profit / (Loss) for the Year	174	(36)
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 31st, 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 14th September, 2010 and 8th 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 14th 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 31st 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
1) ELECTRICITY		
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
2) FURNACE OIL		
Quantity (K. Ltrs.)	28.00	Nil
Total Amount (Rs. In lacs)	6.25	Nil
Average Rate (per K. ltrs.)	22.17	Nil
3) DIESEL OIL		
Quantity (K. Ltrs.)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average Rate (per K. Ltrs.)	Nil	Nil
4) COAL		
(Steam Coal of Grade A/B used as fuel for Boiler)		
Quantity (MT)	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

ASHOK ALCO-CHEM LIMITED

Annexure "B"

Company Identification No. : L24110MH1992PLC069615

Authorised Capital : Rs.700 Lacs

Date of AGM : 4-8-2011

COMPLIANCE CERTIFICATE

To,
The Members
ASHOK ALCO-CHEM LIMITED
404, Sharda Chambers, New Marine Lines,
Mumbai.

I have examined the registers, records, books and papers of **ASHOK ALCO-CHEM LIMITED** as required under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2011. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year.

1. The Company has kept and maintained all registers as stated in Annexure "A" to this certificate as per the provisions of the Act and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made there under.
3. The Company being Public limited Company has the minimum prescribed paid-up capital and its maximum number of members during the said financial year were 3,344 (Three Thousand Three Hundred Forty four only).
 - (i) has not invited public to subscribe for its shares or debentures; and
 - (ii) has not accepted deposits from public during the year under review.
4. The Board of Directors duly meet 4 (Four) times on 29.05.2010, 11.08.2010, 12.11.2010 and 11.02.2011 in respect of which meetings proper notices were given and the proceedings including Circular Resolutions passed on 14.6.2010 and 14.09.2010 by the Directors, were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 10.09.2010 to 14.09.2010 (both days inclusive), during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2010 was held on 14.09.2010 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the period under review.
8. The Company has not advanced loan to its Directors and / or persons or firms or Companies referred to under Section 295 of the Act except to a firm listed in the Register maintained under Section 301 of the Act, during the year under review.
9. The Company was not required to comply with the provisions of Section 297 of the Act in respect of the Contracts specified in that Section.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13.
 - (i) During the year under review, the Company has not allotted any shares but registered transfer of shares as per transfer requests received with duly executed valid documents.
 - (ii) The Company has not declared and hence was not required to deposite amount of Dividend in Separate Bank Account, during the year.
 - (iii) The Company was not required to post warrants to the members of the Company.
 - (iv) During the year, the Company transferred amount of unclaimed dividend account and application money due for refund, which were remained unclaimed or unpaid for the period of Seven years, to Investor Education and Protection Fund.
 - (v) The Company has duly complied with the requirement of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. During the year, one Director resigned as a Director whereas Two persons were appointed as Additional Directors, during the year under review.
15. The Company, being a Public Limited Company, Provision of the Act with regard to re-appointment of Managing Director and payment of remuneration to him, as are applicable, have been complied with.
16. The Company has not made appointment of any sole-selling agent during the year under review.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such authorities as may be prescribed under the various provisions of the Act.
18. The Directors have disclosed their interest in other firms/Companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

ASHOK ALCO-CHEM LIMITED

19. The Company has not issued any Shares, Debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. There were no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the Company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not accepted deposit from public falling within the purview of Section 58A during the financial year.
24. The Company, being a Public Company, the borrowing made during the year, do attract provision of Section 293(1)(d) of the Act and the Company has already complied with requirements of relevant provisions of the Act.
25. The Company has not taken any loan however provided counter guarantee with due compliance of provisions of Section 372A of the Act.
26. The Company has not altered the provisions of the Memorandum with respect to situation Clause of the Company's Registered Office from one State to another State during the year under scrutiny.
27. The Company has not altered the provisions of Memorandum with respect to the Object Clause of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to Name Clause of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to Share Capital Clause of the Company during the year under scrutiny.
30. The Company has adopted new set of Articles of Association of the Company in substitution of earlier, during the year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from the employees during the financial year.
33. The Company has deducted and deposited contribution towards Provident Fund with appropriate authorities pursuant to Section 418 of the Act.

Place : Baroda
Date : 27.05.2011

Signature : Sd/-
Name of Company Secretary : Jayesh Vyas
C.P.NO. : 1790
F.C.S.NO. : 5072

Annexure "A"

Registers as maintained by the Company

1. Register of Charges u/s.143.
2. Register of Members u/s.150.
3. Minutes Book of Board Meetings u/s.193.
4. Minutes Book of General Meetings u/s.193.
5. Register of Disclosures of interest by Directors u/s.301.
6. Register of Contract u/s.301.
7. Register of Directors u/s.303.
8. Register of Directors Shareholdings u/s.307.
9. Register of Investment, Loans & Guarantee u/s 372A.

Annexure "B"

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ending on 31st March, 2011.

1. Form 20B with Annual Return filed u/s.159.
2. Form 23AC & 23ACA with Balance Sheet & Profit & Loss Account filed u/s.220.
3. Form 66 with Compliance Certificate u/s. 383A.
4. Form 23 u/s. 192.
5. Form 8 u/s. 125.
6. Form 32 (4) u/s. 303 (2)
7. Form 1(4) of Pursuant to rule 3 of the Investor Education & Protection Fund(Awareness and Protection of Investors) Rules, 2001.

ASHOK ALCO-CHEM LIMITED

Annexure "C" Report on Corporate Governance

1. Company's Philosophy :

The Company believes in good corporate Governance in tune 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 :

The Board of Directors was consisting of Five Directors with Promoter, Chairman & Managing Director with Four Non Executive Independent Directors as on 31st March, 2011. The Composition of the Board was in conformity with Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE).

None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49, across all the Companies in which he is a Director. Necessary disclosure regarding Committee position in other Public Companies as at 31st March, 2011, have been made by the Directors.

Board Meetings :

During the year 2010-11, the Board met 4 times on 29.05.2010, 11.08.2010, 12.11.2010, and 11.02.2011. The longest gap between any two Board Meetings did not exceed four months.

A brief resume of the directors being appointed and reappointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of Companies in which they hold directorship and membership of the committees of the Board, Number of shares held in the Company, are annexed to the Notice.

The names and categories of the Directors, their attendance at Board Meetings, Annual General Meeting, No of directorships in other Companies and Committees etc are given below :

Name of Directors	Category of Directorship	No. of Board Meetings attended	Attendance at last AGM	No. of other companies in which he is directors/ chairman	No. of Committees of other Companies in which he is a Member/ Chairman
Dr. Anil M. Kadakia	Promoter, Chairman & Managing Director	4	Yes	5	–
Mr. Vipin P. Shah	Non-Executive Independent	3	No	–	–
Mr. Pankaj M. Kadakia*	Promoter & Non Executive	–	No	5	–
Dr. Umesh Kulkarni	Non-Executive Independent	3	No	–	–
Mr. Subramaniam Ayyar	Non-Executive Independent	4	Yes	1	–
Mr. Rajendra Shah**	Non-Executive Independent	1	No	1	–

* Ceased to be the Director on resignation with effect from 14-06-2010

** Appointed as an Additional Director with effect from 14-09-2010

None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company. Necessary information as mentioned in Annexure 1A to the Clause 49 of the Listing Agreement has been placed before the Board for their consideration.

Shareholding of Directors with their Relatives :

Names of Directors	No. of Shares
Dr. Anil M. Kadakia	21,39,640
Mrs. Urvashi Ashok Kadakia	14,800
Mrs. Shobhana Anil Kadakia	1,58,303

Code of Conduct :

The Board of Directors of the Company have adopted Code of Conduct for all Board Members and Senior Management of the Company. The Board members have affirmed compliance to the Code of Conduct. The Company has posted the Code of Conduct on its Website.

ASHOK ALCO-CHEM LIMITED

3. Audit Committee :

The Board has constituted Audit Committee pursuant to Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement with Bombay Stock Exchange Limited (BSE) with the required terms of reference as per the above referred statutory requirements.

The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and the integrity and quality of the financial reporting.

The Company has an Audit committee comprising with Dr. Umesh Kulkarni, Mr. Subramaniam Ayyar, and Mr. Pankaj Kadakia as the Members with Mr. Vipin Shah, as the Chairman. The Committee met on 29.05.2010, 11.08.2010, 12.11.2010, and 11.02.2011 and during the year the attendance of the members at the meetings was as follows :

Name of Members	Status	No. of Meetings held	No. of Meetings attended
Mr. Vipin Shah	Chairman	4	3
Dr. Umesh Kulkarni	Member	4	3
Mr. Subramaniam Ayyar	Member	4	4
Mr. Pankaj Kadakia*	Member	1	-

* Ceased to be the Member on resignation as a Director with effect from 14-06-2010

The Company has not denied any personnel, access to the Audit Committee of the Company and the situation has not arisen to provide protection to "whistle blowers" from unfair termination and other unfair or prejudicial employment practices.

4. Remunerations Committee:

The Company has Remuneration Committee of Directors Dr. Umesh Kulkarni and Mr. Vipin Shah, as the Members with Mr. Subramaniam Ayyar, as the Chairman. 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 including sitting fees for meeting attended by independent Directors, in view of weak financial position.

The aggregate value of salary and perquisites for the year ended 31st March, 2011 paid to Dr. Anil Kadakia, Managing Director was paid 24.00 lacs as Salary.

No sitting fees were paid to Non Executive Directors during the year 2010-2011.

As of now, the Company does not have any employee stock option plan..

There were no other pecuniary relationship or transactions of the Non Executive Director vis-à-vis the Company. The Company has not granted any stock option to any of its Directors.

5. Shareholders'/Grievance Committee :

The Board has Shareholders'/Grievance Committee, comprising of Mr. Vipin Shah, Dr. Umesh Kulkarni and Mr. Subramaniam Ayyar as the Members with Mr. Vipin Shah, as the Chairman. The Board has appointed Mr. Vibhakar B. Parikh, as the Compliance Officer.

The Committee, inter alia, oversees and reviews all matters connected with the securities and looks into shareholders complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividend etc. The Committee oversees the performance and the working of M/s. Link Intime India Private Ltd., the Registrar & Transfer Agent and of the Secretarial Department and recommends measures for overall improvement in the quality of investor services.

During the year 2010-11, the Committee 29.05.2010, 11.08.2010, 12.11.2010, and 11.02.2011 which were attended by Committee Members, as under :

Name of Members	Status	No. of Meetings held	No. of Meetings attended
Mr. Vipin Shah	Chairman	4	3
Dr. Umesh Kulkarni	Member	4	3
Mr. Subramaniam Ayyar	Member	4	4
Mr. Rajendra Shah	Member	1	1

As on 31.03.2011, there were no Investor Grievances remaining unattended / pending for redressal for more than 30 days.

ASHOK ALCO-CHEM LIMITED

6. General Body Meetings

Details of the location of the last three Annual General Meetings are as under:

Annual General Meetings	Day & Date and Time	Locations
18 th AGM	Tuesday, 17-09-2010 At 10.30 a.m.	R.S.Bhatt Seminar Room, 6 th Floor, Above Patkar Hall, SNDT Women's University, New Marine Lines, Mumbai-400020.
17 th AGM	Friday, 25-09-2009 At 10.30 a.m.	404, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020
16 th AGM	Tuesday, 30.09.2008 At 10.30 a.m.	Sharda Chambers Hall, 8 th floor, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020.

Whether special resolutions were put through postal ballot last year? Yes.

- i. Postal Ballot process was carried out for Special business viz.;
Yes, For adoption of new set of Articles of Association in place of existing.
- ii. Are polls proposed to be conducted through postal ballot this year? No

7. Disclosures:

There were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. No penalties or strictures have been imposed on the Company by SEBI or any Statutory Authority on any matter related to capital markets. The Company's scrip has been temporarily suspended for trading for, inter alia, not having paid listing fees because of financial constraints.

8.1 Compliance of Mandatory Requirements :

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the listing agreements with the **BSE**.

8.2 Compliance of Non Mandatory Requirements :

The Company has adopted the non-mandatory requirements as regards the provisions relating to the Remuneration Committee. The Quarterly Financial Results are at times published in newspapers, and also sent to the shareholders on request. The Company affirms that no employee has been denied access to the Audit Committee. As regards the other non mandatory requirements the Board has taken cognizance of the same and shall consider adopting the same as and when necessary.

8.3. Means of Communication

The quarterly half-yearly and yearly financial results of the Company are normally sent to the BSE immediately after the same are approved by the Board and published in newspapers. They are submitted to the BSE in accordance with the Listing Agreement and are supplied through E-Mail & posts to the Shareholders on demand.

9. General Shareholder Information :

(a) 19th Annual General Meeting

Date and Time	:	4 th August , 2011 at 12.30 p.m.
Venue	:	H.T.Parekh Board Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020.

(b) Financial Calendar :

Board Meeting to approve Unaudited Financial results for	Period
Quarter ending September 30 th , 2011	On or before 14 th November, 2011
Quarter ending December 31 st , 2011	On or before 14 th February, 2012
Quarter ending March, 31 st , 2012	On or before 14 th May, 2012
Quarter ending June 30 th , 2012	On or before 14 th August, 2012
Audited Financial Results	By 31 st August, 2012

- | | | |
|-------------------------------|---|--|
| (c) Date of Book Closure | : | Monday, 1 st August, 2011 to Thursday, 4 th August, 2011 (both days inclusive) |
| (d) Dividend payment Date | : | Not Applicable |
| (e) Listing on Stock Exchange | : | The Bombay Stock Exchange Limited, Mumbai |
| (f) Company Code | : | 524594 |

ASHOK ALCO-CHEM LIMITED

(g) Market Price Data:

Trading in Equity Shares recommenced on the BSE from April, 2010 to March, 2011. Details relating thereto are provided hereunder.

Months	Share Price of Ashok Alco-Chem Limited			BSE Sensex	
	High	Low	Volume	High	Low
April 2010	11.90	9.40	14,568	18,047.86	17,276.80
May 2010	11.40	8.80	16,802	17,536.86	15,960.15
June 2010	13.70	8.70	61,674	17,919.62	16,318.39
July 2010	15.20	11.00	45,451	18,237.56	17,395.58
August 2010	20.14	11.73	1,90,904	18,475.27	17,819.99
September 2010	25.60	18.35	1,73,352	20,267.98	18,027.12
October 2010	20.75	17.75	40,506	20,854.55	19,768.96
November 2010	21.25	12.00	56,626	21,108.64	18,954.82
December 2010	13.50	11.15	21,918	20,552.03	19,074.57
January 2011	13.70	11.16	6,154	20,664.80	18,038.48
February 2011	13.00	10.79	5,254	18,690.97	17,295.62
March 2011	11.88	8.41	6,745	19,575.16	17,792.17

(h) Registrar & Share Transfer Agents:

Link Intime India Pvt. Ltd.
203, Daver House, 2nd Floor,
197/199, Dr. D. N. Road,
Mumbai-400001
Phone No. 2265 6929 / 27

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai-400 078
Phone No. : 25963838, Fax No. 25946969
Email : isrl@vsnl.com

Share Transfer System:

Shares lodged for transfer in physical form are processed and duly transferred Share Certificates are sent within 30 days of receipt of the valid documents. The Shares are transferred at an interval of 15 days time.

Dematerialization of Shares : Electronic holding by members constitute 23.43% of the total Equity Capital of the Company.

The Members are requested to get their shares demated to facilitate better custody and easy dealings.

(i) Distribution of Shareholding :

The Distribution of Shareholding as on 31st March, 2011

No of Shares	No. of Shareholders	% of ShareHolders	No. of Shares Held	% of Total Share holders
Up to 500	3048	91.15	411829	10.91
501 to 1000	150	4.49	122263	3.24
1001 to 2000	74	2.21	108704	2.88
2001 to 3000	27	0.81	69503	1.84
3001 to 4000	13	0.39	46079	1.22
4001 to 5000	10	0.30	44228	1.17
5001 to 10000	13	0.39	90246	2.39
10001 & above	9	0.27	2882491	76.35
Total	3344	100.00	37,75,343	100.00

(j) Shareholding Pattern as on 31st March, 2011 :

Associates	No. of Shares held	% of Shareholding
1. Directors & Relatives (Promoter)	23,12,743	61.26
2. Mutual Funds & Bank	5,00,200	13.25
3. Non Residents	4,770	0.20
4. Corporate Bodies	67,350	1.78
5. Indian Public	8,78,498	23.27
6. Others	9,082	0.24
TOTAL	37,75,343	100.00

(k) Outstanding GDRs/ADRs Warrants

: Not Applicable

(l) Plant Location

: Plot No.A-22/2/1, Mahad Industrial Area,
Vill.-Kamble, Mahad- 402301, Dist. Raigad, Maharashtra

(m) Address of Correspondence

: 404, Sharda Chambers, 33, New Marine Lines, Mumbai – 400 020.

ASHOK ALCO-CHEM LIMITED

CERTIFICATE OF PRACTICING COMPANY SECRETARY

To,
The Members,
Ashok Alco-Chem Limited
Mumbai.

We have examined the compliance of conditions of Corporate Governance by **Ashok Alco-Chem Limited** for the year ended 31st March, 2011 as stipulated in clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited.

The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to producers and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Jayesh Vyas & Associates
Practising Company Secretary

Jayesh Vyas

Place : Vadodara

Date : 27th May, 2011

FCS : 5072 CP : 1790

DECLARATION

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of Conduct :

This is to confirm that the Company has adopted a Code of Conduct for its employees , Non executive Directors and Executive Director.

I confirm that the Company has, in respect of the financial year ended 31st March, 2011 received from the Senior Management Team of the Company and the Members of the Board, declaration of Compliance with the Code of Conduct as applicable to them.

Place : Mumbai

Date : 27th May, 2011

Dr. Anil M. Kadakia

CEO & Managing Director

CERTIFICATE

To,
The Board of Directors,
Ashok Alco-Chem Ltd.,
Mumbai.

This is to certify that ;

I have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief, these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading, these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.

I have indicated to the auditors and the Audit Committee,

- significant changes in Internal Control during the year ;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
- instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant rolls in the Company's internal control system.

Place : Mumbai

Date : 27th May, 2011

Dr. Anil M. Kadakia

CEO & Managing Director

ASHOK ALCO-CHEM LIMITED

AUDITOR'S REPORT

**TO
THE MEMBERS
ASHOK ALCO CHEM LIMITED
MUMBAI**

We have audited the attached Balance Sheet of **ASHOK ALCO CHEM LIMITED**, as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by Companies (Auditors Report) Order, 2003 issued by the central Government in terms of Section 227 (4A) of the Companies Act, 1956, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 & 5 of the said order.

Further to our comments as above, we report that;

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion, proper books of account as required by law

have been kept by the Company so far as appears from our examination of those books;

3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
4. In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.
5. According to information and explanations given to us and on the basis of written representations received from the Directors of the Company and taken on record by the Board of Directors, we report that none of the Director is disqualified as on 31st March, 2011 from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.
6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read along with other notes to accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - b) In the case of Profit and Loss Account, of the **PROFIT** for the year ended on that date, and
 - c) In case of Cash Flow Statement, cash flow for the year ended on that date.

**For R.A. KUVADIA & Co.
Chartered Accountants**

**(R.A. KUVADIA)
Proprietor
M. No. 40087**

**Place : Mumbai
Date : 27.05.2011**

Annexure referred to in Paragraph 3 of our report of even date

1. (a) The Company is in the process of updating the records showing particulars, including quantitative details and situation of fixed assets;
(b) The fixed assets have been physically verified by the management and we are informed that no major discrepancies were noticed on such verification;
(c) In our opinion and according to the information and explanations given to us, during the year the Company has not disposed of substantial part of fixed assets and the going concern status of the Company is not affected.
2. (a) The stock of Finished Goods, Raw materials, Stores and consumables and trading Material was physically verified by the Management at the year end;
(b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of stocks followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of inventories. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us, the Company has taken unsecured loans from parties covered in the register maintained under Section 301 of the Companies Act, 1956 and the terms and conditions of the loans are not prejudicial to the interest of the Company.
(b) Deposits and advances given to parties listed under section 301 for use of the assets or otherwise are free of interest. The loans or advances in nature of loan from companies or parties listed in the register maintained under section 301 of Companies Act 1956 are, prima facie, not prejudicial to the interest of the Company. There are no stipulations as to repayments of loans.
4. In our opinion and according to the information and explanation given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed asset and with regard to the sale of goods. During the course of our audit, and according to the information and explanations given to us, we have neither come across nor have been informed of

ASHOK ALCO-CHEM LIMITED

any continuing failure to correct major weaknesses in the internal control system.

5. (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section;
- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements exceeding value of rupees five lacs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not complied with the directives issued by The Reserve Bank of India and provisions of section 58A and the rules there under.
7. The Company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and explanations given to us the maintenance of cost records under sec 209(1)(d) of The Companies Act, 1956 has not been prescribed by Central Government for any of the products of the Company for the year under review .
9. (a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales tax, Wealth Tax, Service Tax, Customs duty, Excise Duty, Cess and other material statutory dues applicable to it except for marginal delays.
- (b) According to the records of the Company and subject to method of accounting consistently followed by it the undisputed amount payable to appropriate authorities in respect of - Sales-tax for the F. Y. 2000-2001 Rs. 34.54 lacs, F. Y. 2001-2002 Rs. 40.19 lacs, F. Y. 2002-2003 Rs. 59.37 lacs, F. Y. 2003-2004 Rs. 18.68 lacs and F.Y 2004-2005 Rs.38.09; Sales Tax Deferment Dues Rs. 214.41 lacs; Income Tax Rs. 80.76 lacs for the F.Y.1997-98 and Rs 8.95 lacs for F. Y. 1998-1999; Corporate Dividend Tax Rs. 6.88 lacs for F. Y. 1999-2000 were outstanding as on 31.03.2011 or a period of six months from the date they become payable.
- (c) In case of Income Tax for the A. Y. 1996-1997 Rs. 50.20 lacs and A. Y. 1999-2000 Rs. 99.37 Lacs an appeal is pending before appropriate authorities.
10. The Company has accumulated losses in excess of free reserves. The Company has not incurred cash loss during the year under review.
11. The Company has not defaulted in repayment of dues to financial institution or banks or debenture holders.
12. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
13. According to the information and explanations given to us the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) are not applicable to the Company.
15. The Company has invested in mutual funds. The Company has maintained proper records of transactions and contracts and the same has been held in the name of the Company.
16. According to the information and explanations given to us, the Company has not taken any new term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short-term basis, prima facie, have not been used during the year for long-term investments
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
19. The Company has not raised any money through a public issue during the year.
20. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year under review.

**For R.A. KUVADIA & Co.
Chartered Accountants**

**(R.A. KUVADIA)
Proprietor
M. No. 40087**

**Place : Mumbai
Date : 27.05.2011**

ASHOK ALCO-CHEM LIMITED**BALANCE SHEET AS AT 31ST MARCH, 2011**

	SCHEDULE	RUPEES	As at 31.03.2011 RUPEES	As at 31.03.2010 RUPEES
SOURCES OF FUNDS :				
Shareholders' Funds				
Share Capital	1	37,753,430		37,753,430
Reserves & Surplus	2	<u>156,760,025</u>		157,745,893
			194,513,455	195,499,323
Loan Funds				
Secured Loans	3	50,026,562		-
Unsecured Loans	4	<u>81,826,408</u>		83,067,250
			131,852,970	83,067,250
			<u>326,366,425</u>	<u>278,566,573</u>
APPLICATION OF FUNDS :				
Fixed Assets				
(a) Gross Block	5	299,436,917		308,074,468
(b) Less: Depreciation		<u>207,911,695</u>		214,492,489
(c) Net Block			<u>91,525,222</u>	93,581,979
			91,525,222	93,581,979
Investments	6		14,000	14,000
Deferred Tax Assets			34,312,796	26,286,957
Current Assets, Loans and Advances				
(a) Inventories	7	50,728,716		46,063,332
(b) Sundry Debtors	8	452,312,765		337,898,818
(c) Cash & Bank Balances	9	18,604,342		27,637,457
(d) Loans & Advances	10	<u>77,455,591</u>		71,972,254
			599,101,414	483,571,861
Less: Current Liabilities and Provisions				
(a) Liabilities	11	555,952,427		499,658,693
(b) Provisions	12	<u>12,410,337</u>		12,410,337
			568,362,764	512,069,030
Net Current Assets			30,738,650	(28,497,169)
Balance in Profit and Loss account			<u>169,775,757</u>	187,180,806
			<u>326,366,425</u>	<u>278,566,573</u>
Accounting Policies and Notes on Accounts	18			

As per our report of even date

For R. A. Kuvadia & Co.
Chartered AccountantsR. A. Kuvadia
Proprietor
Membership No. 40087Place : Mumbai
Date : 27th May, 2011

For Ashok Alco-Chem Ltd.

Dr. Anil M. Kadakia
Chairman & Managing DirectorMr. Vipin P. Shah
Director

ASHOK ALCO-CHEM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

		For the Year ended 31.03.2011 RUPEES	For the Year ended 31.03.2010 RUPEES
SCHEDULE		RUPEES	RUPEES
INCOME :			
Sales Turnover(Gross)		2,854,689,656	2,027,740,541
Less : Excise Duty		27,471,361	12,021,232
Less: V A T		11,686,467	6,557,942
		<u>2,815,531,828</u>	<u>2,009,161,367</u>
Other Income	13	18,823,806	9,045,836
Foreign Exchange Difference		34,801,068	(27,346,416)
		<u>2,869,156,702</u>	<u>1,990,860,787</u>
EXPENDITURE :			
Manufacturing Trading & Establishment Expenses	14	1,557,898,303	1,395,546,307
(Increase)/Decrease in Stocks	15	3,115,766	(33,973,445)
Administrative, Selling & General Expenses	16	1,278,839,965	622,751,478
Finance Cost	17	9,795,570	873,765
		<u>2,849,649,604</u>	<u>1,985,198,105</u>
Profit / (Loss) before Depreciation		19,507,098	5,662,682
Add : Depreciation		10,905,729	14,628,925
Less : Transfer from Revaluation Reserve		985,868	3,209,658
		<u>9,919,861</u>	<u>11,419,267</u>
Profit / (Loss) before Taxation		9,587,237	(5,756,585)
Less Provision For Taxation			
Deferred Tax		8,025,839	3,675,860
		<u>17,613,076</u>	<u>(2,080,725)</u>
Profit/(Loss) After Taxation		17,613,076	(2,080,725)
Add : Extra Ordinary Item			1,325,627
Less : Prior Period Adjustments		208,027	207,634
		<u>17,405,049</u>	<u>(3,613,986)</u>
Add : Profit/(Loss) upto last Year		(187,180,806)	(183,566,820)
Balance Carried to the Balance Sheet		<u>(169,775,757)</u>	<u>(187,180,806)</u>
Earning per Share(EPS)			
a) Basic & Diluted before exceptional item		4.61	(0.55)
b) Basic & Diluted after exceptional item		4.61	(0.96)
Face Value of Share Rs.10/-			
Accounting Policies and Notes on Accounts	18		

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

R. A. Kuvadia
Proprietor
Membership No. 40087

Place : Mumbai
Date : 27th May, 2011

For Ashok Alco-Chem Ltd.

Dr. Anil M. Kadakia
Chairman & Managing Director

Mr. Vipin P. Shah
Director

ASHOK ALCO-CHEM LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 RUPEES	As at 31.03.2010 RUPEES
SCHEDULE - 1 : SHARE CAPITAL :		
Authorised :		
50,00,000 Equity Shares of Rs.10/- each	50,000,000	50,000,000
20,00,000 11% Cumulative Redeemable Preference Shares of Rs.10/- each	20,000,000	20,000,000
	70,000,000	70,000,000
Issued, Subscribed & Paid-up :		
3775343 (pr. year 37,75,343) Equity Shares of Rs.10/- each fully paid up	37,753,430	37,753,430
Note :		
1. Of the above, 8,00,112 Equity Shares of Rs.10/- each were allotted on 07.10.1993 as Bonus Shares by capitalisation of Rs.80,01,120/- from revaluation reserves in terms of resolution passed by the members at Annual General Meeting held on 30.09.1993.		
2. 500000 shares allotted to SICOM ARC LTD for consideration other than cash in terms of resolution passed by the members at the extra ordinary general meeting held on 29.01.2009		
SCHEDULE - 2 : RESERVES & SURPLUS :		
1. Capital Subsidy	2,500,000	2,500,000
2. Revaluation Reserve		
As per Last Balance Sheet	985,868	4,195,526
Less: Transferred to Profit & Loss Account	985,868	3,209,658
	-	985,868
3. Share Premium Account	61,879,025	61,879,025
4. Capital Reserve	92,381,000	92,381,000
	156,760,025	157,745,893
SCHEDULE - 3 : SECURED LOANS :		
1. Working Capital Loan from Axis Bank Ltd		
Borrowings are for working capital and are secured creating first charge of entire current assets of the company and Personal guarantee from Managing Director of the company		
	50,026,562	-
	50,026,562	-
SCHEDULE - 4 : UNSECURED LOANS :		
Short Term Loan - Directors	579,391	2,770,233
Intercorporate Deposit	79,000,000	79,000,000
Others	2,247,017	1,297,017
	81,826,408	83,067,250

SCHEDULE - 5 : FIXED ASSETS

ASSETS	GROSS BLOCK AS ON 01-04-10	ADDITIONS 2010-11	SALE/ ADJ. 2010-11	GROSS BLOCK AS ON 31-03-2011	TOTAL DEPR. UPTO 31-03-2011	DEPR. FOR 31-03-2011	DEPR. SALE/ ADJ.	TOTAL DEPR. 31-03-2011	NET BLOCK 31-03-2011	NET BLOCK AS ON 31-03-2010
FREE HOLD LAND	0	15,311,942		15,311,942		0		0	15,311,942	0
LEASEHOLD LAND	7,304,000	0	0	7,304,000	215,507	12,677	0	228,184	7,075,816	7,088,493
BUILDINGS	23,621,395	0	0	23,621,395	6,444,838	416,149	0	6,860,987	16,760,408	17,176,557
PLANT & MACHINERY	267,687,965	374,178	24,516,255	243,545,888	146,092,907	8,905,781	17,486,523	137,512,164	106,033,724	121,595,058
FURNITURE & FITTINGS	4,770,174	192,584	0	4,962,758	4,418,604	159,209	0	4,577,813	384,945	351,570
VEHICLES	4,690,934	0	0	4,690,934	4,064,696	426,045	0	4,490,741	200,193	626,238
TOTAL	308,074,468	15,878,704	24,516,255	299,436,917	161,236,552	9,919,861	17,486,523	153,669,889	145,767,028	146,837,917
PREVIOUS YEAR	308,000,649	73,819	0	308,074,468	149,817,285	11,419,267	0	161,236,552	146,837,917	158,183,364

Note: 1 Gross Block includes revaluation as on 31st March, 1994 of Leasehold Land (RS.60,87,005), Building (RS.42,57,704) and plant & Machinery (RS.5,18,98,217). The aforesaid amounts in aggregate of Rs.8,25,23,797 were debited to the fixed assets and were credited to revaluation reserve.
2 Depreciation (a) for the year is net of transfer from revaluation reserve Rs. 985868/- (Previous Year Rs.32,09,658), and (b) as on 31st March, 2011 is net of cumulative transfer from revaluation reserve of Rs.5,42,41,806/- (Previous Year Rs. 5,32,55,938/-)

ASHOK ALCO-CHEM LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET

	As at 31.03.2011 RUPEES	As at 31.03.2010 RUPEES
SCHEDULE - 6 : INVESTMENTS :		
(At Cost)(Quoted,unless otherwise stated)		
1. 7 Nos. (Previous Year: 7 Nos.) Shares of Rs.2000/- each fully paid-up of Mr. Chhatrapati S.S.K.Ltd.(Unquoted)	14,000	14,000
	<u>14,000</u>	<u>14,000</u>
SCHEDULE - 7 : INVENTORIES :		
1. Raw Materials	13,527,523	6,610,174
2. Semi-finished Goods	2,397,594	694,720
3. Finished Goods	10,692,055	4,300,004
4. Stores , Spares and Packing Materials	3,039,728	2,958,154
5. Fuel	991,726	485,012
5. Trading goods	19,686,077	30,896,768
7. Goods in Transit	394,013	118,500
	<u>50,728,716</u>	<u>46,063,332</u>
SCHEDULE - 8 : SUNDRY DEBTORS :		
(Unsecured, considered good unless stated otherwise)		
Debts over Six Months	105,635,005	105,635,005
Less: Provision for Doubtful Debts	<u>105,635,005</u>	<u>105,635,005</u>
	-	-
Other Debts	452,312,765	337,898,818
	<u>452,312,765</u>	<u>337,898,818</u>
SCHEDULE - 9 : CASH & BANK BALANCES :		
1. Cash on Hand	684,568	869,543
2. Balances with Scheduled Banks In Current Accounts	<u>17,919,774</u>	<u>26,767,914</u>
	<u>18,604,342</u>	<u>27,637,457</u>
	<u>18,604,342</u>	<u>27,637,457</u>
SCHEDULE - 10 : LOANS & ADVANCES :		
(Unsecured - considered good)		
1. Advances recoverable in cash/kind or for value to be received includes : Associates	73,073,514	69,817,080
- Ashok Cellulose Ltd. , Rs. 85.14 Lacs (P. Y. Rs. 85.14 Lacs)		
- Raj Enterprises Rs.96.88 Lacs (P.Y. Rs. 96.88 Lacs)		
- Kumaka Industries Ltd (Formerly known as Ashok Organic Industries Ltd) Rs. 19.87 Lacs(P.Y. Rs 19.87 Lacs)		
- USM Enterprises Rs.0.49 Lacs (P.Y. Rs. 0.49 lacs)		
- Aqua Alco Bio Tech Ltd Rs.62.80 Lacs (P.Y. 62.80 Lacs)		
2. Balances with Central Excise	4,382,077	2,155,174
	<u>77,455,591</u>	<u>71,972,254</u>
SCHEDULE - 11 : CURRENT LIABILITIES :		
1. Sundry Creditors	475,193,598	399,309,816
2. Unclaimed Dividend	-	272,924
3. Other Liabilities	59,317,908	72,335,032
4. Sales Tax Deferment Amount	<u>21,440,921</u>	<u>27,740,921</u>
	<u>555,952,427</u>	<u>499,658,693</u>
SCHEDULE - 12 : PROVISIONS :		
1. Provision for Taxation	<u>12,410,337</u>	<u>12,410,337</u>
	<u>12,410,337</u>	<u>12,410,337</u>

ASHOK ALCO-CHEM LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended 31.03.2011 RUPEES	For the Year ended 31.03.2010 RUPEES
SCHEDULE - 13 : OTHER INCOME :		
1. Interest Received (Gross)		
Tax deducted at source Rs.32779/- (Previous Year Rs.32779/-)	144,880	146,881
2. Miscellaneous Receipts	129,985	299,340
3. VAT Set-off	13,118,893	6,760,245
4. Sale of Scrap	580,995	2,000
5. Sundry balance w/off-w/back	(39,803)	389,260
6. Dividend from Mutual Fund	3,900,861	855,265
7. Share Trading Income	(282,273)	592,845
8. Profit on Sale of Asset	1,270,268	-
	18,823,806	9,045,836

SCHEDULE - 14 : MANUFACTURING TRADING & ESTABLISHMENT EXPENSES

1. Material Consumed		
Opening Stock	6,610,174	2,294,828
Add: Purchases & Incidental Expenses	248,216,779	169,877,806
Less: Closing Stock	13,527,523	6,610,174
	241,299,430	165,562,460
2. Trading material purchased	1,259,845,361	1,196,880,917
3. Stores & Spares Consumed	1,463,318	907,292
4. Packing Materials Consumed	4,324,470	20,500
5. Power & Fuel	33,859,066	19,835,279
6. Water Charges	1,312,107	895,837
7. Employees' Remuneration and Benefits		
Salaries, Wages & Allowances	12,767,857	9,104,718
Contribution to Provident and Other Fund	2,120,139	1,574,998
Staff Welfare Expenses	286,848	238,727
Bonus/Ex-gratia	619,707	525,579
	15,794,551	11,444,022
	1,557,898,303	1,395,546,307

ASHOK ALCO-CHEM LIMITED

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT

	For the Year ended 31.03.2011 RUPEES	For the Year ended 31.03.2010 RUPEES
SCHEDULE - 15 : (INCREASE)/DECREASE IN STOCK		
Opening Stock		
Finished Goods	4,300,004	1,386,733
Semi-finished Goods	694,720	531,314
Trading Goods	<u>30,896,768</u>	<u>-</u>
	35,891,492	1,918,047
	35,891,492	1,918,047
Less: Closing Stock		
Finished Goods	10,692,055	4,300,004
Semi-finished Goods	2,397,594	694,720
Trading Goods	<u>19,686,077</u>	<u>30,896,768</u>
	32,775,726	35,891,492
	3,115,766	(33,973,445)
SCHEDULE - 16 : ADMINISTRATIVE,SELLING & GENERAL EXPENSES		
Rent, Rates & Taxes	968,768	313,006
Postage, Telegraph & Telex	247,997	252,572
Insurance	5,037,534	375,321
Repairs & Maintenance		
Plant & Machinery	1,355,636	602,746
Building	1,531,325	-
Others	<u>1,215,050</u>	<u>406,265</u>
	4,102,011	1,009,011
Travelling and Conveyance Expenses	1,144,585	1,406,501
Auditor's Remuneration	248,175	248,175
Legal & Professional Fees	1,014,822	909,159
Donation	27,200	2,001
Selling Expenses	1,255,897	275,370
Trading expenses		
Export Carting, Stevedoring & Port Expenses	262,246,299	143,784,846
Export Freight Charges	919,558,758	463,280,788
Export Shipment Expenses	24,292,360	7,206,155
Selling Expenses others	<u>55,685,936</u>	<u>1,101,142</u>
	1,261,783,353	615,372,931
Factory General Expenses	535,830	183,696
Security Charges	418,755	360,643
Advertisement and Publicity	6,459	15,162
Share issue expenses	-	5,000
Service charges	691,936	411,750
Miscellaneous Expenses	<u>1,356,643</u>	<u>1,611,180</u>
	1,278,839,965	622,751,478
SCHEDULE - 17 : FINANCE COST		
Interest on - Fixed Loans	7,136,507	328,335
- Others	231	4,004
Bank Charges	<u>2,658,832</u>	<u>541,426</u>
	9,795,570	873,765

ASHOK ALCO-CHEM LIMITED

SCHEDULE - 18

NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011

SIGNIFICANT ACCOUNTING POLICIES

I. BASIS OF ACCOUNTING:

These financial statements are prepared under historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India and the Accounting Standards (AS) as notified under Companies (Accounting Standards) Rules, 2006, as modified to include the revaluation of certain assets.

II. USE OF ESTIMATES:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amount of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Examples of such estimates include the useful life of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, etc. Difference, if any, between the actual results and estimates is recognized in the period in which the results are known.

III. FIXED ASSETS AND DEPRECIATION/ AMORTIZATION

(i) Gross Fixed Assets are stated at historical cost of acquisition / construction net of cenvat credit/Input Credit under VAT on capital goods.

Depreciation on tangible assets is provided on Straight Line Method at the rates specified in Schedule XIV to The Companies Act, 1956.

Lease hold land is amortised over the period of lease.

(ii) Fixed assets are eliminated from financial statements either on disposal or when retired from active use. The retired assets are disposed off or discarded immediately.

(iii) Depreciation is provided on pro-rata basis from the month in which assets have been put to use and upto the month on which assets have been used by the company.

(iv) The assets of the company consisting of land, building, plant and machineries which were revalued during accounting year 1993-94 on the basis of the valuation report of an approved valuer. Consequent to the said revaluation, there is charge of depreciation of Rs. 9,85,868 in F.Y. 2010-11 (Previous Year Rs. 32,09,568). The equivalent amount has been withdrawn from the Revaluation Reserve and credited to the Profit and Loss Account.

IV. IMPAIRMENT OF ASSETS:

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit and Loss Account. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

V. REVENUE RECOGNITION:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

Revenue from sale of goods is recognized when the significant risk and reward of ownership of the goods have passed to the buyer which normally coincides with the despatch of goods from the factory of the company. Sales are disclosed net off trade discount, Sales returns.

Revenue in respect of insurance, interest, cash subsidy and other claims is recognized only when it is reasonably certain that the ultimate collection will be made.

VI. INVESTMENTS:

Investments are classified into Current and Long Term Investments.

(a) Long term investments are carried at cost after providing for any diminution in value, if such diminution is of other than temporary nature.

(b) Current investments are carried at the lower of cost and market value. The determination of carrying costs of such investments is done on the basis of specific identification.

VII. INVENTORIES:

i) Raw materials and packing materials are valued at landed cost determined on FIFO Basis net off VAT/CENVAT, wherever applicable.

ii) The finished goods have been valued at cost or net realizable value whichever is less.

iii) Semi finished goods have been valued at estimated cost, as certified by the management.

iv) Stores & Spares have been valued at cost or market price whichever is lower.

VIII. EMPLOYEE BENEFITS

Post –Employment Benefit Plans

i. Defined Contribution Plan : Contribution for provident fund are accrued in accordance with applicable statutes and deposited with the Regional Provident Fund Commissioner.

ii. Defined Benefit Plan : The liabilities in respect of gratuity and leave encashment are determined using Projected Unit Credit Method with actuarial valuation carried out at the Balance Sheet date. Actuarial gains and losses are recognized in full in the Profit & Loss Account for the period in which they occur.

In respect of gratuity & leave encashment the Company has created approved Gratuity trust and Company every year provides towards differential liability on the basis of actuarial valuation.

Short-term Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the service.

IX. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

X. SALES

Sales excludes Excise Duty, VAT and includes trade discount.

XI. EXCISE DUTY :

Excise Duty payable on finished goods is accounted on the production thereof.

XII. CENVAT CREDIT :

Cenvat Credit is accounted at the time of purchase on accrual basis and is appropriated as payment of Excise Duty payable on clearance of finished goods. Cenvat credit availed on Input services is accrued on the basis of payment made for such services and is appropriated as payment of Excise Duty payable on clearance of Finished Goods.

ASHOK ALCO-CHEM LIMITED

XIII. TAXES ON INCOME:

Tax expense comprises of Current and Deferred Tax. Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

XIV. EARNING PER SHARE:

Basic Earning per Share is computed by dividing the net profit attributable to Equity Shareholders for the year, by weighted average number of Equity Shares outstanding during the year. Diluted earning per share is computed using the weighted average number of Equity and dilutive Equity equivalent share outstanding at year-end

XV. PROVISIONS AND CONTINGENT LIABILITIES :

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by future events not wholly within the control of the company or (ii) Present obligations

arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made.

XVI. ACCOUNTING POLICIES :

Accounting Policies not specifically referred to are consistent and in consonance with generally accepted Accounting principles.

B) NOTES TO ACCOUNTS:

- Figures for previous year have been re-grouped wherever necessary.
- Contingent Liabilities not provided for in respect of :

(Amount in Rupees)

Sr. No.	Particulars	2010-11	2009-10
I	Income-tax matters	1,49,57,630/-	1,49,57,630/-
II	Excise / Service Tax matters	5,85,376/-	Nil
III	Labour matters	-	4,40,000/-
	Total :	1,55,43,006/-	1,53,97,630/-

Note : Company is seeking legal remedy in the form of appeal and alternate redressal in respect of liabilities listed above.

- In the opinion of the Board of Directors of the Company, the current assets, loans and advances are approximately of the value stated in the Balance Sheet, if realised in the ordinary course of business.
- The provision for doubtful debts continues at an amount of Rs 1056.35 Lacs(PY.1056.35 lacs) In the opinion of the management these debts have not become bad and they are quite hopeful of recovery of the amount.
- The company has provided for gratuity to employees based on the actuarial valuation report. However the said liabilities aggregating to Rs. 41.12 are not funded.

6. SEGMENT REPORTING:

BUSINESS SEGMENT

The Company is having two Business Segment viz. Chemical Division(Manufacturing) and Global Trading Division. (Rs. In Lacs)

	Chemical Divison(Manufacturing)		Global Trading Divisoin		Total for the year ended 31 st March,	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue	2996	1890	25695	18019	28691	19909
Segment Results (P & L)	(109)	(234)	283	198	174	(36)
Unallocable Income	-	-	-	-	-	-
Unallocable Expenses	-	-	-	-	-	-
Provision for Taxation	-	-	-	-	-	-
Net Profit/(Loss)	(109)	(234)	283	198	174	(36)
Segment Assets	2212	1780	5037	4255	7249	6035
Unallocable Assets	-	-	-	-	-	-
Total Assets	2212	1780	5037	4255	7249	6035
Segment Liabilities	1017	2272	4666	4057	5683	6329
Unallocable Liabilities	-	-	-	-	-	-
Total Liabilities	1017	2272	1017	4057	5683	6329

GEOGRAPHICAL SEGMENT

Particular	India		Rest of the World		Total	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Segment Revenue	3390	1952	25301	17957	28691	19909
Carrying cost of segment Assets	7249	6035	-	-	7249	6035
Addition to Fixed Assets and intangible Assets	(86)	1	-	-	(86)	1

ASHOK ALCO-CHEM LIMITED

OTHER DISCLOSURES

1. Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risks and returns of these Segments.
2. The Company has disclose Manufacturing segment as the primary segment.
3. Types of Products and Services in each Business Segments

BUSINESS SEGMENT	Types of Products of the Segment
a) Chemicals (Manufacturing)	Acetic Acid, Ethyl Acetate, Acetaldehyde
b) Global Trading Division	Bauxite, Barytes, Kaolin, Bentonite etc.

4. The Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segment and amounts allocated on a reasonable basis.

7. Related Party Transaction :

As required by Accounting Standard - AS - 18, "Related Parties Disclosure" issued by the Institute of Chartered Accountants of India, the details are as follows:

List of Related parties are as under (more than 20% controlled by the Directors and Relatives):

A. Associate Concerns :

- ⇒ Kumaka Industries Limited (Formerly Known as Ashok Organic Industries Limited)
- ⇒ Kadakia Alkalies & Chemicals Limited
- ⇒ Ashok Cellulose Limited
- ⇒ Ashok Chem Pharma International
- ⇒ USM Enterprise
- ⇒ Aqua Alco Bio-tech Pvt. Ltd.
- ⇒ Ashok Pharmaceuticals Pvt. Ltd.
- ⇒ Ashok & Brothers, Ashok M Kadakia HUF
- ⇒ Anil M Kadakia HUF
- ⇒ Pankaj M Kadakia HUF

B. Key Management Personnel and Relatives :

- ⇒ Dr. Anil M. Kadakia

C. Relatives of Key Management Personnel :

- ⇒ Mrs. Urvashi Ashok Kadakia Proprietor of Raj Enterprises (Wife of Mr. Ashok M. Kadakia)
- ⇒ Mrs. Shobhana Anil Kadakia (Wife of Dr. Anil M. Kadakia)

(Figures in Lacs)

Particulars	Associates	Key Mgt.	Relatives
Sale of goods & services	172.51	Nil	Nil
Remuneration and sitting fees	Nil	24.00	Nil
Debts due to the company (Loans & Advances)	168.30	Nil	96.88
Debts due to the company (Sundry Debtors)	1062.75	Nil	Nil
Debts payable by the company	Nil	5.79	22.47

8. Deferred Tax :

Considering the market trend for company's product and Management's perception on future outlook of the Company, the Deferred Tax Surplus for current year is accounted to Profit & Loss Account. The deferred tax adjustment in terms of Accounting Standard 22 is assessed out on the basis of following timing differences.

Particulars	Deferred Tax Surplus as on 31.03.2011
Surplus-arising from claim u/s 43B net of reversal	1,26,95,450
Reversal of Liability-Depreciation difference as per Books compared to Income-Tax	(1,35,42,334)
Surplus-unabsorbed Depreciation and Loss Adjusted	3,51,59,680
Deferred Tax Surplus	3,43,12,796

9. Earning Per Share :

	2010-11 Rs. In Lacs	2009-10 Rs. In Lacs
Profit (Loss) after Tax of Weighted average shares	174.05	(36.14)
Outstanding during the year	37,75,343	3,77,53,43
Basic and Diluted Earning Per Share	4.61	(0.96)

10. Payment to Auditors :

(Amount in Rupees)

Sr.	Particulars	2010-11	2009-10
a.	Audit Fees	1,15,815	1,15,815
b.	Taxation Matters	71,695	71,695
c.	Tax Audit	38,605	38,605
d.	Other Matters	22,060	22,060
	Total:	2,48,175	2,48,175

11. As required by the notification no. GSR 129 (E) dated 22nd February, 1999 issued by the Department of Company Affairs, Ministry of Law, Justice and Company Affairs pertains to small scale industries and based on the information available with the Company in respect of the status of the suppliers, a sum of Rs.11,36,645/- is due and is included in "Sundry Creditors". The Company has not received any claim for interest from the suppliers covered by the said provisions. The suppliers covered by the said provisions to whom the Company owes more than Rs.1 lac for more than 30 days as at 31st March, 2011 are : Maldar Barrels Pvt. Ltd. Rs. 1.04 lacs and Renu Engineering Industries Rs.10.33 lacs.

12. The Management of the Company has, during the year, carried out technological evaluation for identification of impairment of assets, if any, in accordance with the Accounting Standard (AS) -28 issued by the Institute of Chartered Accountants of India. Based on the judgment of the Management and as certified by the Directors, no provision for impairment is found to be necessary in respect of any of the assets.

ASHOK ALCO-CHEM LIMITED

13. Foreign currency exposures that have not been hedged by a derivative instrument or otherwise outstanding as at 31.03.2011 :

a) Amounts receivable in foreign currency :

Purpose	Currency	Amount	Equivalent Rs. Lacs as at the year end
Export of goods	US Dollars	1357596	606.17
	Euro	3800768	2403.61

b) Amounts payable in foreign currency :

Purpose	Currency	Amount	Equivalent Rs. Lacs as at the year end
Import of goods		Nil	Nil

14. Remuneration includes Rs.24 Lacs (P.Y. Rs. 18.00 lacs) paid to Managing Director.

15. Capacities, Production, Stocks and Sales :

A. Capacities:

Product	Unit	Licensed / Registered Capacity	Installed Capacity
(i) Glacial Acetic Acid	MT	13,000 (13,000)	13,000 (13,000)
(ii) Ethyl Acetate	MT	27000 (5400)	27000 (5400)
(iii) Acetaldehyde	MT	10400 (10400)	10400 (10400)

B. Production, Stocks and Sales :

CHEMICAL DIVISION (Segment 1)

Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
i Glacial Acetic Acid :				
Qty. (MT)	1 (7)	7 (61)	8 (67)	0 (1)
Value (Rs.in lacs)	0.32 (1.87)	Nil (-)	3.38 (15.24)	0 (0.32)
ii. Ethyl Acetate:				
Qty. (MT)	85 (18)	5502 (2,316)	5402 (2,249)	185 (85)
Value (Rs.in lacs)	41.28 (8.47)	- (-)	2,692.06 (1,015.38)	93.85 (41.28)
iii Acetaldehyde				
Qty. (MT)	3 (11)	1,236 (2,079)	1,213 (2,087)	26 (3)
Value (Rs.in lacs)	1.40 (3.47)	- (-)	524.23 (968.42)	13.07 (1.40)
iv. Others :				
Qty. (MT)	0	-	14.36	0
Value (Rs.in lacs)	(0.06)	(-)	(1.91)	(-)
Total (Rs.in lacs) I	43.00	-	3,234.03	106.92
Total (Rs. In Lacs)	(13.87)	(-)	(2,000.95)	(43.00)

GLOBAL TRADING DIVISION (Segment 2)

Product	Opening Stock	Production/ Purchase	Sales	Closing Stock
Minerals				
Qty. (MT)	25,339 (-)	1189143 (812,507)	1200087 (787,168)	14,395 (25,339)
Value (Rs.in lacs)	308.97 (-)	12598.45 (11968.81)	25,312.87 (18,276.46)	196.86 (308.97)
Total (Rs. In Lacs) II	308.97 (-)	12598.45 (11968.81)	25,312.87 (18,276.46)	196.86 (308.97)
Grand Total I+II (Rs. In Lacs)	351.97 (13.87)	12598.45 (11968.81)	28,546.90 (20,277.41)	303.78 (351.97)

Notes :

- (i) Figures in brackets are in respect of the previous year.
- (ii) Sales includes Excise Duty and Sales Tax
- (iii) Loss / Gain of goods and captive consumption during the year are adjusted in sales quantity.
- (iv) Installed Capacities are as certified by management.

Analysis of Raw Materials consumed for manufacturing activities :

	Unit	2010-11		2009-10	
		Qty.	Value	Qty.	Value
I Alcohol	Lac Ltrs.	58.54	138399414	47.62	118694026
II Glacial Acetic Acid	MT	3884	102900016	1649	46868434

Note: Values are inclusive of incidental expenses like transport, freight etc.

16. Value of Raw Materials, Stores & Packing Materials consumed :

	2010-11		2009-10	
	% of Total Consumption	Value Rs.	% of Total Consumption	Value Rs.
Imported	Nil	Nil	—	Nil
Indigenous	100	247087218	100%	166490252
Total:	100	247087218	100%	166490252

17. Value of Imports on CIF Basis
- | | | |
|--|----------|----------|
| | 28182462 | 30985413 |
|--|----------|----------|

18. Expenditure in Foreign Currency

Technical Knowhow	Nil	Rs. Nil
- For traveling	Nil	Rs. Nil
- Others	857492352	280700548

19. Remittance in Foreign Currency on account of Dividend of Non-resident Shareholders
- | | | |
|--|-----|-----|
| | Nil | Nil |
|--|-----|-----|

20. Earning in Foreign Exchange (FOB Value)
- | | | |
|--|------------|------------|
| | 1623502480 | 1338546050 |
|--|------------|------------|

21. Previous Years Figures have been regrouped / recast wherever necessary. Figure have been rounded of to the nearest rupee.

22. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956.

ASHOK ALCO-CHEM LIMITED

23. Additional information pursuant to the provisions of Part IV of Schedule VI to the Companies Act, 1956.
Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No.	69615
State Code	11
Balance Sheet	31.03.2011

II. Capital raised during the year (Amount in Rs. Thousands):

Public Issue	Nil	Rights Issue	Nil
Bonus Issue	Nil	Private Placement	Nil

III. Position of mobilisation & deployment of funds (Amount in Rs.Thousand):

Total Liabilities	3,26,366	Total Assets	3,26,366
Sources of funds :		Application of Funds :	
Paid-up Capital	37,753	Net Fixed Assets	91,525
Reserves & Surplus	1,56,760	Investments	14
Secured Loans	50,027	Deferred Tax Assets	34,313
Unsecured Loans	81,826	Net Current Assets	30,738
		Miscellaneous Expenditure	—
		Profit & Loss A/c.	1,69,776
	3,26,366		3,26,366

IV. Performance of Company (Amount in Rs. Thousands):

Turnover & Other Income	28,69,157
Total Expenditure	28,59,778
Profit/(Loss) before Tax	9,379
Profit/(Loss) after Tax	17,405
Earning Per Share (in Rs.)	4.61
Dividend Rate (%)	—

V. Generic Names of Three Principal Products/Services of Company (as per Monetary Terms)

Item Code No.	29152100	Item Code No.	29121990
Product Description	Acetic Acid	Product Description	Acetaldehyde
Item Code No.	29153100		
Product Description	Ethyl Acetate		

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

R. A. Kuvadia
Proprietor
Membership No. 40087

Place : Mumbai
Date : 27th May, 2011

For Ashok Alco-Chem Ltd.

Dr. Anil M. Kadakia
Chairman & Managing Director

Mr. Vipin P. Shah
Director

ASHOK ALCO-CHEM LIMITED

CASH FLOW FOR THE YEAR ENDED 31ST MARCH 2011

		RUPEES IN LACS			
		March-2011		March-2010	
A CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit Before Tax		95.87		(57.57)	
Adjustments for:					
Depreciation	99.20			114.19	
Foreign Exchange (Gain) / Loss	(348.01)			273.46	
Sundry Balance w/off / (w/back)	0.40			(3.89)	
Extra Ordinary item	-			(13.26)	
Prior period item	(2.08)			(2.08)	
Interest & Finance Charges	97.96			8.74	
Share Trading Loss /(Income)	2.82			(5.93)	
Dividend Income	(39.01)	(188.72)	(8.55)	362.68	
Operating Profit before Working Capital Changes		(92.85)		305.11	
Adjustments for:					
Decrease/(Increase) in Receivables	(1,198.97)			(3,321.79)	
Decrease/(Increase) in Inventories	(46.65)			(381.73)	
Increase/(Decrease) in Payables	562.94			3,657.51	
Foreign Exchange Loss	348.01			(273.46)	
Sundry Balance w/off	0.40	(335.07)	3.89	(315.58)	
Cash generated from operations		(427.92)		(10.47)	
Income Tax paid				-	
Net Cash flow from Operating activities		(427.92)		(10.47)	
B CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(158.79)			(0.73)	
Mutual Fund	-			-	
Sale of Fixed Assets	70.29			-	
Increase in Advances & others	-			-	
Share Trading Income	(2.82)			5.93	
Dividend Income	39.01			8.55	
Net Cash used in Investing activities		(52.31)		13.75	
C CASH FLOW FROM FINANCING ACTIVITIES					
Proceeds from Long term Borrowings					
Secured	500.27			(462.50)	
Unsecured	(12.41)			712.22	
Issue of Fresh Share Capital	-			-	
Interest paid	(97.96)			(8.74)	
Net Cash used in financing activities		389.90		240.98	
Net increase in cash & Cash Equivalents		(90.33)		244.26	
Cash and Cash equivalents as at 01.04.10		276.37		32.11	
Cash and Cash equivalents as at 31.03.11		186.04		276.37	
Cash & Cash Equivalents					
	As on	As on			
	31/03/2011	31/03/2010	31/03/2010	31/03/2009	
Cash in Hand	6.84	8.69	8.69	5.83	
Cash at Bank	179.20	267.68	267.68	26.28	
Cash & Cash equivalents as stated	186.04	276.37	276.37	32.11	

Note: Previous years' figures have been regrouped or reclassified wherever necessary.

As per our report of even date

For R. A. Kuvadia & Co.
Chartered Accountants

R. A. Kuvadia
Proprietor
Membership No. 40087

Place : Mumbai
Date : 27th May, 2011

For Ashok Alco-Chem Ltd.

Dr. Anil M. Kadakia
Chairman & Managing Director

Mr. Vipin P. Shah
Director

ASHOK ALCO-CHEM LIMITED

Ashok Alco-Chem Limited

Registered Office : 404, Sharda Chambers, 33 New Marine Lines, Mumbai - 400 020

ATTENDANCE SLIP

Please complete this Attendance Slip and hand over at the entrance the Meeting Hall

L.F No. _____ No. of Share held _____

Name Address of the Member :

I hereby record presence at the Nineteenth Annual General Meeting held on Thursday, the 4th August, 2011 at 12.30 p.m. at H. T. Parekh Board Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020.

SIGNATURE SHAREHOLDER/PROXY

NOTES:

- 1. Members/Proxy holder are requested to bring their copies of the Annual Report with the Meeting.
- 2. Please carry with you this Attendance Slip and hand over the same duly signed at the space provided at the entrance of the Meeting Hall.

Ashok Alco-Chem Limited

Registered Office : 404, Sharda Chambers, 33 New Marine Lines, Mumbai - 400 020

PROXY

L.F No.(s) _____ No Share held _____

I/WE _____

_____ being member/member ASHOK ALCO-CHEM LIMITED hereby

appoint _____ of _____ failing him/her

_____ of _____ and failing him/her _____

_____ of _____ as my/our Proxy to vote

for me/us and or my/our behalf the 18th ANNUAL GENERAL MEETING held on Thursday, the 4th August, 2011 at 12.30 p.m. at H. T. Parekh Board Room, Indian Merchant's Chamber, Churchgate, Mumbai – 400 020, and any adjournment thereof.

Signed this _____ day of August, 2011

Affix
Revenue
Stamp
Re.1.00

If undelivered, please return to :

ASHOK ALCO-CHEM LIMITED

404, Sharda Chambers,

33, New Marine Lines, Mumbai - 400 020