



ANNUAL REPORT 2004-05



**Alkyl Amines Chemicals Limited**

**ALKYL****ANNUAL REPORT 2004-2005****ALKYL AMINES CHEMICALS LIMITED****FINANCIAL HIGHLIGHTS OF THE LAST DECADE**

YEAR ENDING	Rs. in Lacs									
	31.03.1996	31.03.1997	31.03.1998	31.03.1999	31.03.2000	31.03.2001	31.03.2002	31.03.2003	31.03.2004	31.03.2005
GROSS REVENUE	4416.62	4998.04	6247.28	8612.41	8298.00	7969.67	9409.50	10477.38	10515.21	11599.21
OPERATING PROFIT (PBIDIT)	909.61	1221.57	1176.56	2448.39	1707.88	660.30	1651.27	1865.94	1609.09	1463.30
PROFIT BEFORE TAX	483.25	648.13	488.98	1639.97	872.84	-842.58	278.46	567.39	402.45	347.37
PROFIT AFTER TAX	483.25	527.93	428.79	1284.88	774.72	-842.69	172.25	331.39	241.31	289.64
GROSS FIXED ASSETS	4013.65	5075.57	5335.66	5731.03	9292.66	9794.09	10033.48	10217.40	10794.89	10927.77
NET FIXED ASSETS	2914.22	3792.19	3826.84	3952.51	7250.72	7307.95	7092.05	6828.49	6927.22	6571.36
NET CURRENT ASSETS	1430.57	1777.94	2605.39	2991.04	4465.89	3744.62	3682.48	4034.19	3898.01	3000.71
EQUITY SHARE CAPITAL	266.22	365.94	730.52**	730.57	730.58	886.49	886.49	886.49	886.49	886.49
RESERVES & SURPLUS (Including Deferred Taxation (Net))	1289.95	2018.64	1986.14	2925.71	3530.70	2967.20	3230.87	3653.08	3900.97	4040.86
BOOK VALUE (Rs.)	58.39	64.87	36.35	50.05	58.33	43.47	46.45	51.21	54.00	55.59
EARNING PER SHARE (RS.)	17.95	17.62	9.00*	17.59	10.60	-9.51	1.94	3.74	2.72	3.27
EQUITY DIVIDEND (%)	25.00	25.00	20.00**	40.00	20.00	—	—	12.00	12.00	15.00

\* WEIGHTED AVERAGE BASIS ON INCREASED EQUITY BASIS

\*\* AFTER ISSUE OF BONUS SHARES IN THE RATIO OF 1:1

**ALKYL AMINES CHEMICALS LIMITED****ANNUAL REPORT 2004-2005****MANAGEMENT TEAM**

*Chairman &  
Managing Director*  
**Yogesh M. Kothari**

*Executive Director*  
**Kirat Patel**

*Vice President*  
**G.G. Chendwankar**

*Vice President  
(Technical)*  
**Sameer S. Katdare**

*Vice President  
(Manufacturing)*  
**R. N. Iyer**

*Chief Financial  
Officer*  
**R. S. R. Murthy**

*General Manager  
(Corporate Personnel  
& Admn.)*  
**S. S. Khade**

*General Manager  
(Secretarial & Legal)*  
**K. P. Rajagopalan**

*General Manager -  
Business Development*  
**Suneet Y. Kothari**

**Non-Executive Directors :**

**Hemendra M. Kothari**  
**Shyam B. Ghia**  
**Shobhan M. Thakore**  
**Dilip G. Piramal**  
**Premal N. Kapadia**  
**K. R. V. Subrahmanian**  
**Anand S. Bhatt**  
**Tarjani Vakil**  
**N. Shankar** (*Nominee Director*)

**Registered Office :**

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC, Vashi, Navi Mumbai 400 703.  
Ph. 27890632 • Fax : 27890631 • Email : investorinfo@alkylamines.com

**Plants :****Patalganga Plant**

Plot No. A-7 & A-25,  
MIDC Patalganga Industrial Area, Dist. Raigad 410 220, Maharashtra

**Kurkumbh Plant :**

Plot No. D-6/1, MIDC Kurkumbh Industrial Area,  
Tal. Daund, Dist. Pune - 413802, Maharashtra

**Auditors**

Messrs Bansi S. Mehta & Co.

**Bankers**

State Bank of India  
Bank of Baroda  
State Bank of Mauritius Ltd.  
ICICI Bank Limited

**Registrar & Transfer Agents****Sharex Dynamic (India) Pvt. Ltd.**

**Fort Office :** 17/B, Dena Bank Building, 2nd floor, Horniman Circle, Fort,  
Mumbai - 400 001. Ph.: 22702485, 22641376 • Fax : 022 22641349

**Branch Office :** Unit No. 1, Luthra Ind. Premises, Andheri Kurla Road,

Safed Pool, Andheri (E), Mumbai - 400 072

Ph.: 28515606, 28515644 • Fax : 022 2851 2885

Email : sharexindia@vsnl.com • www.sharexindia.com

**CONTENTS****Page**

Financial Highlights .....	<b>Inside Front Cover</b>
Notice of Annual General Meeting .....	2-5
Directors' Report .....	6-16
Auditors' Report .....	17-19
Balance Sheet .....	20
Profit & Loss Account .....	21
Cash Flow Statement .....	22
Schedule 1 to 20 .....	23-37
Consolidated Financial Statements .....	38-47
Statement under Section 212 .....	48

**ALKYL****ALKYL AMINES CHEMICALS LIMITED**

Registered office: 401-407 Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC, Vashi, Navi Mumbai-400 703

**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 25th Annual General Meeting of ALKYL AMINES CHEMICALS LIMITED will be held at Chandragupt Hall, 2<sup>nd</sup> Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703 on Thursday, the 11<sup>th</sup> August, 2005 at 11.00 a.m. to transact the following business :

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31<sup>st</sup> March, 2005.
3. To appoint a Director in place of Mr. Shyam B. Ghia, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Premal N. Kapadia, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

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

"RESOLVED THAT Ms. Tarjani Vakil who was appointed as an Additional Director of the Company on January 31, 2005 under Article 140 of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting by reason of Section 260 of the Companies Act, 1956, but being eligible, offers herself for re-appointment and in respect of whom the Company has received a notice in writing from a shareholder proposing her candidature for the office of Director, be and is hereby reappointed as Director of the Company, liable to retire by rotation.

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

"RESOLVED THAT pursuant to the provisions of section 314 and other applicable provisions, if any, of the Companies Act, 1956 including statutory modifications or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to the approval of the Central Government, the consent of the Company be and is hereby accorded to Mr. Suneet Y. Kothari, son of Mr. Yogesh M. Kothari, Chairman & Managing Director, and nephew of Mr. Hemendra M. Kothari, Director of the company, to hold and continue to hold office in the company with effect from April 1, 2005 as General Manager-Business Development or in any other capacity/position on a monthly remuneration exceeding Rs.50,000/- or such other permissible total monthly remuneration as may be prescribed in this behalf from time to time, total monthly salary not exceeding Rs.1,00,000/- per month (Basic salary and House Rent Allowance) with annual increments and promotion/s to next higher grade/s as may be decided by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any persons/person authorised by the Board to exercise its powers including the powers conferred by this resolution);

"RESOLVED FURTHER THAT in addition, Mr. Suneet Y. Kothari will also be entitled to perquisites such as medical reimbursement, leave travel allowance, profit linked incentive, provident fund, superannuation, gratuity, telephone facilities, car and other benefits as per the rules and regulations of the company and/or statutory provisions payable to similarly placed employees".

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds and things as may be necessary for giving effect

**ALKYL AMINES CHEMICALS LIMITED****ANNUAL REPORT 2004-2005**

to this resolution, including making the necessary application to the Central Government for approval and agreeing to such amendments/modifications as may be stipulated by the Central Government while granting the approval”.

By order of the Board

**K. P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

**Registered Office :**

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC  
Vashi, Navi Mumbai 400 703.

Dated June 28, 2005.

**NOTES**

- The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting is annexed hereto.
  - A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE VALID MUST BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.
  - The Register of Members and Share Transfer Books will remain closed from 4th August, 2005 to 11th August, 2005 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
  - Dividend, if declared at the meeting, will be paid on or after 18<sup>th</sup> August, 2005 to those shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on 4<sup>th</sup> August, 2005.
  - Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends upto the financial year ended March 31, 1997 have been transferred to the Account of Central Government.
- Kindly note that in terms of section 205C of the Companies Act, 1956, the unclaimed dividend for the financial year 1997-1998 (which has remained unclaimed for a period of seven years) will become due for transfer to Investor Education and Protection Fund in the month of October 2005.
- We are pleased to offer the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). This is in addition to the Bank mandate facility that already exists whereby bank account details are printed on the dividend warrants. Shareholders who would like to avail of the ECS facility or the Bank mandate facility (if not done earlier) are requested to complete and submit the ECS/Bank Mandate Form that is also sent with this Annual Report to the Company's Registrar and Transfer Agents so as to reach them latest by 4<sup>th</sup> August, 2005. Kindly note that shareholders holding shares in dematerialised form would receive their dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.
  - The members are requested to notify change of address, if any, to the Company's Registrar & Transfer Agents.
  - The shareholders holding shares in physical form are once again advised to seek their shareholding changed to dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
  - The members may note that the company's Equity Shares are listed on the Mumbai Stock Exchange and the company has paid the listing fees to the Stock Exchange in time and has never made any default in the payment of listing fees in the past.

By order of the Board

**K. P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

**Registered Office :**

401-407, Nirman Vyapar Kendra,  
Plot No. 10 Sector 17, DBC  
Vashi, Navi Mumbai 400 703.

Dated June 28, 2005.

**ANNEXURE TO THE NOTICE**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 AND ALSO UNDER CORPORATE GOVERNANCE

**ITEM 3**

Mr. Shyam B. Ghia retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Shyam B. Ghia, aged 57 years, has been on our Board since October 18, 1980. Mr. Ghia is on the Board of the following companies.

- |   |    |                              |
|---|----|------------------------------|
| 1. Futura Polyesters Limited              | .. | Chairman & Managing Director |
| 2. Sonata Software Limited                | .. | Chairman                     |
| 3. Chika Overseas Pvt. Ltd.               | .. | Chairman & Managing Director |
| 4. Brahmasonic Sound Production Pvt. Ltd. | .. | Chairman                     |
| 5. Chika Pvt. Ltd.                        | .. | Chairman                     |
| 6. Innovassynth Technologies Ltd.         |    | Chairman                     |
| 7. Kika Investments & Finance Pvt. Ltd.   | .. | Chairman                     |
| 8. Viraj Investments Pvt. Ltd.            | .. | Chairman                     |
| 9. H. K. Finechem Ltd.                    | .. | Director                     |
| 10. G.P. Electronics Ltd.                 | .. | Director                     |
| 11. Standard Industries Ltd.              | .. | Director                     |
| 12. AVT Natural Products Ltd.             | .. | Director                     |

In view of his vast experience in the Industry, it will be in the interest of the Company that Mr. Ghia continues as Director of the Company.

Except Mr. Ghia, no other Director is interested in his reappointment.

**ITEM 4**

Mr. Premal N. Kapadia retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Kapadia, aged 56 years, has been on the Board of the Company since July 28, 2000. He is on the Board of the following Companies:

- |                             |                              |
|-----------------------------|------------------------------|
| 1. Technimont ICB Pvt. Ltd. | Chairman & Managing Director |
| 2. Harshadray Pvt. Ltd.     | Director                     |
| 3. Farm Chemicals Pvt. Ltd. | Director                     |
| 4. Dryden Pvt. Ltd.         | Director                     |

- |   |          |
|---|----------|
| 5. TUV India Pvt. Ltd.  | Director |
| 6. Harshadray Investment PLtd.                                    | Director |
| 7. Titanor Components Ltd.  | Director |
| 8. The West Coast Paper Mills Ltd.                                | Director |
| 9. Kaira Can Co. Ltd.   | Director |
| 10. Silicon Interfaces Pvt. Ltd.                                  | Director |
| 11. Silicon Interfaces America Inc.                               | Director |
| 12. Protos Engg. Co. Pvt. Ltd.                                    | Director |
| 13. Delimon Protos India Pvt. Ltd.                                | Director |
| 14. Sortimat Protos Automation Pvt. Ltd.                          | Director |
| 15. ThyssenKrupp Industries India Pvt. Ltd.                       | Director |
| 16. FirsteService (India) P. Ltd.                                 | Director |
| 17. Integrated Industrial Quality Management Consultants Pvt.Ltd. | Director |

With his vast experience in the Industry, it will be in the interest of the Company that Mr. Kapadia continues as Director of the Company.

Except Mr. Kapadia, no other Director is interested in this resolution.

**ITEM 6**

At the Board Meeting held on January 31, 2005, the Directors had appointed Ms. Tarjani Vakil as an Additional Director of the Company. Pursuant to Section 260 of the Companies Act, 1956, read with Article 140 of the Articles of Association of the Company, Ms. Tarjani Vakil holds office only upto the date of the Annual General Meeting. Notice, in writing, has been received from a shareholder of the company, pursuant to Section 257 of The Companies Act, 1956, signifying his intention to propose Ms. Tarjani Vakil as candidate for the office of Director. As required by the said section, the shareholder giving notice has deposited a sum of Rs.500/- with the Company, which shall be refunded to him if Ms. Vakil is elected as Director.

Ms. Tarjani Vakil, aged 68 years, is ex-Chairman of Export-Import Bank of India. She is also on the Board of the following companies:

- |                                   |
|-----------------------------------|
| 1. Asian Paints (I) Ltd.          |
| 2. Indian Rayon & Industries Ltd. |

**ALKYL AMINES CHEMICALS LIMITED****ANNUAL REPORT 2004-2005**

3. Mahindra Intertrade Ltd.
4. DSP Merrill Lynch Trustee Co. Pvt. Ltd.
5. I-flex Solutions Ltd.

With her vast experience in international finance, it will be in the interest of the Company that Ms. Vakil continues as Director of the Company Except Ms. Vakil, no other Director is interested in this resolution.

**ITEM 7**

At the Annual General Meeting held on August 2, 2001, the shareholders had approved appointment of Mr. Suneet Y. Kothari, as Manager-Corporate Affairs. This appointment was also approved by the Central Government. It is proposed to promote Mr. Suneet Y. Kothari to the post of General Manager-Business Development with effect from April 1, 2005 with a monthly salary in the range of Rs.50,000/- to Rs.1,00,000/-(Basic salary and House Rent Allowance) plus perquisites. Company may, if required, hire residential accommodation for Mr. Suneet Y. Kothari, near the place of work, in which case the House Rent Allowance will not be payable.

Mr. Suneet Kothari would also be eligible for perquisites such as Leave Travel Assistance, Medical Reimbursement, Provident Fund Contribution, Superannuation, company's car with driver, Gratuity, Mediclaim premium etc. as per rules of the company and granted to the others employees in the same grade.

Section 314(1B) of The Companies Act, 1956 read with Rule 10C of the Companies (Central Government's) General Rules and Forms, 1956, inter-alia, provides that no relative of a Director of the company shall hold any office or place of profit in the company carrying total monthly remuneration in excess of Rs.10,000/- per month without the consent of the company by special resolution and in excess of

Rs.20,000/- per month except with prior consent of the company by special resolution and approval of the Central Government.

Mr. Suneet Kothari, aged 29 years, is a Chemical Engineer & Chemistry / Biochemistry Graduate from Cornell University, U.S.A. He has one and half year's experience with Diamond Technology Partners, U.S.A. as a Management Strategy Consultant. He has been employed by us as Manager Business Development and played a significant role in setting up the New Product Development effort and seeing it started off successfully. He has successfully completed a one year MBA (Masters in Business Administration) course at INSEAD, France / Singapore. In order to retain services of Mr. Suneet Kothari, the company would need to give him further increments to salary/promotion etc.

Permission of the shareholders is sought for continued employment of Mr. Suneet Y. Kothari with the designation of General Manager-Business Development or in such other capacity with increased remuneration, as mentioned in the resolution.

None of the Directors, except Mr. Yogesh Kothari and Mr. Hemendra Kothari, is interested in this resolution.

By Order of the Board

**K.P. RAJAGOPALAN**

General Manager (Secretarial & Legal)

**Registered Office :**

401-407, Nirman Vyapar Kendra  
Plot No.10, Sector 17, DBC,  
Vashi, Navi Mumbai 400 703

Dated: June 28, 2005.



**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors wish to present their 25<sup>th</sup> Annual Report and the Audited Statement of Accounts of the Company for the financial year ended March 31, 2005.

**1. FINANCIAL HIGHLIGHTS & APPROPRIATION**

	<b>2004-2005</b> <b>(Rs. in lacs)</b>	<b>2003-2004</b> <b>(Rs. in lacs)</b>
Gross Total Income	<b>11599</b>	10515
Profit before interest, depreciation & taxation	<b>1463</b>	1581
Interest & financial expenses	<b>617</b>	700
Depreciation	<b>499</b>	479
Profit before tax	<b>347</b>	402
Provision for taxation:		
a. Current Income tax/wealth tax	<b>27</b>	32
b. Deferred Income tax	<b>30</b>	129
Profit after Taxation	<b>290</b>	241
(Less)/Add: Adjustments relating to earlier years	<b>(29)</b>	(2)
Transfer from Debenture Redemption Reserve	<b>83</b>	—
Add/(Less): Balance Profit/(Loss) b/f	<b>199</b>	90
Profits available for appropriation	<b>543</b>	329
Equity Dividends (including Income tax)	<b>152</b>	120
Transfer to General Reserve	<b>20</b>	10
Balance profit carried to Balance Sheet	<b>371</b>	199

**2. DIVIDENDS:**

Looking at the current year's profit, your Directors would have considered maintaining the dividend at the previous year level, i.e. at 12% on the equity shares of the company. However, in view of the fact that it is the Silver Jubilee Year of the company, an additional dividend of 3% is also considered and accordingly, your Directors are pleased to recommend for your approval final dividend at the rate of 15 % (i.e. Rs.1.50 per equity share). The total amount of dividend including Income tax thereon would amount to Rs.152 lacs.

**3. OPERATIONS:**

Total income (gross) for the year 2004-2005 was Rs.11599 lacs compared to Rs. 10515 lacs for the year 2003-2004. The Profit before tax (after interest and depreciation charges) amounted to Rs.347 lacs compared to Rs. 402 lacs of the previous year. During the year 2004-2005 we have achieved a profit after tax of Rs.290 lacs compared to Rs.241 lacs of the previous year. The profit before tax is lower mainly due to high raw material prices which could not be fully passed on to the customers. The year in retrospect has been very difficult for alcohol based chemical industries.

Further details of operations are given in the Management Discussion and Analysis Report annexed (Annexure 1).

**4. EXPORTS/ FOREIGN EXCHANGE:**

During the year 2004-2005, we achieved an export turnover of Rs.1829 lacs (FOB) compared to Rs.1926 lacs (FOB) of the previous year. During the year we have utilised a sum of approx. Rs. 2486 lacs in foreign currency mainly to import raw materials.

**5. ASSOCIATE/SUBSIDIARY COMPANIES****a. Diamines & Chemicals Limited, Baroda:**

As the members are aware, we had acquired around 31% of the shareholding of Diamines and Chemicals Ltd., Baroda, which was a BIFR company, under revival. For the year 2004-2005 DACL has achieved a total income of Rs.2257 lacs as against Rs. 2436 lacs of the previous year and a profit after tax of Rs.456 lacs as against Rs.420 lacs of the previous year. The outstanding loans of term lenders and Bankers have been paid off. The networth of DACL had become positive during the year 2003-2004 and consequently, it came out of the purview of BIFR. The Board of Directors of DACL has recommended an equity dividend of 25% for the year 2004-2005 as against 20% dividend for the previous year.



**ALKYL AMINES CHEMICALS LIMITED****ANNUAL REPORT 2004-2005****b. Alkyl Speciality Chemicals Limited:**

This is our subsidiary company which is engaged in marketing of speciality chemicals. For the year 2004-2005 it has achieved a total income of Rs.240.03 lacs (Previous Year: Rs.101.50 lacs) and a profit before tax of Rs.13.59 lacs (Previous Year: Rs.6.30 Lacs). After considering a writeoff of Rs.11.23 lacs on account of impairment of assets as per Accounting Standard on Impairment of Assets and after making provision for taxation of Rs.0.6 lacs (previous year Rs.2.26 lacs), this company has achieved a profit after tax of Rs.1.76 lacs (Previous year: Rs.4.04 lacs) . The carry forward loss in this company stands reduced from Rs.62.17 lacs to Rs.60.42 lacs.

Copy of the Balance Sheet, Profit & Loss Account, Report of the Board of Directors and the Report of the Auditors of the Subsidiary Company, Alkyl Speciality Chemicals Limited, has not been attached with the Annual Report of the Company. The Company will make available these documents, upon request, by any member of the company interested in obtaining the same. However, pursuant to Accounting Standard AS21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of the subsidiary company.

**6. CONSERVATION OF ENERGY:**

Considering the importance of energy conservation, your Company has taken various measures for conservation of energy. These include de-bottlenecking to enhance plant capacity, planned production at optimum levels, regular monitoring of electricity and fuel consumption and corrective steps wherever required and utilisation of by-product steam.

We have invested around Rs.10 crores to set up at Kurkumbh a cogeneration plant to meet captive power and steam requirement with the use of bagasse/coal as fuel thereby reducing fuel and power costs. The benefits arising thereof will be reflected in the results of coming years.

More details are given in Annexure 2 (Form A) annexed to this report.

**7. TECHNOLOGY ABSORPTION/ R & D**

The information required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is given in Annexure 3 (Form B) attached to this report.

**8. SAFETY, HEALTH AND ENVIRONMENT:**

- a. Safety :** Safety is accorded high priority and concerted efforts are made to ensure safe working conditions for employees. All incidents are analysed in safety committee meetings and corrective actions are taken immediately. Employees are trained in safe practices to be followed at workplace. Active participation is done in Mutual Aid Scheme in the respective industrial areas.
- b. Health :** Health of employees is also accorded importance. Periodic check up of all employees is done to monitor their health. Regular work area monitoring to check concentration of chemicals, noise level, and quality of ambient air is done. We also have Occupation Health Centres with staff at both manufacturing sites at Patalganga and Kurkumbh.
- c. Environment :** The Company also attaches importance to Environment protection and adherence to pollution control norms.
  - a)** Air Emissions – Emissions from various sources are monitored regularly and compliance to statutory requirement is ensured. Projects are undertaken for reduction of emissions.
  - b)** Liquid waste Treatment – The Company has integrated Effluent Treatment Plants and outlet standards are maintained within the prescribed limits. Continuous efforts are made to minimise the quantity of effluent generated and feasibility of recycling of treated effluent is being studied. The company has made substantial investment for expanding its effluent treatment capacity to meet long term requirements. Your Company is also a member of the CETP located at Pataganga and Kurkumbh.
  - c)** Solid Waste Management – Solid wastes are either incinerated or disposed off to secured landfill. The manufacturing sites at Kurkumbh and Patalganga are members of the Mumbai Waste Management Limited Common Hazardous Waste Treatment, Storage & Disposal Facility.
  - d)** Environment Management System:

We are in the process of implementing Environment Management System ISO 14001.

**ANNUAL REPORT 2004-2005****ALKYL AMINES CHEMICALS LIMITED****9. FIXED DEPOSITS:**

The Company has not accepted any fixed deposits from the public within the meaning of the Companies (Acceptance of Deposits) Rules 1975 during the year.

**10. DIRECTORS:**

Mr. S.B. Ghia and Mr. P.N. Kapadia retire by rotation at the Annual General Meeting and, being eligible, have offered themselves for re-appointment. Your Directors recommend the re-appointment of Mr. Ghia and Mr. Kapadia.

Ms. Tarjani Vakil was appointed as Additional Director on January 31, 2005 and holds office upto the Annual General Meeting. Being eligible, she has offered herself for reappointment. Your Directors recommend reappointment of Ms. Vakil.

**11. AUDITORS:**

Members are requested to appoint Auditors and fix their remuneration. M/s. Bansi S. Melita & Co., Chartered Accountants, the retiring Auditors, are eligible for re-appointment. The Company has received a Certificate from them to the effect that their appointment, if made, will be within the prescribed limit under Section 224(1-B) of the Companies Act, 1956.

**12. RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 217(2AA) of The Companies Act, 1956:

- (a) That in the preparation of the annual accounts for the year ended March 31, 2005, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (b) That such accounting policies as mentioned in Schedule 18 to the annual accounts have been selected and applied consistently and judgements and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended on March 31, 2005 and of the profit of the company for that year;
- (c) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and to prevent and detect fraud and other irregularities;
- (d) That the Annual accounts for the year ended 31st March, 2005 have been prepared on a going concern basis.

**13. CORPORATE GOVERNANCE**

A separate detailed Corporate Governance report is attached herewith as Annexure 4.

**14. EMPLOYEES**

Employee relations continue to be cordial. Your Directors wish to acknowledge the sincere and dedicated efforts of the employees of the company and would like to thank them for the same.

Information required to be given pursuant to the provisions of Section 217(2A) of The Companies Act, 1956 is not applicable, as there was no employee who drew remuneration in excess of the limit prescribed under the said section.

**15. ACKNOWLEDGEMENTS:**

The Directors wish to place on record their appreciation of the continuous support received by the Company from the investors, participating Financial Institutions, Banks, Foreign Principals, Central/State Government Departments, its Customers and Suppliers.

For and on behalf of the Board.

Place: Mumbai  
Dated: June 28, 2005

**YOGESH M. KOTHARI**  
Chairman & Managing Director