



# Alkyl Amines Chemicals Limited

**A TRUSTED**



**NAME**



**IN**



**CHEMICALS**



**ANNUAL REPORT  
2015 - 16**

## FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2011	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016
Gross Revenue	26,058.24	31,836.94	40,667.01	49,443.03	53,011.13	<b>53,651.18</b>
Revenue Growth %	9.77%	22.18%	27.74%	21.58%	7.22%	<b>1.21%</b>
EBDITA	3,309.74	4,473.11	5,890.03	8,660.55	8,848.96	<b>9,340.63</b>
% EBIDITA to Gross Revenue	12.70%	14.05%	14.48%	17.52%	16.69%	<b>17.41%</b>
EBDITA Growth (%)	-9.24%	35.15%	31.68%	47.04%	2.18%	<b>5.56%</b>
Profit before Tax	1,360.68	2,368.25	3,592.82	6,462.41	6,690.81	<b>7,248.06</b>
PBT Growth (%)	-14.42%	74.05%	51.71%	79.87%	3.53%	<b>8.33%</b>
Profit After Tax	1,040.49	1,716.38	2,393.20	4,288.06	4,542.13	<b>4,985.48</b>
PAT Growth (%)	3.67%	64.96%	39.43%	79.18%	5.93%	<b>9.76%</b>
Gross Fixed Assets	20,344.44	21,913.58	23,576.45	26,764.49	30,410.00	<b>33,744.73</b>
Net Fixed Assets	12,120.15	12,798.36	13,503.01	15,738.84	18,161.09	<b>20,327.66</b>
Net Current Assets	7,637.33	8,941.49	12,095.22	13,968.15	12,879.91	<b>11,962.62</b>
Equity Share Capital	1,020.61	1,020.61	1,020.61	1,020.61	1,020.61	<b>1,020.61</b>
Reserve & Surplus	8,199.97	9,535.58	11,492.20	15,098.19	18,538.53	<b>21,790.31</b>
Book Value per share of ₹ 5/-	45.21	51.76	61.35	79.03	95.90	<b>111.84</b>
Earning per Share of ₹ 5/-	5.10	8.42	11.73	21.02	22.27	<b>24.44</b>
Equity Dividend (%)	30.00	40.00	50.00	80.00	80.00	<b>200.00</b>
Net Sales to Gross Fixed Assets (%)	113.96	128.46	152.26	164.50	153.89	<b>140.05</b>
Return on Capital Employed (%)	18.29	25.43	29.29	37.49	33.42	<b>32.98</b>
Return on Net worth (%)	11.28	16.26	19.13	26.60	23.22	<b>21.86</b>
PAT to Net Sales (%)	4.49	6.10	6.67	9.74	9.71	<b>10.55</b>

## MANAGEMENT TEAM

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

*Executive Director*  
**Kirat Patel**

*Executive Director*  
**Suneet Y. Kothari**

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

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

*Vice President (Operations)*  
**Milind Deshmukh**

*General Manager (P & A)*  
**S. S. Khade**

*General Manager  
(Technology Development)*  
**S. Saimani**

*General Manager (Marketing)*  
**Girish Naik**

*General Manager  
(R&D & Business Dev.)*  
**Dr. Prasanna Somalwar**

*General Manager  
(Finance & Accounts)*  
**Pravin Tawle**

*General Manager (Works)*  
**R.K. Kanauje**

*General Manager (Works)*  
**Sagar Jadhav**

*General Manager (Commercial)*  
**Sameer Deshpande**

*General Manager (Projects)*  
**R. K. Shah**

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

### Non-Executive Directors :

**Hemendra M. Kothari**

**Shyam B. Ghia**

**Shobhan M. Thakore**

**Dilip G. Piramal**

**Premal N. Kapadia**

**K. R. V. Subrahmanian\***

**Tarjani Vakil**

\*Mr. K. R. V. Subrahmanian expired on 05.02.2016.

### Registered Office :

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, Vashi, Navi Mumbai 400 703.  
Ph. 67946618 • Fax : 67946666 • Email : legal@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 & D-6/2, MIDC Kurkumbh Industrial Area,  
Tal. Daund, Dist. Pune - 413802, Maharashtra

### Auditors

Messrs Bansi S. Mehta & Co.

### Bankers

State Bank of India  
Axis Bank Ltd.  
Standard Chartered Bank

### Registrar & Transfer Agents

#### Sharex Dynamic (India) Pvt. Ltd.

Unit No. 1, Luthra Ind. Premises, 1st Floor,  
44-E, M. Vasanji Marg, Andheri Kurla Road,  
Safed Pool, Andheri (E), Mumbai - 400 072  
Ph.: 28515606, 28515644 • Fax : 022 2851 2885  
Email : sharexindia@vsnl.com • Website : www.sharexindia.com

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## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 36th Annual General Meeting of ALKYL AMINES CHEMICALS LIMITED will be held at Chandragupt Hall, 2nd Floor, Hotel Abbott, Sector 2, Vashi, Navi Mumbai 400 703 on Friday, July 29, 2016 at 2.30 PM to transact the following business:

### ORDINARY BUSINESS:

1. To consider and adopt:
  - (a) the audited financial statements of the Company for the financial year ended March 31, 2016, the reports of the Board of Directors and Auditors thereon; and
  - (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2016.
2. To confirm the payment of Interim Dividend of ₹ 10/- per equity share of ₹ 5/- each (which was paid in March 2016) as final dividend for the financial year ended March 31, 2016.
3. To appoint a Director in place of Mr. Hemendra Kothari (holding DIN 00009873), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment.
4. To re-appoint Statutory Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass the following as an Ordinary Resolution:

**“RESOLVED THAT** M/s. Bansi S. Mehta & Co., Chartered Accountants (Firm Registration No. 100991W), be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, at such remuneration as shall be fixed by the Board of Directors of the Company.”

### SPECIAL BUSINESS:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. Hemant Shah & Associates, Cost Accountants, (Firm Registration No. 394), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year ending March 31, 2017 be paid remuneration, as set out in the Statement annexed to the Notice convening the Meeting.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary to give effect to this resolution.”

### NOTES :

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013, setting out all material facts relating to Business at Item Nos. 3 and 5 is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.
3. The Register of members and Share Transfer Books will remain closed from Friday, July 22, 2016 to Friday, July 29, 2016 (both days inclusive) for the purpose of Annual General Meeting.
4. (a) Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends up to 2007-08 have been transferred to the Account of Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 7, 2015 (date of last Annual General Meeting) on the website of the Company ([www.alkylamines.com](http://www.alkylamines.com)), as also on the website of the Ministry of Corporate Affairs ([www.mca.gov.in](http://www.mca.gov.in)).
- (b) 24190 equity shares are lying in the unclaimed suspense account. Concerned shareholders have been again reminded to claim their shares.
5. We have been offering the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through National Automated Clearing House (NACH). 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. Kindly note that shareholders holding shares in dematerialised form would receive their future dividends directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.

6. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
7. The shareholders holding shares in physical form are once again advised to seek their shareholding changed to dematerialised form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded on the Stock Exchanges.
8. The members may note that the Company's Equity Shares are listed on the Bombay Stock Exchange and National Stock Exchange and the listing fees to the Stock Exchanges have been paid.
9. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copies of the Annual Report for 2016 is being sent in the permitted mode.
10. Members may also note that this Notice and the Annual Report for 2016 will also be available on the Company's website [www.alkylamines.com](http://www.alkylamines.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [legal@alkylamines.com](mailto:legal@alkylamines.com)
11. Voting through electronic means
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, the Company is providing the e-voting facility to its Members holding shares in physical or dematerialized form, as on the cut-off date, being Thursday, July 21, 2016, to exercise their right to vote at the 36th Annual General Meeting (AGM) by electronic means on any or all of the businesses specified in the Notice (the "Remote e-voting"), and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL). The Remote e-voting commences on Monday, July 25, 2016 (9:00 A.M.) and ends on Thursday, July 28, 2016 (5:00 P.M.). Details of the process and manner of Remote e-voting along with the User ID and Password are given in the attached sheet.
  - II. The Company is also offering the facility for voting by way of physical ballot at the AGM. The Members attending the meeting should note that those members who are entitled to vote but have not exercised their right to vote by Remote e-voting, may vote at the AGM through ballot for all businesses specified in the accompanying Notice. The Members who have exercised their right to vote by Remote e-voting may attend the AGM but shall not vote at the AGM. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Thursday, July 21, 2016.
  - III. The Company has appointed M/s. V. Sundaram & Co., Practising Company Secretaries, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - IV. The Scrutinizer shall, immediately after the conclusion of voting at general meeting, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and will make, within a period not exceeding 48 hours from the conclusion of the meeting, a Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company.
  - V. The results shall be declared within 48 hours of the conclusion of the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.alkylamines.com](http://www.alkylamines.com) and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and NSE Limited.
12. All documents referred to in the Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

By order of the Board

**K. P. RAJAGOPALAN**  
General Manager (Secretarial & Legal)  
& Company Secretary

**Registered Office :**

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

CIN: L99999MH1979PLC021796

**Dated:** May 20, 2016

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER CORPORATE GOVERNANCE AND SECTION 102 OF THE COMPANIES ACT, 2013

#### ITEM 3

Mr. H.M. Kothari retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. H.M. Kothari, aged 69 years, has been on our Board since October 18, 1980. Mr. H.M. Kothari, Ex-Chairman of DSP Merrill Lynch Limited, the leading Investment Bankers in India, is also Chairman of DSP Blackrock Investment Managers Pvt. Ltd.

At present, he is on the Board of the following Companies:

1. DSP BlackRock Investment Managers Pvt. Ltd.
2. DSP BlackRock Pension Fund Managers Pvt. Ltd.
3. Shuko Real Estate Pvt Ltd.
4. Arko Dealers Pvt. Ltd.
5. Arko Enterprises Pvt. Ltd.
6. Bestow Contractors and Developers Pvt. Ltd.
7. DSP HMK Holdings Pvt. Ltd.
8. DSP Investment Pvt. Ltd.
9. DSP ADIKO Holdings Pvt. Ltd.
10. HEMKO Patents Development Pvt. Ltd.
11. MVL Realty Pvt. Ltd.
12. Foodworld Supermarkets Pvt. Ltd.
13. Health & Glow Retailing Pvt. Ltd.

With his vast experience in the business, it will be in the interest of the Company that Mr. H.M. Kothari continues as Director of the Company.

Mr. H.M. Kothari is the brother of Mr. Yogesh M. Kothari, Chairman & Managing Director and uncle of Mr. Suneet Kothari, Executive Director.

Mr. H.M. Kothari alongwith his relatives and entities controlled by them hold 7566394 equity shares (constituting 74.193% of the equity capital) of the company.

#### ITEM 5

At the last Annual General Meeting, the shareholders had approved appointment and payment of remuneration to Messrs. Hemant Shah & Associates for the year ended March 31, 2016. The Board of Directors has reappointed them to conduct cost audit for the year ending March 31, 2017. The remuneration as recommended by the Audit Committee and approved by the Board of Directors is ₹1,25,000/- (exclusive of Service Tax) plus out-of-pocket expenses not exceeding ₹10,000/-. The members are requested to pass the resolution for appointment and remuneration payable to M/s. Hemant Shah & Associates, as set out at item No. 5 of the Notice.

None of the Directors/Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

By order of the Board

**K. P. RAJAGOPALAN**

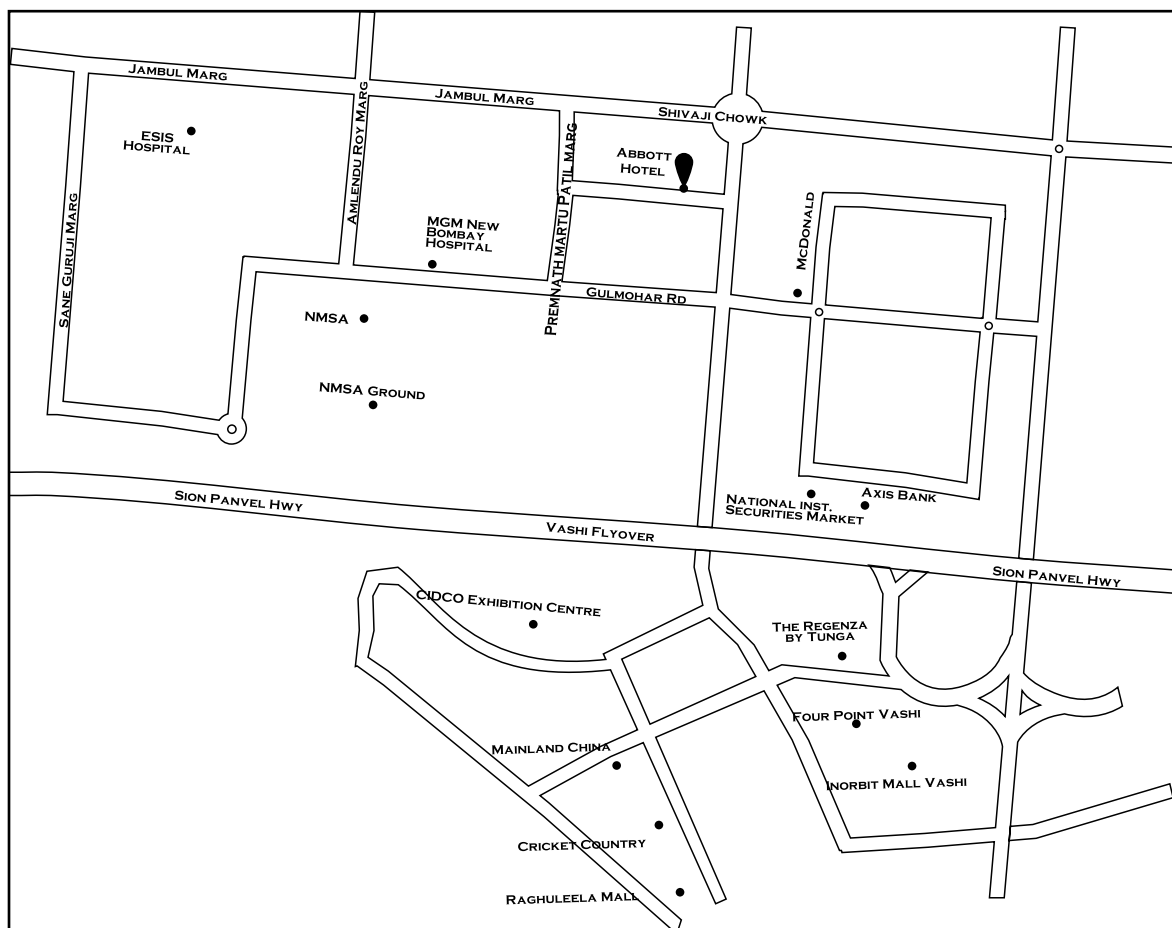
General Manager (Secretarial & Legal)  
& Company Secretary

#### Registered Office :

401-407, Nirman Vyapar Kendra,  
Plot No. 10, Sector 17, DBC, Vashi,  
Navi Mumbai 400 703.  
CIN: L99999MH1979PLC021796

**Dated:** May 20, 2016

## ROUTE MAP OF Annual General Meeting venue





## DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors take pleasure in presenting the 36th Annual Report on the business and operations of your Company together with Audited Statement of Accounts for the financial year ended March 31, 2016.

### 1. FINANCIAL RESULTS:

The financial performance of your Company is as summarized below for the year under review:

	2015-16 ₹ In Lakhs	2014-15 ₹ In Lakhs
Total Revenue (including Excise & Sales tax)	53651	53011
Total Revenue (net of taxes)	48455	47822
Profit before interest, depreciation & taxation	9340	8849
Interest & financial expenses	803	1023
Depreciation	1289	1135
Profit before tax	7248	6691
Provision for tax	2263	2149
Net Profit after tax	4985	4542
Add: balance profit brought forward	11511	8405
Profit available for appropriation	16496	12947
Transfer to General Reserve	0	454
Interim Equity Dividend paid which is being treated as final dividend	2040	816
Tax on dividends	415	166
Balance profit carried to balance sheet	14041	11511

### 2. PERFORMANCE HIGHLIGHTS:

During the year under review, total Income (gross) increased to ₹ 53651 Lakhs from ₹ 53011 Lakhs of the previous year, which is an increase of 1.2%. However compared to the previous year, total sales in volume increased by 12%.

Profit before tax registered an increase from ₹ 6691 Lakhs to ₹ 7248 Lakhs and Profit after tax increased from ₹ 4542 Lakhs to ₹ 4985 Lakhs.

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

### 3. DIVIDENDS:

Your Directors have in March 2016 declared and paid interim dividend of ₹ 10/- on Equity Share of ₹ 5/- each for the year ended March 31, 2016 (Previous Year: final dividend of ₹ 4/- per share of ₹ 5/- each). The total amount of dividend including Income tax thereon amounted to ₹ 2455 Lakhs (Previous Year ₹ 982 Lakhs). You are requested to approve the same as final dividend. No further dividend is being recommended.

### 4. NEW PROJECTS:

#### 4.1 Project at Kurkumbh (Maharashtra) :

We had applied for environment clearance for the second phase of Acetonitrile expansion and also for enhancement of DMAHCL production capacity at Kurkumbh. We have received the Environment Clearance and Consent to Establish. We expect to get the Consent to operate shortly.

#### 4.2 New Project at Dahej (Gujarat):

As already reported, we have taken possession of land at Dahej and have also paid contribution charges for water supply. We have received Consent to Establish and also the Environment Clearance. We have started engineering work which is expected to be completed by June 2016.



**4.3 Solar Project at Bhoom, Dist. Osmanabad (Maharashtra)**

The 2 MW solar project has been completed and commissioned and is in regular operation since July 2015. This investment is helping us to save electricity costs and contribute towards our efforts for sustainable green energy to protect environment.

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

Diamines and Chemicals Ltd., Vadodara, our associate company, has achieved a total income (net) of ₹ 3593.60 Lakhs as against ₹ 3927.64 Lakhs of the previous year. They made a profit after tax of ₹ 25.34 Lakhs as against net of loss of ₹ 155.40 Lakhs of the previous year.

**b. Alkyl Speciality Chemicals Limited:**

This company was earlier engaged in marketing of speciality chemicals. This company achieved a total income of ₹ 14.61 Lakhs (Previous Year: ₹ 31.35 Lakhs) and a profit after tax of ₹ 10.73 Lakhs as against ₹ 19.88 Lakhs of the previous year. Your Directors have decided to merge the subsidiary company with the holding company.

Pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company include the financial information of Diamines & Chemicals Limited and Alkyl Speciality Chemicals Limited.

The Annual Accounts of the Subsidiary company - Alkyl Speciality Chemicals Limited, are available for inspection by any member at the registered office during business hours. The Company will send copies thereof to the shareholders who may, if required, write to the company.

**6. RESPONSIBLE CARE®:**

Your Company has conceptualized, and is developing and supporting Nicer Globe, a Responsible Care initiative of Indian Chemical Council (ICC), along with other chemical companies. Nicer Globe is all about safe transportation of chemicals and providing proper emergency response. Responsible Care® is a wide-ranging voluntary initiative of International Council of Chemical Associations, being implemented in India by Indian Chemical Council to safely handle the products from inception in the research laboratory, through manufacture and distribution, to ultimate reuse, recycle and disposal, and to involve the public in the decision making processes. We have got our company certified for Responsible Care®. Various programs and studies related to safety, environment and health have been taken up and are being implemented, as listed hereunder:

**6.1. Energy Conservation and Technology Absorption:**

The information on conservation of energy, technology absorption and other details stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith in "Annexure 2".

**6.2. Safety, Health and Environment:**

Keeping in line with the core values of being a responsible corporate citizen, an Integrated Management System to ensure effective Occupational Health Management has been established by your Company.

**(a) Safety :** We encourage a high level of awareness of safety issues among our employees and strive for continuous improvement. All incidents are analysed in safety committee meetings and corrective actions, wherever necessary, 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. We are one of the leading members of Local and District Crisis Group and have earned reputation amongst society around and statutory authorities for prompt technical support during Disaster Management events.

External safety audit is carried out by outside agencies and the audit recommendations are being implemented.

Safety promotional activities such as celebration of national safety week, world environment day, fire service day, and participation in regional safety competition are done regularly.

The Company conducted Mock drill for onsite emergency scenario in presence of Observers from Directorate of Industrial Safety and Health and experts from other industries. The systematic mitigation actions were appreciated by the observers. To strengthen the Emergency Response, the company has conducted Truncated drills and Table top exercises and assessed performance of emergency responders. Daily tool box talks, safety talks to officers and contractors are done by the company staff.

The Company has a Disaster Management Plan within the Company and for surrounding industry, either in the form of providing risk information to the community or responding in case of any emergency, as a part of its social responsibility.

Online deviation reporting system has been installed with access to all employees including contract employees. The deviations recorded are promptly corrected by Area in-charge and closed. Employees are rewarded for good suggestions. This system encourages involvement of employees at all levels.

In addition to the above we have introduced an award for Safe employee and Safe contractor of the year in 2015/16. The awards were distributed accordingly and the practice will be continued.

Based on Operational Hazards, we have provided adequate levels of protections through scientific safety studies.

- (b) **Health :** Health of employees is of utmost 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 well equipped Occupation Health Centers with a full time Doctor, appropriate staff and own AMBULANCE Vehicle at both manufacturing sites at Patalganga and Kurkumbh. We have team of employees trained as FIRST AIDERS who contribute their skills while on duty as well as away from duties to serve the society. Occupational Health and Safety issues are continuous focus points for your Company. Both sites are certified to OHSAS 18001:2007.

New employees undergo medical check up before they join duty. Training programs are arranged on lifestyle diseases by eminent doctors. Health camps (including blood donation camps) are arranged. Drivers are provided training on health issues. Occupational health Centres have been upgraded and modern equipments are provided. Health promotional activities, such as celebrating International Yoga day at all our sites and conducting Yoga training of all our employees and contractors were done.

(c) **Environment:**

In line with our IMS Policy, we give utmost importance to Environment protection and adherence to pollution control norms. Environmental Management System at Patalganga and Kurkumbh has been certified to ISO 14001:2004. We have successfully completed the surveillance audits that take place from time to time.

Environment protection and adherence to pollution control norms is of high concern for our company.

- i) Air Emissions – We monitor regularly emissions from various sources and are very particular about compliance with statutory requirement. Projects are undertaken for reduction of emissions.
- ii) Liquid Waste Treatment – We have integrated Effluent Treatment Plants and we maintain outlet standards within the prescribed limits. Continuous efforts are made by improving the internal processes to minimize the quantity of effluent generated and feasibility of recycling of treated effluent is being studied. The company has planned substantial investment for expanding as well as upgrading its effluent treatment capacity to meet long term requirements. Our Company is also a member of the CETP located at Patalganga and Kurkumbh. Pilot Plant trials of RO system were conducted to confirm the suitability of RO process for recovering water from treated effluent and recycle it for process use. The ETP has been up-graded and is performing satisfactorily.
- iii) Solid Waste Management – Solid wastes are either incinerated or disposed of to secured landfill. The manufacturing sites at Patalganga and Kurkumbh are members of the Authorized Common Hazardous Waste Transport, Storage & Disposal Facility namely; Mumbai Waste Management Limited, Taloja, and Maharashtra Enviro Power Limited, Ranjangaon respectively. We have a programme in place for waste management using reduction / recycle / reused / recovery techniques. These programmes are continuously reviewed for monitoring their progress and effectiveness.
- iv) Green belt – Tree plantation inside and outside the factory premises is given utmost importance. So far we have planted nearly 8320 trees in and around our plant sites.
- v) Non conventional Renewable Energy and Natural Resource conservation – We use Solar Water heaters at the staff colony. Measures like gravitational water supply, Sewage water gardening, Rain water harvesting, and number of GO GREEN activities are also undertaken at the staff colony.
- vi) Our 2MW Solar Power Project at Bhoom has been commissioned and is working satisfactorily
- vii) Possibility of contaminating the storm water due to heavy rains, has been eliminated by improving the effluent collection system. Transfer of effluent through pipelines has been implemented.
- viii) Turbo Ventilators have been installed in all warehouses to minimize exposures and maintain fresh air at the work place.

## 7. CORPORATE SOCIAL RESPONSIBILITY:

Your Company works with a deep sense of social commitment and contributes generously towards the welfare of the society that it is part of. Your Company's concerns are focussed on Environment Sustainability & Rural Development, Health/Women Empowerment, Education/Sports and others. The Annual Report on CSR activities is annexed herewith as "Annexure 3".

## 8. DIRECTORS:

We are sad to report that Mr. K.R.V. Subrahmanian, who was an Independent Director and Chairman of Audit Committee, expired on 5.2.2016. Your Directors wish to place on record their appreciation of the valuable advice and guidance the Company had received from Mr. Subrahmanian during his tenure. The Company has the requisite number of independent directors on the Board.

Mr. Hemendra Kothari retires by rotation at the Annual General Meeting and, being eligible, has offered himself for re-appointment.

Your Directors recommend his reappointment.