



## Annual Report

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### 2016 - 2017



Responsible Care®  
OUR COMMITMENT TO SUSTAINABILITY

# Alkyl Amines Chemicals Limited





## FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2012	31.03.2013	31.03.2014	31.03.2015	31.03.2016	31.03.2017
Gross Revenue	31,836.94	40,667.01	49,443.03	53,011.13	53,797.46	<b>55,700.10</b>
Revenue Growth %	22.18%	27.74%	21.58%	7.22%	1.48%	<b>3.54%</b>
Net Sales	28,149.55	35,896.58	44,028.65	46,798.01	47,260.79	<b>48,862.45</b>
EBIDTA	4,473.11	5,890.03	8,660.55	8,848.96	9,340.63	<b>9,269.76</b>
% of EBIDTA to Gross Revenue	14.05%	14.48%	17.52%	16.69%	17.36%	<b>16.64%</b>
Profit before Tax	2,368.25	3,592.82	6,462.41	6,690.81	7,248.06	<b>7279.37</b>
Profit after Tax	1,716.38	2,393.20	4,288.06	4,542.13	4,985.48	<b>4960.78</b>
Gross Fixed Assets	21,913.58	23,576.45	26,764.49	30,410.00	33,744.73	<b>40,187.36</b>
Net Fixed Assets	12,798.36	13,503.01	15,738.84	18,161.09	20,327.66	<b>25,484.58</b>
Net Current Assets	8,941.49	12,039.60	13,887.63	12,879.92	11,962.62	<b>12,144.57</b>
Equity Share Capital	1,020.61	1,020.61	1,020.61	1,020.61	1,020.61	<b>1020.61</b>
Reserve & Surplus (Incl. Deferred Taxation (Net))	9,535.58	11,492.20	15,098.19	18,538.53	21,790.31	<b>26,762.00</b>
Book Value per share of ₹ 5/- (₹)	51.76	61.35	79.03	95.90	111.84	<b>136.21</b>
Earning per Share of ₹ 5/- (₹)	8.42	11.73	21.02	22.27	24.44	<b>24.32</b>
Equity Dividend (%)	40.00	50.00	80.00	80.00	200.00	<b>100.00</b>
Net Sales to Gross Fixed Assets (%)	128.46	152.26	164.50	153.89	140.05	<b>121.59</b>
Return on Capital Employed (%)	25.43	29.29	37.49	33.42	32.98	<b>25.19</b>
Return on Net worth (%)	16.26	19.13	26.60	23.22	21.86	<b>17.86</b>
PAT to Net Sales (%)	6.10	6.67	9.74	9.71	10.55	<b>10.15</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 (Commercial)*  
**Sameer Deshpande**

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

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

## Non-Executive Directors :

**Hemendra M. Kothari**

**Dilip G. Piramal**

**Shyam B. Ghia**

**Shobhan M. Thakore**

**Premal N. Kapadia**

**Tarjani Vakil**

## 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

## Manufacturing Sites :

**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

## Dahej Plant :

Plot No. D-2/CH/149/2, GIDC Dahej-2 Industrial Area,  
Tal. Vagra, Dist. Bharuch - 392110, Gujarat

## Auditors

Messrs Banshi 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. Vasanthi 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 37th 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 Tuesday, July 25, 2017 at 11.00 A.M. 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, 2017, 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, 2017.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Kirat Patel (holding DIN 00019239 ), who retires by rotation at this Annual General Meeting and being eligible, offers himself for reappointment
4. To 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. N.M. Raiji & Co., Chartered Accountants (Firm Registration No. 108296W), be and are hereby 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, 2018 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.”

6. 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 Sections 149(9), 197 and other applicable provisions, if any, of the Companies Act, 2013 the Articles of Association of the Company, the Directors of the Company (other than the Managing Director and the Executive Directors) together be paid a commission of such an aggregate amount as may from time to time be determined by the Board of Directors but not exceeding 1% of the net profits of the relevant accounting year of the Company as computed in the manner prescribed under section 198 of the said Act and the said aggregate amount shall be divided amongst such Directors in such proportion and in such manner as may be decided by the Board of Directors in that behalf”.

**“RESOLVED FURTHER THAT** the commission as aforesaid shall be payable to the directors (other than the Managing Director and the Executive Directors) of the Company, commencing from the accounting year beginning on 1st April, 2017 for a period of 5 years”.

**“RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to take such steps as may be necessary and desirable 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 the Business at Item Nos. 3, 5 and 6 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. Register of members and Share Transfer Books will remain closed from July 18, 2017 to July 25, 2017 (both days inclusive) for the purpose of Annual General Meeting.
4. 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 (11.00 am to 4.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.
5. (a) Please note that pursuant to Section 124, 125 of the Companies Act, 2013 and all other applicable provisions, all unclaimed/unpaid dividends up to 2006-07 have been transferred to the Account of Central Government. The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 29, 2016 (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.
6. We have been offering the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through National Electronic Clearing Service (NECS) and 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 dividend directly to the bank account nominated by them to their Depository Participant, as per SEBI directives.
  7. The members are requested to notify change of address, if any, to the Company's Registrar and Transfer Agent.
  8. 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.
  9. 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.
  10. 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 2016-17 is being sent in the permitted mode.
  11. Members may also note that this Notice and the Annual Report for 2016-17 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)
  12. 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 July 17, 2017, to exercise their right to vote at the 37th 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 July 20, 2017 (9:00 A.M.) and ends on July 24, 2017 (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. Monday, July 17, 2017.
    - III. The Company has appointed Mr. Prashant Mehta, Practising Company Secretary (Membership No. 5814), 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 three (3) working days 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.
  13. Members are requested to bring attendance slip alongwith the copy of the Annual Report at the meeting.

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 18, 2017



## ANNEXURE TO THE NOTICE

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

#### ITEM 3

At the Annual General Meeting held on July 7, 2015 the shareholders had approved appointment of Mr. Kirat Patel as Executive Director upto December 31, 2019 upon the terms and conditions including remuneration. He retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Mr. Kirat Patel, aged 64, is B.Tech., Mechanical Engineering from Indian Institute of Technology, Mumbai, and M.M.S. (Finance) from Jamnalal Bajaj Institute of Management, Mumbai, and has been working with the Company since its inception. He is Director and a member of Audit Committee & Nomination and Remuneration Committee of Diamines & Chemicals Limited (a company in which our company holds around 30% of the shareholding) and Director of Alkyl Speciality Chemicals Limited (subsidiary of this company). He is also a Director of Kaira Can Company Limited and is the Chairman of their Audit Committee and member of the Nomination & Remuneration Committee. He is also director of the following Companies:

- 1) Anjyko Investments Private Limited.
- 2) Purjeeko Trading & Investment Private Limited.
- 3) Foundation for CfHE.

Mr. Kirat Patel alongwith his relatives holds 1,17,306 equity shares (constituting 0.57% of the equity capital) of the company.

Mr. Kirat Patel is interested in the Resolution, since it relates to his own re-appointment.

#### 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, 2017. The Board of Directors has reappointed them to conduct cost audit for the year ending March 31, 2018. 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 are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

#### ITEM NO. 6

At the Annual General Meeting held on August 7, 2012 the shareholders had approved payment of a commission not exceeding 1% of the net profits of the company to the Directors (other than Managing Director and the Executive Directors) for the period commencing from the accounting year beginning from 1st April, 2012. As the provision for payment of commission was upto the Accounting Year ended on March 31, 2017, a fresh resolution is proposed approving payment of commission not exceeding 1% of the net profits to the Directors (other than Managing Director and the Executive Directors) for a further period of 5 years commencing from the accounting year beginning 1st April 2017.

The increasing business activities of the company require the Board of Directors to devote more time and attention. Hence, it is considered fair and proper to compensate the Directors for the services rendered by them to the company, by paying of the appropriate amount by way of commission on the net profits of the company.

All the Directors of the company (except Mr. Yogesh Kothari, Mr. Kirat Patel and Mr. Suneet Kothari) may be regarded as concerned or interested in the Resolution.

By order of the Board

**K. P. RAJAGOPALAN**

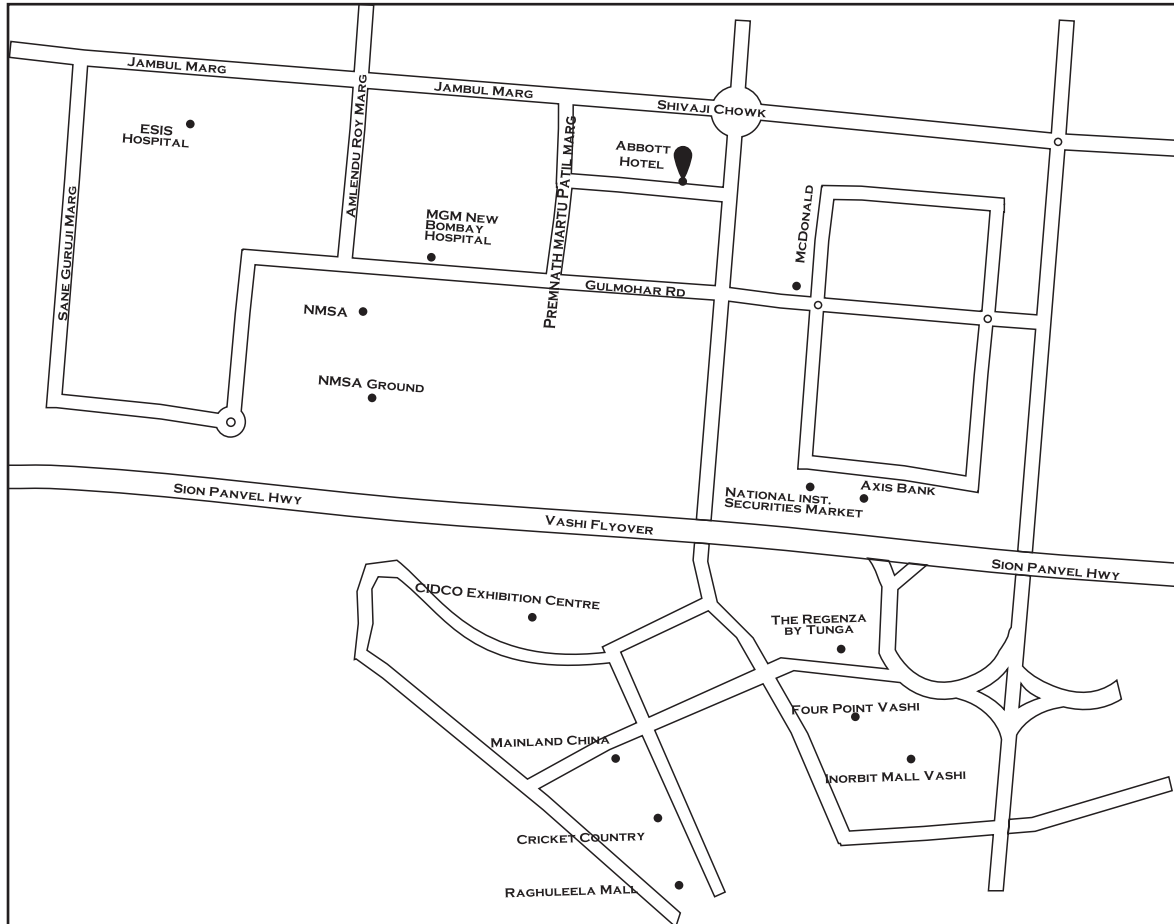
General Manager (Secretarial & Legal)  
& Company Secretary

#### Registered Office :

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

**Dated:** May 18, 2017

## ROUTE MAP OF Annual General Meeting venue





## DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders,

Your Directors take pleasure in presenting the 37th Annual Report on the business and operations of your Company together with Audited Statement of Accounts for the financial year ended March 31, 2017.

### 1. FINANCIAL RESULTS:

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

	2016-17 ₹ In Lakhs	2015-16 ₹ In Lakhs
Total Revenue (including Excise & Sales tax)	55700	53797
Total Revenue (net of taxes)	50164	48601
Profit before interest, depreciation & taxation	9270	9341
Interest & financial expenses	562	803
Depreciation	1429	1289
Profit before tax	7279	7248
Provision for tax	2319	2263
Net Profit after tax	4961	4985
Add: balance profit brought forward	14041	11511
Profit available for appropriation	19002	16496
Transfer to General Reserve	0	0
Provision for dividend/(dividend paid last year)	1020	2040
Tax on dividends	207	415
Balance profit carried to balance sheet	17775	14041

### 2. PERFORMANCE HIGHLIGHTS:

During the year under review, total Income (gross) marginally increased from ₹ 53797 lakhs to ₹ 55700 Lakhs.

Profit before tax for the year was ₹ 7279 Lakhs compared to ₹ 7248 lakhs of the previous year and Profit after tax was ₹ 4961 Lakhs as against ₹ 4985 lakhs of the previous year.

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

### 3. DIVIDENDS:

Your Directors are pleased to recommend for your approval dividend of ₹ 5/- on Equity Share of ₹ 5/- each for the year ended March 31, 2017 (Previous Year: Dividend of ₹ 10/- per share of ₹ 5/- each). The total amount of dividend including Income tax thereon amounted to ₹ 1227 Lakhs (Previous Year ₹ 2455 Lakhs). You are requested to approve the same.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included in this Annual Report. (Annexure 1)

### 5. NEW PROJECTS:

Implementation of our Methylamines Plant at Dahej is in full swing. Barring unforeseen circumstances, we expect to commission the Plant by the third quarter of 2017-18. We are also planning for a new plant to produce Acetonitrile at Dahej. Our new projects also include:

- enhancing aggregate capacity of aliphatic amine hydrochloride at various locations, and
- enhancing DEHA capacity at Kurkumbh.

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

Diamines and Chemicals Ltd., Vadodara, our associate company, has achieved a total income (net) of ₹ 3481.30 Lakhs as against ₹ 3557.64 Lakhs of the previous year. They made a profit after tax of ₹ 427.70 Lakhs as against ₹ 25.34 Lakhs of the previous year. They have declared a dividend of ₹ 1.50 per equity share of ₹ 10/- each for the year ended March 31, 2017.

**b. Alkyl Speciality Chemicals Limited:**

Application for merger of this subsidiary company with our Company is pending with National Company Law Tribunal. During the year 2016-17 Alkyl Speciality Chemicals Ltd. earned a profit before tax of ₹ 13.23 lakhs compared to ₹ 14.10 lakhs of the previous year and profit after tax of ₹ 9.26 lakhs compared to ₹ 10.73 lakhs of the previous year.

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.

**7. RESPONSIBLE CARE:**

Your Company is 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:

**7.1. 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".

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

Keeping in line with the core values of being a responsible corporate citizen, an Integrated Management System to ensure an effective Environment Management and 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 conducts scheduled Mock drill for emergency scenarios with the active involvement of its staff and occasionally in the presence of external stakeholders. The gaps, if any, are immediately addressed for closure. To strengthen the Emergency Response, the company conducts Truncated drills and Table top exercises to assess the performance of emergency responders. Daily tool box talks and 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.

The Safe employee and Safe contractor awards initiated in 2015-16 were distributed accordingly in 2016-17.

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

An unfortunate incident of fire occurred in our Kurkumbh factory on November 12, 2016, due to which two workers were injured and one of them while undergoing treatment, succumbed to his injuries. The other worker was discharged after due treatment. After discussion with the deceased workman's family, appropriate compensation was agreed and paid and his relative was given employment in the factory.

- (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 for 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 are 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. Capital expenditure for expanding as well as further upgradation of the effluent treatment facility to meet long term requirements have been cleared and are under design stage. Our Company is also a member of the CETP located at Patalganga and Kurkumbh. The ETP's at both sites are 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 program in place for waste management using reduction/ recycle/ reuse/ recovery techniques. These programs are continuously reviewed for monitoring their progress and effectiveness.
- iv) **Green belt** – Tree plantation inside and outside the factory premises is given utmost importance and is done on a regular basis
- v) **Non conventional Renewable Energy and Natural Resource conservation** –  
Additional Solar Water heaters have been installed at the staff colony. Use of water from the Sewage Treatment Plant for gardening, Rain water harvesting, and number of GO GREEN activities were undertaken at the plant and staff colony.
- vi) Our 2 MW Solar Power Project at Bhoom is working satisfactorily.
- vii) Possibility of contaminating the storm water due to heavy rains, has been eliminated by improving the effluent collection system, This arrangement of transferring of effluent through pipelines continues to work satisfactorily.
- viii) A new and efficient coal fired boiler was installed and commissioned in 2016-17. This arrangement will ensure better thermal efficiency, serve as an installed standby to the existing boilers and increase number of days available for production.

## 8. CORPORATE SOCIAL RESPONSIBILITY:

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