



Alkyl Amines Chemicals Limited

Annual Report 2018-19

FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2015	31.03.2016	31.03.2017	31.03.2018	31.03.2019
Gross Revenue	53,011.13	53,797.46	55,712.94	69,576.86	95,557.04
Revenue Growth %	7.22%	1.48%	3.56%	24.88%	37.34%
Net Sales	46,798.01	47,260.79	48,862.45	60,500.14	83,221.85
EBIDTA	8,848.96	9,340.63	9,627.37	11,959.45	16,720.97
% EBIDTA to Gross Revenue	16.69%	17.36%	17.28%	17.19%	17.50%
EBIDTA Growth (%)	2.18%	5.56%	3.07%	24.22%	39.81%
Profit before Tax	6,690.81	7,248.06	7,393.19	9,577.36	13,019.49
PBT Growth (%)	3.53%	8.33%	2.00%	29.54%	35.94%
Profit After Tax	4,542.13	4,985.48	5,035.80	6,428.90	8,374.45
PAT Growth (%)	5.93%	9.76%	1.01%	27.66%	30.26%
Net Fixed Assets	18,161.09	20,327.66	25,484.58	37,357.13	41,957.92
Net Current Assets	12,879.92	11,962.62	6,444.81	5,882.65	6,318.11
Equity Share Capital	1,020.61	1,020.61	1,020.61	1,020.61	1,020.61
Reserve & Surplus (excl. Deferred Tax)/ Other equity	16,460.61	18,739.90	23,535.96	28,694.75	35,478.71
Book Value (Rs)	85.71	96.88	120.40	145.69	178.95
Earning per Share - Basic (Rs)	22.27	24.44	24.69	31.52	41.06
Earning per Share - Diluted (Rs.)	22.27	24.44	24.69	31.52	40.95
Equity Dividend (%)	80.00	200.00	100.00	140.00	160.00
Net Sales to Gross Fixed Assets (%)	153.89	140.05	182.52	150.11	176.65
Return on Capital Employed (%)	33.42	32.98	26.30	25.64	32.65
Return on Net worth (%)	25.98	25.23	20.51	21.63	22.94
PAT to Net Sales (%)	9.71	10.55	10.31	10.63	10.06

Figures of March 31, 2017 have been regrouped according to Ind AS.

BOARD OF DIRECTORS

Yogesh M. Kothari	<i>Chairman & Managing Director</i>
Hemendra M. Kothari (upto 21.05.2019)	<i>Non-Executive Director</i>
Dilip G. Piramal	<i>Independent Director</i>
Shyam B. Ghia	<i>Independent Director</i>
Shobhan M. Thakore	<i>Independent Director</i>
Premal N. Kapadia	<i>Non-Executive Director</i>
Leja Hattiangadi (w.e.f. 01.11.2018)	<i>Independent Director</i>
Chandrashekhar R. Gupte (w.e.f. 21.05.2019)	<i>Independent Director</i>
Tarjani Vakil (upto 29.01.2019)	<i>Independent Director</i>
Kirat Patel	<i>Executive Director</i>
Suneet Kothari	<i>Executive Director</i>

Chintamani Thatte
*General Manager
(Secretarial) & Company Secretary*
Rahul Mehta
*General Manager - Finance & Accounts
(Chief Financial Officer)*
Auditors

N.M. Raiji & Co.
Chartered Accountants
Mumbai

Bankers

State Bank of India
Axis Bank Ltd.
Standard Chartered Bank
Citibank

Registrar & Transfer Agents

Sharex Dynamic (India) Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai - 400 083
Tel No.: +91 22 2851 644 / 5606 | Fax : + 91 22 2851 2885
Email : support@sharexindia.com | Website : www.sharexindia.com

Registered Office :

401-407, Nirman Vyapar Kendra,
Plot No. 10, Sector 17, Vashi,
Navi Mumbai - 400 703
Tel.: 022 6794 6618
Fax : 022 6794 6666
E-mail : legal@alkylamines.com
CIN: L99999MH1979PLC021796

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

CONTENTS

Financial Highlights	Inside Front Cover	Cash Flow Statement	56-57
Notice of AGM	2-10	Statement of changes in Equity	58-59
Directors' Report	11-45	Notes 1 to 43	60-107
Auditors' Report	46-53	Form AOC-1	108
Balance Sheet	54	Consolidated Financial Statements	109-167
Statement of Profit & Loss	55		

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th 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, August 6, 2019 at 2.30 PM, to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
 - (a) the audited standalone financial statements of the Company for the financial year ended March 31, 2019, together with 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, 2019.
2. To declare dividend on equity shares for the Financial Year ended March 31, 2019.
3. To appoint a Director in place of Mr. Premal N. Kapadia (DIN 00042090) who retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
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 pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai (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 42nd Annual General Meeting of the Company (for the balance three years in their first term of five years), at such remuneration as shall be fixed by the Board of Directors of the Company based on the recommendation of Audit Committee.”

SPECIAL BUSINESS:

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

Re-appointment of Mr. Dilip G. Piramal as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), Mr Dilip G. Piramal (DIN:00032012), whose present term of office as an Independent Director expires at the conclusion of this Annual General Meeting, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and Listing Regulations and who is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act signifying the intention to propose his candidature for the office of Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting i.e. August 6, 2019 upto August 5, 2024.”

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

Re-appointment of Mr. Shyam B. Ghia as an Independent Director

“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), Mr Shyam B. Ghia (DIN:00005264), whose present term of office as an Independent Director expires at the conclusion of this Annual General Meeting, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and Listing Regulations and who is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act signifying the intention to propose his candidature for the office of Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting i.e. August 6, 2019 upto August 5, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the

time being in force, approval of the Members of the Company be and is hereby granted to Mr Shyam B. Ghia (DIN:00005264), on his attaining the age of seventy five (75) years during this second term, to continue to be an Independent Director of the Company up to August 5, 2024, being the date of expiry of his second term of office.”

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

Re-appointment of Mr. Shobhan M. Thakore as an Independent Director

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (Listing Regulations), Mr Shobhan M. Thakore (DIN:00031788), whose present term of office as an Independent Director expires at the conclusion of this Annual General Meeting, who has given his consent for the re-appointment and has submitted a declaration that he meets the criteria for independence under Section 149 of the Act and Listing Regulations and who is eligible for re-appointment, in respect of whom Notice has been received from a Member under Section 160 of the Act signifying the intention to propose his candidature for the office of Director and whose re-appointment has been recommended by the Nomination and Remuneration Committee and by the Board of Directors, be and is hereby re-appointed as an Independent Director of the Company, for a second term of five consecutive years with effect from the conclusion of this Annual General Meeting i.e. from August 6, 2019 upto August 5, 2024.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, other applicable provisions, if any, of the Companies Act, 2013 and the applicable Rules made thereunder, including any amendment(s), statutory modification(s) and/or re-enactment thereof for the time being in force, approval of the Members of the Company be and is hereby granted to Mr. Shobhan M. Thakore (DIN:00031788), on his attaining the age of seventy five (75) years during this second term, to continue to be an Independent Director of the Company up to August 5, 2024, being the date of expiry of his second term of office.”

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

Appointment of Ms Leja Hattiangadi as an Independent Director

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), Ms Leja Hattiangadi (DIN:00198720), who was appointed as an Additional Director of the Company by the Board of Directors with effect from November 1, 2018 in terms of Section 161 of the Act, and whose term of office expires at the Annual General Meeting, who has given her consent for appointment as an Independent Director of the Company and has also submitted a declaration that she meets the criteria of independence under Section 149 of the Act and Listing Regulations, and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose her candidature for the office of Director, and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years with effect from the November 1, 2018 upto October 31, 2023.”

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

Appointment of Mr. Chandrashekhar R. Gupte as an Independent Director

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (Listing Regulations), Mr. Chandrashekhar R. Gupte (DIN:00009815), who was appointed as an Additional Director of the Company by the Board of Directors with effect from May 21, 2019 in terms of Section 161 of the Act, and whose term of office expires at the Annual General Meeting, who has given his consent for appointment as an Independent Director of the Company and has also submitted a declaration that he meets the criteria of independence under Section 149 of the Act and the SEBI Listing Regulations, and who is eligible for appointment, in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act, signifying the intention to propose his candidature for the office of Director, and whose appointment has been recommended by the Nomination & Remuneration Committee and by the Board of Directors for consideration by the Members, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years with effect from the May 21, 2019 upto May 20, 2024.”

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

Ratification of Remuneration to Cost Auditor

“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, 2020 be paid remuneration, as set out in the Explanatory 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.”

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

To approve continuation of payment of remuneration to Executive Directors who are Promoters as per SEBI (LODR) (Amendment) Regulations, 2018.

“RESOLVED THAT pursuant to Regulation 17(6)(e) of SEBI (LODR) (Amendment) Regulations, 2018 and other applicable provisions, if any, and as per the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the continuation of payment of remuneration, as per existing terms and conditions as approved by the shareholders at the Annual General Meeting held on July 7, 2015, to Mr. Yogesh M. Kothari, Chairman and Managing Director, who is the Promoter, upto March 31, 2020, and to Mr. Suneet Kothari, Executive Director, who belongs to Promoter Group, upto December 31, 2019, notwithstanding that their aggregate annual remuneration exceeds 5 per cent of the net profits of the Company calculated as per the provisions of Section 198 of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all steps as may be necessary, proper and expedient to give effect to this Resolution.”

NOTES :

1. An Explanatory Statement setting out all material facts relating to business at Item Nos. 4 to 11 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 30, 2019 to August 6, 2019 (both days inclusive) for the purpose of Annual General Meeting and dividend.
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 & Sundays, up to and including the date of Annual General Meeting of the Company.
5. (a) Please note that pursuant to provisions of Section 124, 125 of the Companies Act, 2013 all unclaimed/unpaid dividends up to 2010-11 have been transferred to the Account of Central Government. The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on July 31, 2018 (date of last Annual General Meeting) on the website of the Company (www.alkylamines.com), as also on the website of the Ministry of Corporate Affairs (www.mca.gov.in).
- (b) 22834 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 BSE Ltd. and the National Stock Exchange of India Ltd. 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 Participants(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 2018-19 is being sent in the permitted mode.
11. Members may also note that this Notice and the Annual Report for 2018-19 will also be available on the Company's website 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 (11.00 am to 4.00 pm) on working days, except Saturdays & Sundays. 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
12. SEBI, vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after December 5, 2018 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository. The said deadline was extended by SEBI to March 31, 2019.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.

13. 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 30, 2019, to exercise their right to vote at the 39th 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 August 1, 2019 (9:00 A.M.) and ends on August 5, 2019 (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 of e-voting form, and forms part of the AGM Notice.
 - 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. July 30, 2019.
 - III. The Company has appointed Mr. Prashant S. Mehta, Practising Company Secretary (Membership No. A5814 and COP No.17341), 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 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 / Company Secretary of the Company. 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 and on the website of NSDL within 48 hours of passing of the resolutions at the AGM of the Company and communicated to the BSE and NSE.
14. Members are requested to bring attendance slip alongwith the copy of the Annual Report at the meeting.

By order of the Board

CS CHINTAMANI THATTE
General Manager (Secretarial)
& Company Secretary

Registered Office :

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

CIN: L99999MH1979PLC021796

Navi Mumbai, May 21, 2019

ANNEXURE TO THE NOTICE

I. EXPLANATORY STATEMENT IN RESPECT OF THE BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai (Firm Registration No. 108296W) were appointed as Statutory Auditors of the Company at the previous Annual General Meeting (AGM) of the Company held on July 31, 2018 to hold the office till conclusion of 39th AGM. The said appointment was the second year in their first term of five years. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Company is required to appoint the Statutory Auditors for a term of five consecutive years. Thereafter, it is proposed to appoint M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai (Firm Registration No. 108296W), as Statutory Auditors of the Company for the balance period of three years in their first term of five years i.e. to hold the office till the conclusion of 42nd AGM.

The Board, based on the recommendation of Audit Committee, has proposed to pay them fees of Rs. 22.00 lakhs (Statutory and Tax Audit fees) plus out of pocket expenses, if any, and applicable taxes, for the financial year 2019-2020.

M/s. N.M. Raiji & Co., Chartered Accountants, Mumbai (Firm Registration No. 108296W) is a renowned firm of Chartered Accountants. They provide services related to auditing, income tax and other related services.

The Board recommends the Resolutions as set out in Item No. 4 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 4 of the Notice.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(5) of the Listing Regulations.

ITEM NO. 5, 6 and 7

As per the provisions of Sections 149, 150, 152 & Schedule IV of the Companies Act, 2013 read with the relevant Rules thereunder as amended, the Company had appointed Mr Dilip G Piramal, Mr Shyam B. Ghia and Mr Shobhan M. Thakore as Independent Directors at the 34th Annual General Meeting held on August 7, 2014 for a term of five consecutive years upto the conclusion of the 39th Annual General Meeting of the Company.

The above named Independent Directors shall be completing their first term of appointment of five years upon the conclusion of the 39th Annual General Meeting of the Company and as per Section 149(10) of the Companies Act, 2013, they are eligible for re-appointment for another term of five consecutive years subject to approval of the Members by Special Resolution.

Based on the recommendation of Nomination & Remuneration Committee and in terms of provisions of Sections 149, 150, 152, Schedule IV and any other applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Board of Directors of the Company at their Meeting held on May 21, 2019, have recommended the re-appointment of the aforesaid persons as Independent Directors for a second term of five consecutive years commencing with effect from the conclusion of this Annual General Meeting i.e. from August 6, 2019 upto August 5, 2024. All the above named persons have consented to their re-appointment and confirmed that they do not suffer from any disqualifications in their re-appointment as Independent Directors. During their tenure of re-appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and as per Listing Regulations. In the opinion of the Board, they fulfill the conditions as provided in Companies Act, 2013 and Listing Regulations, for re-appointment as Independent Directors and they are independent of the Management.

The Company has also received notices from a Member under Section 160 of the Companies Act, 2013 proposing their candidature for the office of Directors.

A copy of the draft letter for re-appointment of the Independent Directors setting out the terms and conditions of their re-appointment is available for inspection by the Members at the Registered Office of the Company during the office hours (11.00 am to 4.00 pm) on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. The Board's decision as above was notwithstanding the fact that Mr. Shyam B. Ghia and Mr Shobhan M. Thakore shall attain the age of seventy five (75) years during their further term as Independent Directors of the Company. The Board recommends the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice for approval of the Members.

The information in respect of these Directors is as under:

1. Mr Dilip G Piramal, aged 69 years, a Graduate from Mumbai University, is one of India's leading industrialists. He is a Promoter and Chairman of VIP Industries Limited. He has vast experience and knowledge in the field of Corporate Management. He joined the Board of Directors of the Company in October, 1980.

He holds Directorships and memberships of Committees of following Companies:

1. VIP Industries Limited. (Chairman & Managing Director & Member)
2. KEC International Limited. (Independent Director)
3. DGP Securities Limited. (Chairman & Member)
4. Kiddy Plast Limited. (Director)
5. Gazelle Travels Private Limited. (Director)
6. DGP Enterprises Private Limited. (Director & Member)
7. DGP Capital Management Limited. (Director)

He is a member of Company's Nomination & Remuneration Committee.

He is also a member of the Audit Committee and Stakeholders' Relationship Committee of VIP Industries Limited.

He does not hold any shares in the Company.

2. Mr S.B. Ghia aged 71 years, is B.S. (USA) and has vast experience in Industry and Corporate management. He joined the Board of Directors of the Company in October, 1980.

He holds Directorships of following Companies:

1. Futura Polyesters Limited. (Chairman & Managing Director & Member)
2. Innovassynth Technologies (India) Limited. (Director)
3. Innovassynth Investments Limited. (Managing Director and Member)
4. Sonata Software Limited. (Director)

He is Chairman of Company's Audit Committee and Nomination & Remuneration Committee and member of Stakeholders' Relationship Committee

He does not hold any shares in the Company.

3. Mr Shobhan Thakore aged 71 years, B.A and L.L.B, is a well-known Solicitor and was partner of Talwar, Thakore & Associates, a leading Solicitor Firm. He joined the Board of Directors of the Company in April, 1988.

He holds Directorships and memberships of Committees of following Companies:

1. Bharat Forge Limited - (Director), Member – Audit Committee and Nomination and Remuneration Committee.
2. Morarjee Textiles Limited - (Director) and Chairman – Stakeholders' Committee, Member – Nomination and Remuneration Committee and Audit Committee
3. Uni Deritend Limited. - (Director) and Member – Nomination and Remuneration Committee
4. Birla Sunlife Insurance Co. Limited. (Director) and Member – Audit Committee and Nomination and Remuneration Committee
5. Sharda Cropchem Limited. - (Director) and Member – Stakeholders' Relationship Committee
6. Prism Cement Limited. (Chairman) and Member – Audit Committee
7. Raheja QBE General Insurance Co. Limited. - (Director) and Member – Audit Committee
8. Reliance Jio Media Private Limited. - (Independent Director), Member – Audit Committee and Nomination and Remuneration Committee.

He is a Chairman of Company's Stakeholders' Relationship Committee and member of Audit Committee and Nomination and Remuneration Committee.

He holds 11080 shares in the Company.

Except these concerned Directors being appointees, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Resolutions as set out in Item Nos. 5, 6 and 7 of the Notice. None of them is related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

ITEM NO. 8 and 9

Pursuant to the provisions of Section 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013, Ms Leja Hattiangadi was appointed as an Additional Director and Independent Director of the Company from November 1, 2018, while Mr. Chandrashekhar R. Gupte was appointed as an Additional Director and Independent Director with effect from May 21, 2019, for a period of five consecutive years commencing from the respective dates of their appointment subject to their appointment being approved by the Members.

Ms Leja Hattiangadi, aged 70 years, and Mr. Chandrashekhar R. Gupte, aged 69 years, have given their consent for the appointment as Independent Directors as well as their confirmation with regard to their independent status. They have confirmed that they are not in any way disqualified from being appointed as Directors. The Company has received notices from a Member under Section 160 of the Act proposing their candidature for appointment as Directors. The Nomination and Remuneration Committee as also the Board of Directors have recommended their appointment. In the opinion of the Board, the persons proposed to be appointed fulfil the conditions specified in the Act and in the SEBI Listing Regulations and are independent of the Management.

During their tenure of appointment, they shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013.

A copy of the draft letter of appointment of Independent Directors setting out the terms and conditions of appointment is available for inspection by the Members at the Registered Office of the Company during office hours, (i.e. 11.00 am to 4.00 pm) on all working days other than on Saturdays and Sundays till the date of the Annual General Meeting.

The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors. The Board recommends the Resolutions as set out in Item Nos. 8 and 9 of the Notice for approval of the Members.

The information in respect of these Directors is as under:

1. Ms Leja Hattiangadi, aged 70 years, has vast experience in engineering contract business for nearly four decades. She is a Chemical Engineer from IIT Bombay and M.S. in Chemical Engineering from University of Massachusetts.

She is currently an adjunct professor in Chemical Engineering department of IIT Bombay. Before that she was with Tata Consulting Engineers since 1975 and headed its infrastructure projects. Thereafter she joined Jacobs India in 2005, a wholly owned subsidiary of Jacobs Inc which is one of the largest engineering and construction companies, as Director - Business Development and retired as Vice President – Business Development in 2015. For nearly two decades, she was also a specialist member on the panel of J.N. Tata Endowment for selection of chemical, environmental and biochemical engineers for overseas scholarships.

She holds Directorship and memberships of Committees of following Company:

Artson Engineering Limited – Director, Member – Audit Committee, Stakeholders' Relationship Committee and CSR Committee

She is Member of Company's Audit Committee and CSR Committee.

She does not hold any shares in the Company.

2. Mr. Chandrashekhar R. Gupte, aged 69 years, is a graduate in Science and a Fellow Member of the Institute of Chartered Accountants of India.

Mr. Gupte joined the Rubber Chemicals Division of Nocil Limited from its inception in 1976, held important positions as Head of Internal Audit, Finance, Sales & Marketing and eventually as Chief Executive of the said Division from 1995.

Mr. Gupte was thereafter appointed the Managing Director of Nocil Limited from August 2005 till August 2017. He was responsible and instrumental in achieving not only the growth in terms of revenue and profits for the Company but also in achieving substantial growth in sales in Domestic and International markets during his tenure as Managing Director. Under his leadership, substantial progress was made in the areas of R & D and Technology which enabled the Company to introduce new products and technologies successfully. Further, under his guidance, Nocil Limited could successfully implement its Dahej project.

He does not hold Directorships in any other Company.

He holds 20 shares in the Company.

Except Ms Leja Hattiangadi and Mr. Chandrashekhar R. Gupte being appointees, none of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested financially or otherwise in the Resolutions as set out in Item Nos. 8 and 9 of the Notice. None of them is related to any Director of the Company.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36(3) of the Listing Regulations and Secretarial Standard on General Meetings (SS-2) of ICSI.

ITEM NO. 10

At the last Annual General Meeting, the shareholders had approved appointment and payment of remuneration of Messrs. Hemant Shah & Associates for the year ended March 31, 2019. The Board of Directors has reappointed them to conduct cost audit for the year ending March 31, 2020. The remuneration as recommended by the Audit Committee and approved by the Board of Directors is Rs. 1,35,000/- (exclusive of GST) plus out-of-pocket expenses. 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.10 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.10 of the Notice.