



The logo of Amal Ltd portrays a *diya* whose constituents are an earthen pot, *ghee*, a wick and a flame. Our actions (symbolised by the *ghee*) will remain within the boundary of ethics (symbolised by the earthen pot) and we will through hard work (symbolised by the wick) achieve our purpose (symbolised by the flame).

# Contents

Arise, awake and do not stop until the goal is reached.

~ Swami Vivekananda

01	Corporate profile	40	Notice
02	Directors' Report	46	Performance trend
23	Management Discussion and Analysis	47	Financial Statements
24	Corporate Governance		

Forward looking statements

In this Annual Report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such statements that we make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results can vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

# Corporate profile



Amal Ltd is engaged in manufacturing and marketing bulk chemicals such as Sulphuric Acid and Oleum and their downstream products such as Sulphur Dioxide and Sulphur Trioxide. The plant is located in Ankleshwar, Gujarat, India.

Promoted by Piramal Group in 1974-75, the controlling interest was sold to Atul Ltd of Lalbhai Group in 1985-86.

# Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Amal Ltd together with the audited financial statement for the year ended March 31, 2017.

## 01. Financial results

(₹ 000)

	2016-17	2015-16
Revenue from operations	2,86,729	2,58,257
Other income	768	644
Total revenue	2,87,497	2,58,901
Profit   (Loss) from operations before tax and exceptional items	88,866	13,480
Exceptional items: income   (expense)	-	-
Profit   (Loss) for the year after exceptional items	88,866	13,480
Other Comprehensive income (net of tax)	164	161
Profit   (Loss) after tax	89,030	13,641
Balance brought forward	(4,46,785)	(4,60,426)
Balance carried forward	(3,57,755)	(4,46,785)

## 02. Financial performance

During 2016-17, sales increased by 11% from ₹ 2,583 lakhs to ₹ 2,867 lakhs. The Company reported a profit of ₹ 890 lakhs in 2016-17 against a profit of ₹ 136 lakhs in 2015-16.

## 03. Dividend

The Board regrets its inability to recommend dividend due to carried forward losses.

## 04. BIFR status

Revised Draft Rehabilitation Scheme (DRS) submitted by the Company through IDBI Bank Ltd (Operating Agency) to the Board for Industrial And Financial Reconstruction (BIFR) was sanctioned by it as Modified Sanctioned Scheme (MS-13) on July 01, 2013. The Company has initiated actions as per MS-13.

The Board approved the proposed merger of the Company with Atul Ltd. A share swap ratio of 1 Equity share of face value of ₹ 10 each fully paid up of Atul Ltd for every 50 Equity shares of the face value of ₹ 10 each fully paid up of Amal Ltd has been approved at its meeting held on December 05, 2014 subject to BIFR and other statutory approvals. The appointed date of the proposed Scheme was April 01, 2014.

The Company has submitted the Modified Draft Rehabilitation Scheme (MDRS) Covering the proposed merger to the BIFR through the Operating Agency on March 31, 2016

for obtaining their approval. The Central Government vide notification dated November 26, 2016 notified the Sick Industrial Companies (Special Provisions) Repeal Act, 2003 effective December 01, 2016. As a result, the BIFR and the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) were abolished and the Sick Industrial Companies (Special Provisions) Act 1985 got repealed. Pursuant to the aforesaid, all proceedings or appeals of whatever nature pending before the BIFR | AAIFR got abated. Consequently draft merger Scheme pending for approval of the BIFR, got abated. In this regard the Board of Directors in the meeting held on March 24, 2017 decided not to proceed with the Merger Scheme. However, any scheme of revival, which has been sanctioned by the BIFR in the past and under implementation, will continue to be in force. Accordingly, the modified sanctioned scheme (MS-13) approved by BIFR in the past and under implementation, will continue to be in force.

## 05. Conservation of energy, technology absorption, foreign exchange earnings and outgo

This is given at page number 07.

## 06. Insurance

The Company has taken adequate insurance to cover the risks to its employees, property, plant and equipment, buildings and other assets and third parties.



## 07. Risk Management

The Management at various levels takes accountability for risk identification, appropriateness of risk analysis, and timeliness as well as adequacy of risk mitigation decisions at both individual and aggregate levels. It is also responsible for the implementation, tracking and reporting of defined mitigation plans, including periodic reporting to the Audit Committee and the Board.

## 08. Internal Financial Controls

The Internal Financial Controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements.

These include those policies and procedures that i) pertain to the maintenance of records which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures are being made only in accordance with authorisations of the Management and the Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that can have a material effect on the Financial Statements.

The Management assessed the effectiveness of the Internal Financial Controls over financial reporting as of March 31, 2017, and the Board believes that the controls are adequate.

## 09. Fixed deposits

During 2016-17 the Company did not accept any fixed deposits.

## 10. Related Party Transactions

Particulars of contracts or arrangements with related parties are given in the Notes to Accounts at page number 80.

## 11. Extract of Annual Return

This is given on page number 07.

## 12. Auditors

Haribhakti & Co. LLP, Statutory Auditors carried out Audit for the year 2016-17. The relevant notes forming part of the accounts are self-explanatory and give full information and

explanation in respect of the observations made by the Auditors in their report.

Haribhakti & Co. LLP, Statutory Auditors of the Company has desired not to continue as Statutory Auditors from the year 2017-18 onwards in view of their preoccupations.

The Company received a special notice under Section 140(4)(i) of the Companies Act, 2013 from the Members proposing the appointment of Deloitte Haskins & Sells LLP (Deloitte) as the Statutory Auditors. Based on the recommendation of the Audit Committee, the Board at its meeting held on April 21, 2017, recommended the appointment of Deloitte to act as a Statutory Auditors in place of Haribhakti & Co. LLP.

Deloitte gave their written consent showing their willingness to act as Statutory Auditors of the Company.

The Board appointed Nilesh A Pradhan & Co, Practising Company Secretary as the Secretarial Auditor for 2016-17 on April 22, 2016 and his report is given at page number 15.

## 13. Directors' responsibility statement

Pursuant to Section 134 (5) of the Companies Act, 2013, the Directors confirm that to the best of their knowledge and belief:

- 13.1 The applicable Accounting Standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.
- 13.2 The Accounting Policies were selected and applied consistently and judgments and estimates were made that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.
- 13.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 13.4 The attached annual accounts for the year ended March 31, 2017, were prepared on a going concern basis as the Company has restarted its manufacturing operations at Ankleshwar and intends to expand and diversify its operations as per the revival scheme (MS-13) sanctioned by BIFR.

13.5 Adequate Internal Financial Controls to be followed by the Company were laid down and the same were adequate and operating effectively.

13.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

## 14. Directors

### 14.1 Appointments | Reappointments | Cessations

14.1.1 Mr R Kumar was appointed as the Managing Director effective March 24, 2017.

14.1.2 Mr T R Gopi Kannan retires by rotation and being eligible, offers himself for reappointment at the forthcoming AGM scheduled on June 30, 2017

14.1.3 Mr P N Ogale resigned as the Managing Director effective December 14, 2016. The Board placed on record, appreciation of his services.

### 14.2 Policies on appointment and remuneration

#### 14.2.1 Appointment

While recommending appointment of the Directors, the Nomination and Remuneration Committee considers the following factors:

- i) Qualification: well-educated and experienced in senior leadership positions in industry | profession
- ii) Traits: positive attributes and qualities
- iii) Independence: criteria prescribed in Section 149 (6) of the Companies Act, 2013 for the Independent Directors, including no pecuniary interest and conflict of interest

14.2.2 Remuneration of the Non-executive Directors: Sitting fees of ₹ 20,000 for attending meeting of the Board and ₹ 10,000 for attending any meeting of the Committee thereof.

### 14.3 Criteria and method of annual evaluation

14.3.1 The criteria for evaluation of performance of a) the Non-independent Directors (Executive) b) the Non- Independent Directors (Non-executive) c) the Independent Directors d) the Chairman e) the Committees of the Board f) the Board as a whole are summarised in the

table at the end of the Directors' Report at page number 05.

14.3.2 The Independent Directors have carried out annual:

- i) Review of performance of the Non-independent Directors - Executive
- ii) Review of performance of the Non-independent Directors - Non-executive
- iii) Review of performance of the Chairman
- iv) Assessment of quality, quantity and timeliness of the flow of information to the Board
- v) Review of performance of the Board as a whole

14.3.3 The Board has carried out annual evaluation of performance of:

- i) Its Committees namely Audit, Nomination and Remuneration, Stakeholders Relationship
- ii) The Independent Directors

The templates for the above purpose were circulated in advance for feedback of the Directors. In addition, the Chairman also held discussions with the Directors individually.

## 15. Key Managerial Personnel and other employees

15.1 Appointments and cessations of the Key Managerial Personnel

15.1.1 Mr P N Ogale ceased to be the Managing Director effective December 14, 2016.

15.1.2 Mr R Kumar was appointed as the Managing Director effective March 24, 2017.

### 15.2 Remuneration

The Remuneration Policy of the Key Managerial Personnel and other employees is as under:

#### 15.2.1 Components

- i) Fixed pay
  - a) Basic salary
  - b) Allowances
  - c) Perquisites
  - d) Retrials
  - e) Reimbursements
- ii) Variable pay



**15.2.2 Factors for determining and changing fixed pay**

- i) Existing compensation
- ii) Education
- iii) Experience
- iv) Salary bands
- v) Performance
- vi) Market benchmark

**15.2.3 Factors for determining and changing variable pay**

- i) Company performance
- ii) Individual performance
- iii) Grade

**16. Analysis of remuneration**

A table containing information in accordance with the provisions of Sections 134 (3)(q) and 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given at page number 22.

The Company is not required to disclose the information required pursuant to Sections 13 (3) (q) and 197 (12) of the Act read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time as there were no employees during 2016-17 drawing remuneration exceeding the limit specified there under.

**17. Management Discussion and Analysis**

Management Discussion and Analysis Report covering performance, is given at page number 23.

**18. Corporate Governance**

**18.1 Statement of declaration given by the Independent Directors:**

The Independent Directors have given declarations under Section 149 (6) of the Companies Act, 2013.

**18.2 Report**

The Corporate Governance Report is given at page number 24. Details about the number of meetings of the Board held during 2016-17 are given at page number 27. The composition of the Audit Committee is given at page number 31. All the recommendations given by the Audit Committee were accepted by the Board.

**18.3 Whistle-blowing policy**

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistle-blowing Policy). The policy provides an independent mechanism for reporting and resolving complaints pertaining to unethical behavior, actual or suspected fraud and violation of the Code of Conduct of the Company and is displayed on the website (of the Company) at [http://www.amal.co.in/pdf/whistle\\_blowing\\_policy.pdf](http://www.amal.co.in/pdf/whistle_blowing_policy.pdf)

No personnel has been denied access to the Audit Committee

**19. Acknowledgements**

The Board expresses its sincere thanks to all the customers, employees, investors, lenders suppliers, regulatory and Government authorities and the Stock Exchange for their support.

For and on behalf of  
the Board of Directors

Mumbai  
April 21, 2017

S S Lalbhai  
Chairman

**Table**

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-independent Director (Non- Executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Meeting dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

# Annexure to the Directors' Report

## Index

No.	Subject title	Page
1.	<b>Conservation of energy, technology absorption and foreign exchange earnings and outgo</b>	<b>7</b>
2.	<b>Subsidiary, associate and joint venture companies</b>	<b>7</b>
3.	<b>Corporate Social Responsibility</b>	<b>7</b>
4.	<b>Extract of the Annual Return</b>	<b>7</b>
4.1	Registration and other details	7
4.2	Principal business activities of the Company	7
4.3	Particulars of the holding, the subsidiary and the associate companies	7
4.4	Shareholding pattern (Equity share capital break up as percentage of total Equity)	8
4.5	Indebtedness	13
4.6	Remuneration of the Directors and the Key Managerial Personnel	13
4.7	Penalties   Punishment   Compounding of offences	14
5.	<b>Secretarial Audit Report</b>	<b>15</b>
6.	<b>Statement of particulars under Section 134 (3) (q) and 197 (12) of the Companies Act, 2013</b>	<b>22</b>





## 1. Conservation of energy, technology absorption and foreign exchange earnings and outgo

Information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 form part of this Report. However, as per the provisions of Section 136 of Companies Act 2013, the Report and Accounts are being sent to all the Members excluding the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo. Any Member interested in obtaining such particulars may inspect the same at the registered office of the Company or write to the Chief Financial Officer or the Company Secretary for a copy.

## 2. Subsidiary, associate and joint venture companies

The Company does not have subsidiary, associate and joint venture companies.

## 3. Corporate Social Responsibility

The Company has constituted the Corporate Social Responsibility Committee.

## 4. Extract of the Annual Return

Form number MGT - 9

Extract of the Annual Return as on March 31, 2017

{Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014}

### 4.1 Registration and other details

- » CIN: L24100MH1974PLC017594
- » Registration date: July 04, 1974
- » Name of the company: Amal Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details:  
Atul House, 310-B Veer Savarkar Marg, Mumbai 400 028, Maharashtra, India
- » Whether listed company: Yes, listed on the Bombay Stock Exchange
- » Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd, C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India  
Telephone: (+91 22) 49186270

### 4.2 Principal business activities of the Company

All the business activities contributing 10% or more of the total revenue of the Company shall be stated

No.	Name and description of main products   services	National Industrial Classification code of the product   service	% to total revenue of the Company
1	Basic chemicals	201	100%

### 4.3 Particulars of the holding, the subsidiary and the associate companies

Atul Ltd

#### 4.4 Shareholding pattern (Equity share capital breakup as percentage of total equity)

##### 4.4.1 Category-wise Shareholding

Category Code	Category of the Shareholders	No of shares at the beginning of the year (as at April 01, 2016)				No of shares at the end of the year (as at March 31, 2017)				% Change during this year
		Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
<b>A</b>	<b>Shareholding of promoter and the promoter group</b>									
1	Indian									
a)	Individual   Hindu Undivided Family	18,206	-	18,206	0.26	18,206	-	18,206	0.26	-
b)	Central Government   State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies Corporate	36,93,836	-	36,93,836	52.58	37,56,022	-	37,56,022	53.47	0.89
d)	Financial Institutions   Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total (A)</b>	<b>37,12,042</b>	<b>-</b>	<b>37,12,042</b>	<b>52.84</b>	<b>37,74,228</b>	<b>-</b>	<b>37,74,228</b>	<b>53.73</b>	<b>0.89</b>
<b>B</b>	<b>Public Shareholding</b>									
1	Institutions									
a)	Mutual funds   UTI Mutual fund	-	1,100	1,100	0.01	-	1,000	1,000	0.01	-
b)	Financial Institutions   Banks	863	220	1,083	0.02	863	220	1,083	0.02	-
c)	Central Government   State Government(s)	-	-	-	-	-	-	-	-	-
d)	Venture capital funds	-	-	-	-	-	-	-	-	-
e)	Insurance companies	-	-	-	-	-	-	-	-	-
f)	Foreign institutional investors	-	-	-	-	-	-	-	-	-
g)	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
h)	Others	-	-	-	-	-	100	100	0.00	-
	<b>Sub total (B)(1)</b>	<b>863</b>	<b>1,320</b>	<b>2,183</b>	<b>0.03</b>	<b>863</b>	<b>1,320</b>	<b>2,183</b>	<b>0.03</b>	<b>-</b>