



The
Invisible Bond
in all walks of life

apcotex industries limited
ANNUAL REPORT 2017-2018

Company History

- 1980** Started as a division of Asian Paints. Pioneered the manufacturing of vinyl pyridine latex and Carboxylated Styrene-Butadiene latex in India.
- 1991** Constituted as a Public Limited Company listed on stock exchanges as Apcotex Lattices Limited.
- 1998** Started High Styrene Rubber production with 10, 000 MT p.a. (dry) capacity
- 2005** Name changed to Apcotex Industries Limited.
- 2009** Entered Acrylic Emulsion bussiness to exploit synergies with other products and markets.
- 2013** Installed capacity of saleable latex increased at Taloja from 40,000 MT p.a. to 55,000 MT p.a. (wet).
- 2016** Completed acquisition of Omnova Solutions Indian business of Nitrile Rubber of 16,000 MT p.a. (dry) and High Styrene Rubber to create synergy.
- 2018** Highest Sales INR 526 Crores • Export INR 77 Crores • Operating EBITDA INR 64 Crores • Profit after Tax INR 38 Crores



Taloja - Maharashtra

APCOTEX INDUSTRIES LIMITED

BOARD OF DIRECTORS

Atul C. Choksey	Chairman
Girish C. Choksey	Director
Amit C. Choksey	Director
Manubhai G. Patel	Director
Dr. S. Sivaram	Director
Shailesh S. Vaidya	Director
Kamlesh Vikamsey	Director
Priyamvada Bhumkar	Director
Abhiraj A. Choksey	Managing Director
Y B Gadgil	Executive Director

AUDIT COMMITTEE

Kamlesh Vikamsey (w.e.f.7/11/2017)	Chairman
Girish C. Choksey	Member
Manubhai G. Patel (Chairman upto 6/11/2017)	Member
Priyamvada Bhumkar	Member

NOMINATION & REMUNERATION COMMITTEE

Manubhai G. Patel	Chairman
Dr. S. Sivaram	Member
Atul C. Choksey	Member
Kamlesh Vikamsey	Member

COMPANY SECRETARY

Anand V. Kumashi

STAKEHOLDERS RELATIONSHIP COMMITTEE

Manubhai G. Patel	Chairman
Girish C. Choksey	Member

AUDITOR

Kalyaniwalla & Mistry LLP
Chartered Accountants.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Atul C. Choksey	Chairman
Shailesh Vaidya	Member
Abhiraj A. Choksey	Member

BANKERS

State Bank of India
Citi Bank

REGISTERED OFFICE & PLANT 1

Plot No.3/1, MIDC Industrial Area, P.O. Taloja,
Dist. Raigad 410 208, Maharashtra.
CIN: L99999MH1986PLC039199
Telephone: (022) 2740 3500
Fax: (022) 2741 2052
E-mail – redressal@apcotex.com
Website: www.apcotex.com

CORPORATE OFFICE

N. K. Mehta International House,
178, Backbay Reclamation,
Babubhai M. Chinai Marg,
Mumbai- 400 020
Telephone: (022) 2283 8302 / 04
Fax: (022) 2283 8291

PLANT 2

Village - Dungri,
Tal- Valia, Ankleshwar- 393135.
Dist- Bharuch, Gujarat.

REGISTRARS AND SHARE TRANSFER AGENTS

LINK INTIME INDIA PVT LTD.
C-101, 247 Park,
L.B.S. Marg, Vikhroli (W),
Mumbai- 400 083
Tel. No.- 022 49186000, 49186270
Fax – 022 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of **apcotex industries limited** will be held at Saphire, Royal Tulip Hotel, 26/B, Sector 7 Kharghar, Navi Mumbai, Maharashtra 410210 on **Friday, the 27th day of July 2018 at 4.00 p.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statement for the year ended 31st March 2018 together with the Reports of the Board of Directors and Auditor thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Amit Choksey (DIN 00001470), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. SGD & Associates LLP, Chartered Accountants (Firm Registration No. W100188), be and is hereby appointed as Auditor of the Company in place of the retiring auditor M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No.104607W/W100166), to hold office from the conclusion of this Annual General Meeting till the conclusion of the thirty-seventh AGM to be held in the year 2023, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditor.

SPECIAL BUSINESS:

5. 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 the Companies Act, 2013 read with the relevant Rules thereunder, as amended from time to time subject to regulatory approval, the Registered Office of the Company be shifted from “Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra” to “49-53, Mahavir Centre, Sector 17, Vashi, Navi Mumbai – 400703” within the State of Maharashtra, effective from 1st November 2018

RESOLVED FURTHER THAT Shri Abhiraj Choksey – Managing Director or Shri Anand Kumashi – Company Secretary of the Company, be and is hereby severally

authorized to do all such acts, deeds, matters and things including but not limited to filing of necessary forms/ documents with the appropriate authorities and to execute all such deeds, documents, instruments and writings as it may in its sole and absolute discretion to give effect to the above resolution.

**BY ORDER OF THE BOARD
For apcotex industries limited**

ANAND V. KUMASHI
Company Secretary

Date: 14th June 2018

Registered Office:

Plot no. 3/1,
MIDC Industrial Area,
Taloja - 410 208,
Dist. Raigad, Maharashtra

NOTES:

1. The relevant Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A statement giving the relevant detail of the Director seeking appointment/re-appointment under item no.3 of the accompanying Notice, as required under Regulation 36(3) of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed herewith.
3. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, instead of himself and a proxy need not be a member of the company.

The instrument appointing a proxy should be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting.

4. A person can act as a proxy on behalf of the members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights.

A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

5. Corporate members intending to send their authorised representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the meeting.
6. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their DP ID and Client ID / Folio no.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of the names will be entitled to vote at the Meeting.
8. Relevant documents referred in the accompanying Notice and in the Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during the business hours upto the date of the Meeting.
9. The Register of Shareholders and Share Transfer Books of the Company will remain closed from **Saturday, the 21st day of July 2018 to Thursday, the 26th day of July 2018**, (inclusive of both days).
10. Dividend recommended by Board of Directors, if approved by the shareholders at the Annual General Meeting, will be paid / dispatched on or after **27th July 2018** to those shareholders whose names appear on the Register of

Member/Shareholders as on **20th July 2018**. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of **20th July 2018**, as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.

11. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Shareholders holding share in physical form can submit their PAN details to the Company.
12. Pursuant to the provisions of Section 124 of Companies Act, 2013 the Company has transferred the unclaimed dividends upto the financial year 2009-10 from time to time on due dates, to the Investors Education and Protection Fund (IEPF) established by the Central Government. Pursuant to the provisions of Investors Education and Protection Fund (Uploading of Information regarding unpaid / unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 17th August 2017 (date of last Annual General Meeting) on the website of the Company viz. www.apcotex.com, as also on the website of the Ministry of Corporate Affairs viz. www.mca.gov.in.
13. Members holding shares in the single name and physical form are advised to make nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialised form are advised to make a nomination through their Depository Participants. The nomination form can be obtained from Company's Registrars and Share Transfer agent viz. **LINK INTIME INDIA PVT LTD.**
14. Shareholders are requested to notify the changes, if any, in their addresses to the Company's Registrars immediately.
15. The company is using National Electronic Clearing Services (NECS) for dividend remittance. Shareholders holding shares in physical form are requested to notify/ send to the Company's Registrar and Share Transfer Agent at: **LINK INTIME INDIA PVT LTD.**, C-101, 247 Park, L.B.S. Marg, Vikhroli (W), Mumbai- 400 083, immediately, details of any change in their address/mandate/bank details; and particulars of their bank account, in case the same have not been sent earlier.
16. Shareholders holding shares in the electronic form are requested to inform any change in address / bank mandate directly to their respective Depository Participants. The address / bank mandate as furnished to the Company by the respective Depositories viz. NSDL and CDSL will be printed on the dividend warrants.

E-VOTING:

- I. In compliance with provision of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on 24th July 2018 (9:00 am) and ends on 26th July 2018 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th July 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. **The instructions for shareholders voting electronically are as under:**
 - (i) The voting period begins on 24th July 2018 (9:00 am) and ends on 26th July 2018 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th July 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders/Members.
 - (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none">Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none">If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of "Apcotex Industries Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
 - (xvii) If a demat account holder has forgotten the change login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone user can download the App from the App store and window phone store respectively. Please follow the instructions as prompted by the mobile App while voting on your mobile.
 - (xix) **Note for Non – Individual Shareholders and Custodians**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- VI. Mr. Mahesh Hurgat, Practicing Company Secretary (Membership No. 7139 & C.P. No. 2498) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

VII. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

VIII. The Scrutinizer shall after the conclusion of voting at the annual general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.apcotex.com and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited and National Stock Exchange of India Limited.

ANNEXURE TO NOTICE STATEMENT

(Pursuant to section 102(1) of the Companies Act, 2013)

Item No.4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

M/s. Kalyaniwalla & Mistry LLP, Chartered Accountants (Firm Registration No.104607W/W100166) were appointed as the Auditor of the Company at the Twenty eighth Annual General Meeting (AGM) of the Company held on 31st July 2014 till the conclusion of this AGM. M/s. Kalyaniwalla & Mistry LLP have been the Auditor of the Company since financial year 2013-14.

As per the provisions of Section 139 of the Companies Act, 2013 no listed Company can appoint or re-appoint an audit firm as auditor for more than five years at a time. Thereafter, the firm may be appointed for further period of 5 years In view of the above, M/s. Kalyaniwalla & Mistry LLP, will be completing the first term of five years as the Auditor of the Company and hold the office up to the conclusion of this AGM, as per the provision of Section 139 of the Companies Act, 2013

Based on the recommendation of the Audit Committee, the Board of Directors have decided to recommend the appointment of M/s. SGD & Associates LLP, Chartered Accountants (Firm registration no.W100188), as Statutory Auditor of the Company, for a period of 5 years from the financial year 2018-19, to hold the office till the conclusion of the AGM during the year 2023, in place of retiring Auditor viz. M/s. Kalyaniwalla & Mistry, Chartered Accountants.

M/s. SGD&G & Associates LLP, Chartered Accountants have consented to their appointment as Statutory Auditor and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Companies Act, 2013.

Your Directors recommend the resolution for this appointment. None of the Directors of the Company are concerned or interested in the said Resolution.

Item No. 5

The registered office of the Company is at present situated at Plot no. 3/1, MIDC Industrial Area, Talaja - 410 208 and for convenient of shareholders and with a view to improve the operational efficiency, it is proposed to shift the registered office to 49-53, Mahavir Centre, Sector 17, Vashi, Navi Mumbai – 400703, with effect from 1st November 2018.

According to Section 12 and 110 of the Companies Act, 2013, read with The Companies (Incorporation) Rules 2014 and Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time if the registered office of the Company is shifted outside the local limits, members have to approve the proposal by way of a Special Resolution passed through Postal Ballot.

In view of amended Section 110 of the Companies Act, 2013, which was notified on 9th February 2018, the Companies which are mandatorily required to provide the electronic voting facility, may pass the resolution for shifting of the registered office of the Company outside the city / town / local limit within the State, by passing the resolution at the annual general meeting through electronic voting.

The Board of Directors recommends this Special Resolution for the approval by the members.

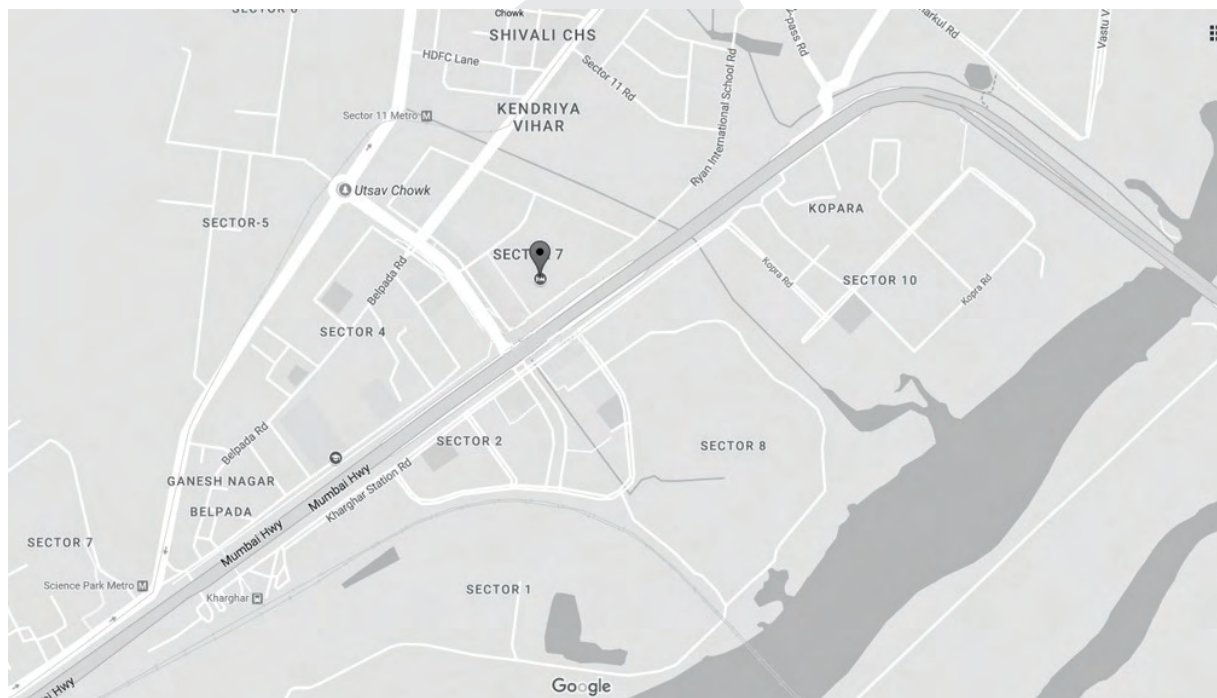
BY ORDER OF THE BOARD
For apcotex industries limited

ANAND V. KUMASHI
Company Secretary

Date: 14th June 2018

Registered Office:
Plot no. 3/1,
MIDC Industrial Area,
Talaja - 410 208,
Dist. Raigad, Maharashtra

ROUTE MAP



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting to you the Thirty second Annual Report of the Company and the Audited Financial Statement for the year ended 31st March 2018.

A. COMPANY PERFORMANCE

FINANCIAL HIGHLIGHTS

Rs. in lacs

Particulars	Year ended						Growth % (Pre-Merger)
	31st March 18			31st March 17			
	Pre-Merger	Merged entity #	Post-Merger	Pre-Merger	Merged entity #	Post-Merger	
Income from operations							
(a) Revenue from operations	53,824.80	-	53,824.80	43,100.25	-	43,100.25	
(b) Other income	676.93	36.48	713.41	1,018.37	1,970.87	2,989.25	
Total income from operations (net)	54,501.73	36.48	54,538.21	44,118.62	1,970.87	46,089.50	23.53
Gross Profit Before Depreciation, Finance cost and Tax	7,088.58	(139.81)	6,948.77	3,930.61	1,909.77	5,840.39	
(a) Finance costs	156.98	-	156.98	287.61	-	287.61	
(b) Depreciation & amortization expense	1,214.24	-	1,214.24	1,210.02	-	1,210.03	
Profit before tax	5,717.36	(139.81)	5,577.55	2,432.98	1,909.77	4,342.75	134.99
Tax expenses	1,713.91	-	1,713.91	318.21	526.02	844.23	
Profit after Tax	4,003.45	(139.81)	3,863.64	2,114.77	1,383.75	3,498.52	89.31
Other Comprehensive Income for the year	(29.60)	-	(29.59)	(10.39)	-	(10.39)	
Total Comprehensive Income for the year	3,973.85	(139.81)	3,834.05	2,104.38	1,383.75	3,488.13	88.84
Earnings per Share (EPS)							
(a) Basic	19.30		18.63	10.20		16.87	89.31
(b) Diluted	19.30		18.63	10.20		16.87	89.31

The financial figures of the merged entity represents Saldhar Investment and Trading Co. Pvt Ltd, the holding company.

DIVIDEND

Based on the Company's performance, your Directors are pleased to recommend for approval of the Members a dividend @ **Rs.6/-** (Rupees Six) (Previous year Rs.4.50/- (Rupees Four and fifty paise) per Equity Share of Rs.5/- each for the financial year 2017-18. Dividend, if approved, will absorb a sum of Rs.1500.05 lacs (including Dividend Distribution Tax of Rs.255.77 lacs) out of the net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on **Friday, 20th day of July 2018**.

TRANSFER TO RESERVE

The appropriations for the year are:

Rs. in lacs

Particulars	Year ended 31 st March 2018
Net Profit after tax for the year	3834.04
Balance of Reserve at the beginning of the year	3603.72
Transfer to General Reserve	400.00
Balance of Reserve at the end of the year	7037.76

B. MANAGEMENT DISCUSSION AND ANALYSIS

The company manufactures and markets a range of Emulsion Polymers - Synthetic Latexes and Synthetic Rubber.

I. CURRENT SCENARIO

Your Company is one of the leading producers of emulsion polymer products namely, Synthetic Latexes (VinylPyridine Latex, Carboxylated Styrene Butadiene Latex, Styrene Acrylic Latex, Nitrile Latex, Carboxylated Nitrile Latex etc.) and Synthetic Rubber (High Styrene Rubber, Nitrile Butadiene Rubber, NBR Powder, and Nitrile Polyblends) in India. The Company has one of the broadest ranges of emulsion polymer products in India and caters to a wide range of industries. Your Company's Synthetic Latex products are used for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, non-wovens, textile finishing, paints, gloves, etc. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, rice rolls, moulded items, v-belts, conveyor belts, hoses, etc.

The Company's major raw materials are petrochemical products and its business could be vulnerable to high volatility in the prices of crude oil as well as its downstream products.

Over the years, a number of steps have been taken by the management to improve the operational efficiency of the Company in different functions like marketing, human resource development, production process, utilities etc.

Your Company's plant at Taloja is recipient of Total Productive Maintenance (TPM) Excellence in Consistent TPM Commitment Award - Category A by the Japan Institute of Plant Maintenance (JIPM). TPM has helped the company significantly in improving efficiencies in the plant and in operations and rationalizing costs. We are in the process of implementing TPM in the Valia plant as well. Both plants have successfully completed certification/re-certification of the integrated ISO 9001, ISO 14001 and OHSAS 18001. Your company also continues to be Responsible Care certified by the Indian Chemical Council (ICC).

II. OPERATIONS DURING THE FINANCIAL YEAR 2017-18.

The Company achieved Gross Value Sales of Rs.536.36 crores during the financial year, compared to Rs.429.51 crores in the preceding financial year on standalone basis. The company exported its products worth Rs 76.50 crores during the financial year.

Profits before tax were up by 151% to Rs.55.78 crores as compared to Rs. 22.21 crores on standalone basis during the previous year. Operating EBITDA increased by 120% to Rs. 64.12 crores from Rs.29.11 crores in the previous year during the financial year 2017-18.

Profit after tax stood at about Rs.38.34 crores as compared to about Rs.19.09 crores, on standalone basis, in the previous year.

The Balance Sheet of the Company is also quite healthy with zero debt, reasonable working capital cycle and cash/liquid Investments valued at about Rs.75 crore based on NAV as on 31st March 2018.

Your Directors consider Company's performance as satisfactory.

III. MERGER

The Scheme of Amalgamation of Holding Company viz. Saldhar Investment and Trading Company Private Limited (Saldhar) with the Company was approved by the Honorable National Company Law Tribunal (NCLT), Mumbai Bench on 1st February 2018, with appointed date as 31st March 2017, was made effective from 13th February 2018 by filing the NCLT Order with Ministry of Corporate Affairs (MCA).

Pursuant to scheme of Amalgamation the shares held by Saldhar as on record date needs to be cancelled and same number of shares to be issued to the Shareholders of Saldhar in the same ratio of shares held by them in Saldhar.

As on record date i.e 23rd February 2018, Saldhar held 10724300 equity shares, which were cancelled and the same no. of shares i.e 10724300 equity shares were allotted by Board of Directors in their meeting held on 24th February 2018 to the shareholders of Saldhar (Transferor Company) in the proportion of their holding in Saldhar.

IV. OUTLOOK

In light of addition of new products by acquisition of Omnova Solutions India Private Limited during the financial year 2015-16 and introduction of new products, the Company expects Financial Year 2018-19 to be an exciting year in spite of new challenges. The new product range for hand gloves industry is mainly for the export market, and the Company aims to make it one of the future growth drivers for the Company. In the medium to long term the Company is exploring adding new capacities for current products, new adjacent businesses as well as opportunities for inorganic growth.

This has been possible due to the continuous thrust from the management to develop a strong R&D and technical service team to develop new products, explore new applications and understand better the changing customer needs.

With the Company's continuous endeavour to improve efficiencies and performance at all levels and functions, your Directors view the prospects for the financial year 2018-19 with cautious optimism.