

ANNUAL REPORT 2011-12

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ALKYL

Alkyl Amines Chemicals Limited

FINANCIAL HIGHLIGHTS

₹ in Lakhs

Year Ending	31.03.2003	31.03.2004	31.03.2005	31.03.2006	31.03.2007	31.03.2008	31.03.2009	31.03.2010	31.03.2011	31.03.2012
Gross Revenue (including excise duty)	10,469.37	10,515.22	11,599.21	12,954.63	15,160.28	17,998.29	22,280.47	23,739.97	25,461.73	31,084.50
Operating Profit	1,857.92	1,609.10	1,463.30	1,635.38	2,491.26	2,781.12	2,690.41	3,646.52	3,309.74	4,361.98
Profit before Tax	567.39	430.09	347.37	602.95	1,123.66	1,362.37	822.79	1,589.86	1,360.68	2,368.25
Profit After Tax	351.21	238.77	261.02	416.92	865.97	956.23	402.20	1,003.68	1,040.49	1,716.38
Gross Fixed Assets	10,282.49	10,891.91	11,933.98	12,849.49	13,518.07	15,495.42	17,787.74	18,846.29	20,344.44	21,913.58
Net Fixed Assets	6,893.58	7,024.24	7,577.57	8,008.13	8,069.14	9,419.20	11,005.58	11,202.16	12,120.15	12,798.36
Net Current Assets	4,034.19	3,898.01	3,090.71	5,503.74	6,949.13	7,576.35	10,234.62	8,605.62	7,636.74	8,949.42
Equity Share Capital	886.49	886.49	886.49	886.49	886.49	886.49	1,020.61	1,020.61	1,020.61	1,020.61
Reserve & Surplus	3,653.08	3,900.97	4,040.86	4,411.95	5,232.42	5,922.30	7,122.46	7,662.72	8,199.97	9,535.58
[Including Deferred Taxation (Net)]										
Book Value (₹)	51.22	54.01	55.59	59.78	69.03	76.82	79.85	85.15	90.41	103.51
Earning per Share - Basic (₹)	3.96	2.69	2.94	4.70	9.58	10.00	3.94	9.84	10.20	16.83
Equity Dividend (%)	12.00	12.00	15.00	18.00	22.00	25.00	20.00	30.00	30.00	40.00
Financial Ratios										
Net Sales to Gross Fixed Assets (%)	89.24	83.68	83.42	86.10	95.34	100.70	109.53	113.44	113.96	128.47
Return on Capital Employed (%)	15.15	14.06	11.79	13.87	20.45	22.99	18.86	25.05	18.29	24.58
Return on Net worth (%)	7.74	4.99	5.30	7.87	12.16	12.24	4.94	11.56	11.28	16.26
PAT to Net Sales (%)	3.83	2.62	2.62	3.77	6.72	6.13	2.06	4.69	4.49	6.10

Note: Financial Highlights are prepared for 2010-11 and 2011-12 based on Revised Schedule VI

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***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)***S. Giridhar***General Manager (Works)***Milind Deshmukh***General Manager (Works)***Sagar Jadhav***General Manager (Commercial)***Sameer Deshpande***General Manager
(Secretarial & Legal)***K. P. Rajagopalan****Non-Executive Directors :****Hemendra M. Kothari****Shyam B. Ghia****Shobhan M. Thakore****Dilip G. Piramal****Premal N. Kapadia****K. R. V. Subrahmanian****Tarjani Vakil****Rima Marphatia** (Nominee Director) - upto 17.4.2012**Meena Verma** (Nominee Director) - w.e.f. 18.4.2012**Registered Office :**

401-407, Nirman Vyapar Kendra,
Plot No. 10, Sector 17, DBC, Vashi, Navi Mumbai 400 703.
Ph. 67946618 • Fax : 67946666 • Email : legal@alkylamines.com

Plants :**Patalganga Plant**

Plot No. A-7 & A-25,
MIDC Patalganga Industrial Area, Dist. Raigad 410 220, Maharashtra

Kurkumbh Plant :

Plot No. D-6/1 & D-6/2, MIDC Kurkumbh Industrial Area,
Tal. Daund, Dist. Pune - 413802, Maharashtra

Auditors

Messrs 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. Vasanti 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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ALKYL

ALKYL AMINES CHEMICALS LIMITED

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 32nd 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 7, 2012 at 2.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012, Profit and Loss Account for the year ended on that date and the reports of Directors and Auditors thereon.
2. To declare dividend for the financial year ended 31st March, 2012.
3. To appoint a Director in place of Mr. Hemendra M. Kothari, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. K.R.V. Subrahmanian, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Mr. Suneet Kothari, who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS:

7. 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 Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of appointment and remuneration of Mr. Suneet Kothari as Executive Director of the Company for a further period of three years from

January 1, 2012 to December 31, 2014, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Suneet Kothari."

8. 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 Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Kirat Patel as Executive Director of the Company for a further period of 3 years from January 1, 2012 to December 31, 2014, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Kirat Patel."

9. 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 Section 198, 269, and 309 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to any other approval as may be necessary, the Company hereby approves the terms of re-appointment and remuneration of Mr. Yogesh M. Kothari as Chairman & Managing Director for a further period of three years from April 1, 2012 to March 31, 2015, on terms and conditions as set out in the Explanatory Statement annexed hereto, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment as may be agreed between the Board and Mr. Yogesh Kothari."

10. 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 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 and 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, 2012 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. The relative explanatory statement pursuant to the provisions of Corporate Governance and pursuant to section 173 of the Companies Act, 1956 is enclosed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF 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.
3. The register of members and Share Transfer Books will remain closed from July 31, 2012 to August 7, 2012 (both days inclusive) for the purpose of Annual General Meeting and Dividend.
4. Dividend, if declared at the meeting, will be paid on and from 14th August, 2012 to those shareholders whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as at the close of their business hours on July 30, 2012.
5. Please note that pursuant to Section 205C of the Companies Act, 1956 all unclaimed/unpaid dividends upto July 2004 have been transferred to the Account of Central Government.
6. We have been offering the facility of electronic credit of dividend directly to the respective bank accounts of our shareholders, through Electronic Clearing Service (ECS). 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 so as to reach them latest by July 30, 2012. 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 dematerialized form since in terms of SEBI and Stock Exchange guidelines no physical shares can be traded in the Stock Exchanges.
9. The members may note that the company's Equity Shares are listed on the Mumbai stock exchange and National Stock Exchange and the listing fees to the stock exchanges have been paid.

By order of the Board

K. P. RAJAGOPALAN

General Manager (Secretarial & Legal)

Registered Office :

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

Dated: May 22, 2012

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT AS REQUIRED UNDER CORPORATE GOVERNANCE AND
UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM 3**

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

Mr. H.M. Kothari, aged 65 years, has been on our Board since October 18, 1980. Mr. H.M. Kothari, is Chairman of DSP BlackRock Investment Managers Pvt. Ltd.

At present, he is also on the Board of the following Companies.

1. EXIDE Industries Limited
2. Food World Super Markets Pvt. Ltd.
3. Health & Glow Retailing Pvt. Ltd.
4. Shuko Real Estate Pvt. Ltd.
5. Arko Dealers Pvt. Ltd.
6. Arko Enterprises Pvt. Ltd.
7. Bestow Contractors and Developers Pvt. Ltd.
8. DSP HMK Holdings Pvt. Ltd.
9. DSP Investment Pvt. Ltd.
10. DSP Adiko Holdings Pvt. Ltd.
11. Hemko Patents Development Pvt.Ltd.
12. MVL Realty Pvt. Ltd.
13. SAK Forex Markets Pvt. Ltd.

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

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

Mr. H.M. Kothari alongwith his relatives and entities controlled by them hold 7566394 equity shares (constituting approx. 74.19% of the equity capital) of the company.

Mr. H.M. Kothari is interested in the Resolution, since it relates to his own re-appointment. Mr. Yogesh M. Kothari and Mr. Suneet Kothari, may be considered to be interested in the Resolution, since Mr. H.M. Kothari is their relative.

ITEM 4

Mr. K.R.V. Subrahmanian retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

Mr. Subrahmanian, aged 78 years, has been on the Board of the Company since July 28, 2000. He is Chairman of our Audit Committee.

Mr. K.R.V. Subrahmanian is on the Board of the following companies.

1. DSP BlackRock Investment Managers Private Limited
2. Bayer Material Science Private Limited
3. Lanxess India Private Limited
4. New Consolidated Construction Company Limited
5. Printcare India Private Limited

He is also member of the following Committees:

1. DSP BlackRock Investment Managers Pvt. Ltd. (Chairman of Audit Committee)
2. New Consolidated Construction Company Limited (Chairman of Remuneration Committee)

With his vast experience in the Industry, it will be in the interest of the Company that Mr. Subrahmanian continues as Director of the Company. Except Mr. Subrahmanian, no other Director is interested in this resolution.

ITEM 5 AND 7

Mr. Suneet Kothari, Executive Director, retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment

At the Annual General Meeting held on July 25, 2007 the shareholders had approved appointment of Mr. Suneet Kothari as Executive Director for a period of 5 years from January 1, 2007 to December 31, 2011. The Board of Directors at its meeting held on January 24, 2012 has reappointed Mr. Suneet Kothari as Executive Director for a further period of 3 years from January 1, 2012 to December 31, 2014 upon the terms and conditions including remuneration as set out hereunder.

The appointment of Mr. Suneet Kothari as an Executive Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956. Accordingly no approval of the Central Government is required to be obtained to the appointment of Mr. Suneet Kothari as an Executive Director.

Mr. Suneet Kothari is working with us since January 15, 2001. Mr. Suneet Y. Kothari aged 35 years, is a Chemical Engineer and Chemistry/Biochemistry

Graduate from Cornell University, U.S.A. Prior to employment with us, he has one and half years' experience with Diamond Technology Partners, U.S.A. as a Management Strategy Consultant. During his tenure with us since January 2001, he played a significant role in setting up the new product development effort and seeing it started off successfully. He has successfully completed a one year MBA (Masters in Business Administration) course at INSEAD, France / Singapore.

Mr. Suneet Kothari is on the Board of Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is also on the Board of the following two companies :

- 1) Ambika Technologies Pte., Ltd., Singapore
- 2) Purjeeko Trading & Investment Pvt.Ltd.

Present remuneration of Mr. Suneet Kothari, as approved by the shareholders is ₹ 1,44,000 per month plus other perquisites like medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for 1% commission on net profits.

The material terms of the draft agreement referred to in the resolution at item no.7 of the notice are as under :

- a) Salary: In the range of ₹ 1,69,000/- to ₹ 2,19,000/- per month with annual increment of ₹ 25,000/-.
- b) House Rent Allowance: Not exceeding 60% of basic salary.
- c) Medical reimbursement - Reimbursement of actual medical expenses/premium on Mediclaim policy incurred for self and family not exceeding ₹ 50,000/- per annum.
- d) Leave Travel Concession - Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 75,000/- per annum.
- e) Premium on Personal Accident/Critical Illness/life for self not exceeding ₹ 10,000/- per annum.
For the purpose of this category, 'family' means the spouse, the dependent children and dependent parents.
- f) Use of company car and re-imbursement of driver's salary.
- g) Telephone facilities
- h) Provident Fund - Company's contribution to Provident Fund.
- i) Education Allowance: ₹ 12,000 per annum.
- j) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.

- k) Commission: One percent commission on net profit as calculated under the applicable provisions of The Companies Act, 1956. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956.
- l) The Executive Director shall be entitled on full pay and allowance, as per rules of the company, not more than 30 days' leave per annum. The leave accumulated but not availed of can be encashed by him at the end of the tenure.
- m) The Executive Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company.

The remuneration payable to Mr. Suneet Kothari is in consonance with the remuneration being paid by the other companies of similar size in the industry to their managerial personnel.

Mr. Suneet Kothari is son of Mr. Yogesh M. Kothari (Promoter) and nephew of Mr. Hemendra M. Kothari. They alongwith their relatives and entities controlled by them hold 75,66,394 equity shares (approx. 74.19% of the equity capital) of the company. As on March 31, 2012 a sum of ₹ 13.90 crores is kept with the company by way of loan/inter corporate deposit by the entities controlled by them/their relatives.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Suneet Kothari as an Executive Director pursuant to the provisions of section 302 of The Companies Act, 1956.

The draft agreement to be entered into between the Company and Mr. Suneet Kothari incorporating the above particulars of remuneration, is available for inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

Mr. Suneet Kothari is interested in the Resolution, since it relates to his own re-appointment. Mr. Yogesh M. Kothari and Mr. Hemendra M. Kothari, may be considered to be interested in the Resolution, since Mr. Suneet Kothari is their relative.

ITEM 8

At the Annual General Meeting held on July 25, 2007 the shareholders had approved appointment of Mr. Kirat Patel as Executive Director for a period of 5 years from January 1, 2007 to December 31, 2011. The Board

of Directors at its meeting held on January 24, 2012 has reappointed Mr. Kirat Patel as Executive Director for a further period of 3 years from January 1, 2012 to December 31, 2014 upon the terms and conditions including remuneration as set out hereunder.

The reappointment of Mr. Kirat Patel as an Executive Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956. Accordingly no approval of the Central Government is required to be obtained to the appointment of Mr. Kirat Patel as an Executive Director.

Mr. Kirat Patel, aged 59, 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 of Diamines & Chemicals Limited (a company in which our company holds around 32% of the shareholding) and Director of Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is also director of the following Companies:

- 1) Anjyko Investments Private Limited
- 2) Purjeeko Investment & Trading Private Limited
- 3) YMK Trading & Consultancy Private Limited
- 4) Niyoko Trading & Consultancy Private Limited
- 5) SYK Trading & Consultancy Private Limited

Present remuneration of Mr. Kirat Patel, as approved by the shareholders, is ₹ 1,80,000 per month plus other perquisites like HRA, Medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for 1% commission on net profits.

The material terms of the draft agreement referred to in the resolution at item no.7 of the notice are as under :

a) Basic Salary:

In the range of ₹ 205,000/- per month to ₹ 2,55,000/- per month over the period of 3 years with an annual increment of ₹ 25,000/-.

- b) House Rent Allowance : 60% of basic salary
- c) Medical reimbursement: Reimbursement of actual medical expenses/premium on Mediclaim policy incurred for self and family not exceeding ₹ 50,000 per annum.
- d) Leave Travel Concession : Reimbursement of actual expenses for self and family once in a year to and fro to any place not exceeding ₹ 75,000/- per annum.
- e) Premium on Personal Accident Insurance/critical illness/life for self not exceeding ₹ 10,000/- per annum.

- f) Use of company car and re-imbursement of driver's salary.
- g) Telephone facilities
- h) Provident Fund: Company's contribution to Provident Fund
- i) Education Allowance: ₹ 12,000 per annum.
- j) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- k) Commission: One percent commission on net profit as calculated under the applicable provisions of The Companies Act, 1956. In the event of loss or inadequacy of profits, he shall be paid the above remuneration, except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956.
- l) The Executive Director shall be entitled on full pay and allowance, as per rules of the company, not more than 30 days' leave per annum. The leave accumulated but not availed of can be encashed by him at the end of the tenure.
- m) The Executive Director shall be entitled to be reimbursed in respect of all expenses incurred by him (including travelling, entertainment, etc.) for and on behalf of the company.

The remuneration payable to Mr. Kirat Patel is in consonance with the remuneration being paid by the other companies of similar size in the industry to their managerial personnel.

Mr. Kirat Patel alongwith his relatives hold 72,002 equity shares (constituting 0.71% of the equity capital) of the company.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Kirat Patel as an Executive Director pursuant to the provisions of section 302 of The Companies Act, 1956.

The draft agreement to be entered into between the Company and Mr. Kirat Patel incorporating the above particulars of remuneration, is available for inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

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

ITEM 9

At the Annual General Meeting held on July 29, 2009 the shareholders had approved appointment of Mr. Yogesh M. Kothari as Chairman & Managing Director for a period of 3 years from April 1, 2009 to March 31, 2012. The Board of Directors at its meeting held on January 24, 2012 has approved reappointment of Mr. Yogesh Kothari as Chairman & Managing Director for a further period of 3 years from April 1, 2012 to March 31, 2015 on the remuneration determined by the Remuneration Committee of the Board of Directors, subject to the approval of Shareholders by way of a Special Resolution.

The reappointment of Mr. Yogesh M. Kothari as Chairman & Managing Director and the remuneration proposed to be paid or granted to him are in conformity with the provisions and requirements of Schedule XIII to the Companies Act, 1956.

The information required to be disclosed to the shareholders as per Schedule XIII to the Companies Act, 1956 (with respect of the reappointment of the Chairman & Managing Director and Executive Directors) is as under:

The Company is engaged in the manufacture of Speciality Chemicals, i.e. Aliphatic Amines and Amines Derivatives. The Company started commercial production in 1982. During the financial year ended 31st March, 2012, the total income was ₹ 318.38 crores and the Company made a profit before tax of ₹ 23.68 crores. The Company has achieved the export sales of ₹ 63.61 crores (FOB) during the Financial Year ended on 31st March, 2012.

For more details about the operations of the company, please refer to the Management Discussion and Analysis Report attached to Directors' Report.

There are no foreign investments or collaborations in the Company, except investment by Non-resident Indians.

Mr. Yogesh M. Kothari aged 63 years is a Chemical Engineer from Institute of Chemical Technology, Mumbai. He is also Master of Management Science and Master of Science-Chemical Engineering, from the University of Massachusetts, Lowell, U.S.A. He promoted this company in 1979. He has more than 34 years experience in chemical industry.

He is Chairman of Diamines & Chemicals Limited (a company in which our company holds around 30% of the shareholding) and Alkyl Speciality Chemicals Limited and Alkyl Amines Europe SPRL (subsidiaries of this company). He is Vice President of Indian Chemical Council.

He is also on the Boards of the following companies:

- 1) Anjyko Investment Pvt. Ltd.
- 2) YMK Trading & Consultancy Pvt. Ltd.
- 3) SYK Trading & Consultancy Pvt. Ltd.
- 4) Niyoko Trading & Consultancy Pvt. Ltd.
- 5) Diamines Specility Chemicals Pvt. Ltd.

He is Chairman of the Investors Grievance Committee of Diamines and Chemicals Limited and a member of Investors Grievance Committee of this Company.

In 1998 he was awarded the prestigious Lalit Doshi Memorial Award being promoter of the best SICOM assisted company for the year 1996-97 in Chemicals and Plastics set up by a first generation entrepreneur.

Mr. Yogesh M. Kothari, being Chairman & Managing Director, is incharge of overall management of the company.

Present remuneration of Mr. Yogesh Kothari, as approved by the shareholders, is ₹ 4,50,000 per month plus other perquisites like HRA, Medical, LTA, Mediclaim, Provident Fund, Gratuity, etc. He is also entitled for commission on net profits so that total remuneration shall not exceed 5% of the net profits..

The material terms of the draft agreement referred to in the resolution at item no.9 of the notice are as under :

- a. Basic Salary : In the range of ₹ 4,90,000/- to ₹ 5,70,000/- with annual increment of ₹ 40,000/- per month.
- b. Housing 1: Expenditure incurred by the company on hiring unfurnished accommodation will be subject to the ceiling namely 60% of the salary;
Housing 2: In case the accommodation is owned by the company, 10% of the salary shall be deducted by the Company;
Housing 3: In case no accommodation is provided by the Company, a house rent allowance subject to the ceiling laid down in Housing 1 above shall be paid;
- c. The Company shall also pay for actual expenses incurred on gas, electricity, water and furnishings and prequisites value of which shall be valued as per Income-tax Rules, 1962;
- d. Medical reimbursement: Reimbursement of actual medical expenses for self and family;
- e. Leave Travel Concession: Reimbursement of actual expenses for self and family once in a year to and fro to any place;

- f. Club fees: Fees of clubs subject to a maximum of 3 clubs will be allowed;
- g. Premium on personal accident insurance premium on life insurance and medicliam policy for self and family; For the purpose of this category, family means self, spouse and dependent children.
- h. Free use of car and driver;
- i. Telephone facilities at residence;
- j. Provident Fund: Company's contribution to Provident Fund/Public Provident Fund/Superannuation Fund not exceeding 27% of the salary;
- k. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service;
- l. The Company shall pay commission on net profits at such percent to the Managing Director, provided that the total remuneration shall not exceed 5% of the net profits;
- m. In the event of loss or inadequacy of profits in any particular financial year, he shall be paid the above remuneration except commission on profits, provided that the total remuneration shall not exceed the ceilings mentioned in Schedule XIII of the Companies Act, 1956 or ₹ 100 lacs, whichever is higher (subject to Government approval, wherever applicable);

The Chairman & Managing Director shall be entitled, on full pay and allowances, as per rules of the company not more than 30 days leave per annum. The leave accumulated but not availed of can be encashed by him at the end of his tenure.

The remuneration payable to Shri Yogesh M. Kothari is in consonance with the remuneration being paid by the other companies of similar size in the industry to their Chief Executive Officers.

Mr. Yogesh M. Kothari is the Promoter of the Company. As on March 31, 2012 he alongwith his relatives and entities controlled by him hold 7566394 equity shares (constituting 74.19% of the equity capital) of the company. As on March 31, 2012, a sum of ₹ 13.90 crores is kept with the company by way of unsecured loan/inter corporate deposit by him and the entities controlled by him/his relatives.

The draft agreement to be entered into between the Company and Shri Yogesh M. Kothari incorporating the above particulars of remuneration, is available for

inspection at the Registered Office of the Company on all working days excluding Saturdays and Sundays and other public holidays up to the date of the General Meeting during business hours.

This may please be treated as an abstract of the terms and conditions regarding the re-appointment of Mr. Yogesh Kothari as Chairman & Managing Director pursuant to the provisions of section 302 of The Companies Act, 1956.

Mr. Yogesh M. Kothari is interested in this resolution, since it relates to his reappointment. Mr. Hemendra M. Kothari and Mr. Suneet Kothari, being relatives of Mr. Yogesh Kothari, may be deemed to be interested in the Resolution.

ITEM 10

At the Annual General Meeting held on July 25, 2007 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 a period of 5 years commencing from the accounting year beginning from 1st April, 2007. As the provision for payment of commission was upto the Accounting Year ended on March 31, 2012, 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 2012.

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)

Registered Office :

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

Dated: May 22, 2012