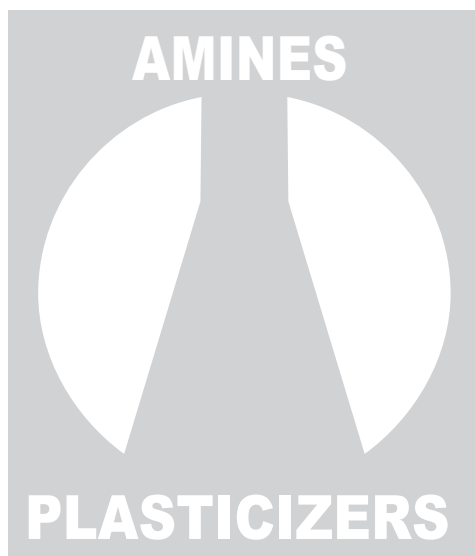


# **AMINES & PLASTICIZERS LIMITED**



**AN ISO 9001 : 2008 COMPANY**

**Annual Report  
2010-11**

HEMANT KUMAR RUIA      *Chairman & Managing Director*

**DIRECTORS**

K.K. SEKSARIA  
DR. M.K. SINHA  
DR. P.H. VAIDYA  
A. S. NAGAR  
B. M. JINDEL

AJAY PURANIK      *Company Secretary*

**BANKER**

STATE BANK OF INDIA

**AUDITORS**

D. BASU & CO.  
LODHA & CO.

**REGISTERED OFFICE**

PAUL ENCLAVE, PRINCIPAL J.B. ROAD, CHENIKUTHI,  
GUWAHATI – 781 003, ASSAM

**REGISTRAR & SHARE  
TRANSFER AGENT**

M/s. Sharepro Services (India) Pvt. Ltd.,  
13 AB, Samhita Warehousing Complex,  
2<sup>nd</sup> Floor, Sakinaka Telephone Exchange Lane,  
Off. Andheri Kurla Road, Sakinaka, Andheri (East),  
Mumbai - 400 072

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## NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the members of **AMINES & PLASTICIZERS LIMITED** will be held on Thursday, 29th September, 2011 at 3.30 P.M. at Hotel Nandan, Paltan Bazaar, Guwahati, Assam - 781 003, to transact the following business :

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011, the Profit and Loss Account and Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. K K Seksaria, who retires by rotation and is eligible, for re-appointment.
3. To appoint a Director in place of Dr. Pandurang Hari Vaidya, who retires by rotation and is eligible, for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### 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** in modification of the resolution passed at the 33rd Annual General Meeting of the Company held on 30th September, 2008, and in terms of article 86 of the Articles of Association of the Company and pursuant to the provisions of Sections 198, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII as amended and all other applicable provisions, if any, and subject to such approval of the Board of Directors of the Company and sanctions as may be necessary, and as recommended by the Remuneration Committee, consent of the Members of the Company be and is hereby

accorded for the revised terms and conditions relating to the payment of remuneration to Shri Hemant Kumar Ruia, Chairman & Managing Director of the Company with effect from 1<sup>st</sup> June, 2011 on such terms and conditions specified below:

By way of salary, additional/adhoc salary, allowances and perquisites (hereinafter referred to as “remuneration”):

### Overall Remuneration :

The revised remuneration payable to him shall be as follows:

1. Salary : Rs.1,00,000/- per month with annual increment of such amount as may be decided by the Board.
2. Perquisites : Perquisites are classified into three categories A,B,C as follows :

### CATEGORY ‘A’

- i. House Rent Allowance

Housing I :

Mumbai, Kolkata, New Delhi and Chennai :  
50% of the salary.

Housing II :

In case, the accommodation is owned by the Company, 10% of the salary shall be deducted by the Company.

Housing III :

In case, the Company provides no accommodation, he shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

- ii. Electricity expenses at actuals, subject to an overall ceiling of 10% of annual salary.
- iii. Bonus @ 20% of the annual salary per year.
- iv. Medical Reimbursement – Expenses incurred for self and family subject to a ceiling of one and half month's salary in a year or three months' salary over a period of two years.

- v. Leave Travel Concession – For self and family once in a year according to the rules of the Company.
- vi. Club fees : Fees of clubs, subject to a maximum of two clubs but this will not include admission and life membership fees.
- vii. Personal Accident Insurance – Premium not to exceed Rs.5,000/- in a year.

Explanation-Family means the spouse, the children and parents of the Chairman and Managing Director.

## CATEGORY 'B'

The Chairman and Managing Director shall also be eligible to the following perquisites, which shall not be included in the computation of the ceiling for the purpose of remuneration or minimum remuneration.

- (a) Contribution to Provident Fund, Superannuation Fund or Annuity fund to the extent these either singly or taken together are not taxable under the Income Tax Act, 1961.
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- (c) Encashment of leave at the end of the tenure.

## CATEGORY 'C'

Provision of car and cell phone for use on Company's business and telephone at residence will not be considered as perquisites.

## Earned Leave :

On full pay and allowance as per the rules of the Company. In case of loss or inadequacy of profits in any financial year, the Chairman and Managing Director will be entitled to a minimum remuneration by way of salary and perquisites as specified above, subject to the limits specified in that regard in Schedule XIII to the Companies Act, 1956, from time to time.

Shri Hemant Kumar Ruia will not be entitled to any sitting fees for attending meetings of the Board of Directors or Committees thereof. He shall not be liable to retire by rotation. The Company shall reimburse to the Chairman and

Managing Director, entertainment, traveling and all other expenses incurred by him for the business of the Company.

Subject to the superintendence and control of the Board of Directors, he shall be responsible for the day-to-day management of the affairs of the Company.

**RESOLVED FURTHER THAT** the Board shall have the liberty to determine, alter and vary the terms and conditions of remuneration of Mr. Hemant Kumar Ruia as it may deem fit in its absolute discretion from time to time.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, things and matters as may be necessary, expedient and desirable to give effect to this resolution."

By Order of the Board

For **AMINES & PLASTICIZERS LIMITED**

Place : Mumbai

Date : 30.05.2011

**AJAY PURANIK**

(Company Secretary)

## Registered Office:

Chenikuthi,  
Guwahati - 781 003, Assam.

## NOTES:

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (2) Instrument of proxy duly completed and signed in order to be effective must be deposited at the Company's Registered Office at Chenikuthi, Guwahati, Assam or at Head Office at Mumbai not less than 48 hours before the commencement of the Annual General Meeting.
- (3) The Register of Members and Share Transfer Books of the Company will remain closed from 23<sup>rd</sup> September, 2011 to 29<sup>th</sup> September, 2011 (both days inclusive).

# AMINES & PLASTICIZERS LIMITED

- (4) The Company has connectivity with both the Depositories i.e, Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Limited (NSDL) and ISIN No. is INE275D01014. Members are requested to dematerialize their shares for scrip less trading.
- (5) Members holding shares in physical form are requested to notify immediately any change of address, if any, to the Company's Registrar & Share Transfer Agent (STA) and in case their shares are held in dematerialized form this information should be passed on directly to their respective depository participants and not to the Company/STA, without any delay. **Members are also requested to intimate their email id to the Company/STA for fast communication.**
- (6) Details under clause 49 of the listing Agreement with the Stock Exchanges in respect of Directors seeking appointment/ reappointment at the Annual General Meeting, is separately annexed hereto.
- (7) Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, the amounts of dividends remaining unclaimed for a period of seven (7) years are to be transferred to the Investor Education and Protection Fund set up by the Central Government.

Details of dividend declared for the year 2009-10 are given below :

Date of Declaration	Dividend per share (Rs.)	Due Date of the proposed transfer to the Investor Education and Protection Fund
20.09.2010	Rs.1	19.09.2017

Members who have not encashed the Dividend Warrants for the above year are requested to write to the Company or the Registrar and Share Transfer Agent for revalidation of Dividend Warrants before such unclaimed dividends is transferred to the Investor Education and Protection Fund.

- (8) Members desirous of getting any information on the accounts and operations of the Company, are requested to forward their queries to the Company at least seven working days prior to the meeting so that the required information can be made available at the meeting.
- (9) The Annual Accounts of the Subsidiary Companies are kept for inspection by any members in the Head Office of the Company and of the Subsidiary Companies concerned. The Company shall furnish a printed copy of the accounts of Subsidiaries to any shareholder on demand.

By Order of the Board

For **AMINES & PLASTICIZERS LIMITED**

Place : Mumbai  
Date : 30.05.2011

**AJAY PURANIK**  
(Company Secretary)

**ANNEXURE TO NOTICE****Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956.**

The following explanatory statement set out all the material facts relating to Special Business mentioned at Item No. 5 of the accompanying notice convening the 36<sup>th</sup> Annual General Meeting of the Company.

**Item No. 5 :**

As you are aware, Shri. Hemant Kumar Ruia was re-appointed as the Chairman & Managing Director of the Company on 1<sup>st</sup> April, 2008, for a period of 5 years on a remuneration of Rs.55,000/- per month plus other perquisites. In view of multiple and complex responsibilities handled by him, the Board of Directors at its meeting held on 30<sup>th</sup> May, 2011 on the recommendation of the Remuneration Committee decided to increase the remuneration pursuant to the provisions of Sections 198, 309, 310 read with Schedule XIII as amended, wherein, the Companies having inadequate profits are allowed to increase the remuneration of the Managerial Person on compliance with certain terms and conditions as prescribed therein.

The information as per Schedule XIII is given herein below:

**I. GENERAL INFORMATION:****(1) Nature of Industry:**

Amines and Plasticizers Limited (APL) is a pioneer and one of the largest Producers of Ethanolamines, Alkyl Alkanolamines, Alkyl Morpholine and Gas treating solvents in India. APL is a global supplier of organic chemicals which find utility in Oil Refineries, Natural Gas Plants, Ammonia Plants, Petrochemical Plants, Pharmaceuticals and Agrochemicals Industry.

**(2) Date of commencement of commercial production: 05.09.1973.****(3) Financial performance based on given indicators:**

The Company had a turnover of Rs.18862.37 Lakhs during the year

2010-11 as against Rs.17069.74 Lakhs in the year 2009-10. The Net Profit for the year 2009-10 and 2010-11 was Rs.301.91 Lakhs and Rs.212.52 Lakhs respectively.

**(4) Export performance and net foreign exchange collaborations:**

The export revenue of the Company for the year ended 31/03/2010 and 31/03/2011 was Rs.5104.36 Lakhs and Rs.4458.69 Lakhs respectively.

**(5) Foreign investments or collaborations, if any:**

There was no foreign investment or collaborations during the said period.

**II. INFORMATION ABOUT THE APPOINTEE :**

Shri Hemant Kumar Ruia is a graduate in Commerce and Law from Bombay University, having a varied and rich experience in various fields. He has been associated with the Company for past 31 years and is looking after all major policy decisions as well as day-to-day affairs of the Company. During this tenure, he has taken many initiatives to diversify Company's operations into various areas mainly technology and engineering fields. Under his leadership, the Company has grown from a domestic level Company to a Company of International repute. He has been paid salary of Rs.55,000/- per month (Rupees Fifty Five Thousand Only) with such other benefits/reimbursements as approved by the Board and the Shareholders at their respective meetings held in the year 2008.

Considering his long association, vast experience in handling complex business issues and running effectively the operations of the Company and the exceptional contribution made by him in the Company's growth, the Board feels that it is in the interest of the Company to increase the remuneration of Shri Hemant Kumar Ruia

(which is static since 01.04.2008) w.e.f. 1<sup>st</sup> June, 2011 to Rs.1,00,000/- per month (Rupees One Lakh Only) with such other benefits/reimbursements, subject to the approval of the members of the Company. As mentioned in Part I(3) hereinabove, the Company had turnover of over Rs.188 Crores, as such proposed remuneration of Rs.1 lakh and other benefits are minimum as compared to the size of the Company/ Industry and profile/position of the person.

### III. OTHER INFORMATION:

#### (1) Reasons for inadequate profits :

During the year, the prices of raw materials sky rocketed and since orders were booked in advance, the effect of rise in cost of raw materials could not be passed on to the customers. Further due to severe competition in global markets and availability of cheaper products from Russia affected the export income to a major extent. In addition to this, the higher interest cost was the major factor in reducing profits.

#### (2) Steps taken or proposed to be taken for improvement :

Advance payment for orders placed is being insisted in order to avoid price rise in the raw materials. Further, Company has initiated a policy of competitive price for products exported in order to match cheaper products from international markets. The Company has also initiated several cost cutting measures and effective administration of the plant and production activities thereby reducing overall manufacturing and general expenditure.

#### (3) Expected increase in productivity and profits in measurable terms :

The Company's R & D has been working on several products which have high demand domestically and in international markets. A concrete and well defined marketing plan has been devised in order to generate more orders from overseas markets. The Company expects to increase its productivity by 15% and may generate 10% more operating profits during the current year.

Since, the Company has complied with the provisions as prescribed under Schedule XIII for increase in the remuneration of Shri. Hemant Kumar Ruia, the Central Government's approval is not required.

As required under Section 302 of the Companies Act, 1956, an abstract relating to the variation in the terms & conditions of remuneration paid to Shri. Hemant Kumar Ruia, Chairman & Managing Director of the Company as set out above had already been sent to the members of the Company.

The variation in the terms & conditions of remuneration to be paid to the Managing Director is required to be approved by the Shareholders of the Company and accordingly, the Special Resolution in Item No. 5 is being placed before the members of the Company.

None of the Directors are in anyway concerned or interested in the Resolution except Shri. Hemant Kumar Ruia.

By Order of the Board

For **AMINES & PLASTICIZERS LIMITED**

Place : Mumbai  
Date : 30.05.2011

**AJAY PURANIK**  
(Company Secretary)

## Details of Directors seeking re-appointment at the forthcoming Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

<b>Name of the Director</b>	<b>Kailashchandra Kesardeo Seksaria</b>	<b>Dr. Pandurang Hari Vaidya</b>
Date of Birth	03.04.1939	25.09.1939
Date of Re-appointment	30.09.2009	30.09.2008
Expertise in specific functional area	Over 5 decade of experience in Business and Finance	Wide experience in HRD, Finance and General Administration
Qualifications	B.Com	M.Com., Phd.
Number of outside Directorships held in Public Limited Companies as on 31.03.2011	2	1
Other Directorship/ Committee Membership held as on 31.03.2011	Bhavnagar Oil Mills Pvt. Ltd. Ishwarshakti Holdings & Traders Limited Rolcon Engineering Co. Ltd. Seksaria Behta Sugar Factory Pvt. Ltd. Sekseria Biswan Sugar Factory Pvt. Ltd. Seksaria Confectionaries Pvt. Ltd. Seksaria Farms Pvt. Ltd. Seksaria Industries Pvt. Ltd. U.P. National Industrial Corp. Pvt. Ltd.	Ariva Industries (India) Ltd.
Chairman / Member of the Committee of the Board of Public Companies on which he is a Director as on 31.03.11	NIL	NIL
Shareholding	NIL	NIL



## DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Thirty Sixth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

(Rs. in Lakhs)

FINANCIAL RESULTS	For the year ended 31.03.2011	For the year ended 31.03.2010
Income	18862.37	17069.74
Profit before Interest, Depreciation and Taxes	1000.08	1089.79
Less : Interest	625.83	519.70
Depreciation	73.05	68.84
Profit before Tax	301.20	501.25
Provision for taxation	88.68	199.35
Profit after Tax	212.52	301.90
Balance of profit brought forward from the previous year	1365.77	1131.41
Proposed Dividend on :-		
Preference Shares	—	2.71
Equity Shares	—	55.02
Corporate Dividend Tax	—	9.81
Balance of Profit carried to Balance Sheet	1557.41	1365.77

### DIVIDEND:

In order to conserve resources for working capital requirements, your Directors do not recommend any dividend on equity capital of the Company.

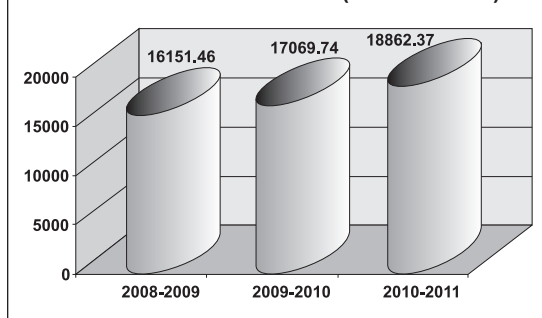
### OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the income of the Company grew by 11% to Rs.18862.37 Lakhs as against Rs.17069.74 Lakhs in the previous year. The Profit before tax was lower at Rs.301.20 Lakhs from Rs.501.25 Lakhs in the previous year. The Profit after tax for the current year stood at Rs.212.52 Lakhs as against Rs.301.90 Lakhs during the previous year.

During the year under review due to continuing recessionary trend in the international market, the Company's products had a modest demand. The

Company's concentration in the domestic market gained more revenue as compared to exports. In the current year, due to the strengthening of the Rupee, the realizations were lower as compared to previous year.

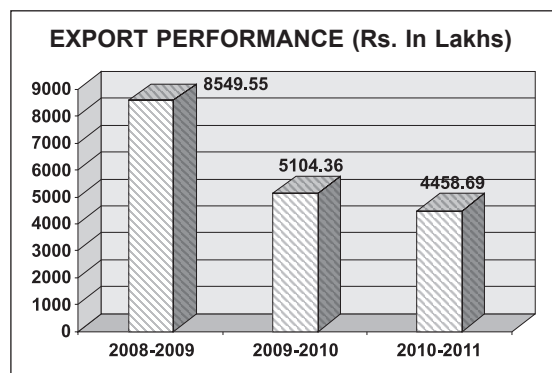
### SALES PERFORMANCE (Rs. In Lakhs)



# AMINES & PLASTICIZERS LIMITED

## EXPORTS:

The export revenue of the Company was Rs.4458.69 Lakhs as compared to Rs.5104.36 Lakhs during the previous year. The Company's export revenue was lower by 12.5% approx. primarily due to stiff competition by global suppliers. However, the demand for the Company's specialty products continues and helps in generating exports revenue. The Company proposes to manufacture certain Oil Field Chemicals and is expected to increase its export revenue by the 4th quarter of the current year. The Company pursues its PSA Technology for putting up plants and is in talks with few customers for the same.



## ISO CERTIFICATION:

At present the Company has an ISO 9001: 2008 certification (valid up to 13<sup>th</sup> January 2013) wherein main emphasis is on saving cost by conserving natural resources. Further, Det Norske Veritas (DNV) has carried out "Surveillance Audit" for OHSAS 18001: 2007 and Environment Management System ISO 14001: 2004 across your Company's installation.

As reported in the last years' Director's Report, the Company has obtained ISO 14001:2004 & 18001:2007 Certification and the same are valid till 9<sup>th</sup> April, 2013.

ISO 14001:2004 Certification relates to conservation of natural resources whereby the environment becomes less polluted. Therefore, the Company is committed to ensure minimum impact to environment through its operations. OHSAS 18001:2007 Certification relates to Safety and Health. Various measures have been taken by the Company in order to ensure compliance in its true spirit.

## REACH COMPLIANCE:

As reported earlier the Company pre-registered all the products being exported under "The Registration Evaluation Authorization and Restriction of Chemicals" (REACH) and had obtained the required pre-registration numbers. New products being developed for exports are also being Pre-registered under REACH as and when required

## CREDIT RATING:

As required under BASEL II Norms stipulated by RBI for Credit facilities availed by the Company, the Company had obtained Credit ratings as BB+ (Stable) for long term limits and A4+ for short term limits from ICRA.

## RESEARCH & DEVELOPMENT:

During the year under review, the New Ethoxylation plant erected was commissioned. A tie up with a UK based company was completed for manufacture of its ethoxylated products in India. Further, the Propoxylation facility in the Ethoxylation plant has not been commissioned and is expected to be commissioned by the 3rd quarter of the current year. With the commissioning of Propoxylation plant, the Company proposes to develop certain specialty chemicals for the Oil Field and Cosmetic industry. The Company is also undertaking steps to expand its present ethoxylation facility by doubling its capacity since the current facilities are already booked.

The order book position for the initial 6 months of the current year is comfortable. The Company developed a special grade MDEA for the Electronic Industry during the year. A steep increase in interest costs affected the profitability of the Company as can be seen from the results.

Other R&D activities focus towards formulating proper Gas Treating Agents based on Methyl-diethanolamine, catering to various Natural gas, Refinery gas & Ammonia Plants all over the world, besides India. It's performance is well appreciated.

As Contract Manufacturing for high purity chemicals are gaining prominence in India, your Organization is approached by foreign parties, as our R & D think-tank, facilities meets their expectations.