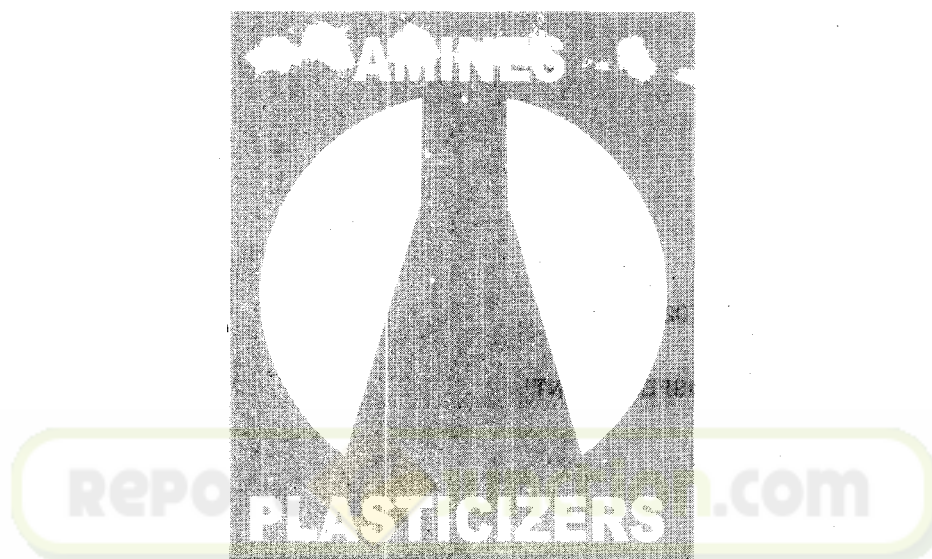


AMINES & PLASTICIZERS LIMITED



**Annual Report
1999-2000**

AMINES & PLASTICIZERS LIMITED

DIRECTORS

DIPAK HIMATSINGKA Chairman & Managing Director
 K.K.SEKARIA
 NIRMAL SUCHANTI
 DR. M.K. SINHA
 S.S.RUIA
 DR.P.H.VAIDYA
 HEMANT KUMAR RUIA Executive Director

BANKER

STATE BANK OF INDIA

AUDITORS

D.BASU & COMPANY
 LODHA & COMPANY

REGISTERED OFFICE

NOONMATI, GUWAHATI - 781 020, ASSAM

REGISTRAR & SHARE TRANSFER AGENT

SHAREPRO SERVICES

Satam Estate, 3rd Floor,
 Above Bank of Baroda,
 Cardinal Gracious Road,
 Chakala, Andheri (East),
 Mumbai - 400 099

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ANNUAL REPORT 1999-2000**NOTICE**

NOTICE is hereby given that Twentyfifth Annual General Meeting of the members of AMINES & PLASTICIZERS LIMITED will be held on Friday, 29th September, 2000 at 2.30 p.m. at Hotel Nandan, Paltan Bazar, G.S. Road, Guwahati - 781 008, Assam to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2000, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri K.K. Seksaria who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Shri S.S. Ruia who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

Registered Office :
Noonmati, Guwahati - 781 020, Assam.
Dated : 18th August, 2000

By Order of the Board
FOR AMINES & PLASTICIZERS LIMITED
P.S. GUPCHUP
Company Secretary

NOTES

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 22nd September, 2000 to Monday, 25th September, 2000 (both days inclusive).
3. Members are requested to intimate change of address, if any, to the Company's Registrar & Share Transfer Agent, SHAREPRO SERVICES, Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099.
4. Members are requested to send queries, if any, at its Mumbai Office atleast ten days before the date of the meeting.

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DIRECTORS' REPORT

The Directors present to you the Twentyfifth Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2000.

FINANCIAL RESULTS	For the year ended 31.03.00 (Rs. in lacs)	For the period ended 31.03.99 (Rs. in lacs)
Sales & Services	5392.67	5349.75
Profit /(Loss) before Interest and Depreciation	327.78	165.78
Less: Interest	189.09	
Depreciation	34.96	
Net Profit/(Loss)	103.73	(161.83)
Balance brought forward from last year's account	(776.03)	(607.17)
Provision for	—	7.02
Taxation for earlier year		
Balance of Profit/(Loss) carried to Balance Sheet	(672.30)	(776.03)

Dividend :

In view of the accumulated losses the Directors regret their inability to recommend any dividend for the year under report.

approved by the Hon'ble BIFR subject to certain modifications which are being incorporated by the Operating Agency, which is in the process of submitting the same to the Hon'ble BIFR for final approval.

OPERATIONS**Chemical Division :**

Increased Capacity Utilisation, thrust on exports and contribution by sales of speciality products resulted in an increase of sales turnover by well over 50% on an annualised basis and resulting in net profit of Rs.1.03 crore for the year as against loss of Rs. 1.61 crore for the previous period of eighteen months.

The Utilisation of the Plasticizers Plant has been substantially lower because of curtailment of conversion activity by some customers.

Industrial Gases Division :

The Company continues to do job work for BOC India Limited. However, there has been no significant improvement in the operations of the said division.

Sick Industrial Companies (Special Provisions) Act, 1985 :

Rehabilitation Scheme of the Company was

Future Prospects :

Products manufactured in Strategic Alliance Agreement with The Dow Chemical Company of U.S.A. have been introduced in the domestic market. Negotiations are in progress with a large number of potential users. The Directors are confident that this activity will contribute to improved business prospects from the current year.

The Company has entered into an MOU with a leading Engineering Consultancy Company in UK for supply of our technology to third countries. Preliminary negotiations are under way with two prospective clients.

The company is also independently pursuing sale of its technology to another company in South Africa.

The company has identified products for utilising its plasticizers plant capacity and is hopeful of commercialising some of these during the current

AMINES & PLASTICIZERS LIMITED

year. These are expected to lead to better capacity utilisation and profitability.

Exports :

Your company's focussed approach towards exports has enabled it to achieve more than 50% increase in exports at Rs.93 million during the year as compared to Rs.96 million for the previous period of eighteen months. The Company continues to pursue this area of business activity.

Research & Development :

Your company has been able to increase its manufacturing capacity of various Alkanolamines in the plant significantly through innovation achieved as a result of sustained R&D efforts. Thus the overall manufacturing efficiencies have improved significantly.

Your company continues its effort to develop new products & formulations for which R&D work is in progress. During the year the company has commercialised two new products and has begun sales of the same. The company has also engaged the services of some consultants to develop manufacturing capabilities for products used in the field of lubricants & paints and is hopeful of introducing new range of products during the current year.

Your company's R&D centre continues its innovative work in its area of core competence.

EAP Industries Limited :

Applications were filed by your Company before Debts Recovery Tribunal and stay was granted.

Y2K Compliance :

Transition to year 2000 was smooth and no problems were encountered by the company during the said period. All the systems are running smoothly and no further complications are anticipated.

Directors :

Shri K.K. Seksaria and Shri S.S. Ruia retire by rotation and being eligible offer themselves for re-appointment.

Insurance :

The Assets of your Company have been adequately insured.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo :

Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are set out in Annexure 'A' to this Report.

Particulars of Employees :

Particulars required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are set out in Annexure 'B' to this Report.

Industrial Relations :

During the year under report industrial relations remained cordial.

Auditors :

M/s. D. Basu & Co. and M/s. Lodha & Co., Chartered Accountants, Auditors of the Company, retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The observations made by the Auditors have been dealt with under Notes on Accounts and are self - explanatory.

Appreciation :

The Directors would like to express their grateful appreciation for the assistance and co-operation received from State Bank of India and ICICI, the Operating Agency. The Company also thanks its suppliers, customers and shareholders for their continued support.

For and on behalf of the Board

Place : Mumbai
Dated : 18th August, 2000

DIPAK HIMATSINGKA
Chairman &
Managing Director

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ANNEXURE 'A'

Statement pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy**a) Energy Conservation measures taken :****(I) Electrical Energy**

- i) We are trying to increase the concentration levels of reaction mixtures to ensure higher throughput thereby minimising the electrical usage in pumps.
- ii) Regular preventive maintenance is done to ensure minimal losses.
- iii) Auto start/stop have been installed in places where intermittent use of power is there.
- iv) Insulation has been improved so that in cold areas temperatures are maintained by preventing heat losses thereby reducing the working of cooling systems.

(II) Furnace Oil/LDO Consumption

- i) The dilution factor of reaction mixtures is being studied so that higher concentration of reactants can be used. This will result in lower water percentages in reaction for removal and consequent lesser fuel requirements.
- ii) Insulation on equipments is being renewed to prevent ambient heat losses.
- iii) Usage of fuel additives to ensure better combustion & thereby heat generation efficiency.
- iv) Usage of Boiler Water additives to reduce scaling for better heat transfer.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy : No.**c) Impact of the measures at (a) and (b) for reduction of Energy consumption and consequent impact on the cost of production :**

The consumption of energy, however, depends on the product mix specially insofar as the Amines Plant is concerned, which is a continuous Plant.

Further the energy consumption also depends on the quality of power & the number of power failures experienced, as this upsets stable running of the plants & restabilisation of production parameters results in higher energy consumptions.

d) Total energy consumption and energy consumption per unit of production.

As per Form 'A'

FORM A**Form for disclosure of particulars with respect to conservation of energy.**

	For the Year ended 31.03.2000	For the Period ended 31.03.1999
A. Power and Fuel Consumption:		
1. Electricity		
(a) Purchased Units/Lakhs	24.76	39.40
Total amount (Rs.in Lakhs)	107.62	162.92
Cost per unit - Rs.	4.35	4.13
(b) Own Generation		
(i) Through Diesel Generator Set:		
Units generated/Lakhs	Negligible	Negligible
Units per Ltr. of Diesel Oil	Negligible	Negligible
Cost - Rs./Unit	Negligible	Negligible
(ii) Through Steam Turbine/Generator	NIL	NIL
2. Coal (specify quality and where used)	NIL	NIL
3. Furnace Oil & L.S.H.S.		
Quantity - K. Ltrs.	20.47	34.78
Total amount - Rs. in Lakhs	169.37	208.61
Average rate - Rs./K. Ltrs.	8,274	5,998
4. Others/internal generation		
Light Diesel Oil - K. Ltrs.	4.61	5.44
Total amount - Rs. in Lakhs	40.03	43.13
Average rate - Rs./K. Ltr.	8,683	7,928

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B. Consumption per unit of Production :

	Standards (if any)	For the year ended 31.03.2000	For the Period ended 31.03.1999
PRODUCTS			
Plasticizers			
Electricity (per MT)	Units	150	150
Furnace Oil (per MT)	Ltrs.	115	115
Ethanolamines			
Furnace Oil (per MT)	Ltrs.	316	431
L.D.O. (per MT)	Ltrs.	84	99
Electricity (per MT)	Units	368	378

C. Foreign Exchange Earnings and Outgo:

The information on foreign exchange earnings and outgo is furnished in the accounts.

For and on behalf of the Board

Place : Mumbai,
Dated : 18th August, 2000

Dipak Himatsingka
Chairman & Managing Director

FORM B

Form for disclosure of particulars with respect to absorption

- Specific areas in which R & D carried out by the Company

Our R & D efforts are presently focused on :

 - Developing products based on Ethylene Oxide, Propylene Oxide and Cyclic Amines, Aliphatic Amines – addition products.
 - Continuing development in the range of Plasticizers and Esters.
 - Development of products in the fields of Paints and Lubricants.
 - Development of downstream products using existing products of the Company as raw materials.
 - Upgradation of existing product quality and technology to reduce/optimize cost of manufacture.
 - Development of import substitute/export oriented products.
 - Conservation of Energy/Fuel and Water.
- Benefits derived as a result of the above R & D

Revamping of our existing Plant and Equipment and processes has resulted in improved yields both in terms of quality as also throughput in the Amines Plant. Newly developed Alkanolamines have also been commissioned successfully with

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desired yields in both qualitative and quantitative terms as a result of which the Plant capacity utilisation has gone up. The above work has also benefited the Company to reduce the processing costs.

3. Future plan of action

1. To continue development of further range of Alkanolamines.
2. To develop further range of Plasticizers and Esters for Industrial applications especially in the areas of paints and lubricants.
3. To develop special organic products for the speciality chemical users.

4. Expenditure on R & D

- | | |
|--|----------------|
| a) Capital | — |
| b) Recurring | Rs.20.47 lakhs |
| c) Total | Rs.20.47 lakhs |
| d) Total R & D expenditure as a percentage of total turnover | 0.38% |

5. Technology, absorption, adaptation and innovation

- a) Efforts, in brief, made towards technology absorption, adaptation and innovation

The Company has entered into an alliance with the Dow Chemical Company, U.S.A. for the manufacture of blended solvents for Gas Treatment and Desulphurisation Technology and for providing Technical Services in this area. The Company has been successful in manufacturing product meeting the quality specifications of Dow Chemical Co. using indigenously produced and available raw materials. This has also helped us in getting a better understanding of problems faced by the user industry.

The manufacture of speciality formulated Gas Treatment Solvents and Technology associated with it is expected to bring in a change in the user industry, viz: Refineries and Fertilizers and should result in reduced energy costs, increased capacity and long life of the equipment used.

- b) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc.

Revamping of our Plant & Equipment and Processes has resulted in improved product quality and commercialisation of new products. We have been able to reduce costs thereby becoming more competitive in the international markets.

- c) In case of imported Technology (imported during the last five years reckoned from the

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beginning of the financial year) following information may be furnished.

- | | |
|--|--|
| a) Technology imported | No technology imported in last five years. |
| b) Year of import | N.A. |
| c) Has technology been fully absorbed | N.A. |
| d) If not fully absorbed, areas where this has not taken place, reasons therefor and future plans and actions. | N.A. |

For and on behalf of the Board

Place : Mumbai,
Dated : 18th August, 2000

Dipak Himatsingka
Chairman & Managing Director

ANNEXURE 'B'

Information under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March, 2000

Sr. No.	Name of the Employee	Designation/ Nature of Duties	Remuneration Rs.	Qualifications/ (Experience)	Date of Commencement of Employment	Particulars of last Employment	Age/ years
Employed throughout the year							
1.	Shri Dalmia R.D.	Plant Manager	624,030	M.Com (38 years)	01.07.1974	India Carbon Ltd., Mumbai Officer - Administration	58
2.	Shri Himatsingka Dipak	Chairman & Managing Director	655,428	B. Tech (Hons.) M.I.E., AMIICHE (32 years)	01.06.1974	India Carbon Ltd., Mumbai Chemical Engineer	53

Notes :

1. Nature of employment is contractual.
2. Other terms and conditions - As per Company's rules/schemes and/or terms of individual appointment letters/contracts.
3. Remuneration shown above includes Salary, Contribution to P.F. and other funds and other perquisites.

For and on behalf of the Board

Place : Mumbai,
Dated : 18th August, 2000

Dipak Himatsingka
Chairman & Managing Director