

AMINES & PLASTICIZERS LIMITED



AN ISO 9001:2000 COMPANY

**Annual Report
2005 - 06**

HEMANT KUMAR RUIA *Chairman & Managing Director*

DIRECTORS

K.K. SEKSARIA
NIRMAL SUCHANTI
DR. M.K. SINHA
DR. P.H. VAIDYA
A. S. NAGAR

AJAY PURANIK *Company Secreatry*

BANKER

STATE BANK OF INDIA

AUDITORS

D. BASU & CO.
LODHA & CO.

REGISTERED OFFICE

NOONMATI, GUWAHATI, 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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AMINES & PLASTICIZERS LIMITED**NOTICE**

Notice is hereby given that the Thirty-First Annual General Meeting of the Members of Amines & Plasticizers Limited will be held on Friday, 29th September, 2006 at 2.00 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, 2006, 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 Dr. M.K.Sinha who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. P.H.Vaidya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors 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 subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956, and the rules framed thereunder, SEBI (Delisting of Securities) Guidelines, 2003, listing agreement and such other applicable laws, rules, regulations, amendments, guidelines and subject to such approvals, permissions and sanctions, as may be necessary, the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting of its securities from Kolkata and Guwahati Stock Exchanges.

RESOLVED FURTHER THAT securities of the Company shall continue to be listed on the stock exchange having nation wide trading

terminals viz. Bombay Stock Exchange, Mumbai and therefore, as per the said guidelines issued by the Securities and Exchange Board of India, no exit opportunity need to be given to the shareholders of the Company."

By Order of the Board

For Amines & Plasticizers Ltd.

AJAY PURANIK
Company Secretary

Place : Mumbai

Date : 16th August, 2006

Registered Office:

Noonmati, Guwahati-781 020, 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 in order to be effective must be deposited at the Company's Registered Office at Noonmati, Guwahati, Assam or Head Office at Mumbai not less than 48 hours before the commencement of the Annual General Meeting.
- (3) The relative Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business set out in the item no. 5 of the Notice is annexed hereto.
- (4) The Register of Members and Share Transfer Books of the Company will remain closed from Monday, the 18th September, 2006 to Friday, the 22nd September, 2006. (both days inclusive)
- (5) The Company has in addition to Central Depository Services (India) Ltd. (CDSL) established connectivity with National



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Securities Depository Limited (NSDL) and ISIN No. is INE275D01014. Members are requested to dematerialize their shares for scrip less trading.

- (6) 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 viz. M/s. Sharepro Services, Satam Estate, 3rd floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai – 400 099 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.

- (7) Members desirous of getting any information on the accounts or operations of the Company, are requested to forward their queries to the Company at least seven working days before the date of the Annual General Meeting so that the required information can be made available at the meeting.

ANNEXURE TO NOTICE, EXPLANATORY STATEMENT

(Pursuant to Section 173 (2) of the Companies Act, 1956)

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ITEM NO. 5

At present the equity shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai, The Calcutta Stock Exchange Association Ltd., Kolkata and The Gauhati Stock Exchange, Guwahati. Considering the negligible volume of trading and as a part of its cost reduction measure, the consent of the members is sought for getting its securities delisted from The Calcutta Stock Exchange Association Ltd, and The Gauhati Stock Exchange as proposed in the special resolution. The securities of the Company shall continue to be listed on Bombay Stock Exchange Limited, Mumbai.

The Securities & Exchange Board of India (SEBI) notified guidelines for voluntary delisting of securities from the stock exchanges. As per clause 5.2 of SEBI (Delisting of Securities) Guidelines, 2003 an exit opportunity to the shareholders need

not be given where securities of the company remain listed on the stock exchange having nation wide trading terminals, i.e Bombay Stock Exchange Limited, Mumbai or any other stock exchange that may be specified by SEBI in this regard.

The Board recommends the resolution for approval of members.

None of the directors is, any way, concerned or interested in the said resolution.

For Amines & Plasticizers Ltd.

AJAY PURANIK
Company Secretary

Place : Mumbai

Date : 16th August, 2006



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Details of Directors seeking re-appointment in forthcoming Annual General Meeting

Name of the Director	MITHILESH KUMAR SINHA	PANDURANG HARI VAIDYA
Date of Birth	02.09.1935	25.05.1939
Date of Re-appointment	30.09.2003	27.09.2004
Expertise in specific functional area	Vast experience in Banking Industry	Wide experience in HRD, Finance and General Administration
Qualifications	M.A., Phd.	M.Com., Phd.
Number of outside Directorships held in Public Limited Companies as on 31.03.06	6	1
Name of the outside Public Limited Companies in which directorships held as on 31.03.06	Austral Coke & Projects Ltd. Flexo Film Wraps (India) Ltd. K. Sera Sera Ltd. Pashupati Fabrics Ltd. Prag Bosimi Synthetics Ltd. Radaan Media Works (India) Ltd.	Ariva Industries (India) Ltd.
Chairman/ Member of the Committee of the Board of Public Companies on which he is a Director as on 31.03.06	1/4	Nil



AMINES & PLASTICIZERS LIMITED

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Thirty-first Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2006.

(Rupees in Lacs)

FINANCIAL RESULTS	For the year ended 31.03.2006	For the year ended 31.03.2005
Income	8666.82	8517.67
Profit before Interest, Depreciation and Taxes	645.21	471.44
Less : Interest	241.39	230.16
Depreciation	38.58	34.11
Profit before Tax	365.24	207.17
Provision for taxation		
> Current Tax	129.32	33.99
> Deferred Tax	6.97	32.91
> Fringe Benefit Tax	10.04	—
Profit after Tax	218.91	140.27
Balance of profit (loss) brought forward from the previous year	130.75	(23.45)
Tax refund relating to earlier years	—	13.92
Balance of profit carried to Balance Sheet	349.66	130.75

DIVIDEND:

Your Directors do not recommend any dividend for the year under consideration, to conserve resources for working capital requirements.

OPERATIONS AND FUTURE PROSPECTS:

During the year under review, the total income earned by the Company is Rs.86.67 Crores as compared to Rs.85.18 Crores earned during the previous year. The Profit before tax stood at Rs.3.65 Crores as compared to Rs.2.07 Crores, earned during the previous year.

During the year under review, the income of the Company was only marginally higher as compared to last year, due to stiff competition for sale of products in the international market as well as competition from the international manufacturers in the local market. The profitability of the Company's

operation was mainly affected due to increase in prices of major raw materials, fuel costs and increase in the financial costs.

Your Company has received an incentive of Rs.2.47 Crores under the Target Plus Scheme launched by the Government which has added substantially to the profit of the year under review.

In view of un-remunerative production and sales of plasticizers, the plasticizers plant was revamped, so as to produce Morpholine derivatives, thereby increasing the company's production capacity substantially. Sales for the additional capacity have already been tied up with the various users worldwide.

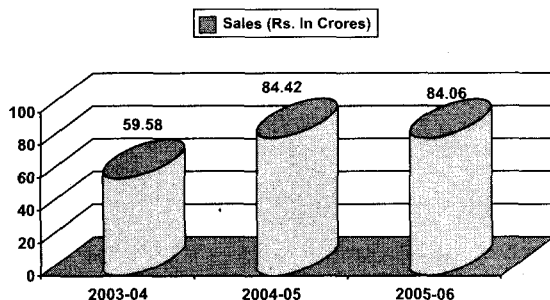
The effect of this expansion and utilization of both plasticizers plant and morpholine derivatives plant together will help the company in achieving better results in the coming years.

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The Company is in the active stage of finalization for putting up additional Plant and Machinery for augmenting its production capacity for various products.

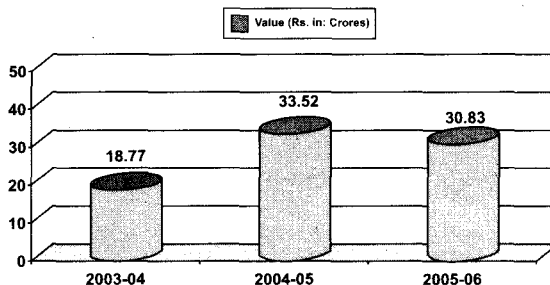
SALES PERFORMANCE FOR THE LAST 3 YEARS



EXPORTS:

The export revenue of the Company was at Rs. 30.83 Crores as compared to Rs. 33.52 Crores earned during the previous year. The Company was thus able to maintain its position in the international market even amidst stiff competition.

EXPORT PERFORMANCE FOR LAST 3 YEARS



RESEARCH & DEVELOPMENT:

Your Company is pursuing development of products and formulations indigenously with its Research & Development efforts and as a result has been successful in launching the same.

During the year under review, your Company initiated activities in the area of providing value added services to its customers especially in the field of Gas Processing through new formulations and successful applications of the same. Regular analysis of products supplied by us and trouble shooting advice are well received by customers and is expected to contribute significantly in expanding the customer base.

Your Company has been able to increase the manufacturing capacity of various Alkanolamines significantly through innovations achieved as a result of sustained R&D efforts. Your Company continues its efforts to develop new products and processes based on present raw material availability having good market potential both domestically as well as internationally.

EAP INDUSTRIES LIMITED:

The petition filed by the workmen of EAP Industries Ltd & your company against the Order of BIFR before the Hon'ble AAIFR have been dismissed. The Workers of EAP Industries Ltd. have filed an appeal before the Hon'ble High Court, Kolkata against the said Order.

There is no change in the status of EAP Industries case before the Hon'ble DRT as reported last year and the Company still awaits release of its Corporate Guarantees.

SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT, 1985:

During the year under review, the Company has complied with the re-payment schedule and other directives as provided in the sanctioned Rehabilitation Scheme and all dues were paid in time as per the prescribed schedule. As per the directives, the Company has set up a Management Committee which meets every month and reviews all compliances. Also the Auditors appointed by the Hon'ble BIFR, has conducted the periodical Audit as prescribed and submitted its report to BIFR.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of

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Association, Dr. M.K.Sinha and Dr. P.H.Vaidya, Directors retire by rotation and are eligible for re-appointment. The Board recommends their appointment.

AUDITORS:

M/s. D. Basu & Co. and M/s. Lodha & Co., Chartered Accountants, Auditors of the Company, hold office until conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their appointment, if made, would be within the prescribed limits under section 224(I-B) of the Companies Act, 1956. The Audit Committee of the Board has recommended the re-appointment of M/s. D. Basu & Co. & M/s. Lodha & Co. as Auditors of the Company.

INSURANCE:

All properties and insurable interest of the Company including buildings, plant and machineries, stores and spares have been adequately insured.

INVESTMENT:

The Company has acquired 51% of equity shares of Aditya Internet Services Ltd.(AISL), a non-listed Public Company as on 16th May, 2006. M/s. Aditya Internet Services Ltd. is engaged in software development for the Oil and Gas Industry, which has a synergy with your Company's business.

FIXED DEPOSITS:

The Company has not accepted or renewed any Deposits from public during the year under review and there is no unpaid or unclaimed deposits lying with the Company.

DELISTING OF SECURITIES:

Since there is minimal or negligible trading of Equity Shares on the Stock Exchanges of Kolkata and Guwahati it is proposed to de-list the shares from these exchanges with the permission of the shareholders and the Stock Exchanges concerned.

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE:

Information pursuant to Department of Company Affairs Notification relating to the Balance Sheet

Abstract and Company's General Business Profile is given in the Annual Report for the information of the Shareholders.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Pursuant to the provisions of 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, prescribed particulars as applicable is annexed hereto as Annexure 'A' and forms part of this Report.

PARTICULARS OF EMPLOYEES:

None of the employees of the Company fall under the provision of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, during the year under report.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors hereby states that :

- 1) In the preparation of the annual accounts, the applicable accounting standards had been followed alongwith proper explanation relating to material departures wherever applicable;
- 2) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- 3) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) The Directors have prepared the annual accounts on a going concern basis.



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INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year under review.

CORPORATE GOVERNANCE:

As prescribed under the Listing Agreement of the Stock Exchanges, a separate report on Corporate Governance appears after this report. A certificate from M/s. Lodha & Co., Chartered Accountants, Statutory Auditors with regard to compliance of the Corporate Governance Code by the Company is annexed hereto and forms part of this report. Further, a separate Management Discussion & Analysis Report is also enclosed with this report.

APPRECIATION:

Your Directors take this opportunity to thank all Bankers, as also suppliers, business associates

and Government Authorities for their continued assistance, support and co-operation to the Company which has enabled it to attain a position of dominance in its field of operations.

Your Directors are also grateful to the shareholders for their support, confidence and the faith reposed in the Company.

Your Directors also acknowledge the valuable contributions of its employees at all levels with whose dedicated and committed efforts, the Company has been able to enhance its identity in the market place.

For and on behalf of the Board
HEMANT KUMAR RUIA

Place : Mumbai

Chairman &

Date : 16th August, 2006

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) Regular preventive/predictive maintenance of electrical system is carried out to ensure minimal losses.
- ii) Regular upgradation in electrical system is done so as to minimize electrical consumption.
- iii) Maintaining capacitor-banking system for higher level of power factor has resulted in decrease in maximum demand charges and this had resulted in reduction of energy consumption.

II) Furnace Oil/LDO Consumption:

- i) Improvement in manufacturing techniques and optimum use of plant has resulted in increased product mix capacity and thereby resulting in reduced consumption of fuel oil.
- ii) Insulation on piping and equipments are being changed on a continuous basis to reduce heat losses.
- iii) Usage of fuel additives and boiler water additives is being continued to obtain better heat generation efficiency.
- iv) Efficiency of distillation columns was improved by increasing the column height & modifying the internals resulting in reduction of energy consumption.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

1. It is proposed to switch Fuel Oil to Thermopack units from LDO to FO to reduce operating cost.
2. It is proposed to enhance/modify existing plant capacities so that better plant utilization can be achieved and thereby reduction in energy consumption per unit production.
3. Installation of Automatic Power Factor control panel is being considered, which will result in the increasing life of Capacity Banks and also reducing electrical consumption.

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 depends on product mix for Ethanolamines, Methyl Diethanolamine & other Alkyl Alkanolamines, which is continuous process.

The measures taken as mentioned above has resulted in higher throughputs from plants and lower energy consumption.

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

As per Form 'A' of the Annexure.