

# **AMINES & PLASTICIZERS LIMITED**



## **Annual Report 2006 - 07**

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**

NOONMATI, GUWAHATI, ASSAM

**REGISTRAR & SHARE TRANSFER AGENT****SHAREPRO SERVICES**

Satam Estate, 3<sup>rd</sup> Floor,  
 Above Bank of Baroda,  
 Cardinal Gracious Road,  
 Chakala, Andheri (East),  
 Mumbai – 400 099.

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**AMINES & PLASTICIZERS LIMITED****NOTICE TO THE SHAREHOLDERS**

**Notice is hereby given that the Thirty Second Annual General Meeting of the Members of Amines & Plasticizers Limited will be held on Thursday, 27<sup>th</sup> September, 2007 at 1.30 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 31<sup>st</sup> March, 2007, 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 **Mr. K. K. Seksaria** who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of **Mr. A. S. Nagar** 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 an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, **Mr. Brijmohan Jindel**, who was appointed as an Additional Director of the Company and who under Section 260 of the Companies Act, 1956 holds office only up to the date of this Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation".

By Order of the Board

For **Amines & Plasticizers Ltd.**

**AJAY PURANIK**  
Company Secretary

Place : Mumbai

Date : 14<sup>th</sup> August, 2007

**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 17<sup>th</sup> September, 2007 to Friday, the 21<sup>st</sup> September, 2007. (both days inclusive)
- (5) The Company has in addition to Central Depository Services (India) Ltd. (CDSL) established connectivity with National 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, 3<sup>rd</sup> floor, above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai - 400 099 and in case their shares are held in dematerialized form



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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)

#### ITEM NO. 5

**Mr. Brijmohan Jindel** joined the Board of the Company with effect from 30<sup>th</sup> January 2007 as an Additional Director. Pursuant to the provisions of Section 260 of the Companies Act, 1956, the term of office as an Additional Director of Mr. Brijmohan Jindel shall expire at 32<sup>nd</sup> Annual General Meeting of the Company. The Company has received a notice in writing alongwith a deposit of Rs.500 from a member of the Company in terms of Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Brijmohan Jindel for the office of Director of the Company. Brief profile of the aforesaid appointee is as follows :

Mr. Brijmohan Jindel, aged 62, is a Retd. Chief Commissioner of Income-Tax, has over 35 years rich experience in Taxation and Finance. The Board considers that his co-option on the Board would be in the best interest of the Company.

The Board commends the appointment of Mr. Brijmohan Jindel as a Director of the Company, liable to retire by rotation.

The resolution vide Item No.5 is therefore proposed for the approval of the Members.

Mr. Brijmohan Jindel shall be deemed to be concerned or interested in the resolution for his appointment. Apart from the said Director, none of other Directors is concerned or interested in the said resolution.

For Amines & Plasticizers Ltd.

**AJAY PURANIK**  
Company Secretary

Place : Mumbai

Date : 14<sup>th</sup> August, 2007

**AMINES & PLASTICIZERS LIMITED**

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

Name of the Director	<b>KAILASHCHANDRA SEKSARIA</b>	<b>ARUN SURYASHANKER NAGAR</b>
Date of Birth	03.04.1939	09.10.1946
Date of Re-appointment	28.09.2005	28.09.2005
Expertise in specific functional area	Wide experience in Business and Finance	Wide experience in General Insurance and Administration
Qualifications	B.Com	Bachelor of Law, Masters in English Literature (M.A.)
Number of outside Directorships held in Public Limited Companies as on 31.03.07	Ishwarshakti Holdings & Traders Ltd.	Nil
Chairman/ Member of the Committee of the Board of Public Companies on which he is a Director as on 31.03.07	Nil	Nil

**AMINES & PLASTICIZERS LIMITED****DIRECTORS' REPORT**

Your Directors have pleasure in presenting their Thirty Second 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, 2007.

(Rupees in Lacs)

<b>FINANCIAL RESULTS</b>	<b>For the year ended 31.03.2007</b>	<b>For the year ended 31.03.2006</b>
Income	<b>9272.62</b>	8666.82
Profit before Interest, Depreciation and Taxes	<b>629.86</b>	645.21
Less: Interest	<b>268.54</b>	241.39
Depreciation	<b>47.13</b>	38.58
<b>Net Profit before tax</b>	<b>314.19</b>	365.24
Provision for taxation		
➤ Current Tax	<b>104.30</b>	129.32
➤ Deferred Tax	<b>16.17</b>	6.97
➤ Fringe Benefit Tax	<b>8.89</b>	10.04
Profit after Tax	<b>184.83</b>	218.91
Balance of profit brought forward from the previous year	<b>349.66</b>	130.75
<b>Balance of profit carried to Balance Sheet</b>	<b>534.49</b>	<b>349.66</b>

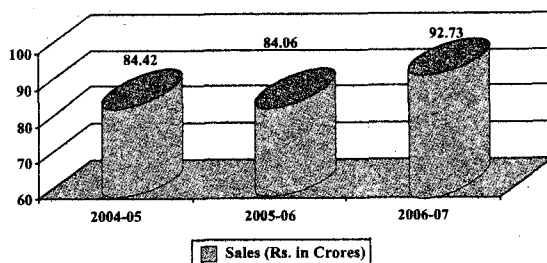
**DIVIDEND:**

In order to conserve resources, your Directors do not recommend any dividend for the year under consideration.

**OPERATIONS AND FUTURE PROSPECTS:**

During the year under review the income of the Company was approx. 7% higher as compared to last year. The net profit for the last year included an export subsidy of Rs. 2.47 Crores under Target Plus Scheme as compared to Nil this year. You will thus, observe that the operating margin of the Company improved substantially as compared to last year.

The Company has completed putting up of additional Plant and Machinery at its factory, thus augmenting its capacities to produce various product mixes depending on the market conditions.

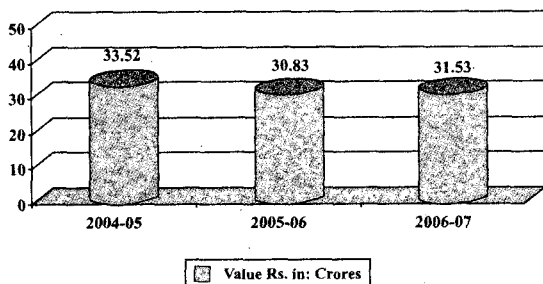
**SALES PERFORMANCE****EXPORTS:**

The export revenue of the Company was higher by approx. 5% at Rs. 31.53 Crores as compared to Rs. 30.83 Crores earned during the previous year. The Company was thus able to maintain and consolidate its position in the international market even amidst stiff competition.

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### EXPORT PERFORMANCE



### RESEARCH & DEVELOPMENT:

Your Company continued to develop products and formulations indigenously. During the year, certain new products were developed and launched commercially.

Your Company continued to provide value added services to its customers for new solvent formulations of Gas Treating and providing technical simulation services. These have been well received by the customers locally and overseas and will continue to contribute in expanding the customer base.

During the year under review, the Company has appointed a reputed Technical Institute for developing a specialized Pressure Swing Adsorption technology and has commenced the erection & commissioning of a Pressure Swing Adsorption Pilot Plant for further development of this technology under its R&D activities. Once completed, during the current year, it is expected that this business will contribute significantly as the Company is in advanced stage of finalization of orders with customers locally.

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

### EAP INDUSTRIES LIMITED (EAPIL):

The Directors' are happy to report that the Corporate guarantees given by the Company

against various advances to EAP Industries Ltd have been released and confirmation have been received from all the Financial Institutions and Banks in this respect.

### 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. The Auditors appointed by the Hon'ble BIFR, have conducted periodical Audit as prescribed and submitted their report to the Hon'ble BIFR. Review Meetings were convened by the Hon'ble BIFR and necessary steps are being taken for implementation of their directions.

### DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr. K. K. Sekseria and Mr. A. S. Nagar, Directors retire by rotation and are eligible for re-appointment. The Board recommends their appointment. During the period under report, one of the senior members of the Board Mr. Nirmal Suchanti vacated the office of Director due to his extremely busy schedule. The Board places on record its appreciation for the guidance and expertise provided by Mr. Nirmal Suchanti during his tenure as a Director of the Company.

During the year the Company appointed Mr. B. M. Jindel as an Additional Director, who holds office till the date of ensuing Annual General Meeting of the Company. Your Board recommends his appointment as Director.

### 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



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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.

### SUBSIDIARY:

Your Company's subsidiary APL Infotech Limited (formerly known as Aditya Internet Services Limited) is still in the process of commissioning its software development project. The Company is engaged in R&D of software applications, preparing software solutions and applications for Oil and Gas Industry for pipe leak detection and other related activities which have a synergy with your Company's existing business.

As per the exemption order no.47/386/2007-CL-III passed by the Central Government under Section 212 (8) of the Companies Act, 1956, the financial statements of the subsidiary company have not been attached. However, a statement under Section 212 (3), which also contains relevant information in terms of the exemption order, is attached.

### 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 was minimal or negligible trading of equity shares, the Company applied for de-listing of its securities from the Gauhati Stock Exchange (GSE) and The Calcutta Stock Exchange Association Limited (CSE). The permission has since been granted, the equity shares are now de-listed from GSE and CSE. However, the Company's securities continue to list on Bombay Stock Exchange (BSE).

### 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 Directors on the Board confirm 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



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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.

### INDUSTRIAL RELATIONS:

The industrial relations remained cordial during the year under review. During the year, the Charter of Demands submitted by the workmen was settled and an agreement was signed with the Union for a period of 5 years.

### CORPORATE GOVERNANCE:

As prescribed under the Listing Agreement with the Stock Exchanges, a separate report on Corporate Governance appears after this report. A certificate from M/s. Lodha & Co., Chartered Accountants, and 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 its Bankers, as also suppliers, business associates and Government Authorities for their continued assistance, support and co-operation to the Company.

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 position in the market place.

For and on behalf of the Board  
**HEMANT KUMAR RUIA**

Place : Mumbai

Date : 14<sup>th</sup> August, 2007

*Chairman &  
Managing Director*

**AMINES & PLASTICIZERS LIMITED****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 reduce losses & down time equipments.
- ii) Regular gradation in electrical system is done so as to minimize electrical consumption.
- iii) High Wattage light fittings are being replaced by Low Wattage energy efficient light fittings.
- iv) Additional 750 KVA DG has been installed to keep the plant operational in spite of load shedding.

**II) Furnace Oil / LDO Consumption:**

- i) Optimum capacity utilization and reduction in batch process timings has resulted in reduction of fuel oil consumption.
- ii) Insulation on piping & equipments and conditioning of Thermodynamic steam traps are being carried out on a continuous basis to reduce the Heat Losses.
- iii) Energy Audits, Leak survey and House keeping are being carried out regularly to reduce the losses.
- iv) Usage of fuel additives & boiler feed water additives are being continued for the better Heat Generation.
- v) Old inefficient Boiler has been replaced with an energy efficient Boiler. This should result in lower oil consumption.

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

1. Automatic Power Factor control panel is proposed to be installed to ensure switching off the banks as per the load condition and also to reduce the maximum demand.
2. Part replacement of old & obsolete MCC (Motor Control Centre) is proposed in the coming year to reduce losses as old switchgears were prone to getting frequent contacts burning & flash over.
3. It is proposed to increase the existing product Mix capacity and thereby reducing the energy consumption per unit production.
4. Replacement of oil circuit breaker with vacuum circuit breaker is proposed in order to protect the 22 KVA power supply and as well as to protect the system from earth faults & over current.

**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 and its effect on the cost of production depends on the product mix which in turn depends on the demand of different products and also availability of raw materials.