



**apcotex industries limited**

**Annual Report 2012-2013**



**APCOTEX INDUSTRIES LIMITED**

**BOARD OF DIRECTORS**

Atul C. Choksey	Chairman
Girish C. Choksey	Director
Amit C. Choksey	Director
Manubhai G. Patel	Director
Bipin V. Jhaveri	Director
Dr. S. Sivaram	Director
T. N. V. Ayyar	Director
Shailesh S. Vaidya	Director
Kamlesh S. Vikamsey (w.e.f 25/01/2013)	Director
Abhiraj A. Choksey	Managing Director

**AUDIT COMMITTEE**

Manubhai G. Patel	Chairman
Girish C. Choksey	Member
Bipin V. Jhaveri	Member
Kamlesh S. Vikamsey (w.e.f 25/01/2013)	Member

**GM – ACCTS., FIN. AND COMPANY SECRETARY**

Anand V. Kumashi

**AUDITORS**

Shah & CO.

Chartered Accountants

**BANKERS**

State Bank of India

Standard Chartered Bank

**REGISTERED OFFICE & FACTORY**

Plot No.3/1, M I D C Industrial Area, P.O. Taloja,  
Dist. Raigad 410 208, Maharashtra  
Telephone: (022) 2740 3500  
Fax: (022) 2741 2052  
E-mail – redressal@apcotex.com  
Website : www.apcotex.com

**CORPORATE OFFICE**

N. K. Mehta International House,  
178, Backbay Reclamation, Babubhai M. Chinai  
Marg, Mumbai- 400 020  
Telephone: (022) 2283 8302 / 04  
Fax: (022) 2283 8291

**REGISTRARS AND SHARE TRANSFER AGENTS**

LINK INTIME INDIA PVT LTD  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai-400 078  
Tel. No.- 2596 3838, 2594 6970 Fax – 2594 6969  
Email: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in



## apcotex industries limited

### NOTICE

**NOTICE** is hereby given that the Twenty Seventh Annual General Meeting of **apcotex industries limited** will be held at **Plot no. 3/1, MIDC Industrial Area, Taloja - 410 208, Dist. Raigad, Maharashtra** on **Friday, the 28<sup>th</sup> day of June 2013** at **11.30 a.m.** to transact the following business:

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Statement of Accounts for the year ended 31st March 2013 together with the Reports of the Board of Directors' and Auditors' thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Mr. Atul Choksey, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. T.N.V. Ayyar, who retires by rotation and, being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. S. Sivaram, who retires by rotation and, being eligible, offers himself for reappointment.

#### SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s. Kalyaniwala & Mistry, Chartered Accountants (Firm Registration no.104607W) having their office at Kalpataru Heritage, 5th Floor, 127 M.G. Road, Mumbai 400 023, be and are hereby appointed as the Statutory Auditors of the Company for the financial year 2013-14, in place of M/s. Shah & Co., Chartered Accountants, the Auditors who are holding the office till the conclusion of the ensuing Annual General meeting and are unwilling to be reappointed for the financial year 2013-14, as Auditors of the Company.

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Mr. Kamlesh S Vikamsey, be and is hereby appointed as a Director of the Company, liable to retire by rotation"

8. To consider and thought fit to pass with or without modification(s), the following Resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 314 and other applicable provisions of the companies Act, 1956 or any amendment or substitution thereof and subject to the

approval of the Central Government, if any, required, the Company hereby approves the appointment of Shri Abhiraj A. Choksey, as "Managing Director" of the Company, for a further period of 3 (Three) years, effective from **1<sup>st</sup> May 2013**, upon the terms and conditions set out in the draft agreement submitted to this meeting and for identification signed by the Chairman thereof which agreement is hereby specifically approved with authority to the Board of Directors, including committee(s) thereof to alter and / or vary the terms and conditions of the said appointment within limits, if any, prescribed in the Act, and / or schedules thereto."

**"RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company shall pay to Shri Abhiraj A. Choksey, remuneration by way of salary, perquisites and allowances, not exceeding the ceiling laid down in Schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors, after obtaining suitable recommendation of its Remuneration Committee."

**"RESOLVED FURTHER THAT** the Board of Directors be and they are hereby authorised to enhance, enlarge, alter or vary the scope and quantum of salary, perquisites, allowances and incentive of Shri. Abhiraj A. Choksey, which revision shall be in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there under and/or such guidelines as may be announced by the Central Government from time to time."

9. To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and Article 8 and other enabling provisions of the Articles of Association of the Company and subject to such approvals, consents, permissions and sanctions as may be necessary from the authorities concerned, each equity / unclassified share of nominal value of Rs.10/- (Rupee Ten) of the Company be sub-divided into 2 (two) equity shares of nominal value of Rs.5/- (Rupees Five) each and consequently, the Authorized Share Capital of the Company of Rs.15,00,00,000/- (Rupees Fifteen Crores only) shall stand as under:

## Annual Report 2012-2013

2,99,40,000	Equity shares of Rs.5/- (Rupee Five) each	14,97,00,000/-
500	Preference Shares of Rs.100/- (Rupee One Hundred) each	50,000/-
50,000	Unclassified shares of Rs.5/- each	2,50,000/-
	<b>Total</b>	<b>15,00,00,000/-</b>

**RESOLVED FURTHER THAT** pursuant to the sub-division of the equity shares of the Company as above, the 51,84,496 (Fifty One Lac Eighty Four Thousand Four Hundred Ninety Six) issued equity shares of the nominal value of Rs.10/- (Rupees Ten) of the Company shall stand sub-divided into 1,03,68,992 (One Crore Three Lacs Sixty Eight Thousand Nine Hundred Ninety Two) Equity Shares of the nominal value of Rs.5/- (Rupee Five) each.

**RESOLVED FURTHER THAT** upon sub-division of equity shares as aforesaid, the existing share certificate(s) in relation to the existing equity shares of the nominal value of Rs.10/- (Rupee Ten) each held in physical form shall be deemed to have been automatically cancelled and be of no effect on and from the "Record date" and the Company may, without requiring the surrender of the existing share certificate(s), directly issue and dispatch the new share certificate(s) of the Company, in lieu thereof, subject to the provisions of the Companies (Issue of Share Certificate) Rules, 1960, as amended, and in case of members who hold the equity shares / opt to receive sub-divided equity shares in dematerialized form, the sub-divided equity shares shall be credited to the respective beneficiary account of the Members, with their respective depository participants and the Company shall undertake such corporate actions as may be necessary in relation to the existing equity shares, whether in physical form or in dematerialized form.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (the "Board" which expression shall also include a duly authorized committee thereof) be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and / or incidental thereto, and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution.

10. To consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 16 and all other applicable provisions, if any of the Companies Act 1956, Clause V of the Memorandum of Association of the Company be altered by substituting in its place and instead the following:

V The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 2,99,40,000/- (Two Crore Ninety Nine Lacs Forty thousand) Equity Shares of Rs.5/- (Rupees Five Only) each and 500/- (Five Hundred) Preference Shares of Rs.100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs. 5/- (Rupees Five) each.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things and execute all such deeds, documents, instruments and writings as it may in their sole and absolute discretion deem necessary or expedient and to settle any question, difficulty or doubt that may arise in regards thereto."

11. To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act 1956 (Including any statutory modification or re-enactment thereof for the time being in force) the existing Article 2 of Articles of Association of the Company be substituted with the following new Article 2:

**"2.** The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 2,99,40,000/- (Two Crore Ninety Nine Lacs Forty thousand) Equity Shares of Rs.5/- (Rupees Five Only) each and 500/- (Five Hundred) Preference Shares of Rs.100/- (One Hundred) each and 50,000 (Fifty Thousand) Unclassified Shares of Rs. 5/- (Rupees Five) each.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (which expression shall also include a duly constituted Committee of Directors of the Company) be and is hereby authorized to do all such acts, deeds and things and to delegate all or any of the powers to any Director(s) or Officer(s) of the Company as may be required to give effect to the above Resolution."

12. To consider and if thought fit, to pass the following resolution as a **Special Resolution** with or without modification(s):



## apcotex industries limited

**“RESOLVED THAT** a new Article 76A be and is hereby inserted in the Articles of Association after Article 76, as detailed below:

**76A (1)** The Company upon passing a resolution at General Meeting upon the recommendation of the Board resolves:

- i. That it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's Reserve accounts or to the credit of the Profit and Loss Account, or to the credit of Share Premium Account or otherwise available for distribution and
  - ii. That such sum be accordingly set free for distribution in the manner specified in Clause 76A(2) amongst the shareholders who could have been entitled thereto, if distributed by way of dividend and in the same proportion.
- (2)** The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in Clause 76A(3), in or towards:
- a) paying up any amount for the time being unpaid on any shares held by such member respectively;
  - b) paying in full, unissued shares of the Company to be allotted, distributed and credited as fully paid Bonus Shares to and amongst such shareholders in the proportion aforesaid; or
- (3)** A share premium account, capital redemption reserve account and general reserve account may, for the purpose of this regulation, be applied in the paying up to the un-issued shares to be issued to shareholders of the Company as fully paid bonus shares.

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do such acts, deeds and things as may be necessary to give effect to aforesaid resolution.”

**BY ORDER OF THE BOARD  
for apcotex industries limited**

**ANAND V. KUMASHI**  
GM – Accounts, Finance &  
Company Secretary

**Date: 25th April 2013**

**Registered Office:**

Plot no. 3/1,  
MIDC Industrial Area,  
Taloja - 410 208,  
Dist. Raigad, Maharashtra

**NOTES:**

1. The relevant explanatory statement pursuant to Section 173 of the Companies Act 1956 is annexed hereto.
2. A member entitled to attend and vote, is entitled to appoint a proxy to attend and, on a poll, vote instead of himself/herself. A proxy need not be a member. Proxies in order to be effective must be received by the Company at its Registered Office not later than forty-eight hours before the commencement of the meeting.
3. The Register of Shareholders and Share Transfer Books of the Company will remain closed from Friday, the **21<sup>st</sup>** day of **June 2013** to **Friday**, the **28<sup>th</sup>** day of **June 2013** (inclusive of both days).
4. Shareholders are requested to notify the changes, if any, in their addresses to the Company's Registrars immediately.
5. Shareholders are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature registered with the Company, for admission to the meeting hall.
6. Dividend recommended by Directors, if approved by the shareholders at the Annual General Meeting, will be paid/dispatched on or after **1st July 2013** to those shareholders whose names appear on the Register of Shareholders as on **21<sup>st</sup> June 2013**. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of **21st June 2013**, as per the details furnished by National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.
7. The company is using National Electronic Clearing Services(NECS) for dividend remittance. Shareholders holding shares in physical form are requested to notify/send the following to the Company's Registrar and Share Transfer Agent at: LINK INTIME INDIA PVT LTD., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup - (w), Mumbai-400 078, immediately, any change in their address/mandate/bank details; and Particulars of their bank account, in case the same have not been sent earlier.
8. Shareholders holding shares in the electronic form are requested to inform any change in address/bank mandate directly to their respective Depository Participants. The address/bank mandate as furnished to the Company by the respective Depositories viz.NSDL and CDSL will be printed on the dividend warrants.



## Annual Report 2012-2013

9. In terms of Section 205A and 205C of the Companies Act, 1956 the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investors Education and Protection Fund (IEPF). Accordingly, during the financial year 2012-13 the Company would be transferring the unclaimed or unpaid dividend for the financial year ended 31st March 2006 to the Investors Education and Protection Fund or before 22nd June 2013. Shareholders are requested to ensure that they claim the dividend from the Company before transfer of the said amount to the IEPF.
10. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in security market. Shareholders holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat

accounts. Shareholders holding share in physical form can submit their PAN details to the Company.

11. Recently, the Ministry of corporate Affairs (MCA), Government of India, through its Circular nos. 17/2011 and 18/2011 dated 21st April 2011 and 29th April 2011 respectively, has allowed companies to send official documents to their shareholders electronically as part of its green initiatives in corporate governance.

Recognizing the spirit of the circular issued by the MCA, we henceforth propose to send documents like the Notice convening the general meetings, Financial Statements, Directors' Report, Auditors' Report, etc to the email address provided by you with your depositories.

We request you to update your email address with your depository participant to ensure that the annual report and other documents reach you on your preferred email address.

### ANNEXURE TO NOTICE

#### **EXPLANATORY STATEMENT**

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

##### **Item No.6**

M/s. Shah & Co., Chartered Accountants, the Statutory Auditors of your company have communicated their unwillingness to be appointed as the Statutory Auditors of the company for the financial year 2013-14.

The Audit Committee of the Board of Directors have, in their meeting held on 25th April 2013, recommended the appointment of M/s. Kalyaniwala & Mistry, Chartered Accountants, having their office at Kalpataru Heritage, 5th Floor, 127 M.G. Road, Mumbai 400 023, as Statutory Auditors of the Company. The said firm of Chartered Accountants has expressed their willingness to be appointed.

Your Directors recommend the resolution for this appointment.

None of the Directors of the Company are concerned or interested in the said Resolution.

##### **Item No.7**

The Board of Directors appointed Mr. Kamlesh Shivji Vikamsey as an Additional Director of the Company on 25<sup>th</sup> January 2013, with immediate effect, in accordance with Article 118 of the Articles of Association of the Company. By virtue of the said Article, he holds the office till the conclusion of the ensuing Annual General Meeting. Notice has been received by the Company from a shareholder proposing his appointment as Director of the Company under Section 257 of the Companies Act, 1956.

Mr. Kamlesh Shivji Vikamsey completed graduation from Mumbai University during 1981 & became Chartered Accountant in 1982 and started professional practice in the same year. He is presently a Senior Partner of Khimji Kuverji & Co., Chartered Accountants, Mumbai.

Shri Kamlesh S Vikamsey was elected to the Central Council of "The Institute of Chartered Accountants of India" (ICAI) in year 1998 and remained as central council member till 2007. He was Vice president of ICAI in the year 2004 and president in year 2005. He is also associated with many national / international organizations and institutions in varied capacities.

Your Directors are of the opinion that the Company will immensely benefit from his wide, varied and rich experience of Shri Kamlesh Vikamsey and also from his expertise in Accounting, Finance and Taxation field.

Except Mr. Kamlesh Vikamsey, no other Director of the Company is interested in this resolution.

##### **Item No.8**

The Board of Directors of the Company at their meeting held on 25<sup>th</sup> April 2013, have, in accordance with the provisions of Articles of Association of the Company and subject to the approval of the shareholders in General Meeting and that of the Central Government, if required, under the provisions of the Companies Act, 1956, decided to re-appoint Shri Abhiraj A. Choksey, as "Managing Director" of the Company, for a further period of 3 (Three) Years, effective from 1st May 2013.



## apcotex industries limited

Shri Abhiraj A. Choksey is a Bachelor of Science in Economics from Wharton Business School and also Bachelor of Science in Engineering from the Engineering School, both of University of Pennsylvania in U.S.A. He has several years of experience in the field of finance, system engineering, strategy formulation, administration etc, and also as a Management Consultant, having worked in a consulting firm in USA and in a software company in our Country.

Shri. Abhiraj A. Choksey is a relative of Company's Chairman, Shri Atul Choksey and by virtue of this appointment; he will continue to hold an office or place of profit in the Company in accordance with the provisions of Section 314(1) other applicable provisions of the Companies Act, 1956.

The appointment and remuneration of the Managing Directors are approved by the Remuneration Committee, comprising of Shri M G Patel, Shri Bipin Jhaveri and Dr. S. Sivaram, all independent directors of the Company, in their meeting held on 25<sup>th</sup> April 2013.

The terms and conditions of the remuneration as set out in the draft agreement to be entered into by the Company with the said Shri Abhiraj Choksey, are as under:

**Salary:** ₹ 1,60,000 (Rupees One lac sixty thousand only) per month, with an increment to be determined by the Board of Directors, including Committee thereof, effective from the 1st day of April each year.

**Allowances:** House Rent Allowance and Bonus as per the rules in force in the Company from time to time.

**Special Allowance:** ₹ 2,26,208 (Rupees Two lac twenty six thousand two hundred eight only) per month, with rise to be determined by the Board of Directors, including committee thereof, effective from 1<sup>st</sup> day of April each year.

**Variable PayPlan** as per the rules in force in the Company, from time to time.

**Perquisites:** Perquisites are classified into three categories "A", "B" and "C" as follows;

### **Part "A"**

#### **Housing**

(1) Free furnished residential accommodation or (2) in case of his own flat on ownership basis, then House Rent Allowance of an amount as may be fixed by the Board of Directors, or (3) in case of occupation of the rented premises then reimbursement of actual rent paid in respect of such premises. In case of all the above amenities such as gas, electricity, water, servants, painting, repairs, upkeep and general maintenances of the premises as are desired by the Director to be provided at the Company's expenses. In case of (2) & (3) such furniture or benefits in respect of furniture as may be required by Director, to be provided at the Company's expense.

The expenditure incurred if any, by the Company on gas, electricity, water and furnishings, furniture etc to be made available to the Managing Director shall be valued as per the Income Tax Rules, as are in force from time to time.

### **Medical Expenses Reimbursement / Medical Insurance:**

Payment of Medical Insurance premium and reimbursement of expenses actually incurred for self, wife, dependent, children including hospitalization expenses, nursing home charges, treatment expenses, surgical expenses etc; any limit or scheme of the company.

### **Leave Travel Concession:**

Leave Travel Concession for the Managing Director and his family, once in a year incurred in accordance with the Rules of the Company, in force from time to time.

### **Personal Accident Insurance:**

Personal Accident insurance, the annual premium of which will not exceed ₹ 20,000/- or coverage under the Group Personal Accident Insurance Policy taken/as may be taken by the Company every year during the tenure of this appointment.

### **Club Fees:**

Fees of clubs subject to a maximum of two clubs.

### **Part "B"**

#### **Provident Fund:**

Company's contribution towards Provident Fund, subject to a ceiling of 12% of the salary.

### **Gratuity, Pension and Superannuation:**

Benefits in accordance with the rules and regulations in force in the Company from time to time.

### **Part "C"**

#### **Car:**

Provision of a car and driver for both official and personal use of the Managing Director.

#### **Telephone:**

Provision of telephone at residence of the Managing Director. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

### **Other Benefits:**

1. Leave: Leave with full pay and allowance in accordance with the rules and regulations in the Company in force from time to time. Leave encashment in accordance with the rules and regulations in the Company in force from time to time, to be permitted at the end of the term, after obtaining such approvals as may be necessary.



## Annual Report 2012-2013

2. Benefits under loan and other schemes in accordance with the practices, rules and regulations in force in the Company from time to time.
3. Such other benefits and amenities as are provided to Senior Officers of the Company from time to time.

The remuneration as aforesaid of the Managing Director shall be subject to such limits of remuneration as are laid down by the Central Government in the Companies Act, 1956, its Schedule XIII and/or amendments made/as may be made therein from time to time.

Notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company will pay the Managing Director remuneration by way of salary, allowances and perquisites not exceeding the ceiling laid down in Section II of Part II of Schedule XIII of the Companies Act, 1956 as may be decided by the Board of Directors of the Company, after obtaining suitable recommendation from the Remuneration Committee of the Board of Directors of the Company.

The scope and quantum of remuneration specified hereinabove, may be enhanced, enlarged, widened, altered or varied by the Board of Directors on the recommendation of the remuneration committee in the light of and in conformity with any amendments to the relevant provisions of the Companies Act and/or the rules and regulations made there-under and/or such guidelines as may be announced by the Central Government from time to time.

The Company shall pay to or reimburse the Managing Director and he shall be entitled to be paid and/or to be reimbursed by the Company all costs, charges and expenses that may have been or may be incurred by him for the purposes of or on behalf of the Company.

The draft of the agreement to be entered into by the Company with Shri Abhiraj Choksey is available for inspection by the shareholders of the Company at the Registered Office at Plot no. 3/1, MIDC Industrial Area, Talaja – 410 208, Dist. Raigad, Maharashtra, India, between 11 A.M. and 1 P.M. on all days except Saturdays, Sundays and Public Holidays, till the conclusion of the ensuing General Meeting.

Your Directors commend his appointment for a further period of 3 (three) years.

### Item No 9, 10, 11 and 12:

#### **Split in Face Value of Equity Shares and Alteration in Memorandum of Association and Articles of Association of the Company**

At present, the equity shares of the Company are listed on National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) and they are actively traded in NSE and BSE. The market price of the shares of the Company has also witnessed significant spurt over the last one and half years approximately. Presently, the face value of the equity share of the Company is ₹ 10. In order to enhance the liquidity in the capital market, to widen shareholder base and to make the shares affordable to small investors, the Board of Directors in their meeting held on 25.04.2013 have considered it desirable to sub-divide (split the face value) of the existing nominal value of the equity shares of the Company from the present ₹ 10 each paid-up per equity share into 2 (Two) equity shares of ₹ 5/- each fully paid-up. Stock split would serve the purpose of raising liquidity of the share, without increasing the Company's equity servicing burden (as overall equity capital remains the same).

Shareholders attention is also invited to the fact that in view of the foregoing, the existing Capital Clause V of the Memorandum of Association and Article 2 of the Articles of Association of the Company also need relevant amendment to give effect to the sub-division of equity shares.

Presently the Articles of Association do not contain the provision for capitalization of Profits and/or Reserves. In line with guidelines issued by Securities and Exchange Board of India (Issue of capital & Disclosure requirement) regulations, 2009, the listed companies should have provisions in the articles to enable the Board to recommend the issue of Bonus shares by capitalizing the reserves. Hence, to enable the Board to consider the issue of Bonus shares by capitalizing reserves in the future, the new Article is being inserted.

None of the Directors of the Company is interested in the resolution, except to the extent of their shareholding and the shareholding of their relatives, if any, in the Company.

Your Directors recommend the above resolution for your approval.

BY ORDER OF THE BOARD  
for apcotex industries limited



**ANAND V. KUMASHI**  
GM – Accounts, Finance &  
Company Secretary

**Date: 25<sup>th</sup> April 2013**

#### **Registered Office:**

Plot no. 3/1,  
MIDC Industrial Area,  
Talaja - 410 208,  
Dist. Raigad, Maharashtra



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors have pleasure in presenting to you the Twenty-Seventh Annual Report of the Company and the audited Statements of Accounts for the year ended 31<sup>st</sup> March 2013.

### COMPANY PERFORMANCE

#### FINANCIAL HIGHLIGHTS

Particulars	2012-13 (Rs. In Lacs)	2011-12 (Rs. In Lacs)
GROSS SALES	<b>30262.47</b>	27789.77
Gross Profit Before Depreciation, Finance Cost and Tax but after prior years adjustments	<b>2350.26</b>	2275.89
Less: a) Depreciation	<b>311.30</b>	278.64
b) Finance Cost	<b>234.81</b>	366.05
Profit Before Tax	<b>1804.15</b>	1631.20
Less: a) Provision for Tax	<b>414.00</b>	464.00
b) Adjustment for Deferred Tax Liability	<b>109.63</b>	20.82
Profit After Tax	<b>1280.52</b>	1146.38
Add: Balance brought forward from the Previous Year	<b>1953.53</b>	1403.83
<b>Disposable Profit</b>	<b>3234.05</b>	2550.21
Recommended Appropriations:		
a) Dividend	<b>466.60</b>	414.76
b) Tax on Dividend	<b>79.30</b>	67.28
c) Transfer to General Reserve	<b>128.05</b>	114.64
Balance carried forward to Balance Sheet	<b>2560.10</b>	1953.53
	<b>3234.05</b>	2550.21

### 1. DIVIDEND

Your Directors have recommended a dividend @ ₹ 9.00 (Rupees Nine) per Equity Share of Rs.10/- each, for the financial year 2012-13. Dividend, if approved, will absorb a sum of ₹ 545.90 lacs (including Dividend Distribution Tax of ₹ 79.30 lacs) out of the net profits after tax, as above and will be paid to those shareholders whose names appear on the Register of Members on 21<sup>st</sup> June 2013.

### 2. MANAGEMENT DISCUSSION AND ANALYSIS

The company manufactures and markets a range of Emulsion Polymers - Synthetic Latexes and Synthetic Rubber.

#### I. CURRENT SCENARIO.

Your Company is one of the leading producers of polymer products namely, Synthetic Latexes (Vinyl Pyridine Latex, Carboxylated Styrene Butadiene Latex, Acrylic Latex, Nitrile Latex) and Synthetic Rubber (High Styrene Rubber) in India. The Company has one of the broadest ranges of products in the industrial segments it caters to. Company's Synthetic Latexes products are used, among other applications, for tyre cord dipping, paper and paperboard coating, carpet backing, concrete modification/water proofing, textile finishing, paints, etc. Various grades of Synthetic Rubber find application in products such as footwear, automotive components, moulded items, V-belts, conveyor belts, hoses etc.

The Company's major raw materials are petrochemical products and business is vulnerable to high volatility in the prices of crude oil and its downstream products.

The Company had introduced a range of Acrylics products for Paper, Construction, and Carpet segments three years earlier, which have been well received in the market.

A number of steps have been taken by the management to improve the operational efficiency of the Company in different functions like marketing, human resource development, production processes etc.

Your company is recipient of Total Productive Maintenance (TPM) Excellence Award, Category A by the Japan Institute of Plant Maintenance (JIPM) and during the year under review, your company has successfully gone through the first stage assessment audit for TPM Consistency Award. TPM has helped the company significantly, in improving plant efficiencies, operations and rationalizing costs. During the year, your Company has integrated ISO 9001, ISO 14001 and OHSAS 18001.

Your company has also been awarded "India Manufacturing Excellence Award" by The Economic Times.