

ANNUAL REPORT

2009-2010

(ABRIDGED)



ASSOCIATED PIGMENTS LIMITED

18/1A, HINDUSTAN ROAD

KOLKATA - 700 029

BOARD OF DIRECTORS

R. N. Sahaya, *Chairman, Non Executive Director*
S. N. Sahaya, *Managing Director & Chief Executive Officer*
K. Kundu, *Director (Finance) & Secretary & Chief Financial Officer*
R. Gambhir, *Executive Director*
Pammi Sahaya, *Non Executive Director*
Rajendra Sahay, *Non Executive Independent Director*
Bijan Roy, *Non Executive Independent Director*
O. P. Saxena, *Non Executive Independent Director*

AUDIT COMMITTEE

Bijan Roy
 O. P. Saxena
 Rajendra Sahay
 S. N. Sahaya

REMUNERATION COMMITTEE

R. N. Sahaya
 Rajendra Sahay
 Pammi Sahaya

**SHAREHOLDER'S GRIEVANCE
REDRESSAL COMMITTEE**

Pammi Sahaya
 K. Kundu
 R. Gambhir

BANKERS

Allahabad Bank
 Industrial Finance Branch
 'Kishore Bhawan'
 17, R. N. Mukherjee Road,
 Kolkata – 700 001

YES Bank Ltd.
 19, Camac Street,
 Kolkata – 700 017

STATUTORY AUDITORS

VPC & ASSOCIATES
 Chartered Accountants
 'E' Block, 4th Floor, Mercantile Bldg.
 9/12, Lal Bazar Street
 Kolkata – 700 001

**REGISTRAR & SHARE TRANSFER
AGENT**

Niche Technologies Private Limited
 D 511, Bagree Market
 71, Biplabi Rash Behari Bose Road
 (formerly Canning Street)
 Kolkata – 700 001
 Tel: (033) 2235-7270 / 7271

REGISTERED OFFICE

18/1A, Hindustan Road,
 Kolkata – 700 029

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 61st Annual General Meeting of the Company will be held at Kala Mandir, 48 Shakespeare Sarani, Kolkata – 700 017, on Wednesday the 28th day of July 2010 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Profit & Loss Account for the year ended 31st March 2010 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Pammi Sahaya, who retires by rotation and, being eligible, offers herself for reappointment.
3. To appoint a Director in place of Mr. Rajendra Sahay, who retires by rotation and, being eligible, offers himself for reappointment.
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 – Mr. O. P. Saxena, who, pursuant to Section 260 of the Companies Act, 1956, holds office of the Additional Director of the Company up to the date of the Annual General Meeting, and in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of the Director, under section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.”

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

RESOLVED THAT – in supersession of the resolution passed by the Members of the Company earlier on 6th April 2001, consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company all the immovable and movable properties of the Company wheresoever situate, present and future, and the whole of the undertaking of the Company and/or to giving the power to takeover the management of the Company in certain events (whether such power is contained in documents creating the mortgage/charge or otherwise) in favour of various Financial Institutions or Banks or others to the extent of Loan(s) or other debts to the Company together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premium on prepayment or on the redemption, costs, charges expenses and other monies payable by the Company subject to an overall limit of Rs. 400 crores.

RESOLVED FURTHER THAT – the Board of Directors of the Company be and is hereby authorized to do all such acts and things as may be necessary for giving effect to the above resolution.

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

RESOLVED THAT – in supersession of the resolution passed by the members of the Company earlier on 6th April 2001, consent of the Company be and is hereby accorded under the provisions of Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of moneys as they may deem requisite for the purpose of business of the Company notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from Company's Bankers in the ordinary course of business) will exceed the aggregate of its paid up capital and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total moneys which may be borrowed by the Board of Directors shall not exceed the sum of Rs. 400 crores.

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

"RESOLVED THAT – pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956 and subject to all necessary approvals, consents, permission and/or sanctions wherever required, consent, authority and approval of the shareholders of the company be and is hereby accorded to the Board of Directors of the Company or the Committee of the Board duly constituted, and authorized to issue and allot Equity Shares / Preference Shares / Debentures / Warrants or any other instrument or security, whether convertible into equity shares or not, at par or at such premium as the Board / Committee of the Board may deem fit, aggregating to a sum not exceeding Rs.50 crores to such persons whether shareholders of the company or not and at such time as the Board / Committee of the Board may, at its absolute discretion, think necessary".

"RESOLVED FURTHER THAT – the amount to be paid with the application and the amount to be called for from time to time and other terms and conditions relating to the offer and allotment shall be such as may be determined by the Board / Committee of the Board".

"RESOLVED FURTHER THAT – the Board / Committee of the Board be and is hereby authorized to make such modification(s) in the aforesaid resolution as they may, in its absolute discretion, consider necessary, expedient or desirable in the interest of the company including change in the amount / size of the issue, quantum of premium and nature of instrument etc."

"RESOLVED FURTHER THAT – the Board / Committee of the Board be and is hereby authorized to do such acts, deeds, matters and things as may be necessary to give effect to the aforesaid resolutions and to settle any question or difficulty that may arise in regard thereto."

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

RESOLVED THAT – pursuant to section 94 and all other applicable provisions of the Companies Act, 1956, increase in Authorized Share Capital of the company from existing Rs. 12,00,00,000 (Rupees twelve crores) to Rs. 25,00,00,000 (Rupees twenty five crores) divided into 2,50,00,000 Equity Shares be and is hereby approved.

RESOLVED FURTHER THAT – clause V of the Memorandum of Association of the company be and is hereby deleted in full and substituted by the following:

"The Authorized Share Capital of the company is Rs. 25,00,00,000 (Rupees twenty five crores) divided into 2,50,00,000 Equity Shares of Rs. 10/- with power to Board of Directors of the company or Committee thereof, to make such modifications therein as the Board may deem fit, with power to increase or reduce the capital of the company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions as may be determined and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in the manner provided in the Articles of Association of the company."

10. To consider and, if thought fit, to pass with or without modification(s), 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), the Articles of Association of the Company be altered in the following manner:-

Article 4 of the Articles of Association of the company be and is hereby deleted in full and substituted by the followings :-

"The Authorized Share Capital of the company is Rs. 25,00,00,000 (Rupees twenty five crores) divided into 2,50,00,000 Equity Shares of Rs. 10/- each with power to Board of Directors of the company or Committee thereof to make such modifications therein as the Board may deem fit, with power to increase or reduce the capital of the company and reclassify to divide the shares in the capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in the manner provided in the Articles of Association of the Company."

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

"RESOLVED THAT – in partial modification of Resolution passed at the Annual General Meeting of the company held on 27th September 2008 relating to the terms of remuneration of Mr. S. N. Sahaya, Managing Director, and the Resolutions passed at the Annual General Meeting of the company held on 30th July 2009 relating to the terms of remuneration of Mr. Kalyan Kundu, Director (Finance) & Secretary and Mr. Rajnish Gambhir, Executive Director, and in accordance with the provisions of sections 198, 269, 309 and 310 and other applicable provisions, if any, of the Companies Act, 1956, the company hereby approves the change in the salaries applicable to the Managing Director and the Executive Directors of the company (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of their respective appointments) with authority to the Board of Directors to fix their salaries, increasing thereby, proportionately, all benefits related to the quantum of salary, with effect from 1st April 2010, for the remainder of the tenure of their respective appointments as set out in the respective draft supplementary agreements submitted to this meeting and initialed by the Chairman for the purpose of identification which supplementary agreements are hereby specifically sanctioned."

12. To consider and, if thought fit, to pass with or without modification(s), 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), the Articles of Association of the Company be altered in the following manner:-

Article 94 of the Articles of Association of the company be and is hereby deleted in full and substituted by the followings :-

"The Board of Directors of the company or Committee thereof is empowered to make such modifications therein as the Board may deem fit, with power to increase or reduce the fees for the Directors, within the limits stipulated by the applicable regulatory authority, for the services rendered by the Directors in attending meetings of the Board or any Committee of the Board."

Place:Kolkata

Date:18th June 2010

By Order of the Board

K. Kundu

Director (Finance) & Secretary

ASSOCIATED PIGMENTS LIMITED

NOTES

- a. A Member entitled to attend and vote at the Meeting is also entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a Member. The instrument appointing a proxy must be deposited at the Company's Registered Office not less than 48 hours before the time of holding of the aforesaid meeting.
- b. In accordance with the provisions of Section 154 of the Companies Act, 1956, the Register of Members and Share Transfer Register will remain closed from 21.07.2010 to 28.07.2010, both days inclusive.
- c. Information relating to the Directors retiring by rotation and seeking re-appointment at this Meeting, as also appointment of a New Director, as required under Clause 49(VI)(a) of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.
- d. Members are requested to immediately notify of any change in address to :
 - (i) Their respective DPs in respect of holding of shares in dematerialized form
 - (ii) The Registrar & Share Transfer Agent – M/s Niche Technologies Private Limited, D 511, Bagree Market, 71 B.R.B. Road, Kolkata – 700 001, in respect of shares held in physical form
- e. Members who have multiple accounts in identical names or joint accounts in the same order in more than one folio, are requested to send all the Share Certificates to our Registrar & Share Transfer Agent for consolidation of all such shareholdings into one folio to facilitate better service.
- f. All requests for transfer of Equity Shares and allied matters along with the relevant transfer deeds and share certificates should preferably be sent directly to the Company's Registrar & Share Transfer Agent – M/s Niche Technologies Pvt. Ltd. and those Members who are holding shares in dematerialized form, may send their advise on transfer and allied matters through their Depository Participants (DP) to the Depository.
- g. Members are requested to intimate to the Company queries, if any, regarding the audited accounts / notice at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.
- h. Section 109(A) of the Companies Act 1956 extends the nomination facility to individual shareholders of the Company. Therefore, shareholders having physical holdings and willing to avail of this facility may make nomination in the prescribed Form 2B. In case shares are held in dematerialized form, the shareholders will have to approach their respective DPs for registering their nomination. The prescribed nomination form can be obtained from the Company's Registrar & Share Transfer Agent. The Members may take advantage of this facility, if they so desire.