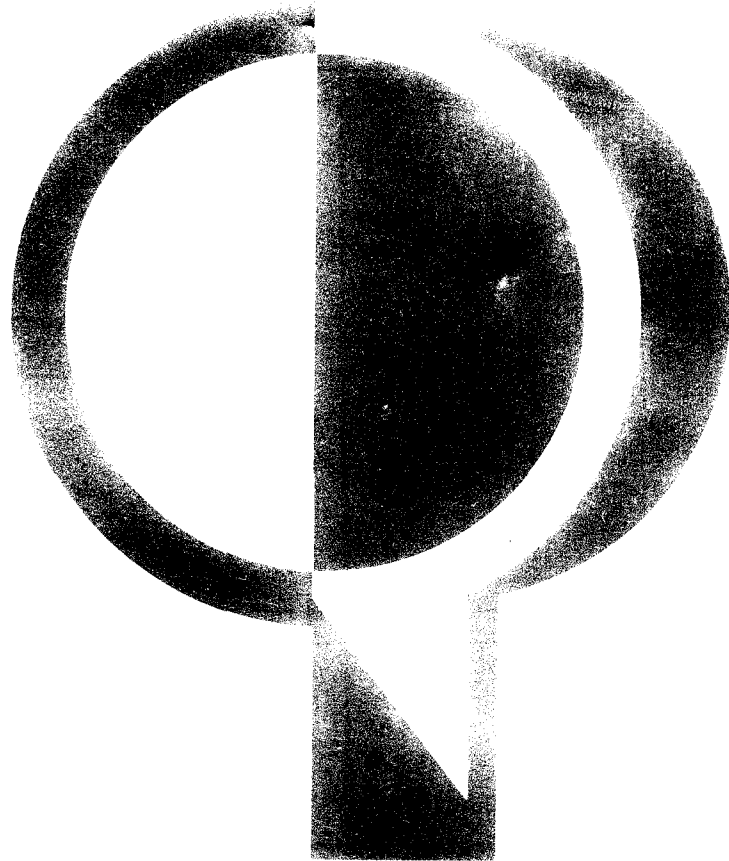


# ANNUAL REPORT 2012 - 2013



RESINS & PLASTICS LTD.

## SUMMARY RESULTS

(Rs. lacs)

DESCRIPTION	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10	FY 2008-09
<b>SUMMARISED BALANCE SHEET</b>					
Net Fixed Asset	558.25	536.67	498.13	475.67	476.21
Investments	0.02	0.02	0.02	0.02	0.02
Long term loans and advances *	15.85	30.23	21.80	-	-
Other non- current assets *	-	2.74	-	-	-
Net Current Assets (Working Capital)	2,117.91	1,831.40	1,698.94	1,483.50	1,169.70
	<b>2,692.03</b>	<b>2,401.07</b>	<b>2,218.89</b>	<b>1,959.20</b>	<b>1,645.93</b>
<b>REPRESENTED BY :</b>					
Deferred Tax Liability	92.76	98.03	94.68	103.61	103.55
Other long term liabilities*	1.00	1.00	1.00	-	-
Long term provisions *	30.69	17.82	17.97	-	-
Long term borrowings **	55.65	8.85	34.35	41.15	15.55
Share Capital	357.23	357.23	357.23	357.23	357.23
Reserves	2,154.70	1,918.14	1,713.66	1,457.20	1,169.60
	<b>2,692.03</b>	<b>2,401.07</b>	<b>2,218.89</b>	<b>1,959.20</b>	<b>1,645.93</b>
<b>SUMMARISED PROFIT AND LOSS ACCOUNT INCOME</b>					
Sales (Excluding Central Excise)	10,728.45	9,539.40	6,713.85	6,448.80	5,405.06
Processing Charges	-	-	-	23.09	28.45
Misc. Income	6.30	28.50	21.59	25.43	8.97
<b>TOTAL INCOME</b>	<b>10,734.75</b>	<b>9,567.90</b>	<b>6,735.44</b>	<b>6,497.33</b>	<b>5,442.48</b>
<b>EXPENDITURE</b>					
Material Consumed	8,844.81	7,861.45	5,170.08	5,002.55	4,322.62
Overheads	1,297.33	1,194.87	994.07	859.84	786.61
Depreciation	47.13	34.94	36.77	36.17	36.06
Finance Cost	24.79	23.10	8.13	2.47	12.67
<b>TOTAL EXPENDITURE</b>	<b>10,214.07</b>	<b>9,114.35</b>	<b>6,209.06</b>	<b>5,901.02</b>	<b>5,157.96</b>
<b>PROFIT BEFORE TAX</b>	<b>520.68</b>	<b>453.55</b>	<b>526.38</b>	<b>596.30</b>	<b>284.52</b>
Operating Profit as }					
% to sales revenue }	4.79	4.46	7.52	8.82	5.07
Taxes	158.74	145.26	166.13	206.03	103.95
<b>PROFIT AFTER TAX</b>	<b>361.94</b>	<b>308.29</b>	<b>360.25</b>	<b>390.27</b>	<b>180.57</b>
Dividend incl. Dividend Tax	125.38	103.80	103.80	104.14	83.59
Dividend Percentage	30.00	25.00	25.00	25.00	20.00
* Figures have been grouped under net current assets for the FY 2008-09 to FY 2009-10 as per old Schedule VI prescribed under the Companies Act, 1956.					
** Includes both short term and long term for the FY 2008-09 to FY 2009-10.					

# ANNUAL REPORT 2012 - 2013

## BOARD OF DIRECTORS

Shri Ashwin S Dani	-	Chairman
Shri Gobind J Lulla	-	Managing Director
Shri Rupen A Choksi	-	Jt. Managing Director ( w.e.f. 21.06.2013 )
Shri Abhay A Vakil	-	Director
Shri Bharat B Chovatia	-	Director
Dr. Vinod C Malshe	-	Director
Shri Dhiren P Mehta	-	Director
Shri Chetan S Thakkar	-	Director ( w.e.f. 06.02.2013 )

## AUDITORS

M/s. Shah & Company  
Chartered Accountants  
Mumbai

## BANKERS

HDFC Bank Ltd.  
State Bank of India

## REGISTRARS & TRANSFER AGENTS

M/s Sharepro services (India) Pvt. Ltd.  
Samhita Complex  
Gala No -52 to 56, Building No.13 A-B,  
Near Sakinaka Telephone Exchange,  
Andheri -Kurla Road, Sakinaka,  
Mumbai - 400 072.  
Telephone-022-67720300/400

## REGISTERED OFFICE

Plot No.A-8, Marol Industrial Estate of M.I.D.C.,  
Cross Road-B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Phone No. : 6198 7000

## FACTORIES

Taloja Industrial Estate of M.I.D.C.,  
Post Box No.6,  
Taloje A.V. 410208,  
Dist. Raigad.  
Phone No. : 6551 7200

Plot No. 3607,  
GIDC. Ind. Estate, Ankleshwar,  
Dist. Bharuch 393 002.  
Phone No. : 02646-223262

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# RESINS & PLASTICS LTD.

## NOTICE:

Notice is hereby given that the 52nd Annual General Meeting of **RESINS & PLASTICS LIMITED** will be held at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K Dubash Marg, Mumbai 400001 on Wednesday, the 4th September, 2013 at 11.00 a.m. to transact the following business :-

### Ordinary Business:

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2013 and Profit and Loss Account for the year ended on that date and the Reports of Directors' and Auditors' thereon.
2. To consider and declare payment of final dividend on Equity Shares.
3. To appoint a Director in place of Shri Ashwin S. Dani, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and approve if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Dr. V.C.Malshe, a Director liable to retire by rotation does not wish to seek re-appointment and is therefore not re-appointed as a Director of the Company.

RESOLVED FURTHER THAT the vacancy on the Board of Directors of the Company so created be not filled."

5. To appoint Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s.Shah & Company, Chartered Accountants, (Registration No.109430W) be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

### 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 Shri Chetan S. Thakkar, who was appointed as an Additional Director by the Board of Directors with effect from 6th February, 2013 under the provisions of Section 260 of the Companies Act, 1956 and who holds office upto the date of forthcoming Annual General Meeting but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director be and is hereby appointed as a Director of the Company."

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and any other applicable provisions of the Companies Act, 1956, the approval of the company be and is hereby granted to the appointment of Shri Rupen A. Choksi, as Jt. Managing Director of the

Company for a period from 21st June, 2013 to 31st March, 2016 at the remuneration as set out in the explanatory statement annexed hereto and in the draft agreement to be entered into between the Company and Shri Rupen A. Choksi, placed before the meeting and initialed by the Chairman for the purpose of identification."

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIM/HER. 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 FORTYEIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, the 29th August, 2013 to Wednesday, the 4th September, 2013 (both days inclusive) for the purpose of payment of dividend.
3. The Company has appointed M/s Sharepro Services (I) Pvt. Ltd. as the Registrars and Transfer Agents for both physical as well as electronic transfers. The equity shares of the Company have been inducted in both National Securities Depositories Limited and Central Depositories Services (India) Limited to enable shareholders to hold and trade the securities in dematerialised / electronic form. (ISIN - INE422F01017)
4. Members are requested to notify changes, if any, in their address to M/s Sharepro Services (I) Pvt. Ltd., the Registrar and Transfer Agents of the Company.
5. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the Company has transferred dividend for the financial year ended 31st March 2005, which remained unclaimed for a period of 7 years to the 'Investor Education and Protection Fund', established by the Central Government. Members who have not claimed dividends declared by the Company for the year ended 31st March 2006 onwards are requested to write to the Company at its Registered Office.
6. The relevant explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business, is annexed hereto.

### Information pursuant to Clause 49VI A of the Corporate Governance Code with respect to the Directors seeking appointment /re-appointment:

#### Shri Ashwin S. Dani

Shri Ashwin S. Dani has done his graduation in B.Sc. (Hons) from Institute of Science, University of Bombay and B.Sc. (Tech) (Pigments, Paints & Varnishes) from U.D.C.T., University of Bombay. He holds Masters Degree in Polymer Science from University of Akron, Akron, Ohio, USA and Diploma in Colour Science from Rensselaer Polytechnic, Troy, New York.

Shri Ashwin S. Dani started his career in 1967, as a Development Chemist with Inmont Corp, (now known as BASF) Detroit USA, a major supplier of automotive OEM and refinishes. He joined Asian Paints in 1968 as Senior Executive and moved through successive senior positions like Director - R & D, Works Director & Whole-time Director. He was Vice Chairman and Managing Director of Asian Paints Limited from December 1998 to March 2009.

Currently, he holds the position of non-executive Vice Chairman of the Company.

Shri Ashwin S. Dani was the Vice President of Federation of Indian Chambers of Commerce and Industry (FICCI) during 2009-10. He is the past President of the Indian Paint Association (IPA) and has received a number of awards for his contributions to the Paint Industry. He was a member of the Central Board of Trustees - Employees Provident Fund of the Govt. of India and was also the President of the Board of Governors of the UDCT Alumni Association, Mumbai. Currently, he is the member of the Board of Management of Institute of Chemical Technology (formerly UDCT), Mumbai.

He is on the Board of the following Companies namely:

1. Asian Paints Limited
2. Gujarat Organics Limited
3. Hitech Plast Limited
4. Sun Pharmaceutical Industries Limited
5. Rangudyan Insurance Broking Services Limited
6. ACC Limited
7. Geetanjali Trading Company Private Limited
8. Rayith Holding and Trading Company Private Limited
9. Isis Holding and Trading Company Private Limited
10. Smiti Holding and Trading Company Private Limited
11. Hydra Trading Private Limited
12. Canes Venatici Trading Private Limited
13. Rituh Holding and Trading Company Private Limited

He holds 6240 equity shares in the Company.

### Shri Chetan S. Thakkar

Shri Chetan S. Thakkar has qualified as a Solicitor from Mumbai & he is a Partner of M/s Kanga & Co., a leading firm of Advocates and Solicitors in Mumbai, established in 1890 and having a vast clientele.

Shri Chetan S. Thakkar has been practicing for over 12 years and has vast experience in matters relating to foreign collaborations, mergers & acquisitions, capital markets, private equity investments, corporate laws, banking, intellectual property rights and franchising.

He is on the Board of VanMYT Hospitality Private Limited

By Order of the Board  
For RESINS & PLASTICS LIMITED

### Registered Office :

Plot No. A-8, Marol Ind. Est. of MIDC,  
Cross Road B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Mumbai : 18th July, 2013

(ASHWIN S DANI)  
CHAIRMAN

## EXPLANATORY STATEMENT

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

### ITEM NO.6:

Shri Chetan S. Thakkar was appointed as an Additional Director by the Board of Directors at their meeting held on 6th February, 2013. Pursuant to the provisions of Section 260 of the Companies Act, 1956, Shri Chetan S. Thakkar holds office as Director only upto the date of the forthcoming Annual General Meeting and is eligible for appointment. The Company has received a notice under Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Shri Chetan S. Thakkar for the Office of Director.

Your Directors recommend the resolution as item no. 6 for your approval.

None of the Directors of the company except Shri Chetan S. Thakkar is concerned or interested in the resolution for his appointment as Director of the Company.

### ITEM NO.7 :

The current agreement with Shri Rupen A. Choksi as Executive Director was due to expire on 20th June, 2013 and he was appointed as Jt. Managing Director of the Company by the Board of Directors at their meeting held on 26th April, 2013 for the period from 21st June, 2013 to 31st March, 2016, subject to the approval of the members at the forthcoming Annual General Meeting upon the remuneration including perquisites set out in the agreement submitted to this meeting.

Shri Rupen A. Choksi holds degree in Bachelor of Science in Business Administration from Pepperdine University, USA and also holds Masters Degree in Business Administration from Bentley College, USA. Shri Rupen A. Choksi spearheads the overall day to day functions of the Company with a greater emphasis on sales & marketing functions. Under his guidance, Company has achieved accelerated growth especially in Acrylic & Polyamide resins. His contribution to the Company has been exceptionally good and noteworthy.

He is on the Board of Pragati Chemicals Ltd and is a coopted member of the Indian Resins Manufacturers Association.

The remuneration of Shri Rupen A. Choksi which is as per the provisions of Schedule XIII of the Companies Act, 1956, has been approved by the Remuneration Committee. The material provisions of the same are as under:

#### 1.a. SALARY:

Salary of Rs.1,23,000/- (Rupees One Lakh Twenty Three Thousand Only) per month with effect from 21st June, 2013 with an annual increment in salary of Rs.24,000/- (Rupees Twenty Four Thousand Only) per month with effect from 1st April, 2014 and Rs.28,000/- (Rupees Twenty Eight Thousand Only) per month with effect from 1st April, 2015.

#### 1.b. PERQUISITES:

In addition to the above remuneration, he shall also be entitled to perquisites which are divided into categories A, B & C. The perquisites that may be allowed by the Board and the quantum thereof are given below:

##### Category 'A':

##### i. House Rent Allowance:

Rs. 36,000/- (Rupees Thirty Six Thousand Only) per month w.e.f. 21.06.2013 till 31.03.2016.

## ii. Education Allowance:

Rs.11,000/- (Rupees Eleven Thousand Only) per month from 21.06.2013 to 31.03.2014, Rs.12,500/- (Rupees Twelve Thousand Five Hundred Only) per month from 01.04.2014 to 31.03.2015 and Rs.14,000/- (Rupees Fourteen Thousand Only) per month from 01.04.2015 to 31.03.2016.

## iii. Medical Reimbursement:

Reimbursement of medical expenses subject to a maximum of Rs.15,000/- (Rupees Fifteen Thousand Only) per annum, as per the Company's Scheme.

## iv. Leave Travel Assistance:

Reimbursement of Leave Travel Assistance subject to a maximum of one month's salary, as per the Company's Scheme.

## v. Club Fees:

Fees of club subject to maximum of two clubs, excluding admission and life membership fees.

## vi. Family Medicare:

Of an amount the premium of which shall not exceed Rs.15,000/- (Rupees Fifteen Thousand Only) per annum.

For the purpose of category 'A', 'family' means his spouse, dependent children and dependent parents.

## Category 'B':

### i. Provident Fund:

The Company will contribute to the Provident Fund as per the scheme framed by the Company.

### ii. Gratuity:

Gratuity payable shall not exceed half a month's salary for each completed year of service.

### iii. Leave Encashment:

The balance of leave to the credit at the end of the tenure will be encashed at the rate of salary drawn at the time of encashment.

The aforesaid perquisites under Category 'B' will not be included in the computation of ceiling on perquisites.

## Category 'C':

### i. Conveyance:

The Company will provide a chauffeur driven car for official use and he is entitled to reimbursement of petrol expenses, as per the Company's Rules.

The Company will also reimburse driver's salary of Rs.13,000/- (Rupees Thirteen Thousand Only) per month for the period from 21.06.2013 to 31.03.2014, Rs.14,500 /- (Rupees Fourteen Thousand Five Hundred Only) per month for the period from 01.04.2014 to 31.03.2015 and Rs.16,000/- (Rupees Sixteen Thousand Only) per month for the period from 01.04.2015 to 31.03.2016, for official use as per the rules of the Company and shall not be included in the computation of ceiling on remuneration.

### ii. Telephone:

The Company will provide telephone at the residence of Jt.Managing Director and mobile phone for official purpose as per the rules of the Company. However personal STD calls will be charged to the Jt. Managing Director.

In the event of loss or inadequacy of profits in any financial year during the currency of tenure of the Jt. Managing Director, the salary and perquisites of Jt. Managing Director shall not exceed the limits specified

in Part II of Schedule XIII to the Companies Act, 1956 or as approved by the Central Government where required.

The above remuneration and perquisites shall be subject to such limits as are laid down in Schedule XIII to the Companies Act, 1956 and / or changes / variation / substitution made / that may be made therein from time to time as approved by Central Government where required.

2. The Company shall pay to or reimburse to the Jt. Managing Director and the Jt. Managing Director shall be entitled to reimbursement by the Company of all costs, charges and expenses that may have been or may be incurred by him in connection with or relating to the business of the Company.
3. The Jt. Managing Director shall be entitled to all leave benefits as are applicable under the Company's rules to the executives and in force from time to time.
4. During his tenure as Jt. Managing Director, Shri Rupen A. Choksi shall not be entitled to sitting fees for attending the meetings of the Board or any Committee of the Board but shall be entitled to reimbursement of all reasonable expenses incurred by him for and on behalf of the Company for attending the said meetings.
5. As the Jt. Managing Director of the Company, Shri Rupen A. Choksi shall devote his whole time and attention to the business of the Company and shall use his best endeavors to promote its interest and welfare.
6. During his employment under this agreement, Shri Rupen A. Choksi shall undertake such travelling in and outside India as may be necessary in the interests of the Company's business or as may from time to time be required or directed by the Board in connection with or in relation to the business of the Company.
7. Shri Rupen A. Choksi, shall not, during the continuance of his employment as the Jt. Managing Director or at any time thereafter, divulge or disclose to any person whatsoever or make any use whatsoever for his own purpose or for any purpose other than that of the Company, of any information or knowledge obtained by him during his tenure as Jt. Managing Director, in connection with the business or affairs of the Company, or any trade secrets or secret formula of the Company and he shall use his best endeavour to prevent any other person from so doing. Provided however, any divulgence or disclosure to the officers or employees of the Company solely for the purpose of the business of the Company shall not be deemed to be a contravention of this clause.
8. Shri Rupen A. Choksi hereby agrees with and gives an undertaking to the Company that he shall not so long as he functions as the Jt. Managing Director of the Company become interested or otherwise concerned directly or otherwise through his wife and / or minor children in any selling agency or distributorship of the Company or its products in future without the prior approval of the Board and his appointment as such Jt. Managing Director shall cease and determine if he shall at any time contravene the undertaking contained in this clause.
9. In case Shri Rupen A. Choksi shall die during the course of his employment hereunder, the Company will pay to his legal personal representatives the salary and other emoluments payable hereunder for the then current month together with such further sum as the Board in its sole and uncontrolled discretion may determine.

# ANNUAL REPORT 2012 - 2013

10. (a) If Shri Rupen A. Choksi is guilty of any misconduct or any breach of this Agreement as in the opinion of the Board renders his retirement from the office of Jt. Managing Director desirable, the Company may by giving not less than 30 days' notice in writing to Shri Rupen A. Choksi, determine this Agreement and he shall cease to be a Jt. Managing Director of the Company upon the expiration of such notice.

(b) For the purpose of this clause, the Board's opinion as to whether any of the events mentioned in sub clause (a) hereof have occurred or not occurred shall be final and binding upon the Jt. Managing Director and the Jt. Managing Director shall not be entitled to question the same on any ground whatsoever.

11. Notwithstanding anything to the contrary contained in this Agreement, either party shall be entitled to determine this Agreement by giving not less than three calendar months' notice in writing in that behalf to the other party without the necessity of showing any cause and on the expiry of the period of such notice this Agreement shall stand determined and Shri Rupen A. Choksi shall cease to be Jt. Managing Director of the Company and the liability of the Company shall be limited to providing Shri Rupen A. Choksi only the salary and perquisites as per the agreement for a period of three months from the date of notice.

12. The employment of the Jt. Managing Director under this agreement shall cease if he shall become insolvent or make any compromise or arrangement with his creditors.

13. In the event Shri Rupen A. Choksi becomes disqualified as Jt. Managing Director for any reason other than an inadvertent breach of Section 283 of the Companies Act, 1956, or to secure the leave of absence from the meetings of the Board, the Company may by notice in writing to the Jt. Managing Director determine his agreement with immediate effect.

14. Subject to the provisions of the Companies Act, 1956, Shri Rupen A. Choksi, while he continues to hold office of the Jt. Managing Director, shall not be liable to retire by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation or retirement of directors in fixing the number of directors to retire, but he shall ipso facto and immediately cease to be the Jt. Managing Director if he ceases to hold office of Director due to any cause.

The aforesaid agreement between the Company and Shri Rupen A. Choksi are available for inspection by the members at the Registered Office of the Company between 3.00 p.m. to 5.00 p.m. on any working day of the Company.

In compliance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, the terms of remuneration specified above are now being placed before the Members in Annual General Meeting for their approval.

Your Directors recommend the special resolution as item no. 7 for your approval. Except for Shri Rupen A. Choksi, no other Director is concerned or interested in this resolution.

**By Order of the Board  
For RESINS & PLASTICS LIMITED**

**Registered Office :**

Plot No. A-8, Marol Ind. Est. of MIDC,  
Cross Road B, Street No.5,  
Andheri (East),  
Mumbai 400 093.  
Mumbai : 18th July, 2013

**(ASHWIN S DANJ)**  
**CHAIRMAN**

Statement required to be given under Part II, Section II (B)(IV) of the Schedule XIII of the Companies Act, 1956.

**I. General Information :**

(1) **Nature of industry:** The Company is manufacturing a wide range of synthetic resins such as Alkyd Resins, Phenolic Resins, Polyamides, etc. some of which are import substitutes. The products of the Company find varied applications in diversified industries such as adhesives, industrial coatings, construction chemicals & printing inks.

(2) **Date or expected date of commencement of commercial production:** The Company commenced operations in the year 1971.

(3) **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:** Not Applicable

(4) **Financial performance based on given indicators:** The financial performance of the Company is mentioned in the Directors' Report.

(5) **Export performance and net foreign exchange collaborations:** The Company primarily caters to the domestic market only and has developed indigenous technology and therefore has no foreign collaborations in this regard.

(6) **Foreign investments or collaborations, if any:** Nil

**II. Information about the appointee:**

**(1) Background details:**

Shri Rupen A. Choksi holds a degree in Bachelor of Science in Business Administration from Pepperdine University, USA and also holds a Masters Degree in Business Administration from Bentley College, USA. Shri Rupen A. Choksi spearheads the overall day to day functions of the Company with a greater emphasis on sales & marketing functions. Under his guidance, Company has achieved accelerated growth especially in Acrylic & Polyamide resins. His contribution to the Company has been exceptionally good and noteworthy.

**(2) Past remuneration (F.Y. 2012-13):**

Description	Amount Rs in Lakhs
Salary, Allowances & Perquisites	18.51
Provident Fund	1.47
Gratuity	0.59
<b>Total</b>	<b>20.57</b>

(3) **Recognition or awards :** Not applicable

**(4) Job profile and his suitability:**

Shri Rupen A. Choksi possesses adequate management skills and has rich experience in the Paints & Resin Industries. His qualification in Management and his experience are comparable with the Organisational requirements and the Company would definitely benefit from his invaluable services.

(5) **Remuneration proposed:** As per the details mentioned above.

(6) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:** The proposed remuneration is in line with the trends in the industry and is befitting Shri Rupen A. Choksi's educational background, experience and competence.

(7) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Shri Rupen A. Choksi was an Executive Director for the period 21.06.2010 to 20.06.2013 and he is the relative of Shri Mahendra Choksi, promoter of the Company.

### III. Other information:

(1) **Reasons of loss or inadequate profits:**

Intense competition in the Resin Industry coupled with increasing raw material costs has had an adverse impact on the Profits of the Company.

(2) **Steps taken or proposed to be taken for improvement:**

The Company has taken several steps inter alia, efficient buying, cost optimization initiatives & product mix rationalisation for improving the Company's performance.

(3) **Expected increase in productivity and profits in measurable terms:**

The Company expects marginal growth in productivity and profits due to subdued economic conditions.

### IV. Disclosures:

The details of remuneration payable/paid to Shri Rupen A. Choksi have been disclosed above. The Company does not have any scheme for grant of stock options.

By Order of the Board  
For **RESINS & PLASTICS LIMITED**

**Registered Office :**

Plot No. A-8, Marol Ind. Est. of MIDC,

Cross Road B, Street No.5,

Andheri (East),

Mumbai 400 093.

Mumbai : 18th July, 2013

(**ASHWIN S DANI**)  
**CHAIRMAN**



# ANNUAL REPORT 2012 - 2013

## DIRECTORS' REPORT

To The Members

The Directors have pleasure in presenting the 52nd Annual Report of the Company and audited Statement of Accounts for the Financial Year ended 31st March, 2013 -

### 1. PERFORMANCE OF THE COMPANY:

	Year Ended 31.03.2013 (Rs. in lacs)	Year Ended 31.03.2012 (Rs. in lacs)
<b>FINANCIAL RESULTS:</b>		
Revenue from Operations	10,728.45	9,539.40
Other Income	6.30	28.50
Profit before Depreciation and Tax	567.82	488.49
Less : Depreciation	47.13	34.94
Provision for Taxation	158.75	145.26
<b>PROFIT AFTER TAX</b>	<b>361.94</b>	<b>308.29</b>
Add/(Less) : Balance brought forward From Previous Year	1318.39	1144.90
<b>DISPOSABLE PROFIT</b>	<b>1680.33</b>	<b>1453.19</b>
The Directors recommend the appropriation of the disposable profits as under :		
Proposed Final Dividend	107.17	89.31
Tax on Proposed Final Dividend	18.21	14.49
Transfer to General Reserve	36.20	31.00
Balance carried to Balance Sheet	1518.75	1318.39
	<b>1680.33</b>	<b>1453.19</b>

### 2. DIVIDEND:

Your Directors are pleased to recommend a dividend @Rs.3.00 per share (30%) on 35,72,300 equity shares of Rs.10/- each. The dividend, if approved by the shareholders at the Annual General Meeting will be paid to those shareholders, whose names appear on the Register of Members as on 4th September, 2013.

### 3. OPERATIONS:

The total revenue from operations for the year has grown by 12.46% from Rs.9,539.40 lacs in the previous year to Rs. 10,728.45 lacs.

### 4. FIXED DEPOSITS:

Fixed Deposits as on 31st March, 2013 from the Public and Shareholders stood at Rs.62.50 lacs whereas unclaimed Deposits were Nil, as at the end of the year.

### 5. DIRECTORS:

During the year 2012-13, the Board appointed Shri Chetan S.Thakkar as an Additional Director with effect from 6th February, 2013. Shri Chetan S.Thakkar is being appointed as the Director of your Company at the

ensuing Annual General Meeting. Your Directors recommend his appointment as a Director of your Company.

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Shri Ashwin S. Dani and Dr. V. C. Malshe retire by rotation at the ensuing Annual General Meeting. Dr. V.C. Malshe does not wish to seek re-appointment at the ensuing Annual General Meeting and wishes to retire as Director of the Company. His contribution to the Board has been immensely valuable and he has significantly contributed to the growth of your Company. The Board places on record its appreciation for his contribution to the Company as a Director during his association with the Company.

Shri Ashwin S. Dani, being eligible for re-appointment, seek re-appointment at the ensuing Annual General Meeting. Appropriate resolution for his re-appointment is being placed before you for your approval at the ensuing Annual General Meeting. The brief resume of the aforesaid Director and other information have been detailed in the Notice. Your Directors recommend his re-appointment as Director of your Company.

## 6. DIRECTORS' RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for the year under review;
- (iii) That 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;
- (iv) That the Annual Accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

## 7. CORPORATE GOVERNANCE:

A Report on Corporate Governance alongwith a certificate from the Auditors of the Company regarding compliance of the conditions of Corporate Governance pursuant to Clause 49 of the Listing Agreement are given in Annexure I to this Report.

## 8. MANAGEMENT DISCUSSION AND ANALYSIS:

Synthetic Resins manufactured by the Company are primarily used in the adhesives, industrial coatings, construction chemicals & printing inks industries.

The upward and fluctuating trend in prices of raw materials and solvents witnessed during the Financial Year 2011-12 continued during the Financial Year 2012-13 as well. Operating margins continued to be under pressure due to lower margin in the business with large customers and increase in volume mainly driven by lower margin products. However, our revenue growth of 12.46% during the year as well as right sourcing and operating efficiencies helped us in arresting the decline in profits.

The Board considers the performance of the Company as reasonable in the conditions prevailing during the Financial Year 2012-13.

Rising raw materials prices on account of rupee volatility will put further pressure on margins during the Financial Year 2013-14.

Industrial relations during the year were cordial. The current wage settlement with Taloja unionized workmen valid upto February 2014 will come up for renewal during the Financial Year 2013-14.

The Company has good internal control systems, the adequacy of which has been reported by the Auditors in their report.

The number of employees stood at 90 as on 31st March, 2013.

## 9. PERSONNEL:

There were no employees who are in receipt of remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956.

## 10. TECHNOLOGY UPGRADATION:

The progress on technology upgradation is separately reported in the prescribed format in Annexure No.II to this report.

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

Particulars in respect of conservation of energy and technology absorption by the Company are given in Form A and B respectively in Annexure No. II to this Report. The details of expenditure and earnings in foreign currencies are given in Notes No.27.4 and 27.9 respectively to the Statement of Accounts.

## 12. AUDITORS:

The Company's Auditors, M/s.Shah & Company, Chartered Accountants, retire at the ensuing Annual General Meeting and express their willingness to continue, if so appointed.

## 13. ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the devoted services and the contribution made by the Company's employees at all levels for the continued growth and prosperity of the Company.

The Board of Directors also wish to place on record its appreciation for the continued co-operation and assistance received by the Company from its Bankers, State Bank of India and HDFC Bank Ltd. during the year under review.

For and on behalf of the Board  
**RESINS & PLASTICS LIMITED**

**(ASHWIN S DANI)**  
**CHAIRMAN**

Mumbai : 18<sup>th</sup> July, 2013