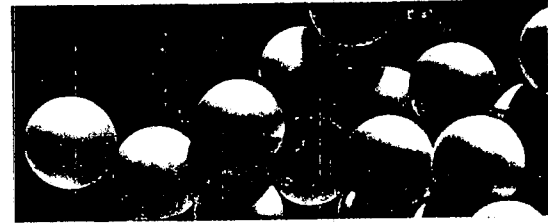


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ACM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		



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**Centak Chemicals Limited**



The Group Logo

### *As represented by the 21st Century Atlas*

#### **Atlas, the Titan - Collective Strength**

Atlas, bearer of the heavens is synonymous with vast, all encompassing strength and is used to symbolise the Group's own collective strength. It reflects the combined qualities of astute and dynamic management while emphasising the Group's tenacity, consistency, reliability and overall leadership.

#### **The Sun - Enlightenment and growth**

The Sun as a source of infinite energy and inspiration has been used here in conjunction with the head of Atlas to represent the vital and powerful presence of the Group in terms of its industrial prowess as well as its financial, technological and intellectual skills.

#### **The Earth Segments - Diversified activities**

Each of the latitudes around the Titan represent various sections of industrial, agricultural, financial and other activities of the Group. As with the world, which is made up of an infinite variety of segments, so is the strength of the Group, made up of its diverse activities.

#### **The Globe - Global Vision**

The Group's global vision and international presence is reflected in the figure of the Earth whose sphere represents the solid foundations upon which the company rests.

#### **The symmetry - The Resilience, Versatility and Stability**

Seen in its entirety each of the elements - Atlas, the Sun, the Earth divisions, and the Globe, together sum up a well conceptualised industrial conglomerate. One that articulates the essence of the Group.

*Strong Foundation Sustained Growth Proven Leadership.*



# AKZONOBEL

Akzo Nobel, headquartered in Arnhem, the Netherlands, is a company with almost 70,000 employees and activities in more than 50 countries. Consolidated sales aggregated NLG 22.4 billion in 1996. A market-driven and technology-based company, it serves customers, throughout the world with chemicals, coatings, healthcare products, and fibers.

Akzo Nobel's objective is to acquire new and defend existing leadership positions in its market, while maintaining structural long-term profitability. In addition to its core businesses, the Company focuses on the development of new and improved products in major growth sectors that draw on the Company's technological and marketing know-how.

Akzo Nobel regards people as its most important recourse. It fosters leadership, individual accountability and teamwork.

The Company conducts a proactive environmental policy with respect to its products and processes.

Geographically, Akzo Nobel's activities are concentrated in Europe and the United States. It is a Company objective to expand in other key geographic markets.




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## Seventh Annual Report 1996-97

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# CENTAK CHEMICALS LIMITED

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### BOARD OF DIRECTORS

Mr. B K Birla  
Mr. C S Kent  
Mr. B Ch Jonker  
Mr. D Basu  
Mr. D Y Gaitonde

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### PRESIDENT

Mr. Lennart Malmberg

---

### FINANCE MANAGER & SECRETARY

Mr. S K Singhvi

---

### AUDITORS

Messrs Price Waterhouse

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### BANKERS

State Bank of India  
Bank of Maharashtra

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### REGISTERED OFFICE

9, Waterloo Street,  
2nd Floor,  
Calcutta-700 069

### HEAD OFFICE

15-17, Gold Fields Plaza,  
2nd Floor, 45, Sasoon Road,  
Pune-411 001

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### FACTORY

Mahad, Dist. Raigad - 402 301

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## NOTICE

### TO THE SHAREHOLDERS

NOTICE is hereby given that the Seventh Annual General Meeting of the shareholders of CENTAK CHEMICALS LIMITED will be held at Kala Kunj, 48, Shakespeare Sarani, Calcutta - 700 017 on Friday, the 27th June, 1997 at 10.00 A.M. to transact the following business :

1. To consider and adopt the Report of the Auditors and Directors and the Audited Statements of Accounts for the year ended 31st March, 1997.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. C. S. Kent who retires by rotation but being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. D Y Gaitonde who retires by rotation but being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration.

Calcutta,  
28th April, 1997

Registered Office :  
9, Waterloo Street,  
Calcutta - 700 069

By Order of the Board

S. K. SINGHVI  
Finance Manager &  
Secretary

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Register of Members of the Company will remain closed from Friday, the 13th June, 1997 to Friday 27th June, 1997 both days inclusive.
3. The payment of dividend on Equity Shares, if declared, at the said meeting will be made to those members whose names shall appear on the Company's Register of Members on 27th June, 1997 or to their nominees. The Dividend Warrants will be despatched on or after 27th June, 1997.
4. Members desirous of getting any information about the accounts and operation of the Company are requested to address their query to the Secretary at the Registered Office well in advance so that the same may reach him atleast seven days before the date of the meeting to enable the management to keep the required information readily available at the meeting.
5. Members who are holding shares in identical order of names in more than one folios, are requested to write to the Company to consolidate their holding in one folio.
6. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio numbers.

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 1997

Dear Shareholders,

We have pleasure in presenting the Seventh Annual Report and the Audited Statements of Accounts of your Company for the year ended 31st March, 1997.

### FINANCIAL RESULTS

	This Year (Rs./Lacs)	Previous Year (Rs./Lacs)
Turnover	1555.92	1596.66
Other Income	229.03	199.84
Gross Profit	634.65	700.40
Less : Depreciation	105.55	102.39
Provision for Taxation	178.00	190.00
Net profit	351.10	408.01
Add : Balance brought forward from previous year	84.68	119.27
Profit available for appropriation	435.78	527.28
Less : Proposed Dividend	122.50	117.60
Corporate Dividend		
Tax on Proposed Dividend	12.25	—
Debenture Redemption Reserve	125.00	125.00
General Reserve	100.00	200.00
Balance carried forward to next year	76.03	84.68
	<u>435.78</u>	<u>527.28</u>

Turnover during the year under review is less by about 3% and gross profit including other income is also less by about 9%.

### DIVIDEND

For the year 1996-97, we recommend dividend on Equity Shares at the rate of Rs. 2.50 per share. Necessary provision for this has been made in the Accounts.

### COURSE OF BUSINESS

The performance of your Company has been generally satisfactory considering general slowdown in the economy of the country and growing competition from imports. Further lowering of import duties and liberalisation of international trade has resulted in increased competition. We are glad to inform you that your Company has been strictly adhering to ISO 9002 quality system standard and pursuing cost awareness programmes to achieve economy at all levels of operations to meet growing global challenge. Continuing modernisation and process improvements have resulted in improvement in quality and efficiency. Products of your Company are hazardous in nature and require careful handling at controlled temperature, therefore, stringent safety precautions have been observed.

A number of petrochemical industries have completed their expansion programmes and new polymer Plants have also come on stream. Therefore, the outlook for market growth for the existing products of your Company appears to be reasonably optimistic. In view of the expected higher sales in future, infrastructure facilities at the Plant at Mahad have been strengthened.

Agency business under agreement with Akzo Nobel Chemicals bv., for marketing of speciality chemicals not being manufactured by your Company are being broad based. This will increase income from this source.

Interest income from short term surplus funds has increased.

We would like to acknowledge the contribution made by Akzo Nobel Chemicals bv., for their continued technological assistance for Plant and process improvements and guidance for marketing.

### DIVERSIFICATION

Last year your Company had entered into a technology licence agreement with M/s. Akzo Nobel Surface Chemistry AB, of Sweden, for production and marketing of speciality surfactant chemicals. Production of these products on job contract is expected to commence by second quarter of 1997.

Efforts are being made to identify other products of Akzo Nobel to diversify the business of the Company.

**DIRECTORS' REPORT** (Contd.)**ORGANISATION AND HUMAN RESOURCES**

Organisation structure of your company is relatively flat therefore, communication and decision making within the organisation is fast. Functional expertise has been developed in each department. Coaching programmes for 'Creative Problem Solving' were conducted for employees at all levels to develop problem solving by innovative methods. We depute Managers and Technical Supervisors to collaborator's Plants abroad for training and assimilating new technological development and safety practices. Relations between Management and Staff continued to remain cordial throughout the year. Morale of employees is high and they repose confidence in the Management's style of functioning.

We would like to place on record our appreciation of the dedicated services rendered by the Managers, Staff and Workers of the Company which have immensely contributed to the improvement in the quality of products of the Company.

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

Energy conservation measures, progress made in technology absorption and foreign exchange earnings and outgo, as required by the Companies (disclosure of particulars in the report of Board of Directors) Rules, 1988 are set out in a separate statement attached hereto and forming a part of the report.

**SAFETY, HEALTH AND ENVIRONMENT**

The Company continues to maintain a high level of safety standards, Awareness towards Safety, Health and Environment is imparted to employees through various safety programmes. Intensive trials and training programmes are conducted to keep staff well prepared for fire fighting and other hazards.

Statutory Rules and Regulations for Safety, Health and Environment are strictly observed.

**DIRECTORS**

In accordance with the Articles of Association of the Company, Mr. C. S. Kent and Mr. D. Y. Gaitonde will retire by rotation and being eligible offer themselves for re-appointment.

**AUDITORS**

Messrs Price Waterhouse, the Auditors of the Company, will retire from the office of the Auditors and being eligible, offer themselves for re-appointment. Their remuneration for the current year is to be fixed by you.

**GENERAL**

Details of remuneration paid to employees as required by Section 217(2A) of the Companies Act, 1956, are set out in a separate statement attached hereto and forming part of the report.

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B. K. BIRLA  
B. CH. JONKER  
D. BASU  
D. Y. GAITONDE  
Directors

Calcutta,  
28th April, 1997

**Annexure to the Directors' Report**

(Additional information given in terms of Notification 1029 of 31.12.1988 issued by the Department of Company Affairs)

**A. CONSERVATION OF ENERGY**

- (a) Energy Conservation measures taken :
- (i) Wherever possible electrical equipments connected to energy saving devices to reduce electricity consumption.
  - (ii) Effective measure were taken to improve sealing of cold storages doors in order to avoid heat losses.
- (b) Additional investment and proposals, if any, being implemented for saving of energy :  
This is under consideration.
- (c) Impact of the measures for reduction of energy consumption and consequent impact on the cost of production of goods, has been given in prescribed Form A annexed hereto.

**B. TECHNOLOGY ABSORPTION**

- (a) Research & Development
- (1) Specific areas in which R & D is carried out by the Company. : NIL
  - (2) Benefits derived as a result of the above R & D : NIL
  - (3) Future plan of action : NIL
  - (4) Expenditure on R & D : NIL
- (b) Technology Absorption, Adaptation, Innovation
- (1) Efforts towards technology absorption, adaptation and innovation :  
Production processes were upgraded in keeping with latest technological advancement.
  - (2) Benefits derived as a result of above efforts :  
Above efforts have resulted in increase in reaction efficiency, reduction of batch times and cost reduction.

**INFORMATION ON IMPORTED TECHNOLOGY**

(Imported during the last 5 years from the beginning of the financial year)

(a) Technology imported	(b) Year of import	(c) Technology absorption
(i) Technical documentation for process know how.	1991-92	Received and absorbed. Commissioning & start-up was done with the assistance of collaborators.
(ii) Technical documentation for process know how.	1996-97	Received and absorbed

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on foreign exchange earnings and outgo is contained in Schedule I, items 6 (b), (c), (d) and (e) in Notes on Accounts.

Calcutta  
28th April, 1997

B. K. BIRLA  
B. CH. JONKER  
D. BASU  
D. Y. GAITONDE  
Directors

**Annexure to the Directors' Report (Contd.)****FORM-A**

(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

<b>A. POWER AND FUEL CONSUMPTION</b>		<b>1996-97</b>	<b>1995-96</b>
<b>ELECTRICITY</b>			
(a) Purchased			
Units (KWH)		1115820	1203600
Total amount (Rs.)		3783722	3388250
Rate per Unit (Rs.)		3.39	2.81
(b) Own Generation			
Through Diesel generators			
Units (KWH)		79288	NIL
Units per ltr. of diesel oils		4.97	NIL
Cost per Unit (Rs.)		1.67	NIL
<b>B. CONSUMPTION PER UNIT OF PRODUCTION</b>	<b>Standard</b>	<b>Current Year</b>	<b>Previous Year</b>
PRODUCTS (with details) UNIT			
ELECTRICITY (kwh/Ton of Product)			
Polymerisation Initiators		4782	4665

**Annexure to the Directors' Report**

STATEMENT CONTAINING INFORMATION AS PER SECTION 217 (2A) READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND FORMING PART OF DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 1997

Name, Designation/Nature of Duties, Remuneration Received (Rs.), Qualification, Experience (Years), Date of Commencement of Employment, Age (Years), Last Employment held.

(a) Employed throughout the year and were in receipt of remuneration for the year in aggregate of not less than Rs.3,00,000/-.

Mr. L Malmberg, President, Rs.9,05,450/-, Ph.D. (Organic Chemistry), 33, 01.01.1995, 59, General Manager (Initiators), Kenobel AB, Sweden.

(b) Employed for part of the year and were in receipt of remuneration at the rate of not less than Rs. 25,000/- per month.

NIL

**NOTES :**

1. Remuneration includes salaries, house rent and the monetary value of perquisites calculated in accordance with the provisions of the Income-Tax Act, 1961 and the Rules made thereunder.
2. Nature of Employment - Contractual.
3. The employee is not a relative of any of the Directors of the Company.

Calcutta  
28th April, 1997

B. K. BIRLA  
B. CH. JONKER  
D. BASU  
D. Y. GAITONDE  
Directors