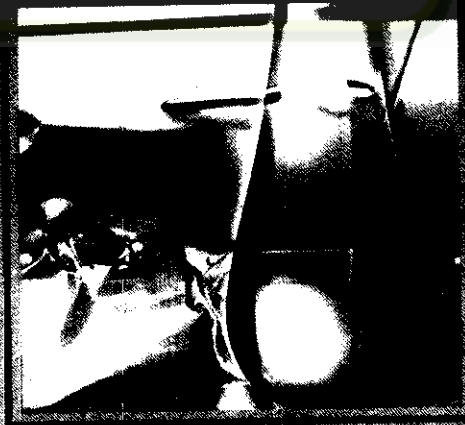




# Centak Chemicals Limited

Report Junction.com



10th Annual Report



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.*



Akzo Nobel is a multinational company that serves customers around the world with healthcare products, coatings, chemicals and fibers. The Company has activities in 75 countries with headquarters in the Netherlands. In the year 1999 sales were EUR 14.4 billion.

The fibres business, which operated as a stand-alone company under the name Acordis, was divested at the year-end 1999.

Akzo Nobel has a two-layer structure: the corporate center and business units. At the corporate level, key tasks are coordinated in such areas as strategy; finance and control; human resources; technology; health, safety, and environment; and information management.



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**Tenth Annual Report 1999-2000**

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**CENTAK CHEMICALS LIMITED**

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**BOARD OF DIRECTORS**

Mr. B. K. Birla  
Mr. R. E. Margevich  
(Alternate : Mr. Ashish Dalal)  
Mr. B. Stuit  
Mr. D. Basu  
Mr. D. Y. Gaitonde

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**PRESIDENT**

Mr. Lennart Malmberg

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**SR. FINANCE MANAGER & SECRETARY**

Mr. S. K. Singhvi

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**AUDITORS**

Messrs Price Waterhouse

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**BANKERS**

ABN Amro Bank N. V.  
State Bank of India  
Bank of Maharashtra

**SHARE TRANSFER AGENT**

M C S Limited  
116/118, Akshay Complex,  
Off. Dhole Patil Road, Pune-411 001  
Tel. : 020-6129597

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**REGISTERED OFFICE**

Circular Court,  
8, A J C Bose Road, 5th Floor,  
Calcutta-700 017  
Tel.: 033-2806500

**HEAD OFFICE**

15-17, Gold Fields Plaza,  
2nd Floor, 45, Sassoon Road,  
Pune-411 001  
Tel.: 020-6125822

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**FACTORY**

C-61 (Part), E 19/20, MIDC, Industrial Area, Mahad, Dist. Raigad - 402 301  
Tel. : 02145-32153

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## NOTICE

### TO THE SHAREHOLDERS

NOTICE is hereby given that the Tenth 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 28<sup>th</sup> July, 2000 at 10 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, 2000.

2. To appoint Auditors and fix their remuneration.

### AS SPECIAL BUSINESS

3. To consider and, if thought fit, to pass with or without modification the following resolution:

### AS ORDINARY RESOLUTION

"RESOLVED THAT Mr. Berend Stuit who was appointed as a Director of the Company to fill casual vacancy caused by the resignation of Mr. C S Kent and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing together with a deposit of Rs. 500/- from a member of the Company as required under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company who will be liable to retire by rotation."

4. To consider and, if thought fit, to pass with or without modification the following resolution:

### AS ORDINARY RESOLUTION

"RESOLVED THAT Mr. Robert E Margevich who was appointed as a Director of the Company to fill casual vacancy caused by the resignation of Mr. B Ch Jonker and whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a Notice in writing together with a deposit of Rs. 500/- from a member of the Company as required under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company who will be liable to retire by rotation."

5. To consider and, if thought fit, to pass with or without modification the following resolution:

### AS ORDINARY RESOLUTION

"RESOLVED THAT Mr. Ashish Dalal in respect of whom the Company has received a Notice in writing together

with a deposit of Rs. 500/- from a member of the Company as required under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company who will be liable to retire by rotation."

6. To consider and, if thought fit, to pass with or without modification the following resolution:

### AS SPECIAL RESOLUTION

"RESOLVED THAT in partial modification of resolution no.7 passed in the Annual General Meeting held on 4<sup>th</sup> August 1999, consent of the Company be and is hereby accorded to the Board of Directors pursuant to Section 372 A of the Companies Act, 1956 and other applicable provisions, if any, to make loans/ advances/ deposits to and/or to acquire by way of subscription, purchase or otherwise the securities of specified bodies corporate to the extent not exceeding an aggregate limit of Rs.20 crores (Rupees Twenty crores) over and above the limit of 60% of the paid up capital and free reserves or 100% of the free reserves whichever is more or such other percentage as applicable at the relevant time."

### "RESOLVED FURTHER THAT

The limit for investment in following Mutual funds :

Birla Mutual Fund, Prudential ICICI Mutual Fund, Templeton Mutual Fund and Alliance Capital Mutual Fund

be and is hereby raised from Rs. 5 crores to Rs. 10 crores and name of DSP Merrill Lynch Mutual Fund be and is hereby added in the list of bodies corporate for investment not exceeding Rs. 5 crores."

"RESOLVED FURTHER THAT investment limits for other bodies corporate and other terms and conditions for deployment of surplus funds provided in the resolution no. 7 passed in the Annual General Meeting held on 4<sup>th</sup> August 1999 shall remain unchanged."

By Order of the Board

Mumbai  
29<sup>th</sup> May, 2000

S. K. SINGHVI  
Sr. 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 24<sup>th</sup> July, 2000 to 28<sup>th</sup> July, 2000 both days inclusive.
3. The Interim Dividend warrants for the year 1999-2000 has already been dispatched to all those shareholders whose names were recorded on Company's Register of Members as on Record date, 21st April, 2000.
4. Your Company has entered into an agreement with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) to enable you to hold and trade in the shares of your company in de-materialised form with either of these depositories. Depository system facilitates quick transfers and prevents forgery. Members are advised to opt for this facility in their own interest.
5. 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 at least seven days before the date of the meeting to enable the management to keep the required information readily available at the meeting.
6. 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 holdings in one folio.
7. Members are requested to notify change in address, if any, immediately to the Company at its Registered Office quoting their folio numbers.
8. Those Members who have so far not provided their Bank Account details are requested to inform their Bank Account Number, name of the Bank and Branch of Bank to the Company at its Registered Office quoting their folio no. to avoid the possibility of fraudulent encashment of dividend warrant.
9. The equity shares of the Company are listed at the following Stock Exchanges :
  - (i) The Calcutta Stock Exchange Association Limited  
7, Lyons Range,  
Calcutta 700 001.
  - (ii) The Stock Exchange, Mumbai  
Jeejeebhoy Tower,  
Dalal Street  
Mumbai 400 023
  - (iii) Vadodara Stock Exchange Limited  
Fortune Towers, Dalal Street,  
Sayaji Gunj,  
Vadodara 390 005

The listing fee to the above Exchanges has been paid.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF COMPANIES ACT, 1956

### Item No. 3

Mr. Berend Stuit was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Mr. C. S. Kent pursuant to Article No. 37 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956. He shall hold office as a Director only up to the date of the ensuing Annual General Meeting of the Company. The Company has received a Notice in writing together with deposit of Rs. 500/- from a member of the Company pursuant to the provisions of section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Berend Stuit for the office of a Director of the Company. Mr. Berend Stuit's brief resume is as under:

Occupation : Group Manufacturing Manager  
Polymer Production Chemicals  
of Akzo Nobel Group

Nationality : Dutch

Date of Birth : 3<sup>rd</sup> January, 1948

Qualification : Chemical Engineer

Experience : In the field of manufacture of Polymer Chemicals

The company will be benefited by his vast experience and able guidance.

The Directors recommend his appointment as a Director of the Company.

None of the Directors except Mr. Berend Stuit is interested or concerned in this resolution.

### Item No. 4

Mr. Robert E Margevich was appointed as a Director of the Company to fill the casual vacancy caused by the resignation of Mr. B Ch Jonker pursuant to Article No. 37 of the Articles of Association of the Company read with Section 262 of the Companies Act, 1956. He shall hold office as a Director only up to the date of the ensuing Annual General Meeting of the Company. The Company has received a Notice in writing together with deposit of Rs. 500/- from a member of the Company pursuant to the provisions of section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Robert E Margevich for the office of a Director of the Company. Mr. Robert E Margevich's brief resume is as under:

Occupation : Business Manager Organic Peroxide  
Polymer Chemicals of Akzo Nobel  
Group

Nationality : American

Date of Birth : 29<sup>th</sup> May, 1957

Qualification : Chemical Engineer

Experience : In the field of Administration and  
Marketing of Polymer Chemicals

The company will be benefited by his vast experience and able guidance.

The Directors recommend his appointment as a Director of the Company.

None of the Directors except Mr. Robert E Margevich is interested or concerned in this resolution.

### Item No. 5

Mr. Ashish Dalal is an alternate Director to Mr. Robert E Margevich. The Company has received a Notice in writing together with deposit of Rs. 500/- from a member of the Company pursuant to the provisions of section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Ashish Dalal for the office of a Director of the Company. Mr. Ashish Dalal's brief resume is as under:

Occupation: : Partner - Dalal & Shah,  
Chartered Accountants

Nationality : Indian

Date of Birth : 27<sup>th</sup> July, 1956

Qualification : Chartered Accountant - F.C.A.

Experience : In the field of Corporate Finance,  
Accounting, Audits, Mergers,  
Acquisitions, Business Evaluations,  
Specialised Investigations, Foreign  
Collaborations and Joint Ventures.

The Company will be benefited by his specialised knowledge of Corporate Finance Management and Accounting.

The Directors recommend his appointment as a Director of the Company.

If appointed Mr. Ashish Dalal will cease as an alternate Director to Mr. Robert E Margevich.



None of the Directors except Mr. Ashish Dalal is interested or concerned in this resolution.

**Item No. 6**

The Shareholders had passed a Special Resolution at Annual General Meeting held on 4<sup>th</sup> August, 1999 authorising the Board of Directors to make loans/ advances/ deposits to and/or to acquire by way of *subscription, purchase or otherwise the securities of* bodies corporate to the extent not exceeding Rs. 15 crores (Rs. Fifteen crores) over and above the limit as prescribed under Section 372 A of the Companies Act, 1956. The Surplus Funds from the operation of the Company has increased and are expected to grow further, therefore, the limit for deployment of surplus funds over and above the limit prescribed under the Section 372 A needs to be increased from Rs.15 crore to Rs.20 crores. Section 372 A of the Companies Act, 1956 requires a Special

Resolution to be passed by the Shareholders of the Company for enhancing the existing limit upto Rs.20 crores (*Rupees Twenty crores*).

Investment limits for bodies corporate and terms and conditions for deployment of surplus funds provided in the resolution no. 7 passed in the Annual General Meeting held on 4<sup>th</sup> August 1999 shall remain operative to the extent not changed by the current resolution no 6 ."

The Resolution set out in the Notice is recommended to the Members for approval.

None of the Directors may be deemed to be concerned or interested in the Resolution except to the extent of loans/ advances/ deposits or investments in securities that may be given to any bodies corporate in which they are Directors or Members.



## DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2000

Dear Shareholders,

We have pleasure in presenting the Tenth Annual Report and the Audited Statements of Accounts of your Company for the year ended 31st March, 2000.

### FINANCIAL RESULTS

|  | This Year<br>(Rs./Lacs) | Previous Year<br>(Rs./Lacs) |
|--|-------------------------|-----------------------------|
| Turnover   | 2969.49                 | 2778.53                     |
| Other Income   | 317.06                  | 266.67                      |
| Gross Profit   | 1279.69                 | 1175.07                     |
| Less : Depreciation  | 141.67                  | 134.84                      |
| Provision for Taxation   | 313.00                  | 262.00                      |
| Add/ : Excess/(short) provision<br>(Less) of tax for earlier year(s) | (30.32)                 | 0.82                        |
| Net profit   | 794.70                  | 779.05                      |
| Add : Balance brought<br>forward from<br>previous year               | 362.14                  | 237.58                      |
| Profit available for<br>appropriation                                | 1156.84                 | 1016.63                     |
| Less : Interim Dividend  | 161.70                  | —                           |
| Corporate Dividend Tax<br>on Interim Dividend                        | 17.79                   | —                           |
| Proposed Final Dividend  | —                       | 161.70                      |
| Corporate Dividend Tax on<br>Proposed Final Dividend                 | —                       | 17.79                       |
| Debenture Redemption<br>Reserve                                      | —                       | 125.00                      |
| General Reserve  | 500.00                  | 350.00                      |
| Balance carried forward<br>to next year                              | 477.35                  | 362.14                      |
|  | 1156.84                 | 1016.63                     |

Turnover during the year under review has increased by about 7%, gross profit before depreciation and tax has gone up by about 9% and net profit after tax has increased by about 2% compared to the previous year.

### DIVIDEND

For the year 1999-2000, we have declared and paid interim dividend on Equity Shares at the rate of Rs. 3.30 per share. Necessary provision for this has been made in the Accounts. In order to conserve resources final

dividend has not been recommended for the year ended 31<sup>st</sup> March, 2000.

### COURSE OF BUSINESS

The performance of your Company has been satisfactory. For the year under review turnover increased in terms of volume by about 18% despite decline in PVC production in which our major products are used as Initiators. The import duty on raw materials continues to be higher than that on the finished products. Representations have been made to the authorities concerned to rectify this anomaly. The Company had to reduce its prices to stay competitive.

Plant operations were smooth and safe. Some new products are being introduced to customers for trials and approvals.

Income from sales of Akzo Nobel products on agency basis has increased.

Manufacture of viscose chemicals on job contract is not being pursued because of unfavourable market results.

Technology assistance provided by the collaborators on continuous basis has helped your Company to increase capacity, improve efficiency of manufacturing processes and introduction of new products. We would like to acknowledge the contribution made by Akzo Nobel Chemicals bv., for such valuable technological assistance including technical services for marketing.

### Y2K COMPLIANCE

Your Company has successfully managed Y2K transition without any disruption to its operation. Expenses incurred for this are negligible.

### DEMATERIALISATION OF EQUITY SHARE

The Securities and Exchange Board of India has made trading in shares of your Company compulsory for institutional investors and Overseas Corporate Bodies (OCBs) in dematerialised form from June 26, 2000.

In view of the above your Company has entered into agreements with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for admission of its equity shares in de-materialised form.

### ISO 14001 ENVIRONMENT MANAGEMENT SYSTEM

We are glad to report to you that your Company has been approved by DNV for certification for ISO 14001 environment management system after extensive studies and audit.