

Annual Report 1997-98

MD	✓	BKC	✓
CS	✓	DPY	AR
RO	✓	DIV	AR
TRA	✓	AC	✓
ACM	✓	SHI	✓
YE	✓		



Senbo 
INDUSTRIES LTD.



CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Kajal Sengupta	<i>Chairman & Managing Director</i>
Mr. Dipankar Chatterji	<i>Director</i>
Mr. P. K. De	<i>Director</i>
Mr. C. S. Choudhury	<i>Director Finance</i>
Mr. S. P. Roychowdhury	<i>Director</i>
Ms. V. Krishnakumar	<i>Director (IDBI)</i>
Mr. S. A. Ahmed	<i>Director (WBIDC)</i>
Dr. S. Chakraborty	<i>Director</i>
Ms. S. Sengupta	<i>Director</i>
Mr. Kingshuk Sengupta	<i>Director</i>

COMPANY SECRETARY

Mr. Sandip Gupta

MANAGEMENT TEAM

Mr. Bhaskar Sengupta
General Manager (Works)

Mr. D. Sengupta
General Manager (Administration)

Mr. Sushanta Bhowmick
Assistant General Manager (Marketing)

AUDITORS

Rajesh Chaturvedi & Associates
Chartered Accountants
Everest, Suite 9C, 46C Chowringhee Road
Calcutta - 700 071

BANKERS

State Bank of India

REGISTERED OFFICE

87, Lenin Sarani, Calcutta - 700 013
Phone : (033) 244-1395, 245-0816, 249-0441
Fax : (033) 244-9485
Email : senbo@giascl01.vsnl.net.in

MARKETING OFFICE

251A/59A, N. S. C. Bose Road
Calcutta - 700 047
Phone : (033) 471-4009/8928
Fax : (033) 471-8929

WORKS

Karbala, Sonarpur, Dist. South 24-Parganas
Pin Code : 743 508
Phone : (033) 434-7339/40/42
Fax : (033) 434-7341

REGISTRAR & SHARE TRANSFER AGENTS

Star Infotech Pvt. Ltd.
107/1, Park Street, Calcutta - 700 016 Phone : (033) 226-5683/9217 Fax : (033) 226-7221



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Cover picture : Factory building of Senbo Industries Ltd.

NOTICE

The fourth Annual General Meeting of Senbo Industries Ltd., will be held at Science City, J.B.S. Haldane Avenue, Calcutta - 700 046 on Wednesday, September 23, 1998 at 11-30 a.m. to transact the following business :

1. to receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Audited Profit and Loss Account for the year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. to appoint a Director in place of Sri P. K. De, who retires by rotation and is eligible for reappointment;
3. to appoint a Director in place of Sri S. P. Roychowdhury, who retires by rotation and is eligible for reappointment;
4. to appoint a Director in place of Sri C. S. Choudhury, who retires by rotation and is eligible for reappointment;
5. to appoint Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

Messrs Rajesh Chaturvedi & Associates, Chartered Accountants, the retiring Auditors, being eligible, offer themselves for reappointment.

NOTES

- A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and a proxy need not be a member.
- The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 1998 to September 23, 1998, both days inclusive.

Calcutta,
July 29, 1998

BY ORDER OF THE BOARD

Registered Office :
87, Lenin Sarani,
Calcutta - 700 013

S. Gupta
Company Secretary



DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting their Fourth Annual Report and Audited Accounts for the Financial Year ended March 31,1998.

FINANCIAL HIGHLIGHTS

During the year under review, production achieved was 85.07 lakh bottles which is about 47% of the Installed Capacity. Despite this low capacity utilisation, mainly arising out of teething troubles at the initial stage, financial results were encouraging. On the turnover of Rs.802.15 lakhs there was operational Profit, which can be seen from the following highlights :-

	Rs. lakhs
1. Profit before Finance Charges and Depreciation	306.14
2. Less : Finance Charges	<u>196.35</u>
3. Profit before Depreciation	109.79
4. Less : Depreciation	<u>119.65</u>
5. Net Loss	<u>(9.86)</u>

Since Commercial Production commenced in the financial year under review, the Board took a decision to amortise Preliminary and Share Issue Expenses in ten years by writing off one-tenth of expenses from the year 1997-98. The Board also decided to amortise the Product Development Expenses incurred to the extent of Rs.18.47 lakhs in ten years and one-tenth has been written off.

The Board regrets to record in its report that during the year the Company had a shortage of material valued at Rs.28.75 lakhs being the value of 40 tonnes Lupolen (which is the basic Imported Raw Material for manufacture of Polyethylene Bottles) lost when the consignments were kept in Bonded Warehouse at Calcutta Port. Claims for the loss have been lodged with Insurance Company and Customs Authorities and pending settlement thereof the claim has not been accounted for.

DIVIDEND

This being the first year of operation on Commercial Scale the Company could not earn sufficient profit to cover the amount and due to loss incurred, the Directors regret their inability to recommend any dividend for the year.

FUTURE PROSPECTS

During the later part of the year, the plant could be operated on a continuing basis at 80% of the Installed Capacity. Marketing of the Products to both Institutions and Trade Markets is on increasing trend. In view of this, it is expected that the turnover during the year 1998-99 will be at minimum capacity of 70%.

The Company is also putting its best efforts to develop Export Marketing. In Bangladesh, some products have already been registered and Letters of Credit for exporting products are being opened.

PARTICULARS OF EMPLOYEES

Section 217 (2A) of the Companies Act, 1956 does not apply since there is no Employee drawing salary more than the specified amount during the year.

PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND EXPENDITURE.
A. Conservation of Energy :
1. Power and Fuel consumption

i) <u>Electricity from WBSEB</u>		<u>Current Year</u>	<u>Previous Year</u>
Unit	Kwh	12,27,000	Not Applicable
Total Amount	Rs.	34,84,199	Not Applicable
Rate	Rs./Kwh	2.84	Not Applicable
ii) <u>Furnace Oil</u>			
Quantity	Kl	2,92,181	Not Applicable
Total Amount	Rs.	18,37,958	Not Applicable
Rate	Rs./Kl	6.29	Not Applicable

2. Consumption per unit production

Electricity	Kwh / bottle	Rs. 0.41	Not Applicable
Furnace Oil	Kl / bottle	Rs. 0.22	not Applicable

The Company is always putting best efforts to make economy in utilisation of power to the maximum extent.

B. Technology Absorption

The Company has drawn a scheme in developing R & D of the Products and the scheme will be implemented shortly to derive the benefits.

C. Foreign Exchange Earnings and Expenditure

	<u>Current Year</u> Rs. Lakhs	<u>Previous Year</u> Rs. Lakhs
(i) Foreign Exchange Earnings		
– Sale of I. V. Sets (Trading)	3.03	Nil
(ii) Foreign Exchange Expenditure		
– Capital Goods	5.65	887.80
– Raw Materials	103.04	36.37
– Spares & Components	1.51	Nil
– Travelling	Nil	0.19

DIRECTORS

Dr. Shuvanan Ray resigned from the Board and his resignation was duly accepted with effect from 14th March, 1998. Dr. Saibal Chakraborty was appointed by the Board of Directors with effect from 14th March, 1998 in the casual vacancy caused by the resignation of Dr. Shuvanan Ray.

S/Sri S. P. Roy Chowdhury, P. K. De and C. S. Choudhury retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

AUDITORS

The Auditors, Messrs Rajesh Chaturvedi & Associates, Chartered Accountants, retire and offer themselves for re-appointment.

ACKNOWLEDGEMENT

Your Directors convey their sincere thanks to the State Government, Industrial Development Bank of India, West Bengal Industrial Development Corporation and State Bank of India for their continued support to the growth of the Company. Your Directors also express their deep appreciation for contribution made by the Employees.

FOR AND ON BEHALF OF THE BOARD

Calcutta
June 22, 1998

Kajal Sengupta
Chairman & Managing Director