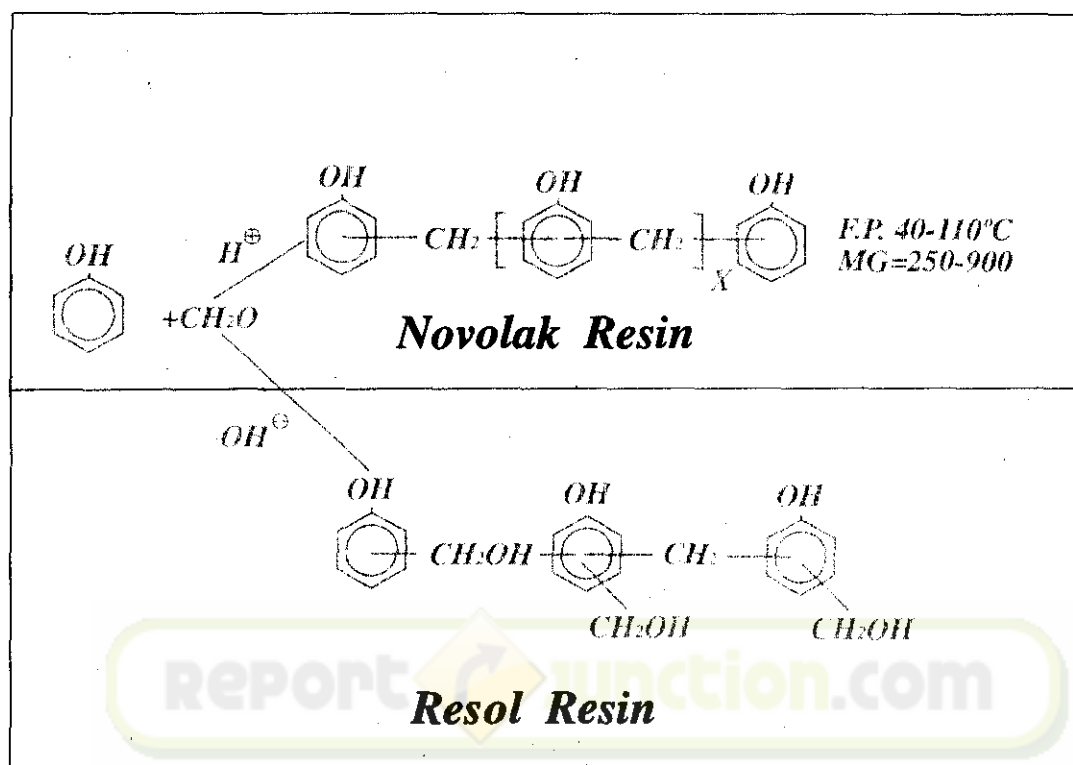


# Annual Report 1998-99



**SREECHEM RESINS LIMITED**



# Sreechem Resins Limited

## BOARD OF DIRECTORS :

Mr. B. M. Banerjee – *Chairman & Technical Director*  
 Mr. K. C. Chakrabertti – *Director*  
 Mr. S. N. Kabra – *Wholetime Director*  
 Mr. Binod Sharma – *Managing Director*

## AUDITORS :

Dalmia Mohta & Associates  
*Chartered Accountants*

## COMPANY SECRETARY :

Mr. R.K. Sharma

## BANKERS :

United Bank of India  
 Old Court House St. Branch  
 Calcutta-700 001.

## SHARE TRANSFER AGENTS :

Computech International Limited  
 77/2A, Hazra Road,  
 Calcutta-700 029

## REGISTERED OFFICE :

Vill : Jhagarpur  
 Post. : Rajgangpur-770 017  
 (Orissa)

## WORKS :

Unit-I Vill : Jhagarpur  
 Post : Rajgangpur  
 Orissa  
 Unit-II Vill : Durramura  
 Dist : Raigarh  
 (M.P.)

## CORPORATE OFFICE :

33A, Jawaharlal Nehru Road  
 Chatterjee International Centre  
 16th Floor, Calcutta-700 071  
 West Bengal

## CONTENTS

	Page No.
Notice	2
Director's Report	3
Annexure to the Directors' Report	5
Auditors' Report	6
Balance Sheet	8
Profit & Loss Account	9
Schedules Annexed to the Accounts	10
Notes on Accounts	14
Cash Flow Statement	16
Balance Sheet Abstract	18




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**Sreechen Industries Limited**


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## NOTICE

NOTICE IS HEREBY GIVEN that the Eleventh Annual General meeting of the members of the company will be held at the Registered Office of the Company at 11-00 A.M. on Wednesday the 15th day of September, 1999 to transact the following business :

### ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 1999, the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. B. M. Banerjee, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint Auditors and to authorise the Board to fix their remuneration.

### SPECIAL BUSINESS :

- 4) To pass with or without modification the following resolution as Ordinary Resolution :  
"RESOLVED THAT Sri Yogesh Kumar Dalmia be and is hereby appointed as director of the Company."

Registered Office  
Vill : Jhagarpur  
Post : Rajgangpur-770 017  
Orissa  
Dated : The 5th day of August 1999.

By Order of the Board

R. K. SHARMA  
Company Secretary

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE IN HIS/HER STEAD AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the Annual Report.
2. The register of Members and Share Transfer Books of the company shall remain closed from Wednesday, 1st September, 1999 to Wednesday, 15th September, 1999 (both days inclusive).
3. Notice of change of address and Bank mandates must reach the Company's Registrar and Share Transfer Agents, M/S COMPUTECH INTERNATIONAL LIMITED, 77/2A, Hazra Road, Calcutta-700 029.

### EXPLANATORY STATEMENT PURSUENT TO SECTION 173 OF THE COMPANIES ACT, 1956

#### Item No. 4

The Company has received an application for appointment of Sri Yogesh Kumar Dalmia as director of the Company along with the requisite fee. The management also propose to appoint him as director of the Company. The Board recommends the Resolution mentioned at Item No. 4 of the convening notice for your approval. Sri Yogesh Kumar Dalmia is concerned or interested in the resolution under item 4 of the notice.

Registered Office  
Vill : Jhagarpur  
Post : Rajgangpur-770 017  
Orissa  
Dated : The 5th day of August 1999.

By Order of the Board

R. K. SHARMA  
Company Secretary




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**Sreechem Resins Limited**


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## DIRECTORS' REPORT

### THE MEMBERS

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Accounts for the year ended 31st March 1999.

### Financial Results :

	(Figures in Rs. '000)	
	Year ended 31.03.99	Year ended 31.03.98
Sales and other income	162625	140053
Gross Profit	10238	7342
Interest	4345	3140
Depreciation	2884	2638
Profit before Tax	3009	1564
Income Tax for Earlier Year	—	276
Provision for Taxation	320	230
Profit after Tax	2689	1058
Balance Brought forward from P/Y	7704	6645
Amount available for appropriation which the Directors have appropriated as under :	10393	7703
Transferred to General Reserve	1500	—
Leaving a balance to be c/f	8893	7703

### OPERATIONS :

The operations for the year have not been satisfactory due to the recessionary conditions in the users industries, particularly the Steel and Refractory Industry which affected margin. However by the controlling the overheads and maintaining the quality of its products the Company has been able to achieve a turnover of Rs. 15.22 crores against 13.89 crores in last year.

### DIVIDEND :

Your Directors are not recommending any dividend for the year due to inadequate profit during the year.

### Y2K COMPLIANCE :

The Company has taken adequate steps with necessary contingency plan for making its computer system Y2K compliant. Details regarding Y2K compliance in accordance with clause 32 of the listing agreements with the Stock Exchanges are given in Annexure 'A' of the Directors Report.

### PERSONNEL :

Information in accordance with section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules, 1975, forms part of the Directors' Report for the year ended March 31, 1999 as given in Annexure 'B' to this report.

### PUBLIC DEPOSITS :

The Company has not accepted any deposit from the public.



## DIRECTORS' REPORT (Contd.)

### DIRECTORS :

Mr. B.M. Banerjee retires by rotation as required under the provisions of the Companies Act 1956 at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

Sri K.C. Chakrabarti requested that he be relieved from the office of Chairman of the Company because of his preoccupation. The Board was pleased to accede his request. The Board placed on record its deep appreciation of the services rendered by Sri Chakrabarti during his tenure as a Chairman of the Company. The Board decided to appoint Sri B.M. Banerjee as Chairman cum Technical Director of the Company w.e.f. 30th July 1999.

The Company has received a notice from a shareholder proposing the name of Sri Yogesh Kumar Dalmia for the directorship of the Company along with necessary deposit. The Board also recommend his appointment as director of the Company.

### AUDITORS REPORT :

The Auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not require further elucidation.

### AUDITORS :

M/s. Dlamia Moha & Associates, Chartered Accountants retire at the forth coming Annual General Meeting and are eligible for reappointment and the Board recommend their reappointment.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Details regarding the present energy consumption including captive generation, technology absorption, foreign exchange earning and outgo are furnished in Annexure-'C' as per the requirements of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

### ACKNOWLEDGEMENTS :

The Board wish to place on record their sincere thanks to the Employees of the Company for their sincere and hard work. The Board also wish to place on record their sincere thanks to the Company's Bankers the United Bank of India and convey their gratitude and thanks to the Company's esteemed shareholders, customers and other business associates for their support.

For and by Order of Board

Place : Calcutta  
Dated : The 30th day of July, 1999

B. M. BANERJEE  
Chairman

## ANNEXURE 'A' TO DIRECTOR'S REPORT

Disclosure of status of Y2K preparedness level as required under clause 32 of the listing agreement with Stock Exchanges

### 1. Risk to the Company due to year 2000 bug

The Company is addressing the Y2K issues from beginning of this year and has taken necessary steps to meet the Y2K requirements. The Company has targeted to make all its internally developed applications software Y2K compliant by September 1999. All third party systems software and operating systems will be Y2K compliant by end of August 1999. All computer hardware, electronics and testing equipment have been tested for Y2K compliance and wherever necessary, will be made Y2K compliant by September 1999.

### 2. Cost to Address the Company's year 2000 issues

The cost to address the Company's 2000 issue is estimated to be Rs. 45000/- approx.

### 3. Company's Contingency Plans

The Company is developing contingency plans using internal resources to minimise the risk of disruption due to Y2K issue.