

# 5 TH ANNUAL REPORT 1997

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**STILBENE CHEMICALS LIMITED**

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**STILBENE CHEMICALS LIMITED**
**BOARD OF DIRECTORS**

Sri Satish Kumar Aggarwal, Chairman  
 Sri Anil Kumar Aggarwal, Managing Director  
 Sri Arif Alladin  
 Sri K. Radha Krishna-Murthy  
 Sri S.K. Sharma  
 Sri Rajan S. Shah

**AUDITORS**

M/S. T. Raghavendra & Associates  
 Chartered Accountants  
 Flat No. 14, 3rd Floor  
 Krishna Apartments  
 Tilak Road, Abids  
 Hyderabad - 500 001.

**TAX CONSULTANTS**

Sri P. N. Moorthy  
 1-8-499/14/1, Chikkadpally  
 HYDERABAD - 500 020.

**BANKERS**

United Bank of India  
 State Bank of Hyderabad  
 The Federal Bank Limited  
 Allahabad Bank

**REGISTERED OFFICE**

401 - 405, IV Floor  
 Swapnalok, Sarojinidevi Road  
 SECUNDERABAD - 500 003.

**CORPORATE OFFICE**

7-B, VII Floor  
 Surya Towers, Sardar Patel Road  
 SECUNDERABAD - 500 003.

**SHARES DEPT**

10-3-3, 1st Floor  
 Dev Apartments,  
 East Marredpally,  
 Secunderabad - 500 026.

**FACTORY**

I D A, Paidibhimavaram  
 Ranasthalam Mandalam  
 Srikakulam District, Andhra Pradesh

**FIFTH ANNUAL GENERAL MEETING**  
**Monday 29th December 1997**

Time 11.30 A.M. Venue :Hari Hara Kala Bhavan, Sardar Patel Road, Secunderabad - 500 003.

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## NOTICE

**NOTICE** is hereby given that the FIFTH ANNUAL GENERAL MEETING of the Company will be held on **Monday 29th December 1997 at 11.30 A.M.** at Hari Hara Kala Bhavan, S.P. Road Secunderabad - 500 003, to transact the following business.

### ORDINARY BUSINESS :

01. To receive, consider and adopt the Balance Sheet as 31st March, 1997, Profit & Loss A/c for the year ended as on date together with the Auditors' Report and Directors' Report thereon.
02. To appoint a Director in place of Sri. S.K. Sharma, Director, who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Sri. Rajan S Shah, Director, who retires by rotation and being eligible, offers himself for re-appointment.
04. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

**"RESOLVED THAT** M/s. T. Raghavendra & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting on such remuneration as may be determined by the Board."

**PLACE :** SECUNDERABAD  
**DATE :** 01.08.1997

BY ORDER OF THE BOARD

ANIL KUMAR AGGARWAL  
MANAGING DIRECTOR.

### NOTES :

1. A member entitles to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies to be effective, should be deposited at the Shares Division of the Company at 10-3-3, 1st Floor, Dev's Apartments, East Marredpally Secunderabad- 500 026, not later than 48 hours before the meeting.
2. Members are requested to notify immediately any change in their address to the above address of the Shares Department.
3. The register of the Members & Share Transfer books of the company will remain closed from 25/9/97 to 27/9/97 (both days inclusive).



## DIRECTORS' REPORT

To  
The Members,

Your Directors have pleasure in presenting the Fifth Annual Report of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1997.

### IMPLEMENTATION OF THE PROJECT

The Company has initially planned to commission and commence commercial production of Methy Hydro Quinone Plant, during the year the company could not do so due to closure of operations from August '96 due to pollution problem.

### FINANCIAL RESULTS :

During the year under review, the company has incurred a Net loss of Rs 482.50 lakhs. During the year the Company has not provided Depreciation of Rs 148-73 lakhs as the company could not carry out its operations from August '96 & interest on term loans to the tune of Rs 169-38 lakhs is capitalised for the non-commissioned plants.

The performance high-lights as per the offer document dated 29th december, 1993 and actuals for the year 1996-97.

	Rs in lakhs	
	Projections	Actuals
Sales	3566	161 - 00
Profit after Tax	588	(482-50)
E.P.S. Rs.	2.67	NIL

### DIRECTORS

Sri . S K Sharma and Sri . Rajan S Shah Directors of the Company retire by rotation and being eligible, offers themselves for reappointment.

### AUDITORS

M/s. T. Raghavendra & Associates Chartered Accountants, Auditors of the Company will retire at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.



## **PARTICULARS OF EMPLOYEES**

As required by Section 217 (2A) of the Companies' Act 1956, read with the Companies' (Particulars of Employees) Rules, 1975 the statement of particulars of employees is annexed, who were receiving a monthly salary of Rs. 25,000/- or More per month, Rs.3,00,000/- or More per annum during the year.

## **PUBLIC DEPOSITS**

During the year under review the Company has neither invited or received any deposits from the Public.

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

Details regarding Energy Conservation Technology Absorption, Foreign Exchange Earnings and Outgo as required by Section 217(e) of the Companies' Act, 1956 read with the Companies (Disclosure of the particulars in the Report of Board of Directors) Rules 1988 are given in the Annexure and form part of this report.

## **ACKNOWLEDGEMENTS**

Your Directors take this opportunity to express their sincere thanks to the IFCI, IDBI, IRBI, UBI, Allahabad Bank, the Federal Bank Ltd and various Departments of the Central & State Governments for their continued support and co-operation. Our Directors also place on record their appreciation of all the employees for the sincere efforts put in by them for the progress of the report.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE : SECUNDERABAD

DATE : 1st August 1997

SATISH KUMAR AGGARWAL  
CHAIRMAN



Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.

## ANNEXURE

### FROM - A

#### A. CONSERVATION OF ENERGY :

- |   |   |   |
|---|---|---|
| a) Energy conservation  | : | The Company is continuously making efforts to reduce consumption of energy by efficient planning of production. |
| b) Additional investment and proposals if any, being implemented for reduction of consumption of energy                 | : | Nil   |
| c) Impact of the measures at (a) and (b) above for reduction of energy and consequent impact on the cost of production. | : | Nil   |
| d) Total energy consumption and energy consumption per unit of production   | : | N.A.  |

#### B. TECHNOLOGY ABSORPTION :

- |                               |   |                       |
|-------------------------------|---|-----------------------|
| e) Efforts made in technology | : | Details as per Form B |
|-------------------------------|---|-----------------------|

#### C. FOREIGN EXCHANGE EARNINGS & OUTGO :

- |   |   |  |
|---|---|--|
| f) Activities relating to export incentives taken to increase exports, development of new export markets for products and services and export plans | : | The Company has made constant efforts for entering the export market and the efforts are expected to yield results during 1997-98. |
| g) Total foreign exchange used and earned   | : | Used 20.75 lakhs towards Spare Parts.<br>Earned Rs. 39-72 lakhs (Previous year Nil)  |



## FORM B

Form for disclosure of particulars with respect to technology absorption, Research and Development (R&D)

- |   |  |
|---|--|
| 1. Specific areas in which R&D carried out by the Company | : Improvement in product quality and cost reduction. |
| 2. Benefits derived as a result of the above R&D          | : Better quality of products.                        |
| 3. Future plan of action                                  | : To develop better quality control methods          |

### Technology absorption, adoption and Innovation.

- |   |  |
|---|--|
| 1. Efforts in brief made towards technology absorption, adoption and innovation   | : Process know-how is acquired by the Technical Personnel.   |
| 2. Benefits derived as a result of the above efforts e.g. product improvement, cost reduction product development import substitution etc.,                       | : The production of Dye Intermediates, Fluorescent Brightening Agents and Dyestuff have been successfully commenced on a commercial scale using indigenous raw material. |
| 3. In case of imported technology (Imported during the last five years reckoned from the beginning of the financial year) following information may be furnished. |  |
| a) Technology imported  | : Process know-how or manufacture of Dye stuffs, Dye Intermediates and Fluorescent Brightening Agents.   |
| b) Year of import   | : 1994-95  |
| c) Has technology been fully absorbed   | : Know-how absorbed for one product.   |
| d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.   | : The plant Methyl Hydro Quinone is under Implementation and know-how for these is expected to be absorbed during 1997-98.   |