

6TH ANNUAL REPORT 1998

MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
CS	N/A		DPY	N/A
RO	<input checked="" type="checkbox"/>		DEV	N/A
TRA	<input checked="" type="checkbox"/>		AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		

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STILBENE CHEMICALS LIMITED





STILBENE CHEMICALS LIMITED

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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
AUDITORS	: M/S. T. RAGHAVENDRA & ASSOCIATES CHARTERED ACCOUNTANTS NO. 126, FIRST FLOOR KAKATIYA HOTEL COMPLEX NAMPALLY STATION ROAD 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, SAROJINI DEVI ROAD SECUNDERABAD - 500 003.
CORPORATE OFFICE	: 7-B, 7TH FLOOR SURYA TOWERS, SARDAR PATEL ROAD, SECUNDERABAD - 500 003.
SHARES DEPARTMENT	: 10-3-3/33, I FLOOR, DEV'S APARTMENT EAST MARREDPALLY SECUNDERABAD - 500 026.
FACTORY	: I D A, PAIDIBHIMAVARAM RANASTHALAM MANDALAM SRIKAKULAM DISTRICT, ANDHRA PRADESH

SIXTH ANNUAL GENERAL MEETING

WEDNESDAY 30TH SEPTEMBER, 1998.

TIME : 11.00 A.M.

VENUE : HARI HARA KALA BHAVAN,
SARDAR PATEL ROAD, SECUNDERABAD - 500 003.



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NOTICE

NOTICE is hereby given that the SIXTH ANNUAL GENERAL MEETING of the Company will be held on Wednesday 30th September, 1998 at 11.00 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 at 31st March, 1998, Profit & Loss A/c for the year ended as on that date together with the Auditors' Report and Directors' Report thereon.
02. To appoint a Director in place of Sri. K.Radha Krishna Murthy, Director, who retires by rotation and being eligible, offers himself for re-appointment.
03. To appoint a Director in place of Sri. Arif Alladin, 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".

SPECIAL BUSINESS:

05. To consider and if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution.

"RESOLVED pursuant to the provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the companies Act 1956, that the consent of the Members be and is hereby accorded to the re-appointment of Sri Anil Kumar Aggarwal as the Managing Director of the Company for a period of Five year w.e.f. 19th July, 1998 on such salary and perquisites as set out in the explanatory Statement Annexed hereto.

BY ORDER OF THE BOARD
STILBENE CHEMICALS LIMITED

PLACE : SECUNDERABAD
DATE : 7th July, 1998

ANIL KUMAR AGGARWAL
MANAGING DIRECTOR.

NOTES :

01. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a Member of the Company. Proxies to be effective should be deposited at the Shares Division of the Company At 10-3-3/33, Dev's Apartments 1st Floor, East Marredpally, Secunderabad 500 026, not later than 48 hours before the meeting.
02. Members are requested to notify immediately any change in their address to the Company.
03. The Register of the Members & Share Transfer books of the Company will remain closed from 29.09.1998 & 30.09.1998 (both days inclusive)



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EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

ITEM NO.5

At the Extra Ordinary General Meeting of the Company held on 19th July, 1993 the Members appointed Sri Anil Kumar Aggarwal as the Managing Director of the Company for a period of five years w.e.f 19th July 1993. The appointment is valid upto 19.07.1998. The Board of Director's at their meeting held on 7th July, 1998 have re-appointed Sri Anil Kumar Aggarwal as Managing Director of the company for a period of five years w.e.f. 19th July, 1998 on the same terms and conditions, as set out hereunder subject to the approval of the Members of the Company.

A. SALARY & COMMISSION

SALARY : Rs. 35,000/- (Rupees thirty five thousand only) per month.

COMMISSION : @ 5% on net profits subject to the overall ceilings per annum under Section 198 and 309 of the Companies Act, 1956.

B. PERQUISITES & ALLOWANCES

1. Provident Fund, Gratuity and other benefits in accordance with the Company Rules.
2. Leave - As per Company Rules.
3. Reimbursement of actual Air Fare for himself, wife and dependent Children to any place in India once a year.
4. Rent - free furnished accommodation and personnel for its upkeep as evaluated under section 3 of Income Tax Act, 1961.
5. Reimbursement of actual medical expenses upto a limit of one month salary per annum.
6. Free use of Company car and driver.
7. Free telephone facility at his residence.
8. Club subscription for two clubs.
9. Premium towards Personal Accident Insurance, not exceeding to Rs. 4,000/- per annum.

The re-appointment and remuneration payable to Sri Anil Kumar Aggarwal requires the approval of the Members of the Company. Hence, the Board Commands the Resolution for your approval.

Except Sri Anil Kumar Aggarwal, Managing Director who may be deemed to be concerned or interested in this item to the extent of the remuneration receivable by him and Sri Satish kumar Aggarwal, Chairman being relative of Sri Anil Kumar Aggarwal, no other Director is interested in this Resolution.

The Text of the resolution set out at item No.5, together with its explanatory statement may also be treated as the terms of re-appointment of the Managing Director and Memorandum of Interest U/s 302, of the Companies Act, 1956.

The draft of the agreement setting out the terms & conditions of re-appointment will be available for inspection by members at Corporate Office on any working day of the company upto & including day of the meeting.

BY ORDER OF THE BOARD
STILBENE CHEMICALS LIMITED

PLACE : SECUNDERABAD
DATE : 07 - 07 - 1998

ANIL KUMAR AGGARWAL
MANAGING DIRECTOR



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DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 1998.

FINANCIAL RESULTS :

During the year under review, the Company has incurred a Net Loss of Rs. 465.85 lakhs. During the year the Company has not provided Depreciation of Rs. 185.72 lakhs as the Company could not carry out production due to certain technical and pollution problems and interest on Term Loans to the tune of Rs. 177.22 lakhs is capitalised for the Non-Commissioned Plant and Rs. 180.93 Lakhs being (expenditure incurred for) the Commissioned Dyes Plant in last year but the Commercial Production could not take place due to lack of Working Capital limits and pollution problem, during the year 1997-98, as there was prolonged interval between the commissioning of the plant and commercial production, the expenditure incurred between that period including the interest on the money borrowed is transferred to 'Deferred Revenue Expenditure' amounting to Rs. 180.93 lakhs.

(Rs. in Lakhs)

Sales	34.88
Other Income	7.13
Profit/Loss	(465.85)

DIRECTORS

Sri. K. Radha Krishna Murthy and Sri Arif Alladin, Directors of the Company retire by rotation and being eligible, offer themselves for re-appointment.

The Board wishes to place on record the appreciation for the services rendered by Sri Rajan S. Shah who has resigned from the Board w.e.f. 30 - 08 - 1997.

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(1) (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, IIBI, Allahabad Bank, Federal Bank, United Bank of India and State Bank of Hyderabad 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.

PLACE : SECUNDERABAD

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

DATE : 7th July, 1998

SATISH KUMAR AGGARWAL
CHAIRMAN



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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, 1998.

ANNEXURE

FORM - 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. : NIL

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 1998-99.
- g) Total foreign exchange used and earned. : Used Nil
(Previous year used Rs. 20.75 lakhs) Earned 1.04 lakhs (Previous Year 54.57 lakhs)

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, adaptation and Innovation.

1. Efforts in brief made towards technology absorption, adaptation and innovation. : Process know how is acquired by the Technical Personnel.



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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 Dyestuff, Dye Intermediates and Fluorescent Brightening Agents.
- b) Year of import : 1994-95
- c) Has technology been fully absorbed : Know-how absorbed for three products.
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action. : The plant Methyl Hydroquinone is under implementation and know-how for this is expected to be absorbed during : 1998-99.

ANNEXURE TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF THE SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES' (PARTICULARS OF EMPLOYEES') RULES 1975 AS AMENDED UPTO DATE.

Name and Designation	Gross remuneration (Rs. in lakhs)	Qualification	Experience	Date of Commencement of Employment	Age	Last Employment
a) Persons employed throughout the year :						
Sri Anil Kumar Aggarwal MANAGING DIRECTOR	4.62	B.Com	26	19.07.1993	46	Executive Director Kumar's Metallurgical Corpn. Ltd.
b) Persons employed for part of the Year : NIL						

NOTES:

- Remuneration includes Salary, Allowances, Reimbursement of Medical Expenses, etc.
- Sri Anil Kumar Aggarwal, Managing Director is related to Sri Satish Kumar Aggarwal Chairman of the Company.
- Employment of Sri Anil Kumar Aggarwal, Managing Director is contractual.