

# COROMANDEL

## CEMENTS LIMITED

Annual Report  
1998-2000  
(18 Months)



45 & 53 Grade Cement



## BOARD OF DIRECTORS

SRI K. RADHAKRISHNAIAH	CHAIRMAN
SRI E.S. RAVISEKAR	NOMINEE DIRECTOR OF IDBI
SRI S.V. REDDY	NOMINEE DIRECTOR OF APIDC
CAPT. J. RAMA RAO IN (Retd)	DIRECTOR
SRI M.N. RAO	DIRECTOR
SRI S. KISHORE CHANDRA	EXECUTIVE DIRECTOR
SRI S.R.B. RAMESH CHANDRA	Jt. MANAGING DIRECTOR
SRI S. CHANDRA MOHAN	MANAGING DIRECTOR

## FINANCE MANAGER CUM COMPANY SECRETARY

P. Prabhakara Rao

## AUDITORS

A. Rama Chandra Rao & Co.,  
Chartered Accountants  
3-6-369/A/11, Himayatnagar,  
Hyderabad - 500 029

## COST AUDITORS

Narasimha Murthy & Co.,  
104, Pavani Estate  
Y V Rao Mansion, Himayatnagar,  
Hyderabad - 500 029

## BANKERS

State Bank Of India  
State Bank Of Hyderabad

## REGISTERED OFFICE

6-3-652/C/A, Flat 5A,  
KAUTILYA, Amrutha Estates,  
Somajiguda,  
Hyderabad-500 082

## WORKS

Ramapuram  
Mella Cheruvu Mandal,  
Nalgonda Dist,  
ANDHRA PRADESH-508 246



## NOTICE

Notice is hereby given that the 21st Annual General Meeting of the Company will be held on Friday, 29th September 2000 at 10.00 AM at Conference Hall, Hotel Palace Heights, Abids, Hyderabad - 500 001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Profit and Loss Account for the period ended 31st March, 2000 (18 Months) and Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To elect a Director in place of Capt. J.Rama Rao, who retires by rotation and being eligible, offers himself for re-appointment.
3. To elect a Director in place of Sri M.N.Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification, the following Resolution which will be proposed as a Special Resolution:

"RESOLVED THAT A.Ramachandra Rao & Co., Chartered Accountants, be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting on a remuneration as determined by the Board of Directors exclusive of travel and other out of pocket expenses".

### SPECIAL BUSINESS

#### ITEM NO.5

To consider and if thought fit, to pass with or without modification, the following Resolution which will be proposed as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sec. 198, 269, 309 and 314 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may be required, Sri S.Chandra Mohan be and is hereby re-appointed as Managing Director of the Company for a period of 5 years with effect from 27th May, 2000 on the following terms and conditions.

- i) Salary: Rs.30,000/- per month (Rupees Thirty thousand only)
- ii) Housing:
  - a) Provision of Housing or payment of House Rent Allowance in lieu there of as per the ceiling contained in Schedule XIII of the Companies Act, 1956 governing Managerial remuneration.
  - b) Expenditure on Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.



iii) Medical benefits for self and family:

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's Salary per year or three months Salary in a period of three years.

iv) Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.

v) Personal Accident Insurance of an amount, the Annual Premium of which shall not exceed Rs.4000/-

vi) Fees of Clubs subject to a maximum of 2 Clubs provided that no life member ship or admission fee shall be paid.

vii) Company's contribution towards provident fund

As per Rules of the Company but not exceeding 10% of the Salary.

viii) Company's contribution towards pension / super-annuation fund:

As per the Rules of the Company but such contribution together with contribution to the Provident Fund shall not exceed 25% of the Salary as laid down in the Income Tax Rules, 1962.

ix) Gratuity at the rate of half month's salary for each completed year of service.

x) The Company shall provide Car with Driver.

xi) The Company will provide Telephone and other communication facilities at Managing Director's Residence.

xii) Leave on full pay and allowance at the rate as applicable to other employees of the Company but not exceeding one month's leave for every 11 months of services. Casual Leave and Sick Leave as per Rules of the Company.

xiii) Reimbursement of actual expenses incurred in the interest of the Company particularly for promotion of the business of the Company including entertainment expenses."

**ITEM NO.6**

To consider and if thought fit, to pass with or without modification, the following Resolution, which will be proposed as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sec. 198,269,309 and 314 read with schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and other approvals as may be required, Sri S.R.B.Ramesh Chandra be and is hereby re-appointed as Joint Managing Director of the Company for a period of 5 years with effect from 27th May, 2000 on the following terms and conditions.

j) Salary: Rs.25,000/- per month (Rupees Twenty five thousand only)



- ii) Housing:
  - a) Provision of Housing or payment of House Rent Allowance in lieu there of as per the ceiling contained in Schedule XIII of the Companies Act, 1956 governing Managerial remuneration.
  - b) Expenditure on Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.
- iii) Medical benefits for self and family:
 

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's Salary per year or three months Salary in a period of three years.
- iv) Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- v) Personal Accident Insurance of an amount, the Annual Premium of which shall not exceed Rs.4000/-
- vi) Fees of Clubs subject to a maximum of 2 Clubs provided that no life member ship or admission fee shall be paid.
- vii) Company's contribution towards provident fund:
 

As per Rules of the Company but not exceeding 10% of the Salary.
- viii) Company's contribution towards pension / super-annuation fund:
 

As per the Rules of the Company but such contribution together with contribution to the Provident Fund shall not exceed 25% of the Salary as laid down in the Income Tax Rules, 1962.
- ix) Gratuity at the rate of half month's salary for each completed year of service.
- x) The Company shall provide Car with Driver.
- xi) The Company will provide Telephone and other communication facilities at Joint Managing Director's Residence.
- xii) Leave on full pay and allowance at the rate as applicable to other employees of the Company but not exceeding one month's leave for every 11 months of services. Casual Leave and Sick Leave as per Rules of the Company.
- xiii) Reimbursement of actual expenses incurred in the interest of the Company particularly for promotion of the business of the Company including entertainment expenses."

#### ITEM NO.7

To consider and if thought fit, to pass with or without modification, the following Resolution, which will be proposed as a Special Resolution:



"RESOLVED THAT in accordance with the provisions of sections 198,269,309 and 314 read with schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 and other approvals as may be required, Sri S.Kishore Chandra who is presently working as President be and is hereby appointed as Executive Director for a period of 5 years with effect from 29th April 1999 on the following terms and conditions:

- j) Salary: Rs.25,000/- per month (Rupees Twenty five thousand only)
- ii) Housing:
  - a) Provision of Housing or payment of House Rent Allowance in lieu there of as per the ceiling contained in Schedule XIII of the Companies Act, 1956 governing Managerial remuneration.
  - b) Expenditure on Gas, Electricity, Water and furnishing shall be valued as per the Income Tax Rules, 1962 subject to a ceiling of 10% of the salary.
- iii) Medical benefits for self and family:
 

Reimbursement of expenses incurred for self and family subject to a ceiling of one month's Salary per year or three months Salary in a period of three years.
- iv) Leave Travel Concession for self and family once in a year in accordance with the Rules of the Company.
- v) Personal Accident Insurance of an amount, the Annual Premium of which shall not exceed Rs.4000/-
- vi) Fees of Clubs subject to a maximum of 2 Clubs provided that no life member ship or admission fee shall be paid.
- vii) Company's contribution towards provident fund:
 

As per Rules of the Company but not exceeding 10% of the Salary.
- viii) Company's contribution towards pension / super-annuation fund:
 

As per the Rules of the Company but such contribution together with contribution to the Provident Fund shall not exceed 25% of the Salary as laid down in the Income Tax Rules, 1962.
- ix) Gratuity at the rate of half month's salary for each completed year of service.
- x) The Company shall provide Car with Driver.
- xi) The Company will provide Telephone and other communication facilities at Executive Director's Residence.



- xii) Leave on full pay and allowance at the rate as applicable to other employees of the Company but not exceeding one month's leave for every 11 months of services. Casual Leave and Sick Leave as per Rules of the Company.
- xiii) Reimbursement of actual expenses incurred in the interest of the Company particularly for promotion of the business of the Company including entertainment expenses."

By order of the Board  
for **COROMANDEL CEMENTS LIMITED**

Place: Hyderabad  
Date : 31st August, 2000.

**P.PRABHAKARA RAO**  
Finance Manager cum Company Secretary.

#### NOTES

1. A member entitled 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. The Proxies, should however be deposited at the Registered Office of the Company not later than 48 Hours before commencement of the Meeting.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Resolution / Business is annexed.
3. The Share Transfer Books of the company shall remain closed from 16th September 2000 to 29th September 2000 (both days inclusive).
4. Members desiring any information are requested to write to the Company at its Registered Office, 6-3-652/C/A, Flat 5A, KAUTILYA, Amrutha Estates, Somajiguda, Hyderabad - 500 082 well in advance of the date of the Annual General Meeting to enable the Management to keep the information ready.
5. Members are requested to bring with them their copies of Annual Report for the Annual General Meeting.
6. Members/Proxies should bring the attendance slip sent here with duly filled in for attending the Meeting.



# EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

## ITEM NO.4

According to Sub-section(1) of Section 224A of the Companies Act, 1956 appointment or re-appointment of Auditors requires a Special Resolution in case of a Company in which not less than 25% of the subscribed share capital is held by 'Specified Financial Institutions'. As more than 25% of subscribed share capital of the Company is held by 'Specified Financial Institutions', the appointment is to be made by a Special Resolution. Hence, the resolution is tabled for consideration as a Special Resolution.

None of the Directors are interested in the aforesaid resolution.

## ITEM NO.5

Sri S.CHANDRA MOHAN was re-appointed as Managing Director by the Board of Directors at their meeting held on 30th March 2000. Considering his continuous efforts for the improvement of the Company, members may kindly approve the re-appointment.

Sri K.Radhakrishnaiah, Sri S.R.B.Ramesh Chandra and Sri S.Kishore Chandra may be deemed to be interested in passing the said resolution.

## ITEM NO.6

Sri S.R.B.RAMESH CHANDRA was re-appointed as Joint Managing Director by the Board of Directors at their meeting held on 30th March 2000. Considering his continuous efforts for the improvement of the Company, members may kindly approve the re-appointment.

Sri S.Chandra Mohan and Sri S.Kishore Chandra may be deemed to be interested in passing the said resolution.

## ITEM NO.7

Sri S. KISHORE CHANDRA was appointed as Executive Director by the Board of Directors at their meeting held on 29th April, 1999. Previous to this appointment, he was working as President of the Company for a long time, members may kindly approve the appointment.

Sir S.Chandra Mohan and Sri S.R.B.Ramesh Chandra may be deemed to be interested in passing the said resolution.

By order of the Board  
for **COROMANDEL CEMENTS LIMITED**

Place: Hyderabad  
Date : 31st August, 2000.

**P.PRABHAKARA RAO**  
Finance Manager cum Company Secretary.





## DIRECTORS' REPORT

Your Directors have pleasure in presenting 21st Annual Report together with the Audited Statement of Accounts of your Company for the period ended 31st March 2000 (18 Months).

### FINANCIAL RESULTS:

The Operating Results for the period are as under:

	(Rs. in lacs)	
	1998-2000 (18 Months)	1997-1998 (18 Months)
Sales and Other Income	3091.84	3535.44
Profit before interest & Depreciation	(151.48)	258.41
Interest Charges	68.36	403.29
Profit before Depreciation	(219.84)	(144.88)
Depreciation	126.57	119.17
Net Profit/(Loss)	(346.41)	(264.05)

### CHANGE IN ACCOUNTING YEAR

The Accounting year of your Company has been extended to 31st March 2000, covering a period of 18 Months to fall in line with the fiscal financial year.

### OPERATIONS

Your Directors are to report that your Company has maintained a satisfactory Production and Sales levels. During the period (18 Months) the Company achieved Production of 1,53,234 Mts. Of Cement (Previous year 1,38,423 Mts.) and sold 1,52,180 Mts. (Previous year 1,38,364 Mts.) and the Company has produced 1,76,879 Mts. of Clinker during the period (18 Months) under review as against 1,73,887 Mts. during 18 Months period ended on 30.09.98 recording an increase of 2%.

Profitability is affected due to increase in input costs such as Coal and Power, inspite of savings achieved in Power and Coal consumption by adopting cost reduction methods. Further there is a fall in Sales Realisation due to sluggish market conditions and competition.

### FUTURE OUTLOOK

Government's policy of liberalisation of the economy will help to increase the demand for Cement in India in the years to come. Your directors are optimistic about the reforms and infrastructure development, being given highest importance. Housing is also given good support by Banks. In the recent Budget also Government has given further tax benefit on Housing Loans to individuals which will encourage Construction Activity. Considering this, there is good prospects for the Cement Industry in the years to come.

### BIFR REHABILITATION SCHEME

As per the directions of The Hon'ble BIFR in its meeting held on 18th July, 2000, a fresh