

COROMANDEL

C E M E N T S L I M I T E D

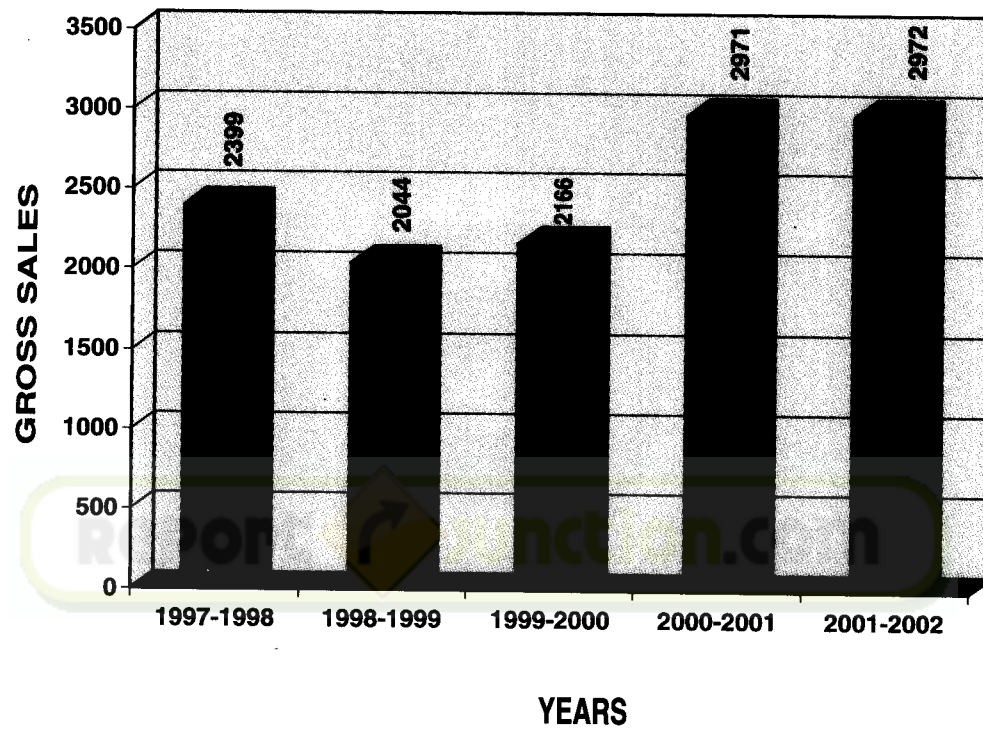
Annual Report
2001-2002



Report Junction.com

43 & 53 Grade Cement

TURNOVER (Rs. In Lakhs)



**BOARD OF DIRECTORS**

SRI K. RADHAKRISHNAIAH

CHAIRMAN

SRI D.S. PRASAD

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
Beside Medinova, Somajiguda,
Hyderabad – 500 082

WORKS

Ramapuram
Mellacheruvu Mandal,
Nalgonda Dist.
ANDHRA PRADESH – 508 246.



NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Thursday, 26th September 2002 at 10.45 A.M at Conference Hall, Hotel Palace Heights, Abids, Hyderabad – 500 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Profit and Loss Account for the year ended 31st March, 2002 and Balance sheet and Cash Flow Statement as on that date together with the reports of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Capt J.Rama Rao IN (Retd), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint 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(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224A and other applicable provisions if any, of the Companies Act, 1956, 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 up to the conclusion of the next Annual General Meeting on a remuneration as may be 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(s), the following Resolution, as Special Resolution;

"RESOLVED THAT pursuant to Section 192A of the Companies Act, 1956, the Articles of Association of the company be altered by adding a new Article No.89A by passing a Special Resolution through postal ballot as under:

Article : Passing of Resolution by Postal Ballot

Notwithstanding any thing contained in the Articles of Association of the company, the company do adopt the mode of passing a Resolution by the members of the company by means of a postal ballot and / or other ways as may be prescribed by the Central Government in this behalf in respect of the following matters.

Instead of transacting such business in a General Meeting of the company:

- (i) Any business that can be transacted by the company in General Meeting; and
- (ii) particularly, resolutions relating to such business as the Central Government may by notification, declare to be conducted only by postal ballot.

The company shall comply with the procedure for such postal ballot and / or other ways prescribed by the Central Government in this regard."

**ITEM NO. 6**

To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an Ordinary Resolution;

"RESOLVED THAT the joint equitable mortgage on all the immovable properties together with all buildings and structures thereon and all plant & machinery, attached to the earth or permanently fastened to anything attached to the earth as security for the due repayment, discharge and redemption by the company, created in favour of State Bank of India and State Bank of Hyderabad, by the Board of Directors for the loans sanctioned by them be and is hereby now ratified retrospectively.

ITEM NO. 7

To consider and if thought fit, to pass with or without modification(s), the following resolution, as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions if any, of the Companies Act, 1956 the following clauses be inserted in the Other Objects Clause as Clause 5, 6, 7, 8 and 9 after the existing clause 4 in the Memorandum of Association of the Company:

5. To generate, harness, develop, use, sell, supply and distribute Electricity by setting up power plants anywhere in India using Hydel Energy, Biomass, Naptha or Gas or any other mode also to transmit, distribute and supply such power to industries and other consumers of electricity either directly or indirectly through the facilities of Transmission, Distribution entities as and where applicable and available anywhere in India.
6. To construct, erect, build, repair, remodel, demolish, develop, improve, grade, curve, pave, macadamize, cement and maintain buildings, structures, houses, apartments, townships, multi storied complexes, landscapes, hospitals, schools, places of worship, highways, roads, paths, streets, sideways, seaports, airports, bridges, flyovers, subways, alleys, pavements, and to do other similar constructions and to build, construct and repair railways, waterways, electrical works, tunnels, canals, wharves, ports, water works, drainage works, light houses, power houses and to do all kinds of excavating, dredging and digging work, to make all kinds of iron, wood, glass, machinery and earth construction, to design, devise, decorate, plan, model and to furnish labour and all kinds of material to supervise construction or other work . To carry on the business of contractors and agents, farmers, carriers, printers and merchants anywhere in the world.
7. To acquire, buy, establish, maintain, sell or lease educational institutions, colleges, research centers and carry on other educational and research activities.
8. To carry on the business of real estate and property development in any part of India or abroad. To purchase and develop land into plots, construct flats and buildings of all description, to sell lands, plots, flats and buildings of all description. To construct buildings of all descriptions including housing colonies, townships, industrial complexes, developments of farms, resorts and to sell them to third parties. To acquire, purchase , develop, sell, take in exchange or on lease, hire or otherwise acquire, whether for investment or sale or for



business purposes, real or personal estates like lands and immovable properties of all descriptions like factories, godowns, shops, here-ditaments, estates, depots, hotels, highways, docks, bridges, canals, dams, ports or any other structural, architectural work of any kind, mining-rights, privileges, easements, licences, or interests in respect of any property.

9. To acquire, purchase, takeover and/or amalgamate the business of companies which, under existing circumstances, from time to time may conveniently or advantageously, be combined with the business of company to amalgamate with companies whose business are so acquired, purchased or taken over and/or to enter into agreements with the object of acquisition of such undertakings and/or business”.

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

Sd/-
S.CHANDRA MOHAN
Managing Director

Place: Hyderabad
Date: 03-08-2002

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 2002 to 26th September 2002(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.
7. Members are requested to pass Item Nos. 5,6 & 7 of the notice by following postal ballot procedure for which relevant documents are enclosed.



**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 passing of 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 passing Special Resolution.

Approval of Shareholders by way of Special Resolution is required and hence this Resolution.

None of the Directors are interested or concerned in the proposed Resolution.

Your directors recommend the above Resolution for approval.

ITEM NO. 5

As per the Companies Amendment Act, 2000 the companies may passed certain resolutions through postal ballot and some resolutions need to be passed only through postal ballot. Hence this requires amendment of Articles of Association.

None of the Directors are interested or concerned in the proposed Resolution

Your directors recommend the above Resolution for approval.

ITEM NO.6

As per Section 293 (1) (a) of the Companies Act, 1956, the mortgaging of property by way of deposit of title deeds requires the prior approval of the members. Since the Board of Directors could not get your approval for the same due to some exigencies, they request your ratification retrospectively.

None of the Directors are interested or concerned in the proposed Resolution.

Your directors recommend the above Resolution for approval.

ITEM NO.7

Considering possibilities of expansion of the Company's activities, Management has proposed to include five other objects in the Memorandum of Association of the Company.

None of the Directors are interested or concerned in the proposed Resolution.

Your directors recommend the above Resolution for approval.

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

Place: Hyderabad

Date: 03-08-2002

Sd/-
S.CHANDRA MOHAN
Managing Director



DIRECTORS' REPORT

Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Statement of Accounts of your Company for the year ended 31st March 2002.

FINANCIAL RESULTS:

The Operating Results for the Year are as under

		(Rs. in lacs)
	2001-02	2000-01
Sales and Other Income	2976.48	2981.07
Profit before Interest & Depreciation	268.06	242.86
Interest Charges	114.19	53.08
Profit before Depreciation	153.87	189.78
Depreciation	88.61	86.59
Profit before Tax	65.26	103.19
Provision for Tax	5.00	—
Net Profit after Tax	60.26	103.19

OPERATIONS

Your Directors are glad to report that the Company has maintained satisfactory Production and Sales levels. During the year the Company achieved production of 1,28,848 MTs. of Cement (Previous year 1,24,620 MTs.) and sold 1,30,108 MTs. (Previous year 1,24,785 MTs.) and the Company has produced 1,35,005 MTs of Clinker during the year (previous year 1,23,551 MTs).

During the year, Power and Coal consumptions are lowered by 10.94 units and 1.09% respectively by virtue of energy conservation measures undertaken in Power and Coal consumptions when compared to previous year consumption. This was possible due to continuous efforts put by the Management and all the employees.

FUTURE OUTLOOK

Annual demand for cement in India is expected to increase by more than 9% in future with the Government continuing its thrust on infrastructure development and housing. The Government is giving highest priority to develop infrastructure i.e., national highways, state highways, rural roads etc., which involves reconstruction and widening of bridges and culverts which will contribute for growth in Cement consumption.

Housing sector is progressing very well, due to availability of housing finance on soft terms by Banks and Institutions. Hence the demand from this sector for cement is expected to go up substantially in the coming years. Thus the cement industry is firmly set on a higher growth and long term out look for the Cement Industry is quite positive and promising.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors state:

- that in preparation of the annual accounts, applicable accounting standards have been followed and there were no material departures therefrom except as otherwise explained in the notes to accounts.
- that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair



view of the state of affairs of the company as on 31st March, 2002 and Profit & Loss account of the Company for the year ended 31st March, 2002.

- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities:
- iv) the accounts were prepared on a going concern basis.

DIRECTORS

Capt J. Rama Rao IN (Retd) and Sri M.N.Rao retire by rotation and being eligible, offer themselves for re-appointment.

AUDITORS

A. Ramachandra Rao & Co., Chartered Accountants, Auditors of the Company retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The remarks in their report are self-explanatory.

COST AUDITORS

The Central Government prescribed the appointment of Cost Auditor under Sec. 233B of the Companies Act 1956 and M/s Narasimha Murthy & Co., are appointed as Cost Auditors for the year 2001-02

PARTICULARS OF EMPLOYEES

There are no employees falling within the purview of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Additional information on conservation of energy, technology absorption, foreign exchange earnings and out go as required to be disclosed in terms of 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 is annexed thereto (Annexure-I) and forms part of this report.

CORPORATE COMMITMENT TO THE COMMUNITY

The Company has contributed Rs. 50,000/- for water supply scheme in Ramapuram Village for providing drinking Water to the people of Ramapuram.

The Company is continuously contributing for the Education Committee of ZPHS, Ramapuram for upgradation of education facilities in Ramapuram. The Company has also contributed for Library and for running of the Continuing Education Centre under Total Literacy Programme.

ACKNOWLEDGEMENTS

Your Directors would like to express their grateful appreciation and sincere thanks to the Andhra Pradesh Industrial Development Corporation, State Bank of India, State Bank of Hyderabad, various Departments of Central and State Governments for their valuable guidance and assistance extended during the years under review. Your Directors would like to thank all the Share Holders, Dealers and Consumers for the confidence reposed in the company. Your Directors wish to place on record the deep sense of appreciation of the devoted services rendered by the Executives, Staff and Workers of the Company at all levels.

For and on behalf of the Board

Place : Hyderabad

Date : 03-08-2002

K. RADHAKRISHNAIAH

Chairman



ANNEXURE TO DIRECTORS' REPORT

ANNEXURE – I

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Companies (Disclosure of particulars in the Board of Directors' Report) Rules, 1988.

A. Conservation of Energy

a. Energy Conservation Methods adopted :

Conservation of energy continues to be accorded with priority. Efforts are being made in monitoring, on a continuous basis, for energy conservation.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy.

The company is making efforts to identify the areas for reduction of consumption of energy.

c. Impact of the measures at (a) and (b) above for reduction of consumption and consequent impact on the cost of production of goods:

The benefit and significance of the measures is evident from lower consumption of energy.

d. The total energy consumption and energy consumption per unit of production.

The above information is given in the prescribed Form – A annexed.

B. Technology Absorption

Particulars are given in Form "B" annexed:

C. Foreign Exchange savings and outgo

a. Activities relating to exports, initiatives taken to increase export, development of new export market for production & services and export plans.

The company presently is not envisaging any export market for production & services and export plans.

b. Total foreign exchange used and earned : NIL