

8th ANNUAL REPORT 1998-99

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CHIRAWA CEMENTS LIMITED
FOR THE YEAR 1998-99

Singh R. Gupta

Managing Director

CHIRAWA CEMENTS LIMITED



BOARD OF DIRECTORS

Sh. Girish R. Gupta

Sh. Naresh K. Gupta

Sh. Naresh Kumar

Sh. C. K. Agarwal

Managing Director

Director

Director

Nominee Director (RIICO)

REGD. OFFICE

22, New Rajdhani Enclave
Vikas Marg,
Delhi-110 092

CORP. OFFICE

2nd Floor, 4 Manish Chamber,
L.S.C., Surajmal Vihar,
Delhi-110 092

WORKS

Plot Nos. F-9 to 17
RIICO Industrial Area,
Chirawa, Distt. Jhunjhunu
Rajasthan-333 026

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AUDITORS

SANJAY K. GUPTA & CO.
Chartered Accountants
C-24, C.C. Colony
Opp R.P. Bagh
Delhi-110 007

BANKERS.

Indian Overseas Bank
State Bank of Bikaner & Jaipur

NOTICE

NOTICE is hereby given that the 8th Annual General Meeting of the Members of **CHIRAWA CEMENTS LIMITED** will be held at the Regd. Office of the company on Thursday, the 30th September, 1999 at 11.00 A.M. to transact the following ORDINARY BUSINESS:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date and Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Girish R. Gupta who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

By Order of the Board,

Sd/-
(Girish R. Gupta)
Managing Director

Dated : 31st August, 1999
Place : Delhi.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25-09-1999 to 30-09-1999 (both days inclusive) for the purpose of Annual General Meeting.
3. Members are requested to bring their copy of Annual Report to the meeting.
4. All documents referred to in the Notice are open for inspection at the Registered Office of the company during office hours on all working days between 11:00 a.m. and 1:00 p.m. upto the date of the Annual General Meeting.

**CHIRAWA CEMENTS LIMITED****DIRECTORS' REPORT**

To The Members,

M/S CHIRAWA CEMENTS LIMITED

Your Directors have pleasure in presenting the 8th Annual Report alongwith audited accounts for the year ended 31st March, 1999.

FINANCIAL RESULTS

During the year under review, your company registered a total loss of Rs. 25.50 Lacs due to recession in the Cement Industry. The operations of the company had been effected drastically due to slowing down of construction activities, poor economy, political instability and consequential depressed prices. Increase in the cost of raw materials and other inputs had also an adverse impact on prices. The summary of the Financial Results is as under:

	1998-99	1997-98
Sales	130.24	138.69
Other Income	16.86	10.72
Gross Profit/(Loss) before		
Interest & depreciation	3.25	(10.15)
Less: Interest	18.03	14.96
Less: Depreciation	10.72	10.71
Profit (Loss) before Taxation	(25.50)	(35.82)

PROJECTIONS Vs. PERFORMANCE

The Company had come out with a Public Issue of 4300000 Equity Shares aggregating to Rs. 430 Lacs in terms of Prospectus dated 11.04.1996. Pursuant to clause 43 of the Listing Agreement, following is the comparison of projections given in the Prospectus and the actual performance during the year.

(Rs. in lacs)

	Projections for 1998-99	Performance of 1998-99
Sales	1069.20	130.24
Other Income	15.00	16.86
Gross Profit/(Loss)(PBIDT)	388.25	3.25
Dividend	10%	Nil

Due to severe recession in the Cement Industry and delay in implementation of expansion project, the company could not achieve the projections.

IMPLEMENTATION OF EXPANSION PROJECT

Your company started production of 43 Grade Cement in 1995-96. The quality of the cement is well satisfactory & has been accepted by the ultimate consumers. The production on the expansion project from 15000 TPA to 66000 TPA could not be started as yet because of financial crises arised due to non-receipt of allotment money of Rs. 215 lacs and a term loan of Rs. 50.00 lacs from RIICO Ltd. Your Directors are doing efforts and hopeful of some positive results in the years ahead.



CHIRAWA CEMENTS LIMITED

FUTURE OUTLOOK

With the Govt. of India putting more emphasis on infrastructure development and improved economy, the demand for cement is expected to increase at the rate of around 15% per annum. At present the per capita consumption of cement in India is very low i.e. 80 kg as compared to the world average of 250 kg. Your company is very optimistic about the future prospects of the cement industry and simultaneously expecting some positive developments in the implementation of expansion project. Keeping in view all the above factors your Directors are hopeful of achieving goods results in the current year.

PUBLIC DEPOSITS

The company has not invited/accepted any deposits from the public till date.

DIRECTORS

Mr. Girish R. Gupta, Director of the company retires by rotation and being eligible offers himself for re-appointment.

AUDITORS' REPORT

The Auditors' Report is self-explanatory and does not require any clarification.

AUDITORS

M/s Sanjay K. Gupta & Co., Chartered Accountants, Auditors of the company retire at the ensuing Annual General Meeting and have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limits as laid down under section 224 (1-B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES

During the year under review, none of the employees had drawn remuneration over and above the limits as specified under section 217 (2A) of the Companies Act, 1956.

STATUTORY DISCLOSURE OF PARTICULARS

The requirement of disclosures, as per the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, relating to the conservation of energy, technology absorption, foreign exchange earnings and outgo are furnished in Annexure 1 attached to this Report.

ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere gratitude for the support received from Financial Institutions, banks and other Government & regulatory agencies and look forward for their continued support.

Your Directors also wish to convey their sincere thanks and appreciation to the employees, shareholders, customers and agents for their confidence, co-operation and efforts to achieve maximum for the company.

FOR AND ON BEHALF OF THE BOARD

Sd/-
GIRISH R. GUPTA
MG. DIRECTOR

Sd/-
NARESH K. GUPTA
DIRECTOR

Dated : 31st August, 1999

Place : Delhi