

*39<sup>th</sup> Annual Report*  
*1999 - 2000*



**CONTINENTAL COFFEE LIMITED**


**CONTINENTAL COFFEE LIMITED**
**39th ANNUAL GENERAL MEETING**

Saturday 30th September 2000  
at 11.30 A.M.

Duggirala Village  
Tenali Mandal, Guntur District,  
Andhra Pradesh, INDIA.

**Contents**

Board of Directors	2
Notice	3
Directors' Report & Annexure	5
Auditors' Report & Annexure	11
Balance Sheet	14
Profit and Loss Account	15
Schedules to Balance Sheet and Profit and Loss Account	16
Notes to Accounts	21
Balance Sheet Abstract	27
Cash Flow Statement	28



## CONTINENTAL COFFEE LIMITED

### BOARD OF DIRECTORS

Mr. M.S. Narayanan IRS (Retd.)	Chairman
Mr. B.N. Jayasimha IAS (Retd.)	Director
Mr. Vipin K. Singal	Director
Mr. Jonathan T. Feuer	Director
Mr. Ian Breminer	Director
Mr. Gerard Sierro	Director
Mrs. C. Shantha Prasad	Director
Mr. C. Rajendra Prasad	Managing Director

#### Bankers

State Bank of India  
Canara Bank  
Global Trust Bank Ltd.

#### Auditors

M. Anandam & Co.,  
Secunderabad

#### Registered Office & Factory

Duggirala Village, Tenali Mandal,  
Guntur District - 522 330  
Andhra Pradesh, INDIA.



## CONTINENTAL COFFEE LIMITED

### NOTICE TO SHAREHOLDERS

Notice is hereby given that the 39th Annual General Meeting of the Company will be held on Saturday, the 30<sup>th</sup> September, 2000 at 11.30 A.M. at the Registered Office of the Company at Duggirala Village, Tenali Mandal, Guntur District, Andhra Pradesh to transact the following business :

#### Ordinary Business:

1. To receive, consider and adopt the Profit & Loss Account for year ended 31st March, 2000 and the Balance Sheet as on that date and the Auditors' Report and the Directors' Report thereon.
2. To appoint a Director in place of Mr.M.S.Narayanan, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr.Gerard Sierro, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Vipin K Singal, who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General meeting at such remuneration as may be determined by the Board of Directors of the company.

#### Special Business:

##### 6. Appointment of Mr. I.J. Rao as Director retiring by rotation

To consider and if thought fit to pass with or without modifications the following resolution as ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Sections 256 and 257 of Companies Act, 1956, Mr. I.J. Rao be and is hereby appointed as Director of the company".

By order of the Board of Directors  
For Continental Coffee Limited

Place : Hyderabad

Date : 25.08.2000

**C.RAJENDRA PRASAD**

Managing Director

**CONTINENTAL COFFEE LIMITED****NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member of the Company.
2. In order for proxies to be effective, the Proxy Form must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. Explanatory Statement setting out the material facts in respect of the business under item No. 6 is annexed hereto.
4. The Register of members and Share Transfer books will be closed from 06.10.2000 to 10.10.2000 (both days inclusive).

**EXPLANATORY STATEMENT**

**(Pursuant to Section 173(2) of the Companies Act)**

**Item No. 6**

Mr. I.J. Rao, a retired Vice-President, Customs, Excise, Gold(Control) Appellate Tribunal, New Delhi, has rich experience in the fields of Administration, taxation and other related matters. The Board is in the opinion that his rich experience will be very useful to the company. The Board proposes his name as a Director. In this regard, your company has received a special notice from a member as per the provisions of Section 257 of the Companies Act, 1956.

The Directors commend this resolution for your approval.

None of the Directors is interested in the above resolution.



## CONTINENTAL COFFEE LIMITED

### DIRECTORS' REPORT

To The Members

Your Directors are pleased to present their report along with the Balance Sheet and Profit & Loss Account for the Year ended 31<sup>st</sup> March, 2000.

#### Financial Results:

	Rs. In Lakhs	
	For the Year 1.4.1999 to 31.03.2000	For the Year 1.4.1998 to 31.03.1999
Gross Income	5012.09	3751.63
Gross Profit (Before Interest, Depreciation & Tax)	987.92	758.24
Less: Interest	246.99	549.34
Depreciation and other write-offs	162.21	152.96
Provision for Taxation	-	-
Net Profit	578.71	55.94
Less: Expenditure related to Previous year	59.39	36.60
Add: Balance b/fd	519.32	19.33
Cumulative Loss b/fd	(1946.08)	(1965.41)
Balance available for appropriation	(1426.76)	-
Share Premium written off	848.95	-
Cumulative Losses c/f to Balance Sheet	(577.81)	(1946.08)

#### Dividend :

The Board have decided that it will not be advisable to recommend dividend for the financial year 1999-2000

#### Operations:

Your Directors take immense pleasure in informing you that the company has recorded a turnover of Rs.5015.28 lakhs for the financial year ended 31<sup>st</sup> March, 2000 as against Rs.3516.02 lakhs of the previous year and recorded a net profit of Rs.578.71 lakhs for the financial year ended 31<sup>st</sup> March, 2000 as against a net profit of Rs.55.94 lakhs posted in the financial year 1998-1999.

Your company had been charged a normal rate of interest applicable to Cash Credit advances by the Working Capital Bankers instead of concessional rate of interest applicable to export advances. The company has



## CONTINENTAL COFFEE LIMITED

made a claim with the Working Capital bankers seeking a refund of interest charged excessively amounting to Rs.280.00 lakhs approximately.

State Bank of India, the Leader of Consortium had refunded an amount of Rs.15.89 lakhs towards excess interest collected from 09.04.1999 to 30.09.1999. Refunds for the earlier years are under the active consideration of the Bankers.

The Directors would like to bring to your kind notice that the IDBI has agreed to a One Time Settlement (OTS) of their dues on payment of Rs.1225.00 lakhs towards the term loan and NCD dues. The company will get a benefit of Rs.455.00 lakhs by the settlement.

During the year under review your company has set off, with the approval of Hon'ble High Court of Andhra Pradesh, the amount in Securities Premium Account against accumulated losses in pursuant to Special Resolution passed by the Shareholders at the Extra Ordinary General Meeting held on 22<sup>nd</sup> January, 2000. As a result, the company's accumulated losses have been reduced from Rs.1946.08 lakhs to Rs.1097.13 lakhs.

The Board is confident that the present trend of improved results would continue even in the current financial year and would like to assure the Shareholders that the management is taking all the necessary steps to achieve better results in the current financial year.

### Directors:

Mr. M.S.Narayanan, Mr.Gerard Sierro, Mr.Vipin K.Singal, the Directors retiring by rotation and being eligible offer themselves for re-appointment. Your Directors propose for appointment of Mr.I.J.Rao as a Director. An item in this regard is included in the Notice of ensuing 39<sup>th</sup> Annual General Meeting.

### Auditors:

M/s. M.Anandam & Co., Chartered Accountants, Secunderabad, Auditors of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible they have conveyed their consent to be reappointed.

### Stock Audit :

Members will be happy to learn that we have a regular monthly Stock Audit done by M/s.Uma Maheshwararao & Co., Chartered Accountants, Guntur.

### Particulars of Employees:

No employee of the company is in receipt of remuneration of Rs. 6 lakhs per annum, and no employee is in receipt of remuneration of Rs. 50,000 per month, for any part of the financial year whose particulars are required to be disclosed pursuant to Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees), Rules 1975 as amended.

**CONTINENTAL COFFEE LIMITED**

---

**Listing:**

The company's shares are presently listed on the Stock Exchanges of Hyderabad, Mumbai, Bangalore, Madras and Calcutta.

The Management has decided not to pay the Annual Listing Fee of Madras, Bangalore and Calcutta Stock Exchanges in pursuant to resolution passed by the Shareholders at the 38th Annual General Meeting for voluntary de-listing of shares from the above said Stock Exchanges.

**Acknowledgements:**

The Board wishes to express its deep sense of gratitude to the term lending institutions, viz. Industrial Development Bank of India and Bank of Baroda, and the working capital bankers for their continued support to the company during the year. The Board of Directors also thank all Government / Statutory organisations for their support extended to the Company.

The Board of Directors would like to place on record their appreciation to all employees for their valuable cooperation and contribution.

Place: Hyderabad

CHAIRMAN

Date : 25.08.2000

Report  junction.com