

40th Annual Report
2000 - 2001



CONTINENTAL COFFEE LIMITED



CONTINENTAL COFFEE LIMITED

40th ANNUAL GENERAL MEETING

Monday 30th July 2001
 at 10.00 A.M.
 at
 Duggirala Mandal, Pin-522 330
 Guntur Dist.
 Andhra Pradesh, INDIA.

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CONTINENTAL COFFEE LIMITED

BOARD OF DIRECTORS

Mr. M.S. Narayanan IRS (Retd.)	Chairman
Mr. B.N. Jayasimha IAS (Retd.)	Director
Mr. I.J. Rao IRS (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

Auditors

M. Anandam & Co.,
Secunderabad

Internal Auditors

Ramesh & Co.,
Hyderabad

Registered Office & Factory

Duggirala Mandal,
Guntur Dist.
Pin - 522 330
Andhra Pradesh, INDIA.

Registrars for Demat

M/s. Ikon Visions Private Limited
33, Sanali Heavens, 8-3-948,
Ameerpet, Hyderabad-500 073



CONTINENTAL COFFEE LIMITED

NOTICE TO SHAREHOLDERS

Notice is hereby given that the 40th Annual General Meeting of the Company will be held on Monday the 30th day of July, 2001 at 10:00 A.M. at the Registered Office of the Company at Duggirala 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, 2001 and the Balance Sheet as on that date and the Auditors Report and the Directors' Report thereon.
2. To Declare Dividend for the Financial Year 2000-2001.
3. To appoint a Director in place of Mr. B. N. Jayasimha, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Mr. Jonathan T. Feuer, 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 and to fix their remuneration.

Special Business :

6. TO INCREASE THE REMUNERATION OF THE MANAGING DIRECTOR.

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

"RESOLVED THAT pursuant to the provisions of sections 269, 309 and 310 read with schedule XIII of the Companies Act, 1956 consent of the members be and is hereby accorded to increase the remuneration of Sri C. Rajendra Prasad, Managing Director from 01.04.2001 for the remaining period of his tenure as set out in the explanatory statement."

By order of the Board of Directors
For Continental Coffee Limited

Place : Hyderabad
Date : 21.04.2001

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. The Register of members and Share Transfer books will be closed from 23.07.2001 to 30.07.2001 (both days inclusive).
4. An explanatory statement to item No.6 as required under section 173(2) of the Companies Act, 1956 is annexed.

EXPLANATORY STATEMENT (pursuant to section 173(2) of the Companies Act, 1956.)

It is brought to the notice of the members that your Managing Director, Sri C. Rajendra Prasad was entitled to a remuneration of Rs.47,000/- basic salary per month and perquisites admissible under the Income Tax Act, with effect from 1.4.1999 which was approved by the members in the Annual General Meeting held on 19th July 1999. However, in view of the bad phase the company was passing through for a few years, Sri. Prasad has actually drawn less than the amount sanctioned.

The Board of Directors feel that considering the sacrifice made by him and taking into account the remarkable turnaround achieved by the company under his direction in the past two years, it will be proper to increase his remuneration with effect from 1.04.2001 for the remaining period i.e. till 31.3.2004 as set out below

REMUNERATION

- | | | |
|----------------|---|--|
| a) Salary | : | Rs. 60,000/- per month. |
| b) Perquisites | : | Perquisites (classified as Part A and B in the enclosed annexure to this statement) shall be restricted to an amount equal to the annual salary. |
| c) Commission | : | Remuneration by way of commission will be allowed in addition to salary or perquisites or both, or in lieu thereof. The amount thereof, based on the net profits of the company in a particular year, shall be subject to 5% net profits of the company as laid down in section 198 and 309 of the Companies Act, 1956 |



CONTINENTAL COFFEE LIMITED

PART-A

(i) Housing

- a) Rent free furnished residential accommodation with free use of all facilities and amenities, such, as air conditioners, stoves, geysers, gas, electricity, water, etc. will be subject to the following ceilings:
50% of the salary, over and above 10% payable by the Managing Director or
- b) If the company does not provide accommodation to the Managing Director he shall be entitled to House Rent Allowance subject to ceiling laid down in point (a) above or
- c) If accommodation in the Company owned house is provided to the Managing Director a deduction of 10% shall be made from his salary.

Explanation :

The expenditure incurred by the company on gas, electricity, water and furnishings shall be valued as per Income Tax Rules, 1962. This shall however be subject to a ceiling of 10% of the salary of the Managing Director.

(ii) Medical Reimbursement:

Reimbursement of Medical expenses incurred for self and family subject to a ceiling of one month salary in a year or three months salary over a period of three years.

(iii) Leave Travel Concession:

Leave Travel Concession for self and family once in a year, incurred in accordance with the rules of the company.

iv) Clubs:

Subscription to clubs

v) Personal Accident Insurance:

Personal Accident insurance of an amount, the annual Premium of which shall not exceed Rs.4000/-
Note: For the purpose of perquisites started in Part-A above, "family" means the spouse, dependent children and dependent parents of the respective appointee(s).

PART-B

- i) Contribution to provident Fund and Superannuation Fund or Annuity Fund or any other scheme which will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961. Gratuity payable shall not exceed half a months salary for each completed year of service.

ii) Earned leave:

Earned leave on full pay and allowances as per the rules of the company but not exceeding one months leave for every eleven months of service. Encashment of leave at the end of the tenure which will not be included in the computation of ceiling on perquisites.

iii) Provision of Car and Telephone:

Provision of car for use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone shall be borne by him.

- iv) Any other perquisite as may be decided by the Board of Directors in the future.

The Board May, in their discretion, revise/modify any of the terms from time within the limits stipulated.
Hence the resolution is commended.

Except Mr. C. Rajendra Prasad, remuneration of whose increase is proposed herein and Smt.C.Shantha Prasad who is the spouse of the said incumbent, none of the other Directors is otherwise concerned / interested in this resolution.



CONTINENTAL COFFEE LIMITED

DIRECTORS' REPORT

To the members,

Your Directors are pleased to submit their Report along with the Balance Sheet and Profit & Loss Account for the Year ended 31st March, 2001. During the financial year under review your Company has achieved a Net Profit of Rs.1285.25 lakhs for the year as shown below:

Financial Results:	Rs. In Lakhs	
	For the Year 01.04.2000 to 31.03.2001	For the Year 01.04.1999 to 31.03.2000
Gross Income	6193.60	5012.09
Gross Profit	1769.02	987.92
(before Interest, Depreciation & Tax)		
Less: Interest	295.58	247.00
Depreciation and other write-offs	172.47	162.21
Provision for Taxation	--	--
Net Profit	1300.97	578.71
Less: Expenditure related to Previous year	15.72	59.39
Net Profit for the Year	1285.25	519.32
Cumulative Loss b/fd	(577.82)	(1946.08)
Balance available for appropriation	707.44	(1426.76)
Share Premium written off	--	848.94
Provision for dividend	125.37	--
Provision for dividend tax	12.79	--
Transfer to General Reserve	300.00	--
Net profit c/f to Balance Sheet	269.28	(577.82)

Dividend

As the company could not get consent from the financial institutions, the declaration by the Board of the interim dividend of 10% is annulled. The Board of Directors are happy to recommend a dividend of 10% for the year 2000-2001.

Operations:

Your Directors take immense pleasure in informing you that your company has recorded a turnover of Rs.6184.23 lakhs for the financial year ended 31st March, 2001 as against Rs.5015.28 lakhs of the previous year and recorded a net profit of Rs. 1285.25 lakhs for the financial year ended 31st March,2001 as