



17th ANNUAL REPORT 1999-2000

Suvarna
Cements Limited

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Suvama Cements Limited

Board of Directors

Sri J S Krishna Murthy, Chairman

Sri J S Rao

Sri J V Choudary

Sri J Sivaram Prasad

Smt. J Triveni, Managing Director

Auditors :

M/s. K.S.Rao & Company
Chartered Accountants
Hyderabad.

Cost Auditors :

M/s Narasimha Murthy & Co.
Cost Auditors
Hyderabad.

Bankers :

Canara Bank
Somajiguda
Hyderabad

Registered Office :

6-3-682
Panjagutta
Hyderabad - 500 082

Administrative Office :

6-3-682
Panjagutta
Hyderabad - 500 082

Share Transfer Agents :

M/s. Ikon Visions (P) Ltd.
Flat No.33 Sanali Heavens
8-3-948 Ameerpet
Hyderabad - 500 073-A.P.

Works :

Mellacheruvu Village - 508 246
Nalgonda Dist.
Andhra Pradesh



Suvama Cements Limited

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of Suvama Cements Limited will be held on Saturday, the 30th day of September, 2000 at The Federation of Andhra Pradesh Chambers of Commerce & Industry, in "J.S. Krishna Murthy Hall" No.11-6-841, Red Hills, Hyderabad - 500 004, A.P. at 10.00 A.M. to transact the following business:

Ordinary Business:

1. To receive, consider and adopt audited Profit & Loss Account for the year ended 31st March, 2000 and Balance Sheet as at that date and the Report of the Directors' and of Auditors' thereon.
2. To appoint a Director in place of Sri J.S. Rao, who retires by rotation, and being eligible, offers himself for reappointment.
3. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 224 and Other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors, M/s K.S. Rao & Company, Chartered Accountants, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors, in addition to travelling and other out of pocket expenses."

Special Business:

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Special resolution.

"RESOLVED THAT the Registered office be shifted from the existing premises bearing H.no.6-3-682, Panjagutta, Hyderabad - 500 082 which is under Panjagutta Police limits, Hyderabad to the new premises at Mellacheruvu Village & Mandal, Nalgonda District-508 246, A.P. which falls under Mellacheruvu Police Station limits, A.P."
5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

"Resolved that Sri J.S. Krishna Murthy, a Director who was appointed as an additional Director, pursuant to Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company, in the meeting of the Board of Directors held on 27th June,

2000 and who holds the office as such upto the date of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Sri J.S. Krishna Murthy as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

"Resolved that Sri J.V. Choudary, a Director who was appointed as an additional Director, pursuant to Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company, in the meeting of the Board of Directors held on 27th June, 2000 and who holds the office as such upto the date of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Sri J.V. Choudary as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company."
7. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

"Resolved that Smt. J. Triveni, a Director who was appointed as an additional Director, pursuant to Section 260 of the Companies Act, 1956 and Article 108 of the Articles of Association of the Company, in the meeting of the Board of Directors held on 27th June, 2000 and who holds the office as such upto the date of this meeting and in respect of whom notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Smt. J. Triveni as a candidate for the office of Director of the Company, be and is hereby appointed as Director of the Company who is not liable to retire by rotation "
8. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary resolution.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with schedule XIII to the Companies Act, 1956, the consent of the company be and is hereby accorded to the appointment of Smt. J. Triveni as Managing Director of the Company for a period of five years with effect from 27th June, 2000 on the following terms & conditions".

"RESOLVED FURTHER THAT Smt. J. Triveni shall be paid the following remuneration, perquisites, allowances and commission, if any, with effect from 27th June, 2000:



Suvama Cements Limited

A) Salary:

Rs. 30,000/- per month.

B) Perquisites:

- i) In addition to the aforesaid salary she shall also be entitled to the following perquisites like unfurnished accommodation, gas, electricity, water, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, etc., in accordance with rules of the Company. The monetary value of such perquisites being limited to Rs.3,00,000/- per annum for the purposes of which limit:

Perquisites shall be evaluated as per Income Tax provisions/Rules, wherever applicable, and in the absence of any such Rule, perquisites shall be evaluated at actual cost and use of Company's car with Driver for official purposes and telephone at residence (including payment for local calls and long distance official calls) shall not be included;

- a) **Housing:** The expenditure on hiring unfurnished accommodation shall be subject to 60% of salary, over and above 10% payable by the appointee. The expenditure on gas, electricity, water shall be reimbursed at actual.

- b) **Reimbursement of Medical expenses:** Expenses incurred for self and family at actuals.

- c) **Club Fees:** Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.

- d) **Personal Accident Insurance:** Premium not to exceed Rs.4,000/- per annum.

- e) **Leave Travel Concession:** For self and her family once in a year incurred in accordance with the Rules of the Company.

- ii) Company's contribution towards Provident Fund and Superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961, and the same shall not be included in the computation of limits for perquisites aforesaid;

- iii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure, which also shall not be included in the computation of limits for perquisites.

Smt. J. Triveni (appointee), Sri J.S. Rao, Sri J.S. Krishna Murthy, Sri J. Sivaram Prasad and Sri J.V. Choudary. Directors (being relatives) are deemed to be interested or concerned in this Resolution.

By Order of the Board

Place: Hyderabad.
Date : 30th August, 2000.

J Triveni
Managing Director

Notes:

- a. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a member of the Company.
- b. The instrument appointing proxy should be deposited at the Registered Office of the Company not less than 48 hours before the Commencement of the Meeting.
- c. The Register of Members and Share Transfer Register of the Equity Share holders will remain closed from 28-09-2000 to 30-09-2000 (both days inclusive).
- d. Members are requested to notify any change in their address immediately to the Company.
- e. Members are requested to bring their copies of Annual Reports and Accounts to the Meeting.
- f. Stock Exchanges:
 - i) The Company's shares are listed with Hyderabad Stock Exchange Ltd. (Regional) 3-6-275, Himayathnagar, Hyderabad - 500 029 and Mumbai Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 023.
 - ii) The Annual listing fee for the year 2000-2001 has been paid in time as per Clause 38 of the Listing Agreement to Stock Exchanges at Hyderabad and Mumbai.
- g. Share holders holding shares in identical order of names in more than one folio, are requested to write to the Share Transfer Agents to enable them to consolidate their holdings in one folio.


Suvama Cements Limited

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Item No.4:

For the operational convenience and better co-ordination it is felt necessary to shift the Registered office from Hyderabad to Nalgonda Dist. The Board of Directors at its meeting held on 30th August, 2000 decided to shift the Registered office subject to approval of Members at the ensuing Annual General Meeting.

None of the Directors are interested or concerned in this resolution.

Item No.5, 6 & 7:

Sri. J.S. Krishna Murthy, Sri J.V. Choudary & Smt. J. Triveni were appointed as Additional directors of the Company, in accordance with Section 260 of the Companies Act, 1956 and pursuant to Article 108 of Articles of Association of the Company, by the Board of Directors at their meeting held on 27th June, 2000 and as per provisions of Section 260 of the Companies Act, 1956 they hold their respective offices upto this Annual General Meeting.

Notices as required under Section 257 of the Companies Act, 1956 together with the requisite deposit has been received from the member's proposing the appointment of Sri J.S. Krishna Murthy, Sri J.V. Choudary and Smt. J. Triveni respectively as directors of the company.

The appointment of Sri J.S. Krishna Murthy, Sri J.V. Choudary and Smt. J. Triveni will benefit the company in view of their versatile business experience.

None of the Directors, except Sri J.S. Krishna Murthy, Sri J.V. Choudary and Smt. J. Triveni (appointees), Sri J.S. Rao and J. Sivaram Prasad (being relatives to the appointees) are interested in these resolutions.

Item No.8:

Smt. J. Triveni was appointed as the Managing Director of the company at the Board Meeting held on 27th June, 2000, for a period of 5 years with effect from 27th June, 2000 in the casual vacancy caused by the resignation of Sri V C Brahman, Managing Director of the company.

Smt. J. Triveni is a Commerce Graduate with 7 years of Industrial Experience.

Your Directors opine that Mrs. J. Triveni appointment is in the business interest of the company and shall help the company to achieve the best results. Your Directors commend this resolution for your approval.

Smt. J. Triveni (appointee), Sri J.S. Rao, Sri J.V. Choudary, Sri J. Sivaram Prasad and Sri J. S. Krishna Murthy (being relatives) are interested or concerned in this resolution.

By Order of the Board

Place: Hyderabad.

Date : 30th August, 2000.

J Triveni
Managing Director



Suvama Cements Limited

Directors' Report

To Members

Your Directors have pleasure in presenting the Seventeen Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2000 and the Auditors' Report thereon.

Operations:

During the year under review your Company has produced 1,41,909 MT of Clinker, 1,08,320 MT of Cement and sold 1,08,309 MT of Cement and 37,862 MT of clinker as against 1,52,916 MT; 1,20,058 MT; 1,19,787 MT; and 41,994 respectively during the previous year.

Financial Results:

The financial results for the year ended 31.3.2000 are summarised below.

	Current year	Rs. in lacs. Previous year
Income (Sales and other income)	2376.07	2,753.25
Profit/(Loss) before Interest and Depreciation	(52.72)	43.84
Interest	85.89	201.10
Depreciation	78.68	74.57
Net profit/(Loss) for the year	(217.29)	(231.83)
Extra Ordinary Items	-	(82.70)
Prior period adjustments	(5.94)	(44.46)
Un provided depreciaton of earlier year	-	(217.34)
Loss Brought forward	1038.81	462.48
Loss carried to Balance sheet	1262.04	1038.81

Future outlook:

Your company could not earn profits as there was mismatch between the cost of production and sales realisations and unhealthy competition in the industry. The outlook for the cement Industry appears to be optimistic in view of the Government thrust on Housing sector, Roads and other Infrastructure facilities, your directors hope that this would boost-up demand in the coming years.

Change of Management:

As mentioned in the previous year's report, your directors have complied with SEBI's takeover regulations and accordingly the promoters of the Hyderabad Bottling Company Ltd., have takenover the charge of the Company.

Directors:

Consequent upon the Change in Management, Sri M.N. Rao, Director and the two promoter Directors of the Company viz., Sri V.C. Brahmanna, Managing Director and Sri B. Veerabhadra Rao, Director had resigned with effect from 27th June, 2000. Sri P. Punnaiah, Director of the Company had resigned with effect from 6th July, 2000. Sri J.S. Krishna Murthy, Sri J.V. Choudary and Smt. J. Triveni have been appointed as Additional Directors of the Company and Smt. J. Triveni has been appointed as Managing Director of the Company with effect from 26th June, 2000.

Your Directors wish to place on record their deep appreciation for the valuable services rendered by all the outgoing Directors during their tenure.

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 by the Companies (Amendment) Act, 1988, during the year.

Insurance:

The properties of the company including its buildings, plant and machinery and stocks wherever necessary and to the extent required have been adequately insured.

Public Deposits :

Your company has neither invited nor accepted any Fixed deposits from the public during the year under review.

Particulars under Section 217(1)(e):

Particulars on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo 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 hereto (Annexure A) which forms part of this report.

Corporate Governance:

Your Company has to comply with requirements of various statutes under the new corporate governance reporting system incorporated under clause 49 of the listing Agreement. It will be mandatory to implement the same during the financial year 2001-2002 i.e. before 31st March, 2002. Necessary steps will be taken to ensure the implementation of the same before the prescribed date.

Auditors:

M/s K S Rao & Company, the Chartered Accountants retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The company has received a certificate from them that their re-appointment, if made, would be with in prescribed limits under Section 224(1B) of the Act.

Acknowledgement:

Your Directors take this opportunity to place on record their sincere appreciation of the timely assistance and co-operation extended by the Canara Bank, BIFR and various other Government Bodies, and look forward to receiving their continued support.

Your Directors also wish to place on record their appreciation of the services rendered and co-operation extended by the Workmen, Staff, Dealers, Customers and Others concerned.

For and on behalf of the Board

Place: Hyderabad.

Date : 30th August, 2000

J.S. KRISHNA MURTHY

Chairman