

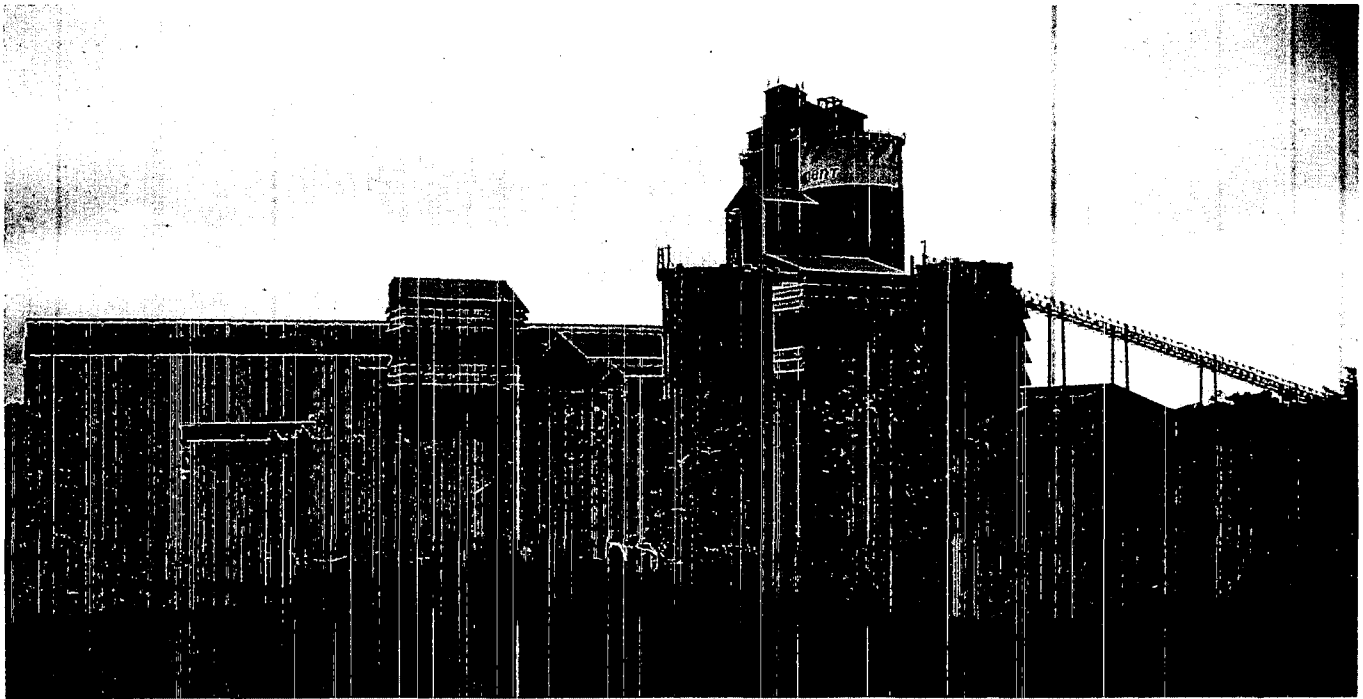
1996-97

narmada

narmada

REPO

cement
COMPANY LIMITED



Expansion at Ratnagiri Plant — slag cement facility.

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Each year ending is not just an occasion
to evaluate our performance but also to span
the distance of our next accomplishment.
And then to go soaring towards it.

This year ending too, like all our previous ones,
we at Narmada are full of expectations from the future.
With our ambitious plans for expansion
- a new grinding unit at Jafrabad, Gujarat
and the launching of Narmada Durg — Slag Cement
from Ratnagiri Plant.

narmada
cement

CEMENTING OUR BONDS WITH QUALITY

BOARD OF DIRECTORS

V. D. Chowgule *Chairman*
Vijay V. Chowgule
D. L. Chowgule
S. S. Marathe
Pravinchandra V. Gandhi
S. Y. Rege
K. V. Talcherkar
Ashok Chawla
Vipul Mittra
Ashok V. Chowgule *Managing Director*

SOLICITORS

Messrs Crawford Bayley & Co.
Solicitors & Advocates, Mumbai.

BANKERS

ICICI Banking Corporation Limited
Dresdner Bank A G

AUDITORS

Messrs Haribhakti & Co.
Chartered Accountants, Mumbai.

REGISTRARS AND SHARE TRANSFER AGENT

Messrs. I.I.T. Corporate Services Ltd.,
Off. M. Vasanji Road,
Opp. Vazir Glass, Near J. B. Nagar,
Andheri (East)
Mumbai 400 059.

REGD. OFFICE

2-C, Phoenix Mill Compound,
462, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE NINETEENTH ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF NARMADA CEMENT COMPANY LIMITED WILL BE HELD ON MONDAY, 29TH SEPTEMBER, 1997, AT 4.00 P.M. AT TEJPA AUDITORIUM, AUGUST KRANTI MAIDAN, GOWALIA TANK, MUMBAI 400 007, TO TRANSACT THE FOLLOWING BUSINESS.

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1997, and the Profit and Loss Account for the year ended on that date and the Report of the Directors.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Shri Vijay V. Chowgule, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Shri K.V. Talcherkar, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Shri S.S. Marathe, who retires by rotation, and being eligible, offers himself for reappointment.
6. To consider, and if thought fit, to pass with or without modifications, the following resolution as a SPECIAL RESOLUTION.

"RESOLVED THAT pursuant to Sections 224 and 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Haribhakti & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company on a remuneration including reimbursement of travel and other incidental and out of pocket expenses actually incurred by them for the purposes of audit of the company's accounts as may be fixed by the Directors."

By order of the Board,

ASHOK V. CHOWGULE
Managing Director

Registered Office :

2-C, Phoenix Mill Compound,
462, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.

Place : Mumbai

Dated : 30th May, 1997

NOTES :

1. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of business under item No. 6 set out above is annexed hereto.
2. 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 a proxy need not be a member of the Company.
3. A proxy to be valid should be lodged at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
4. Register of Members and Share Transfer Books of the Company will remain closed from Friday, 12th September, 1997 to Monday, 29th September, 1997 (both days inclusive), for the purpose of payment of dividend to those members whose names stood on Register of Members as on 29th September, 1997.
5. Members are requested to notify to the Company immediately any change of their addresses and Bank Mandate instructions, if any, for payment of dividend. The Company proposes to issue dividend warrants in the names of the members along with the name of their Bank and Account Number, wherever such particulars are available, as it will help to reduce the chances of any wrong collection/encashment of the dividend warrants.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956.

Item No. 6

Section 224A of the Companies Act, 1956, provides for the appointment/reappointment as each Annual General Meeting of an Auditor of a Company by a special resolution if the Company is one in which not less than 25% of the subscribed share capital is held singly or in combination by a public financial institution or a Government Company or Central/State Government, etc.

The combined shareholding in the Company of the aforesaid Government and Institutions exceeds 25 per cent of the subscribed share capital of the Company and hence the reappointment of M/s. Haribhakti & Co. is required to be made by a Special Resolution. As required under Section 224 of the Act, certificate has been received from them to the effect that their appointment, if made, will be in accordance with the limit specified in Section 224(1B) of the Act.

None of the Directors is concerned or interested in the above resolution.

By Order of the Board

ASHOK V. CHOWGULE
Managing Director

Place : Mumbai

Dated : 30th May, 1997

narmada cement

COMPANY LIMITED

DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting their Nineteenth Annual Report, together with the audited accounts for the year ended on 31st March, 1997.

FINANCIAL RESULTS

	Current Year (Rs. in crores)	Previous Year (Rs. in crores)
Total Sales	187.74	199.27
Other Income	1.67	1.14
Total Income	189.41	200.41
Gross Profit	23.56	38.70
Interest	2.38	2.53
Depreciation	5.93	5.50
	8.31	8.03
Profit before tax	15.25	30.67
Provision for Taxation	(3.25)	NIL
Profit after Tax	12.00	30.67
Balance brought forward from previous year.	21.24	5.74
	33.24	36.41
Appropriations:		
Dividend on preference shares	NIL	.02
Transfer to General Reserve	3.00	5.00
Investment Allowance Reserve	0.16	-
Proposed Dividend and Corporate Dividend tax attached thereto:		
Proposed Dividend)	7.62	10.15
Corporate Dividend tax)	0.76	-
Balance carried forward	21.70	21.24
	33.24	36.41

OPERATIONS

Production

During the year the production was as follows:

	(Figures in MT)	
	1996-97	1995-96
Clinker	10,17,990	9,78,010
Cement:		
Magdalla	3,97,065	4,99,340
Ratnagiri	3,25,800	2,93,540
	7,22,865	7,92,880

The Jafrabad clinker plant and the Ratnagiri cement plant have worked satisfactorily and also operated at the rated capacity. The Magdalla plant operated at a reduced capacity due to operational failure caused in the Mill Girth Gear & Pinion which needed extensive repairs and could be operated only with low output.

MARKETING

Cement despatches during the year were as under:

	1996-97	1995-96
Magdalla	405,187	494,615
Ratnagiri	329,206	289,606
Total:	734,393	784,221
Clinker Exports/Local Sales	234,256	238,636
Total:	968,649	1,022,857

(Figures in MT)

EXPORT OF CLINKER

The Company has exported 225,981 MT of clinker (previous year 215,476 MT). The exports enable the Company to import coal and some spares without attracting customs duty.

OVERALL RESULTS

The operations of the Company have resulted in a profit before tax of Rs.15.25 crores (Previous year Rs.30.67 crores). After providing for income tax of Rs.3.25 Crores (Previous year NIL), the net profit after tax for the year is Rs.12.00 crores.(Previous year Rs.30.67 Crores).

FUTURE PLANS

The Company is setting up a cement grinding unit with a capacity of 60 tons per hour at Jafrabad. The same is expected to commence commercial production by September, 1997. The cost of the project will be around Rs.25 Crores and has been financed from internal accruals and external borrowings.

The work on Close Circuiting of grinding mill at Ratnagiri is progressive as per schedule and is expected to be completed by Aug. '97. The installation of VSI Crusher and Close Circuiting is expected to increase productivity of the mill by 25%. The entire cost of Close Circuiting and VSI Crusher is being met from internal accruals.

The Company is setting up facilities for production of slag cement at Ratnagiri. The civil work for this project is in advance stage of completion. Major core equipments have already arrived at site. The project is expected to be completed by September, 1997.

DIVIDEND

After reviewing the progress made by the the Company during the year under report your Directors have pleasure in recommending a dividend at the rate of 15% on the paid-up share capital of the Company. If the dividend is approved the amount absorbed on account of proposed dividend and corporate dividend tax attached thereto will be :

Proposed Dividend	..	Rs.7.62 Crores
Corporate Dividend Tax	..	Rs.0.76 Crores
		<u>Rs.8.38 Crores</u>

FULLY CONVERTIBLE DEBENTURES

The Company had issued 17,50,000 fully convertible debentures of Rs.100/- each to be converted into equity shares at par on such date as may be decided by the Board of Directors but not earlier than two years from 28/3/95.

The Board of Directors would consider converting the fully convertible debentures at an appropriate time in future on the same terms and conditions.

PUBLIC DEPOSITS

The Company has not invited/renewed deposits from the public/shareholders in accordance with Section 58A of the Companies Act, 1956. No deposits due to be paid have remained unpaid. However, in respect of unclaimed deposits of Rs.0.14 lakhs the Company has sent necessary reminders to the depositors.

AUDITORS' REPORT

The reference is made by the Auditors in their Report to Note No.3 of Schedule 15 of the annual accounts which in the opinion of the Directors is self explanatory.

DIRECTORS

During the year Mr. V. K. Babbar was nominated by Govt. of Gujarat in place of Mr. Ashok Chawla, who resigned with effect from 24th July, 1996.

Mr. L. Mansingh resigned as a Director of the Company and in his place Govt. of Gujarat nominated Mr. Ashok Chawla with effect from 25th March, 1997.

Mr. V. K. Babbar resigned as a Director of the Company and in his place Mr. Vipul Mittra has been nominated by the Govt. of Gujarat with effect from 21st May, 1997.

The Board has placed on record its appreciation of the valuable services rendered by Mr. V. K. Babbar and Mr. L. Mansingh.

In accordance with Article 256 of the Articles of Association of the Company, Mr. Vijay V. Chowgule, Mr. K. V. Talcherkar and Mr. S. S. Marathe retire by rotation and are eligible for re-election.

COST AUDIT

The Central Govt. vide its Order No.52/295/CAB-88(CLB) had directed that a Cost Audit be carried out every financial year in respect of clinker and cement. The Company will make an application to the Central Govt. for appointment of Mr. V. V. Deodhar, Cost Accountant as Cost Auditors of the Company for the financial year April' 97 to March' 98.

AUDITORS

M/s. Haribhakti & Co., Chartered Accountants, who are the Auditors of the Company, hold office until the conclusion of the forthcoming Annual General Meeting. They have given their consent to continue as the auditors if re-appointed. As required under Section 224A of the Companies Act, 1956, a Special Resolution for reappointment of the Auditors is recommended for adoption.

PARTICULARS OF EMPLOYEES

Details of the employees drawing salary as per Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is annexed herewith.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The statement pursuant to Section 217(1) (e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, forms part of the report and is annexed hereto.

ACKNOWLEDGEMENT

The Directors wish to place on record their appreciation for the co-operation and assistance received by the Company from concerned ministries of Government of India and various departments of Government of Gujarat and Maharashtra, ICICI Banking Corporation Ltd., Dresdner Bank AG, Mumbai, and other Banks and Financial Institutions. The Directors also wish to thank all the employees of the Company at all levels for their active participation and co-operation.

The Directors wish to record the special thanks to the esteemed shareholders for reposing their confidence in the Company.

For and on behalf of the Board

V. D. CHOWGULE
Chairman

Place : Mumbai.

Dated : 30th May 1997.