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17th

REPORT & ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 1997

PC PANCHMAHAL
Cement Limited



PANCHMAHAL CEMENT LIMITED

BOARD OF DIRECTORS :

Mr. M. M. Amin
Chairman & Managing Director

Mr. R. M. Amin

Mr. M. G. Patel

Dr. A. R. Patel

Mr. P. C. Lakhani
Alternate to
Dr. A. R. Patel

COMPANY SECRETARY :

V. D. Talati

BANKERS :

Bank of Baroda

AUDITORS :

R. J. Shah & Associates
Chartered Accountants

REGISTERED OFFICE :

'The Emperor'
11th Floor,
Fatehgunj Main Road,
Vadodara 390 002

FACTORY :

Village Chhapri, Dahod 389 151
Dist. Panchmahal

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Subsidiary Companies :	
Manor Investment Company Limited	35
Sai Tirth Developers Limited	55

ADJOURNED ANNUAL GENERAL MEETING

DATE : 30th June, 1998
DAY : Tuesday
TIME : 10.30 A.M.
PLACE : 'The Emperor', IInd Floor,
 Fatehgunj Main Road
 Vadodara - 390 002

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE 17TH
 REPORT ALONGWITH THEM AT THE ADJOURNED ANNUAL GENERAL MEETING

NOTICE

The Adjourned Annual General Meeting of the Shareholders of Panchmahal Cement Limited will, in continuation of the Annual General Meeting held on 27th February, 1998, be held on Tuesday, the 30th June, 1998 at 10.30 A.M. at the Registered Office of the Company at 'The Emperor', 11nd Floor, Fatehgunj Main Road, Vadodara - 390 002 to receive, consider and adopt the Statement of Accounts of the Company for the year ended 30th June, 1997.

By Order of the Board of Directors

VADODARA
05-06-1998

V. D. TALATI
COMPANY SECRETARY

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. An instrument appointing a proxy should be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.

FOR THE KIND ATTENTION OF THE SHAREHOLDERS

Shareholders are requested to correspond directly to the Company in all matters pertaining to transfer of shares at the Registered office at

"The Emperor"
2nd floor, Fatehgunj Main Road
VADODARA - 390 002

and not at 51, Alkapuri, Vadodara and Alembic Chemical Works Co. Ltd., Vadodara.

PANCHMAHAL CEMENT LIMITED

DIRECTORS' REPORT

To,

The Members,

Your Directors have the pleasure in presenting their 17th Report together with the Statement of Accounts for the year ended 30th June, 1997.

The working results are summarised below :

(Rs. IN LACS)

	Year ended 30.06.1997	Year ended 30.06.1996
Gross Total Income	259.91	893.50
Gross Profit/(Loss) before interest & depreciation	(220.36)	(1089.81)
Interest	344.09	88.91
Profit/(Loss) before depreciation	(564.45)	(1178.72)
Depreciation	25.74	74.98
Profit/(Loss) for the year	(590.19)	(1253.70)
Less : Provision for Wealth Tax	--	--
Net Profit/(Loss) for the year	(590.19)	(1253.70)
Adding thereto/deducting therefrom balance of profit brought forward from the previous period	(698.88)	555.14
Less : Prior Period Adjustment	33.67	0.32
Profit/(Loss) carried to Balance Sheet	(1,255.40)	(698.88)

Your Directors consider the working results satisfactory.

DIVIDEND :

On account of losses incurred by the Company, your Directors regret being unable to recommend payment of any dividend to the Shareholders for the year under review.

CHANGE OF NAME :

The Company has obtained approval of Central Government Under Section 21 of the Companies Act, 1956 for the change of Name from **PANCHMAL CEMENT COMPANY LIMITED** to **PANCHMAHAL CEMENT LIMITED** on 11th September, 1997.

OPERATIONS :

As reported earlier, the manufacturing activities at Dahod Plant had come to a stand still w.e.f. 17th October, 1996. Efforts have since then been made to restart the operations but in vain. Your Directors are seriously considering ways & means, how best to serve the equity and to meet total liabilities. The Sales turnover for about four months from

1/7/96 to 25/10/96 amounted to Rs. 250.91 Lacs as against Rs. 865.35 Lacs of the whole of the previous year. Gross loss for the year amounted to Rs. 220.36 Lacs as against Rs. 1089.81 Lacs of the previous year.

The factory premises at Dahod have been sealed by the Bombay High Court's Receiver on 16/01/98, to recover dues of FIs from the Company. The Company is making the efforts to solve the issue.

SUBSIDIARIES :

A statement pursuant to Section 212 of the Companies Act, 1956 relating to the Company's two wholly owned subsidiaries namely Manor Investment Company Limited and Sai Tirth Developers Limited is enclosed.

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

Information as per Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988, and forming part of the Directors Report for the year ended 30th June, 1997 is set out in annexure I.

PERSONNEL :

Particulars of the remuneration paid to the Employees as required under Section 217 (2A) of the Companies Act, 1956 as amended are set out in an annexure II which forms part of this report.

INDUSTRIAL RELATIONS :

Cordial industrial relations prevailed at the location.

AUDITORS :

At the Annual General Meeting held on 27th February, 1998, M/s R. J. Shah & Associates, Chartered Accountants, Vadodara were appointed as Statutory Auditors of the Company in place of M/s Ambalal Shah & Co., Chartered Accountants, Vadodara.

AUDITOR'S REPORT :

Para 4 (ii), (iii), (iv), (v), (vii), (viii), (ix) are self explanatory in as much as sch. 14 provides adequate information and therefore do not call for any further comments or explanations.

Para 4 (i) non provision of doubtful debt is concerned, effective steps including issue of legal notices and filing of suits are being taken for recovery.

ACKNOWLEDGEMENT :

Your Directors would like to express their grateful appreciation of the assistance and co-operation received from the Industrial Credit and Investment Corporation of India Limited, Industrial Development Bank of India, Industrial Finance Corporation of India, Industrial Reconstruction Bank of India and Bank of Baroda during the year under review.

PANCHMAHAL CEMENT LIMITED

Your Directors also take this opportunity to place on record their sincere thanks to the Distributors, Stockists and Agents, Suppliers, Shareholders and all concerned for their unstinted support and confidence reposed in the Company.

Your Directors also place on record their high sense of appreciation for the support and co-operation received from all the employees of the Company.

For and on behalf of the Board of Directors,

VADODARA

05-06-1998

M. M. AMIN

Chairman and Managing Director

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ANNEXURE I TO THE DIRECTORS' REPORT

Statement regarding Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as required under Clause (e) of sub-sec (1) of sec 217 of the Companies Act, 1956 which forms part of the Directors' Report for the year ended 30th June 1997.

ITEM	PARTICULARS	COMMENTS
A. Conservation of Energy		
(a)	Measures taken	Regular energy auditing of each section carried out and action taken accordingly to maintain standard norms related with consumption and outputs etc.
(b)	Additional Investment and proposals, if any, being implemented for reduction of energy consumption.	NIL
(c)	Impact of the measure (a) and (b) above and consequent impact on cost of production	Efforts are made to bring down energy consumption by monitoring the specified norms.
(d)	Total energy consumption per unit of production.	Refer Form 'A'
B. Technology Absorption.		
(e)	Efforts made in Technology Absorption	Refer Form 'B'
(i)	Research and Development	
(ii)	Technology Absorption, adoption and innovation	
C. Foreign Exchange Earnings & Outgo ;		
(f)	Activities relating to exports initiative taken to increase exports development of new Export market for product and services and Export plans	The Company has not exported its product during the year under review.
(g)	Foreign Exchange Used and earned	NIL

FORM - A

Form for disclosure of Particulars with respect to conservation of energy.

A. POWER AND FUEL CONSUMPTION	Current Year 1996-97	Previous Year 1995-96
1. Electricity		
a. Purchased Unit (Kwh)	15,90,637	61,40,613
Rate/Unit (Rs.)	3.8995	3.6703
Total Amount (Rs. Lacs)	62.34	225.38
b. Own Generation		
(i) Through Diesel Generator Unit Unit per Ltr. of Diesel Oil Cost/Unit	NIL	NIL

PANCHMAHAL CEMENT LIMITED

(ii) Through Steam Turbine/Generator Unit Unit per Ltr. of Fuel Oil/Gas Cost/Unit		NIL	NIL
2. Coal (Specify Quality and Where Used) :			
Qty. (Tonnes)	1996-97	1995-96	
Total Cost (Rs. in lacs)	3047	13844.00	
Avg. Rate (Rs./tonnes)	55.26	238.44	
	1913.59	1722.33	
3. FURNACE OIL			
Qty. (K. Ltrs.)	NIL	NIL	
Total Amount			
Average Rate			
4. OTHERS/INTERNAL GENERATION (PLEASE GIVE DETAILS)			
Qty.	NIL	NIL	
Total Cost			
Rate/Unit			
B. CONSUMPTION PER UNIT OF PRODUCTION	Standard (if any)	Current Year	Previous Year
Products (with details unit)			
Electricity	140Kwh	140.78	138.17
Furnance Oil			
Coal (Specify Quality), Slack Coal Grade 'C'	0.2660	0.2683	0.3115
Other (Specify)			
Higher consumption due to poor quality of coal.			

FORM - B

Form for disclosure of particulars with respect to Absorption Research and Development (R & D)

1. Specific areas in which R & D carried out by the Company.	NIL
2. Benefits derived as a results of the above R & D.	NIL
3. Future Plan of Action.	—
4. Expenditure on R & D	
a) Capital	NIL
b) Recuring	NIL
c) Total Cost	NIL
d) Total R&D expenditure as a percentage of total turnover	NIL

Technology absorption, adaptation and innovation :

1. Efforts in brief made towards technology absorption, adaptation and innovation.	NIL
2. Benefit derived as a result of the above efforts e.g. product improvement, cost reduction production development, import substitution etc.	NIL