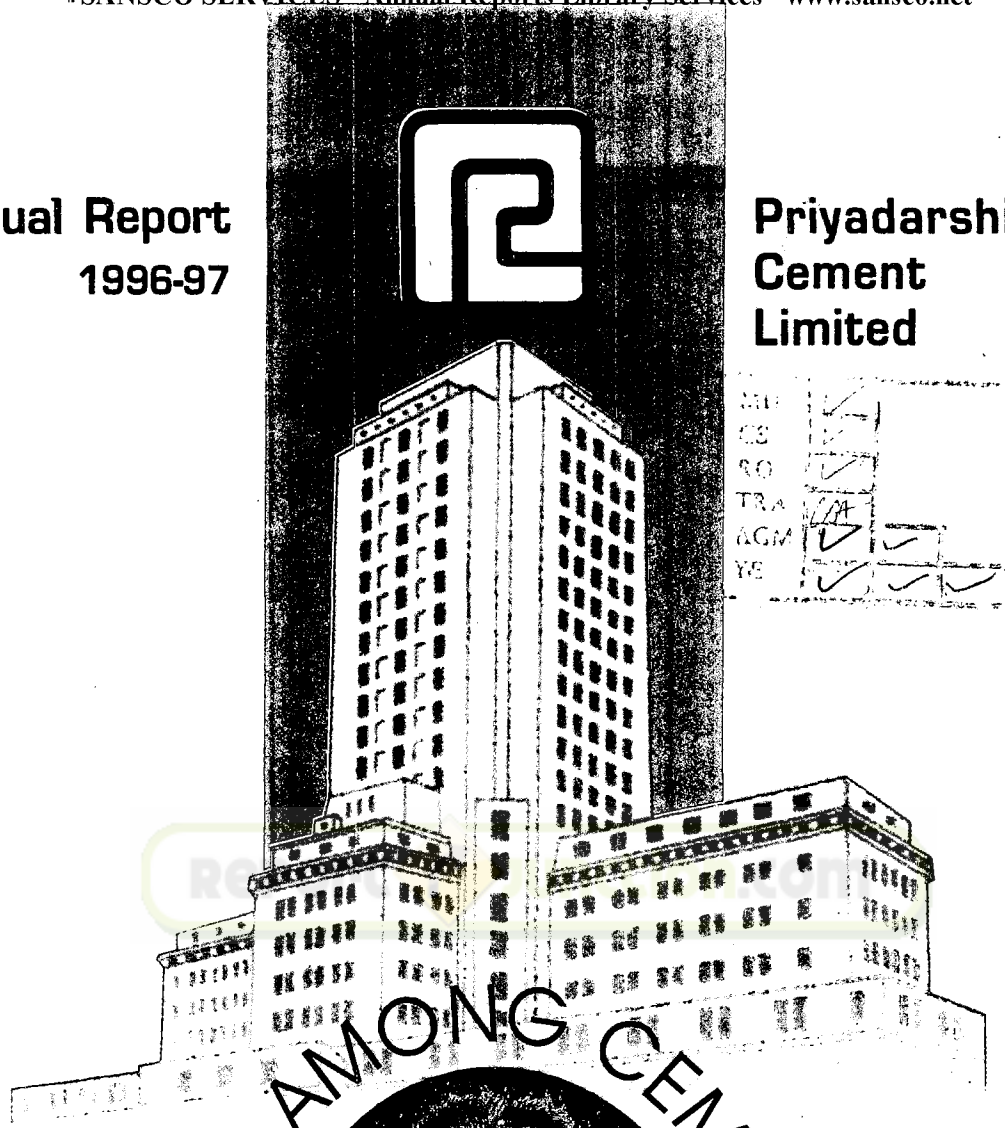
SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Annual Report 1996-97

Priyadarshini Cement Limited



KING AMONG CEMENTS

ISO 9002

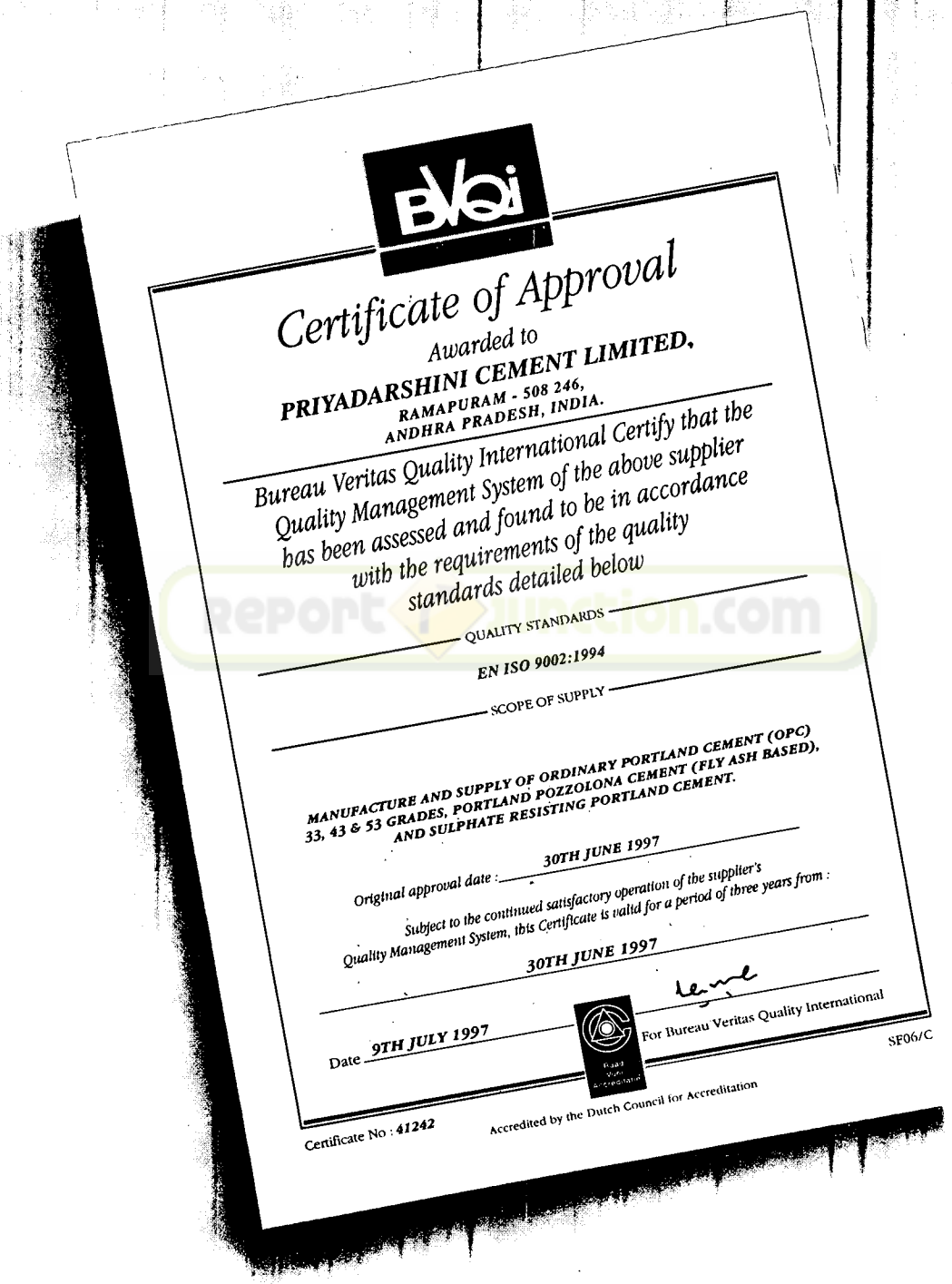
COMPANY

WISDOM ○ STRENGTH ○ GROWTH

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

An Award for Excellence ...



BVQI

Certificate of Approval

Awarded to

PRIYADARSHINI CEMENT LIMITED,
RAMAPURAM - 508 246,
ANDHRA PRADESH, INDIA.

Bureau Veritas Quality International Certify that the Quality Management System of the above supplier has been assessed and found to be in accordance with the requirements of the quality standards detailed below

QUALITY STANDARDS

EN ISO 9002:1994

SCOPE OF SUPPLY

MANUFACTURE AND SUPPLY OF ORDINARY PORTLAND CEMENT (OPC) 33, 43 & 53 GRADES, PORTLAND POZZOLONA CEMENT (FLY ASH BASED), AND SULPHATE RESISTING PORTLAND CEMENT.

Original approval date : **30TH JUNE 1997**

Subject to the continued satisfactory operation of the supplier's Quality Management System, this Certificate is valid for a period of three years from :

30TH JUNE 1997

Date **9TH JULY 1997**

For Bureau Veritas Quality International

SF06/C

Certificate No : **41242**

Accredited by the Dutch Council for Accreditation

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

PRIYADARSHINI CEMENT LIMITED

Board of Directors

T. Subbarami Reddy	*Chairman*
N. Radhakrishna Reddy	*Executive Vice Chairman & Managing Director*
P. Prathap Reddy	
P. Munikrishna	
K.K. Apte	
K. Rama Murthy	
C.N. Gangadaran	
Thomas Mathew	
N. Jagan Mohan Reddy	
N. Sujith Kumar Reddy	*Executive Director*

Company Secretary
N.P. Venkata Subbaiah

Auditors
M/s. Prayaga & Company
Chartered Accountants
5-2-392/5, Hyderbasti
R.P. Road
Secunderabad - 500 003.

Bankers
State Bank of India
State Bank of Hyderabad
Bank of India
Indian Bank

Regd. Office
6-3-1092 & 1093, 1st Floor
Santisikhara Complex
Rajbhavan Road, Somajiguda
Hyderabad - 500 082.

Factory
Ramapuram Village
Kodad Taluk
Nalgonda Dist.
Andhra Pradesh

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of **PRIYADARSHINI CEMENT LIMITED** will be held at Ramada Hotel Manohar, adjacent to Airport Exit Road, Begumpet, Hyderabad - 500 016 on Saturday, the 27th September, 1997 at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 1997 and Profit and Loss Account for financial year ended 31st March, 1997 and the Reports of the Directors and the Auditors thereon.
2. To declare the dividend on equity shares.
3. To appoint a Director in place of Sri P. Munikrishna, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Sri Thomas Mathew, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors who will hold office till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration. The retiring Auditors M/s Prayaga & Company, Secunderabad are eligible for reappointment.

SPECIAL BUSINESS

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

   "**RESOLVED THAT** Sri N. Jagan Mohan Reddy, who was appointed as Additional Director of the Company with effect from 13.06.1997 under Article 112 of the Articles of the Association of the Company and holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company".

7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution.

   "**RESOLVED THAT** Pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956 and subject to the confirmation of the Central Government / Company Law Board or such other authority, "the other objects", of the Memorandum of Association of the company be and are hereby altered by inserting the following Clauses".

   Clause 18

   To carryon in India or elsewhere the business of manufacturing, producing, processing, melting, converting, manipulating, treating and to act as agent, broker, buyer, seller, trader, importer, exporter, distributor, stockist, metallurgist, engineer, consultant, foundryman, jobworker, supplier, contractor or otherwise to deal in ferro alloys of all grades and forms including powder form such as ferro silicon, ferro chrome, silico manganese, silico calcium, silico chrome, ferro molybdenum, ferro vanadium, ferro tungsten, ferro-silico magnesium, ferro manganese, ferro columbium, ferro niobium, ferro titanium or other ferro alloys present or future and other allied items and to do all such incidental acts and things for the attainment of above objects.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Clause 19

To carry on in India or elsewhere the business to manufacture, produce, treat, process, design, develop, build, convert, compound, cure, crush, distribute, display, exchange, barter, explore, extract, excavate, finish, formulate, grind, handle, fabricate, import, export, purchase, sell, jobwork, mix, modify, market, operate, prepare, and to act as brokers, agents, stockists, consignors, collaborators, distributors, suppliers, promoters, adatias, concessionaries, consultants, C&F agents, wholesalers, retailers, and sales organisers of all shapes, sizes, varieties, specifications, descriptions, applications and uses of sanitary wares, ceramicwares, earthenwares, tablewares, hotelwares, pressedwares, decorative wares, garden wares, kitchen wares, crockeries, potteries, insulators, terracotta, porcelainware, bathroom, accessories, pipes, wall tiles, floor tiles, roofing tiles, porcelain tiles, bricks, building materials, asbestos sheets, poles, blocks, plumbing fixtures including fittings, parts, accessories, consumbles, components & by-products thereof whether made of mild steel, galvanised or forged steel, brass, copper, aluminium, gypsum, lime stone, porcelain, sand, ores, cement, concrete, asbestos cement, china-clay, pulp, paper, plastic, chemical, stone, stone powder, PVC, rubber, canvas, acrylic, fibre, glass, glass fibre, or any other man made synthetic or natural material or any combination thereof and to do all incidental acts and things necessary for the attainment of above objects.

"**RESOLVED FURTHER THAT** the Board of Directors or a Committee thereof be and are hereby authorised to agree to such modifications, terms and conditions, as may be stipulated by the Central Government / Company Law Board or such other authority while granting the approval / confirmation and acceptable to the Board/ Committee in the best interests of the Company."

8. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a special resolution.

"**RESOLVED THAT** pursuant to the provisions of Sec.149 (2A) and other applicable provisions if any of the Companies Act 1956 and further subject to approval of financial institutions and banks, approval of the company be and is hereby accorded to the Board of Directors for commencing the business of all or any of the activities as detailed in the proposed sub-clauses 18 & 19 of objects clause III(c) of the Memorandum of Association of the Company being inserted by way of amendment of the objects clause and subject to confirmation for such amendment by the Central Government / Company Law Board or such other authority as and when deemed fit by the board or a committee thereof".

By order of the Board

Place : Hyderabad
Date : 24.06.1997

N.P.Venkata Subbaiah
Company Secretary

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTES

1. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the business set out under items 6 to 8 both inclusive is annexed hereto.

2. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

3. Instrument of proxies in order to be effective must be deposited at the Company's Registered office at 6-3-1092 & 1093, Ist Floor, Shanthisikhara Complex, Rajbhavan Road, Somajiguda, Hyderabad - 500 082 not less than forty eight hours before the meeting.

4. The Register of Members and share transfer books will remain closed from 16th September, 1997 to 27th September, 1997 (both days inclusive).

5. Members are requested to inform immediately the change, if any, in their address to the Secretarial Department, 8-3-1100/1, Plot No.112, Ground Floor, Near Capri Towers, Srinagar Colony, Hyderabad - 500 073.

6. Members desiring to seek any information on the annual accounts are requested to write to the company at an early date to enable compilation of information.

7. To avoid the possibility of the Dividend Warrants being stolen or being illegally misappropriated, it is requested to indicate your Bank account number and Bank Branch details to enable us to incorporate the same on the Dividend Warrant.

8. NRI shareholders are requested to immediately furnish their NRE/BANK A/c particulars without fail to facilitate for remittance of dividends to their Bank accounts.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Explanatory statement under Section 173(2) of the Companies Act, 1956 for items 6 to 8 of the notice for the 23rd Annual General Meeting to be held on Saturday the 27th September, 1997.

ITEM NO.6

Sri N. Jagan Mohan Reddy was co-opted as Additional Director on the Board of Directors on 13.06.1997 in terms of Section 260 of the Companies Act, 1956 and Article 112 of the Articles of Association of the Company.

He holds the office up to the date of ensuing Annual General Meeting.

Sri N. Jagan Mohan Reddy is a Graduate in Industrial Engineering from Purdue University (USA) and he is the Managing Director of Rain Calcining Limited. The Company has received notices from two members of the Company with a deposit of Rs.500/- each as required under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.

Apart from Sri N. Jagan Mohan Reddy, Sri N.Radha Krishna Reddy, Sri N. Sujith kumar Reddy and Sri P. Prathap Reddy being relatives are concerned/interested in the said resolution. No other Director is interested in the resolution.

ITEM NO.7

In view of the liberalisation of the economy and the encouraging measures taken by the Government and in order to diversify into certain business ventures, your Directors have been considering various proposals.

Amendments proposed by way of additions to the Objects Clause in the Memorandum of Association as set out in the resolution under this item are to facilitate diversification to enable the company to enlarge its areas of operation.

Your directors are of the view that it will be beneficial for the company and the shareholders as also in harmony with greater public interest that the company should diversify its activities.

Your Directors are also of the view that the proposed additional objects may conveniently and advantageously be combined with the existing business of the company. Accordingly, the Directors proposed to amend clause III (C) of the Memorandum of Association of the Company as set out at item 7 of this Notice. To enable the Company to take these new lines of activities in due course as and when considered proper by the Board of Directors, alterations in the objects clause of the Memorandum of Association are necessary.

As per the provisions of Sec.17 of the Companies Act, 1956 the objects clause of the company can be amended only by a special resolution passed by the shareholders subject to the confirmation by the Central Government / Company Law Board or such other authority and accordingly the Directors of the company recommend the resolution set out at item No. 7 for consideration and approval by the members.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ITEM NO.8

Approval of the share holders is required pursuant to Section 149 (2A) of the Companies Act, 1956 as set out in Item No.8 for commencing the new business at an appropriate time.

The Board is actively thinking of diversifying the activities of the Company. Further, the Board feels that proposed activities of the company will prove to be beneficial to the company and, therefore, commend the resolution set out at item No.8 in the notice for your approval.

The Company's Memorandum of Association is open for inspection at the Company's Registered Office during usual business hours on any working day.

None of the Directors is interested in the resolution.

By order of the Board

Place : Hyderabad
Date : 24.06.1997

N.P. Venkata Subbaiah
Company Secretary

Report Junction.com

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Annual Report and Audited Accounts of the company for the financial year ended 31st March, 1997.

Financial Highlights

(Rs. Lakhs)

	Year Ended 31.03.1997	Year Ended 31.03.1996
Sales	18,962	17,150
Profit before interest & Depreciation	3,740	3,540
Less: Interest & Finance Charges	622	1,006
Profit after Interest but before Depreciation	3,118	2,534
Less: Depreciation	308	291
Profit for the year	2,810	2,243
Prior Period adjustments	(7)	(174)
Extraordinary Item	(194)	–
Profit before Tax	2,609	2,069
Less: Provision for Taxation	505	–
Profit after Tax	2,104	2,069
Investment Allowance Reserve Written-back	–	1,020
Balance brought forward	329	(1,998)
Total	2,433	1,091
Appropriations		
Proposed Dividend	398	262
Tax on dividend	40	–
Transfer to General Reserve	500	500
Balance carried to Balance Sheet	1,495	329
	2,433	1,091

Performance Highlights

(in MTs.)

Installed Capacity	6,00,000	6,00,000
Production	7,74,064	7,10,222
Sales	7,67,322	7,11,836
Capacity utilisation	129%	118%

Operations

Your Company has achieved a satisfying all-round performance on all fronts. The Company has made sales of 7,67,322 MTs, Production of 7,74,064 MTs with a capacity utilisation of 129% for the year ended 31.03.1997 as against the sales of 7,11,836 MTs, production of 7,10,222 MTs and capacity utilisation of 118% for the year ended 31.03.1996, which shows the commendable improvement in the performance of the Company on operational front.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Sales during the year under review is of the order of Rs.189.62 crores as against the previous year sales of Rs.171.50 crores. Priyadarshini Cement Limited continues to maintain leadership in respect of quality and cost effectiveness through all round resources productivity.

The improved results during the year 1996-97 compared to 1995-96 resulted in a Net Profit of Rs.26.09 crores. The increase in Net Profit during the year is due to improved market share with good realisation and with continuous efforts in economising cost of production.

Prospects

The performance of the Company has shown commendable improvement which is a good sign of its positive growth and all round development. Privatisation of Roads and liberalised policies by the State and Central Governments is expected to boost the demand for cement which will now need large capacities.

The continued focus on operational improvement coupled with thrust on quality will make the Company to stand in good stead in future years.

Further, your Directors are pleased to inform that a Closed Circuit Grinding Mill is being installed to augment cement capacity and to produce highest quality cement for the market. The demand for good quality cement from the consumers is increasing day by day which ultimately results in better realisation.

Your Company has invested in the share capital of Andhra Pradesh Gas Power Corporation Limited for supply of Power to the plant which is cheaper than the power being supplied by Andhra Pradesh State Electricity Board and has continued to economise in operations.

The shareholders at the 22nd Annual General Meeting held on 19.09.1996 have approved the Special Resolution for amending the Objects Clause of Memorandum of Association of the Company to diversify its activities into the industries of Spinning, Power, Sugar, Pharmaceuticals, Real Estate, Distilled Water, Hire Purchase, Leasing & Finance and Petro Chemicals.

Objects clause as approved by the shareholders has been confirmed by the Company Law Board, Southern Region, Chennai.

Your Directors are examining many business opportunities in the context of freedom to choose different activities in the near future due to which the value of the Company would go up.

Dividend

Due to continuous and promising performance of the Company, your Directors are pleased to recommend for your consideration at the Annual General Meeting a Dividend @18% for the year ended 31.03.1997

www.reportjunction.com