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# ANNUAL REPORT

1999-2000

# Priyadarshini Cement Limited

ISO 9002 COMPANY

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A view of the Factory (Unit-II) at Sreepuram, Kurnool Dist. (Acquired from NCC Ltd)

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## BOARD OF DIRECTORS

| | |
|---|---|
| T. Subbarami Reddy | *Chairman* |
| N. Radhakrishna Reddy | *Executive Vice Chairman & Managing Director* |
| K.K. Apte | |
| K. Ramamurthy | |
| 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 - 500003.

### Bankers
State Bank of India
State Bank of Hyderabad
Bank of India
Indian Bank
IndusInd Bank Ltd.,
Canara Bank
ICICI Bank Ltd.,

### Regd. Office.
Plot No.34, "Green Tower"
No.8-3-1008
Srinagar Colony
Hyderabad - 500 073

### Factories:
Unit I : Ramapuram
Mellacheruvu Mandal
Nalgonda Dist
Andhra Pradesh.

Unit II : Sreepuram
Peapully Mandal
Kurnool Dist.
Andhra Pradesh.

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# NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of **PRIYADARSHINI CEMENT LIMITED**, will be held at Taj Residency (formerly known as Holiday Inn Krishna), Road No.1, Banjara hills, Hyderabad – 500 034 on Thursday, the 27th July, 2000 at 3.00 P M to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2000, Profit and Loss Account for financial year ended 31st March, 2000 and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri C N Gangadaran, Director who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Sri Thomas Mathew, Director, who retires by rotation and being eligible, offers himself for reappointment.
4. 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

5. To consider and, if thought fit to pass with or without modification, the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in the following manner:

DEMATERIALISATION OF SECURITIES

Insert the following Heading and Article as Article 2(i) after Article 2(h)

*Definitions* 2(i) 1. For the purpose of this Article :-

'Beneficial Owner' means a person or persons whose name is recorded as such with a depository ;

'SEBI' means the Securities and Exchange Board of India ;

'Depository' means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act, 1992 ; and

'Security' means such security as may be specified by SEBI from time to time.



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*Dematerialisation of Securities*

2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.

*Options for investors*

3. Every person subscribing to securities offered by the company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the matter and within the time prescribed, issue to the beneficial owner the required Certificate(s) of Securities.

If a person opts to hold his security with a depository, the company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.

*Securities in depositories to be in fungible form*

4. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

*Rights of depositories and Beneficial owners*

5. (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member



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of the company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

*Service of documents* 6. Notwithstanding anything in the Act or these articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.

*Transfer of securities* 7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

*Allotment of Securities Dealt with in a depository* 8. Notwithstanding anything in the Act or these articles, where securities are dealt with by a depository, the company shall intimate the details thereof to the depository immediately on allotment of such securities.

*Distinctive numbers of Securities held in a depository* 9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the company shall apply to securities held with a depository.

*Register and Index of Beneficial owners* 10. The Register and Index of beneficial owners maintained by a depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of Members and Security holders for the Purposes of these articles.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, proper or expedient to give effect to the above resolution"

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

**RESOLVED THAT** pursuant to provisions of Sections 198, 269 and 309 read with Schedule XIII to the Companies Act, 1956, and other applicable provisions if any of the Companies Act, 1956, and subject to the approval of Financial Institutions, consent of the company be and is hereby accorded for reappointment of Sri N. Sujith Kumar Reddy as Executive Director of the company for a period of five years from 01.06.2000 to 31.05.2005 on the remuneration payable to him by way of salary and perquisites as detailed below.



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a. Salary : Rs.40,000 per month.

b. Commission : 1% on the Net Profits of the Company.

c. Perquisites : In addition to aforesaid salary, he shall also be entitled to perquisites like furnished accommodation, gas, electricity, water and furnishings, medical reimbursement for self and family, leave travel concession for self and family, club fees, personal accident insurance etc., in accordance with the Rules of the Company, the monetary value of such perquisites being limited to the annual salary.

For the purposes of such limit perquisites shall be valued as per Income Tax Rules, wherever applicable and in the absence of any such Rule, shall be valued at actual cost,

AND

Provision for use of Company's Car with Driver for official duties and Telephone at Residence (including payment for local calls and long distance official calls) will not be considered as perquisites. Personal long distance telephone calls and use of company's car for personal use shall be billed by the company.

He shall also be eligible to the following perquisites which shall not be included in the computation of the ceiling specified at 'c' above.

i) Company's contribution to the Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and

iii) Encashment of earned leave as per the rules of the Company. Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.

"**RESOLVED FURTHER THAT** in pursuance of the provisions of Section 198(4) read with Schedule XIII to the Companies Act, 1956, the above may be paid as the minimum remuneration to Sri N. Sujith Kumar Reddy, Executive Director, in the absence or inadequacy of net profit in any financial year"

By order of the Board

Place: Hyderabad
Date : 29.04.2000

**N. P. VENKATA SUBBAIAH**
Company Secretary



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## 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/herself and such proxy need not be a member of the Company.
2. Instrument of proxies in order to be effective should be deposited at the Company's Registered office at Plot No.34, Green Tower, Srinagar Colony, Hyderabad - 500 073 not less than forty eight hours before the commencement of the meeting.
3. The Register of Members and the share transfer books of the Company will remain closed from 01.07.2000 to 27.07.2000 (both days inclusive).
4. The Shareholders who have not encashed the dividend warrant(s) so far for the Financial Years 1995-96 to 1998-99 are requested to make their claim to the Secretarial Department, 8-3-1100/1, Plot No.112, Ground Floor, Near Capri Towers, Srinagar Colony, Hyderabad - 500 073.
5. Members are requested to inform immediately the change, if any, in their address to the Company Secretary, 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. Shareholders holding shares in identical order of names in more than one folio are requested to write to the Secretarial Department at 8-3-1100/1, Plot No.112, Ground Floor, Near Capri Towers, Srinagar Colony, Hyderabad - 500 073 enclosing their share certificates to enable the Company to consolidate their holdings in one folio.

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By order of the Board

Place: Hyderabad
Date : 29.04.2000

**N. P. VENKATA SUBBAIAH**
Company Secretary



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**Explanatory Statement under Section 173(2) of the Companies Act, 1956 for Items 5 & 6 of the notice for the Twenty Sixth Annual General Meeting to be held on Thursday, the 27th July, 2000 at 3.00 p m**

**Item No.5**

With the introduction of the Depositories Act, 1996, and the Depository System, some of the provisions of the companies Act, 1956, relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a safe and more convenient method for holding and trading in the securities of a company and hence the company intends to provide the facility of holding the shares/securities in the Dematerialised form in addition to the holding of shares in Physical form.

It is, therefore, proposed that the Articles of Association of the Company be suitably altered, as set out in the Resolution to incorporate the provisions introduced by the Depositories Act 1996, and to spell out the rights of the beneficial owner(s) of the securities in such a system.

Your Directors commend the resolution for your approval.

None of the Directors of the company is in any way, concerned or interested in the resolution set out in the notice.

**Item No. 6**

Sri N. Sujith Kumar Reddy has been appointed as Executive Director of the Company for a period of 5 years w.e.f. 01.06.1995. Since, the term of the Executive Director expires by 31.05.2000, the Board of Directors at its meeting held on 29.04.2000 have approved the reappointment of Sri N. Sujith Kumar Reddy as Executive Director for a period of 5 years from 01.06.2000 to 31.05.2005 on the terms set out in the Resolution which is subject to the approval of the members in General Meeting as per the condition(s) stipulated in Schedule XIII to the Companies Act, 1956.

Your Directors commend the resolution for your approval.

Apart from Sri N. Sujith Kumar Reddy, Sri N. Radha Krishna Reddy and Sri N. Jagan Mohan Reddy being relatives are concerned/interested in the resolution set out in the notice.

By order of the Board

Place: Hyderabad
Date: 29.04.2000

**N. P. VENKATA SUBBAIAH**
Company Secretary



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## 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, 2000.

**Financial Results:** **(Rs. Lakhs)**

| | **Year Ended 31.03.2000** | Year Ended 31.03.1999 |
|---|---|---|
| Sales | **22,255** | 16,517 |
| Profit before interest & Depreciation | **2,817** | 1,844 |
| Less : Interest & Finance Charges | **2,758** | 462 |
| Profit after interest but before Depreciation | **59** | 1,382 |
| Less : Depreciation | **948** | 378 |
| Profit before Tax | **(889)** | 1,004 |
| Less : Provision for Taxation | **2** | 355 |
| Prior Year Tax | **(11)** | 5 |
| Profit after Tax / (Loss) | **(880)** | 644 |
| Balance brought forward | **2,189** | 1,890 |
| Total | **1,309** | 2,534 |
| **Appropriations:** | | |
| Proposed Dividend | — | 221 |
| Tax on Dividend | — | 24 |
| Transferred to General Reserve | — | 100 |
| Balance Carried to Balance Sheet | **1,309** | 2,189 |
| Total | **1,309** | 2,534 |

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**Summary of Performance**

| | | | |
|---|---|---|---|
| Installed Capacity | (MTs) | **9,30,000** | 6,00,000 |
| Production | (MTs) | **10,52,583** | 7,69,981 |
| Sales | (MTs) | **10,44,005** | 7,67,400 |
| Capacity Utilisation | (%) | **113** | 128 |

**Operations**

The sales and production for the year 1999-2000 stood at 10,44,005 and 10,52,583 Metric Tonnes respectively.

The Company has achieved a turnover of Rs.222.55 crores during the year. The Company has incurred loss due to additional borrowings from the Institutions and Banks to fund the acquisition of cement plant of NCCL which resulted in



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