

42nd
Annual Report
1999 - 2000

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The rainbow is one of the most beautiful creations of mother nature. In different cultures it symbolises different things. A bow for king of gods or a pot of gold at the end. We at Snowcem draw inspiration from nature and cultures. We try to duplicate myriad hues of nature in our paints and strive towards that pot of gold of excellence in quality and service. The cover design is depiction of our drive for excellence.

DIRECTORS

B.R. Ruia
Chairman & Managing Director

P.J. Cook

Michael D. Simmons

S.N. Talwar
(Alternate to Mr. P. J. Cook)

Dr. A. K. Bhattacharya
(Alternate to Mr. Michael D. Simmons)

P.C.D. Nambiar

Field Marshal Sam Manekshaw

D.T. Ruia

A. V. Kale
Executive Director

BANKERS

Allahabad Bank

State Bank of Hyderabad

The Federal Bank Limited

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AUDITORS

R. S. Shah & Associates

ADVOCATES & SOLICITORS

Messrs. Crawford Bayley & Co.

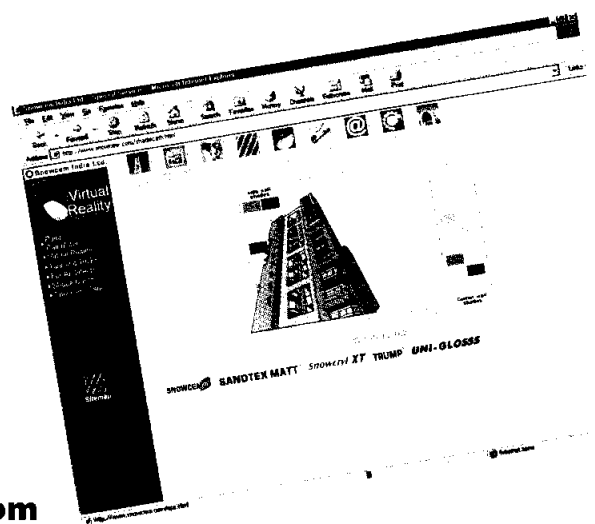
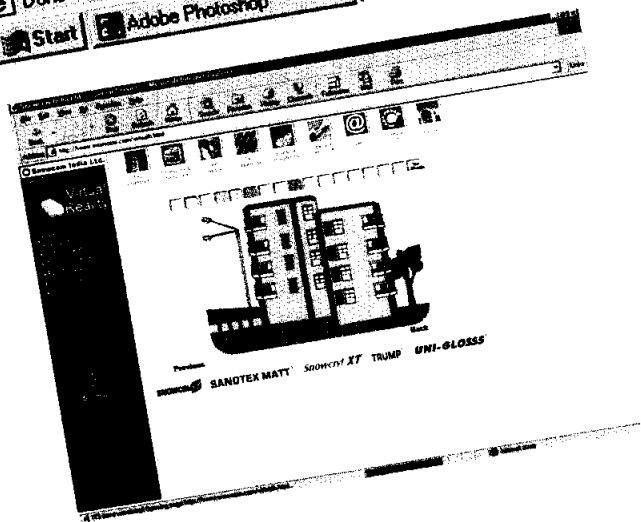
Messrs. Malvi Ranchoddas & Co.

REGISTERED OFFICE

Killick Estate,
Baji Pasalkar Marg,
Chandivali,
Mumbai - 400 072.

 **Snowcem India Ltd.**

WWW.SNOWCEM.COM



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Chairman's Statement

Dear Shareholder,

Your Company has done well during the year and review of operations has already been included in the Directors' Report. However, I take this opportunity to share my personal vision for the future of the Company.

I strongly believe that the Company must keep pace with the changing business environment world-wide. It is now apparent that business in future will be dominated by information technology and e-commerce and one must realise this and act accordingly. To keep pace with this development, we have already taken initial steps. The first step towards this is that your Company has launched its own website - www.snowcem.com., which gives information on the Company and its products. The Company is also planning to develop an industry specific Portal wherein all aspects related to industry will be covered.

The prime requirements of today's market are efficient service to the consumer and reduction in operation costs. This can be achieved by eliminating delays in communication and distribution. Therefore, the Company is planning an online network of all its Plants, Branch Offices and Stocking points for instant communication. With ever increasing network, it is essential to have ERP in place to reduce overall costs. Necessary action in this respect is already initiated.

With the opening of the Indian economy, multi national companies are entering into all spheres of business and industry and paint segment is no exception. Therefore, it is imperative that any industry must offer products and services of global standard and only those who can adopt these practices will survive and prosper. Your Company has always offered products of international standards and is continuously improving services. With ERP and Online network, the Company will be able to reach higher standards of service. The Company is always prospecting to diversify its product range and upgrade its technical know how. We are in dialogue with various specialty products companies abroad to this effect.

As a part of liberalisation process, the Government has initiated policies which facilitate investment abroad by Indian companies and thereby become increasingly global in their operations. Your Company is also exploring this option vigorously.

During the last few years, the Company has taken active steps to enhance the Brand value of its products. These efforts have met with admirable success as is indicated by recent valuation carried out by renowned valuer placing the Brand value at Rs. 150 crores.

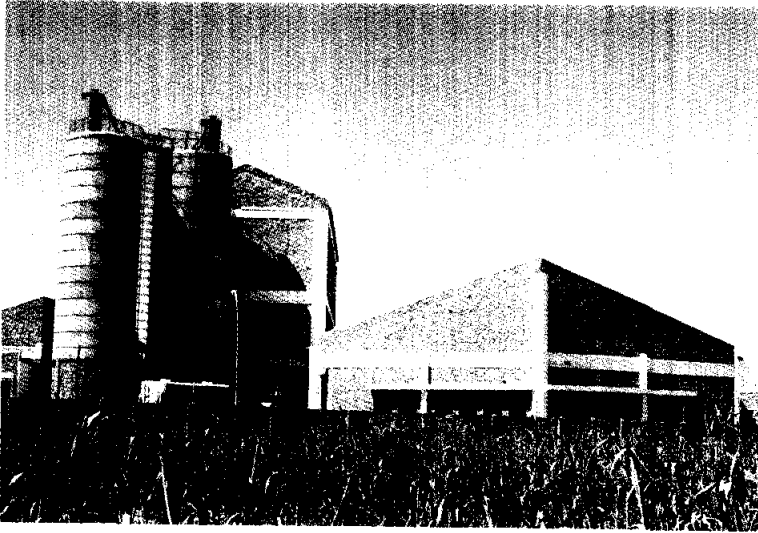
All in all, please be assured that your Company is making every effort to meet future challenges and will continue to prosper.

I thank you for your valuable support and looking forward to continuous reliance on the same in future.

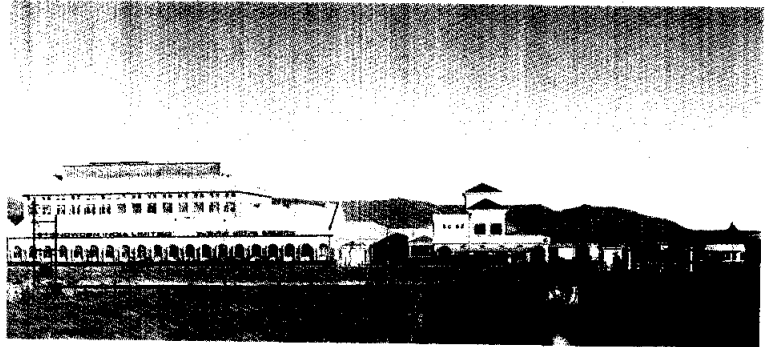
With warm regards,

B. R. RUIA

Plants



Gotan



Sinnar



Gumadipunddi



Nasik

Year at a Glance

	Rs. In Lacs		
FOR THE YEAR ENDED MARCH 31ST	2000	1999	1998
SALES	15289.50	11119.77	7755.05
PBDIT	2297.33	1269.81	815.72
NET PROFIT	1493.48	851.44	564.78
DIVIDEND AMOUNT	315.24	293.85	262.70
TOTAL ASSETS	18568.52	12702.11	8805.29
NET WORTH	7029.01	5372.19	4762.79

Rs. in Lacs

	99-00	98-99	97-98	96-97	95-96
Sales	15289.50	11119.77	7755.05	6459.22	5810.78
Total Income	15315.86	11155.86	8103.18	6805.88	6667.42
PBDIT	2297.33	1269.81	815.72	640.76	1421.53
Depreciation	158.39	134.67	122.60	71.58	45.42
Interest (Net)	600.46	166.70	61.34	-123.63	81.30
Profit before Tax (PBT)	1538.48	968.44	631.78	692.81	1294.81
Profit after Tax (PAT)	1493.48	851.44	564.78	542.81	1169.81
Dividend Amount	315.24	293.85	262.70	262.70	227.14
Equity Share Capital	1050.81	1004.46	1004.18	1004.09	960.28
Reserves & Surplus	6215.53	4707.50	4180.43	3906.23	3290.55
Net Worth	7029.01	5372.19	4762.79	4848.67	4186.78
Gross Fixed Assets	3866.34	3516.18	2783.52	2332.75	1580.44
Net Fixed Assets	3119.52	2930.14	2326.13	2000.36	1322.03
Total Assets	18568.52	12702.11	8805.29	6508.13	5509.27

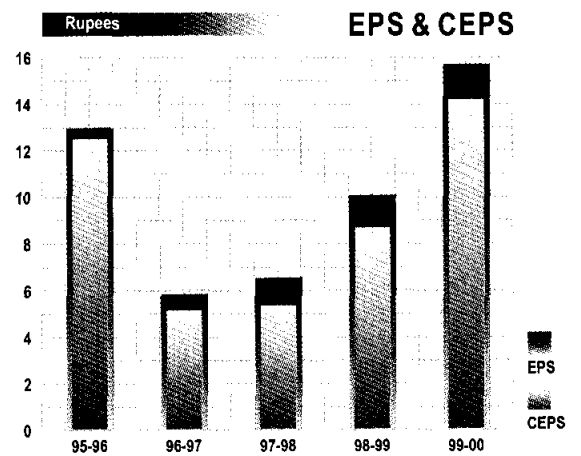
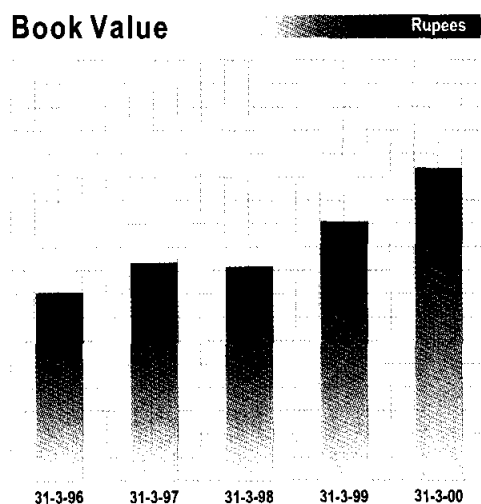
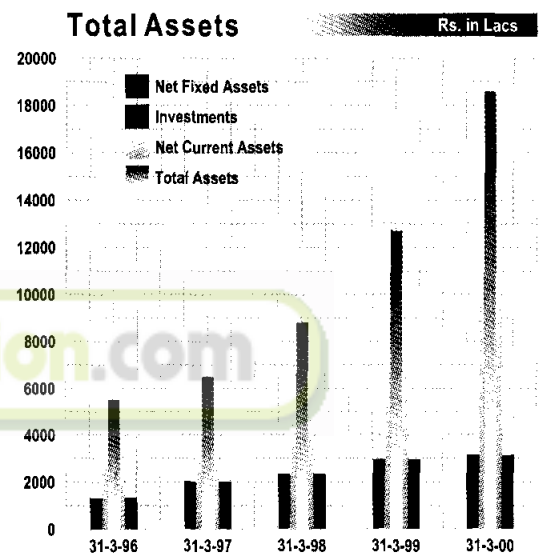
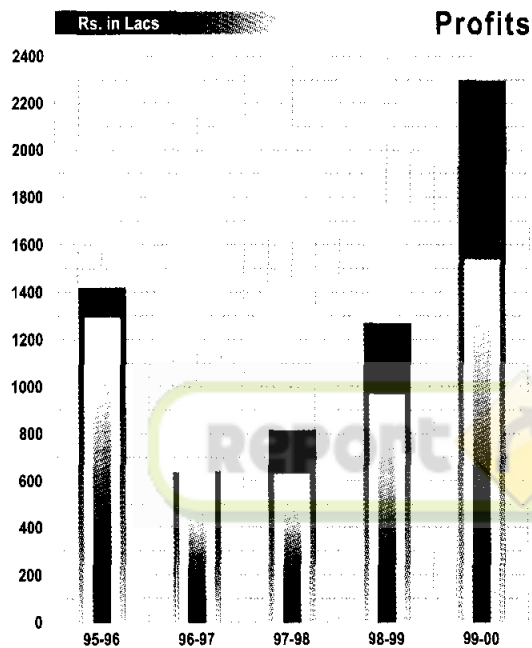
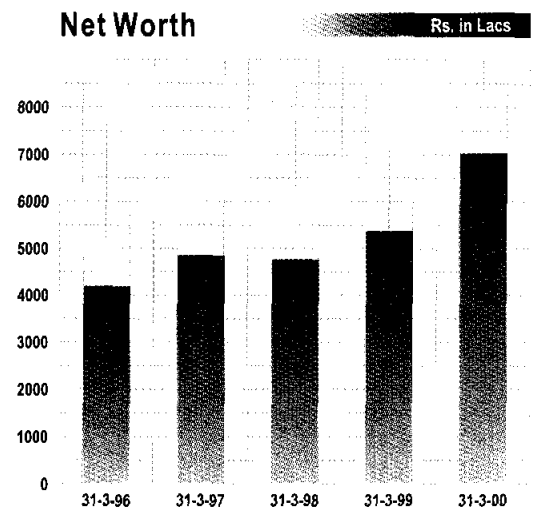
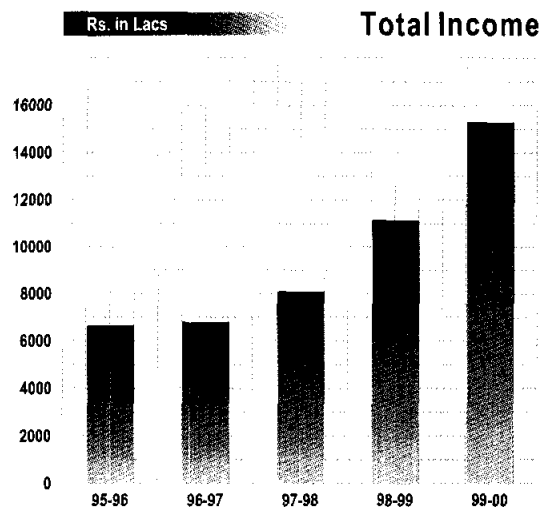
Financial Highlights & Graphs

Rupees

	99-00	98-99	97-98	96-97	95-96
Earning Per Share - EPS	14.21	8.69	5.37	5.16	12.50*
Cash Earning Per Share - CEPS	15.72	10.07	6.54	5.85	12.97*
Market Price at Year End	69.90	54.85	52.45	50.25	60.00
52 week - High	180.40	66.30	69.00	90.00	100.00
52 week - Low	48.00	49.95	42.10	37.00	50.00
Book Value	66.89	55.43	45.89	46.73	40.45
Market Capitalisation (Rs. Lacs)	7345.16	5272.56	5511.50	5280.32	6304.86
Equity Dividend (%)	30.00	30.00	25.00	25.00	25.00
Dividend Yield (%)	4.48	5.47	4.77	4.98	4.17
PBDIT Margin % (PBDIT / Sales)	15.03	11.42	10.52	9.92	24.46
Return on Avg. Net Worth (%)	24.09	16.80	11.75	12.02	41.55

NOTES :

* Annualised



Snowcem India Ltd.

FOR THE YEAR ENDED MARCH 31ST**2000****1999****1998****1997****Financial Performance Ratio**

Other Income / Total Turnover (%)	0.17	0.31	0.60	0.43
Personnel cost / Total Turnover (%)	2.04	2.66	4.82	5.22
Operating expenses / Total Turnover (%)	19.04	21.43	33.32	31.54
Net finance cost / Total Turnover (%)	3.92	1.44	0.76	-1.82
Depreciation / Total turnover (%)	1.04	1.16	1.51	1.05
Tax / Total Turnover (%)	0.29	1.01	0.83	2.20
Tax / PBT (%)	2.92	12.08	10.60	21.65

Ratio Analysis**Profitability Ratios**

PBDIT / Sales (%)	15.03	11.42	10.52	9.92
PBDT / Sales (%)	11.10	9.92	9.73	11.83
PBT / Total Turnover (%)	10.05	8.35	7.80	10.18
PAT / Total Turnover (%)	9.75	7.34	6.97	7.98
PAT / Average Network (%)	24.09	16.80	11.75	12.02
PBDIT / (Network + Total Debt) (%)	12.41	10.04	9.33	9.94
PBIT / (Network + Total Debt) (%)	11.55	8.98	7.92	8.83
PBT / (Network + Total Debt) (%)	8.31	7.66	7.22	10.75
PAT / (Network + Total Debt) (%)	8.07	6.73	6.46	8.42
Sales / (Network + Total Debt) (%)	82.58	87.94	88.67	100.20

Balance Sheet Ratio

Debt-Equity ratio	1.62	1.34	0.83	0.33
Net Fixed Assets / Network	0.44	0.55	0.49	0.41
Debtors turnover (Days)	193.71	182.71	124.12	93.74
Inventory level (No. of days of sales)	36.95	49.75	60.36	47.67
Current ratio	6.01	3.31	2.63	2.30
Cash and equivalents / Total assets (%)	1.08	1.43	2.68	1.86
Depreciation for the year / Average gross block (%)	4.29	4.28	4.79	3.66