

MD	<input checked="" type="checkbox"/>	BKC	<input checked="" type="checkbox"/>
CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		

# Annual Report 1997-98

REPORT  JUNCTION.COM

**Dalmia Cement (Bharat) Ltd.**

## 5 YEARS FINANCIAL HIGHLIGHTS

	Rs. Lakhs				
	31.3.94	31.3.95	31.3.96	31.3.97	31.3.98
Sales and Other Income	17090	21383	26497	29534	30071
Operating Profit (PBIDT)	2847	5325	7766	7571	7481
Gross Profit	2249	4035	6008	5162	4671
Profit before tax	1676	3344	4898	3900	3034
Profit after tax	1265	2869	3810	2910	2619
Fixed Assets (Net)	8519	15008	17377	25190	26629
Investments	1756	2286	457	1812	4477
Net Current Assets	6315	5654	10139	12782	12646
Share Capital	765	765	765	765	765
Reserves and Surplus	9423	11903	15235	17422	19536
Borrowings	6402	10280	11973	21598	23451
Earning per Share (Rs.)	16.53	37.50	49.79	38.03	34.22
Net Worth per Share (Rs.)	133.15	165.57	209.10	237.69	265.37
Debt-Equity Ratio	0.63	0.81	0.75	1.19	1.16
Current Ratio	2.19	2.08	3.00	3.06	2.99
Dividend (Rs. Lakhs)	191	306	383	383	383

## DALMIA CEMENT (BHARAT) LIMITED

(Registered Office: Dalmiapuram - 621 651, Distt. Tiruchirapalli, Tamil Nadu)

### NOTICE

**NOTICE** is hereby given that the Forty-sixth Annual General Meeting of the Members of the Company will be held in the Community Hall premises at the Registered Office of the Company at Dalmiapuram, District Tiruchirapalli, Tamil Nadu, on Monday the 28th September, 1998 at 10.30 a.m. to transact the following business:

1. To consider and adopt the Profit and Loss account for the year ended 31st March, 1998, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Shri S.S. Dalmia, who retires by rotation and is eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS:**

5. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:
  - (a) "RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Shri N. Gopalaswamy as a Whole-time Director of the Company, for a period of three years with effect from 1st August, 1998, on the salary, perquisites etc. set out in the agreement dated 31st July, 1998 entered into between the Company and Shri N. Gopalaswamy."
  - (b) "FURTHER RESOLVED that in the event of loss or inadequacy of profits in any financial year, the remuneration as aforesaid shall be continued to be paid to Shri N. Gopalaswamy as minimum remuneration provided, however, that the total remuneration shall not exceed the ceiling prescribed under Schedule XIII of the Companies Act, 1956."
  - (c) "FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the agreement, so however that, the remuneration and other terms and conditions are in accordance with Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactment thereof or any further amendments / substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be

prescribed by the Central Government from time to time, and acceptable to Shri N. Gopalaswamy."

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

- (a) "RESOLVED that pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Shri S.K. Misra as a Whole-time Director of the Company, for a period of three years with effect from 1st August, 1998, on the salary, perquisites etc. set out in the agreement dated 31st July, 1998 entered into between the Company and Shri S.K. Misra."
- (b) "FURTHER RESOLVED that in the event of loss or inadequacy of profits in any financial year, the remuneration as aforesaid shall be continued to be paid to Shri S.K. Misra as minimum remuneration provided, however, that the total remuneration shall not exceed the ceiling prescribed under Schedule XIII of the Companies Act, 1956."
- (c) "FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorised to enhance and/or vary the remuneration and to alter/make or accept variations in the terms of appointment and in the other terms of the agreement, so however that, the remuneration and other terms and conditions are in accordance with Schedule XIII of the Companies Act, 1956 including any statutory modifications or re-enactment thereof or any further amendments / substitution thereto and any guidelines or notifications on managerial remuneration which may be issued or any rules that may be prescribed by the Central Government from time to time, and acceptable to Shri S.K. Misra."

7. To consider and, if thought fit, to pass with or without modification, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED that consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956:

- (a) to the mortgaging and/or charging of all or any other of the movable or immovable properties of the Company, both present and future pertaining to its Ramgarh Chini Mills (Sugar) Unit at Ramgarh, Distt. Sitapur, Uttar Pradesh to or in favour of the President of India/Government of India (Ministry of Food and Consumer Affairs, Deptt. of Sugar and Edible Oils) on a second charge basis with the existing charge holders, in order to secure the term loan of Rs.49.50 lakhs sanctioned under the Sugar Development Fund Rules, 1983; and
- (b) to the mortgaging and/or charging of all or any other of the movable or immovable properties of the Company, both present and future pertaining to its Ramgarh Chini Mills (Sugar) Unit at Ramgarh, Distt. Sitapur, Uttar Pradesh to or in favour of the Governor, State of Uttar Pradesh on a second charge basis with the existing charge holders, in order to secure the State Capital subsidy of Rs.15 lakhs".

8. To consider and, if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION:

" RESOLVED that subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions as may be imposed while granting such approval, permission or sanctions which is agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board'), the consent of the Company is hereby accorded to the Board to purchase or buy back its own Shares from the existing Shareholders on a proportionate basis and/or from the open market and/or from odd lots, that is to say lots smaller than market lots of the Shares, from out of its free reserves or out of its share premium account or out of the proceeds of any issue made by the Company specifically for this purpose, on such terms, conditions and in such manner as may be prescribed by law from time to time, provided however that the aggregate of the Shares so bought back shall not exceed 10% or such higher percentage of the Shares as may be permissible under the provisions of the Companies Act, 1956 as amended from time to time or any rules made thereunder or any re-enactment thereof."

" FURTHER RESOLVED that for the purposes of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, proper or desirable including settling of any question, difficulty or doubt whatsoever as may arise in this regard: and to agree to such terms and conditions as may be imposed while granting approval, permission or sanction."

" FURTHER RESOLVED that the Board be and is hereby authorised to delegate all or any of the powers to any Committee of Directors of the Company to give effect to this Resolution."

By Order of the Board

New Delhi.  
Dated: 31.07.1998

K.V. MOHAN  
Company Secretary

#### **NOTES:**

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote, on a poll, in his/her stead. A proxy need not be a member of the Company. Proxy form, duly completed, should be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.
2. The Register of Members of the Company will remain closed from 16th September, 1998 to 28th September, 1998 both days inclusive.
3. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is enclosed.
4. Dividend, when declared, will be paid to those members or their mandatees, except in cases where Section 205A of the Companies Act, 1956 is applicable, whose names will appear on the Register of

**Members as on the date of the Annual General Meeting. Members desiring to submit dividend mandates may do so by 16th September, 1998.**

5. **Members are requested to notify immediately the change in their address, if any, to the Registered Office of the Company. Any communication with the Company will be greatly facilitated, if the Folio number is quoted in all correspondence.**
6. **The unclaimed dividend for the financial year 1994-95 will be deposited with the Central Government by 31st October, 1998. Shareholders who have not encashed the dividend warrants for the said period are, therefore, requested to immediately forward their claims for issuance of cheques in lieu of the dividend warrants.**

### **EXPLANATORY STATEMENT**

(Pursuant to Section 173(2) of the Companies Act, 1956)

#### **Item Nos. 5 and 6:**

Section 269 of the Companies Act, 1956 provides that every Company having a paid up share capital of Rs. 5 crores or more shall have a Managing Director or a Whole-time Director or a Manager. The paid-up share capital of your Company is above Rs. 5 crores and, therefore, it is mandatory to appoint a Managing Director or a Whole-time Director or a Manager.

Shri N. Gopalaswamy and Shri S.K. Misra were re-appointed as Whole-time Director(s) of the Company for a period of three years effective from 1st August, 1995. Their term(s) expired on 31st July, 1998. The Board of Directors decided to re-appoint Shri N. Gopalaswamy and Shri S.K. Misra on a monthly salary of Rs.45,000/- and Rs.37,000/-, respectively, besides other perquisites. The Board of Directors have also desired that the two Whole-time Directors should get their usual increments from time to time and their basic salary and other perquisites may be revised by them in consultation with the Whole-time Directors.

Copies of the agreement(s) between the Company and the said Whole-time Director(s) are open for inspection at the Registered office of the Company, between 11.00 a.m. and 1.00 p.m., on all working days upto the date of the Meeting.

Except Shri N. Gopalaswamy and Shri S.K. Misra no other Director of the Company is, in any way, concerned or interested in the respective Resolution(s) except as a Shareholder/Director.

The terms of appointment of the said two Whole-time Director(s) are as under:

1. **Terms of appointment:** Three years, effective 1st August, 1998.
2. **Functions and powers:** Subject to control, direction and supervision of the Board of Directors, the Whole-time Director(s) shall be entrusted with substantial powers of the management of the Company and, in particular, Shri N. Gopalaswamy shall manage the Cement unit of the Company at Dalmiapuram and Shri S.K. Misra shall manage the Dead Burnt Magnesite unit of the Company at Salem. They shall also perform such other duties as may be entrusted to them, from time to time, by the Board of Directors.



### 3. Remuneration:

#### I. Salary:

- (a) Shri N. Gopalaswamy Rs. 45,000/- per month with effect from 1.8.1998 plus such annual increments as may be sanctioned by the Board of Directors, each year. In addition to the salary aforementioned Shri Gopalaswamy shall also be entitled to bonus/award of such amount as may be decided by the Board of Directors, from time to time.
- (b) Shri S.K. Misra Rs. 37,000/- per month with effect from 1.8.1998 plus such annual increments as may be sanctioned by the Board of Directors, each year. In addition to the salary aforementioned Shri Misra shall also be entitled to bonus/award of such amount as may be decided by the Board of Directors, from time to time.

#### II. Perquisites:

In addition to the salary, perquisites specified hereunder shall be allowed: -

- (a) **Housing:** An unfurnished accommodation owned/leased by the Company. Ten percent of the salary shall be deducted for such housing provided by the Company.
- (b) **Gas, Electricity, Water and Furnishing:** Expenses on gas, electricity, water and furnishing to be valued as per Income-tax Rules, 1962 and not to exceed ten percent of the salary.
- (c) **Medical Reimbursement:** Medical expenses for self and family.
- (d) **Leave Travel Concession:** Leave travel expenses incurred for self and family in accordance with the rules of the Company.
- (e) **Club Fees:** Fees of clubs subject to a maximum of two clubs excluding admission and life membership fees.
- (f) **Personal Accident/Medical Insurance:** Premium at actuals.
- (g) **Provident Fund, Superannuation Fund and Gratuity Fund:** Company's contribution to provident fund, superannuation fund and gratuity fund will not be included in the computation of ceiling on the perquisites to the extent these either singly or put together are not taxable under the Income-tax Act, 1961. Gratuity payable should not exceed half a month's salary for each completed year of service.
- (h) **Leave encashment:** Encashment of leave at the end of the tenure will not be included in the computation of ceiling on perquisites.
- (i) **Car and telephone:** The Company shall provide a car with driver for use on Company's business and telephone at residence; and these will not be considered as perquisites. Personal long distance calls on telephone and use of car for private or personal purposes shall be billed by the Company to the respective Directors.

#### III. Minimum Remuneration:

In the event of absence or inadequacy of profits in any financial year, during the currency of tenure of the Whole-time Directors, the Company shall pay to the respective Whole-time Directors, remuneration by way of salary and perquisites as specified above, so however, that the salary and

perquisites shall not exceed the ceiling prescribed under Schedule XIII of the Companies Act, 1956.

#### IV. Other terms:

- (a) The Whole-time Directors shall be entitled to privilege and sick/casual/general leave on full pay and allowances as per the Rules of the Company as applicable to its Executives. Accumulated leave not availed of since their date of appointment as Whole-time Director(s) of the Company will be permitted to be encashed as per the Rules of the Company.
- (b) The Whole-time Director(s) shall not be paid any sitting fee for attending the meetings of the Board of Directors or any Committee thereof.
- (c) The headquarters of Shri N. Gopalaswamy and Shri S.K. Misra shall, for the time being, be at Dalmiapuram and Salem, respectively, and the Whole-time Director(s) shall be allowed reimbursement of travelling expenses on Company's business outside the headquarters as per the rules of the Company as applicable to its top Executives.
- (d) The Whole-time Director(s) shall not, so long as he functions as such, become interested or otherwise concerned directly or through his wife, sons or unmarried daughters in any selling agency of the Company in future without the prior approval of the Central Government.

The above may be treated as an abstract of the terms and conditions of the appointment of the Whole-time Director(s) as required under Section 302 of the Companies Act, 1956.

#### Item No. 7:

- (a) As a security for the term loan of Rs.49.50 lakhs sanctioned by the Government of India, Ministry of Food & Consumer Affairs, Department of Sugar and Edible Oils under the Sugar Development Fund Rules, 1983 to the Sugar Unit at Ramgarh, Distt. Sitapur, Uttar Pradesh, the Company would be required to give a second charge with the existing charge holders of all or any other movable or immovable property of the Sugar Unit of the Company, both present and future, to or in favour of the President of India/Government of India, Ministry of Food & Consumer Affairs, Department of Sugar and Edible Oils, subject to prior charge on the specified movables created/to be created in favour of the Bankers by way of security for borrowing for working capital.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a Public Limited Company shall not, without the consent of the Shareholders in a General Meeting sell, deliver or otherwise dispose of the whole or substantially whole of the undertaking of the Company. A mortgage of the Company's properties is not a disposal of the whole or substantially the whole of the undertaking of the Company, and, therefore, Section 293(1)(a) of the Companies Act, 1956 does not apply to the case. However, their approval is sought as an abundant caution.

Copy of sanction letter received from the Government of India, Ministry of Food & Consumer Affairs, Department of Sugar and Edible Oils is open for



inspection at the Registered Office of the Company, between 11.00 a.m. and 1.00 p.m., on all working days upto the date of the Meeting.

None of the Directors are interested in the Resolution.

- (b) As a security for the State Capital subsidy of Rs. 15 lakhs sanctioned by the Government of Uttar Pradesh to the Sugar Unit at Ramgarh, Distt. Sitapur, Uttar Pradesh, the Company would be required to give a second charge with the existing charge holders of all or any other movable or immovable property of the Sugar Unit of the Company, both present and future, to or in favour of the Governor of Uttar Pradesh, subject to prior charge on the specified movables created/to be created in favour of the Bankers by way of security for borrowing for working capital.

Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors of a Public Limited Company shall not, without the consent of the Shareholders in a General Meeting sell, deliver or otherwise dispose of the whole or substantially whole of the undertaking of the Company. A mortgage of the Company's properties is not a disposal of the whole or substantially the whole of the undertaking of the Company, and, therefore, Section 293(1)(a) of the Companies Act, 1956 does not apply to the case. However, their approval is sought as an abundant caution.

Copy of sanction letter received from the General Manager, District Industries Centre, Sitapur, sanctioning the State Capital Subsidy, is open for inspection at the Registered Office of the Company, between 11.00 a.m. and 1.00 p.m., on all working days upto the date of the Meeting.

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

#### Item No. 8

As Members are aware, the Companies Act, 1956 in its present form does not permit a Company to buy its own Shares unless the consequent reduction of capital is effected and sanctioned pursuant to Sections 100 to 104 or of Section 402 thereof. The Companies Bill, 1997 however, seeks to introduce provisions permitting such buy back of Shares etc. by the Company. In due course of time, the law is expected to be amended to allow such buy back of Shares etc. by the Company. The Articles of Association of the Company had been amended by the Members in their Meeting held on 29.9.1994 to add a new Article No. 1B permitting the Company to buy back its own Shares and make payment out of capital in respect of such purchases.

Subject to the enactment of the aforesaid Bill or an amendment to the Companies Act, 1956 permitting such buy back, it is proposed to buy back from the existing Shareholders on a proportionate basis and/or from open market and/or from odd lots i.e. lots smaller than market lots of the Shares to the extent of 10% or such higher percentage of the total voting power relating to the Shares as may be permissible under the provisions of the Companies Act, 1956 as amended from time to time or as re-enacted.

The buy back of Shares as aforesaid will entail investment of an amount not below the market value of the Shares and shall be met out of the free reserves and/or Share Premium account and/or out of the proceeds of an issue specifically made for the buy back purpose. The Shares so bought back shall be cancelled forthwith unless reissue thereof is permitted in accordance with the provisions of law prevailing from time to time.

The Resolution is only an enabling Resolution so as to facilitate the Company to buy back its own Shares as soon as the appropriate legal provisions are enacted. The Resolution, if approved, will be operative for and given effect to within a period of 15 months from the applicable date or such other time limit as may be prescribed under law.

The Directors recommend the Resolution for approval of the Members.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution except to the extent of their Shareholding in the Company which may be bought back.

Report  Junction.com