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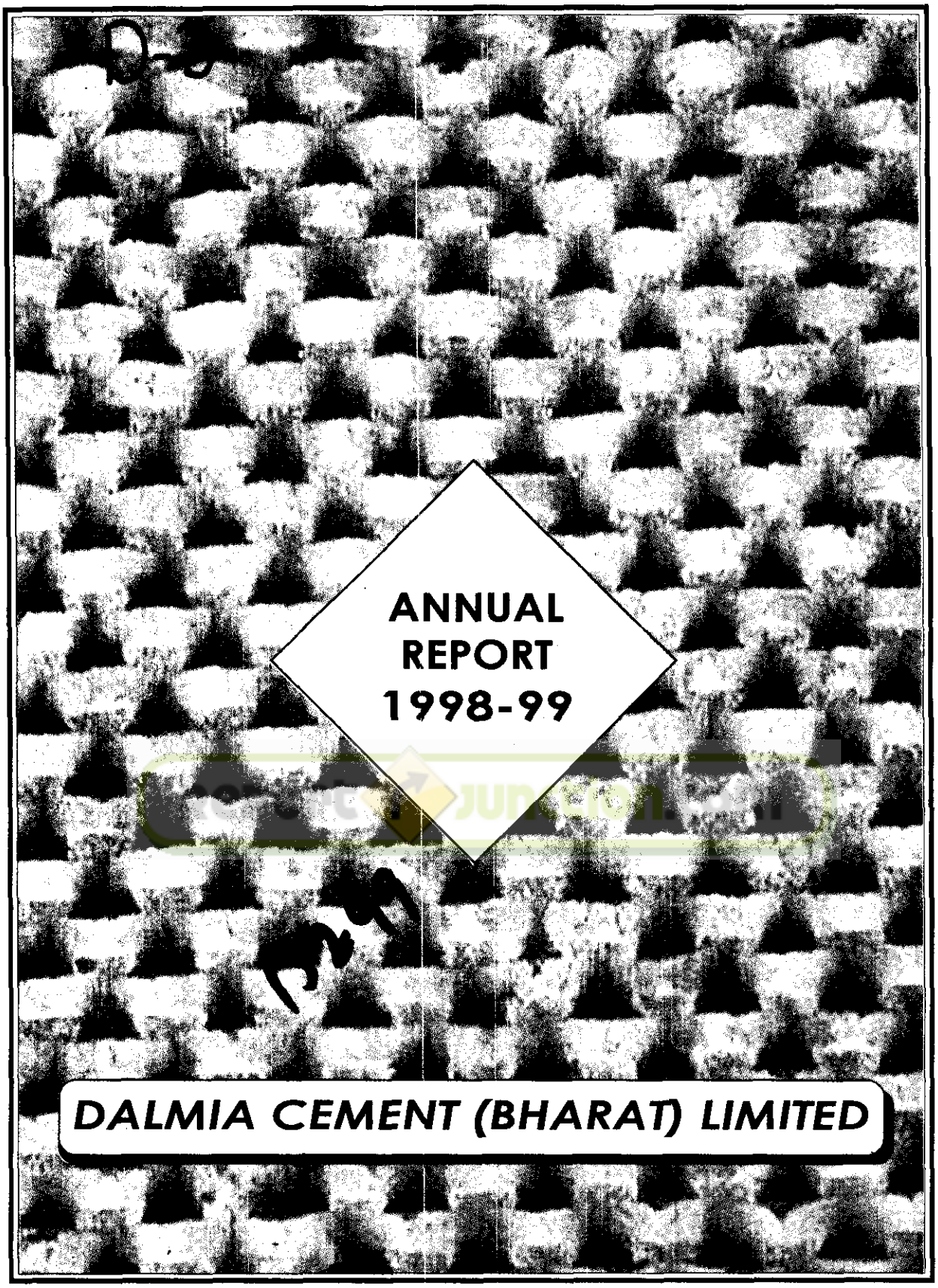

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DALMIA CEMENT (BHARAT) LIMITED

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

NOTICE

NOTICE is hereby given that the Forty-seventh 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 Thursday the 26th August, 1999 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, 1999, 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 P.K. Khaitan, 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:

   " RESOLVED that Shri M. Raghupathy be and is hereby appointed as a Director of the Company."

6. 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 to the mortgaging and/or charging by way of (i)a second charge on all the fixed assets of the Company's Cement, Magnesite, Sugar and Wind Farm Units, both present and future, on a pari-passu basis with other chargeholders; and (ii) a first floating pari-passu charge on the Company's Investments in securities of Central Government, Bonds of Public Sector Undertakings (both taxable and tax- free) and units of Debt based Mutual Funds (subject to a minimum book value of Rs. 25 crores to be maintained by the Company during the tenure of the Non-Convertible Debenture Issue) to or in favour of the Trustees for the Debentureholders in respect of the Non-Convertible Debentures issued/proposed to be issued, in order to secure the issue of Non-Convertible Debentures (Series - VI) and the proposed issue of Non-Convertible Debentures (Series - VII) not exceeding in the aggregate Rs.50,00,00,000/- (Rupees Fifty Crores)."

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

" RESOLVED by way of a Special Resolution, that Clause III of the Memorandum of Association of the Company be altered under Section 17 of the Companies Act, 1956 by inserting the following Sub-clause 9-B immediately after Sub-clause 9-A.

" 9-B. To carry on the business, in India or elsewhere in the world, of designing, developing, importing, procuring, selling, providing, dealing in, exporting, providing consultancy, licencing (whether ready or future delivery) and marketing (whether directly or through third parties) information technology services, desktop system management, application software services, network related services, site services, information kiosk services, value added network services, managed operations, international procurement operations and to establish,maintain conduct customer software training centre, and programming based education centres and programmes in the field of information technology and related areas.""

8. 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 :

Insert the following Heading and Article as Article 79A after Article 79:

DEMATERIALISATION OF SECURITIES

Definitions 79A 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.

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

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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 manner and within the time prescribed, issue to the beneficial owner the required Certificates 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 from. Nothing contained in Sections 153, 153A,153B, 187B, 187C and 372A 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 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.

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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."

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

" RESOLVED THAT pursuant to Section 309 and other applicable provisions, if any, of the Companies Act, 1956 the approval given at the Annual General Meeting held on 29.9.1994 as modified by the Shareholders in the Annual General Meeting held on 27.9.1996, for payment of commission of one percent of the net profits of the Company, in addition to sitting fees, subject to a limit of Rs. 5.00 Lakhs (Rupees Five Lakhs only) in the aggregate each year to all Directors, other than the Whole-time Director(s) or Managing Director (s) of the Company, be and is hereby further renewed for a period of five years with effect from the financial year ending on 31st March, 2000, and that such remuneration be divided amongst the Directors {other than the Whole-time Director(s) or Managing Director(s)} of the Company in such proportion as may be decided upon by the Board,from time to time."

By Order of the Board
K.V.MOHAN
Company Secretary

New Delhi.
Dated: 24.07.1999

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 17th August, 1999 to 26th August, 1999 (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 206A 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 17th August, 1999.**

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.**

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EXPLANATORY STATEMENT

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

Item No. 5:

The Board of Directors of the Company had appointed Shri M. Raghupathy as a Director in their meeting held on 5.11.1997 in the casual vacancy caused by the resignation of Shri K.N. Memani. The term of office of Shri M. Raghupathy expires at the conclusion of the next General Meeting of the Company. The Company has received a notice pursuant to Section 257 of the Companies Act, 1956 together with the requisite deposit from a Shareholder of the Company proposing the appointment of Shri M. Raghupathy as a Director of the Company.

No Director except Shri M. Raghupathy has any interest or concern in the Resolution.

Copy of the notice is available 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.

Item No. 6:

As a security for the issue of Non-Convertible Debentures (Series - VI) and (Series - VII) aggregating to Rs. 50.00 Crores for financing and augmenting the medium/long-term resources of the Company, including its requirement of working capital, it is proposed to offer by way of (i) a second charge on all the fixed assets of the Company's Cement, Magnesite, Sugar and Wind Farm Units, both present and future, on a pari-passu basis with other chargeholders; and (ii) a first floating pari-passu charge on the Company's Investments in securities of Central Government, Bonds of Public Sector Undertakings (both taxable and tax-free) and units of Debt based Mutual Funds (subject to a minimum book value of Rs. 25 crores to be maintained by the Company during the tenure of the Non-Convertible Debenture Issue) by way of creating legal/equitable mortgage/ hypothecation in favour of the Trustees for the Debentureholders.

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.

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

Item No. 7:

Your Directors consider that it would be appropriate to introduce an Object Clause in the Company's Memorandum of Association with regard to provision of Information Technology services, including inter net services, with a view to economically and viably utilise the expert knowledge available with it to the advantage of the Company towards enlargement of its area of operation.

In terms of Section 17 of the Companies Act, 1956, the Company should have power in its Memorandum of Association to carry on the proposed business. Therefore, there is a need to alter the Memorandum of Association of the Company so as to include a new Clause covering the activities mentioned above.

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Your Directors recommend that the proposed Resolution be passed by way of a Special Resolution.

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

Item No. 8:

With the introduction of the Depositories Act, 1996 and the Depository system, and the amendments to provisions of the Companies Act, 1956, relating to issue, holding, transfer, transmission of shares and securities, the holding of securities in electronic form is becoming popular inasmuch as it is far safer to hold the securities and transact in the shares and securities in such form. Your Directors consider it expedient to amend the Articles of Association of the Company to reflect the provisions introduced by the Depositories Act, 1996 and to spell out the rights of the beneficial owners with a view to enable the Company to enrol as a member of the National Securities Depository Limited (NSDL).

Your Directors recommend that the proposed Resolution be passed by way of a Special Resolution.

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

Item No.9:

At the Annual General Meeting held on 29.9.1994, a Resolution was passed for payment of commission (in addition to sitting fees) to the Directors of the Company @ 1% of the net profits of the Company subject to a ceiling of Rs. 2,00,000/- for a period of 5 years commencing from the financial year ended 31.3.1995. This Resolution was revised at the Annual General Meeting held on 27.9.1996 to enhance the payment of commission to 1% of the net profits of the Company subject to a revised ceiling of Rs. 5,00,000/- and the approval of the Central Government for the balance three accounting years commencing from the year ended 31.3.1997. The revised ceiling was approved by the Central Government by their letter No. 2(54)-CL.VII/96 dated 22.1.1997.

In terms of Section 309(7) of the Companies Act, 1956 the Resolutions shall remain in force upto 31.3.1999 but may be renewed from time to time, by the Shareholders by a Special Resolution for a period not exceeding five years at a time. Considering the duties and responsibilities cast on the Directors, it is considered desirable to continue the payment.

Copies of the Shareholders Resolutions dated 29.9.1994 and 27.9.1996 and the aforesaid letter dated 22.1.1997 of the Central Government are available 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.

All the Directors, except the Whole-time Directors, may be deemed to be interested in the Resolution.

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DALMIA CEMENT (BHARAT) LIMITED

DIRECTORS

SHRI P.K. KHAITAN-Chairman
SHRI N.GOPALASWAMY, SHRI S.K. MISRA — Whole-time Director
SHRI N. KHAITAN
SHRI A.C. AHUJA (Nominee of Industrial Finance Corporation of India)
SHRI S. RAVI (Nominee of Indian Renewable Energy Development Agency Limited)
SHRI N.K. GARG (Nominee of Unit Trust of India)
SHRI M. RAGHUPATHY
SHRI J.S. BAIJAL

BANKERS

PUNJAB NATIONAL BANK
ANZ GRINDLAYS BANK p.l.c.
STATE BANK OF INDIA
CANARA BANK
CORPORATION BANK
UNITED BANK OF INDIA
STANDARD CHARTERED BANK
STATE BANK OF TRAVANCORE
BANQUE NATIONALE DE PARIS

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HEAD OFFICE

11TH & 12TH FLOORS, 'HANSALAYA'
15, BARAKHAMBA ROAD
NEW DELHI-110001

REGISTERED OFFICE

DALMIAPURAM - 621 651
DISTRICT TIRUCHIRAPALLI
(TAMIL NADU)

AUDITORS

S.S. KOTHARI & CO.
CHARTERED ACCOUNTANTS

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5 YEARS FINANCIAL HIGHLIGHTS

Rs. Lakhs

	31.3.95	31.3.96	31.3.97	31.3.98	31.3.99
Sales and Other Income	21383	26497	29534	30071	34042
Operating Profit (PBIDT)	5325	7766	7571	7481	7216
Gross Profit	4035	6008	5162	4671	4135
Profit before tax	3344	4898	3900	3034	2218
Profit after tax	2869	3810	2910	2619	2012
Fixed Assets (Net)	15008	17377	25190	26629	26834
Investments	2286	457	1812	4477	4411
Net Current Assets	5654	10139	12782	12646	14442
Share Capital	765	765	765	765	765
Reserves and Surplus	11903	15235	17422	19536	20854
Borrowings	10280	11973	21598	23451	24067
Earning per Share (Rs.)	37.50	49.79	38.03	34.22	26.30
Net Worth per Share (Rs.)	165.57	209.10	237.69	265.37	282.60
Debt-Equity Ratio	0.81	0.75	1.19	1.16	1.11
Current Ratio	2.08	3.00	3.06	2.99	3.37
Dividend (Rs. Lakhs)	306	383	383	383	344

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 1999

The Directors have pleasure in submitting their Annual Report and Audited Statements of Account of the Company for the year ended 31st March,1999.

FINANCIAL RESULTS

	This year (Rs. in Lakhs)	Previous year (Rs. in Lakhs)
Gross Profit	4135.04	4670.80
Less: Depreciation	1916.81	1637.21
Profit before tax	2218.23	3033.59
Less: Provision for Tax	206.00	415.00
Profit after tax	2012.23	2618.59
Add: Surplus brought forward	3115.21	2860.48
Profit available for appropriation	5127.44	5479.07
APPROPRIATIONS :		
General Reserve	500.00	1500.00
Reserve for Bad and Doubtful Debts	—	5.52
Debenture Redemption Reserve	350.00	437.50
Proposed Dividend	344.32	382.58
Corporate Dividend tax thereon	34.43	38.26
Balance carried forward	3899.69	3115.21
	5127.44	5479.07

DIVIDEND

2. Your Directors have pleasure in recommending payment of dividend @ Rs. 4.50 per Share of Rs.10/- each as against Rs.5/--per share for the previous year.

CEMENT DIVISION

3.1 Production of Clinker and Cement and Cement despatches during the last three years are as follows :

	1998-99	1997-98	1996-97
		(Figures in '000 MT)	
Clinker Production	745	796	769
Cement Production	889	861	810
Cement Despatches	888	846	825

3.2 Expansion of capacity by 1.75 lakh MT was completed during last year, but got fully stabilised during the year. Conversion of our siding from Meter Gauge to Broad Gauge has been completed during the year.

3.3 With the coming up of about 3.5 million MT capacity in Southern Andhra Pradesh, and stabilisation of new 2 million MT capacity in Tamil Nadu during the year, there was a significant increase in supply pressure. Though consumption in Tamil Nadu increased by about 9% and in Kerala by about 5%, there was a pressure on prices during the second half of the financial year. Two new brands of Special Cements for common house builders were launched during the year which have been received well in the market.

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