

VALRUN

CEMENTS LTD.

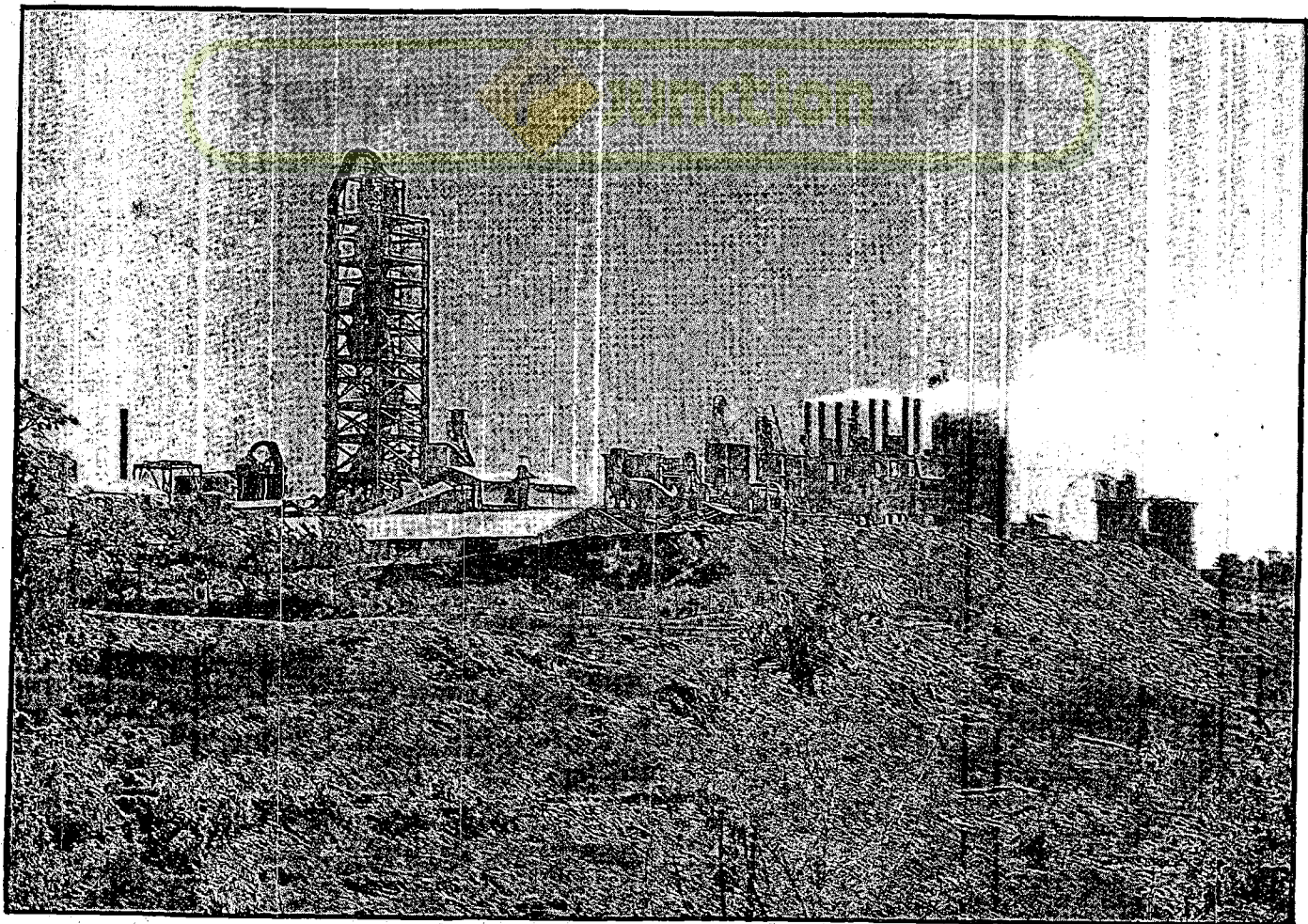
ReportJunction.com

| | | | | | |
|-----|----|---|---|-----|----|
| MD | ✓ | | | BKC | ✓ |
| CS | NA | | | DPY | NA |
| RO | ✓ | | | DIV | NA |
| TRA | ✓ | | | AC | ✓ |
| AGM | ✓ | ✓ | | SHI | ✓ |
| YE | ✓ | ✓ | ✓ | | |

ANNUAL REPORT 1996-97



CREATING AWARENESS ABOUT BETTER CONSTRUCTION PRACTICES



OVER ALL VIEW OF BOTH THE PLANTS

NOTICE

NOTICE IS HEREBY GIVEN THAT the 13th Annual General Meeting of the members of the Company will be held on Saturday, the 27th Sept. 1997 at 3.00 p.m. at K.R. Kama Oriental Institute, Dr. Sir Jivanji Modi Memorial Hall (Ground Floor) 136, Bombay Samachar Marg, Fort-Mumbai-400 023, to transact the following business :-

ORDINARY BUSINESS

- (1) To receive consider and adopt the Accounts and Balance Sheet and the Reports of the Directors and Auditors, thereon for the year ended 31st March 1997.
- (2) To consider Dividend.
- (3) To appoint a Director in place of Shri V.B. Rangnekar who retires by rotation, and, being eligible offers himself for reappointment.
- (4) To appoint a Director in place of Shri K.H. Mirchandani who retires by rotation, and, being eligible offers himself for reappointment.
- (5) To appoint Auditors to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

- (6) To consider and if thought fit to pass with or without modification the following Resolution as **ORDINARY RESOLUTION**:

"RESOLVED THAT in supersession of earlier Resolution passed at the Annual General Meeting of the company held on 29th September, 1995 consent of the company be and is hereby accorded in terms of Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the company for borrowing from time to time, subject to any restriction imposed by the terms of the Agreement entered into or may be entered into from time to time for grant of loans to the company, any sum or sums of monies which together with the monies already borrowed by the company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time, exceed the limit of Rs. 50.00 Crores (Rs. fifty crores only)."

By order of the Board of Directors

INDORE
28.06.1997

(S.L. Thakur)
Managing Director

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received by the Company not less than forty eight hours before the meeting.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 22.9.97 to 26.9.1997 (both days inclusive).
- c) Payment of dividend if declared will be paid to those Members whose name will appear in the Register of Members as on 26th September, 1997.
- d) Members are requested to notify immediately any change of address and forward exemption certificate or declaration pursuant to section 194 or 197 of the Income Tax Act, and the bank mandate instructions, if any, for payment of dividend, if declared.
- e) The Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 in respect of item nos. 6 mentioned in the above notice is annexed hereto.

ANNEXURE TO THE NOTICE

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

Item No. 6

Under Section 293 (1) (d) of the Companies Act, 1956 the Board of Directors cannot, except with the consent of the company in General Meeting borrow money apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves of the company, that is to say reserves not set apart for any specific purpose. It is proposed to provide for additional funds for the growing operations consequent upon expansion of the Company. Accordingly the consent of the shareholders is therefore sought to enable the directors to borrow monies to the extent of Rs. 50.00 Crores (Fifty Crores), in place of Rs. 25 Crores (Rupees Twenty Five Crores).

None of the Directors are interested in the Resolution.

By order of the Board of Directors

INDORE
28.06.1997

(S.L. Thakur)
Managing Director

Report  Junction.com



111



VARUN CEMENTS LTD.

Registered Office, "KESHAHA" 7th Floor, Bandra-Kurla Commercial Complex,
Behind Drive-in-Theatre, BANDRA (East), MUMBAI-400 051

PROXY FORM

I/We.....
of.....
being a Member/Members of the above named Company, hereby appoint.....
.....of
.....or failing him
.....of

as my/our proxy to attend and vote for me/us on my /our behalf at 13th Annual General Meeting of the Company to be held on Saturday, the 27th September, 1997, at 3.00 p.m. at K.R. Kama Oriental Institute, Dr. Sir Jivanji Modi Memorial Hall (Ground Floor), 136, Bombay Samachar Marg, Fort-Mumbai-400 023 and at any adjournment thereof.

Signed

Affix
1 Rupee
Revenue
Stamp

Note : Proxy Form must reach the Company's Registered Office not less than 48 hours before the Meeting.

-----Cut Here-----

VARUN CEMENTS LTD.

Registered Office, "KESHAHA" 7th Floor, Bandra-Kurla Commercial Complex,
Behind Drive-in-Theatre, BANDRA (East), MUMBAI-400 051
(To be handed over at the entrance of the Meeting Hall)

ATTENDANCE SLIP

Name of the Shareholder
(in Block Letters)

Folio Number

Name of the Proxy
(In Block Letters, to be filled in if the Proxy attends instead of the Member)

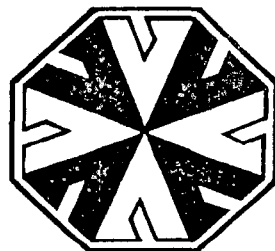
No. of Shares held.....

I hereby record my presence at the 13th Annual General Meeting of the Company held on Saturday, the 27th September, 1997, at 3.00 p.m. at K.R. Kama Oriental Institute, Dr. Sir Jivanji Modi Memorial Hall (Ground Floor), 136, Bombay Samachar Marg, Fort-Mumbai-400 023 and at any adjournment thereof.

Member/Proxy Signature

Notes :

1. To be signed at the time of handing over this slip.
2. Members intending to require information about accounts to be explained in the Meeting are requested to inform the Company in writing, atleast seven days in advance of their intention to do so, so that the papers relating thereto may be made available.
3. Shareholders are requested to advise, indicating their folio numbers, the changes in their address, if any, to the Company.



VARUN CEMENTS LTD.

BOARD OF DIRECTORS

| | |
|------------------|---------------------|
| V.P. Valecha | Chairman |
| S.L. Thakur | Managing Director |
| K.R. Thakur | |
| K.H. Mirchandani | |
| V.K. Jain | |
| G.B. Bhadada | |
| V.B. Rangnekar | |
| S.S. Saxena | (Nominee of MPSIDC) |
| Umesh Jain | (Nominee of IDBI) |

TECHNICAL ADVISER

H.D. Ashia

LEGAL ADVISER

Ashok Kutumbale
Advocate

BANKERS

Canara Bank
Central Bank of India

AUDITORS

R.M. Ajgaonkar & Co.
Chartered Accountants

REGISTRARS AND TRANSFER AGENTS

Premium Financial Services Ltd.
A- 2,477 Shah & Nahar Industrial Estate,
Lower Parel (West),
Mumbai-400 013

13TH ANNUAL GENERAL MEETING

At 3 p.m.
on
Saturday, the 27th Sept.1997
At
K.R.Kama Oriental Institute,
Dr. Sir Jivanji Modi Memorial Hall,
(Ground Floor),
136, Bombay Samachar Marg,
Fort, Mumbai-400 023

REGISTERED OFFICE

"Keshava" 7th Floor,
Bandra-Kurla Commercial Complex,
Bandra (East)
Mumbai-400 051

HEAD OFFICE

C-16, HIG Colony,
Indore - 452 008

WORKS

For Varun Cements and
Varun Naveen Unit
Amzera-454 441
(Dist. Dhar) M.P.

CONTENTS

| | P.No. |
|-----------------------------|-------|
| Directors' Report..... | 03 |
| Auditors' Report..... | 07 |
| Balance Sheet..... | 09 |
| Profit & Loss Account..... | 10 |
| Schedules..... | 11 |
| Notes on Accounts..... | 17 |
| Cash Flow Statement..... | 20 |
| Balance Sheet Abstract..... | 21 |


MANAGEMENT TEAM :

| | |
|-----------------|---------------------------------|
| G.N. Maheshwari | Sr. Vice President (Commercial) |
| R.S. Thakur | General Manager (Operations) |
| Sudhir Thakur | General Manager (Marketing) |
| Suresh Rai | Regional Manager (Mumbai) |
| D.N. Gupta | Chief Executive |
| A. Chhatbar | Vice President (P. & Q.C.) |
| S.S. Agrawal | Dy. General Manager (Engg.) |
| V.P. Parikh | Dy. General Manager (Admn.) |
| R.K. Bhargava | Dy. General Manager (Logistics) |

DEPARTMENTAL HEADS :

| | |
|---------------|-------------------|
| S.D. Pillai | Secretary to M.D. |
| D.D. Nawal | Accounts |
| B.D. Jagetia | Finance |
| Vishandas | Logistics |
| Ashwani Kumar | Raw Materials |
| Vaman Vaze | Secretarial |
| M.S. Pancholi | Personnel |
| Y.H. Khan | Electrical |
| G.N. Sinha | Instrumentation |
| S.K. Singh | Mechanical (VN) |
| P.K. Mandlik | Mechanical (VC) |

DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 13th Annual Report together with the Audited statement of Accounts for the year ended 31st March, 1997.

01. Financial Results :

| | 1996-97 (Rs.) | 1995-96 (Rs.) |
|---|---------------------|--------------------|
| Total Income | 30,17,90,569 | 21,70,65,441 |
| Profit before Depreciation and Taxes | 2,28,41,987 | 3,17,45,926 |
| Less : Depreciation | 1,22,14,805 | 84,82,597 |
| Profit before Taxes | 1,06,27,182 | 2,32,63,329 |
| Less : Taxes | 2,00,000 | --- |
| Profit after Taxes | 1,04,27,182 | 2,32,63,329 |
| Balance brought forward from previous year | 31,51,223 | 32,47,273 |
| Prior Year's Adjustment | (3,17,107) | 11,78,421 |
| Amount available for Appropriation | 1,32,61,298 | 2,76,89,023 |
| Appropriation : | | |
| 1. General Reserve | 25,00,000 | 1,50,00,000 |
| 2. Proposed Dividend | --- | 95,37,800 |
| 3. Balance Carried forward to Balance Sheet | 1,07,61,298 | 31,51,223 |
| | 1,32,61,298 | 2,76,89,023 |

02. Dividend :

In the wake of overall slackness of economy and the extremely squeezed margins due to higher input costs and relatively lower Sales Realisation, the Directors propose to strengthen the resources of the Company by refraining from recommending any Dividend during the year.

03. Operating Results :

During the year, the Company has achieved a turnover of Rs. 3004.99 Lacs, as against Rs. 2146.08 Lacs in the previous year, thus representing an increase of about 40.02%. The Net profit at Rs. 104.27 Lacs is less by 55.18% as compared to the previous year's figure of Rs. 232.63 lacs. The profitability is lowered down during the current year due to the high input cost of power, fuel and others coupled with higher interest & less sales realisation.

04. Expansion :

During the year, some upgradation work was carried out for getting stabilised production.

05. Performance Vs Projections :

The projections of profitability which have been reported in the Prospectus of the Company Vs the actual performance of the Company for the year 1996-97 is given below:

| Description | Projections for the year (Rs. in Lacs) | Audited financial Figures for the year 96-97 (Rs. in Lacs) |
|----------------------|--|--|
| Sales | 3035 | 3005 |
| Net profit after tax | 302 | 104 |

06. Explanation for Variations :

Increased input costs, not matched by corresponding increase in Sales Realisation due to slackness in market deviated the Projections of Profitability.

07. Future Prospects :

Slowing down of investment in infrastructure during last several months has adversely affected Cement market in general. Availability of the Captive Power, with the Company, coupled with break-through in nearer markets is however expected to enable the Company to bear the onslaughts of increasing power and fuel cost and reduced Sales Realisation.

08. Environment Compliance :

Most up-to-date Pollution Control Equipments installed in the Rotary Operations, have enabled the Company to control the pollution and safeguard environment.

09. Directors :

In accordance with the requirement of the Companies Act, 1956, and the Articles of Association of the Company, Shri .V.B. Rangnekar, Director and Shri K.H. Mirchandani are liable to retire by rotation and are eligible for reappointment.

10. Market :

The Company is focusing its attention on enhancement in its product quality and customers' services. The Company has been successful in getting a break-through in new markets with the larger and better quality of Cement now being available with the company.

11. Particulars of Employees : (As required u/s 217(2A) of the Companies Act, 1956.)

There was no employee of the company whose remuneration was Rs. 3,00,000/- or more for the year or Rs. 25,000/- or more per month if employed in any part of the year.