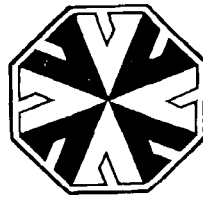





**VARUN**  
**CEMENTS LTD.**

**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)

**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

**14TH ANNUAL GENERAL MEETING**

At 3 P.M.  
On,  
Wednesday, the 30th Sept. 1998  
At  
Kishinchand Valecha Smriti Sabhagar  
Vidhyanidhi Complex  
Vidhyanidhi Marg, JVPD Scheme  
Mumbai - 400 049

**REGISTERED OFFICE**

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

**HEAD OFFICE**

C-16, HIG Colony,  
Indore - 452 008

**WORKS**

Varun Cements Ltd &  
Varun Naveen Unit  
Amzera - 454 441  
(Dist. Dhar) M.P.

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## NOTICE

NOTICE IS HEREBY GIVEN THAT the 14th Annual General Meeting of the members of the Company will be held on Wednesday, the 30th Sept. 98 at 3.00 P.M. at Kishinchand Valecha Smriti Sabhagar, Vidhyanidhi Complex, Vidhyanidhi Marg, JVPD Scheme, Mumbai - 400 049 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 1998.
- (2) To appoint a Director in place of Shri V.P. Valecha who retires by rotation and being eligible offers himself for reappointment.
- (3) To appoint a Director in place of Shri K.R. Thakur who retires by rotation and being eligible offers himself for reappointment.
- (4) 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

- (5) To consider and, if thought fit, to pass the following resolutions which will be proposed as an Ordinary Resolution :

"Supplemental to the Resolution passed at the Extra Ordinary General Meeting of the Company held on 27th June, 1994 RESOLVED that pursuant to the provisions of Section 293 (1) (a) and all other applicable provisions, if any, of the Companies Act, 1956, and such other approvals, as may be necessary, consent of the Company, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") mortgaging and/or charging on such terms and conditions, with such ranking for priority as may be agreed upon with the concerned parties, at such time or times and in such form and manner, in accordance with the relevant statutory provisions and guidelines issued in that behalf, as it may think fit, the whole or substantially the whole of the company's any one or more of the Undertakings or all the Undertakings, including the present and/or future properties thereon, whether movable or immovable comprised in any existing or new Undertaking, as the case may be, in favour of the Trustees (appointed/to be appointed by the Board) and/or such other parties, as may be required, to secure borrowings upto an aggregate value not exceeding Rs. 700 Lakhs by way of issue of Non-Convertible Debentures (NCDs), Bonds and/or such other debt instrument(s) as the Board may think fit, issued/to be issued in one or more tranches, to such Bodies Corporate, Financial Institutions, Mutual Funds, Banks, Foreign Institutional Investors

or Non-Residents/Individuals and upon such terms and conditions as may be decided by the Board, on private placement basis or otherwise, together with interest at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies covered by the aforesaid financial assistance under the respective documents entered into/to be entered into by the Company in respect of the said issue of Debentures/Bonds/other Instrument(s) in terms of their issue.

RESOLVED FURTHER that the Board be and is hereby authorised to finalise and execute with the Trustees and/or the concerned parties, for the holders of the said Debentures, Bonds or other Instrument(s), agreements and other documents and deeds, as the case may be, for creating the aforesaid mortgage and/or charges and do all such acts, deeds, matters and things as may be necessary, desirable or expedient for implementing this resolution and to resolve any question or doubt which may arise in relation thereto, or otherwise considered by the Board to be in the best interest of the Company.

By order of the Board of Directors

Mumbai  
30.6.98

(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 48 HOURS BEFORE THE MEETING.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 21.9.98 to 26.9.98 (both days inclusive).
- c) As per the requirement of the Companies Act, 1956, the Company will transfer the unpaid dividend for the year 1994-95 to the General Revenue A/C of the Central Government during the month of Nov. 98. Members who have so far not received the dividend for the year 1994-95 are therefore requested to contract the Company immediately for their claim, if any, for the same.
- d) Members intending to require information about accounts to be explained in the Meeting are requested to inform the Company in writing, at least seven days in advance of their intention to do so, so that the papers relating thereto may be made available.



- e) Shareholders are requested to advise, indicating their folio numbers, the changes in their address, if any to the Company.

**ANNEXURE TO THE NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2A) OF THE COMPANIES ACT, 1956.****Item No. 5**

Attention of the Members is invited to the resolution passed at the Extra Ordinary General Meeting of the Company held on 27th June, 1994, according their consent, inter alia, under Section 293(1) (a) of the Companies Act, 1956 to the Board of Directors of the Company to secure the issue of Non-Convertible Debentures (NCDs) upto an aggregate nominal value of Rs. 700 Lakhs on private placement basis to Financial Institutions/Banks/Mutual Funds/Bodies Corporate/Foreign Institutional Investors/Non Residents/Individuals required by the Company for general corporate purposes/capital expenditure of the Company.

Section 293(1)(a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a Public Company shall not, without the consent of such Public Company in general meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s). Since, the mortgage and/or charge to be created, as in the resolution, may be regarded as disposal of the company's undertaking(s) it is considered advisable that the proposed creation of the mortgage and/or charge be approved by the members of the Company pursuant to Section 293(1)(a) of the above Act.

None of the Directors of the company is concerned or interested in the passing of this resolution.

By order of the Board of Directors

Mumbai.  
30.6.1998

(S.L. Thakur)  
Managing Director



## VARUN CEMENTS LTD

Regd. Office : "Keshava" 7th Floor, Bandra Kurla Complex,  
Bandra (E), Mumbai - 51

### 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 the vote for me/us on my/our behalf at 14th Annual General Meeting of the Company to be held on Wednesday, the 30th Sept. 98 at 3.00 P.M. at Kishinchand Valecha Smriti Sabhagar, Vidhyanidhi Complex, Vidhyanidhi Marg, JVPD Scheme, Mumbai - 400 049 and at any adjournment thereof.

Affix  
1 Rupee  
Revenue  
Stamp

Signed this day ..... of ..... 1998

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

.....Cut here .....

## VARUN CEMENTS LTD

Regd. Office : "Keshava" 7th Floor, Bandra Kurla Complex,  
Bandra (E), Mumbai - 51

### 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 14th Annual General Meeting of the Company to be held on Wednesday, the 30th Sept. 98 at 3.00 P.M. at Kishinchand Valecha Smriti Sabhagar, Vidhyanidhi Complex, Vidhyanidhi Marg, JVPD Scheme, Mumbai - 400 049 and at any adjournment thereof.

Member/Proxy Signature

#### Notes :

To be signed at the time of handing over this slip.

Report  junction.com

BOOK - POST

If undelivered, please return to :

**VARUN CEMENTS LTD.**

"Keshava" 7th Floor,  
Bandra-Kurla Complex,  
BANDRA (East), MUMBAI - 400 051

**MANAGEMENT TEAM :**

G.N. Maheshwari	Sr. Vice President (Commercial)
Sudhir Thakur	General Manager (Marketing)
Suresh Rai	Regional Manager (Mumbai)
D.N. Gupta	Chief Executive
B.S. Deopura	Vice President (P. & L.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
G.N. Sinha	Instrumentation


**VARUN**  
**CEMENTS LTD.**

## DIRECTORS' REPORT

Dear Members,

The Directors are pleased to present the 14th Annual Report together with Audited statement of Accounts for the year ended 31st March, 1998.

### 01. Financial Results :

	1997-98	1996-97
	(Rs.)	(Rs.)
Total Income	<u>26,00,49,988</u>	<u>30,17,90,569</u>
Profit/(Loss) before Depreciation and Taxes	<u>(2,66,36,349)</u>	<u>2,28,41,987</u>
Less : Depreciation	<u>1,43,57,241</u>	<u>1,22,14,805</u>
Profit/(Loss) before Taxes	<u>(4,09,93,590)</u>	<u>1,06,27,182</u>
Less Taxes	---	2,00,000
Profit/(Loss) after taxes	<u>(4,09,93,590)</u>	<u>1,04,27,182</u>
Balance brought forward from previous year	1,07,61,298	31,51,223
Prior year's adjustment	(2,83,384)	(3,17,107)
Amount available for Appropriation	<u>(3,05,15,676)</u>	<u>1,32,61,298</u>
Appropriation :		
1. General Reserves	(3,05,15,676)	25,00,000
2. Proposed Dividends	---	---
3. Balance Carried forward to Balance Sheet	---	1,07,61,298
	<u>(3,05,15,676)</u>	<u>1,32,61,298</u>

### 02. Dividend :

In view of the loss incurred by the Company during the year due to overall slackness of economy and the extremely squeezed margins due to higher input costs and relatively lower Sales Realisation, the Directors are refraining from recommending any Dividend during the year.

### 03. Operating Results :

During the year, the Company achieved a turnover of Rs. 2600 Lacs, as against Rs. 3018 Lacs in the previous year, thus representing a decrease of 8.69%. The Net loss is Rs. 409.93 Lacs as compared to previous year's net profit of Rs. 104.27 lakhs.

The year 1997-98, has been the worst year in the history of Cement Industry. Extremely Sluggish cement demand, coupled with glut in supply due to several greenfield plant expansions, flooding the market resulted in pushing down prices to lowest in last three years. This, coupled with extreme increase in input costs, put tremendous pressure on the margins of all the cement companies.

This in turn, has for the first time resulted into large number of cement companies either pulling down their shutters or merging/selling their units.

The Company, has managed to cope with the situation by producing/selling almost more than the combined total production & sales of other six cement units in this region.

But this has not helped the company to save itself from heavy loss, for the first time in the history of uninterrupted years of profits, since its inception.

The trend of declining prices, has been partly reversed in the first two months of the current year. But then the continuing liquidity crunch has not made it possible for the company to secure any break through in its production/profits and timely payment of dues. The company is also in process for compliance of provisions of Section 58A.

The company is therefore looking forward to the results of several measures announced by the Govt. in its last Budget, as incentives to Housing & Infrastructure sector, so as to prop up cement demand & prices.

### 04. Environment Compliance :

Most upto-date Pollution Control Equipment installed in the Rotary operations, have enabled the Company to control the Pollution and safe guard environment.

### 05. Directors :

In accordance with the requirement of Companies Act 1956 and the Articles of Association of the Company Shri V.P. Valecha and Shri K.R. Thakur are liable to retire by rotation and are eligible for re-appointment.

### 06. Market :

The Company is focussing its attention on enhancement in its product quality and customers' service. 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.

### 07. Particulars of Employees :

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.

### 08. Auditors :

M/s R.M. Ajgaonkar & Co., the Auditors of the Company will retire at the conclusion of the forthcoming Annual General Meeting & are eligible for re-appointment. They have given their consent to be re-appointment for the current year. Members are requested to consider re-appointing them as Auditors & fix their remuneration.

### 09. Conservation of Energy, technology, absorption and foreign exchange earning and outgo :

The particulars as prescribed under Section 217 (1)