



Coates

COATES OF INDIA LIMITED

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REPORT AND ACCOUNTS

1998



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COATES OF INDIA LIMITED

Notice

NOTICE is hereby given that the Fiftyfirst Annual General Meeting of the Members of Coates of India Limited, will be held at the Williamson Magor Hall in the premises of The Bengal Chamber of Commerce & Industry, Royal Exchange, No. 6, Netaji Subhas Road, Calcutta-700 001, on Thursday, the 29th April, 1999 at 3.00 p.m. to transact the following business:

1. To receive and consider the Profit & Loss Account for the financial year ended 31st December, 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 Mr B Dupont, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr S Venkatraman, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider and if thought fit, to pass with or without modifications, the following Resolutions:

AS ORDINARY RESOLUTIONS:

6. RESOLVED THAT Mr Alain Fillon be and is hereby appointed a Director of the Company.
7. RESOLVED THAT Mr William Boledziuk be and is hereby appointed a Director of the Company.

AS A SPECIAL RESOLUTION:

8. RESOLVED THAT Article 52 of the Articles of Association of the Company be deleted and substituted by the following:

"52. The executors or administrators **or nominee** of a deceased member (not being one of several joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered shares the survivors **and in the case of death of all joint-holders the nominee** shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator the Directors may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from some competent Court in India having effect in Calcutta. Provided nevertheless that in any case where the Board in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Directors, in their absolute discretion, may consider necessary."

The Register of Members of the Company will remain closed from 16th April, 1999 to 29th April, 1999, both days inclusive.

Registered Office:

By Order of the Board

Transport Depot Road

Calcutta 700 088

Dated 25th February, 1999

TIMIR BARAN CHATTERJEE

Company Secretary & General Manager (Legal)

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 instead of himself and such proxy need not be a member of the Company.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the Special Business is annexed hereto.
3. The dividend that may be declared at this meeting will be payable to those members whose names are in the Company's Register of Members on 29th April, 1999 or to their mandatees and the dividend warrants will be posted on or before 15th May, 1999.
4. Shareholders holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to enable the Company to consolidate their holdings in one single folio.
5. Members are requested to notify immediately any change in their address/mandate/bank details to the Company, quoting their Folio Number.
6. Pursuant to Section 205A (5) of the Companies Act, 1956, all dividends upto the financial year ended 31st December, 1994, which remained unpaid or unclaimed, have been transferred to the General Revenue Account of the Central Government.
7. Members who have not forwarded the details of their bank account number till date, are requested to advise the same to the Company to avoid fraudulent encashment of dividend warrants.
8. **Members are requested to note that the shares of the Company are available for dematerialisation with effect from 1st February, 1999, the security bears the ISIN "INE303A01010". Members wishing to dematerialise their shares may approach any Depository Participant.**

MEMBERS ARE REQUESTED TO BRING THEIR COPY OF THE ANNUAL REPORT ALONGWITH THE ENCLOSED ATTENDANCE SLIP DULY FILLED IN.

ADDITIONAL COPIES OF THE ANNUAL REPORT WILL NOT BE MADE AVAILABLE AT THE MEETING.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956**Item No. 6**

Mr. Alain Fillon, President of both Coates Lorilleux, S.A. (France) and Coates Brothers, Plc, (U.K.) was appointed a Director of the Company by the Board, with effect from 25th July, 1998, to fill in the casual vacancy caused by the resignation of Mr. J-P. Maret. In terms of Section 262 of the Companies Act, 1956 (Act), Mr Fillon vacates office at this Annual General Meeting. The Company has received from a member a notice under Section 257 of the Act signifying his intention to propose Mr Fillon for appointment as a Director of the Company and the latter has consented to act as such, if so appointed.

Excepting Mr Alain Fillon, no other Director is interested or concerned in the Resolution.

Item No. 7

Mr William Boledziuk, Managing Director of BOSTIK (Australia) Pty Ltd was appointed an Additional Director of the Company with effect from 25th February, 1999. In terms of Section 260 of the Companies Act, 1956 (Act), Mr Boledziuk vacates office at this Annual General Meeting. The Company has received from a member a notice under Section 257 of the Act signifying his intention to propose Mr Boledziuk for appointment as a Director of the Company and the latter has consented to act as such, if so appointed.

Excepting Mr William Boledziuk, no other Director is interested or concerned in the Resolution.

Item No. 8

The existing Article 52 of the Articles of Association of the Company, which reads as follows, is proposed to be substituted as indicated in the Resolution:

"52. The executors or administrators of a deceased member (not being one of several joint-holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint-holders of any registered shares the survivors shall be the only persons recognised by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person. Before recognising any executor or administrator the Directors may require him to obtain a Grant of Probate or Letters of Administration or other legal representation, as the case may be, from some competent Court in India having effect in Calcutta. Provided nevertheless that in any case where the Board in their absolute discretion think fit it shall be lawful for the Directors to dispense with the production of Probate or Letters of Administration or such other legal representation upon such terms as to indemnify or otherwise as the Directors, in their absolute discretion, may consider necessary."

The Article is being altered to bring it in conformity with Section 109A and 109B of the Companies Act, 1956 which were inserted by the Companies (Amendment) Ordinance, 1999, which came into effect from 7.1.99. The new sections provide for the facility of nomination by a member in the event of his death. The Article is proposed to be amended to include nomination facilities.

This being a Resolution to incorporate statutory changes, none of the Directors are interested or concerned in the Resolution.

The Articles of Association can be inspected at the Registered Office of the Company on any working day during business hours.

The Board recommends adoption of the above Resolutions as proposed.

Registered Office:

By Order of the Board

Transport Depot Road
Calcutta 700 088
Dated 25th February, 1999

TIMIR BARAN CHATTERJEE
Company Secretary & General Manager (Legal)

For Notings:



Coates of India Limited

Dear Shareholder,

You would recall that at the last Annual General Meeting held in 1998, the Articles of Association of the Company was suitably amended to facilitate investors to hold/transfer shares in "electronic form".

We are now pleased to inform you that the shares of your Company, with effect from 1st February, 1999, are available for "dematerialisation" under the Depository System operated by the National Securities Depository Limited (Depository), thereby facilitating investors to hold and trade in the Company's shares in electronic form. In a dematerialised environment, shares will be fungible, i.e. all dematerialised shares will be identical and interchangeable and they will not have unique characteristics such as Distinctive Nos, Certificate Nos, Folio Nos.

We hope this letter will assist you to understand how the Depository System works.

DEMATERIALISATION

Dematerialisation is a process by which an investor surrenders the share certificates which are returned to the Company or Registrars and subsequently destroyed. An equivalent number of shares are credited (electronically) to the investor's account at the Depository.

REMATERIALISATION

Rematerialisation is conversion of electronic holdings back into the physical form and issue of fresh certificates by the Company. The new certificates to be issued on rematerialisation by the Company will bear new certificate nos, distinctive nos and Folio nos.

DEPOSITORY

A Depository is an organisation where the securities of a shareholder are held in the electronic form at the request of the shareholder through the medium of a Depository Participant (DP). Presently, National Securities Depository Limited (NSDL), promoted by IDBI, UTI, NSE is the prime Depository in the country.

DEPOSITORY PARTICIPANT

Similar to brokers who act on behalf of a client in the stock market, a Depository Participant (DP) is your representative (agent) in the depository system. A DP

is a market intermediary through whom NSDL interacts with the investors. An investor will have to first open an account with a Depository Participant and then request for the dematerialisation of his certificates through the DP so that the dematerialised holdings can be credited into that account. The DP you have chosen, will maintain your securities account balances and intimate to you, periodically, the status of your holdings. Each DP charges its clients a certain amount of fees for custodial and transaction charges.

PROCEDURE FOR CONVERTING SHARES INTO ELECTRONIC HOLDINGS (DEMATERIALISATION)

1. Choose a Depository Participant
 - a) Fill-up an Account Opening Form available with the DP of your choice;
 - b) Execute "Participant-Client Agreement";
 - c) Receive your Account Number (called Client-Id);
 - d) Fill-up a Dematerialisation Request Form (DRF) (available with the DP) and submit the Form alongwith the Share Certificates to the DP and obtain an acknowledgement;
2. The Depository Participant, then
 - a) intimates NSDL of the Dematerialisation request received from the investor;
 - b) sends the Dematerialisation Request Form alongwith the Share Certificates to the Company;
3. The Company will --
 - a) verify the certificates and the request received and if found in order will cancel the share certificates;
 - b) update its record in respect of the cancelled share certificates and records NSDL as the registered owner of the above shares;
 - c) confirm the dematerialisation to NSDL, who in turn confirms the same to the DP.
4. The Depository Participant -
 - a) on receiving the confirmation from NSDL will credit your Account with the number of shares so dematerialised;

- b) will give you a statement of holdings and will update your Account after each transaction.

TRADING IN ELECTRONIC SHARES

Buying and selling shares in the electronic form is much simpler and safer than trading in physical shares.

- **SELLING:**

Place an order with your Broker and instruct your DP by way of Delivery Instruction to debit your account with the number of shares sold by you.

- **BUYING:**

Inform your Broker about your depository Account Number so that the shares bought are credited into your account and also instruct your DP by way of Receipt Instruction to receive credit in your Account.

Trading in demat shares is possible only in those stock exchanges whose clearing houses are linked to the Depository. At present, besides National Stock Exchange and OTCEI, the following stock exchanges are linked to the depository - Bangalore, Calcutta, Delhi, Ludhiana, Madras and Mumbai.

ADVANTAGES OF DEPOSITORY SYSTEM

- Elimination of bad deliveries and all risks associated with physical certificates, such as loss, theft, mutilation, etc;
- No stamp duty;
- Immediate transfer and registration of securities;

- Faster settlement cycle;
- No risk of buying fraudulent certificates;
- No courier/postal charges
- Reduced record keeping;
- One investor account for all shares.

CORPORATE BENEFITS

Whilst in the Company's records, NSDL will be the Registered Holder of the dematerialised shares, the Investor continues to be the Beneficial Owner and consequently, all corporate benefits like Dividend, Rights, Bonus, etc. will be issued to the shareholders holding shares in electronic form.

In case you need any further information and clarification, please contact Mr Ajoy Das or Mr G Sasi Achary at the following address:

Coates of India Ltd
Secretarial Department
Transport Depot Road
Calcutta 700 088
Phone: (033) 449 6591-6; 449 3984/5
Fax: (033) 449 5267

Yours sincerely,
For Coates of India Limited

Timir Baran Chatterjee
Company Secretary &
General Manager (Legal)

February 25, 1999

**COATES OF INDIA LIMITED**

Registered Office: Transport Depot Road, Calcutta-700 088

ATTENDANCE SLIP**51st Annual General Meeting, 29th April, 1999 at 3.00 p.m.**

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

Name & Address of the Member

Folio No.

No. of Shares held

I hereby record my presence at the 51ST ANNUAL GENERAL MEETING of the Company at the premises of THE BENGAL CHAMBER OF COMMERCE & INDUSTRY, 6, Netaji Subhas Road, Calcutta 700 001

Signature of the Member or the Proxy attending the meeting	
If Member, please sign below	If Proxy, please sign below

TEAR OFF HERE

<p>PROXY FORM</p> <p>COATES OF INDIA LIMITED</p> <p>Registered Office: Transport Depot Road, Calcutta-700 088</p>

Folio No:

I/We

of

being a member/members of Coates of India Limited, hereby appoint

..... of

or failing him of

or failing him of

as my/our proxy to attend and vote for me/us on my/our behalf at the Fiftyfirst Annual General Meeting of the Company to be held on the twenty-ninth day of April, 1999, and at any adjournment thereof.

As witness my/our hand(s) this day of 1999

Affix
30 paise
Revenue
Stamp

NOTE: The Proxy Form must be deposited at the Registered Office of the Company, Transport Depot Road, Calcutta 700 088, not less than 48 hours before the time for holding the meeting.

