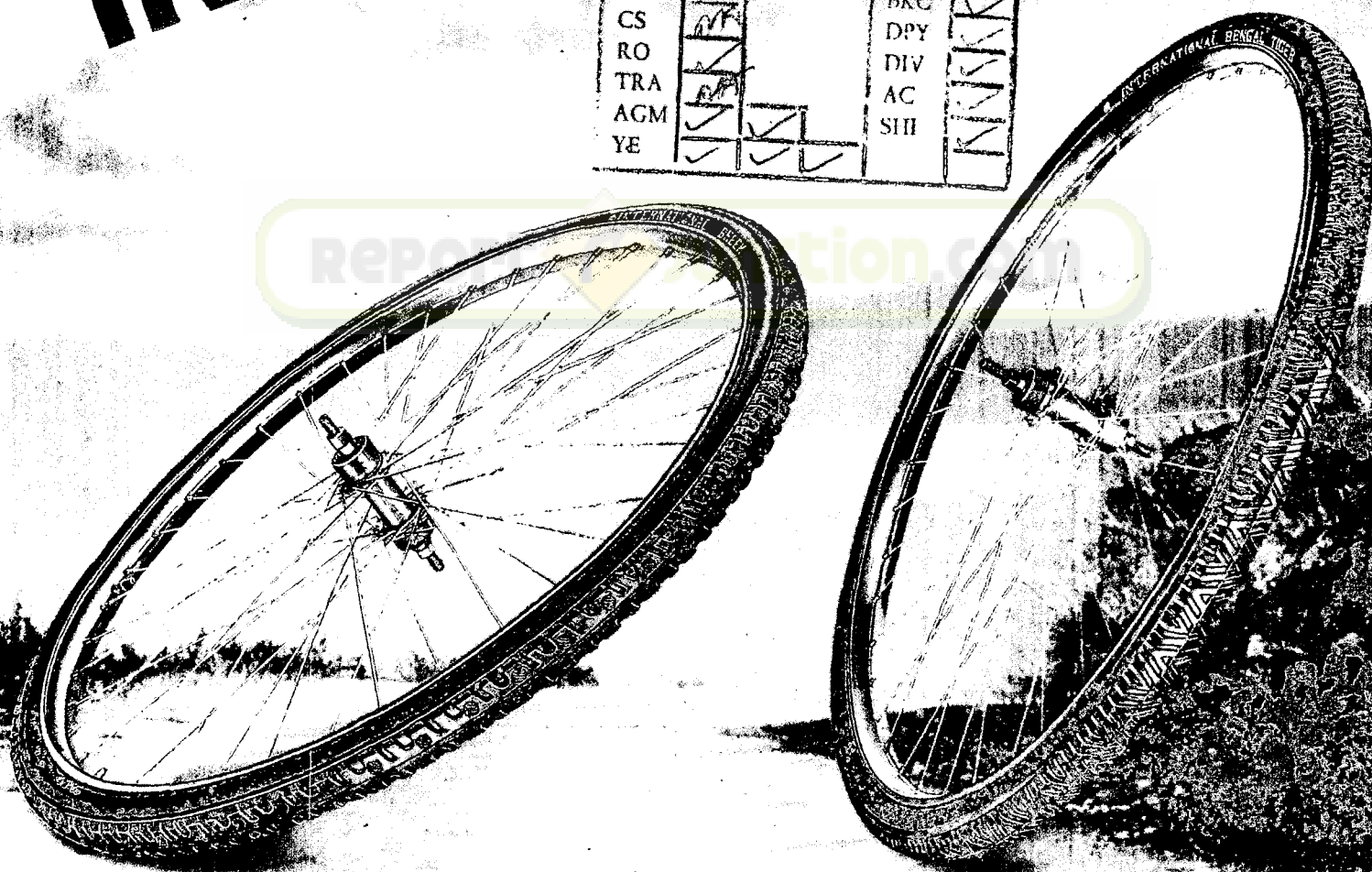




ALWAYS FIRST CHOICE INTERNATIONAL TYRES-TUBES

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"/>
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YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>



GOVIND RUBBER LIMITED

13TH ANNUAL REPORT

1997-98



Lord Ganesh Temple at Bhiwadi Unit

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20	MR. KAILASH GOENKA
	MR. VINOD PODDAR

BOARD OF DIRECTORS :

Chairman
Director
Director
Director
Nominee - IFCI
Nominee - PSIDC
Managing Director
Managing Director

REGISTERED OFFICE

318, 'Creative', Sitaram Mill Compound,
N.M. Joshi Marg, Lower Parel, Mumbai - 400 011.

WORKS

- Jugiana - 141 120, DIST. LUDHIANA (PUNJAB).
- Kanganwal - 141 120, DIST. LUDHIANA (PUNJAB).
- B-37 & C-142 Focal Point, Phase V,
LUDHIANA - 141 010 (PUNJAB).
- Plot No.SP-923, IIIRD Phase, RIICO Industrial Area,
Post Bhiwadi - 301 019, DIST. ALWAR (RAJASTHAN).

AUDITORS

M/s. JAYANTILAL THAKKAR & CO.
Chartered Accountants

SOLICITORS & LEGAL ADVISOR

KANGA & CO.
Advocates, Solicitors & Notary

BANKERS

CENTRAL BANK OF INDIA
INDIAN OVERSEAS BANK
BANK OF BARODA
STATE BANK OF INDIA

GOVIND RUBBER LIMITED

Regd. Office: 318, 'Creative', N.M. Joshi Marg,
Lower Parel, Mumbai - 400 011.

L.F. No.
No. of Shares held

ATTENDANCE SLIP

I/We hereby record my/our presence at the Thirteenth Annual General Meeting of the Company to be held at Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai - 400 018 on Monday, 10th August, 1998 at 11.00 a.m.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

NOTES:

1. You are requested to sign and hand over this slip at the entrance.
2. If you attend to appoint a proxy to attend the meeting instead of yourself, the proxy form must be deposited at the Registered Office of the Company at 318, 'Creative', N.M. Joshi Marg, Lower Parel, Mumbai - 400 011 not less than 48 hours before the time for holding the meeting.
3. If you are attending the meeting in person or by proxy, your copy of the Annual Report may please be brought by you/your proxy for reference at the meeting.

**GOVIND RUBBER LIMITED**

Regd. Office: 318, 'Creative', N.M. Joshi Marg,
Lower Parel, Mumbai - 400 011.

L.F. No.
No. of Shares held

FORM OF PROXY

I/We of
..... in the district of being a member/members
of the above named Company hereby appoint of
..... in the district of or failing him
..... of in the district of
as my/our proxy to vote for me/us or my/our behalf at the Thirteenth Annual General Meeting of the Company to be held on Monday, 10th August, 1998 and at any adjournment thereof.

Signed this day of 1998

NOTE: The Proxy form must be deposited at the Registered Office of the Company at 318, 'Creative', N.M. Joshi Marg, Lower Parel, Mumbai - 400 011 not less than 48 hours before the time for holding the Meeting.

Please
Affix
Rupee One
Revenue
Stamp





GOVIND RUBBER LIMITED

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of the Company will be held on Monday, the 10th August, 1998 at 11.00 a.m. at Nehru Centre, Hall of Harmony, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Shri Dharaprasad Poddar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Shri Kailash Goenka, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Statutory and Branch Auditors to hold office for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration and for this purpose, to consider and if thought fit, to pass with or without modifications, the following Resolution as a special Resolution.

"RESOLVED That pursuant to the provisions of Section 224A and other applicable provisions, if any, of the Companies Act, 1956, M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company and M/s. Satish K Bansal & Co., Chartered Accountants, Ludhiana, the Branch Auditors for Ludhiana and Bhiwadi Units who retire at this meeting and being eligible and willing to act as Statutory and Branch Auditors respectively be and are hereby appointed in their respective capacities to hold office from the conclusion of this Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be decided by the Board of Directors of the Company plus such out of pocket expenses as may be incurred by them in connection with the Audit of the Accounts of the Company".

SPECIAL BUSINESS

- 6) To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 & 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 ("the Act") the Company hereby approves the

reappointment of Shri Vinod Poddar as Managing Director of the Company with effect from 01.08.1998 to 31.07.2003 on the terms and conditions set out in the draft agreement, which is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or draft agreement in such manner as may be agreed to between the Board of Directors and Shri Vinod Poddar."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to make suitable alteration/modifications and/or upward revision in the above remuneration and terms, in the event of any modifications/amendments, if any that may be effected in Schedule XIII or such other schedule/guidelines/provisions as may be applicable of the Act, to the effect that the modifications so made or amended, equate and/or fall within the limits as may be prescribed under Schedule XIII or such other applicable schedule/guidelines/provisions of the Act, as may be applicable."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution."

- 7) To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT in accordance with the provisions of Sections 198, 269 & 309 read with Schedule XIII and all other applicable provisions of the Companies Act, 1956 ("the Act") the Company hereby approves the reappointment of Shri Kailash Goenka as Managing Director of the Company with effect from 01.08.1998 to 31.07.2003 on the terms and conditions set out in the draft agreement, which is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or draft agreement in such manner as may be agreed to between the Board of Directors and Shri Kailash Goenka."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to make suitable alteration/modifications and/or upward revision in the above remuneration and terms, in the event of any modifications/amendments, if any that may be effected in Schedule XIII or such other schedule/guidelines/provisions as may be applicable of the Act, to the effect that the modifications so made or amended, equate and/or fall within the limits as may be prescribed under Schedule XIII or such other applicable schedule/guidelines/provisions of the Act, as may be applicable."

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and

do all such acts, deeds, matters and things as may be necessary, expedient or desirable to give effect to the above resolution."

By order of the Board of Directors

- 8) To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to Section 293(1)(a) and other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors to mortgage and or charging on whole of the movable properties of the Company present and future lying at Ludhiana and Bhiwadi and whole of the undertakings of the Company in such form and manner and on such terms & conditions as the Board of Directors may think fit to or in favour of The Industrial Credit Investment Corporation of India Limited, Mumbai to secure the Term Loan of Rs.1500 Lacs granted by them to the Company together with interest, commitment charges, liquidated damages, premia on prepayment or on redemption, cost, charges and expenses and all other monies payable by the Company to ICICI as per the terms and conditions of Loan Agreement entered into/ to be entered into by the Company in respect of aforesaid Loan."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised and is always deemed to have been authorised to finalise with ICICI the documents for creating aforesaid mortgage and or charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to this resolution."

- 9) To consider and if thought fit, to pass with or without modification the following resolution as an Ordinary Resolution.

"RESOLVED THAT the 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 for mortgaging and charging by way of second charge, subject to the approval of Financial Institutions - first chargeholders - all immovable properties of the Company situated at Ludhiana (Punjab) and Bhiwadi (Rajasthan), present and future and whole of the undertaking of the Company to or in favour of Consortium Banks led by Central Bank of India, in connection with the enhanced Working Capital Facilities of Rs.1850 Lacs sanctioned/to be sanctioned from time to time by Consortium Banks."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to finalise the method as manner of creating the aforesaid second charge and to do all such acts, deeds, matters and things as may be necessary, desirable or expedient for giving effect to the above resolution."

Place : Mumbai

Dated : 30th May, 1998

DHARAPRASAD PODDAR
CHAIRMAN

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS AS SET OUT IN ITEM NO.6, 7, 8 & 9 OF THE NOTICE IS ANNEXED HERETO.
4. IN TERMS OF THE PROVISION OF SECTION 205-A OF THE COMPANIES ACT, 1956 UNCLAIMED DIVIDEND OF AN AGGREGATE AMOUNT OF RS.1,73,310.00 BEING 7TH DIVIDEND FOR THE YEAR 1993-94 WAS TRANSFERRED TO THE GENERAL REVENUE ACCOUNT OF THE CENTRAL GOVERNMENT. MEMBERS WHO HAVE NOT ENCASHED THEIR DIVIDEND WARRANTS FOR THE SAID PERIOD ARE REQUESTED TO CLAIM THE SAME FROM REGISTRAR OF COMPANIES, MUMBAI.
5. MEMBERS ARE REQUESTED TO NOTIFY TO THE COMPANY IMMEDIATELY ANY CHANGE IN THEIR ADDRESS.
6. THE REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS OF THE COMPANY SHALL REMAIN CLOSED FROM 1ST AUGUST,1998 TO 10TH AUGUST,1998 (BOTH DAYS INCLUSIVE) FOR THE PURPOSE OF PAYMENT OF DIVIDEND. THE DIVIDEND IF APPROVED WILL BE PAID ON OR AFTER 31ST AUGUST,1998 TO THOSE MEMBERS WHOSE NAMES APPEAR IN THE REGISTER OF MEMBERS OF THE COMPANY ON 10TH AUGUST,1998.

ANNEXURE TO NOTICE

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

Item No.6 & 7 : Shri Vinod Poddar and Shri Kailash Goenka appointed as Managing Directors of the Company at the Eighth Annual General Meeting of the Company held on 05.07.1993 for a period of 5 years w.e.f. 01.08.1993. They will cease to be Managing Directors of the Company on 31st July, 1998.

The Board of Directors of the Company at the Meeting held on 30th May, 1998 have resolved to reappoint Shri Vinod Poddar and Shri Kailash Goenka as Managing Directors of the Company for a further period w.e.f. 01.08.1998 to 31.07.2003 as per terms and conditions set out in draft agreement referred to in the resolution at Item Nos. 6 & 7 of the accompanying Notice. The Board of Directors consider the services of Shri Vinod Poddar and Shri Kailash Goenka as Managing Directors will be useful to the Company. The Board of Directors also consider remuneration payable to Shri Vinod Poddar and Shri Kailash Goenka as set out in draft agreement referred to in the resolution to be reasonable. The Board of Directors therefore request the Shareholders to approve the remuneration as set out in the said draft agreement.

The terms and conditions of the draft agreement referred to in the resolution of the accompanying Notice are as follows:-

I. REMUNERATION :

- i) Salary : Rs.80,000 (Rupees Eighty Thousand only) per month in the scale of (Rs.80,000 - Rs.1,00,000 - Rs.1,20,000). The next increments shall fall due on 1st April, 1999 and thereafter on 1st April every year.
- ii) Commission : 1% of the amount of net profits as appearing in the Audited Annual Profit & Loss Account for each Corporate Financial Year of the Company, unless otherwise decided by the Board of Directors for any financial year subject, however, that the total remuneration (i.e. Salary, Perquisites and Commission) in any one financial year shall not exceed the limits prescribed from time to time under Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, as may for the time being be in force.
- iii) Perquisites :

PART A :**(1) HOUSING :**

- (a) Fully furnished residential accommodation or house rent allowance @ 60% of the salary.

- (b) Expenses pertaining to gas, electricity, water and other utilities will be borne/reimbursed by the Company or the subject to a ceiling of 10% of the salary.

(2) MEDICAL REIMBURSEMENT :

Reimbursement of actual medical expenses incurred in India and/or abroad and including hospitalisation, nursing home, surgical charges and Medical Insurance Premium for themselves and family.

(3) LEAVE TRAVEL CONCESSION :

Reimbursement of actual traveling expenses for proceeding on leave once in a year in respect of themselves and family.

(4) CLUB FEES :

Reimbursement of Membership Fee for Clubs in India including Admission and Life Membership Fees.

(5) PERSONAL ACCIDENT INSURANCE :

Personal Accident Insurance Policy for an amount, the annual premium of which shall not exceed Rs.10,000/- p.a.

PART B :**(1) CONTRIBUTION TO PROVIDENT FUND, SUPERANNUATION FUND OR ANNUITY FUND :**

The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company applicable to Managing Directors of the Company.

(2) GRATUITY :

Gratuity shall be payable at half month's salary for each completed year of service.

(3) LEAVE :

Shri Vinod Poddar and Shri Kailash Goenka shall be entitled to leave with full pay as per the rules of the Company and will be entitled to encash the accumulated leave at the end of the tenure/retirement.

PART C :**(1) CONVEYANCE FACILITIES :**

The Company shall provide suitable conveyance facilities as may be required by Shri Vinod Poddar and Shri Kailash Goenka.

(2) TELEPHONE, TELEFAX AND OTHER COMMUNICATION FACILITIES :

The Company shall provide telephones, telefax and other communication facilities at the Managing Director's residence.

II. OVERALL REMUNERATION :

The aggregate of salary, commission and perquisites in any one financial year shall not exceed the limits prescribed or to be prescribed from time to time under Sections 198, 309 and other applicable provisions of the Companies Act, 1956 read with Schedule XIII to the said Act as may for the time being be in force.

III. MINIMUM REMUNERATION :

In the event of absence or inadequacy of profits in any financial year during the currency of tenure of service of the Managing Directors, the payment of salary, commission, perquisites and other allowances shall be governed by limits prescribed under Section II of Part II of Schedule XIII to the Companies Act, 1956.

Shri Arvind Poddar as relative of Shri Vinod Poddar and Shri Vinod Poddar are concerned or interested in passing of Resolution No.6 and Shri Kailash Goenka himself is concerned or interested in passing of Resolution No. 7.

The draft agreement referred to in the Resolution of the accompanying Notice is open for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day of the Company.

This Explanatory Statement together with the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest under Section 302 of the Companies Act, 1956.

Item No.8 : The Company has taken a Term Loan of Rs.1500 Lacs from ICICI, Mumbai to meet Long Term Working Capital Requirements. The security is to be created by mortgage/charge on whole of the movable properties of the Company lying at Ludhiana (Punjab) and Bhiwadi (Rajasthan). The Resolution is proposed to obtain consent of the Members in accordance with Section 293 (1)(a) of the Companies Act, 1956.

None of the Directors is in anyway concerned or interested in passing of the Resolution.

Item No.9 : The Consortium Banks led by Central Bank of India have sanctioned addition Working Capital Facilities of Rs.1850 Lacs for the years 1997-98 and 1998-99. In order to create second charge on the Fixed Assets of the Company situated at Ludhiana (Punjab) and Bhiwadi (Rajasthan) in favour of Consortium Banks led by Central Bank of India to secure the facilities granted/to be granted by them, it is considered advisable and necessary to obtain the consent of the Members of the Company under Section 293 (1)(a) of the Companies Act.

None of the Directors is in anyway concerned or interested in passing of the Resolution.

By order of the Board of Directors

Place : Mumbai
Dated : 30th May, 1998

DHARAPRASAD PODDAR
CHAIRMAN

13TH ANNUAL REPORT 1997 - 98

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 13th Annual Report and Audited Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1997-98	1996-97
Sales: (Gross)	28215	24542
Gross Profit	1381	879
Less: Depreciation	1214	686
Profit Before Tax	167	193
Less: Provision for Taxation	17	25
Profit After Tax	150	168
Add : Provision relating to earlier years	5	—
	155	168
Add: Balance brought forward	6	29
Profit available for appropriation	161	197
Appropriation -		
Debentures Redemption Reserve	74	74
General Reserve	10	50
Proposed Dividend	69	61
Tax on Proposed Dividend	7	6
Balance carried to Balance Sheet	1	6

OPERATIONS

Your Company has achieved Gross Sales of Rs 282 Crores during the year ended March, 1998 as against Rs.245 Crores in the previous year showing an increase of 15%. The Gross Profit for the year is Rs.1381 Lacs as against Rs.879 Lacs in the previous year which shows an increase of 57%.

The Exports (including indirect exports) have increased from Rs.2928 Lacs in the previous year to Rs.3610 Lacs indicating a growth of 23%. Your Company has been honoured for the seventh consecutive year for Top Exports Award for the Cycle Tyre Industry by CAPEXIL.

DIVIDEND

Your Directors are pleased to recommend a Tax Free Dividend of 9% on Paid-up Equity Share Capital of the Company for the year ended March, 1998 which will absorb Rs.7610019/- including tax on dividend.

DEBENTURES

The proceeds of the Debentures were utilised for the purposes for which they were raised.

FIXED DEPOSITS

Fixed Deposits from the Public as on 31st March, 1998 aggregated Rs.1313000/-. There were 2 unclaimed deposits amounting to Rs.13000/-.

DIRECTORS

Shri Dharaprasad Poddar and Shri Kailashkumar Goenka will be retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Shri T.Ramesh Babu has been nominated by Industrial Finance Corporation of India Ltd. as Director with effect from 15th November 1997.

AUDITORS

M/s. Jayantilal Thakkar & Co., Chartered Accountants, Mumbai the Statutory Auditors and M/s. Satish K. Bansal & Co., Chartered Accountants, Ludhiana the Branch Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment.

The observations made in the Auditors' Report and Notes to Accounts are self-explanatory and, therefore, do not call for further comments under Section 217 of the Companies Act, 1956.

INDUSTRIAL RELATIONS

The industrial relations during the year under review continued to be cordial.

PARTICULARS OF EMPLOYEES

Particulars of remuneration paid to the employees as required to be disclosed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees), Rules, 1975 are set out in Annexure-I forming part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is given in the Annexure-II of the report.

APPRECIATION

Your Company is grateful for the continued co-operation and assistance extended to it by the Financial Institutions and Banks.

Your Directors also wish to place on record their warm appreciation for the services rendered by the Executives, Staff, Workers and Dealers of the Company.

For and on behalf of the Board of Directors

DHARAPRASAD PODDAR

Chairman

Mumbai:

Dated : 30th May, 1998.