

IFB
IFB INDUSTRIES LTD
BOARD OF DIRECTORS

Bijon Nag
Chairman & Managing Director

R. N. Sen
Executive Director & Secretary

D. K. Bhattacharyya
Executive Director

D. P. Barua
Director

Bikramjit Nag
Director

K. P. Ramakrishnan (Nominee of IDBI)
Director

P. Chakravarti
Director

D. N. Davar
Director

REGISTERED OFFICE

14, Taratolla Road,
Calcutta 700 088
Tel: (091) (33) 4784917- 24
Fax : (091) (33) 4784579, 4784182, 4782521
E-mail : ifbitd.corp@ifb.sprintprg.ems.
vsnl.net.in

MD	✓	BKC	✓
CS	✓	DEY	✓
RO	✓	SV	✓
TRA	✓	MI	✓
AGM	✓		✓
VE	✓		✓

AUDITORS

Bhadra & Bhadra
Chartered Accountants

BANKERS

- State Bank of India
- Bank of Maharashtra
- United Bank of India
- Credit Lyonnais
- State Bank of Mysore
- Allahabad Bank
- Canara Bank
- State Bank of Bikaner & Jaipur
- Chinatrust Commercial Bank

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PLANTS

- ◆ 14, Taratolla Road,
Calcutta 700 088
- ◆ Gangarampur
JL-71, P. O. Bishnupur
Dist: South 24- Parganas
West Bengal
- ◆ 16/17, Visweswariah Industrial Estates
Whitefield Road
Doddanekundi Industrial Area, Phase I
Bangalore 560 048
- ◆ Shikarpur & Bhandapur Tea Estates
Belakoba, Jalpaiguri
West Bengal
- ◆ Corlim Industrial Estate
Corlim, Ilhas, Goa 403 110
- ◆ L1, Verna Electronic City
Verna, Salcete,
Goa 403 722
- ◆ E-3, New Industrial Area II
Mandideep 462 046
Dist: Raisen, Bhopal
Madhya Pradesh

REGISTRAR & SHARE TRANSFER AGENT

MAC Consultants Pvt. Ltd.
52 D Ballygunge Circular Road
Calcutta 700 019



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Regd. Office: 14, Taratolla Road
 Calcutta 700 088

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of IFB Industries Limited will be held on Tuesday, the 23rd June, 1998 at 10.30 A.M. at Corporate office premises of IFB Agro Industries Limited, Plot No. IND 5 (Sector I), East Calcutta Township, 178 Anandapur, Calcutta 700 078 to transact the following :

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts as at and for the financial year (eighteen months) ended 31st December, 1997 and the reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. P. Chakravarti who retires by rotation and being eligible offers himself for reappointment.
3. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution :
 "RESOLVED THAT M/s. Bhadra & Bhadra, Chartered Accountants be and is hereby appointed Auditors of the Company from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix their remuneration and out of pocket expenses payable to them."

AS SPECIAL BUSINESS

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

4. AS AN ORDINARY RESOLUTION

"RESOLVED THAT Mr. Bikram Jit Nag be and is hereby appointed a Director of the Company whose period of office shall be liable to retirement by rotation."

5. AS A SPECIAL RESOLUTION

"RESOLVED THAT Mr. D. P. Barua, who was earlier appointed as Advisor to the Company be and is hereby appointed a Director on the Board of the Company pursuant to section 314 (1) of the Companies Act, 1956 on the existing terms and conditions as detailed in the Explanatory statement annexed hereto and that his period of office shall be liable to retirement by rotation."

6. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force)

- (i) The proviso to Article 146 of the Articles of Association of the Company be and is hereby amended as under :-

The words "or wholetime Directors" be deleted.

- (ii) Article 162(c) of the Articles of Association of the Company be and is hereby amended as under :-

The words "or whole-time Director(s)" appearing in the first line of the Article be deleted.

7. AS AN ORDINARY RESOLUTION

RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and charging on first charge basis all the immovable assets of the Company wheresoever situated present and future in favour of Chinatrust Commercial

Bank (CCB) to secure the External Commercial Borrowing of USD 5,000,000 sanctioned and disbursed by CCB together with interest and other monies payable under the Loan Agreement entered into by the Company and CCB for the aforesaid loan, such security to rank pari passu with mortgages (first charge) already created and/or to be created."

8. **AS A SPECIAL RESOLUTION**

"RESOLVED THAT in accordance with the provisions of the Companies Act, 1956 and subject to approval, if any, of other appropriate authorities and subject to the terms and conditions as specified by financial institutions and agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Directors issuing 18% Non-Convertible Debentures of the aggregate value of Rs. 800,00,000 (Rupees eight hundred lacs only) on private placement basis to the following institutions namely, (i) Tata Trustee Co. Ltd. - Rs. 300 lacs (ii) Goodlass Nerolac Paints Ltd. - Rs. 200 lacs and (iii) Niskalp Investments & Trading Co. Ltd. - Rs. 300 lacs on the detailed terms and conditions including the rate of interest, redemption, nature of security and all other matters incidental thereto as included in their respective sanction letters."

9. **AS AN ORDINARY RESOLUTION**

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company mortgaging and charging and/or hypothecating all immovable and movable properties of the Company wheresoever situated, present and future, to and in favour of (i) Tata Trustee Co. Ltd. - Rs. 300 lacs (ii) Goodlass Nerolac Paints Ltd. - Rs. 200 lacs and (iii) Niskalp Investments & Trading Co. Ltd. - Rs 300 lacs to secure the 18% Non-Convertible Debentures on private placement basis subscribed to by the above mentioned institutions together with interest thereon at the agreed rates, compound

interest, additional interest, liquidated damages, commitment charges, expenses and all other moneys payable by the Company to the above mentioned institutions in terms of their respective sanction letters, agreements, memorandum and terms and conditions entered into by the Company in respect of the aforesaid 18% Non-Convertible Debentures on private placement basis, such security to rank pari passu with mortgages already created and/or to be created."

10. **AS AN ORDINARY RESOLUTION**

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and charging by way of second charge all fixed assets of the Company wheresoever situated, present and future, subject to the first charge on those assets created or to be created in favour of term lenders, to and in favour of Small Industries Development Bank of India (SIDBI) to secure the financial assistance to the Company under the Scheme for Direct Discounting of Bills (Components) (the Scheme) to the extent of Rs. 300 lacs with option for renewal, together with interest thereon at the agreed rate, compound interest, additional interest, commitment charges, expenses and all other moneys payable by the Company to SIDBI in terms of their sanction letter, agreements, memorandum and terms and conditions entered into by the Company and SIDBI for the aforesaid scheme, such security to rank pari passu with mortgages (second charge) already created and/or to be created."

11. **AS AN ORDINARY RESOLUTION**

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company for mortgaging and charging on first charge basis all the immovable assets of the Company wheresoever situated, present and future, in favour of the Industrial Development Bank of India (IDBI) to secure

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the term loan Rs. 2000 lacs (Rupees two thousand lacs only), sanctioned and disbursed by IDBI to part finance the facilities for manufacture of automotive sub-assemblies at the Calcutta and Bangalore manufacturing unit(s) of the Company together with interest thereon at the agreed rate, compound interest, additional interest, commitment charges, expenses and all other moneys payable by the Company to IDBI in terms of their sanction letter, agreements, memorandum and terms and conditions entered into by the Company and IDBI for the aforesaid term loan, such security to rank pari passu with mortgages (first charge) already created and /or to be created."

12. AS A SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 372 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to such approvals as may be necessary, the Board of Directors be and is hereby authorised to invest upto an aggregate amount of USD 3340 only equivalent to about Rs. 1,20,000/- (Rupees one lac twenty thousand only) in the share capital of Crestwood Enterprises Ltd, Mauritius by subscription to 33400 Equity shares having a face value of USD 1 each.

RESOLVED FURTHER that the Board of Directors of the Company or such Committee thereof as the Board may constitute in this behalf, be and is hereby authorised to settle all or any matters arising out of, and incidental to, the proposed investment."

Regd Office :	By order of the Board
14, Taratolla Road	R.N. SEN
Calcutta 700 088	Executive Director &
Dated : 30th March, 1998	Secretary

NOTES

- i) A member entitled to attend and vote at the meeting is entitled to appointed a proxy, to attend and vote on a poll on his behalf and such a proxy need not be a member of the Company. Proxies in order to be effective

must be deposited at the Registered Office or with the Registrars and Share Transfer Agents of the Company not less than 48 hours before the meeting.

- ii) The Registered of Members of the Company and the Share Transfer Registers shall remain closed from 16th June, 1998 to 23rd June, 1998 (both days inclusive).
- iii) The Members are requested to notify immediately any change in their address to the Company.
- iv) In the case of multiple folios, only one Annual Report is being sent to the first named shareholder.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Resolution No. 3

As the Company is a widely held Company and its shares are traded on the stock exchanges regularly, a part of its share capital is sometimes held by the financial institutions who now routinely invest in the stock market. As this may sometime attract the provisions of Section 224A of the Companies Act, 1956, the Company proposes to appoint the Auditors by Special Resolution as abundant precaution for the same.

The Board recommends the passing of this Special resolution.

None of the Directors is interested/concerned in the resolution.

Resolution No. 4

Mr. Bikram Jit Nag was appointed as Additional Director of the Company w.e.f. 30th March, 1998. Notice under Section 257 of the Companies Act, 1956 has been received from a member stating therein his intention to appoint Mr. Bikram Jit Nag as Director of the Company whose office shall be liable to retirement by rotation. Consent from Mr. Bikram Jit Nag has also been received in accordance with Section 264(1) of the Act.

The members are now requested to approve the appointment of Mr. Bikram Jit Nag as Director of the Company whose office shall be liable to retirement by rotation.

The Board recommends the passing of this Ordinary resolution.

Except Mr. Bijon Nag and Mr. Bikram Jit Nag, none of the other Directors is interested/ concerned in this resolution.

Resolution No. 5

Mr. D.P. Barua had earlier been appointed as Advisor to the Company w.e.f. 1st October, 1996 at a monthly consultation fee of Rs. 20,000/-. The Directors of the Company, at their meeting held on 30th May, 1997, appointed Mr. D.P. Barua as a Director of the Company whose office shall be subject to the prevailing provisions of Section 314 of the Companies Act, 1956. Notice under Section 257 of the Companies Act, 1956 has been received from a member stating therein his intention to appoint Mr. D. P. Barua as Director of the Company whose office shall be liable to retirement by rotation. Consent from Mr. D. P. Barua has also been received in accordance with Section 264(1) of the Act.

The members are now requested to approve the appointment of Mr. D.P. Barua as Director of the Company whose office shall be liable to retirement by rotation.

Since Mr. D.P. Barua, even after his appointment as Director of the Company, will continue to act as Advisor and will therefore be holding an office or place of profit in the Company, approval of the shareholders pursuant to the provisions of Section 314 of the Companies Act, 1956 is being sought.

The Board recommends the passing of this Special resolution.

Except Mr. D. P. Barua, none of the Directors is interested/concerned in this resolution.

Resolution No. 6

The approval of the members of the Company is sought on this resolution in view of the prevailing provisions of the Companies

Act, 1956 in connection with retirement of Directors by rotation vis-a-vis the present constitution of the Board of Directors of the Company.

The Board recommends the passing of this Special resolution.

Except Mr. R.N. Sen and Mr. D.K. Bhattacharyya, none of the Directors is interested/concerned in this resolution.

Resolution No. 7

The Company has been sanctioned an External Commercial Borrowing Loan of USD 5,000,000 from Chinatrust Commercial Bank (CCB) vide their sanction letter No. Nil dated 26th September, 1996. The said loan is to be secured by a pari passu mortgage / charge / hypothecation of all the fixed assets of the Company on first charge basis. As such, consent of the members is required to be accorded under Section 293(1)(a) of the Companies Act, 1956.

The Board recommends the passing of this Ordinary Resolution.

None of the Directors is interested/concerned in the resolution.

Resolution No. 8

In order to avail funds at a rate cheaper than the normal cash credit rates, it was considered prudent to issue 18% Non- Convertible Debentures of the aggregate value of Rs. 800 lacs on private placement basis to the institutions mentioned in the resolution. Since the issue of non-convertible redeemable debentures requires the approval of the members in general meeting, the above resolution is proposed. The terms and conditions are usual as in the case of institutions subscribing to non-convertible debentures on private placement basis. The detailed terms and conditions are enumerated in the respective sanction letters which are available for inspection.

The Directors recommend the passing of this ordinary resolution.

None of the Directors is interested or concerned in the resolution.

Resolution No. 9

In order to create security by way of mortgaging and charging and/or hypothecating the movable and immovable properties of the Company in favour of the institutions subscribing to the issue of 18% non-convertible debentures on private placement basis, the consent of the members is required to be accorded under Section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company mortgaging, charging and/or hypothecating all movable and immovable properties of the Company wherever situated, present and future, to and in favour of the institutions mentioned in the resolution to the extent of the respective amounts subscribed by them.

The Directors recommend the passing of this Ordinary resolution.

None of the Directors is interested or concerned in the resolution.

Resolution No. 10

The Company had been sanctioned renewed credit facilities of Rs. 300 lacs under the Direct Discounting of Bills (Components) Scheme from Small Industries Development Bank of India (SIDBI). The said limit is renewable for one year at a time and is to be secured by the creation of second charge on all fixed assets of the Company, present and future. As such, in order to create security by way of mortgaging and charging the immovable properties of the Company, on second charge basis, in favour of SIDBI, consent of the members is required to be accorded under Section 293(1)(a) of the Companies Act, 1956 to the Board of Directors of the Company mortgaging and charging the immovable assets of the Company, on second charge basis, in favour of SIDBI.

The Board recommends the passing of this Ordinary resolution.

None of the Directors is interested or concerned in the resolution.

Resolution No. 11

For implementation of the Company's plans for increased level of manufacture of automotive sub-assemblies and for effecting expansion plans for the Calcutta and Bangalore manufacturing unit(s) of the Company, the Company has obtained a Rupee term loan of Rs. 2000 lacs under the project Finance Scheme from Industrial Development Bank of India (IDBI) vide their sanction letter No. IDBI.ERO.No.2208/ PFD.60.B dated 10th July, 1997. The said term loan is to be secured by a mortgage/charge/hypothecation of all the movable and immovable properties of the Company, both present and future, on first charge basis. Consent of the members is required to be accorded to this resolution under Section 293(1)(a) of the Companies Act, 1956.

The Board recommends the passing of this Ordinary Resolution.

Except Mr. K. P. Ramakrishnan who is a nominee of IDBI on the Board of this company, none of the Directors is interested or concerned in the resolution.

Resolution No. 12

In the course of regular business operations and with a view to enhance the sale of the Company's products in the international market, the Company had earlier transacted a number of business activities with a company incorporated in Mauritius which was primarily engaged in trading activities in engineering goods, domestic appliances and general merchandise, Crestwood Enterprises Ltd. (CEL). As CEL was unable to repatriate the monies earned by them on our behalf and accrued in favour of your Company resulting in unrealised debts of an approximate value of USD 2.1430 million and as recovery of these outstanding debts were not foreseeable, it was proposed that CEL would be acquired by this Company as a wholly owned subsidiary by purchase of the entire existing equity shares of CEL viz. 33400 equity shares of USD 1 each fully paid from the present shareholders of

CEL, subject to compliance of various regulatory and statutory formalities.

Subsequently, it was proposed that this Company would subscribe to 2143000 equity shares of USD 1 each for cash at par through capitalization of debts which were repayable earlier in cash by CEL to your Company as stated above which will be done by subsequent rights issue after 100% takeover of the existing company's present equity share capital of USD 33400 at a cost of USD 3340.

Necessary approval(s) of the Reserve Bank of India, Exchange Control Department have since been obtained vide RBI's Approval letter No. EC.CO.OID.1419/ 19.09.97.131/ 97-98 dated 23rd September, 1997. Approval of the Department of Company Affairs, Government of India as required u/s 372 of the Companies Act, 1956 has also been obtained vide their letter No. 8 (525)/97-CL.VI dated 23rd December, 1997.

As no specific resolution u/s 372 had earlier been passed in this connection even though a general resolution according permission to the Board of Directors of the Company to invest in the share capital of any other bodies corporate, whether under the same management or not, so that the aggregate or loans, guarantees, security and investments, as afore-

said, do not exceed 40% of the aggregate of the subscribed capital and free reserves of the company was passed by the members at the Annual General Meeting held on 25th November, 1993 and confirmed at the Annual General Meeting held on 23rd November, 1995, this resolution is placed before the members for their approval.

The Board recommends the passing of this Ordinary Resolution.

Except Mr. Bijon Nag, Mr. Bikram Jit Nag and Mr. D. P. Barua, none of the Directors is interested or concerned in the resolution.

INSPECTION OF DOCUMENTS

The documents mentioned in the resolution(s) are available for inspection at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day of the Company prior to the date of the meeting.

Regd Office :
14, Taratolla Road,
Calcutta 700 088
Dated : 30th March, 1998

By order of the Board
R. N. SEN
Executive Director &
Secretary