

ANNUAL REPORT 1996 - 97



*Indag Rubber Limited*



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD AT **AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110010 ON TUESDAY, THE 12TH AUGUST, 1997 AT 11.00 A.M.** TO TRANSACT THE FOLLOWING BUSINESS :

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the period ended as on 31st March, 1997 and the audited Balance Sheet for the period ended as at that date, alongwith the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Li Hong Yan Henry, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. M.K.Jhawar, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and fix their remuneration and if thought fit, to pass with or without modification the following Resolution as a **SPECIAL RESOLUTION** :-

“RESOLVED THAT M/s S.R. Batliboi & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to audit the Accounts for the Accounting Year 1997-98 and to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting on a remuneration plus reimbursement of out-of-pocket expenses, as may be mutually agreed to between the Board of Directors and the Auditors.

### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION** :

“ RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the members be and is hereby accorded for the re-appointment and remuneration of Shri Nand Khemka, as Managing Director of the Company for a period of one year with effect from January 1, 1997, upon the terms and conditions including remuneration as set out in the agreement dated October 23, 1996 entered into between the Company & Mr. Nand Khemka with the liberty to the Board of Directors to alter and vary the terms and conditions & remuneration thereto in such manner as may be agreed to between the Board of Directors and Mr. Nand Khemka.”

6. To consider and if thought fit, to pass with or without modification the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT in partial modification of the resolutions passed at the 10th, 11th and 16th Annual General Meetings of the company held on 26th September,1989, 25th September,1990 and 18th September,1995 respectively, the 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 and the provisions of the Articles of Association of the company wherever applicable, to the Board of Directors of the company to mortgage and/or create equitable charge in any manner whatsoever on all or any of the immovable

properties of the company and to hypothecate the movable properties of the company, wherever situate, both present and future and the whole of the undertaking of the company and as may be thought expedient by the Board in favour of one or more bank(s) of the consortium lead by the State Bank of India, from time to time, subject to the prior charges created/to be created in favour of Financial Institution in future if any, so as to secure the funds and/or non-funds based credit facilities for an aggregate amount not exceeding to Rs. 12 Crores ( Rupees Twelve Crores only) and /or together with the interest at the respective agreed rates and other monies payable by the company to the aforesaid Bank(s) in respect of said credit facilities to the company.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorised to finalise and execute the documents and other deeds, papers and writing for creating the aforesaid mortgage/hypothecation and/or charges and to do all such acts, deeds and things as may be necessary or expedient for implementing this resolution."

By Order of the Board  
for **INDAG RUBBER LIMITED**

Place : New Delhi  
Date : 24th June, 1997

(P.C.JAIN)  
COMPANY SECRETARY



**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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE TIME FIXED FOR THE ANNUAL GENERAL MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday the 7th August, 1997 to Tuesday the 12th, August 1997 (both days inclusive).**
3. The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of business under item 4 to 6 as set out above are annexed hereto.
4. Members/proxies should bring the Attendance Slip duly filled in for attending the meeting.
5. Members desiring any information on the Accounts are required to write to the Company at its Registered Office giving atleast seven days time before the date of the Annual General Meeting to enable the Management to collect and keep the information ready.
6. Members are requested to bring their copy of Annual Report with them as the same will not be supplied again at the meeting as a measure of economy.

**EXPLANATORY STATEMENT**

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

**Item No.4**

As per Article No.147 (2) of the Articles of Association of the Company, a Special Resolution is required to be passed for re-appointment of Statutory Auditors.

None of the Directors is concerned or interested in the proposed business.

**Item No.5**

Mr. Nand Khemka, the Chairman of your Company held office as the Managing Director till December 31, 1996 pursuant to the approval granted by the members at the 12th Annual General Meeting of the Company held on September 27, 1991 and subsequently by the Central Government.

The Board of Directors of your company in their meeting held on 23rd October, 1996 approved the re-appointment of Mr. Nand Khemka as the Managing Director of your Company with effect from January 1, 1997 for a period of one year. Mr. Khemka's appointment as the Managing Director is subject to compliance with sections 198, 269, 309 and 310 read with schedule XIII and other applicable provisions, if any of the Companies Act 1956 and also subject to the approval of the members in the general meeting.

The Board of Directors consider that it is in the interest of your Company to approve the re-appointment & remuneration of Mr. Khemka as the Managing Director of your Company. The material terms & conditions of re-appointment and remuneration of Mr. Khemka are as under :-

**TERMS & CONDITIONS :-**

(A) The Managing Director shall conduct the day-to-day management of the Company and its business affairs subject to the ultimate supervision and control of the Board of Directors.

(B) **PERIOD OF AGREEMENT** : One year w.e.f. 1st January, 1997.

**(C) REMUNERATION**

i) **Salary** Rs. 15000/- per month.

ii) **Perquisites** Perquisites will be allowed in addition to salary restricted to an amount equal to the Annual Salary or Rs. 1,35,000/- per annum, whichever is less. For this purpose, perquisites are classified into three categories, Category-A, category-B and category-C and ceiling shall apply only to category-A.

**Category A****Housing**

The Expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceilings :

- a) Delhi, Bombay, Calcutta and Madras ; 60% of the salary over and above 10% payable by Managing Director.
- b) Other place; 50% of the salary over and above 10% payable by the Managing Director.

**Explanation**

The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however be subject to a ceiling of 10% of the salary of the Managing Director. If the Company does not provide accommodation to the Managing Director, House Rent Allowance may be paid by the Company to him in accordance with Category-A. If accommodation is provided in the Company owned House, the Managing Director will pay to the Company by way of rent, 10% of the Salary.

<b>Medical : Reimbursement</b>	Expenses incurred for self and family subject to a ceiling of one month's salary over a period of three years. Insurance prima under hospitalisation insurance scheme for himself and his family shall also be paid by the Company.
<b>Leave Travel: Concession</b>	Actual fare by Road, Rail or Air for self and family every year to and from any place in India.
<b>Club fees :</b>	Fees of clubs subject to a maximum of two clubs, admission and life membership fees not being allowed.
<b>Personal Accident : Insurance</b>	Premium not to exceed Rs.1,000/- per annum.

<b>Category B</b>	Company's contribution to Provident Fund and Superannuation/Pension Fund shall not exceed 25% of the salary as laid down under the Income Tax Rules, 1962.  Gratuity payable shall not exceed one half month's salary for each completed year of service, subject to a ceiling of Rs. 1,00,000/-.
<b>Category C</b>	The Company shall provide a car with driver and telephone facility at the residence of the Managing Director.

- D) LEAVE :** On full salary, as per rules of the Company but not exceeding one month's leave for 11 months of service, subject to the condition that leave accumulated but not availed of, shall not be allowed to be encashed.
- E)** The Managing Director shall not become interested or otherwise concerned directly or through his wife and/or minor children in any buying and selling agency of the Company in future without the prior approval of the Board of Directors or subject to such other approvals as may be considered necessary.
- F)** The Managing Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and of all Committees appointed by the Board.
- G)** The Agreement may be terminated by either party by giving to the other six months notice of such termination. None of the Directors except Mr. Nand Khemka himself and Mr. S.L.Khemka being his brother are concerned or interested in the proposed business.

The abstract of the terms and conditions governing the re-appointment and remunerations of Mr. Nand Khemka, pursuant to section 302 of the Act has already been mailed to the members.

#### Item No.6

The members had accorded their consent in the Annual General Meeting held on 18th September, 1995 to create an equitable charge and/or hypothecate the immovable/movable properties of the company in favour of the bankers of the company to secure the working capital facilities to the extent of Rs. 6 crores. In order to meet the increased working capital requirement and/or term loan, the Company needs to enhance this limit to Rs. 12 crores. This requires consent of the members under section 293 (1)(a) of the Companies Act, 1956.

None of the Directors is concerned or interested in the proposed business.

By Order of the Board  
for **INDAG RUBBER LIMITED**

Place: New Delhi  
Date : 24th June, 1997

**(P.C.JAIN)**  
COMPANY SECRETARY

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

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**BOARD OF DIRECTORS**

NAND KHEMKA  
*(Chairman & Managing Director)*  
S.L. KHEMKA  
LI HONG YAN HENRY  
CHARLES J.A. BESIN  
M.K. JHAWAR  
P.R. KHANNA  
R. PARAMESHWAR

**PRESIDENT**

R.D. MATHUR

**COMPANY SECRETARY**

P.C. JAIN

**BANKERS**

STATE BANK OF INDIA  
ANZ GRINDLAYS BANK

**FOREIGN COLLABORATOR**

BANDAG INC., U.S.A.

**AUDITORS**

S.R. BATLIBOI & CO.  
CHARTERED ACCOUNTANTS  
20, COMMUNITY CENTRE, PUSHP VIHAR  
NEW DELHI-110062

**REGISTERED AND HEAD OFFICE**

KHEMKA HOUSE  
11, COMMUNITY CENTRE, SAKET  
NEW DELHI : 110 017

**WORKS**

PLOT NO. SP 86  
INDUSTRIAL AREA,  
BHIWADI-301019  
DIST. ALWAR (RAJASTHAN)





**INDAG RUBBER LIMITED**

Regd. Office : Khemka House, 11-Community Centre  
Saket, New Delhi : 110 017

**PROXY FORM**

I/We \_\_\_\_\_  
of \_\_\_\_\_ being a Member(s) of  
Indag Rubber Limited hereby appoint \_\_\_\_\_  
of \_\_\_\_\_  
or failing him \_\_\_\_\_  
of \_\_\_\_\_  
as my/our Proxy to attend for me/us and to vote on my/our behalf at the 18th Annual General Meeting  
of the Company to be held on Tuesday the 12th August, 1997 at 11.00 a.m. at, Air Force Auditorium,  
Subroto Park, New Delhi-110010 and at any adjournment(s) thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 1997

Affix a 30  
paise  
Revenue  
stamp

Regd. folio No. \_\_\_\_\_ Member(s) Signature(s) \_\_\_\_\_

- Note : 1. The proxy need not be a member.  
2. The proxy must be submitted so as to reach the Registered Office of the Company not  
less than 48 hours before the time for holding the aforesaid Meeting.

**INDAG RUBBER LIMITED**

Regd. Office : Khemka House, 11-Community Centre  
Saket, New Delhi : 110 017

**ATTENDANCE SLIP**

Name of the Member \_\_\_\_\_  
(In Block Letters)  
Name of Proxy, if any \_\_\_\_\_  
(In Block Letters)  
Regd. Folio No. \_\_\_\_\_

No. of Shares held \_\_\_\_\_

I hereby record my presence at the 18th Annual General Meeting of the Company on Tuesday,  
the 12th August, 1997 at 11.00 a.m.

Signature of the Member/Proxy \_\_\_\_\_

- Note : 1. Member(s) / Proxy holders are requested to bring this Attendance Slip duly filled in and  
signed with them when they come to the Meeting and hand it over at the entrance of the  
Meeting Hall. No attendance slip will be issued at the time of the Meeting.  
2. Member(s) / Proxy holders are requested not to bring any hand bag or suspicious looking  
articles as the same will not be allowed to be carried in the Auditorium.

