

# THIRD ANNUAL REPORT 1996-97

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Report

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*Certified True Copy*  
 The Indo Britain Agro Farms Limited  
*[Signature]*  
 Director

## INDO BRITAIN AGRO FARMS LIMITED

REGD. OFFICE :

1646, JYOTIPUR, HISAR-125001  
 (HARYANA) INDIA

## **BOARD OF DIRECTORS**

SH. MUKESH KUMAR SHARMA  
(Nominee of HAIC Ltd.)

SH. R.K. GUPTA  
(Nominee of HSIDC Ltd.)

SH. S.K. JAIN  
SH. S.K. BHATIA  
SH. S.P. SHARMA  
SH. RAMESH AGGARWAL  
SH. P.C. CHAUDHARY

SH. OM PRAKASH AGGARWAL  
(Chairman & Managing Director)

## **AUDITORS**

M/S DHARAM PAUL  
CHARTERED ACCOUNTANTS  
PRITI NAGAR, HISAR (HARYANA)

## **REGISTERED OFFICE :**

1646, JYOTIPUR  
HISAR-125001 (HARYANA)

## **WORKS**

13.6 K.M. STONE  
HISAR - CHANDIGARH ROAD  
VILLAGE JUGLAN, HISAR (HARYANA)

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**INDO BRITAIN AGRO FARMS LIMITED****NOTICE**

Notice is hereby given that the 3rd Annual General Meeting of the Members of Indo Britain Agro Farms Limited will be held on Tuesday, 30th September, 1997 at 10.00A.M. at the registered office of the Company at 1646, Jyotipur, (Near Railway Station), Hisar-125 001 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as on 31st March, 1997 and the Profit and Loss Account for the year ending on that date and reports of auditors and the board of Directors.
2. To appoint a Director in place of Sh. S.K. Jain, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Sh. S.K. Bhatia, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors, to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting and to fix their remuneration.

**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 provisions of section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Sh. S.P. Sharma be and is hereby elected and appointed as a Director of the Company liable to retire by rotation."
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 section 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded to re-appoint Sh. Shiv Kumar Bhatia, Director as Whole Time Director and payment of remuneration and other perquisites to him for a period of one year w.e.f 25.03.1997, as per terms and conditions detailed in the Explanatory Statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Sh. Shiv Kumar Bhatia."
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 section 198 and 309 read with Schedule XIII to the Companies Act, 1956, the consent of the Company be and is hereby accorded to appoint Sh. S.P. Sharma, Director as Whole Time Director and payment of remuneration and other perquisites to him for a period of one year w.e.f 27.06.1997, as per terms and conditions

detailed in the Explanatory Statement, with liberty to the Board of Directors to alter or vary the same so as not to exceed the limits set out in Sections 198 and 309 read with Schedule XIII of the Companies Act, 1956 or any amendments thereto, as may be agreed to between the Board of Directors and Sh. S.P. Sharma.

8. 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 and 309 read with Schedule XIII to the Companies Act, 1956 the consent of the Company be and is hereby accorded to revise the remuneration and perquisites of Sh. O.P. Aggarwal, Chairman and Managing Director of the Company with effect from 1st May, 1997 for the remainder period of his tenure as sanctioned by the Board of Directors, as per terms and conditions detailed in Explanatory Statement.

9. 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 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to other permissions and approvals as may be required, consent is hereby accorded to the C.M.D. & one of the Directors of the Company, to lease/rent out spare and or unproductive/unutilised land & building of the Company at such terms and conditions as may be agreed to by the C.M.D. & one of the Directors of the Company and the leasee/tenant and with power to the Chairman & Managing Director and any one of the Director of the Company to finalise and execute necessary documents, conveyance deed, lease deed and other documents and do all such other acts, deeds and things as may be deemed necessary and expedient in their discretion for leasing/renting of land and building."

10. To consider and, if thought fit to pass with or without modification, the following resolution as an Special Resolution:

"Resolved that subject to all applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions as may be prescribed or imposed while granting such approvals, and approvals from the concerned financial institution(s)/corporation(s), the consent of the Company be and is hereby accorded to the Board of Directors to replace the agreements already executed by the directors/promoters with financial institution(s)/corporation(s) by any of the company's director on behalf of the Company executing fresh agreement(s) with financial institution(s)/corporation(s) for buy-back of Company's own fully paid shares on such terms and conditions as mutually agreed to.

Registered Office:  
1646, Jyotipur,  
Hisar-125001(Haryana)

DATED : June 27, 1997

By order of the Board  
For Indo Britain Agro Farms Limited

Om Prakash Aggarwal  
Chairman & Managing Director

**INDO BRITAIN AGRO FARMS LIMITED****NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 5 to 10 is annexed hereto and forms part of this Notice.
3. The instrument appointing proxy should be deposited at the Registered office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from 27.09.1997 to 30.09.1997 (both days inclusive).
5. The share holders are advised:
  - a) To intimate the change in their addresses.
  - b) To consolidate two or more folios into one
  - c) To quote always their folio no. in their correspondence.
6. Members/Proxies should bring Attendance Slip and Annual Report for attending the meeting. The Annual Report will not be distributed at the Meeting.
7. Members desiring to obtain any information concerning the accounts and operations of the Company are requested to send their queries to the Company at least 7 days before the meeting so that information required by the members may be made available at the meeting.
8. Documents referred to in the Notice are open for inspection at the Registered Office of the Company on all working days except holidays between 11 A.M. to 1.00 P.M. upto the date of Annual General Meeting.

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173(2) OF THE COMPANIES ACT, 1956.****ITEM NO. 5**

Sh. S.P. Sharma was appointed as an Additional Director by the Board of Directors at its meeting held on 27th June, 1997, pursuant to section 260 of the Companies Act, 1956 he holds office upto the date of ensuing Annual General Meeting of the Company. Notice has been received pursuant to Section 257 of the Companies Act, 1956 from a member alongwith a deposit of Rs. 500/- signifying his intention to propose the candidature of Sh. S.P.Sharma for the directorship of the Company.

The Company would be benefited by his presence on the Board and accordingly the resolution in item no. 5 is commended for your acceptance.

Sh. S.P. Sharma, being concerned, may be deemed as interested in this resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

**ITEM NO. 6**

The Board of Directors in their Meeting held on 25th day of March, 1997 have re-appointed Sh. Shiv Kumar Bhatia as Whole Time Director of the Company for a period of one year w.e.f. 25.03.1997 on remuneration mentioned below:

A) **SALARY** : Rupees 50,400/- per annum.

B) **PERQUISITES** :

**CATEGORY A**

1. Rent free, unfurnished, residential accomodation, the monetary value of which shall be evaluated as per Rule 3 of Income Tax Rules 1962.

2. **MEDICAL BENEFITS FOR SELF & FAMILY**  
Reimbursement of expneses actually incurred for self and family, the total cost of

**INDO BRITAIN AGRO FARMS LIMITED**

which should not exceed one month's salary per year or three months salary in a period of three years.

**3. LEAVE TRAVEL CONCESSION**

For self, his wife and dependent children once in a year to & fro from any place in India subject to the condition that only actual fare and no hotel expenses etc. will be allowed.

**CATEGORY B****PROVIDENT FUND**

Participation in a recognised provident fund to which the Company shall contribute in accordance with the rules subject to the ceiling of 10% of salary.

**GRATUITY**

Gratuity not exceeding half month's salary for each completed year of service.

**LEAVE**

One month's leave with full pay for every completed 11 months of service.

**CATEGORY C**

Mode of transportation for use of Factory and company business.

Under Schedule XIII of the Companies Act, 1956 the appointment, re-appointment and remuneration are subject to approval of the Shareholders. Hence the Directors commend the proposed resolution for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Sh. Shiv Kumar Bhatia pursuant to section 302 of the Companies Act, 1956.

Sh. Shiv Kumar Bhatia, Director may be deemed to be concerned or interested in the resolution which pertains to his re-appointment and remuneration payable to him. None of the other Directors of the Company is, in any way

concerned or interested in the said resolution.

**ITEM NO.7**

The Board of Directors in their meeting held on 27th day of June, 1996 have appointed Sh. S.P. Sharma as Whole-Time Director for a period of one year w.e.f. 27.06.1997 on the salary as follows :

A) **SALARY** : Rupees 50,400/- per annum.

B) **PERQUISITES** :

**CATEGORY A**

1. Rent free, unfurnished, residential accommodation, the monetary value of which shall be evaluated as per Rule 3 of Income-Tax Rules 1962.

2. **MEDICAL BENEFITS FOR SELF & FAMILY**  
Reimbursement of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months salary in a period of three years.

**3. LEAVE TRAVEL CONCESSION**

For self, his wife and dependent children once in a year to & fro from any place in India subject to the condition that only actual fare and no hotel expenses etc. will be allowed.

**CATEGORY B****PROVIDENT FUND**

Participation in a recognised provident fund to which the Company shall contribute in accordance with the rules subject to the ceiling of 10% of salary.

**GRATUITY**

Gratuity not exceeding half month's salary for each completed year of service.

**LEAVE**

One month's leave with full pay for every completed 11 months of service.

**INDO BRITAIN AGRO FARMS LIMITED****CATEGORY C**

Mode of transportation for use of Factory and company business.

Under Schedule XIII of the Companies Act, 1956 the appointment, re-appointment and remuneration are subject to approval of the Shareholders. Hence the Directors commend the proposed resolution for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Sh. S.P. Sharma pursuant to section 302 of the Companies Act, 1956.

Sh. S.P. Sharma, Director may be deemed to be concerned or interested in the resolution which pertains to his re-appointment and remuneration payable to him. None of the other Directors of the Company is, in any way concerned or interested in the said resolution.

**ITEM NO.8**

Sh. O.P. Aggarwal was appointed as Chairman cum Managing Director of the Company for a period of five years with effect from 19.10.1994. His appointment and remuneration payable to him was approved by the Members of the Company at the Extra Ordinary Genral Meeting held on 19.10.1994.

In view of the profits not made by the Company and full production still having not started & full implementation of plant yet to take place - Sh. O.P. Aggarwal has offered to accept salary lower than already approved and the Board of Directors of the Company in their Board Meeting held on 25.03.1997, approved the revised remuneration and perquisites granted to Sh. O.P. Aggrwal as mentioned below :

(A) **SALARY** : Rupees 60,000/- per annum

(B) **PERQUISITES** :

1. Rent free furnished, residential accomodation, the monetary value of which shall be evaluated as per Rule 3 of Income-

Tax Rule, 1962, or in case he is occupying premises of his own, then reimbursement to him of a sum which shall be calculated as fair & reasonable rent of such premises or if he is occupying rented premises then reimbursement of actual rent, taxes, repairs maintainence etc paid by him in respect of such premises.

The above is subject in the following :-

- (a) The expenditure incurred by the Company on hiring accomodation for him shall subject to the ceiling of 60% of salary over above 10% payable by him.
  - (b) Where accomodation in the Compay owned house is provided, he shall pay to the Company by way of rent 10% of the salary. Wherever the Company does not provide accomodation, house rent allowance shall be paid in accordance with (a) above.
2. **MEDICAL BENEFITS FOR SELF & FAMILY**  
Reimburseemnt of expenses actually incurred for self and family, the total cost of which should not exceed one month's salary per year or three months salary in a period of three years.
  3. **LEAVE TRAVEL CONCESSION :**  
For self and family once in a year incurred in accordance with the rules of the Company.
  4. **CLUB FEES :**  
Fess of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
  5. **PERSONAL ACCIDENT INSURANCE :**  
Of an amount the annual permium of which does not exceed Rs. 1000/-

**CATEGROY B**

Contribution to provident fund, super annuation fund or annuity fund as per the rules of the Company will not be included in the Computation of the ceiling on perquistes to the extent these single or part together are not taxable under the



**INDO BRITAIN AGRO FARMS LIMITED**

Income-Tax Act, Gratuity payable should not exceed half month's salary for each completed year of service subject to a ceiling of salary of 10 months.

**CATEGORY C**

1. Free use of Company Car with driver for the business of the Company. Use of car for private purposes shall be billed by the Company.

2. Free telephone facility at residence. All personal long distance calls shall be billed by the Company. He shall also be entitled to reimbursement of expenses actually and properly incurred by him for the business of the Company. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.

Under Schedule XIII of the Companies Act, 1956 the revision of remuneration are subject to approval of the Shareholders. Hence the Directors commend the proposed resolution for your approval.

The above may also be treated as an abstract of the terms of contract/agreement between the Company and Sh. O.P. Aggarwal pursuant to section 302 of the Companies Act, 1956.

Sh. O.P. Aggarwal, Chairman & Managing Director may be deemed to be concerned or interested in the resolution which pertains to his re-appointment and remuneration payable to him. None of the other Directors of the Company is, in any way concerned or interested in the said resolution.

**ITEM NO.9**

Company has some surplus land and building, and to increase the Income of Company the directors want to lease/rent out the spare land and building of the Company for a period of not

**Registered Office :**  
1646, Jyotipur.  
Hisar-125 001 (Haryana)

**DATED :** June 27, 1997

more than 99 years.

Sections 293 (1) (a) of the Companies Act, 1956, requires the approval of Shareholders for lease out of any land & building of the Company. Accordingly, the resolution in the Notice is placed before the shareholders for approval.

The directors recommend the resolution for approval of shareholders. None of the directors of the Company is in any way concerned or interested in this resolution.

**ITEM NO.10**

At the time of Public Issue, the director(s)/promotor(s) of your Company had entered into agreement(s) with the Haryana Financial Corporation, Haryana State Industrial Development Corporation Ltd. and Haryana Agro Industries Corporation Ltd. for the buy back of specific amount of shares purchased by these financial institution(s)/corporation(s); at that time the buy back of shares by the Company were not allowed by the Companies Act, 1956. The draft companies Bill, 1997 provides for buy back of shares which is in line with the provisions existing in several advanced countries. The Company may execute agreement(s) in place of agreement (s) already executed by the director(s)/promotor(s) with the financial institution(s)/corporation(s) to buy back of equity shares in future, when the same is allowed by law.

The Board of Directors recommend the resolution for Members approval. None of the directors except Sh. O.P. Aggarwal (C.M.D.) signatory to the said agreement(s) to the extent of his liability/responsibility; Sh. R.K. Gupta and Sh. Mukesh Sharma being nominee directors of HSIDC & HAIC respectively may deemed to be interested to the extent of proper execution of terms and conditions of agreements(s).

By order of the Board  
For Indo Britain Agro Farms Limited

Om Parkash Aggarwal  
Chairman & Managing Director