

MD	✓		BKC	✓
CS	✓		DPY	NA
RC	✓		DIV	NA
TBA	NA		AC	✓
AGM	✓	✓	SHI	✓
YL	✓	✓		✓

## Eleventh Annual Report 1996-97

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# Oil Country Tubular Ltd.



**OIL COUNTRY TUBULAR LIMITED**

<b>BOARD OF DIRECTORS</b>	DR. T.S. Sethurathnam	Chairman
	Shri K. Suryanarayana	Managing Director
	DR. N. Kondal Rao	
	DR. N.S. Datar	
	Shri K.V. George	Nominee of IDBI
	Shri K.V. Ravindra Reddy	Nominee of APIDC
	Shri P.R. Yagnik	Nominee of BOI
	DR. Jayaram B. Naidu	
	Shri Guillermo F. Vogel	Nominee of TAMSA, MEXICO
	Shri K. Sridhar	Director (International Operations)
	Shri K.G. Joshi	Director (Technical)

**COMPANY SECRETARY** C.S. Rao

**REGISTERED OFFICE** 108, Kanchanjunga,  
King Kothi Road,  
Hyderabad - 500 001. (A.P.)

**BANKERS** Bank of India  
State Bank of India  
Canara Bank  
State Bank of Hyderabad

**AUDITORS** Raju & Prasad  
Chartered Accountants  
G-15, Sapphire  
Amrutha Hills, Panjagutta  
Hyderabad - 500 482

**WORKS** Shreepuram  
Narketpally Mandalam  
Nalgonda Dist - 508 254. (A.P.)



## Notice to Members

Notice is hereby given that the Eleventh Annual General Meeting of the company will be held on Thursday, the 18th day of September, 1997 at 10.00 a.m. at Bharatiya Vidya Bhavan Auditorium, King Kothi Road, Bashirbagh, Hyderabad - 500 029 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Directors' Report and Audited Profit and Loss Account for the year ended 31st March, 1997 and Balance Sheet as at that date together with Auditors' Report thereon.
2. To appoint a Director in place of Dr T.S.Sethurathnam who retires by rotation, and being eligible offers himself for reappointment.
3. To appoint a Director in place of Dr. N.Kondal Rao, who retires by rotation, and being eligible offers himself for reappointment.
4. To appoint a Director in place of Dr Jayaram B Naidu who retires by rotation, and being eligible offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY RESOLUTION:

"RESOLVED that, the retiring Auditors, M/s Raju & Prasad, Chartered Accountants be and are hereby reappointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at such remuneration as may be determined by the Board of Directors."

### SPECIAL BUSINESS:

To consider and, if thought fit, to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :

- 6) "RESOLVED that subject to the Provisions of Sections 269, 309, 198 and Schedule XIII and other applicable provisions of the Companies Act, 1956, Sri K.Suryanarayana be and is hereby reappointed as Managing Director of the Company for a period of 5 years with effect from 20th January, 1997, at a remuneration and upon the terms and conditions as set out in the agreement placed before this meeting and initialled by the Chairman for the purpose of identification and subject to such modifications as may be required by the Financial Institutions.
- 7) To consider and, if thought fit, to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :  
"RESOLVED that Sri K.Sridhar whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received the Notice in writing along with a deposit of Rs.500/- (Rupees Five Hundred only) under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director be and is hereby appointed as Director of the Company.
- 8) To consider and, if thought fit, to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :  
"RESOLVED that Subject to the Provisions of Sections 269, 309, 198, Schedule XIII and other applicable Provisions of the Companies Act, 1956 Shri K.Sridhar be and is hereby appointed as wholtime Director of the Company for a period of 5 years with effect from 27th June, 1997, at a remuneration and upon terms and conditions as set out in the agreement placed before this meeting and initialled by the Chairman for the purpose of identification and subject to such modifications as may be required by the Financial Institutions."  
"RESOLVED further that the Board be and is hereby authorised to alter and vary the terms and conditions of the said agreement in such a manner as may agreed to by the Board and Sri K.Sridhar, but so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto or enactments thereof, with effect from such dates as may decided by it."
- 9) To consider and, if thought fit, to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :  
"RESOLVED that Sri K.G.Joshi whose term of office as an Additional Director of the Company expires at this Annual General Meeting and in respect of whom the Company has received the Notice in writing along with a deposit of Rs.500/- (Rupees Five Hundred only) under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director be and is hereby appointed a Director of

## Notice to Members (Contd.,)



the Company whose period of office shall be liable to determine by retirement of directors by rotation."

- 10) To consider and, if thought fit, to pass with or without modification, the following Resolution as ORDINARY RESOLUTION :

"RESOLVED that Subject to the Provisions of Sections 269, 309, 198, Schedule XIII and other applicable Provisions of the Companies Act, 1956 Shri K.G.Joshi be and is hereby appointed as whole-time Director of the Company for a period of 3 years with effect from 27th June, 1997, at a remuneration and upon terms and conditions as set out in the agreement placed before this meeting and initialled by the Chairman for the purpose of identification and subject to such modifications as may be required by the Financial Institutions."

"RESOLVED further that the Board be and is hereby authorised to alter and vary the terms and conditions of the said agreement in such a manner as may agreed to by the Board and Sri K.G.Joshi, but so as not to exceed the limits specified in Schedule XIII to the Act or any amendment thereto or enactments thereof, with effect from such dates as may decided by it."

Registered Office :  
108, Kanchanjunga  
King Kothi Road  
Hyderabad - 500 001

By Order of the Board  
for OIL COUNTRY TUBULAR LIMITED

Date: 27th June, 1997

C.S.RAO  
SECRETARY

Notes:

- Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 relating to special business for items 6 to 10 is annexed hereto.
- A member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself. A proxy need not be a member of the company. Instrument of Proxies in order to be effective must be received by the company not less than 48 hours before the time for holding the meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from 6th September '97 to 18th September '97 (both days inclusive).
- Members are requested to notify immediately any change of address to the Registered office of the Company.
- In order to service the shareholders effectively and for administrative convenience, members are requested to notify regarding multiple folios standing in their name for consolidation to the Shares Department of the company immediately.

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

#### AGENDA 6:

The Board of Directors of the Company at its meeting held on 29th November, 1996 reappointed Shri K.Suryanarayana as the Managing Director of the Company for a further period of 5 years with effect from 20th January, 1997 at a remuneration within the limits prescribed under the Schedule XIII of the Companies Act, 1956 and upon the terms and conditions as set out in the agreement placed before the meeting and initialled by the Chairman for the purpose of identification.

The terms and conditions governing the appointment of Shri K.Suryanarayana are set out below:

- SALARY** — Rs.30,000 per month
- COMMISSION** — One percent commission on the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act, 1956, subject however to a Maximum of total annual salary.
- PERQUISITES** -- Perquisites are allowed in addition to salary. These shall be restricted to an amount equal to the annual salary or Rs.3,60,000 per annum whichever is less. This ceiling shall not be applicable to Employer's contribution to P.F., Superannuation Fund or Annuity Fund to the extent these are not taxable under the Income Tax Act.

## Notice to Members (Contd.,)



- 1) HOUSING — 60% of the salary towards House Rent Allowance, another 10% of the salary towards expenditure on gas, electricity, water and furnishings etc.
- 2) MEDICAL REIMBURSEMENT — For self and family, not exceeding one month's salary in a year or 3 months salary in a period of 3 years.
- 3) LEAVE TRAVEL CONCESSION — For self and family, once in a year to and from any place in India in accordance with the Rules of the Company.
- 4) CLUB FEES : Club fees subject to maximum of 2 clubs, which will not include admission and life membership fees.
- 5) PERSONAL ACCIDENT INSURANCE: Premium not exceeding Rs.4,000 per annum.
- d) PROVIDENT FUND, SUPERANNUATION AND GRATUITY : Provident Fund, Superannuation and Gratuity as per rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- e) CAR: Company's car for business of the Company.
- f) TELEPHONE: Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- g) ENTERTAINMENT/TRAVELLING: Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
- h) PRIVILEGE LEAVE : One month's leave on full pay and allowance, for every eleven months of service.
- i) COMPENSATION FOR LOSS OF OFFICE : The Company shall pay compensation for loss of office under Sections 318, 319, 321 and other provisions of the Companies Act, 1956.
- j) In the event of loss or inadequacy of Profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above.
- k) The Managing Director shall not, during the tenure of his office as Managing Director becomes interested or otherwise concerned, directly or through his wife and/or minor children, any selling agency of the Company without the prior approval of the Company Law Board.

This may be treated as an abstract of the terms and conditions governing the appointment of Shri K.Suryanarayana pursuant to section 302 of the Companies Act.

The draft Agreement between the Company and Shri K.Suryanarayana is available for inspection between 10-00 a.m. and 12-00 noon on any working day of the Company.

In compliance with the Section 269, 198, 309 and other applicable provisions of the Act approval of the members for the reappointment of Shri K.Suryanarayana as Managing Director and payment of remuneration to him is required and hence proposed resolution.

None of the Directors other than Shri K.Suryanarayana and Shri K.Sridhar is interested in the said resolution.

### AGENDA 7:

Sri K.Sridhar was appointed as Additional Director pursuant to Section 260 of the Companies Act, 1956 at the Board Meeting held on 27th June, 1997 with immediate effect. Sri K Sridhar was also appointed as a Wholetime Director with the designation Director (International Operations). In terms of the applicable provisions of the Companies Act, 1956 and Articles of Association of the Company, his term of office as Additional Director expires at the conclusion of this meeting and the Company has received a notice from a member proposing his candidature for the office of Director.

Your Directors recommended this resolution for your approval.

None of the Directors other than Shri K.Suryanarayana and Sri K.Sridhar is concerned or interested in this resolution.

### AGENDA 8:

The Board of Directors at its meeting held on 27th June, 1997 has appointed Shri K.Sridhar as Director (International Operations) with effect from 27/6/97 for a period of 5 years subject to the approval of the members in the General Meeting.

Shri K. Sridhar is a qualified Engineer and acquired special qualification MS (Engineering & Engineering



## Notice to Members (Contd.,)



Management) from USA and he had undergone training in the OCTG manufacturing facilities in USA. He is working as Chief Executive in the Company since 1st April, 1992. He is actively associated with the International Operations of the Company besides co-ordinating Domestic Production planning activities. He has been managing the factory operations efficiently and the production has increased manifold under his stewardship. His appointment is considered in the best interest of the Company.

The terms and conditions governing remuneration are set out below:

- a) **SALARY** — Rs.20,000 per month in the scale of 20,000 - 5000 - 40,000
- b) **PERQUISITES :**
  - 1) **HOUSING :** The expenditure by Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.  
In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling of 50% of the salary.  
The expenditure incurred by the Company on gas, electricity, water and furnishing shall be subject to a ceiling of 10% of the salary.
  - 2) **MEDICAL REIMBURSEMENT** — For self and family, not exceeding one month's salary in a year or 3 months salary in a period of 3 years.
  - 3) **LEAVE TRAVEL CONCESSION** — For self and family, once in a year to and from any place in India in accordance with the Rules of the Company.
  - 4) **CLUB FEES :** Club fees subject to maximum of 2 clubs, which will not include admission and life membership fees.
  - 5) **PERSONAL ACCIDENT INSURANCE :** Premium not exceeding Rs.2,000 per annum.

Apart from the above, he will also be entitled to the following:

- c) **PROVIDENT FUND, SUPERANNUATION AND GRATUITY :** Provident Fund, Superannuation and Gratuity as per rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- d) **CAR :** Company's car for business of the Company.
- e) **TELEPHONE :** Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- f) **ENTERTAINMENT/TRAVELLING :** Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
- g) **PRIVILEGE LEAVE :** One month's leave on full pay and allowance, for every eleven months of service.

The proposed Resolution and the explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Shri K.Sridhar as Director (International Operations) in terms of Section 302 of the Companies Act, 1956.

The draft Agreement between the Company and Shri K.Sridhar is available for inspection between 10-00 a.m. and 12-00 noon on any working day of the Company.

Your Directors recommend this Resolution for your approval.

None of the Directors other than Shri K.Suryanarayana and Shri K.Sridhar is deemed to be interested in this Resolution.

### AGENDA 9:

Sri K.G.Joshi was appointed as Additional Director pursuant to Section 260 of the Companies Act, 1956 at the Board Meeting held on 27th June, 1997 with immediate effect. Sri K.G.Joshi was also appointed as a Wholtime Director with the designation Director (Technical). In terms of the applicable provisions of the Companies Act, 1956 and Articles of Association of the Company, his term of office as Additional Director expires at the conclusion of this meeting and the Company has received a notice from a member proposing his candidature for the office of Director.

This Resolution is therefore recommended for your approval.

## Notice to Members (Contd.,)



None of the Directors other than Shri K.G.Joshi is concerned or interested in this resolution.

### AGENDA 10:

The Board of Directors at its meeting held on 27th June, 1997 has also appointed Shri K.G.Joshi as Director (Technical) subject to the approval of the members with effect from 27/6/97 for a period of 3 years subject to the approval of members in the General Meeting.

Shri K.G.Joshi is a qualified Engineer with Honours Degree with wide experience. He has held various Senior positions in the Public Sector for over 27 years and as Chief Executive of United Steel Allied Industries. He has been associated with the Company right from its inception as Vice President from July 1989 to March 1992. He is working as President since April 1992 and looking after Company's operations including Marketing. During this period the Company's production has increased manifold. His appointment is considered in the best interest of the Company.

The terms and conditions governing remuneration are set out below:

a) SALARY — Rs.20,000 per month in the scale of 20,000 - 5000 - 30,000

### b) PERQUISITES:

- 1) HOUSING: The expenditure by Company on hiring furnished accommodation will be subject to a ceiling of 50% of the Salary.

In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling of 50% of the salary.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be subject to a ceiling of 10% of the salary.

- 2) MEDICAL REIMBURSEMENT — For self and family, not exceeding one month's salary in a year or 3 months salary in a period of 3 years.
- 3) LEAVE TRAVEL CONCESSION- For self and family, once in a year to and from any place in India in accordance with the Rules of the Company.
- 4) CLUB FEES : Club fees subject to maximum of 2 clubs, which will not include admission and life membership fees.
- 5) PERSONAL ACCIDENT INSURANCE: Premium not exceeding Rs.2,000 per annum.

Apart from the above, he will also be entitled to the following :

- c) PROVIDENT FUND, SUPERANNUATION AND GRATUITY : Provident Fund, Superannuation and Gratuity as per rules of the Company, subject to the ceiling as per the guidelines for managerial remuneration in force from time to time.
- d) CAR: Company's car for business of the Company.
- e) TELEPHONE: Provision of telephone at residence will not be considered as perquisite but personal long distance calls shall be billed by the Company.
- f) ENTERTAINMENT/TRAVELLING: Reimbursement of travelling, entertainment and other expenses as incurred by him for the business of the Company.
- g) PRIVILEGE LEAVE : One month's leave on full pay and allowance, for every eleven months of service.

The proposed Resolution and the explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Shri K.G.Joshi as Director (Technical) in terms of Section 302 of the Companies Act, 1956.

The draft Agreement between the Company and Shri K.G.Joshi is available for inspection between 10-00 a.m. and 12-00 noon on any working day of the Company.

Your Directors recommend this Resolution for your approval.

None of the Directors other than Shri K.G.Joshi is deemed to be interested in this Resolution.

for OIL COUNTRY TUBULAR LTD

Hyderabad

Date: 27th June, 1997

C.S.RAO

SECRETARY