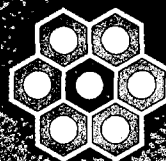
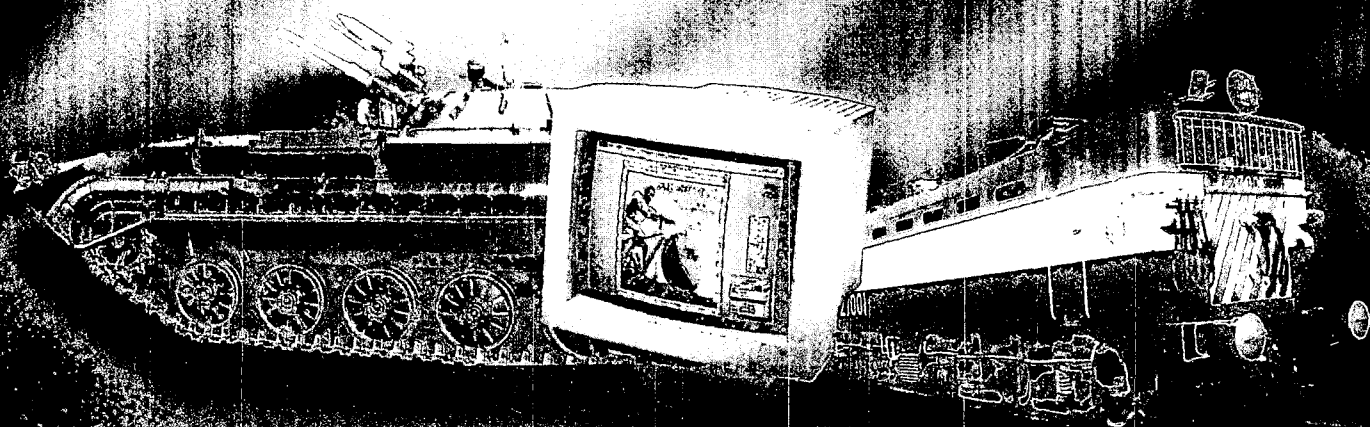


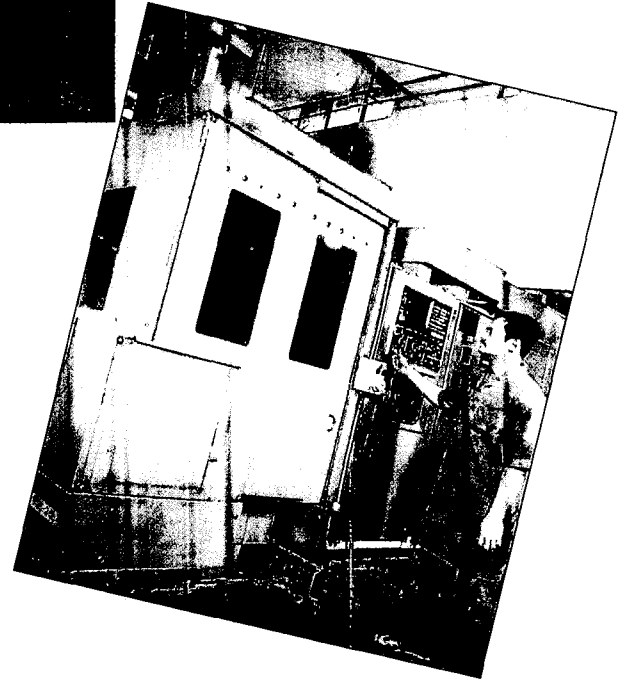
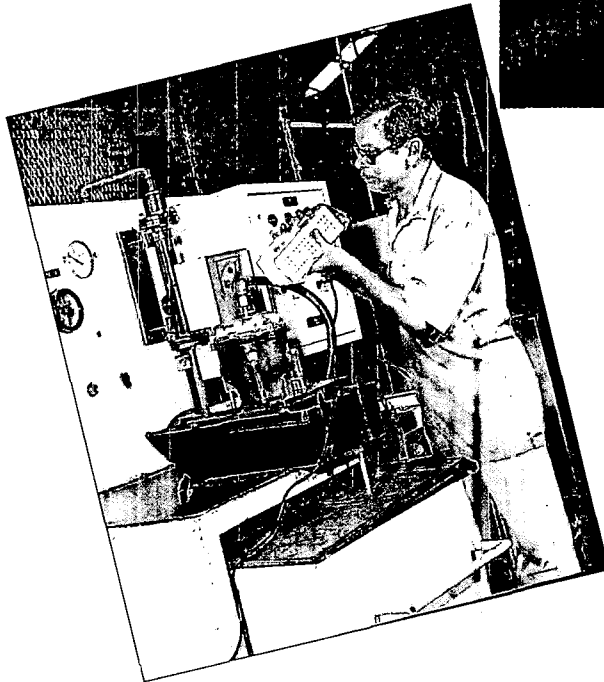
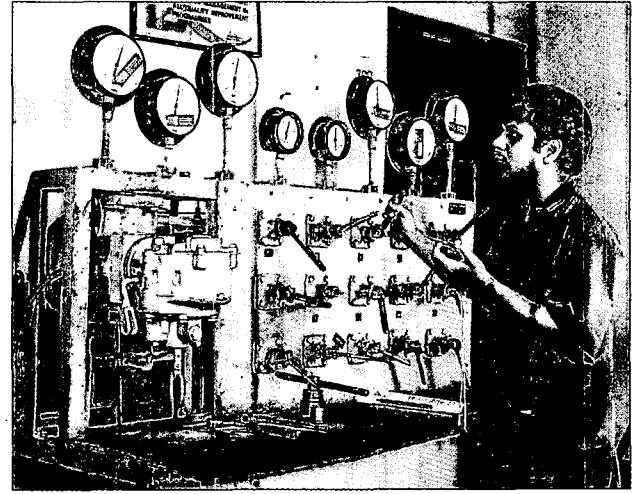
DUNCAN GOENKA

# ANNUAL REPORT 1996-97

[www.reportjunction.com](http://www.reportjunction.com)



**Stone India Limited**







# Stone India Limited

## CHAIRMAN

G. P. GOENKA

## DIRECTORS

S. F. AHMED  
M. J. R. PORTER  
S. RAY

R. SRINIVASAN  
V. K. KAKKAR  
Managing Director

K. S. B. SANYAL  
I. SEN  
P. N. SINGH

## SECRETARY

J. BISWAS

## MANAGEMENT COMMITTEE

V. K. KAKKAR, Managing Director

D. DAS  
Vice-President  
Manufacturing

K. P. SENGUPTA  
Vice-President  
Finance

S. L. AHUJA  
Vice-President  
Marketing

## SOLICITORS

ORR, DIGNAM & CO.

## BANKERS

ANZ GRINDLAYS BANK Ltd.

STATE BANK OF INDIA  
PUNJAB NATIONAL BANK

## AUDITORS

LODHA & CO.

## REGISTERED OFFICE

16, Taratalla Road,  
Calcutta - 700 088  
☎ 478-4661-68

## FACTORIES

- (1) 16, Taratalla Road, Calcutta - 700 088, ☎ 478-4661-68  
(2) Wagle Industrial Estate, Thane, Maharastra, ☎ 532-2304

## BRANCHES

### New Delhi

Indra Palace  
Cannaught Circus  
New Delhi - 110 001  
☎ 332-1932, 332-9426

### Chennai

749- Annasalai  
Mount Road, 2nd Floor  
Chennai - 600 002  
☎ 852-2825

### Mumbai

Stadium House, 3rd Floor  
81/83, Veer Nariman Road  
Mumbai - 400 020  
☎ 287-0886, 282-0012, 282-1312

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



---

# Stone India Limited

---

## CONTENTS

REPORT OF THE DIRECTORS



FINANCIAL HIGHLIGHTS



AUDITORS' REPORT



ACCOUNTS



CASH FLOW STATEMENT



---

# Stone India Limited

---

## N O T I C E

Notice is hereby given that the SIXTYSEVENTH ANNUAL GENERAL MEETING of the members of the Company will be held at the Williamson Magor Hall of The Bengal Chamber of Commerce & Industry, Royal Exchange, 6, Netaji Subhas Road, Calcutta 700 001 on Friday, 8th August 1997 at 11 A.M. to transact the following business :

1. To receive and adopt the Profit and Loss Account of the Company for the year ended 31st March, 1997 and the Balance Sheet of the Company as at that date together with the Reports of the Directors and Auditors thereon.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to authorise the Board of Directors of the Company to fix their remuneration.

### **SPECIAL BUSINESS :**

To consider and, if thought fit, to pass with or without modification the following Resolutions:

5. As an Ordinary Resolution :  
" That Mr. V. K. Kakkar be and he is hereby appointed a Director of the Company."
6. As an Ordinary Resolution :  
" That Dr. R. Srinivasan be and he is hereby appointed a Director of the Company."
7. As an Ordinary Resolution :  
" That the Company hereby approves the appointment and remuneration of Mr. V. K. Kakkar as the Managing Director of the Company for a period of five years from 13th December 1996 upon the terms and conditions set out in the Agreement to be made between the Company of the one part and Mr. Kakkar of the other part, a draft of which initialled by the Chairman for the purpose of identification, is placed before the Meeting."
8. As an Ordinary Resolution :  
" That pursuant to Section 293 (1) (a) and other applicable provisions of the Companies Act, 1956, and subject to other approvals/permissions as may be required, consent of the Company be and is hereby given to the Board of Directors of the Company ('the Board') for restructuring the business of the Company to lease/sale or otherwise dispose of any assets of the Company which may include immovable and/or movable properties or any of the undertakings of the Company, on such terms and conditions and at such time or times, in such form and in such manner as the Board in its absolute discretion consider necessary or deem fit in the best interest of the Company and to take all steps and do such things as may be considered necessary or expedient thereto."

**Registered Office :**  
16, Taratalla Road  
Calcutta 700 088  
Dated the 2nd June, 1997

By Order of the Board  
J. Biswas  
Secretary



---

**Notice** *(Continued)*

---

**NOTES :**

- (1) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company at its Registered Office not less than **48 hours before the meeting**.
- (2) The Register of Members and Share Transfer Books of the Company will remain closed from 25th July, 1997 to 8th August, 1997, both days inclusive.
- (3) The Shareholders are informed that pursuant to Section 205A(5) of the Companies Act, 1956 all unpaid/unclaimed dividends for and upto the Company's Financial Year 1992/93 have been transferred to the General Revenue Account of the Central Government. The concerned shareholders are requested to prefer their respective claims thereto to the Registrar of Companies, West Bengal, 234/4, Acharya J.C. Bose Road, Nizam Palace, Calcutta 700 020, Company Registration Number being 21-06996.
- (4) Those Members who have so far not encashed their dividend for the Company's Financial Year 1993/94 ended on 31st March, 1994 may claim to the Company for payment, as the same will be transferred to the General Revenue Account of the Central Government on or before 16th September, 1997.
- (5) An Explanatory Statement under Section 173(2) of the Companies Act, 1956 in respect of the above items of Special Business is annexed hereto.

Report  junction.com



---

# Stone India Limited

---

## EXPLANATORY STATEMENT

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

### Items 5 & 6 :

Pursuant to Article 88 of the Company's Articles of Association ('the Articles') read with Section 260 of the Companies Act, 1956 ('the Act') the Board of Directors of the Company ('the Board') at its meeting held on 28th November 1996 appointed Mr. V. K. Kakkar as an additional Director of the Company with effect from 13th December 1996 and pursuant to the said Article and the said Section the Board at its meeting held on 17th March, 1997 appointed Dr. R. Srinivasan as an additional Director of the Company with effect from that date.

Under the said Article read with Section 260 of the Act both Mr. Kakkar and Dr. Srinivasan will hold office upto the date of the forthcoming Annual General Meeting of the Company.

The Company has received separate notices in writing in terms of Section 257 of the Act from certain members signifying their intentions to propose the appointment of Mr. Kakkar and Dr. Srinivasan each as a Director of the Company. Mr. Kakkar and Dr. Srinivasan are willing to act as Directors of the Company, if appointed and have filed with the Company their respective consents in writing pursuant to Section 264 (1) of the Act.

The Board considers that the appointments of Mr. Kakkar and Dr. Srinivasan each as a Director of the Company would prove beneficial to the Company, and accordingly, recommends the Resolutions set out in items 5 & 6 of the convening Notice.

Mr. Kakkar and Dr. Srinivasan are concerned or interested in the relative resolutions concerning their respective appointments.

Save as aforesaid no Director of the Company is concerned or interested in the Resolutions.

### Item 7 :

The former Managing Director, Mr. R. Malhan resigned with effect from 1st August 1996.

At its meeting held on 28th November 1996 the Board appointed Mr. V. K. Kakkar as the Company's Managing Director for five years with effect from 13th December, 1996.

The terms and conditions of the appointment of Mr. Kakkar as the Company's Managing Director are embodied in the Agreement ('the Agreement') to be made between the Company and Mr. Kakkar, the material terms of which may be summarised as follows :

- (1) Mr. Kakkar shall be the Managing Director of the Company for a period of 5 years with effect from 13th December 1996.
- (2) Subject to the superintendence, control and direction of the Board Mr. Kakkar shall have substantial powers of management and shall perform the duties and exercise the powers referable or in relation thereto and also as may from time to time be entrusted to or conferred upon him by the Board.
- (3) In consideration of his services Mr. Kakkar shall be entitled to the following by way of remuneration :



## Stone India Limited

### Explanatory Statement (Continued)

- (A) **Salary** : At the rate of Rs. 40,000/- per month;
- (B) **Commission** : At the rate of 1% of the net profits of the Company computed in the manner referred to in Section 309(5) of the Act subject to a maximum of 50% of the annual salary and a minimum of Rs. 1,50,000/- per annum.
- (C) **Perquisites** :
- (a) **Housing** : Furnished Company maintained residential accommodation.
  - (b) **Gas & Electricity** : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be evaluated as per the Income-Tax Rules, 1962 and shall be subject to a ceiling of ten percent of the salary.
  - (c) **Medical** : Reimbursement of Medical Expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.  
(Family in this context shall mean the wife, the dependent children and dependent parents of Mr. Kakkar).
  - (d) **Leave Travel Assistance** : At the rate of Rs. 40,000/- per annum subject to the Income Tax Rules, 1962.
  - (e) **Club Fees** : Fees of Clubs subject to a maximum to two Clubs. This will not include admission and life membership fees.
  - (f) **Personal Accident Insurance** : The premium of which shall not exceed Rs. 4,000/- per annum.
  - (g) **PF/Superannuation** : The Company's contributions to the Provident Fund and Superannuation Fund in accordance with the rules and regulations of the Company.
  - (h) **Gratuity** : Gratuity at a rate not exceeding half a month's salary for each completed year of service.
  - (i) **Car/Telephone** : Car for use on the Company's business and telephone at residence provided that personal long distance calls on the telephone and use of car for private purpose shall be billed by the Company to him.

In the event of absence or inadequacy of profits of the Company in any financial year during the term of Mr. Kakkar's appointment, he shall for that year receive the same salary as in (A) above and such perquisites in (C) above as may be determined and allocated by the Board within the ceiling limits laid down in paragraphs 1 and 2 of Section II of Part II of Schedule XIII to the Act.

Under the Agreement Mr. Kakkar is entitled to leave in accordance with the Rules of the Company as applicable to the Senior Executives of the Company and also to encashment of leave at the end of his tenure.

The Agreement which provides for earlier termination inter alia by giving six months' notice in writing by either party to the other of them, also sets out the mutual rights and obligations of the parties and other administrative details.

The appointment and remuneration of Mr. Kakkar as the Company's Managing Director require the approval of the members of the Company in General Meeting in terms of paragraph (1) of Part III of Schedule XIII to the Act and the remuneration payable also requires the approval of the members of the Company in General Meeting under Section 309 of the Act.





## Explanatory Statement (Continued)

The appointment of Mr. Kakkar on the terms proposed satisfies the conditions laid down in Parts I and II of Schedule XIII to the Act and the requisite Return in the prescribed Form (alongwith a certificate under paragraph (2) of Part III of the said Schedule) under Section 269 (2) of the Act has already been filed by the Company with the Registrar of Companies, West Bengal.

Mr. Kakkar is a qualified Electrical Engineer with over 35 years' experience in Electrical Industry. Immediately prior to his appointment as the Managing Director of the Company, Mr. Kakkar was the Chief Executive, Measurement & Control Division of GEC Alsthom India Limited.

The Board considers that having regard to his background and experience, the appointment and remuneration of Mr. Kakkar as the Managing Director of the Company are justified.

The Resolution set out in item 7 of the convening Notice has to be considered accordingly and the Board recommends the same.

A draft of the Agreement referred to in the Resolution set out in item 7 of the convening Notice will be available for inspection by the members of the Company at its Registered Office on any working day prior to the date of the Meeting during usual business hours and will also be available at the Meeting.

No Director of the Company except Mr. Kakkar is concerned or interested in the Resolution.

This may also be regarded as an abstract of Mr. Kakkar's terms of appointment as Managing Director of the Company and Memorandum of Interest in terms of Section 302 of the Act.

### Item 8 :

The Company has decided to focus, strengthen and expand its activities in its core competency areas and other inter related fields with a view to face the international competition and challenges thrown open by the liberalised fast growing economy. To fulfil these objectives, it has been considered desirable to restructure the present businesses of the Company and such restructuring may require transfer by way of lease/sale/dispose of some of the assets of the Company which may include part or whole of the undertakings of the Company.

Section 293 (1) (a) of the Companies Act, 1956, inter alia, provides that the Board of Directors of a Public Limited Company shall not, except with the consent of the Company in General Meeting, sale, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, the whole or substantially the whole of any such undertakings.

It is, therefore, desirable for the shareholders to pass a Resolution in terms of Section 293 (1) (a) of the Companies Act, 1956.

Hence, the Directors recommend for passing the Resolution.

None of the Directors of the Company is interested or concerned in the aforesaid Resolution.

### Registered Office :

16, Taratalla Road  
Calcutta 700 088  
Dated the 2nd June, 1997

By Order of the Board  
J. Biswas  
Secretary

