

An ISO 9002 company



# ANNUAL REPORT 2001



**INDAG**

**Indag Rubber Limited**



• **BOARD OF DIRECTORS**

NAND KHEMKA  
(CHAIRMAN)  
S.L. KHEMKA  
MARK R. THOENY  
P.R. KHANNA  
R. PARAMESWAR  
K.K. KAPUR  
(WHOLE TIME DIRECTOR)

• **BANKERS**

CORPORATION BANK  
STATE BANK OF BIKANER & JAIPUR

• **FOREIGN COLLABORATOR**

BANDAG INC., U.S.A.

• **AUDITORS**

S.R. BATLIBOI & CO.  
CHARTERED ACCOUNTANTS  
20, COMMUNITY CENTRE, PUSHP VIHAR  
NEW DELHI - 110 062

• **REGISTERED AND HEAD OFFICE**

11, COMMUNITY CENTRE, SAKET  
NEW DELHI - 110 017

**WORKS**

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

## **Indag Rubber Limited**

### *Quality Policy*

Indag is committed to:

1. **CONSISTENTLY** deliver world class quality products and services
2. **CONTINUOUSLY** improve upon its quality standards to meet the best expectation of customers
3. Ensure that each employee is **CONSCIOUS** of the need to respect and participate in the quality improvement mission.

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*Pawan@2nd of August*



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF INDAG RUBBER LIMITED WILL BE HELD ON THURSDAY, THE 16TH AUGUST, 2001 AT 11:00 A.M AT AIR FORCE AUDITORIUM, SUBROTO PARK, NEW DELHI - 110 010, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the period ended 31st March, 2001 and the audited Balance Sheet for the period ended as at that date, along with the Reports of Auditors and Directors thereon.
2. To appoint a Director in place of Mr.S.L.Khemka, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr.R.Parameswar, 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. Balliboi & Co., Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company to audit the Accounts for the Accounting Year 2001-2002 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 a SPECIAL RESOLUTION:

"Resolved that pursuant to the provisions of section 31 of the Companies Act, 1956 and other applicable provisions, if any, the Articles of Association of the Company be altered in the following manner:

(a) Article 98 of the Articles of Association be deleted and in its place the following new article shall be substituted:

"98. At each Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office. The Managing Director appointed by the Board under Article 106 hereof shall not be liable to retire by rotation within the meaning of this Article."

(b) After Article 163, the following new Article 164 be inserted:

### Dematerialization of Securities

#### Definitions

164(1) For the purpose of this Article: "Beneficial Owner" means a person whose name is recorded as such with a Depository.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India, 1992.

"Member" means the duly registered holder from time to time of the shares of the company and includes every person whose name is entered as a Beneficial Owner, in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in computer or in such other form as may be determined by regulations made by the SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by the SEBI.

"Security" means such Security as may be specified by the SEBI. Words imparting the singular number only include the plural number and vice versa.

Words indicating persons include corporations:

Words and expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to them in that Act.

#### Company to recognize interest in dematerialized securities under Depositories Act

(2) Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

#### Dematerialization of securities

(3) Notwithstanding anything to the contrary or inconsistent contained in these Articles, the Company shall be entitled to dematerialize its existing securities; rematerialize its securities held in the depositories and/ or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed there under, if any.

#### Options to receive security certificates or hold securities with Depository

(4) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the security.

Securities in Depositories to be in fungible form  
Rights of Depositories and Beneficial Owners

(5) All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.  
(6)(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.  
(b) Save as otherwise provided in (a), the Depository as the registered owner of the securities shall not have any voting rights in respect of the securities held by it.

Beneficial Owner deemed as absolute owner

(c) Every person holding securities of the company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a member of the company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.  
(7) Except as ordered by a Court of competent jurisdiction or as required by law, the company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equitable, contingent, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be at their sole discretion have right to register any share in the joint name of any two or more persons or the survivor of survivors of them.

Depository to furnish information

(8) Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the company in that behalf.

Cancellation of certificates upon surrender by a person

(9) Upon receipt of the certificate of securities on surrender by a person, who has entered into an agreement with the Depository through a Participant, the company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the same securities and shall also inform the Depository accordingly.

Option to opt out in respect of any security

(10) If a Beneficial Owner seeks to opt out of a Depository in respect of any security the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the company. The company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

Service of Documents

(11) Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the company by means of electronic mode or by delivery of floppies or disc.

Provisions of Articles to apply to shares held in Depository

(12) Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

Allotment of Securities dealt with in a Depository

(13) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive number of Securities held in a Depository

(14) The Shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner herein before mentioned, no shares shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

Register and Index Members

(15) The Company shall cause to be kept at its registered office or at such other place as may be decided, the Register and Index of members in accordance with Sections 150 and 151 and the other provisions of the Act with the details of shares held in physical and dematerialized forms in any media as may be permitted by law including any form of electronic media. The Register & Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register & Index of Members as the case may be for the purpose of the Act. The Company shall have the power to keep in any State or Country outside India, a Register of Members for the residents in that State or Country.

Register of Transfer

(16) The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

Overriding effect of this Article

(17) Notwithstanding anything contrary to any other articles, the provisions of this article shall be deemed to have overriding effect.

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

"Resolved that Mr. Mark Richter Thoeny who was appointed as a Director of the Company to fill in the casual vacancy caused by the resignation of Mr. Charles J. Besin and who holds office as such upto the date of Twenty second Annual General Meeting under section 262 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the company, not liable to retire by rotation."

**7. 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, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government if applicable, consent of the members be and is hereby accorded for appointment and remuneration of Mr. Nand Khemka as Chairman and Managing Director of the Company for a period from 24th October, 2000 to 20th March, 2001 upon the terms and conditions & remuneration as set out below with the liberty to the Board of Directors to alter and vary the terms & conditions thereto in such manner as may be

agreed to between the Board of Directors and Mr. Nand Khemka :

- (A) The Managing Director shall control management of the Company and its business affairs subject to the ultimate supervision and control of the Board of Directors.  
 (B) Period of Agreement : Five years w.e.f. 24th October, 2000.

**(C) REMUNERATION**

- 1) Salary : Rs. 50,000/- per month.  
 2) Perquisites : Perquisites will be allowed in addition to salary restricted to an amount equal to the Annual Salary or Rs. 1,35,000/- (Rupees one lac thirty five thousand only.) per annum, whichever is less. For this purpose, perquisites are classified into two categories, Category-A and category-B and ceiling shall apply only to category-A.

**CATEGORY A**

- Entertainment Reimbursement : Reimbursement towards the expenses incurred by him on entertainment of official guests for an amount not exceeding to Rs. 45,000/- (Rupees forty five thousand only) per annum.  
 Leave Travel Allowance : Reimbursement towards the expenses incurred by him and his family on leave travel once in a year for an amount not exceeding to Rs. 50,000/- (Rupees fifty thousand only) per annum.  
 Medical Expenses : Reimbursement towards the medical expenses incurred on himself or on his family for an amount not exceeding to Rs. 25,000/- (Rupees twenty five thousand only) per annum.  
 Club fees : Fees of clubs subject to a maximum of two clubs.  
 Books & Periodicals : Reimbursement towards the Books & Periodicals expenses incurred on himself or on his family for an amount not exceeding to Rs. 15,000/- (Rupees fifteen thousand only) per annum.  
 Personal Accident Insurance : Premium not to exceed RS. 1500 per annum.

**CATEGORY B**

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director.

- D) 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.  
 E) 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.  
 F) The Agreement may be terminated by either party by giving to the other one month notice of such termination or one month salary in lieu thereof at the Company's option which may given at any time. Managing Director will not be entitled to any compensation for loss of office due to termination Under Section 318 of the Company Act, 1956 or otherwise.  
 G) The Managing Director shall exercise such power and function and on such term as the Board of Directors of the Company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter modify, revoke or withdraw all or any of the powers so conferred.  
 H) The Managing Director shall not be liable to retire by rotation".

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

"Resolved that Mr.K.K.Kapur who was appointed as an Additional Director of the company and who holds office as such upto the date of Twenty second Annual General Meeting under section 260 of the Companies Act, 1956 but who is eligible for re-appointment and in respect of whom a notice under section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of director be and is hereby appointed as a Director of the company, liable to retire by rotation."

**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 198, 269, 309, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded for appointment and remuneration of Mr.K.K.Kapur as Whole-time Director (designated as Chief Executive Officer) of the Company for a period of one year with effect from 22nd May, 2001 upon the terms and conditions & remuneration as set out below with the liberty to the Board of Directors to alter and vary the terms & conditions thereto in such manner as may be agreed to between the Board of Directors and Mr.K.K.Kapur:

- (A) The Whole Time Director shall control day-to-day affairs 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. 22nd May, 2001.

**(C) REMUNERATION**

**Fixed Salary Component**

- 1) Salary : Rs. 27,500/- per month.  
 2) Perquisites : Perquisites will be allowed in addition to salary restricted to an amount equal to the Annual Salary or Rs.2,51,000/- (Rupees two lacs fifty one thousand only.) 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.

**Variable Salary Component**

- 3) Bonus : The Whole-time Director will also be entitled to Bonus, as approved by the Chairman of the Board of Directors, which will be computed on the basis of the profits before tax earned by the Company, provided that where in any financial year, the company has no profits or has inadequate profits, the bonus shall not exceed Rs.9 lacs per annum.

**Classification of Perquisites:****Category A**

- Housing : The Expenditure by the Company on hiring unfurnished leased accommodation will be subject to the ceilings of Rs.192,000/- (Rupees one lac ninety two thousand only) per annum.
- Leave Travel Allowance : Reimbursement towards the expenses incurred by him and his family on leave travel once in a year for an amount not exceeding to Rs. 44,000/- (Rupees forty four thousand only) per annum.
- Medical Expenses : Reimbursement towards the medical expenses incurred on himself or on his family for an amount not exceeding to Rs. 15,000/- (Rupees fifteen thousand only) per annum.

**Category B**

Company's contribution to Provident Fund, Superannuation fund or Annuity fund to the extent under the Income Tax Rules, 1962.

Gratuity payable shall not exceed fifteen days salary for each completed year of service or part thereof in excess of six months, subject to a ceiling as per the Payment of Gratuity Act 1972. For this purpose, he will be deemed to have been in continuous service of the company since 9th April, 2001.

**Category C**

The Company shall provide a car with a driver and telephone facility at the residence of the Whole time Director.

- D) The Whole Time 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.
- E) The Whole Time Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and of all Committees appointed by the Board.
- F) The Agreement may be terminated by either party by giving to the other one month notice of such termination or one month salary in lieu thereof at the Company's option which may given at any time. The Whole Time Director will not be entitled to any compensation for loss of office due to termination Under Section 318 of the Company Act, 1956 or otherwise.
- G) The Whole Time Director shall exercise such power and function and on such term as the Board of Directors of the Company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter modify, revoke or withdraw all or any of the powers so conferred.
- H) The Whole Time Director shall be liable to retire by rotation ".

**10. 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, 310, read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the members be and is hereby accorded for appointment and remuneration of Maj.Gen.(Retd.)S.S.Kapoor. as Whole-time Director (designated as Chief Operating Officer) of the Company for a period with effect from 9th February, 2001 to 22nd May, 2001 upon the terms and conditions & remuneration as set out below with the liberty to the Board of Directors to alter and vary the terms & conditions thereto in such manner as may be agreed to between the Board of Directors and Maj.Gen.(Retd.)S.S.Kapoor:

- (A) The Whole Time Director shall control the 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. 9th February, 2001.

**(C) REMUNERATION**

- 1) Salary : Rs. 60,000/- per month.
- 2) Perquisites : Perquisites will be allowed in addition to salary restricted to an amount equal to the Annual Salary or Rs. 3,78,000/- (Rupees three lacs seventy eight thousand only) 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 ceilings of Rs. 2,40,000/- (Rupees two lacs forty thousand only) per annum.
- Leave Travel Allowance : Reimbursement towards the expenses incurred by him and his family on leave travel once in a year for an amount not exceeding to Rs. 60,000/- (Rupees sixty thousand only) per annum.
- Medical Expenses : Reimbursement towards the medical expenses incurred on himself or on his family for an amount not exceeding to Rs. 30,000/- (Rupees thirty thousand only) per annum.
- Driver Salary : The expenditure on hiring a driver for his official car not exceeding to Rs. 48,000/- (Rupees forty eight thousand only) per annum.

**CATEGORY B**

Company's contribution to Provident Fund, Superannuation fund or Annuity fund to the extent under the Income Tax Rules, 1962.

Gratuity payable shall not exceed fifteen days salary for each completed year of service or part thereof in excess of six months, subject to a ceiling as per the Payment of Gratuity Act 1972. For this purpose, he will be deemed to have been in continuous service of the company since the 9th October, 2000.

**CATEGORY C**

The Company shall provide a car with driver and telephone facility at the residence of the Whole time Director.

- D) The Whole Time 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.

- E) The Whole Time Director shall not be entitled to fees payable to Directors for attendance at Board Meetings and of all Committees appointed by the Board.
- F) The Agreement may be terminated by either party by giving to the other one month notice of such termination or one month salary in lieu thereof at the Company's option which may given at any time. The Whole Time Director will not be entitled to any compensation for loss of office due to termination under Section 318 of the Company Act, 1956 or otherwise.
- G) The Whole Time Director shall exercise such power and function and on such term as the Board of Directors of the Company may prescribe from time to time, it being agreed and understood that the Board shall have the power to alter modify, revoke or withdraw all or any of the powers so conferred.
- H) The Whole Time Director shall not be liable to retire by rotation".

**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 1<sup>st</sup> August, 2001 to 16<sup>th</sup> August, 2001 (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 item 10 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 at least 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**

Pursuant to Article No. 147(2) of the Articles of Association of the Company, Special Resolution is to be passed for re-appointment of Statutory Auditors. Accordingly, the shareholders are requested to approve the re-appointment of Statutory Auditors by passing the special resolution. None of the Directors is concerned or interested in the proposed business.

**Item No.5**

- (a) In order to make the office of the Whole-time Director liable to retire by rotation, it is proposed to amend Article 98 of the Articles of Association of the company.
- (b) The Stock Exchange, Mumbai vide their letter dated March 30, 2001 has directed the company to make the shares available in dematerialized form w.e.f. June 1, 2001.

The above-mentioned directive makes it obligatory for the company to admit the securities in depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) for compulsory settlement of trading in dematerialized form.

The company is entering into tripartite agreements with NSDL and CDSL and the Registrar M/s. Skyline Financial Services (P) Limited.

In order to comply with the aforesaid directives, it is obligatory on the company to amend its articles to have enabling provisions for the dematerialization and consequent transfer/ transmission of shares in that mode.

Pursuant to section 31 of the Companies Act, 1956 your directors recommend the proposed resolution for approval.

None of the Directors are interested in the proposed resolution. A copy of the tripartite agreement to be entered as above will be available in the Registered Office of the company for perusal of the shareholders from August 1, 2001 till the date of the Annual General Meeting between 11:00 am to 1:00 pm.

**Item No. 6**

Mr. Charles J.A. Besin has expressed his inability to continue as a director on the Board and has resigned from the directorship of the company w.e.f. the 5<sup>th</sup> March, 2001. Pursuant to section 262 of the Companies Act, 1956 Mr. Mark Richter Thoeny was appointed as a director w.e.f. 22<sup>nd</sup> May, 2001 to fill up the casual vacancy caused due to resignation of Mr. Charles J.A. Besin. Mr. Mark Richter Thoeny will hold office until the conclusion of the ensuing Annual General Meeting.

Mr. Mark Richter Thoeny has studied Chemical Engineering from Georgia Institute of Technology Engineering. He has wide experience in tread manufacturing industry and is presently working as Regional Manager-Asia, of Bandag Inc., U.S.A. Mr. Thoeny will be the representative of Bandag Inc.,

Pursuant to Article 96(i) of the Articles of Association of the company, Mr. Mark Richter Thoeny will not be liable to retire by rotation.

As required under Section 257, the company has received notice from a member signifying his intention to propose Mr. Mark Richter Thoeny for the office of Director. The company has also received deposit of RS. 500/- as required under the Act.

Your directors recommend the appointment of Mr. Mark Richter Thoeny as per proposed resolution.

Except Mr. Mark Richter Thoeny, no other director is interested in the proposed resolution.

**Item No. 7**

Pursuant to section 269 of the Companies Act, 1956 Mr. Nand Khemka was appointed as Chairman and Managing Director of the Company with effect from 24<sup>th</sup> October, 2000 for a period of five years.

Mr. Nand Khemka is a commerce graduate from Calcutta University. He also holds a M.S. in Foreign Trade and MBA in Production Management from the Columbia University, New York, U.S.A.



Mr.Nand Khemka's knowledge of the industry, adherence to the quality concept and professional management of the company has been largely instrumental in establishing the Indag brand in India.

Mr.Nand Khemka has more than 40 years of experience in promoting and running successfully various organizations.

Mr.Khemka has resigned from the office of Managing Director w.e.f. March 20, 2001 and continues to be the Director and Chairman of the company.

The terms & conditions of appointment & remuneration of Mr.Nand Khemka were communicated to the members vide abstracts under section 302 of the Companies Act, 1956 dated October 24, 2000 and are outlined in the resolution placed before the members.

Your directors recommend the appointment of Mr.Nand Khemka as per proposed resolution

None of the Directors except Mr. Nand Khemka and Mr.S.L.Khemka being his relative are concerned or interested in the proposed business.

**Item No. 8 & 9**

Mr.K.K.Kapur has been appointed by the Board of Directors in their meeting held on May 22, 2001 as an Additional Director and also as a Whole-time Director of the company with effect from May 22, 2001, pursuant to the provisions of the Companies Act, 1956.

Mr.K.K.Kapur is a post-graduate in Mathematics and a member of the Institute of Cost and Works Accountants of India. Mr.K.K.Kapur has an experience of over 40 years and has served in various capacities with Steel Authority of India Limited, Gas Authority of India Limited and Enron India.

Mr.K.K.Kapur has retired from the office of Chairman & Managing Director of Gas Authority of India in the year 1996, thereafter served as Managing Director of Enron India (NG) till the year 1998.

The terms & conditions of appointment & remuneration of Mr.K.K.Kapur as a Whole-time Director are outlined in the resolution placed before the members.

Pursuant to section 260 of the Companies Act, 1956, he vacates the office at this Annual General Meeting. As required under Section 257, the company has received notice from a member signifying his intention to propose Mr.K.K.Kapur for the office of Director. The company has also received deposit of RS. 500/- as required under the Act.

Your directors recommend the appointment of Mr.K.K.Kapur as per proposed resolution.

Except Mr.K.K.Kapur, no other director is interested in the proposed resolution.

**Item No.10**

Pursuant to section 269 of the Companies Act, 1956 Major General (Retd.)Sukh Swarup Kapoor has been appointed as Whole-time Director of the Company (designated as Chief Operating Officer) with effect from 9<sup>th</sup> February, 2001 for a period of one year.

Maj.Gen.(Retd.)S.S.Kapoor has graduated from Defense Staff College, Camberley, U.K. and National Defense College, India, obtained B.E. in Telecom and Masters in Defense Science. Maj.Gen.(Retd.)S.S.Kapoor has retired from the Indian Army in 2000 after serving for more than 38 years.

Maj.Gen.(Retd.)S.S.Kapoor has expressed his inability to continue as the Whole-time Director of the Company, and has resigned from the office of Whole-time Director with effect from the 22<sup>nd</sup> May, 2001.

The terms & conditions of appointment & remuneration of Maj.Gen.(Retd.)S.S.Kapoor were communicated to the members vide abstracts under section 302 of the Companies Act, 1956 dated February 9, 2001 and are outlined in the resolution placed before the members.

Your directors recommend the appointment of Maj.Gen.(Retd.)S.S.Kapoor as per proposed resolution.

None of the Directors except Maj.Gen.(Retd.)S.S.Kapoor himself is concerned or interested in the proposed business.

For and on behalf of the Board of Directors

Place: New Delhi  
Date: May 22, 2001

(Manali D.Bijlani)  
Company Secretary



