

MD	✓		BKC	✓
CS	✓		DPY	✓
RO	✓		DIV	✓
TRA	✓		AC	✓
ACM	✓	✓	SHI	✓
YE	✓	✓		✓

REPORT AND ACCOUNTS 1996-97



GKW Limited



GKW LIMITED

NOTICE

Notice is hereby given that the 67th Annual General Meeting of the Members of GKW Limited will be held on Friday, 12th September, 1997 at 11.00 a.m. at Kala Mandir, 48 Shakespeare Sarani, Calcutta - 700 017, to transact the following business :

1. To consider and adopt the Audited Balance Sheet as at 31st March 1997, the Audited Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare Dividend.
3. To appoint Directors in place of those retiring by rotation.
4. To appoint Auditors and to fix their remuneration and for that purpose to consider and, if thought fit, to pass with or without modification the following Resolution which will be proposed as an Ordinary Resolution provided that if on the date of the Annual General Meeting not less than 25% of the subscribed share capital of the Company is held by public financial institutions and nationalised banks, the Resolution will be proposed as a Special Resolution pursuant to Section 224A of the Companies Act, 1956 :

“RESOLVED that Lodha & Co., Chartered Accountants of 14 Government Place East, Calcutta 700 069, be and they are hereby appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors of the Company plus out-of-pocket expenses as may be incurred by them in connection with the audit and that such remuneration be paid to them in four equal quarterly instalments.”

AS SPECIAL BUSINESS

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

“RESOLVED that in accordance with the provisions of Section 81 and other applicable provisions, if any, of the Companies Act, 1956, (including any amendment to or re-enactment thereof) and of the enabling provisions of Memorandum and Articles of Association of the Company and subject to the approval of the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and subject also to the consents, permissions and sanctions of such other appropriate authorities, Institutions or Bodies as may be necessary, consent, authority and approval of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called “The Board” which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution and with power to delegate such authority to such person(s) as the Board may deem fit and substitute such authority) to issue and allot through Prospectus and/or Letter of Offer and/or Circular and/or any other document to Indian Financial Institutions, Indian Mutual Funds, India funds, Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs) and/or to the shareholders of the Company on Rights basis or otherwise on any other basis or to the public or otherwise to any person or persons of the

promoter or management group, their friends, relatives, associates and associate companies as the Board may in its absolute discretion decide, to be subscribed in Indian currency or in the course of the International offering in one or more foreign markets to foreign investors whether institutions and/or banks and/or trusts and/or partnerships (whether limited or unlimited) and/or individuals or otherwise, whether or not such investors are members of the Company, to be subscribed in foreign currency(ies), to all or any of them, jointly or severally, Equity Shares with or without warrants and/or Securities convertible into Equity Shares at the option of the Company or to the holders thereof and/or Securities linked to Equity Shares and/or Non-convertible Securities and/or Securities with or without detachable warrants and/or only warrants without any securities with a right exercisable by the warrant holder to convert or subscribe to and be allotted Equity Shares and/or any shares, instruments or securities through Global Depository Receipts or convertible bonds or otherwise as the Company may be advised, (hereinafter collectively referred to as "the securities") for an aggregate amount not exceeding Rs. 400 crores or in case of international offering equivalent thereof in any foreign currency (inclusive of such premium as may be fixed by the Board on the said securities), such offer, issue and allotment to be made at such time or times, in such tranch or tranches, at such price or prices, at a discount or premium to market price or prices and in such manner and on such terms and conditions as the Board may in its absolute discretion think fit in consultation with the Lead Managers and/or Underwriters and/or Other Advisers, with power to settle details as to the form and terms of issue of the Securities, and all other terms, conditions and matters connected therewith and to accept any modifications in the proposal as may be required by the authorities/parties involved in such issues, but subject to such conditions as the GOI/RBI/SEBI or such other appropriate authorities may impose at the time of according/granting their approvals, consents, permissions and sanctions as may be required and as agreed to by the Board".

"FURTHER RESOLVED that the Board be authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of or exercise of option under any Securities or as may be necessary in accordance with the terms of above offering and/or issue any other security convertible into Equity Shares whether initially or otherwise and which upon conversion may or may not carry voting or other rights or which may, subject to the provisions of applicable laws, carry any rights which are disproportionate or different from the rights attached to any other security issued/to be issued by the Company and with such rights as may be decided by the Board and provided under the terms of the issue and the offering documents".

"FURTHER RESOLVED that the Debentures, if any issued, together with interest, costs, charges and other amounts payable in respect thereof would be secured by such mortgage and/or charge on or hypothecation of such of the Company's movable and immovable properties and of the undertaking(s) of the Company and in such form and manner and subject to such prior and pari passu charge existing on the said properties and undertaking(s) as may be decided by the Company in consultation with the Agents and Trustees for the holders of the existing Debentures or other mortgagees and chargeholders".

"FURTHER RESOLVED that the Securities be offered for subscription to the persons as aforesaid by an Offering Document as may be approved by the Board stating the terms of the offer including a provision therein that the offer if not accepted within such time as may be specified in the Offering Document or within such further time as may from time to time be extended by the Board shall be deemed to have been declined".

“FURTHER RESOLVED that in the event of any issue of Bonus Shares by the Company prior to the exercise of the option attached to the warrants, the entitlement of the warrant holders will stand augmented in the same proportion in which the Equity Share capital of the Company may increase as a consequence of issue of such Bonus Shares subject to the option attached to the warrants being exercised as per terms of the Warrants. In the event of any Rights Offer by the Company prior to the exercise of the option attached to the warrants, a proportionate eligibility in respect of such Rights Offer will also be available to the warrant holders. In the event of merger, amalgamation, takeover or any other re-organisation, the number of shares, the price and the time period as aforesaid, shall be suitably adjusted”.

“FURTHER RESOLVED that the Equity Shares so allotted shall rank pari-passu in all respects with the existing Equity Shares of the Company save and except that :

- I. If as a result of legislative amendment or enactment in India, issue of Equity Shares without voting rights attached to them becomes permissible, the Board may at its discretion, issue Equity Shares with non-voting rights in terms of the aforesaid Securities upon such terms and conditions and with such rights and privileges annexed thereto as may be permissible; and
- II. Equity Shares issued with non-voting rights in terms of the aforesaid Securities will carry the right to receive such differential rate of dividend as may be recommended by the Board and declared by the Company in general meeting for the financial year in which the allotment is made in proportion to the amount of capital paid-up and pro-rata for the period during which such capital is paid-up.
- III. Equity Shares issued with voting rights in terms of the aforesaid Securities shall qualify for dividend, if any, which may be declared for the financial year in which the allotment of shares shall become effective in proportion to the amount of capital paid-up and pro-rata from the date of allotment.”

“FURTHER RESOLVED that for the purpose of giving effect to the above, the Board be and is hereby authorised to agree to and make and accept all such conditions, modifications and alterations stipulated by any relevant authorities while according approvals or consents to the issues as may be considered necessary, proper or expedient and to take all actions as may be necessary, desirable or expedient to effect such modifications and to resolve and settle all questions and difficulties that may arise in the proposed issues and allotment or allotments of the new securities and to do all acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose including, if necessary creation of such mortgages and/or charges in respect of the Securities on the whole or any part of the undertaking of the Company under Section 293(1) (a) of the Companies Act, 1956 and to execute such documents or writings as they may consider necessary or proper, incidental to these Resolutions”.

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

“RESOLVED that in accordance with the provisions of Section 81 (1-A) and other applicable provisions, if any, of the Companies Act, 1956, Articles of Association of the Company and the listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval, consent, permission and/or sanctions as may be required by the Government of India (GOI), Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), and/or such other appropriate authorities, Financial Institutions, bodies or persons as may be necessary, consent, authority and approval of the

Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee which the Board may have constituted or hereafter constitute to exercise its powers including the powers conferred by this resolution) to issue, offer for subscription and allot from time to time in one or more tranches, equity shares, debentures either convertible or non-convertible and/or warrants through private placement or preferential allotment (hereinafter collectively referred to as "the Securities") to any person or persons selected by the Board, whether or not they are members of the Company, of an aggregate amount not exceeding Rs. 60 crores thereof by offering the Securities in any approved manner through Letter of Offer and/or on private placement basis as may be deemed appropriate by the Board, such offer, issue and allotment to be made at such time and in such manner and on such terms and conditions as the Board may in its absolute discretion think fit with power to settle details as to the form and terms of issue of the Securities and all other terms, conditions and matters connected therewith like price, payment of dividends and conversion and to accept any modifications in the proposal as may be required by the authorities/parties involved in such issue but subject to the guidelines on preferential allotment prescribed by SEBI in this behalf and subject to such conditions as the GOI/RBI or such other appropriate authorities may impose at the time of their according/granting approvals, consents, permissions and sanctions and as agreed to by the Board."

"RESOLVED further that the Board be and is hereby authorised to resolve and settle any difficulties that may arise in respect thereof of the proposed issue or allotment of the Securities and to do all acts and deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit."

"RESOLVED further that the Board be and is hereby authorised to enter into and execute any arrangement(s) with any Lead Manager(s), Co-Manager(s), Underwriter(s), Trustee(s) and with any other agencies in regard to the offering of Securities and to remunerate them on such terms including by way of payment of commission, brokerage, fees or the like as may be mutually agreed upon."

"RESOLVED further that for the purpose of giving effect to the above issue or allotment of Securities, the Board be and is hereby authorised to agree to and make and accept all such conditions, modifications and alterations stipulated by any relevant authority while according approvals or consents to the issue as may be considered necessary, proper or expedient by the Board and to resolve and settle all questions and difficulties that may arise in the proposed issue or allotment of Securities and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit."

By Order of the Board

S Kar
Secretary

Registered Office
3A, Shakespeare Sarani
Calcutta 700 071
Dated: 30th June, 1997

NOTES :

- i) The Register of Members and Share Transfer Books will remain closed from 1st September 1997 to 12th September 1997, both days inclusive.
- ii) A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead and a proxy need not be a Member of the Company.

- iii) The Dividend, if approved at the Meeting, will be paid on or before 24th October, 1997 to those Members whose names shall appear in the Register of Members of the Company on 12th September, 1997 or to their mandatees, subject, however, to the provisions of Section 206A of the Companies Act, 1956.
- iv) Members are requested to notify immediately any change in their addresses and to furnish dividend mandate, if any, to reach the Company's Registrars and Share Transfer Agents, Robson Black & Ghosh (MC) Pvt. Ltd., 11 Russell Street, Calcutta-700 071, by 12th September, 1997.
- v) Pursuant to Rule 4A of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules 1978, the Dividend declared at the Annual Meeting of the Company held on 28th September, 1993 and remaining unpaid/unclaimed had been transferred to the General Revenue Account of the Central Government on 19th November 1996, in terms of Section 205A of the Companies Act, 1956. Any claim for payment of such unpaid/unclaimed Dividend should be made by an application in Form II of the said Rules to the Registrar of Companies, West Bengal, at the address given below :

Nizam Palace
II, M.S.O. Building
234/4, Acharya Jagadish Chandra Bose Road
Calcutta-700 020
- vi) Members who have multi accounts in identical name and address or in joint names in the same order are requested to intimate the Company the ledger folios of such accounts and send all share certificates to enable the Company to consolidate their shareholdings into one account.

GKW LIMITED

EXPLANATORY STATEMENT

The following information is supplementary to the Notice convening the Annual General Meeting of the Company to be held on Friday, 12th September 1997 and is being given as required under Section 173(2) of the Companies Act, 1956.

ITEM NO. 5

At the Extraordinary General Meeting of the Company held on 12th May 1995 a Special Resolution was passed empowering the Company to issue securities for an aggregate amount not exceeding Rs. 400 crores. Since the Company has not issued the securities so far and considering the continuing requirement of funds for the expansion/modernisation plans of the Company including the Cement Project it is now proposed to pass fresh resolution for enabling the Company to issue securities upto a limit of Rs. 400 crores (Rupees four hundred crores) at an appropriate time by a public offer and/or a rights offer or in any other manner.

The Board of Directors considers it to be in the interest of the Company to have such approval to enable it to proceed with an offer at an appropriate time.

The Directors recommend the Resolution for your approval.

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

ITEM NO. 6

Pending a public and/or rights issue, in order to meet the requirement of funds for expansion/modernisation including the Cement Project, substantial funds have been brought in by the Promoters and further funds are required to be raised. For this purpose it is proposed to issue Equity Shares and/or other kinds of securities as may be permitted by law on preferential basis upto a sum of Rs. 40 crores to the Promoter Group i.e. Carbon Investments Limited, Graphite Investments Limited, Graphite Holdings Limited, Kiwi Investments Limited, Canary Investments Limited and other Associate Companies of the Promoters at a price determinable as per the SEBI guidelines for preferential issues which currently are as follows:—

The higher of the :

- Average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the six months preceding the relevant date, or
- Average of the weekly high and low of the closing prices of the shares quoted on a stock exchange during the two weeks preceding the relevant date.

Relevant Date is reckoned to be 30 days prior to the date on which General Meeting is convened to consider the proposed issue.

In case the Financial Institutions who are shareholders of the Company, desire and are agreeable to subscribe to the preferential issue, it is proposed to issue such Equity Shares and/or other kinds of Securities to them on preferential basis upto a sum of Rs. 20 crores as may be agreed between the Company and the Financial Institutions.

The terms of the preferential issue of shares/securities will be determined in accordance with the prevailing guidelines of SEBI in this behalf.

The shareholding of the Promoter Group is currently 42.2% and that of the Financial Institutions 25.9%. Upon the allotment of the Equity Shares to the Promoters as mentioned above, the shareholding of the Promoter Group will increase depending upon the price at which the shares will be issued to them based upon the method of calculating the price as mentioned above. Similarly in case preferential allotment is also made to the Financial Institutions, the share holding of Financial Institutions will also increase depending upon the price at which the shares will be allotted to them. The exact price and the consequential change in the shareholding pattern of the Company will be informed to the Shareholders shortly after the relevant date by a separate circular.

The proposed preferential issue will not result in any change in the composition of the Board of Directors of the Company. However, the shareholding pattern and voting rights will undergo a change depending upon the price at which the shares will be issued.

The preferential issue proposed as above in which the Promoters have shown interest is an indication to the confidence and commitment of the Promoters in the Company.

The proposed resolution as set out in item No. 6 requires approval of the Members by a Special Resolution under Section 81(1-A) of the Companies Act, 1956.

The Board of Directors considers it to be in the interest of the Company to have such approval to enable it to proceed with an offer at an appropriate time.

The Directors recommend the Resolution for your approval.

The following Directors viz. Mr T K Faris, Mr Y F Lombard and Mr K K Bangur may be considered interested to the extent of their holding in the Promoter Group Companies.

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