



**ADVANCE  
MULTITECH  
LIMITED**

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**18th  
ANNUAL  
REPORT  
1996-97**

**ADVANCE**

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**ADVANCE MULTITECH LIMITED****ADVANCE MULTITECH LIMITED  
18TH ANNUAL REPORT****BOARD OF DIRECTORS**

Arvind V. Goenka  
Chairman &  
Managing Director  
J. P. Goenka  
Kirit J. Pandya

**ANNUAL GENERAL MEETING**

On Tuesday, 30th September, 1997  
93, New Cloth Market,  
Ahmedabad - 380 002.  
At 11-30 a.m.

**AUDITORS**

Nahta Jain & Associates  
Chartered Accountants,  
211, New Cloth Market,  
Ahmedabad-380 002.

Shareholders are requested to bring their copy of the  
Annual Report along with them at the Meeting. as the  
copies of the Report will not be distributed at the  
meeting.

**Bankers :**

Union Bank of India

CONTENTS	Pages No.(s)	Ahmedabad.
Notice	2	
Director's Report	6	
Auditor's Report	8	
Balance Sheet	10	
Profit & Loss Account	11	
Schedule Annexed to Balance Sheet	12	
and Profit & Loss Accounts		
Notes Forming part of the Accounts	17	
Balance Sheet Abstract and General Business Profil	19	
Cash Flow Statement	21	
		Registered Office : 93, New Cloth Market, (Ahmedabad-380 002.)

## ADVANCE MULTITECH LIMITED

### **NOTICE**

NOTICE is hereby given that 18th Annual General Meeting of the Members of Advance Multitech Limited will be held on Tuesday the 30th September, 1997. at 93, New cloth Market, Ahmedabad - 380 002 at 11.30 A.M. to transact the following business:

### **ORDINARY BUSINESS:**

- (1) To receive, consider and adopt the Director's Report and Balance sheet of the Company as at 31st March, 1997 and Profit & Loss Account for the year ended on that date and Auditor's Report thereon.
- (2) To appoint a Director in place of J.P. Goenka who retires by rotation and being eligible offers himself for re-appointment.
- (3) To appoint Auditors and authorise Board to fix their remuneration.

### **SPECIAL BUSINESS:-**

4. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.:

"Resolved that Kirit Jaysukhlal Pandya retiring at this Annual General Meeting, having been appointed as an Additional Director, being eligible, offering himself for appointment, and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 from a members proposing his candidature, be and is hereby Appointed a Director of the Company."

5. To consider and if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution.:

"Resolved that pursuant to the provisions of sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 the Company hereby approves the terms and conditions of appointment including remuneration of Shri Arvind V Goenka, a Director of the Company as Managing Director, for a period of 5 years from 01/02/97, as set out in the draft Agreement submitted to this meeting and for identification Purpose initialled by the chairman specifically sanctioned with power to the Board to alter or determine the conditions thereof, in such manner as may be agreed to between the parties and within the limits prescribed by the Central Govt.

Further Resolved that the Board of Director be and is hereby authorised to alter and vary any or all the terms and conditions as approved vide this Resolution as it deem fit from time to time which may have the effect of increasing the remuneration or perquisites or benefit and for the purpose of giving effect to this Resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company."

### **Explanatory Statement :-**

The following explanatory statement, as required by section 173 of the Companies Act, 1956 set out all materials facts relating to items mentioned in the accompanying notice dated 28.08.97.

#### **Item 4**

Shri Kirit Jaysukhlal Pandya, was appointed as an Additional Director on 20/10/96. Pursuant to the provisions of section 260 of Act read with Articles of Association of the Company he hold

## **ADVANCE MULTITECH LIMITED**

office upto the date of this Annual General Meeting.

Notice alongwith the requisite deposit has been received from one member in terms of section 257 of the Act signifying their intention to propose candidatures of Shri Pandya for the office of the Director at the forthcoming Annual General Meeting.

Experience, Expertise and knowledge of Shri Pandya in his field of operation is of immense benefit and value to the Company.

The Board recommends the Resolution.

None of the Director except Shri Pandya is concerned or interested in the Resolution.

### **Item 5**

The Director at their meeting held on 01/02/97 decided to avail the service of Shri Arvind V Goenka as Managing Director of the Company due to his vast experience in Textile Industry and take benefit from his valuable service. Therefore they have fixed the terms and conditions of appointment of Shri Arvind V Goenka, as Managing Director effective for a period of 5 years from 01/02/97, subject to the approval of shareholders and such other sanctions as may be necessary. The terms of Appointment of Shri Arvind V Goenka are in accordance with section 269 read with schedule XIII of the Companies Act, 1956 and hence the approval of Central Govt. is not required.

Shri Arvind V Goenka is well qualified and has wide and varied experience in the areas of Production, Marketing and Finance. The Board of Directors are of the opinion that Shri Arvind V Goenka with his knowledge, experience and insight of Textile Industry will be ably suited for the position of Managing Director. The Directors therefore recommend the present terms and conditions including remuneration for your approval.

The terms and conditions of the appointment of Shri Arvind V Goenka are set out in the draft agreement, which is placed before the meeting. The salient terms of the draft agreement are as under :-

1. Shri Arvind V Goenka is to carry on such function as entrusted to him by management.
2. Shri Arvind V Goenka to devote whole time and attention to the business of the Company.
3. Remuneration payable to Shri Arvind V Goenka w.e.f. 01/02/97.
4. Salary Rs.5,000/- per month (in the grade Rs.5,000-1,000-10,000/-)
5. Perquisites : Perquisites shall be allowed in addition to salary/commission. Perquisites in part-A and in excess of exemption from Income tax in part -B shall be restricted to an amount not exceeding Rs. 4,50,000 per annum .

Unless the context otherwise requires perquisites are classified into three categories ' A ' , ' B ' and ' C ' as follows :-

### **Category A**

This will comprise housing, medical reimbursement , leave travel concession, club fees and other benefits, allowances, expenses etc.

These may be provided for as under :-

#### **1.Housing**

## ADVANCE MULTITECH LIMITED

- (a) The expenditure by the Company on hiring unfurnished accommodation subject to a ceiling of sixty percent of the salary.
  - (b) In case the accommodation is owned by the Company, ten percent of the salary of the appointee shall be deducted by the Company.
  - (c) In case no accommodation is provided by the Company, the appointee shall be entitled to house rent allowance subject to the ceiling laid down in Housing (a).
  - ii Payment of gas, electricity, water expenses and furnishing to be valued as per Income tax Rules, 1962.
  - iii Medical/Hospitalisation Expenses Reimbursement :  
Expenses incurred for the appointee and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
  - iv Leave Travel Concession :  
Leave Travel Concession for self and family two times in a block of four years incurred in accordance with the rules of the company.
  - v Club Fees :  
Fees of clubs subject to a maximum of two clubs. Admission and life membership fees to be paid as per rules of the Company.
  - vi Personal Medical/Accident Insurance  
Personal Accident Insurance of an amount, the annual premium of which shall be paid as per rules of the Company.
  - vii Any other benefits, facilities, allowances and expenses as may be allowed under Company rules/schemes and available to other employees.
- Note : (i) For the purpose of perquisites stated hereinabove, "family" means spouse, dependent children and dependent parents of the appointee.
- (ii) Perquisites shall be evaluated as per Income-tax Rules wherever.

### Category B

- i Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income-tax Act, 1961. Gratuity payable shall not exceed half a month's salary for each completed year of services.
- ii Earned Leave : On full pay and allowances as per the rules of the Company.
- iii Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

### Category C

- Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company to the appointee.
- 6. Shri Arvind V Goenka, shall not be entitled to sitting fees for attending the meeting of the Board or committee thereof. He shall, however, be reimbursed the actual travelling expenses incurred by him for attending meeting of the Board of Directors and/or committee thereof.
  - 7. The remuneration referred to in clause (3) and any alteration thereof from time to time is subject to the overall limit of 10% of net profits of the Company as computed in the manner referred to in section 198(1). Provided, however, that in the event of absence or

## **ADVANCE MULTITECH LIMITED**

inadequacy of profits Shri Goenka shall be paid remuneration mentioned in above and the perquisites as above within the minimum remuneration specified in section 11 of part II of schedule XIII of the Companies Act, 1956.

8. In the event of cessation of office during any financial year, a rateable proportion of the aforesaid remuneration shall be payable by the Company.
9. Shri Arvind V Goenka shall be entitled to reimbursement of expenses, incurred by him in connection with the business of the Company.
10. Shri Arvind V Goenka, may resign office, subject to three months notice.
11. In the event of termination of office, Shri Arvind V Goenka would be entitled to compensation in accordance with section 318 of the Companies Act, 1956.
12. In the event of any dispute between Shri Arvind V Goenka and the Company, the same be settled by arbitration under the Arbitration Act, 1940 Shri Arvind V Goenka is interested in the Resolution to the extent of remuneration proposed to be paid to him. No other Director is interested in or concerned with this Resolution.

The above statement be treated as an abstract of terms and memorandum of interest under section 302 of the Companies Act, 1956.

### **Inspection :**

The above mentioned agreement is available for inspection of members at the Registered Office of the Company on any working day between 10.30 A.M. and 12.30 P.M.

### **NOTES:**

- (1) A MEMBER ENTITLED TO ATTEND AND VOTE, IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIM/HERSELF AND PROXY NEED NOT BE A MEMBER, PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
- (2) The Register of Members and Share Transfer Book of the Company shall remain closed from 22-09-1997 to 30-09-1997 (Both days inclusive).
- (3) Share holders are requested to give intimation with their Folio numbers of the changes in their addresses if any to the company.

Registered office :  
93, New Cloth Market  
Ahmedabad - 380 002.

Date : 29th August, 1997.

By Order of the Board of Directors  
FOR ADVANCE MULTITECH LIMITED

ARVIND V GOENKA  
(Chairman & Managing Director)