

Alan Scott Industries Limited

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5th Annual Report 1998-99

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NOTES



ALAN SCOTT INDUSTRIES LIMITED

SHAREHOLDERS DISCOUNT COUPON

30% Discount on Purchase of Socks upto Rs. 1,000/-

Valid till 31st December, 1999

Coupon Acceptable at :-

K.G. Badlani

1st Bhajipala Lane

126, Chakla Street

Mumbai - 400 003.

Alan Scott Industries Limited**BOARD OF DIRECTORS**

MR. NATWARLAL M. PATEL (CHAIRMAN)

MR. SUKETU J. PARIKH (MANAGING DIRECTOR)

SMT. INDUMATI J. PARIKH

MR. CHANDRAKANT C. VORA

REGISTERED OFFICE

131, A TO Z INDUSTRIAL ESTATE,
GANPATRAO KADAM MARG,
LOWER PAREL,
MUMBAI - 400 013.

FACTORY

38, APURVA INDUSTRIAL ESTATE,
MAKWANA ROAD, MAROL NAKA,
ANDHERI (EAST),
MUMBAI - 400 059.

BANKERS

STATE BANK OF INDIA

AUDITORS

JAIN & JAIN

CHARTERED ACCOUNTANTS

REGISTRARS AND TRANSFER AGENTS

INTIME SPECTRUM REGISTRY PVT. LTD.
(FORMERLY INTIME SHARE SERVICES PVT. LTD.)
260-A, SHANTI INDUSTRIAL ESTATE,
SAROJINI NAIDU ROAD, MULUND (W),
MUMBAI - 400 080.
TEL. : 564 7731, 567 2716

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5th Annual Report 1998-99**NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF ALAN SCOTT INDUSTRIES LIMITED WILL BE HELD ON THURSDAY, THE 30TH SEPTEMBER, 1999 AT BOMBAY PRODUCTIVITY COUNCIL AUDITORIUM, ROHIT CHAMBERS, JANMABHOOMI MARG, MUMBAI-400 001 AT 11.00 A.M. TO TRANSACT THE FOLLOWING BUSINESS :-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Balance Sheet as on 31st March, 1999 and Profit and Loss Account for the year ended on that date and Report of the Auditors' and Directors thereon.
2. To appoint a Director in place of Mrs. Indumati J. Parikh who retires by rotation and being eligible offer herself for re-appointment.
3. To appoint Auditors and to authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED that Mr. C.C.Vora, who was appointed as an Additional Director, of the Company with effect from 30/10/98 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

5. 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 Sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if required, the consent & approval of the Members be & is hereby accorded to the re-appointment of Mr. Suketu J. Parikh as Managing Director of the Company for a period of 5 years w.e.f. 15/04/99 on the terms and conditions including expressly the remuneration payable to him as Managing Director and the minimum remuneration payable to him in case of absence or inadequacy of profits in any year, as set out in the draft Agreement between the Company and Mr. Suketu J. Parikh submitted to this meeting and for the purpose of identification initialled by the Chairman.

FURTHER RESOLVED THAT salary, commission and perquisites may be increased, in the light of the provisions of the Companies Act, as may be enacted or amended from time to time and as may be decided by the Board of Directors.

FURTHER RESOLVED THAT the minimum remuneration as may be prescribed and as set out in the Draft Agreement be paid together with perquisites and other benefits in case of absence or inadequacy of profits in any financial year of the Company during his term as the Managing Director of the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, deeds and things and execute the Agreement or such documents, in terms of the said draft, with such alterations, changes and/or variations in the remunerations payable to Mr. Suketu J. Parikh as may be agreed between the Directors and Mr. Suketu J. Parikh.

Provided that the said remuneration as altered, changed or varied shall be in accordance with the limits prescribed thereof under Schedule XIII of the Act for the time being and from time to time in force."

PLACE : MUMBAI
DATE : August 30, 1999

BY ORDER OF THE BOARD OF DIRECTORS

Registered Office
131, A to Z Industrial
Estate, G.K. Marg, Lower
Parel, Mumbai-400 013.

C. C. VORA
(DIRECTOR)

Alan Scott Industries Limited**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 the proxy need not be a Member. Proxies in order to be effective must be deposited at the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September, 1999 to 30th September, 1999 (both days inclusive).
3. Members are requested to intimate any change in their address to the Company's Registrars and Share Transfer Agents Intime Spectrum Registry Pvt. Ltd., at the earliest quoting their folio numbers.
4. Members desirous of obtaining any information concerning accounts and operations of the Company are requested to address their question in writing to the Board of Directors of the Company at least 7 days before the date of the meeting so that the information required may be made available at the meeting.
5. Members should bring their copies of Annual Reports to the Annual General Meeting, copies will not be distributed at the Meeting as a measure of economy.
6. Explanatory Statement u/s 173 (2) of the Companies Act, 1956 in respect of Special Business to be transacted at the Annual General Meeting is annexed herewith & forms part of the notice.
7. The Members who have not yet exchanged their Counter Receipts with Share Certificates are hereby requested to handover/submit the same at the office of Register and Transfer Agents of the Company at the earliest.

ANNEXURE TO THE NOTICE

Explanatory Statement u/s 173 (2) of the Companies Act, 1956 in respect of the Special Business.

Item No.4

Mr. C.C.Vora was appointed as an Additional Director of Company with effect from 30/10/98.

The Board has received individual notice alongwith the prescribed deposit as required under Section 257 of the Companies Act, 1956 from the member proposing the candidature of aforesaid Director for the office of the Director.

The Board recommends his appointment as Director of the Company. None of the Directors except Mr.C.C.Vora as it relates to his appointment is interested in the Resolution.

Item No.5

The Board at their meeting held on 28th April, 1999, re- appointed Shri Suketu J.Parikh as the Managing Director of the Company for a period of five years with effect from 15th April, 1999 subject to the approval of members being obtained. In compliance with the conditions contained in Schedule XIII and subject to the approval of the members being obtained at this Annual General Meeting, the Board of Directors approves and recommends the re-appointment of Shri Suketu J. Parikh as Managing Director on the terms and conditions as to the remuneration and perquisites set out hereunder and more particularly set out in Draft Agreement to be entered into between the Company & the Managing Director, which are as follows & for which an abstract u/s 302 of the Companies Act, 1956 has already been circulated to the members:-

1. SALARY :

Rs. 15,000/- per month or such sum as may be prescribed by the Central Government from time to time or as may be authorised by Schedule XIII to the Companies Act, 1956.

PERQUISITES :

The perquisites in Category A,B and C will be restricted to an amount equivalent to the annual salary as per para (1) above or Rs. 4,50,000/- per annum whichever is less.

CATEGORY : A**(i) Housing -**

- (a) The expenditure incurred by the company on hiring accommodation for him will be subject to the ceiling of 60% of salary over and above 10% payable by him.

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- (b) Where accommodation in the Company-owned house is provided he shall pay to the company by way rent 10% of the salary. Wherever the company does not provide accommodation, House Rent Allowance shall be paid in accordance with (a) above.
- (c) The expenditure incurred by the company on gas, electricity, water and furnishing will be evaluated as per the Income - tax Rules, 1962. This will however, be subject to a ceiling of 10% of the salary paid to him.
- (ii) Medical benefits for self and family -
Reimbursement of expenses actually incurred, the total cost of which to the company shall not exceed one month's salary per year or three months salary in the period of three years.
- (iii) Leave Travel Concession -
for self and family once in a year incurred in accordance with the rules of the company.
- (iv) Club Fees -
Fees of Clubs subject to a maximum of two clubs. This will not include admission and life membership fees.
- (v) Personal Accident Insurance -
Of an amount the annual premium of which does not exceeds Rs. 4,000/-.

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 single or put together are not taxable under the income-tax Act. Gratuity payable should not exceed half a month's salary for each completed year of service.
- ii) Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

CATEGORY : C

- i) Free use of Company's car with driver for the business of the Company. Use of car for private purpose shall be billed by the Company.
- ii) Free Telephone facility at residence. All personal long distance calls shall be billed by the company.

COMMISSION

Remuneration by way of commission may also be allowed in addition to salary and perquisites as decided by Board from time to time. However, the amount of it, based on the net profits of the company in a particular year, shall be subject to the ceilings laid down in the Section 198 and 309.

PROVIDED that the remuneration aforesaid shall not, in any financial year, exceed :

5(five) per cent of net profits (where the Company has only one managerial personnel).

OR

10(ten) per cent of net profits (where the company has more than one managerial personnel) for all of them put together.

II. MINIMUM REMUNERATION :

(payable in case of absence or inadequacy of net profits in any financial year):

The remuneration in I above including perquisites but save and except commission, shall nevertheless, be paid as minimum remuneration for any financial year in case of absence or inadequacy of profits for such year, subject to the condition that such remuneration shall not without the approval of the Central Government, if required, exceed such sum payable per year or per month computed on the basis of the effective capital of the Company as defined in the explanation under para 3 of Section II of Part II to

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schedule XIII of the Companies Act, 1956 as in force for the time being or as amended in future. PROVIDED that the undermentioned perquisites, namely:

- (a) contribution to Provident Fund, superannuation Fund or Annuity Fund to the extent these, singly or put together, are not taxable under the Income Tax Act, 1961
- (b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service ; and
- (c) encashment of leave, at the end of his tenure of office, shall not be included in the computation of the above mentioned ceiling on remuneration.

III. OTHER TERMS :

- (i) The appointee shall not be entitled to sitting fees for attending meetings of the Board of Directors and / or committee(s) thereof.
- (ii) The appointee shall not, while he continues to hold office as Managing Director, be liable to retire by rotation.
- (iii) The appointee shall be entitled to compensation for loss of office in the event, manner and to the extent provided in Section 318 of the Act.
- (iv) In event the appointee dies during the terms of agreement, the company shall pay to his heirs, his full salary and other emoluments for that month and for the three months thereafter.
- (v) Either party may terminate the Agreement by giving 90 days notice in writing to the other without any cause.
- (vi) He shall be entrusted with substantial powers of management of the business of the Company. He shall faithfully and diligently serve the Company as the Managing Director and exercise such other powers and functions as may be conferred on him.
- (vii) He shall devote his whole time and attention to the business of the company.
- (viii) The company will reimburse him expenses incurred by him for travelling and entertainment in connection with the business of the company.

MEMORANDUM OF INTEREST OF DIRECTORS

None of the Director except Suketu J.Parikh & Mrs. Indumati J.Parikh are interested or concerned in the said Resolution.

The Directors command the Resolution set out at item no. 5 of the accompanying notice for your approval.

This explanation togetherwith the accompanying Notice is to be regarded as an Abstract of Terms and Memorandum of Interest u/s 302 of The Companies Act, 1956.

The said draft Agreement referred to in the resolution at item nos. 5 is available for inspection to the Members at the Registered Office of the Company on working days of the Company between 11:00 A.M. & 1:00 P.M. upto and including the day of the Annual General Meeting.

PLACE : MUMBAI
DATE : August 30, 1999

BY ORDER OF THE BOARD OF DIRECTORS

Registered Office
131, A to Z Industrial
Estate, G.K. Marg, Lower
Parel, Mumbai-400 013.

C. C. VORA
(DIRECTOR)