

THE BHARAT LINE LIMITED

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Report and Accounts

for

the Accounting Year ended

BALANCE SHEET AND PROFIT & LOSS ACCOUNT
with
DIRECTORS REPORT
of
THE BHARAT LINE LIMITED
to be laid before the
FIFTYFOURTH ORDINARY ANNUAL GENERAL MEETING
TO BE HELD ON
SATURDAY THE 16TH DECEMBER, 2000.

Board of Directors :

SHRI ARVIND G. KAMDAR
SHRI C.S. NARASIMHAN
SHRI B. N. SHAH
SHRI KHIMJI G. KAMDAR
SHRI SHANTILAL N. SHAH

BANKERS :

CENTRAL BANK OF INDIA
DENA BANK
CORPORATION BANK

SOLICITORS :

MESSRS. CHIMANLAL SHAH & CO.

AUDITORS :

MESSRS. VATSARAJ & CO.

REGISTERED OFFICE :

KUNDAN KUNJ,
GHOGHA CIRCLE,
BHAVNAGAR - 364 001.
(GUJARAT)

THE BHARAT LINE LIMITED

NOTICE

NOTICE is hereby given that the 54th Annual General Meeting of THE BHARAT LINE LIMITED, will be held at the Registered Office of the Company at Kundan Kunj, Ghogha Circle, Bhavnagar-364001, on Saturday, the 16th December, 2000 at 11.00 hrs. to transact the following business:-

ORDINARY BUSINESS :

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the accounting year ended 31st March, 2000.
2. To declare a Dividend. —
3. To elect a Director in place of Shri Arvind G. Kamdar, who retires by rotation under Article 145 and eligible, offers himself for re-election under Article 146 of the Articles of Association of the Company.
4. To appoint Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

" RESOLVED THAT Shri S. N. Shah, who has been appointed as additional Director w.e.f. 20-11-1999 and whose terms of office expires at the conclusion of the Annual General Meeting under Article 130 of the Articles of Association of the Company, be and is hereby appointed as Director of the Company liable to retire by rotation."

6. 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 and other applicable provisions, if any, of the Companies Act, 1956. Article 172 of the Articles of Association be ammended by adding the following paragraph after Article No. 172(24) and be numbered as Article No. 172(25) :

172(25). To institute, commence, conduct, defend, compound or abandon any legal, judicial, quasi-judicial proceedings or ligitations by or against the Company or its officers or employees or otherwise concerning the

affairs of the Company under any applicable statute or law or Act or Rules or Regulations framed or enacted by Central Govt. or any State Govt. or any local Authority or Body or Semi Govt. or Quasi Govt. or any other Corporations for the time being in force or as enacted hereafter including inter alia the Rent Act Maharashtra Rent Control Act, Stamp Act, 1899, Companies Act, 1956, Income Tax Act, 1961, Civil Procedure Code, Criminal Procedure Code, Indian Penal Code, The Contract Act, 1872, The Arbitration and Conciliation Act, 1996, Law of Evidence, Shops and Establishment Act, Sales Tax Act, Customs Act, 1962, Central Excise Act, 1944, Foreign Exchange Management Act, 1999, Reserve Bank of India Act, Negotiable Instruments Act, 1881, Indian Railways Act, Payment of Wages Act, 1948, Employees Provident Fund and Miscellaneous Provisions Act, 1952, Urban Land Ceiling Act, etc.

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

" RESOLVED THAT pursuant to provisions of Sections 198, 269, 309, 310, 311, 314, and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government, if required, the consent of the Members be & is hereby accorded for appointment of Shri Khimji G. Kamdar as Executive Director of the Company for a period of 5 years w.e.f. 01/11/2000 on the terms and conditions including expressly the remuneration payable to him as Executive 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 Shri Khimji G. Kamdar 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 the absence or inadequacy of profits in any financial year of the Company during his term as the Executive Director of the Company.

FURTHER RESOLVED THAT the Directors be and are hereby authorised to execute the Agreement, in terms of the said draft, with such alterations, changes and/or variations in the remunerations payable to Shri Khimji G. Kamdar as may be agreed between the Directors and Shri Khimji G. Kamdar.

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."

Fundan Kunj,
Ghogha Circle,
Bhavnagar - 364 001.

By Order of the Board
For and on behalf of
THE BHARAT LINE LIMITED

ARVIND G. KAMDAR
Director

Date: 04-11-2000.

Notes:

1. Any 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. The instrument appointing a proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The Share Transfer Books of the Company will remain closed from 15/12/2000 to 16/12/2000 (both days inclusive)
3. The Dividend if declared will be paid on or after to those Members whose name appear in the Company's Register of members on 16/12/2000.
4. Pursuant to the provisions of Sections 205A of the Companies Act, 1956, as amended, dividends for the financial year ended 31st March, 1995 and thereafter, which remain unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Members who have not encashed the dividend warrant(s) so far for the financial year ended 31st March, 1995, or any subsequent financial years are requested to make their claim to the Company.
5. Members are requested to kindly notify change of address, if any.
6. The relative Explanatory Statement for agenda item no. 5 to 7 are attached herewith and form part of the notice.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956.**(a) Vide Agenda Item No. 5**

As authorised by article 130 of the Articles of Association of the Company, the Board of Directors decided to increase their membership from Four to Five, and appointed Shri Shantilal N. Shah, Bussinessman, to be an Additional Director with effect from 20/11/1999. His term of office expires on the holding of this Annual General Meeting.

The Board of Directors consider that it would be in the interest of the Company to continue having the service of Shri Shantilal N. Shah and recommended that he be elected as a Director of the Company under Article 130 of the Articles of Association of the Company:

None of the Directors, except Shri Shantilal N. Shah, as it relates to his own appointment, are interested in the Resolution.

(b) Vide Agenda Item No. 6

Article 172 of the Articles of Association provides various powers conferred upon the Directors. The said Article is proposed to be amended by inserting a new sub-Article to confer powers to the Board of Directors to commence defend etc.any proceedings by or against the Company under various applicable laws, Statutes, Rules, Regulations in operations from time to time.

As required under Section 31 of the Companies Act, 1956, the Resolution is proposed to be passed as a special Resolution.

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

(c) Vide Agenda item No. 7

Shri Khimji G. Kamdar is a Director of the Company since 1983. He is a Law Graduate and possess a vide experiance of the Company's activities. He is generally looking after the day to day affairs of the Company and also guiding/advising on the various maters/cases pending before the Court. In view of his expertise & devotion in looking after the Company's Business, the Board of Director's has at its meeting held on 04/11/2000, appointed Shri Khimji G. Kamdar as an Executive Director for a period of 5 years w.e.f. 01/11/2000, subject to the approval of the Members. The materials terms, including remuneration and minimum remuneration, of the draft Agreements between the Company and Shri Khimji G. Kamdar are as follows :

(1) **PERIOD:** Five Years w.e.f. 01/11/2000

(2) **REMUNERATION:**

(in case of adequency of profits)

- (a) **Salary :** Rs. 10,000/- per month (inclusive of dearness allowance, if any) in the grade of Rs. 10,000 - Rs. 5,000 - Rs. 30,000 per month with liberty to withhold or give more than one increment per year.
- (b) **City compensatory allowance** of Rs. 2,000/- per month.
- (c) **Reimbursement of actual Residential Society charges.**
- (d) **Reimbursement of gas, electricity charges as also furnishing evaluated as provided for in the Income-Tax Rules, 1962:**
- (e) **Use of 1(one) motor - car with driver (for the Company's bussiness as also for his personal use). All running and maintenance expenses to be paid by the Company:**
- (f) **Benefit of the Company's Provident Fund Scheme, and the Superannuation or Annuity Fund Scheme together with the benefit of any retirement Fund or Scheme which the Company may introduce in future:**
- (g) **Gratuity in accordance with the rules of the Company:**
- (h) **Reimbursement of actual medical expenses incurred for self and family (i.e., wife, dependant, children and dependent parents):**

- (i) Benefit of sick leave in accordance with the Rules of the Company:
- (j) 30 (thirty) days privilege leave with full pay and allowance for each completed year of service: the said leave being accumulated and encashable.
- (k) Benefit of 1st class air/air conditioned train, and/or such other mode of conveyance as the appointee may opt for, for self and family, while on privilege leave, together with hotel/board and lodging expenses at actual :
- (l) Personal accident insurance cover at the cost of company provided the actual premium thereof does not exceed Rs. 4,000/- per year or such other amount as the directors think fit : and
- (m) Use of 1(one) telephone for the Company's business at residence, provided that the cost of the personal long distance calls, if any, shall be reimbursement by the appointee to the Company.

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 personal) for all of them put together.

(3) MINIMUM REMUNERATION:

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

The remuneration in 2 above including perquisites but save and except commision, shall neretheless, 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 Rs. 24,00,000/- per year or Rs. 2,00,000/- 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 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 this tenure of office, shall not be included in the the computation of the above mentioned ceiling on remuneration i.e., Rs. 24,00,000/- per year or Rs. 2,00,000/- per month : and the remuneration shall stand reduced accordingly.

(4) OTHER TERMS:

- (i) The appointee shall be entitled to sitting fees for attending meetings of the Board of Directors and/or committee(s) thereof.

- (ii) The appointee shall, while he continues to hold office as Executive Director, be liable to retire by rotation.
- (iii) The appointee shall not, without Board approval, engage himself in any business occupation or employment completing with the Company's business.
- (iv) The appointee shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.
- (v) 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.
- (vi) In event the appointee dies during the terms of agreement, the Company shall pay to his legal heirs, his full salary and other emoluments for that month and for three months thereafter.
- (vii) Either party may terminate the Agreement by giving 90 days notice in writing to the other without any cause or as mutually agreed.

Yours Directors are of the view that the appointment of Shri Khimji G. Kamdar will be in the interest of the Company and, accordingly, recommend the resolution as Items No.7 for your acceptance and to be passed as a Special Resolution.

The draft Agreement between the Company and Shri Khimji G. Kamdar referred to in the resolutions, is available for inspection by the members at the Registered Office of the Company during the Company's normal business hours on all working days (except Saturdays).

Shri Khimji G. Kamdar is interested in the resolution since it concerns his own remuneration, Shri Arvind G. Kamdar a relative of Shri Khimji G. Kamdar, may be considered deemed interested in the said resolution. Save & Except above none of the other Director is interested in the Resolution.

This Explanation, together with the accompanying Notice, is and shall be treated as, an abstract under Section 302 of the Companies Act, 1956.

Kundan Kunj,
Ghogha Circle,
Bhavnagar - 364 001.

By Order of the Board
For and on behalf of
THE BHARAT LINE LIMITED

ARVIND G. KAMDAR
Director

Date: 04-11-2000.