

# CHAKAN VEGOILS LIMITED



6th Annual Report 1997-98



## *Management Committed to Perfection*



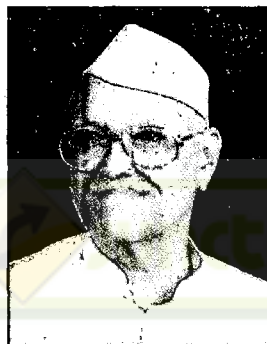
**Mr. Nitin M. Lunkad**  
*Managing Director*



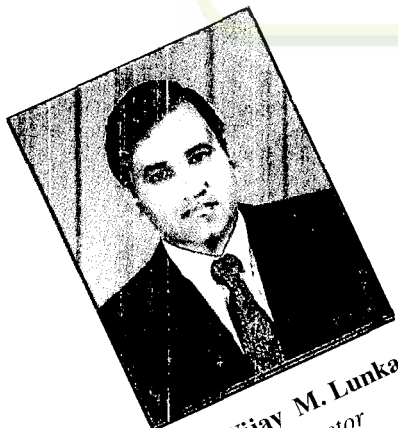
**Mr. Ashok M. Lunkad**  
*Chairman & Wholetime  
Director*



**Mr. Anil B. Dharamshi**  
*Director*



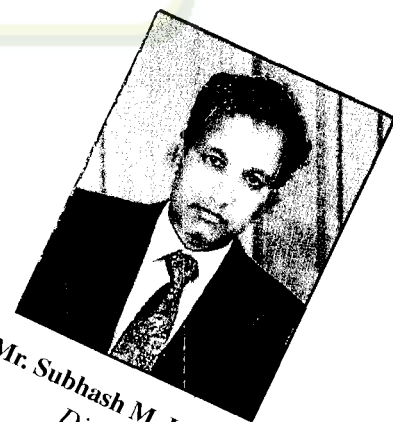
**Mr. Mohanlal P. Lunkad**  
*Director*



**Mr. Vijay M. Lunkad**  
*Director*



**Mr. R. M. Dhariwal**  
*Director*



**Mr. Subhash M. Lunkad**  
*Director*

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*What matters is not to add years to our business, but to add life to our business.*

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CS	<input checked="" type="checkbox"/>	DPY	<input checked="" type="checkbox"/>
RO	<input checked="" type="checkbox"/>	DIV	<input checked="" type="checkbox"/>
TRA	<input checked="" type="checkbox"/>	AC	<input checked="" type="checkbox"/>
AGM	<input checked="" type="checkbox"/>	SHI	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>		



CERTIFIED TRUE COPY

# Chakan Vegoils Limited

## BOARD OF DIRECTORS

<b>ASHOK M. LUNKAD</b>	Chairman & Wholetime Director
<b>NITIN M. LUNKAD</b>	Managing Director
<b>MOHANLAL P. LUNKAD</b>	Director
<b>RASIKLAL M. DHARIWAL</b>	Director
<b>SUBHASH M. LUNKAD</b>	Director
<b>VIJAY M. LUNKAD</b>	Director
<b>ANIL B. DHARAMSHI</b>	Wholetime Director

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Report Junction

**COMPANY SECRETARY**  
**VANDANA R. NAIK**

## REGISTERED OFFICE

"CHAKAN HOUSE"  
Shankarsheth Road,  
Pune - 411 037.  
Tel. : (0212) 659 971/72/73  
Fax. : (0212) 659 224

## WORKS

E-2, M. I. D. C.  
Kurkumbh, Tal. Daund, Dist. Pune.  
Tel. : (02117) 35259/35277  
Fax. : (02117) 35260

## AUDITORS

**R. C. DOSHI**  
207/B, Kalpataru Plaza,  
224, Bhawani Peth,  
Pune - 411 042.

## BANKERS

**BANK OF BARODA**  
Subhashnagar Branch,  
Bajirao Road,  
Pune - 411 002.

**ICICI BANKING CORPORATION LIMITED**  
'A' Shangrila Gardens, Bund Garden Road,  
Pune 411 001.

## SIXTH

## ANNUAL GENERAL MEETING

Day : Friday  
Date : 25th September, 1998.  
Time : 11.00 A.M.  
Venue : Pudumjee Hall,  
Mahratta Chamber of  
Commerce & Industries,  
Tilak Road,  
Pune - 411 002.

For Chakan Vegoils Ltd.

Company Secretary

## SIXTH ANNUAL REPORT 1997-98

### NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixth Annual General Meeting of the shareholders of Chakan Vegoils Limited will be held on Friday, the 25th day of September, 1998, at 11.00 A.M. at Pudumjee Hall, Mahratta Chamber of Commerce & Industries, Tilak Road, Pune 411 002, to transact the following business :

#### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1998 and the Profit and Loss Account for the year ended on that date together with the Auditor's Report and the Directors' Report thereon.
2. To appoint a Director in place of Mr. Subhash M. Lunkad, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and 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. Anil B. Dharamshi, who was appointed as an Additional Director, by the Board of Directors, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association, of the Company and who holds office, only upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice, in writing, from a member of the Company, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and he is hereby appointed as a 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 Article No. 169 of the Articles of Association and in accordance with the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company, be and is hereby accorded to the appointment of Mr. Anil B. Dharamshi, as a Wholtime Director of the Company, for a period of three years with effect from 30th June, 1998, upon the terms and conditions including remuneration, set out in the draft Agreement, to be entered into between the Company and Mr. Anil B. Dharamshi; and initialled by the Chairman, for the purpose of identification, with specific liberty to the Board of Directors to alter and vary, the terms and conditions of the aforesaid appointment and / or Agreement, within the limits prescribed in the Act, or any amendments thereto; from time to time.

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year, during the currency of the term of Mr. Anil B. Dharamshi, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Anil B. Dharamshi, remuneration by way of salary, allowances and perquisites not exceeding the limits specified in Part II of Schedule XIII of the Companies Act, 1956, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration;

**CHAKAN VEGOILS LIMITED**

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorised, to revise from time to time, the terms and conditions of appointment and the remuneration payable, to the said Mr. Anil B. Dharamshi, as Wholtime Director of the Company, within the limits laid down in Sections 198 and 309 of the Companies Act, 1956 and in Schedule XIII to the said Act."

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

"RESOLVED THAT Mr. Mohanlal P. Lunkad, who was appointed as an Additional Director, by the Board of Directors, pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 128 of the Articles of Association, of the Company and who holds office, only upto the date of this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member of the Company, under Section 257 of the Companies Act, 1956, proposing his candidature for the office of Director, be and he is hereby appointed as a Director of the Company, liable to retire by rotation."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modifications or re-enactment thereof, for the time being in force) the Articles of Association of the Company, be and are hereby altered, by the addition thereto of a New Article 12 A, after the existing Article 12 as follows :

**12A. Buy-back of Shares:**

Notwithstanding anything contained in the preceeding Article 12, but subject to the provisions of the Act and all other applicable provisions of the law, as may be in force, at any time and from time to time/ or subject to such enabling enactment(s) in this regard and subject to such conditions, consents and approvals as may be necessary for the purpose, the Company shall have power to buy back / acquire/ purchase/ hold/ resale any of its own Equity Shares or other specified Securities ( hereinafter referred to as buy-back) whether fully paid-up or partly paid-up, out of free reserves, or Securities Premium Account, or out of the proceeds of any issue, made specifically for the purposes of buy-back, or out of any other sources as may be permitted, on such terms and conditions and in such manner, and upto such limits, as may be prescribed by the law, from time to time, provided that; such acquisition/ purchase shall not, be construed as reduction of Equity Share Capital of the Company, within the meaning of and subject to the controls as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, or any amendment(s) thereto;

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorised to do all such acts, deeds, matters and things, as may be considered necessary, desirable or expedient, for giving effect, to the above resolution."

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification or re-enactment thereof; for the time being in force and as may be enacted from time to time ) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and sanctions, as may be prescribed or imposed, while granting such approvals, permissions and sanctions, which may be agreed to, or accepted by the Board of Directors of the Company, (hereinafter referred to as the 'Board') the consent of the Company, be and is hereby accorded to the Board, to buy-back, such number of Equity Shares or other Securities ( specified by the Government ) of the Company, in such proportion and manner, as may be permitted by law, not exceeding 10% of the present paid-up capital of the Company, from such funds of the Company, as are permitted to be used for this purpose, or out of the proceeds of any issue, made by the

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Company, within a period of fifteen months, or within the period the Act may prescribe, from the date of passing of this resolution, for the purpose of, forthwith cancellation of the Securities, so bought back, or for the purpose of re-issue at a later date or as may be permitted by the Act.

RESOLVED FURTHER THAT such acquisition /purchase of the aforesaid Equity Shares / Securities, shall not be construed, as reduction of capital, within the meaning of and subject to the controls, as stipulated in Sections 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force, or any amendment(s) thereto;

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised, to decide the exact quantity of shares to be bought, the rate, the mode and other terms and conditions, relating to such buy back, to give such directions, as may be necessary or desirable and to settle all questions and matters arising out of, or incidental to such buy back.

RESOLVED FURTHER THAT nothing herein above contained; shall confer any right, on any shareholder, to offer, or any obligation on the Company, or the Board, to buy back, any Equity Shares or Securities.

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do all such acts, deeds and things as may be considered necessary, desirable or expedient, to give effect to this resolution."

By Order of the Board of Directors



**VANDANA R. NAIK**  
Company Secretary

Place : Pune

Date : 30th June, 1998.

**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. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING DULY STAMPED AND SIGNED.**
2. An Explanatory Statement, pursuant to Section 173 (2) of the Companies Act, 1956, relating to the Special Business, stated at Item Nos. 4 to 8 is annexed hereto.
3. The Register of Members and the Share Transfer Books, of the Company, will remain closed from Wednesday, the 16th day of September, 1998, to Friday, the 25th day of September, 1998 (both days inclusive).
4. Members, desirous of obtaining any information, concerning the accounts and operations of the Company, are requested to address their queries, to the Company Secretary, so as to reach, at least seven days before the date of the meeting, so that the information required by the Members, may be made available at the meeting.
5. All documents referred to, in the accompanying Notice and Explanatory Statement, are open for inspection at the registered office of the Company, between 11.00 A.M. and 1.00 P.M. on all working days upto the date of the Meeting.
6. Members are requested to communicate all their correspondence to :

**The Company Secretary,  
CHAKAN VEGOILS LIMITED,  
'Chakan House', 42/43, Shankarsheth Road, Pune 411 037.**

**CHAKAN VEGOILS LIMITED****EXPLANATORY STATEMENT****PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

The following Explanatory Statement, sets out the material facts, relating to the business, mentioned in Item Nos. 4 to 8 of the Special Business, mentioned in the accompanying Notice, dated 30th June, 1998, convening the Sixth Annual General Meeting.

**ITEM NO. 4 :**

Mr. Anil B. Dharamshi, General Manager, an employee of the Company, was appointed as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, by the Board of Directors, at its meeting held on 30th June, 1998. The term of Mr. Anil B. Dharamshi, as an Additional Director, expires at the ensuing Annual General Meeting. The Company has received a notice in writing under Section 257 (1) of the Companies Act, 1956, alongwith a deposit of Rs. 500/- (Rupees Five Hundred only) from a member of the Company, signifying his intention, to propose him for appointment as a Director of the Company. The Board considers that, having regard to his knowledge and experience, it would be in the interest of the Company, to continue to avail of his services, as a Director of the Company. The Directors, recommend the resolution, set out at Item No. 4 of the Notice, for the approval of the shareholders. Mr. Anil B. Dharamshi, is deemed to be concerned or interested, in the proposed resolution, since it relates to his own appointment.

None of the other Directors, of the Company is, in any way, concerned, or interested in the proposed resolution.

**ITEM NO. 5 :**

Mr. Anil B. Dharamshi, was appointed as a Wholetime Director on the Board of the Company, with effect from 30th June, 1998. Mr. A. B. Dharamshi is a Graduate in Science and also holds a B.Sc. (Technical) degree, from the Department of Chemical Technology, Mumbai. Mr. A.B. Dharamshi has extensive experience in the oil industry. He presently, overseas the operations of the Company's factory, at Kurkumbh, M.I.D.C., Tal. Daund, Dist. Pune. In view of the overall growth, in the size and business activities of the Company, and the future plans, the Board of Directors, at its meeting held on 30th June, 1998, considered the appointment of Mr. A. B. Dharamshi, as a Wholetime Director for a period of (3) three years, with effect from 30th June, 1998, on the remuneration and terms and conditions, contained in the draft Agreement, proposed to be entered into between the Company and Mr. A.B. Dharamshi, subject to the approval of the shareholders.

The said draft Agreement, inter alia, contains the following terms and conditions :

- I Mr. Anil B. Dharamshi shall be appointed as a Wholetime Director, and shall assist the Managing Director, in the technical operations and production functions, and shall perform such other duties as may, from time to time, be entrusted to him, by the Managing Director. His duties and obligations shall, be subject to the supervision and control, of the Board of Directors and he shall not be entrusted with substantial powers of management.
- II Period of Agreement : Three years with effect from 30th June, 1998.
- III Salary of Rs. 13,750/- per month (Rupees Thirteen thousand seven hundred and fifty only per month) with yearly increments as may be decided by the Board of Directors, subject to the limits, specified in Schedule XIII to the Companies Act, 1956, and subject to the approval of the shareholders in the General Meeting.

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- IV Other emoluments as per Company rules, subject to the limits, specified in Schedule XIII to the Companies Act, 1956, and subject to the approval of the shareholders in the General Meeting.
1. Ad-hoc allowance.
  2. Unfurnished Company accommodation or House Rent Allowance.
  3. Reimbursement of electricity, water and cooking gas expenses.
  4. Reimbursement of medical expenses for self and family of Rs. 8,190/- per annum.
  5. Use of car for business purposes.
  6. Reimbursement of leave travel expenses of Rs. 8,190/- per annum.
  7. Company's contribution to the Provident Fund.
  8. Gratuity at half month's salary for each completed year of service.
  9. Free telephone facility at residence (personal long distance calls to be recovered).
  10. Ex-gratia, of Rs. 18,620/- only.
  11. Leave : As applicable to other Senior Executives of the Company.
- V. The Board of Directors, of the Company, is at liberty to alter and vary the terms and conditions of the said Agreement, as long as they do not exceed the remuneration limits, specified in Schedule XIII to the Companies Act, 1956, or any amendment thereto.

The draft Agreement to be entered into, between the Company and Mr. A. B. Dharamshi is available for inspection to the shareholders of the Company on all working days, at its Registered Office, between 10.00 a.m. to 2.00 p.m. upto the date of the meeting.

This may also be treated as an abstract, pursuant to the provisions of Section 302, of the Companies Act, 1956.

Mr. Anil B. Dharamshi, is concerned or interested in the proposed resolution since it relates to his own appointment and remuneration.

None of the other Directors of the Company is, in any way, concerned or interested in the resolution.

### ITEM NO. 6 :

Mr. Mohanlal P. Lunkad, was appointed as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, by the Board of Directors, at its meeting held on 30th June, 1998. The term of Mr. Mohanlal P. Lunkad, as an Additional Director, expires at the ensuing Annual General Meeting. The Company has received a notice in writing, under Section 257 (1) of the Companies Act, 1956, alongwith a deposit of Rs. 500/- (Rupees Five Hundred only) from a member of the Company, signifying his intention, to propose him, for appointment as a Director of the Company. The Board of Directors consider, that his appointment as a Director, would benefit the Company, since he has rich experience in the edible oil business, for over fifty years. The Board recommends his appointment as a Director.

Mr. Mohanlal P. Lunkad, is deemed to be concerned or interested in the proposed resolution, since it relates to his own appointment.

Mr. Ashok M. Lunkad, Mr. Nitin M. Lunkad, Mr. Vijay M. Lunkad and Mr. Subhash M. Lunkad, Directors of the Company being relatives within the meaning of Schedule 1-A of Section 6 of the Companies Act, 1956, are deemed to be concerned or interested in the proposed resolution.

None of the other Directors of the Company is, in any way, concerned or interested in the said resolution.

**CHAKAN VEGOILS LIMITED****ITEM NO. 7 :**

The Companies Act, 1956, is proposed to be amended, by incorporating a provision, enabling the Companies to buy back their own shares, subject to certain conditions as may be prescribed under the proposed amendment.

In order to enable the Company, to buy-back its own shares, it is necessary to make an enabling provision in the Articles of Association, by addition thereto of a New Article 12 A, so that as and when any legislation is passed/ amended permitting such a course of action, the proposal of buy back can be implemented at an appropriate time. The resolution at Item No. 7 of the Notice, is commended for the approval of the shareholders.

All the Directors of the Company, are deemed to be concerned or interested in the proposed resolution, to the extent of their shareholding in the Company.

**ITEM NO. 8 :**

The Companies Act, 1956, presently restricts the purchase of its own shares. However, it is anticipated that the law may in future, permit a Company to buy-back its own Equity Shares /Securities. Subject to the buy back of Equity Shares /Securities being legally permissible, it is proposed to enable the Company, to buy back its own Equity Shares or such other permissible Securities, not exceeding 10% of the paid-up capital of the Company, from the members of the Company, or from the open market, or from the holders of odd lots, or in any other manner as may be permitted by the law.

The buy back of Equity Shares or Securities, would be at the rate, and from the funds, permitted by the law, as set out in the resolution. The resolution, if approved, will be operative, for and will be given effect to, within a period of fifteen months, from the date of passing of the aforesaid resolution, or such other time limit, as may be prescribed by the law. The resolution at Item No. 8 of the Notice, is commended for the approval of the shareholders.

All the Directors of the Company, are deemed to be concerned or interested, in the proposed resolution to the extent of their shareholding in the Company.

By Order of the Board of Directors

**VANDANA R. NAIK**  
Company Secretary

Place : Pune

Date : 30th June, 1998.