

8th

ANNUAL REPORT

1999-2000

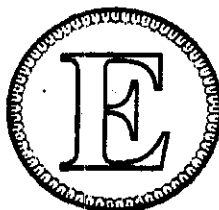
Report

CERTIFIED TRUE COPY

For ENRICH INDUSTRIES LTD.

Jeyaraj Mahalingam

DIRECTOR



ENRICH

INDUSTRIES LIMITED



ENRICH INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Jayesh R. Mor	Chairman & Managing Director
Mr. Navin Pahwa	Director
Mr. Gaurang Vora	Director
Smt. Kalpana Mor	Director

COMPANY SECRETARY Anil Agrawal

AUDITORS M/s. J. K. Parmar & Co.
Chartered Accountants
31, Binori Corner, Nr. Rly. Overbridge,
Jivrajpark, Ahmedabad - 380 051.

BANKERS (1) Mahila Utkarsh Nagrik Sahakari Bank Ltd.
C. G. Road Branch,
Ahmedabad - 380 009.

(2) The Suvikas Peoples Co. Op. Bank Ltd.
C. G. Road,
Ahmedabad - 380 009.

REGISTERED OFFICE 105, Sahajanand Complex,
Adarsh Society,
B/h. Bhagwati Chambers,
Swastik Char Rasta,
Ahmedabad - 380 009.

Share Electronics Transfer Agent M/s. SHAREPRO SERVICES
Satam Estate, 3rd Floor,
Cardinal Gracious Road, Chakla,
Andheri (E), Mumbai - 400 099.
Tel - 022-8215168/8329828



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NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of ENRICH INDUSTRIES LIMITED will be held on Thursday the 21st December, 2000 at 10.00 A.M. at 105, Sahajanand Complex, Adarsh Society, B/h. Bhagwati Chambers, Swastik Char Rasta, Ahmedabad - 380 009, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Profit & Loss Account for the year ended on June 30, 2000 and the Balance sheet as on the said date together with the Auditor's and Directors' Report thereon.
2. To appoint a Director in place of Shri Gaurang Vora who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

4. To Consider and, if thought fit, to pass, with or without modification(s), 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, ("the Act") and the provisions of other statutes as applicable, and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities, the Articles of Association of the company be and are hereby altered in the manner and to the extent set out below :

- (i) The existing Clause 2 (b) of Interpretation Clause of Article of Association be substituted with the following :

"Save as aforesaid, any words and expressions contained in these Articles shall bear the same meanings as in the Act and/or The Depositories Act, 1996 or any statutory modifications thereof for the time being in force"

- (ii) The following new interpretations be inserted after the existing interpretation clause 2 (b) :

"Member" means the duly registered holder from time to time of the shares of the Company of any class and includes the subscriber(s) of the Memorandum of the Company and also every person whose name is entered as the beneficial owner of any share in the records of the Depository but does not include the bearer of a share warrant of the Company issued in pursuance of Section 114 of the Act.

"Beneficial Owner" shall have the meaning assigned thereto by Section 2(1) (a) of The Depositories Act 1996. "Depository" shall have the meaning assigned thereto by Section 2(1)(e) of the Depositories Act 1996.

"The Depositories Act 1996"

"The Depositories Act 1996" shall mean The Depositories Act 1996 and include any statutory modification or reenactment thereof for the time being in force.

"Securities & Exchange Board of India".

"Securities & Exchange Board of India" means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act 1992.



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- (iii) After existing Article 6(c)(ii) the following Article be inserted as Article 6(c)(iii)

'Intimation to Depository' "Notwithstanding anything contained in this Article where securities are dealt with in a Depository(s) the Company shall intimate the details of allotment of securities to the Depository(s) immediately on allotment of such securities."

- (iv) Article 25 is substituted with the following Article :

The Company not bound to recognise any interest in share other than that of Registered holder or Beneficial owner'

"Save as herein otherwise provided Company shall be entitled to treat the person whose name(s) appears on the Register of Members/Debentures as the holders of any share/debenture in the records of the Depository(s) as the absolute owner thereof and accordingly shall not (except as may be ordered by a court of competent jurisdiction or as may be required by law) be bound to recognise any benami trust or equitable contingent future or other claim or interest or partial interest in any such share/debenture on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof but the Board shall be at liberty and at its sole discretion decide to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them."

- (v) The following new Article be inserted as Article 27(d), 27(e), 27(f), 27(g) and 27(h) after Article 27(c):

27(d) The Company to recognise interest in securities other than that of Registered holder under The Depositories Act."

"The Company or the investor may exercise an option to issue deal in hold the securities (including shares) with the Depository in electronic form and the certificates in respect thereof shall be dematerialised in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of The Depositories Act 1996".

'Power to Company to dematerialise and rematerialise'

27(e) The Company shall be entitled to dematerialise its existing shares debentures and other securities and rematerialise its such shares debentures and other securities held by it with the Depository and/or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to The Depositories Act 1996 and the Rules framed thereunder if any".

'Options for Depositors'

"27(f) Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of the Depository if permitted by law in the manner provided by The Depositories Act 1996 and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required Certificates of Securities."

'Securities in Depositories and Beneficial owner'

"27(g) All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners."

**'Rights of Depositories and Beneficial owner'**

- "27(h) (i) Notwithstanding anything to the contrary contained in the Act or these Articles a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (a) above the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
- (iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities attached to such of his securities which are held by a Depository."

(vi) The following new Articles be inserted as Articles 68A and 68B after Article 6 (b).

'Nomination'

- 68A (1) Every shareholder or debenture holder of the Company may at any time nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (2) Where the shares or debentures of the Company are held by more than one person jointly joint holders may together nominate a person to whom all the rights in the shares or debentures as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition whether testamentary or otherwise where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures the nominee shall on the death of shareholder or debenture holder or as case may be on the joint holders become entitled to all the rights in such shares or debentures or as the case may be all the joint holders in relation to such shares or debentures to the exclusion of all other persons unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (4) Where the nominee is a minor it shall be lawful for the holder of the shares or debentures to make the nomination to appoint any person to become entitled to shares in or debentures of the Company in the manner prescribed under the Act in the event of his death during the minority."

'Transmission of Securities'

- "68B (1) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided elect either-
- (a) to register himself as holder of the share or debenture as the case may be; or
- (b) to make such transfer of the share or debenture as the deceased shareholder or debenture holder as case may be could have made.
- (2) If the nominee elects to be registered as holder of the share or debenture himself as the case may be he shall deliver or send to the Company a notice in writing signed by



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him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be.

- (3) A nominee shall be entitled to the share dividend and other advantages to which he would be entitled if he were the registered holder of the share or debenture. Provided that he shall not before being registered as a member be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share or debentures and if the notice is not complied with within ninety days the Board may thereafter withhold payment of all dividends bonuses or their moneys payable in respect of the share or debenture until the requirements of the notice have been complied with."

- (vii) The following Articles be inserted after Article No. 216(b)(ii) as Article No. 216 (c):

'Service of documents on the Company'

"Where securities are held in a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or disks."

- (viii) The following article be inserted after Article No. 218 as Article No. 218(a):

'Register and Index of Members'

"The Company shall duly keep and maintain at its Registered Office or at such other place may be decided the various Registers required to be kept and maintained under the Act or Rules made thereunder and The Depositories Act 1996 with the details of shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of beneficial owners maintained by a Depository under Section 11 of The Depositories Act 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India a Register of Members for the residents in that state or country". And Register & Index of Debentureholders as required by under section 152 of the act.

5. To Consider and if thought fit to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT in accordance with the provisions of Section 198, 269, 309, read with Schedule XIII and all other applicable provisions if any of the Companies Act 1956 Consent of the Company be and is hereby accorded to the Board of Directors of the Company for the reappointment of Shri Jayesh R. Mor as Chairman & Managing Director of the Company for a period of 5 years from 1st October 2000 on such payment of remuneration and conditions as mentioned below :-

1. That Shri Jayesh R. Mor shall act as Managing Director and hold the office of the Managing Director for a period of 5 years from the date of appointment (i.e. 1st October 2000 to 30th September 2005) or until he resigns within the said period.
2. The Remuneration of Managing Director has been agreed as under:-
 - Salary : (Rs. 25,000-5000-45000) Per Month (Rupees Twenty Five Thousand Only) with increment of Rs. 5000 every year in a monthly salary maximum upto Rs. 45000/-.
 - Commission: 1% of the net profits of the Company computed in the manner laid down in Section 309(5) of the Companies Act 1956 subject to a ceiling of 100% of the annual salary.
 - Perquisites : Perquisites shall be allowed in addition to salary/commission.



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CATEGORY "A"

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

These may be provided as under :-

- i. Housing :
 - (a) The expenditure incurred by the Company on hiring unfurnished accomodation 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 Reimbursement : Medical expenses incurred for self 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 : For self and family one time in a year 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 state hereinabove "family" means spouse dependent children and dependent parents of the appointee.

(ii) Perquisites shall be evaluated as per Income-tax Rules wherever applicable and in the absence of any such rule perquisites shall be evaluated as actual cost.

CATEGORY "B"

- (i) Contribution to Provident Fund Superannuation Fund or Annuity fund if any payable 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 service.
- (ii) Earned/Privilege Leave on full day 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.

3. The appointee shall also be entitled to reimbursement of entertainment expenses actually and properly incurred in the course of legitimate business of the Company.
4. The appointee subject to the applicable provisions of Companies Act 1956 be also eligible for Housing Loan or other facilities as applicable in accordance with the rules of the Company.



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5. The above remuneration payable to Shri Jayesh R. Mor is subject to the condition that the total remuneration including all the perquisites as mentioned at 'A' 'B' and 'C' above shall not exceed 5% of the net profits individually and 10% of the net profits collectively payable to all the Managing Directors/Wholetime Directors as calculated in accordance with Section 198 and 309 of the Companies Act 1956 or any amendment thereto or any other provisions as may be applicable.
6. In the event of absence or inadequacy of profits in any financial year Shri Jayesh R. Mor will be paid the above salary as minimum remuneration and in addition thereto the perquisites not exceeding the limits specified under section II of Part II of Schedule XIII of the Companies Act 1956.
7. The terms and conditions of appointment and remuneration given herein may be altered and varied from time to time by the Board of Directors of the Company as it may at its discretion deem fit so as not to exceed the limits specified in Schedule XIII to the Companies Act 1956. (including any statutory modification or reenactment thereof for the time being in force) or any amendments made thereto from time to time.
8. The appointment may be terminated by either party giving to the other 3 months notice in writing or lesser notice as may be agreed to. In the event of termination of appointment by the Company, the appointee shall be entitled to receive Compensation in accordance with the provisions of Companies Act 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things as in its absolute discretion it may be considered necessary expedient or desirable including power to sub-delegate, in order to give effect to the foregoing resolution or otherwise considered by the Board to be in the best interest of the Company including grant of more than more increment in any year as it may deem fit.

RESOLVED FURTHER THAT in the event of any other relaxation by the Central Government in the guidelines or ceilings on managerial remuneration the Board of Directors be and is hereby authorised to increase the remuneration and/or perquisites to wholetime Directors in its absolute discretion within such guidelines or ceilings and consent of the Company as required under various applicable provision of the Companies Act 1956 be and is hereby granted."

6. To Consider and if thought fit to pass with or without modifications the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions of any of Companies Act 1956 (including any statutory modifications or re-enactments thereof for the time being in force and as may be enacted from time to time) and subject to approval of financial institutions and such other approvals as may be necessary consent of the Company be and is hereby accorded for Investment(s) and/or giving loan(s) and or gurantee(s) aggregating to an amount not exceeding Rs. 6,00,00,000 (Rupees Six Crores Only) notwithstanding that such investment together with all other investment (s) / loan(s) made and gurantee(s)/security (ies) given by the Company in or to all other bodies corporate shall be excess of the limit prescribed under Section 372A of the Companies Act 1956."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts deeds matters and things as the Board may in its absolute discretion deem necessary or desirable and to settle all questions and matters