

THE GAEKWAR MILLS LIMITED

80th ANNUAL REPORT

2008-09

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THE GAEKWAR MILLS LIMITED

**(Incorporated under the Baroda State Companies
Act 2 of Samvat Year 1975)**

DIRECTORS

*	HOMI F. MEHTA	Chairman
*	KHURSHED K. KOTWAL (expired 14 th April 2009]	Director
*	RATAN N. KARANJIA (appointed 9 th October 2009)	Director
*	OM DUTT PUROHIT (appointed 9 th October 2009)	Director
*	GIRISHBHAI SHAH [appointed 17 th March 2010]	Director

AUDITORS

MESSRS. M.D. PANDYA & ASSOCIATES
CHARTERED ACCOUNTANTS

REGISTRA & TRANSFER AGENTS

Link Intime India Pvt Ltd.,
C-13 Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078.

REGISTERED OFFICE

No.6 Vardhaman Apartment,
L. T. Road, Dahisar (West)
Mumbai 400 068.

Shareholders are requested to bring their copy of the Annual Report along with them at the General Meeting, as the practice of distributing copies of the Report at the Meeting, has been discontinued.

NOTICE

NOTICE is hereby given that the Eighty Annual General Meeting of the Members of the Company will be held on Tuesday, 8th June, 2010 at 11.30 a.m at Matunga Gujarathi Club Ltd., Nathalal Parekh Marg, Near King Circle, Matunga, Mumbai 400 019 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March 2009, Profit and Loss Account and the Cash Flow Statement for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Ratan N Karanjia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

**By Order of the Board of Directors
For The Gackwar Mills Ltd**

**Homi F Mehta
Chairman**

Registered Office:

No. 6 Vardhaman Apartment,
L.T. Road, Dahisar(W),
Mumbai 400 068

Dated: 13th May, 2010

Notes:

- i. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. FOR PROXY TO BE EFFECTIVE, ATTACHED PROXY FORM SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING.
- ii. The Register of Members and the Share Transfer Books of the Company, will be closed from 28th June, 2010 to 30th June, 2010 (both days inclusive).
- iii. Change of address, if any, should be notified to the Company, immediately.

DETAILS OF DIRECTORS SEEKING RE APPOINTMENT /APPOINTMENT AS PER CLAUSE 49 OF THE LISTING AGREEMENT

Name of the Director	Mr. Ratan N Karanjia
Age (Yr)	64 years
Date of Appointment	09.10.2009
Experience (Yrs)	40 years in Accountancy & Finance
Qualification	B.Com., FCA, AICWA, PGDBM (IIMA)
List of Public Companies in which directorships held	Nil
Committee Chairmanship/Membership	Nil
Other Positions held	1) Past Chairman, WIRC of ICAI. 2) Vice President, Malabar Hill Club Ltd
Shareholding in the Company	1 Equity Share

**By Order of the Board of Directors
For The Gackwar Mills Ltd**

**Homi F Mehta
Chairman**

Registered Office:

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Dated: 13th May, 2010

THE GAEKWAR MILLS LIMITED

DIRECTORS' REPORT

To,

The Members,

The Directors present their 80th Annual Report and the Audited Accounts for the year ended 31st March, 2009.

As informed to members in earlier Annual Reports, the petition for winding up of the Company was admitted by the Bombay High Court on 14th October 2004. The winding up petition came up for hearing on 4th February 2008, when the Court ordered the Company to be wound up and appointed The Official Liquidator of the Court as the Liquidator of the Company.

While the Company was under liquidation, Homi F Mehta and Khurshed K Kotwal, erstwhile directors and shareholders of the Company, filed before the Bombay High Court a Scheme of Compromise/Arrangement between shareholders, creditors and workers of The Gaekwar Mills Ltd (in liquidation) under sections 391 to 393 of the Companies Act, 1956. Statutory meetings were held on 25th September 2008 and after several hearings, the Scheme was finally approved by the Hon. High Court on 10th September 2009. The Scheme was further modified by the orders of the Hon. Bombay High Court dated 6th January 2010, 7th January 2010 and 8th April 2010.

With the sanction of the Scheme by the Court the earlier winding up order has been stayed and the Company became operational once again.

Accounts for the year ended 31st March 2009

As the Company was under liquidation during the entire period 1st April 2008 to 31st March 2009 there was no commercial activity. Loss for the year, after providing for interest on Banks' dues, was Rs. 1.19 crores which has been added to Rs. 27.02 crores carried forward from the previous year.

Directors

Mr. Homi F Mehta, Mr. Ratan N Karanjia, Mr. Om Dutt Purohit and Mr. Girishbhai Shah are seeking re-appointment/appointment at the 79th Annual General Meeting of the members of the company which is being convened on the same day as the ensuing Annual General Meeting.

Mr. Ratan N Karanjia, Director of the Company, retires by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

Directors' Responsibility Statement

"Pursuant to the requirement u/s 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Annual Accounts for the financial year ended 31st March, 2009, the applicable accounting standards have been followed along with proper explanation relating to material departures.
2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company at the end of financial year and of the Loss of the Company for the year under review.

3 that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956, for safe guarding the Assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability.

4 that the Directors have prepared the accounts for the financial year ended 31st March, 2009, on a going concern basis, taking into account the fact that as on date of preparation of the accounts the Company has been revived and its net worth will turn positive upon completion of all actions envisaged in the Scheme of Compromise."

Auditors

M/s M. D. Pandya & Associates, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors, under 224(1)(b) of the Companies Act, 1956, stating that they are eligible for re-appointment and the said re-appointment, if made, will be within the prescribed limits.

Particulars of Employees

Particulars of the employees as required under Section 217(2A) of the Companies Act, 1956 are not provided as the Company did not have any employee during the year.

Observations on Remarks in the Auditors' Report:

The fullest information and explanation of the respective matters have already been given in the Notes included by your Directors as a part of Account submitted to you for the year under Report as also by the Auditors themselves in the said Report.

ANNEXURE TO THE DIRECTORS' REPORT:

(Additional information given in terms of Notification No.1029 of 31-12-1988, issued by the Department of Company Affairs).

No information can be given with regard to Disclosure in respect of Conservation of Energy Technology Absorption, Foreign Exchange Earnings and Outgo, etc. since the Mills were closed during the year under Report.

On behalf of the Board of Directors

Homi F Mehta
Chairman

Registered Office :

No.6 Vardhaman Apartment,
L. T. Road, Dahisar (West)
Mumbai 400 068.

Dated:13th May, 2010.