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# The Gaekwar Mills Limited

(Incorporated under the Baroda Sate Companies Act2 of samvat year 1975  
And now an existing company under companies Act, 1956)

## 82<sup>nd</sup> Annual Report

2010-11

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# **The Gaekwar Mills Limited**

(Incorporated under the Baroda Sate Companies Act 2 of samvat year 1975  
And now an existing company under companies Act, 1956)

**HOMI F MEHTA**                      **Chairman**

**RATAN N KARANJIA**              **Director**

**OM DUTT PUROHIT**              **Director**

**GIRISHBHAI SHAH**              **Director**

## **Auditors**

**Messers M.D.Pandya & Associates**  
**Chartered Accountants**

## **Registrar & Transfer Agent**

**Link Intime India Pvt. Ltd.**  
**C-13 Pannalal Silk Mills Compound,**  
**L.B.S. Marg, Bhandup (west)**  
**Mumbai 400078**

## **Registered office**

**Shop no. 15, Ground floor,**  
**Patil Building, 38 west, Sion (west),**  
**Mumbai 400022.**

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Share Holders are requested to bring their copy of the Annual report along with them at the General Meeting as the practices of distributing copies of the report at the meeting has been discontinued.

## NOTICE

NOTICE is hereby given that the Eighty Second Annual General Meeting of the Members of the Company will be held on Wednesday, 28<sup>th</sup> September 2011 at 11.00 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 31<sup>st</sup> March 2011, 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. Girishbhai Shah, 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 Gaekwar Mills Ltd**

**Homi F Mehta**

**Chairman**

**Registered Office:**  
Office No. 15, ground floor,  
Patil Building, 38 West,  
Road No. 6, Sion West,  
Mumbai 400022.

Dated: 29<sup>th</sup> August 2011

### **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 26<sup>th</sup> September 2011 to 28<sup>th</sup> September 2011 (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**

<b>Name of the Director</b>	<b>Mr. Girishbhai Shah</b>
<b>Age</b>	57 years
<b>Date of Appointment</b>	17.03.2010
<b>Experience (Yrs)</b>	35 years mainly in construction industry
<b>Qualification</b>	B.Com.
<b>List of Public Companies in which Directorship held</b>	Nil
<b>Committee/Chairmanship/Membership</b>	Nil
<b>Other Positions Held</b>	1.Chairman, Indian Red Cross Society, Bhavnagar 2.Chairman, Bhavnagar Builders Association 3.Past President, Saurashtra Chamber of Commerce & Industry
<b>Shareholding in the Company</b>	Nil

**THE GAEKWAR MILLS LIMITED**  
**DIRECTORS' REPORT**

To.  
The Members,

The Directors present their 82nd Annual Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2011.

**Scheme of Compromise/Arrangement**

The members are aware, 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 was approved by the Hon. Bombay High Court on 10<sup>th</sup> September 2009. The Scheme was further modified by the orders of the Hon. Bombay High Court dated 6<sup>th</sup> January 2010, 7<sup>th</sup> January 2010 and 8<sup>th</sup> April 2010.

**Progress on the implementation of the Scheme of Compromise/Arrangement**

During the year under review significant progress was made towards implementation of the Scheme:

- Secured Creditors were fully paid off. Suits against the Company pending in the Debts Recovery Tribunals were withdrawn by the respective Banks and guarantors released from their personal guarantees.
- Equitable Mortgage was created in favour of Strategic Investor, M/s Platinum Square Private Limited and registered.
- All statutory liabilities were cleared and 'No Dues' certificates were received from respective departments.
- Amounts due to workmen as per Scheme were deposited with Mamlatdar, Gandevi.
- Amounts were paid off to Unsecured Creditors as per Scheme and suits pending against Company were withdrawn.
- Suspension in trading of Company's equity shares was revoked by Bombay Stock Exchange.

**Accounts for the year ended 31<sup>st</sup> March 2011**

Loss for the year, after providing for interest on Banks' dues, was Rs. 99.34 lakhs which has been added to Rs. 2981.41 lakhs carried forward from the previous year.

**Increase in Share Capital**

Shortly after the close of the accounting year, 39,000 equity shares of Rs 100/- each, totaling to Rs 39 lakhs, were allotted to M/s Platinum Square Private Limited upon conversion of warrants. Further, the Board has obtained consent of the members by way of Postal Ballot, to increase the paid-up share capital from Rs 89 lakhs to Rs 200 lakhs by making preferential allotment to existing Strategic Investor as well as to another Strategic Investor, M/s Mukesh Babu Financial Services Ltd. This issue of capital will be subject to modification, if any, in the Scheme of Compromise/Arrangement sanctioned by the Hon. Bombay High Court, for which steps are being taken.

**Plans for the Company**

The Company has already drawn up plans for development of an ultra modern township on 60% of the land at Bilimora. The balance 40% of the land would be used to set-up a modern integrated textile unit.

The development plans for the township were showcased at the Vibrant Gujarat 2011 Exhibition held in Gandhinagar in January 2011. The Company has executed a MOU with Government of Gujarat in this respect. It is expected that construction activity will commence shortly

**Directors**

Mr. Girishbhai Shah, 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 31<sup>st</sup> March, 2011, 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 31<sup>st</sup> March, 2011, 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 applicable 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 Accounts 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. as the Company had no operations during the year under review.

**On behalf of the Board of Directors**

**Om Dutt Purohit      Ratan Karanjia**

**Directors**

#### **Registered Office :**

**Office No. 15, Ground Floor,  
Patil Building, 38 West,  
Sion West,  
Mumbai 400022.**

**Dated: 27<sup>th</sup> May, 2011**