

B. C. S.

RAHVIN DESAI

MANAGING SECRETARY



MD	<input checked="" type="checkbox"/>		BKC	<input checked="" type="checkbox"/>
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"/>	<input checked="" type="checkbox"/>	SH	<input checked="" type="checkbox"/>
YE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

GUJARAT FLUORO-CHEMICALS LIMITED

Report Junction.com

11TH
ANNUAL REPORT
1997-98





GUJARAT FLUOROchemicals LIMITED

ELEVENTH ANNUAL GENERAL MEETING

On Wednesday, the 30th September, 1998

at 10.30 a.m.

at

S/No. 16/3, 26 & 27

Ranjitnagar 389 380

Taluka Devgadhbaria

Dist. Panchmahals

Gujarat

BOARD OF DIRECTORS

Shri L. K. Jain

Chairman

Shri D. K. Jain

Shri M. R. B. Punja

Shri Shailendra Swarup

Shri Vinay Sharma, I.A.S. *Nominee-GIIC*

Shri V. K. Jain *Managing Director*

Shri D. K. Sachdeva *Whole-Time Director*

COMPANY SECRETARY

Shri B. V. Desai

AUDITORS

M/s. Patankar & Associates

Chartered Accountants

BANKERS

Canara Bank

State Bank of Saurashtra

Bank of Maharashtra

REGISTERED OFFICE & PLANT

S/No. 16/3, 26 & 27,

Ranjitnagar 389 380

Taluka Devgadhbaria,

Dist. Panchmahals,

Gujarat.

CORPORATE OFFICE

Natubhai Centre,

Race Course Circle (West),

Gotri Road,

Vadodara 390 007,

Gujarat.

Request to Shareholders

1. Shareholders are requested to bring their copy of the Annual Report alongwith them at the Annual General Meeting as copies of the Report will not be distributed at the Meeting.

2. Kindly send all your transfer deeds together with Share Certificates for transfer of Shares at the following address :

MCS Limited

Neelam Apartment,

88, Sampatrao Colony,

Behind Federation Building,

Alkapuri, Vadodara 390 007.

3. Kindly notify change of your address and write only to the Registrar and Transfer Agents in respect of any matter connected with your Shares.

Report  Junction.com



NOTICE

NOTICE is hereby given to the Members of **Gujarat Fluorochemicals Limited** that the **Eleventh Annual General Meeting** of the Company will be held at the Registered Office of the Company at S/No. 16/3, 26 & 27, Ranjitnagar 389 380, Taluka Devgadbaria, District Panchmahals, Gujarat, on **Wednesday, the 30th day of September, 1998, at 10:30 am**, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31st March, 1998, the Balance Sheet as at that date, the report of the Auditors thereon and the report of the Board of Directors for the said year.
2. To declare dividend for the year ended 31st March, 1998.
3. To appoint a Director in place of Shri DK Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Shri Shailendra Swarup who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, the following revised remuneration shall be payable to Shri Dinesh K Sachdeva, Whole Time Director of the Company, for the period from 01.04.1997 to 28.11.2001 :

I. SALARY

- a) Salary Rs 20,500 per month in the scale of 6000-200-7000-250-8250-EB with annual increment(s) as may be decided by the Managing Director of the Company.
- b) Furnishing allowance Rs 350 per month.
- c) Ex-gratia : 20% of the monthly salary per annum payable at the end of the year subject to overall ceiling laid down in Section 198 and 309 of the Companies Act, 1956.

II. PERQUISITES

Perquisites will be restricted to Rs 3,00,000 per annum. Perquisites are classified into three categories A, B and C as follows :

CATEGORY A

1. **Housing I** : The expenditure incurred by the Company on hiring furnished accommodation for the whole-time Director will be subject to a ceiling of Rs 10,000 per month.
2. **Housing II** : In case no accommodation is provided by the Company, the whole-time Director shall be entitled to house rent allowance subject to the ceiling laid down in Housing I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962. This shall, however, be subject to a ceiling of ten percent of the salary of the whole-time Director.

3. **Medical Reimbursement** : Expenses incurred for the whole-time Director and his family subject to a ceiling of Rs 10,000 in a year or Rs 30,000 over a period of three years.
4. **Leave Travel Concession** : 6% of Salary per month payable per annum for the Whole Time Director and his family, once in a year incurred in accordance with the rules specified by the Company.

GUJARAT FLUOROCHEMICALS LIMITED**CATEGORY B**

The whole-time Director shall also be eligible to the following perquisites :

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-Tax Act, 1961.
2. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.
3. Encashment of leave as per the rules of the Company.

CATEGORY C

Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of Car for private purpose shall be billed by the Company to the individual whole-time Director.

Notwithstanding anything contained hereinabove where in any financial year, during the currency of the tenure of the whole-time Director, the Company has no profits or its profits are inadequate, it will pay him above remuneration as minimum remuneration by way of salary and perquisites."

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **SPECIAL RESOLUTION** :

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactment thereof and any Ordinance promulgated in this regard for the time being in force and as may be enacted/promulgated from time to time) and subject to such other approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, 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 buyback, from the existing holders of shares and/or other securities giving right to subscribe for shares of the Company, on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the securities (odd lots) and/or by purchasing the securities issued to the employees pursuant to a scheme of stock option, the shares or such other securities or securities having such underlying voting rights as may hereafter be notified by the Central Government or any other regulatory authority, from time to time (herein for brevity's sake referred to as "the Securities") of the Company, from out of its free reserves or out of the securities premium account of the Company or out of the proceeds of any issue made by the Company specifically for the purpose, or from such other sources as may be permitted by the law, on such terms, conditions and in such manner as may be prescribed by law from time to time; provided that the aggregate of the Securities so bought back shall not exceed 25% of the respective Securities of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and things and deal with all such matters and take all such steps in this regard as it may, in its absolute discretion, deem necessary, fit or proper."

By Order of the Board of Directors

New Delhi
31st July, 1998.

L.K. JAIN
Chairman

Registered Office :
S/No. 16/3, 26 & 27,
Ranjitnagar 389 380
Taluka Devgadbaria,
District Panchmahals,
Gujarat

**Note :**

- a) A MEMBER ENTITLED TO ATTEND THE MEETING AND VOTE THEREAT IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. DULY EXECUTED PROXIES MUST BE REGISTERED WITH THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
- b) The Register of Members and the Share Transfer Books of the Company will be closed from 22nd September, 1998 to 30th September, 1998 (both days inclusive).
- c) The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the special business as set out above is annexed hereto.
- d) Those Members who have not received interim dividend and / or final dividend for 1994-95 and / or 1995-96 and / or 1996-97, declared and paid by the Company, are requested to write to our Registrar & Share Transfer Agents at the following address :

MCS Limited

Neelam Apartment

88, Sampatrao Colony

Behind Federation Building

R.C. Dutt Road

VADODARA 390 005

Kindly note that the Company is required to transfer interim / final dividend for 1994-95 to the General Revenue Account of the Central Government after completion of three years from the date of its declaration. All the shareholders who have not claimed their above dividend may write to the Registrars of the Company at the above address.

ANNEXURE TO THE NOTICE

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

Item No.6

Shri Dinesh K Sachdeva was appointed as Whole Time Director of the Company at the Tenth Annual General Meeting of the Company held on 31st July, 1997. His salary was fixed as Rs. 17750 in the scale of 6000-200-7000-250-8250-EB. As he was in whole time employment of the Company, his salary was revised to Rs.20500 per month in April, 1997, which is within the limit specified in Section 198, 269, 309 at Schedule XIII of the Companies Act, 1956. His salary will be revised in future in the month of April every year.

The Board of Directors therefore recommends the proposed resolution for approval of the Members.

None of the Directors of the Company is interested in the resolution except Shri Dinesh K Sachdeva to the extent of revised remuneration payable to him.

Item No.7

Buy back of own shares or other securities convertible into equity shares by the Companies is presently not allowed under the Companies Act, 1956. The Companies Bill, 1997, sought to lay down the operative provisions to regulate the buy back of shares/securities by Companies. The said bill has not yet become the law. It is expected that, in due course of time, the law will be amended to allow such buy back.

The resolution is an enabling provision aimed at facilitating the Company to buy back its shares as soon as legally permissible.

It is proposed to buy back not exceeding 25% of the total voting powers relating to the shares or other securities giving right to subscribe for shares of the Company, from the existing security holders on a proportionate basis and/or from the open market and/or from the lots smaller than market lots of the

GUJARAT FLUOROchemicalS LIMITED

securities (odd lots) and/or by purchasing the securities issued to the employees of the Company pursuant to the scheme of stock option, subject to necessary enactment in this regard.

The buy back of shares as aforesaid would entail investing of an amount which would not be less than the market value of the shares or other securities giving right to subscribe for shares of the Company and shall be met out of the free reserves and/or the securities premium account and/or out of the proceeds of an issue specifically made for the purpose or from such other sources as may be permitted by law. The shares so bought back shall be dealt with as per the then prevailing law/regulation.

The Board is of the opinion that it will be in the best interests of the Company if shareholders approve the said resolution, permitting such buy back, so that the Company will be able to implement this resolution once the law is amended.

The resolution, if approved, will be operative and given effect to from the applicable date as may be prescribed in this regard.

The Directors recommend the resolution for approval of the shareholders.

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

By Order of the Board of Directors

New Delhi
31st July, 1998.

L.K. JAIN
Chairman

Registered Office :
S/No. 16/3, 26 & 27,
Ranjitnagar 389 380
Taluka Devgadbaria,
District Panchmahals,
Gujarat

Report Junction.com



DIRECTORS' REPORT

To the Members of
GUJARAT FLUOROchemicals LIMITED

Your Directors take pleasure in presenting to you their Eleventh Annual Report for the year ended 31st March, 1998.

1. WORKING RESULTS

- a) Following are the working results for the year 1997-98 :

	Rs. in lacs 1997-98	Rs. in lacs 1996-97
Turnover	9047.75	7633.81
Gross Profit before Interest and Depreciation	3269.18	3257.30
Less: Interest	72.76	167.63
Profit before Depreciation	3196.42	3089.67
Less: Depreciation		
- for current year	168.05	263.84
- differential depreciation	0.00	697.16
Less: Write off of amortised expenditure	7.30	7.17
Less: Provision for diminution in value of investments	196.70	0.00
Profit before Income Tax	2824.37	2121.50
Provision for Income Tax	440.00	275.00
Profit for the year	2384.37	1846.50
Add: Profit brought forward from previous year	15.52	19.26
	<u>2399.89</u>	<u>1865.76</u>

Appropriations

Transferred to		
General Reserve	2000.00	1500.00
Proposed Dividend	318.40	318.40
Tax on Proposed Dividend	31.84	31.84
Balance carried to Balance Sheet	49.65	15.52
	<u>2399.89</u>	<u>1865.76</u>

- b) There has been an improvement in the turnover of the Company during the year, primarily due to higher quantities in the export markets. However, the margins of the Company have been under pressure due to increasing costs on the one hand and fall in selling prices on the other. The Company has just managed to maintain its Gross Profit before Interest and Depreciation at around the same level as last year.
- c) As a part of the overall growth plans of the Company, the Board of Directors is constantly evaluating different diversification opportunities for developing into commercially viable projects to be taken up by the Company. The Company has also engaged a leading International management consultancy organisation specialising in corporate strategy to assist it in identifying diversification opportunities.
- d) The Company has identified power generation as a key diversification area and is currently actively pursuing a 50 MW liquid fuel based power project at Karnataka.
- e) Till funds are required to be invested in these projects to be taken up by the Company, the Company has invested its surplus funds in short-term instruments with a view to earn a reasonable return thereon as well as to ensure the safety and liquidity of these funds.

2. DIVIDEND

Your Directors recommend a dividend of Rs. 2.75 per share (27.50%). The dividend payout for the year will be Rs. 318.40 Lacs. In addition to this the Company shall also pay tax