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# GUJCHEM DISTILLERS INDIA LIMITED

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| | |
|---|---|
| **Directors** | SMT. DEVIKA NAVNITLAL, Chairperson<br>SHRI MANISH NAVNITLAL, Managing Director<br>SHRI BIPIN CHANDULAL<br>SHRI B. R. SHAH<br>SHRI DINESHBHAI M. PATEL<br>SHRI D. U. RAO (IFCI Nominee) |
| **Auditors** | SHARP & TANNAN<br>Chartered Accountants |
| **Bankers** | DENA BANK<br>BANK OF BARODA |
| **Solicitors** | MALVI RANCHODDAS GIRISH N. SHAH & CO. |
| **Registered Office** | 'CHAITANYA', F-1, Sheth C.G. Road,<br>Ellisbridge,<br>Ahmedabad - 380006 |
| **Works** | Bilimora, Dist. Valsad (Gujarat)<br>Ankleshwar, Dist. Bharuch (Gujarat ) |

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# NOTICE

NOTICE is hereby given that the Annual General Meeting of the Members of the Company will be held on Tuesday, 14th December 1999 at 10.15 A.M. at The Seminar Room, Ahmedabad Textile Industry's Research Association, (ATIRA) Vastrapur, Ahmedabad-380015 to transact the following business :

**ORDINARY BUSINESS :**

(1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and Profit & Loss Account for the year ended on that date, together with the Directors' Report and the Auditors Report thereon.

(2) To appoint a Director in place of Shri B. R. Shah who retires by rotation and being eligible, offers himself for reappointment.

(3) To appoint Auditors of the Company 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 modifications, the following resolution as an ordinary resolution :

**ORDINARY RESOLUTION NO. 1**

" RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 as amended from time to time and subject to the approval of the Financial Institutions, if required, the Company hereby accords its approval to the appointment of Shri Manish Navnitlal as a Managing Director of the Company for a period of five years with effect from 5th October, 1999 on the remuneration, commission and perquisites payable to him as Managing Director of the Company in terms of Schedule XIII of the Companies Act, 1956 as set out in the draft Agreement placed before this meeting and material terms of which are specified in the Annexure to this Notice in the Explanatory Statement relating to this item."

" RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend, alter or otherwise vary the terms and conditions of appointment including the remuneration provided that such remuneration shall not exceed the limit prescribed in Part II of Schedule XIII of the Companies Act, 1956 and any statutory modifications or re-enactment thereof and/ or any guidelines relating to Managerial Remuneration as may be notified by the Government of India from time to time."

" RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorised to suitably modify/amend the aforesaid Agreement to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting."

**NOTES**

1. The explanatory statement under section 173 (2) of the companies Act, 1956 in respect of Special business is annexed herewith.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER.** Proxies in order to be valid must be delivered at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
3. Documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on working days up to the date of Annual General Meeting.
4. The Company has transferred the unclaimed dividend to the General Revenue Account of the Central Government for and up to financial year 1992-93. The concerened members may, therefore submit their claims to The Registrar of companies, Gujarat at C.G.O. Complex, Opp. Rupal Park, Naranpura, Ahmedabad-380013
5. Members are requested to bring their copy of Annual Report to the meeting.
6. Members desiring to seek information on Annual Accounts to be explained at the meeting are requested to send their queries atleast ten days before the date of the meeting so that the information can be made available at the meeting.

By Order of the Board
**MANISH NAVNITLAL**
Managing Director

Place : Ahmedabad
Date : 3rd November, 1999



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## ANNEXURE TO THE NOTICE

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

The following Explanatory statement as required under section 173(2) of the Companies Act, 1956, sets out all material facts relating to the special business under item no. 4 specified in the Notice dated 3.11.1999.

**Item No. 4 Ordinary Resolution No. 1**

The draft agreement to be entered into between the Company and Shri Manish Navnitlal to be appointed as Managing Director, is placed before the meeting for approval. The material terms of remuneration payable to him in accordance with para II of the schedule XIII are as under :

1. Salary : Rs. 15,000 per month in the scale of Rs. 15000-1500 --24000.
2. Perquisites : In such form and such extent as may be decided by the Board of Directors subject to a ceiling of the annual salary.
   Until otherwise decided by the Board, the Managing Director will be entitled to the following perquisities; which will be paid to him in addition to the salary.

**CATEGORY -A**

1) Housing
   The Company shall provide furnished accomodation to the Managing Director. If the Managing Director is having his own accomodation, the Company shall pay house rent allowance at the rate of 60% of the salary.
   The Company shall provide equipment and appliances, furniture and fixtures and furnishing at the residence of the Managing Director at the entire cost of the Company.
   The Company shall reimburse the expenses of Gas, Electricity, water etc. The expenditure on these valued in accordance with the Income-Tax Rules, shall not exceed 10% of the Salary.

ii) Medical Reimbursement :
   Medical expenses for self and family shall be reimbursed by the Company, subject to a ceiling of one months salary in a year or three months salary over a period of three years.

iii) Leave Travel Concession :
   The Company shall provide leave travel fare for the Managing Director and the family once in a year incurred in accordance with the rules specified by the Company.

iv) Personal Accident Insurance :
   The Company shall pay personal accident insurance premium up to Rs. 4000 per annum.

**CATEGORY - B**

i) The Company shall contribute towards Provident Fund/Pension Retirement/ Annuity Fund provided that such contribution either singly or put together shall not exceed the tax free limit prescribed under the Income-Tax Act.

ii) The Company shall pay gratuity at the rate applicable to senior officials of the Company.

iii) The Managing Director shall be entitled to one months privilege leave for every eleven months service. He shall be entitled to encash unavailed leave at the end of his tenure.
   The perquisites under this category shall not be included in the computation of ceiling on remuneration.



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CATEGORY - C

i) The Company shall provide a Car with Driver at the entire cost of the Company for use of Company's business. Use of car for personal use shall be billed by the Company.

ii) The Company shall provide telephone at the residence of the Managing Director at the entire cost of the Company.

iii) In the event of loss or inadequacy of profits in any year, the Managing Director shall be entitled to remuneration by way of salary and perquisites above referred to as minimum remuneration subject, however, to the condition that the same shall not exceed the limit prescribed in the schedule XIII of the Companies Act, 1956.

It is desirable to authorise the Board of Directors of the Company to vary or amend the terms of appointment, remuneration, perquisites etc. In future in accordance with the provisions of schedule XIII of the Companies Act, 1956 any statutory modification or re-enactment thereof and/or any guidelines relating to appointment / managerial remuneration as may be rectified by the Government of India from time to time.

The Board recommends the resolutions for your approval.

MEMORANDUM OF INTEREST

Shri Manish Navnitlal may be deemed to be concerned or interested in the said resolution as it relates to his appointment and payment of remuneration to him as the Managing Director.

Smt. Devika Navnitlal, a relative of Shri Manish Navnitlal may be deemed to be concerned or interested in resolution.

By Order of the Board.
Manish Navnitlal
Managing Director

Ahmedabad
Date : 3rd November, 1999

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# DIRECTORS' REPORT

To

The Members,

## GUJCHEM DISTILLERS INDIA LIMITED

Your Directors present the Annual Report together with the audited Statement of Accounts for the year ended 31st March, 1999 which they trust will meet your approval.

**FINANCIAL RESULTS :**

The working results of the Company for the year ended 31st March, 1999 are briefly indicated below:

| | 1998-99 | 1997-98 |
|---|---|---|
| Profit (Loss) before Interest and others | (76,96,270) | 21,86,932 |
| Less : Interest | 25,69,155 | 24,00,999 |
| Results in a (Loss) after interest | (1,02,65,425) | (2,14,067) |
| Less : Provision for doubtful debts | 44,34,301 | 0 |
| Results in a (loss) after doubtful debts | (1,46,99,726) | (2,14,067) |
| Less :Income tax of earlier year | 40,92,517 | 0 |
| Result in a (loss) after income tax of earlier year | (1,87,92,243) | (2,14,067) |
| Loss brought forward | (2,40,43,067) | (2,65,29000) |
| | (4,28,35,310) | (2,67,43,067) |
| Yours Dierector have appropriated (to/from) | | |
| Less : amount transferred from General Reserve | 2,62,000 | 27,00,000 |
| Balance of (loss) carried to Balance Sheet | (4,25,73,310) | (2,40,43,067) |

Companies accumulated losses have exceeded the net worth of the company as on 31.3.1999. In view of this company has become sick industrial undertaking under the provision of Sick Industrial Companies Act, 1985. Necessary steps are being taken in this regard.

**DIVIDEND :**

In view of the losses of the current year, your Directors regret their inability to recommend dividend for the year under review.

**OPERATIONS (FINANCE) AND FUTURE PROSPECTS :**

As part of restructuring, your Directors are considering various proposal to restart the production activities of certain value added products during the year under review. Company had ma efforts to restart production activity at Ankleshwar plant. The company could made part repayment to the financial institutions towards settlement of their dues and is actively negotiating with Banks/ Institutions for one time settlement.

**DEPOSITS :**

Total outstanding deposits as on 31/03/1999 are Rs. 47.53 lac which are matured, claimed but not paid. Best efforts are being made for the repayment.

**AUDITORS OBSERVATIONS :**

The observations of the auditors in their report are explained in the note to the accounts written which are self-explanatory.

**DIRECTORS :**

Shri B. R. Shah, Director of the Company is retiring by rotation and being eligible offers himself for re-appointment. Necessary resolution for the approval of re-appointment of Shri Manish Navanitlal, Managing Director is proposed.



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**EMPLOYEES :**

There are no employees in receipt of remuneration as mentioned in section 217(2A) of the companies Act 1956.

**AUDITORS :**

The Company's Auditors M/s Sharp & Tannan, Chartered Accountants will retire at the ensuing Annual General Meeting but being eligible, offer themselves for re-appointment. The Members are requested to appoint M/s. Sharp & Tannan as Auditors for the current year and fix remuneration.

The specific notes contained in Annexure 'O' forming part of accounts referred in Auditor's Report are self explanatory and give complete information.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :**

Since Company has under taken restructuring programme for both units at Bilimora and Ankleshwar, there is no consumption of Power and Fuel. Hence details required under this clause are not given.

There is no foreign exchange earnings and outgo during the year under review.

**ACKNOWLEDGEMENT :**

We are thankful to Financial Institutions, Banks and Government Agencies for their continued support to the Company.

Your Directors acknowledge with thanks the overall support extended by Shareholders, Fixed Deposit holders, employees, Suppliers and Customers.

FOR AND ON BEHALF OF THE BOARD
**DEVIKA NAVNITLAL**
Chairperson

PLACE : **AHMEDABAD.**
DATE : **3rd November, 1999.**

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