

GUMMADI INDUSTRIES LIMITED

MD	✓		BKC	✓
CS	MA		DFY	MA
RO	✓		DIV	MA
TRA	MA			✓
AGM	✓	✓		✓
YE	✓	✓		✓



FOURTH ANNUAL REPORT
1997 - 98



CORRIGENDUM

PLEASE CARRY OUT THE FOLLOWING CORRECTIONS IN THE
FOURTH ANNUAL REPORT FOR THE YEAR ENDED - 1997-98.
OF GUMMADI INDUSTRIES LTD., SAIDAPET, CHENNAI - 15.

	INSTEAD OF	READ AS
In Page No.3, Notice, Ordinary Business Item No:1 Line No : 2	To receive thereto.	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 1998 and Profit & Loss Account for the year ended 31st March 1998 and the Report thereto.
In Page No : 11, Item No.13, Line No : 2	Section 50-A	Section 58-A
In Page No : 12, Schedule 4 : Investments	Not printed	Rs. 31600/-
Page No : 7, 12, 13	Chartered Accounts	Chartered Accountants
In Page No:12, 13, Date of Balance Sheet and Profit & Loss Account	3rd March 1998	3rd September 1998
In Page No : 15 Column 3, Line No.4	31.03.98	31.03.97
In Page No.22 Date of Annexed to Profit & Loss Account and Balance Sheet	3rd March 1998	3rd September 1998
In Page No : 25 Item No : III	Development	Deployment

Place : Chennai - 15.
Date : 03.09.98

V. Madhava Rao
Jt. Managing Director

Gummadi J Satyanarayana
Managing Director.



GUMMADI INDUSTRIES LIMITED

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Directors	: Mr. K.B. Srinivasan Mr. Johan F Aasen Mr. T.M. Narasimhan Mr. V. Venkata Rao Mr. V. Srinivas
Managing Director	: Mr. Gummadi J Satyanarayana
Jt. Managing Director	: Mr. V. Madhava Rao
Auditors	: M/s Subramanian & Swaminathan
Bankers	: Bank of Madura Limited
Registered Office	: 12, North Avenue, Srinagar Colony, Saidapet Chennai - 600 015.
Factory	: Plot Nos A 71, B 87, 88, 96 & 97 Sedarapet Industrial Estate, Sedarapet, Pondicherry - 605 101.

GUMMADI INDUSTRIES LIMITED**NOTICE**

To

The Members

Notice is hereby given that the Fourth Annual General Meeting of the Company will be held on the Monday the 28th day of September 1998 at 11 a.m. at the Registered Office of the Company No.12, North Avenue, Srinagar Colony, Saidapet, Chennai - 600 015 to transact the following business.

As Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 1998 and the Report of the Auditors and Report of Directors attached thereto.
2. To appoint Auditors to hold their office from the conclusion of next Annual General Meeting and to fix their remuneration. (M/s Subramanian and Swaminathan are retiring Auditors being eligible offers themselves for re-appointment.)

As Special Business

3. To, consider and if thought fit, to pass with or without modification, the following as Special Resolution.

RESOLVED THAT subject to the provisions of Section 268, 269 and Schedule XIII of and other applicable provisions, if any, of the Companies Act Mr. V. Madhava Rao be and he is hereby appointed Joint Managing Director of the Company for a term of 5 years commencing from 26-03-98 at a remuneration mentioned below.

- i. Salary @ Rs.15,000 pm
- ii. Reimbursement of actual conveyance expenses
- iii. House Rent Allowance shall be 60 percent of Salary over and above 10 per cent payable by the Jt. Managing Director.
- iv. Medical Reimbursement for Jt. Managing Director and his family subject to the ceiling of one month salary in a year or three months salary over a period of three years.
- v. Leave Travel Concession for Jt. Managing Director and his family subject to a maximum of one month basic salary.
- vi. Club fees subject to a maximum of two Clubs excluding Admission and Life Membership fees.
- vii. Personal Accident Insurance subject to a maximum premium amount of Rs.4000/-
- viii. Remuneration by way of commission on net profits subject to overall ceilings stipulated under Sec 198 and 309 of the Companies Act 1956.

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4. To, consider and if thought fit, to pass with or without modification, the following as ordinary resolution.

RESOLVED THAT Mr. V. Srinivas whom was appointed additional director by the Board on 9th March 1998 and whose office ceases at the ensuing Annual general Meeting and in respect of who notices under Section 257 of the Companies Act 1956 have been received from the members signifying their intention to propose him as the candidate for the office of the Director of the Company, be and is hereby appointed Director of the Company.

5. To, consider and if thought fit, to pass with or without modification, the following as ordinary resolution.

RESOLVED THAT Mr. V. Venkata Rao whom was appointed additional director by the Board on 9th March 1998 and whose office ceases at the ensuing Annual General Meeting and in respect of whom notices under Section 257 of the Companies Act 1956 have been received from the members signifying their intention to propose him as the candidate for the office of the Director of the Company, be and is hereby appointed Director of the Company.

Notes

1. In accordance with Section 173(2) of the Companies Act 1956 the explanatory statement in respect of special business set out in item 5 and 6 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend the meeting and to vote on a poll in his behalf. Such proxy need not be a member of the Company.
3. The Register of Members and Share Transfer Books of the Company will be closed from 23rd September to 28th September 1998 (both days inclusive)
4. The proxy form should be deposited at the Registered Office of the Company duly completed and signed not later than 48 hours before the commencement of the meeting.
5. Members/proxies should bring the attendance slip sent herewith duly filled in for attending the meeting. Only member/proxies will be admitted into the meeting.
6. Members desirous of obtaining any information concerning the accounts or operations of the Company are requested to send in their queries at least 10 days before the date of the meeting so that information required by the members may be readily available at the meeting.
7. Members are requested to bring their copies of Annual Report while Attending Annual General Meeting. No copies of Annual Report will be distributed at the meeting.

By order of the Board
for **Gummadi Industries Limited**

Place : Chennai
Date : 03 - 09 - 98

(**Gummadi J. Satyanarayana**)
Managing Director

GUMMADI INDUSTRIES LIMITED**Explanatory Statement Pursuant to Section 173(2) of the Companies Act 1956****ITEM No 3**

Mr. V. Madhava Rao has been appointed joint Managing Director by the Board as per the provisions of Schedule XIII of the Companies Act 1956. Subject to the approval of members at next Annual General Meeting. His term of appointment is for a period of 5 years commencing 26th March 1998 and remuneration is Rs.15,000 per month with reimbursement of actual conveyance expenses as per the board resolution dated 26th March 1998. However it is now decided to revise his remuneration and accordingly above item iii to viii were included as part of his remuneration.

Mr. Madhava Rao is instrumental in reviving operations of the Company and after his induction necessary funds for revival were infused and Bank of Madura Ltd have agreed to reschedule the credit facilities and also sanction additional credit facilities for smooth operations of the Company.

His services are essential for the Company hence Board recommend passing of this resolution.

Except Mr. Madhava Rao none of the directors are concerned and interested in the resolution.

ITEM No 4 and 5

Mr. V. Venkata Rao and Mr. V. Srinivas were appointed additional directors at the Board meeting held on 9th March 1998. In terms of the provisions of Section 260 of the Companies Act 1956 their term of office at the ensuing annual general meeting. In respect of these two directors, Company received notices from members expressing their intention to propose their candidature for directors along with deposit of Rs.500 in respect of each.

None of the Director except Mr. V. Venkata Rao and V. Srinivas are concerned and interested in the above resolutions.

By order of the Board
for **Gummadi Industries Limited**

Place : Chennai
Date : 03 - 09 - 98

(**Gummadi J. Satyanarayana**)
Managing Director