

GUMMADI INDUSTRIES LIMITED



Report  Junction.com

FIFTH ANNUAL REPORT
1998 - 99

GUMMADI INDUSTRIES LIMITED

CONTENTS

Notice

Directors Report

Auditors Report

Balance Sheet

Profit and Loss Account

Schedules

Cash Flow Statement

Company's Business Profile

Attendance Slip / Proxy Form

ANNUAL REPORT 1998 - 99

Directors	: Mr. K.B. Srinivasan Mr. Johan F Aasen Mr. T.M. Narasimhan Mr. V. Srinivas
Managing Director	: Mr. Gummadi J Satyanarayana
Jt. Managing Director	: Mr. V. Madhava Rao
Dy. Managing Director	: Mr. V. Venkata 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 Fifth Annual General Meeting of the Company will be held on Thursday the 30th day of September 1999 at 11 a.m. at the Registered Office of the Company at 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 1999 and Profit & Loss account for the year ended 31st March 1999 and the Report of the Auditors and Report of Directors attached thereto.
2. To appoint a Director in place of Mr.K B Srinivasan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr T M Narasimhan who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors to hold their office from the conclusion of this meeting upto the conclusion of the next Annual General Meeting and to fix their remuneration (M/s. Subramanian and Swaminathan are retiring Auditors and being eligible offer themselves for re-appointment).

As Special Business

5. 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 and other applicable provisions, if any, of the Companies Act, 1956 Mr. V Venkata Rao be and is hereby appointed as Dy. Managing Director of the Company for a term 3 years commencing from 01.06.1998 at a remuneration mentioned below.

- i. Salary @ Rs.10,000/= pm.
- ii. Reimbursement of actual conveyance expenses.
- iii. House Rent allowance shall be 60 percent of Salary over and above 10 percent payable by the Dy. Managing Director.
- iv. Medical Reimbursement for Dy. 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 Dy. Managing Director and his family subject to a maximum of one month basic salary.
- vi. Club fees subject to 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 profit subject to overall ceilings stipulated under Sec 198 and 309 of the Companies Act 1956.

ANNUAL REPORT 1998 - 99

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

RESOLVED that the consent and approval of the shareholders of the company be and are hereby accorded to voluntarily delist the Equity Shares of the Company from the Hyderabad Stock Exchange.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to coordinate with the Hyderabad Stock Exchange and SEBI and other authorities and to do all such acts and things as are necessary to have the shares delisted.

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

RESOLVED THAT the Articles of Association of the company be altered by adding the following paragraph after the end of the first paragraph of Article 24.

A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

RESOLVED FURTHER THAT Mr. V. Madhav Rao, Joint Managing Director of the company is hereby authorised to take all steps for giving effect to this resolution.

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 is annexed herewith.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy 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 28th September to 30th September 1999 (both days included).
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. Member 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 made readily available at the meeting.
7. Members are requested to bring their copies of Annual Report while attending Annual General Meeting.

By order of the Board
for **GUMMADI INDUSTRIES LIMITED**

Place : Chennai
Date : 31.08.1999

Sd/-
V MADHAVA RAO
Jt. Managing Director

GUMMADI INDUSTRIES LIMITED

Explanatory Statement pursuant to Section 173(2) of the Companies Act 1956**ITEM No. 5**

Mr. V Venkata Rao has been appointed as Deputy Managing Director by the Board as per the provisions of Schedule XIII of the Companies Act 1956, subject to the approval of members at this Annual General Meeting. His term of appointment is for a period of 3 years commencing 1st June 1998 and remuneration is Rs.10,000/= per month with reimbursement of actual conveyance expenses as per the Board Resolution dated 30th October 1998.

Mr. V Venkata Rao is instrumental in reviving operations of the Company and is in charge of operations at company's factory in Pondicherry.

His services are essential for the Company and your Board recommends passing of this resolution.

Except Mr. V Venkata Rao and Mr V Madhava Rao none of the other Directors are concerned or interested in the resolution.

ITEM No. 6

The Company's equity shares have presently been listed in the Madras, Bombay and Hyderabad Stock Exchanges. The number of shareholders from Andhra Pradesh is minimal and the volume of share trading in the Hyderabad Stock Exchange is very negligible. Considering these factors it has been decided to delist the shares from the Hyderabad Stock Exchange. The Board of Directors feel that the interest of the shareholders will not be affected by such delisting. Clause 47 (2)(a) of the listing agreement entered into with Hyderabad Stock Exchange Limited prescribes passing of a special resolution in this regard. Hence this resolution.

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

ITEM No. 7

The company has allotment money dues of around Rs. 24.40 lacs. The company intends to send notices to the defaulting shareholders for the payment of these dues. The Board intends to proceed with forfeiture and sell these shares or otherwise dispose them on such terms and in such manner it thinks fit, if the allotment monies alongwith interest are not received even after sufficient notice.

This resolution is for empowering the Board to proceed in this matter.

Your Board recommends passing of this resolution.

None of the directors is in anyway concerned or interested in this resolution

By order of the Board
for **GUMMADI INDUSTRIES LIMITED**

Place : Chennai
Date : 31.08.1999

Sd/-
V MADHAVA RAO
Jt. Managing Director

ANNUAL REPORT 1998 - 99

DIRECTORS REPORT

To

The Members

The Board of Directors of the Company are pleased to present the Fifth Annual Report of the Company together with audited statement of accounts for the financial year ended 31st March 1999.

FINANCIAL RESULTS

Summarised financial results for the year ended 31st March 1999 are as under :

	(Rs. in lacs)
Income	112.77
Profit before Depreciation and taxation	(15.95)
Less Depreciation	(19.81)
Loss before tax	(35.76)
Provision for tax	—
Loss for the year	(35.76)

Production was recommenced during May 1998 and by August 1998 both rotomoulding and blow moulding divisions have become fully operational. Due to demand recession of blow moulding products and the delay in procurement of open mouth barrel mould, we could achieve reasonable levels of production only in the month of February 1999. However, we were able to reduce the losses and we hope to turnaround in this current financial year. Your company has been registering better volumes during the current year and has already registered a turnover of about Rs. 140 lacs in the first five months of this financial year. In view of the revival of the operations, your Directors are hopeful that the financial performance during the current year will be satisfactory.

DIVIDEND

In view of the loss during the year under review and the carried forward losses of previous years no dividend is proposed for the year.

DEPOSITS

The Company has no deposits which are overdue.

DIRECTORS

During the year Mr. V. Venkata Rao has been appointed as Deputy Managing Director with effect from 1st June '98 subject to the approval of the members at the ensuing Annual General Meeting.

AUDITORS

M/s. Subramnian and Swaminathan, Chartered Accountants, Chennai retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment to hold office till the conclusion of the next Annual general Meeting at a remuneration to be fixed by the Board.