
**30th
ANNUAL REPORT
1998-99**

Report  junction.com

Paushak

PAUSHAK LIMITED
ALEMBIC ROAD, VADODARA-390 003.

PAUSHAK LIMITED

DIRECTORS

SHRI CHIRAYU RAMANBHAI AMIN
SHRI KAMLESH PINAKIPRASAD VAIDYA
SHRI HARKISHAN MAGANLAL GANDHI
SHRI MULJIBHAI DALPATBHAI SHAH

*Chairman
Wholetime Director*

SECRETARY

SHRI SHYAM BHATTBHATT

AUDITORS

MESSRS K. S. AIYAR & CO.,
Chartered Accountants,
49/55, Bombay Samachar Marg,
MUMBAI 400 023.

BANKERS

INDIAN BANK
RAOPURA, VADODARA 390 001.

REGISTERED OFFICE

ALEMBIC ROAD, VADODARA 390 003.

PLANTS

PANELAV, DIST. PANCHMAHALS

PAUSHAK LIMITED**NOTICE**

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Paushak Limited will be held at 'Sanskriti', Corporate Conference Centre, Alembic Colony, Opp. Pragati Sahakari Bank Limited, Vadodara-390 003 on Tuesday, the 31st August, 1999 at 4-00 p.m. to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 1999 and Profit and Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Shri H.M. Gandhi, who retires by rotation, and is eligible for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

SPECIAL RESOLUTION

"RESOLVED THAT the Memorandum of Association of the Company be amended as under :

- (a) The existing Clause No. IV be and is hereby deleted.
- (b) The existing Clause No. V be and is hereby re-numbered as Clause No. IV.
- (c) The existing Clause No. VI be and is hereby re-numbered as Clause No. V.

5. To Consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and any amendments or any re-enactments thereof, Article No. 3(A) be and is hereby deleted and in its place and stead the following be substituted as Article No. 3(A).

3(A) The Authorised Capital of the Company shall be as per Clause V of the Memorandum of Association of the Company.

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

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956, and any amendments or any re-enactments thereof, the Articles of Association of the Company be and the same are here by altered by deleting the existing Article No 73 and in its place and stead the following Article be substituted and the same be numbered as Article No. 73.

- (a) Each Director of the Company shall be paid out of the funds of the Company by way of remuneration for his services, such sum as may be prescribed for each meeting of the Board or of a Committee thereof attended by him.
- (b) If any Director be called upon to perform extra services, or to make any special exertion or to go or reside abroad for any of the purposes of the Company, the Company shall remunerate the Directors so doing, either by a fixed sum or by salary or by a percentage of profits or otherwise as may be sanctioned by an ordinary resolution of the Company, in addition to the remuneration provided in sub-Clause (a) hereof.
- (c) The Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting such sum as the Board may consider a fair compensation for travelling, hotel and other expenses incurred by him, in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company. The Directors may also allow and pay to any Director such sum as the Board may consider a fair compensation for travelling, hotel and other expenses incurred by him in connection with the business of the Company.
- (d) To pay remuneration, incur/reimburse expenses and to reimburse in any other manner (including but not limited to salary, medical expenses, telephone bills, conveyance, club fees, etc.) and to provide any other benefits and amenities free of charge within the meaning of remuneration to/for any Director, subject to the applicable provisions of the Companies Act, 1956 and rules, guidelines framed/issued thereunder and amendments/re-enactments thereof, for the time being in force and as may be applicable from time to time.

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

ORDINARY RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 94 and other applicable provisions, if any, of the Companies Act, 1956 and any amendments or any re-enactments thereof, and in accordance with the provisions of Articles of Association of the company the Authorised Capital of the Company be and is hereby increased by 40,00,000 Equity Shares each of Rs. 10/- aggregating to Rs. 4,00,00,000/- (Rupees four crores) and thereby increasing the existing Authorised Capital from Rs. 6,00,00,000/- (Rupees Six Crores) to Rs. 10,00,00,000/- (Rupees Ten Crores).

RESOLVED FURTHER THAT the existing 250, Redeemable Cumulative Preference Shares each of Rs. 100/- be and are hereby cancelled and replaced by 2,500 Equity Shares each of Rs. 10/- aggregating to Rs. 25,000/- (Rupees Twenty five thousand).

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RESOLVED FURTHER THAT the Equity Shares each of Rs. 10/- added to Authorised Capital as per aforesaid resolutions shall rank pari-passu with the existing equity shares in the Company in all respects."

8. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

SPECIAL RESOLUTION

"RESOLVED THAT pursuant to the provisions of Section 16 and other applicable provisions, if any, of the Companies Act, 1956 and any amendments or any re-enactments thereof, and in accordance with the provisions of Articles of Association of the Company, and consequent to the increase in Authorised Capital of the Company, Clause V (duly re-numbered as per earlier resolution) of the Memorandum of Association of the Company be and is hereby deleted and in its place and stead the following Clause be and is hereby substituted as Clause V."

V. The Authorised Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crores) divided into 70,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 7,00,00,000/- and 3,00,000 Redeemable Cumulative Preference Shares of Rs. 100/- each aggregating to Rs. 3,00,00,000/- with power to increase or reduce the capital of the Company or to divide the shares in the capital for the time being into several classes or to attach thereto respectively such preferential, deferred, qualified, or special rights, privileges and conditions as may be determined by or in the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be provided by the Articles of Association of the Company.

9. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution.

SPECIAL RESOLUTION

"(a) RESOLVED THAT pursuant to the provisions of sections 81, 81(1A), 79 and other applicable provisions, if any, of the Companies Act, 1956 and any amendments or any re-enactments thereof, and in accordance with the provisions of Memorandum and Articles of Association of the Company, and listing agreements entered into by the Company with Stock Exchange(s) and subject to the permission/sanction of the Central Government/Company Law Board and further subject to the guidelines and approval of the Securities and Exchange Board of India (SEBI) and approvals of Reserve Bank of India (RBI), if necessary, and consents and approvals of other concerned authorities, wherever necessary, and also subject to such other terms and conditions, alterations, deletions and modifications as may be required or prescribed under the requisite approvals, consents, sanctions and guidelines, which may be agreed to by the Board of Directors of the Company (hereinafter called "Board") and/or duly authorised Committee thereof for the time being exercising the powers conferred by the Board (hereinafter called the "Committee"), consent of the Company be and is hereby accorded to the Board/Committee to offer, issue and allot, upto 13,00,000 Equity Shares of Rs. 10/- each aggregating to Rs. 13,00,000/- in nominal value to the Promoters/Promoter group and their Associates on private placement/preferential basis or otherwise, at a price to be decided (subject to it not being less than Rs. 7/- per Equity Share) in accordance with the SEBI guidelines in force at the time and/or in accordance with the approval(s) granted by the Company Law Board or any other relevant authority in this regard, and provided that such allotment shall be subject to applicable guidelines, rules, regulations of the Securities and Exchange Board of India and on terms and conditions specified if any, in the consent/sanction as may be received from the Central Government/Company Law Board and/or any other authority in force for the time being and the Board/Committee shall decide the detailed terms and conditions as the circumstances so warrant.

(b) RESOLVED FURTHER THAT the Board/Committee of Directors be and is hereby authorised to agree to make/accept any request for modification in number of Equity Shares to be offered, issued and allotted to the Promoters/Promoter group and their Associates individually and/or inter-se within the overall limit as specified above in exercise of the power hereby conferred.

(c) RESOLVED FURTHER THAT pursuant to Section 79 of the Companies Act, 1956 and subject to the sanction of the Company Law Board, the Company hereby authorises the issue upto 13,00,000 Equity Shares of Rs. 10/- each in the Capital of the Company at a discount not exceeding Rs. 3/- (three) per share (i.e. maximum rate of discount being 30%) and for the purpose of giving effect to this resolution, the Board of Directors/Committee of Directors, of the Company be and is hereby authorised to do all acts and things as may be necessary and expedient and to agree to and accept any directions/orders of the Company Law Board and to settle any matter that may arise in connection therewith.

(d) RESOLVED FURTHER THAT such issue and allotment of Equity Shares may be made at such time, in such tranch/tranches and in such manner as the Board/Committee may, in its absolute discretion, deem appropriate.

(e) RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution for any offer, issue and allotment of the Equity Shares, the Board/Committee be and is hereby authorised to agree to and accept any modifications in the said proposal as may be required by the Central Government and concerned Statutory Authorities for the said issue, determine the amount payable on application, allotment and further calls, if any, and for the purpose of such offer, issue and allotment, to take such actions, give such directions and to do all such acts, deeds, things as may be necessary, desirable or incidental thereto and matters connected therewith including, but without limitation, entering into such arrangements and agreements as may be necessary and to finalise and issue any offer document(s) and sign all deeds, documents and pay and remunerate all agencies in relation thereto with power to the Board/

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Committee to settle all questions, and to give such directions that may be necessary in connection with any matter of such issue, offer and allotment of Equity Shares and utilisation of the issue proceeds, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board/Committee shall be binding on all members.

(f) **RESOLVED FURTHER THAT** the Equity Shares so issued and allotted shall rank pari-passu in all respects with the existing equity shares of the Company, except that they shall be entitled to dividend with effect from the date of allotment on pro-rata basis."

10. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

ORDINARY RESOLUTION

"**RESOLVED THAT** pursuant to the provisions of Section 293 and other applicable provisions, if any, of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and other applicable regulations, if any, and subject to such conditions and modifications as may be considered appropriate by the Board of Directors of the Company (hereinafter referred to as the "the Board") and/or duly authorised Committee thereof, for the time being exercising the powers conferred by the Board (hereinafter called the "Committee") and subject to such other consents and approvals, if any, of any authority as may be required, and/or such terms and conditions as may be prescribed while granting such consents and approvals and which may be agreed to by the Board/Committee, consent of the Company be and is hereby accorded to the Board/Committee to sell/transfer/lease/exchange or otherwise dispose off the Company's any one or more of the units, undertakings, businesses, divisions, land, buildings, plant and machineries, investments, rights, brands, patents, trade marks, processes or any other assets, to various parties, from time to time on such terms and conditions as the Board/Committee may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board/Committee be and is hereby authorised to negotiate and/or finalise and do all such acts, deeds, things as may be necessary, desirable or incidental thereto and matters connected therewith including to pay and remunerate all agencies in relation thereto with power to the Board/Committee to settle all questions, and to give such directions that may be necessary in connection with any matter related to above, as it may, in its absolute discretion, deem fit and any such action, decision or direction of the Board/Committee shall be binding on all members."

NOTES :

1. **Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.**
2. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than fortyeight hours before the commencement of the meeting.
3. The Register of Members will remain closed from Tuesday, the 24th August, 1999 to Tuesday, the 31st August, 1999 (both days inclusive).
4. Pursuant to Section 205A of the Companies Act, 1956 all unclaimed dividend upto the Financial Year ended on 31st March, 1994 have been transferred to the General Revenue Account of the Central Government.
Shareholders who have not encashed the Dividend warrant for the said period are requested to claim the amount from the Registrar of Companies (Gujarat), C.G.O. Complex, Opp. Rupal Park, Near Ankur Bus Stand, Naranpura, Ahmedabad 380 013.
5. Explanatory Statement setting out all material facts concerning items 4 to 10 as required under Section 173 of the Companies Act, 1956 is annexed hereto.

Registered Office :
Alembic Road,
Vadodara-390 003.
Dated : 30th July, 1999

By Order of the Board

S. B. Bhattbhatt
SECRETARY

PAUSHAK LIMITED**EXPLANATORY STATEMENT AS REQUIRED UNDER
SECTION 173 OF THE COMPANIES ACT, 1956****Item No. 4 & 5 :**

The existing Clause IV of the Memorandum of Association of the Company is no longer relevant and therefore needs to be deleted. Further, on deletion, the existing Clauses V & VI need to be re-numbered accordingly. The resolution at Item No. 4 intends to give effect to this change. Consequent to the re-numbering, the capital Clause mentioned in the relevant Article No. 3 (A) also requires modification. The special resolution at Item No. 5 seeks to modify the Article No 3A in Articles of Association of the Company, to bring it in line with the re-numbering of Clause done as per item No. 4 of the Notice.

The Directors recommend the resolution No. 4 & 5 for approval of the Members.

None of the Directors is interested or concerned with the proposed resolutions.

Item No. 6 :

The existing provisions on remuneration to the directors in the Articles of Association are somewhat restrictive in nature and not in line with current practices. The Company may be required to pay remuneration and/or incur/reimburse expenses and/or remunerate in any other manner.

As per the applicable legal provisions, the Articles of Association of the company should authorise the Board of Directors to pay remuneration and/or incur/reimburse expenses and/or remunerate any other manner, and hence the resolution.

The Directors recommend the resolution for Members' approval.

The Directors are deemed to be concerned or interested in the said resolution to the extent the remuneration/reimbursement of expenses which may be paid/made to the Directors.

Item No. 7 & 8 :

The Company may be required to raise an additional capital for part financing business development and for augmenting long term sources of capital from time to time. Such further issue of capital may exceed the present authorised capital of Rs. 6,00,00,000/- (Rupees Six Crores) and hence the Board of Directors deems it appropriate to increase Authorised Capital of the Company to Rs. 10,00,00,000/- (Rupees Ten Crores).

The resolutions at item no. 7 & 8 of the Notice seek the approval of the members as per the provisions of Section 94 of the Companies Act, 1956 for increase in the authorised capital and consequent amendment in Clause V (re-numbered) of the Memorandum of Association.

It is also desirable to cancel existing 250, Redeemable Cumulative Preference Shares of Rs. 100/- each aggregating to Rs. 25,000/- as the Company does not have any plans to issue the same. Further the same may be converted into 2,500 equity shares of Rs. 10/- each aggregating to Rs. 25,000/-.

Consequent to the increase in the authorised capital, Capital Clause V (re-numbered), in Memorandum of Association of the Company needs to be amended accordingly.

A copy of the existing Memorandum and Articles of Association together with the proposed alterations to the Capital Clause are available for inspection to any member of the Company at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day of the Company.

The Directors recommend the resolutions at item no. 7 & 8 for approval of the Members.

None of the Directors is interested or concerned with the proposed resolutions.

Item No. 9 :

The Company's financial position has been adversely affected in last two years on account of losses incurred due to poor market conditions. In order to overcome the current situation, and to raise long terms funds and also to meet various other business requirements, the Company has planned to issue equity share capital. Considering various aspects, it has also been thought desirable to issue upto 13,00,000 Equity Shares of Rs. 10/- each, aggregating to Rs. 1,30,00,000/- in nominal value to Promoters/Promoter group and Associates at a price, to be determined in accordance with the SEBI guidelines as applicable and subject to approval/consent, if any, of any relevant authority such as Company Law Board etc. Incidentally this will also increase the holding of Promoters/Promoter group and Associates in the Company's share capital. It may be noted that as per SEBI guidelines on Preferential Issue the price at which these shares can be offered comes to about Rs. 4.80. However, the Company will be issuing at a price not less than Rs. 7/- per Equity Share. The issue at discounted offer price is subject to the approval of the Company Law Board under Section 79 of the Companies Act, 1956.

As per the provisions of Section 79 of the Companies Act, 1956, any issue of shares at discount, requires approvals of members and thereafter the Company Law Board. Since the proposed issue may be made at discount (of not more than Rs. 3/- (three) per share i.e. at maximum rate of discount being 30%), the Company seeks the approval of the members and thereafter it will apply to the Company Law Board for its approval. Part (c) of this resolution is specifically proposed for the compliance of provisions of Section 79.

Present shareholding pattern of the Company and future shareholding pattern after the proposed preferential allotment of 13,00,000 Equity Shares is as under :

PAUSHAK LIMITED

Sr. No.	Name	Present Holding		No. of Shares Proposed to be Issued	After Proposed Issue*	
		No. of Shares	% of the Present Capital		No. of Shares	% of the Post-Issue Capital
(A)	PROMOTERS/PROMOTER GROUP :					
1.	Alembic Ltd.	360210	21.21	550000	910210	30.35
2.	Sierra Investments Ltd.	58708	3.46	400000	458708	15.30
3.	Nirayu Pvt. Ltd.	11055	0.65	130000	141055	4.70
4.	Shreno Investment & Finance Ltd.	--	--	145000	145000	4.84
5.	Aavaran Ltd.	200	0.01	75000	75200	2.51
6.	Darshak Ltd.	26215	1.54	--	26215	0.87
7.	Shreno Ltd.	8215	0.48	--	8215	0.27
8.	Purak Vinimay Ltd.	8000	0.47	--	8000	0.27
9.	Others	63495	3.74	--	63495	2.12
10.	Total	536098	31.56	1300000	1836098	61.23
(B)	OTHERS (Corporate Bodies, Trusts, NRIs & Individuals)	1162562	68.44	--	1162562	38.77
(C)	GRAND TOTAL	1698660	100.00	1300000	2998660	100.00

(* This is subject to any modification in terms of part (b) of the resolution regarding inter-se changes. However, the overall percentage of the promoters/promoter group will not change).

Pursuant to the proposed preferential allotment :

1. There will be no change in the Board of Directors of the Company.
2. There will be a change in the voting of the Promoters/Promoter group as indicated above.
3. There will be no change in the control of the Company.

The Directors recommend the resolution for Members' approval.

The certificate of the Statutory Auditors of the Company, certifying that the Preferential Issue of shares is being made in accordance with prevailing guidelines, will be available for inspection to the Members at the place of the meeting.

All other documents referred to in the Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day.

The Directors are deemed to be concerned or interested in the said resolution to the extent Equity Shares which may be offered to above referred companies in which they, together with their relatives, if any, are holding the equity shares and/ or they are directors of any of the aforesaid companies.

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Item No. 10 :

The Company is planning to undertake various business restructuring activities in order to achieve business synergies, discontinue low margin activities/products, improve overall profitability, rationalise market position etc. The Company may also, as a long term strategy and for improvement in the areas of core competencies, may decide to sell/transfer/lease/exchange or otherwise dispose of any one or more of the units, undertakings, businesses, etc., more particularly, sale or lease of land areas, buildings, some of the production facilities at Panelav in Gujarat State, and disposal of Company's investments.

Section 293 of the Companies Act, 1956 requires the consent of the members in general meeting for sale, lease or otherwise disposal of whole or substantially the whole of the undertaking and since disposal of any unit, businesses, undertakings or properties and assets may be deemed to be disposal of undertakings, the resolution seeks such consent of the members.

In order to avoid delays in finalising any proposal in the event of any such suitable offers, proposals or opportunities arising, the Directors deem it appropriate to seek this approval of the members as an enabling provision. However, the Directors shall keep the interest of members upper most in their mind while considering any such proposal.

The Directors recommend, in the interest of the Company, passing of such resolution by the members.

The Directors may be deemed to be interested to the extent the Company's units, undertakings, businesses, divisions, lands, buildings, plant and machineries, investments, rights, brands, patents, trade marks, processes, any other assets which may be sold/ transferred/ leased/exchanged to the Companies/Firms in which the Directors and/or any of their relatives are directors/partners/proprietors or members.

Registered Office :
Alembic Road,
Vadodara 390 003
Dated : 30th July, 1999

By order of the Board

S. B. Bhattbhatt
Secretary



PAUSHAK LIMITED

DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the Thirtieth Annual Report and Audited Statement of Accounts of the Company for the financial year ended 31st March, 1999.

	1998-99 Rs.	1997-98 Rs.
1. FINANCIAL RESULTS :		
Profit/(Loss) before Depreciation and Taxation	<u>(6,593,687)</u>	<u>(25,852,933)</u>
Less : (i) Depreciation	--	289,873
(ii) Provision for Taxation	--	--
Net Profit/(Net Loss)	<u>(6,593,687)</u>	<u>(26,142,806)</u>
Add : (i) Excess provision no longer required	--	4,835
(ii) Profit/(Loss) brought forward from last account	(4,005,306)	285,008
(iii) Income in respect of previous year	--	518,271
(iv) Transferred from Investment Allowance Reserve	--	136,137
(v) Excess provision of Income Tax for earlier year	--	467,270
	<u>(10,598,993)</u>	<u>(24,731,285)</u>
Less : Expenses in respect of previous year	<u>1,442,391</u>	<u>1,532,424</u>
Balance	<u>(12,041,384)</u>	<u>(26,263,709)</u>
Adjustment :		
(i) Transferred from General Reserve	--	22,258,403
Surplus/(Deficit) carried to next year's account	<u>(12,041,384)</u>	<u>(4,005,306)</u>

2. DIVIDEND :

In view of loss no recommendation for dividend is made by your Directors.

3. OPERATIONS :

The Sales turnover for the year ended 31st March, 1999 showed an increase of Rs. 488 lacs over the previous year, thereby indicating a rise of nearly 21%. The losses without depreciation and taxation for the year under review have been lower at Rs. 66 lacs as compared to Rs. 261 lacs of the previous year.

The demand scenario in the pesticides market remained stagnant, and due to oversupply, formulators resorted to dumping which resulted into extended credit periods leading to delayed recoveries, which in turn has nullified the benefits of growth in turnover. The time has come for us to review the Company's presence in the Pesticides business as the margins are very low and delayed recoveries are putting heavy pressure on the finances.

In order to strengthen the Company's financial position, your directors have contemplated to make Preferential issue of equity shares to Promoters/Promoter group and Associates and for the purpose necessary resolution will be considered in the ensuing Annual General Meeting.

On export front, Isoproturon staged some recovery and during the current year a further rise is expected with support from other products especially TCC.

4. RESEARCH & DEVELOPMENT :

Your Company continued its concentration, during the year under review, on research and development activities leading to reduction of process cycle, improvement in yields and achievement of higher quality of output, in existing product mix. New products utilising our existing rated capacities are under development stage.

PAUSHAK LIMITED**5. SAFETY, HEALTH & ENVIRONMENT :**

During the year, various safety programmes for safety awareness and safe working conditions were held in the factory premises. Phosgene gas sensors were commissioned in all plants.

Company has put more emphasis on maintaining various emission standards and has enforced strict control measures to ensure that the effluent, solid waste and emission are well within the specified limits.

In order to improve environment, plantation in and around the factory and township complex is carried out. Mock-drill of on-site emergency plans are being carried out periodically.

6. FIXED DEPOSITS :

The Fixed deposits including loans from shareholders of the Company as on 31 March, 1999 amounted to Rs. 15,777,000/- out of which deposits aggregating to Rs. 323,000/- from 49 depositors have not been renewed on due dates. Deposits of Rs. 167,000/- have since been repaid or renewed at the option of 16 depositors and for balance of Rs. 156,000/- from 33 depositors, no instructions have been received so far.

7. PARTICULARS OF EMPLOYEES :

In compliance with the provisions of Section 217 (2A) of the Companies Act, 1956, a statement giving requisite information is annexed hereto (Annexure A) and forms part of the report.

8. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE :

Information pursuant to Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, is given in the Annexure -B hereto and forms part of this report.

9. DIRECTORS :

Pursuant to the provisions of Section 256 of the Companies Act, 1956, Shri H.M. Gandhi, Director of the Company retires by rotation at this Annual General Meeting and is eligible for reappointment.

10. AUDITORS' REPORT :

With reference to the observations made in the Auditors' Report the Notes on Accounts as contained in Schedule "U" of the Annual Accounts are self explanatory and therefore, do not call for any further comments under Section 217 (3) of the Companies Act, 1956.

11. APPOINTMENT OF STATUTORY AUDITORS :

M/s. K. S. Aiyar & Co. Chartered Accountants, Mumbai the Company's Auditors, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment as Auditors. Members are requested to re-appoint them and fix their remuneration.

12. ACKNOWLEDGEMENTS :

The Directors place on record their appreciation for the support received from various financial institutions, bankers to the Company, Government & Semi Government bodies.

The Labour-Management relations remained harmonious and the Directors wish to place on record their high appreciation of the employees at all levels for their unstinted efforts and contribution to the Company during its difficult phase.

VADODARA
30th July, 1999.

On behalf of the Board
Chirayu R. Amin
Chairman