



# 49th ANNUAL REPORT 1996-97

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## NOTICE

Notice is hereby given that the 49th Annual General Meeting of the members of Geep Industrial Syndicate Limited will be held on Wednesday, 30th July, 1997 at 11.00 A.M. at the Registered Office of the Company at 28, South Road, Allahabad to transact the following business :

### ORDINARY BUSINESS

1. To consider and, if thought fit, to approve and adopt the audited accounts of the Company for the year ended on 31st March, 1997 and the Balance Sheet as at that date together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To elect a Director in place of Mr. Kush Bhargava, who retires by rotation and being eligible, offers himself for re-election.
4. To elect a Director in place of Mr. Tahir Hasan, who retires by rotation and being eligible, offers himself for re-election.
5. To appoint Auditors and to fix their remuneration.

To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution relating to the appointment of Auditors of the Company :

"RESOLVED as a Special Resolution that pursuant to the provisions of Section 224-A and other applicable provisions, if any, of the Companies Act, 1956, the retiring Auditors M/s P. L. Tandon & Co., Chartered Accountants be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors for auditing the accounts of the Company for the year 1997-98."

### SPECIAL BUSINESS

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

"RESOLVED as a Special Resolution that pursuant to the provisions of Section 198, 269, 309, 310, 316 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, appointment of Mr. Saeed Mustafa Shervani, who is also the Managing Director of Star Hotels Limited, New Delhi, as Joint Managing Director of the Company to look after the management of whole of the affairs of the Company subject to superintendence, control and direction of the Board of Directors for a period of five years w.e.f. 2nd September, 1996 with the condition that he shall not draw remuneration from the Company but will be entitled only to the reimbursement of travelling, entertainment and other out of pocket expenses incurred for the business of the Company be and is hereby approved.

RESOLVED FURTHER that in terms of newly inserted Section III in Part II of Schedule XIII to the Companies Act, 1956 permission be and is hereby accorded that Mr. Saeed Mustafa Shervani, Joint Managing Director be paid the following remuneration w.e.f. 1st December, 1996 in addition to the remuneration already being drawn by him as Managing Director of Star Hotels Ltd., New Delhi :

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MD			BKC	
CS			DPY	
RO			DIV	
TRA			AC	
AGM			SHI	
YE				

1. Salary Rs. 20,000/- per month.
2. Perquisites - In addition to salary, Mr. S.M. Shervani shall be entitled to the following perquisites, however, the monetary value of those under Category A shall be restricted to an amount not exceeding the limits prescribed under Schedule XIII of the Companies Act, 1956. -

#### CATEGORY A

1. **Housing 1** : The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceiling :  
60% of salary, over and above 10% payable by Mr. S.M. Shervani himself.
- Housing 2** : In case the accommodation is owned by the Company, 10% of the salary of Mr. S.M. Shervani shall be deducted by the Company.
- Housing 3** : In case no accommodation is provided by the Company, Mr. S.M. Shervani shall be entitled to House Rent Allowance subject to ceiling laid down in Housing 1.

The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. S.M. Shervani.

2. **Medical Reimbursement :**

Expenses incurred for self and family subject to a ceiling of one month's salary of Mr. S.M. Shervani in a year or three month's salary over a period of three years.

For the purpose of Category A, "Family" means the spouse, dependent children and dependent parents of Mr. S.M. Shervani.

#### CATEGORY B

1. **Contribution to the Provident Fund, Superannuation Fund or Annuity Fund :**  
Company's contribution to the Provident Fund or 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 :**  
Gratuity at the rate not exceeding half a month's salary for each completed year of service.
3. **Leave :**  
Leave on full pay and allowances as per rules of the Company. Unavailed leave shall be encashable at the end of the tenure.

#### CATEGORY C

1. **Conveyance :**  
Free use of Company's car for Company's work along with driver, petrol. However cost incurred for personal use of car will be borne by the Joint Managing Director.

**2. Telephone :**

Telephones at residence at company's cost. Personal long distance calls will be borne and paid by Joint Managing Director.

RESOLVED FURTHER that, in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Shervani's office as Joint Managing Director, the remuneration and perquisites set out in the afore-mentioned resolution be paid or granted as minimum remuneration, provided that the total remuneration by way of salary, perquisites and any other allowances including remuneration being drawn from Star Hotels Limited shall not exceed the ceiling of Rs. 10,50,000 per annum or Rs. 87,500 per month and the perquisites as provided in Section II of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTHER that for the purpose of giving effect to these resolutions, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

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

"RESOLVED as a Special Resolution that pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, Mr. Tahir Hasan, Director be and is hereby appointed as 'Occupier - Whole Time Director' of the Company for a period of five years with effect from 1st June, 1997 on the following terms and conditions and remuneration including perquisites in accordance with the limits specified in Part II of Schedule XIII to the Companies Act, 1956 :

1. Salary - Rs. 15,000/- per month.
2. Perquisites - In addition to salary, Mr. Tahir Hasan, shall be entitled to the following perquisites, however, the monetary value of those under Category A shall be restricted to an amount not exceeding the limits prescribed under Schedule XIII of the Companies Act, 1956.

**CATEGORY A****1. Housing :**

The expenditure by the Company on hiring unfurnished accommodation will be subject to the following ceiling :

Unfurnished residential accommodation subject to deduction of 10% of his salary towards rent.

The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per the Income Tax Rules, 1962. This will, however, be subject to a ceiling of 10% of the salary of Mr. Tahir Hasan.

**2. Medical Reimbursement :**

Expenses incurred for self and family subject to a ceiling of one month's salary of Mr. Tahir Hasan in a year or three month's salary over a period of three years.

For the purpose of Category A, 'Family' means the spouse, dependent children and dependent parents of Mr. Tahir Hasan.

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3. **Personal Accident Insurance :**  
Premium not to exceed Rs. 4,000/- per annum.
4. **Club Fees :**  
Fees of clubs subject to maximum of two clubs. This will not include admission and life membership fee.
5. **Leave Travel Concession :**  
For self and family, once in a year incurred in accordance with the rules of the Company.

**CATEGORY B**

1. **Contribution to the Provident Fund, Superannuation Fund or Annuity Fund :**  
Company's contribution to the Provident Fund or 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 :**  
Gratuity at the rate not exceeding half a month's salary for each completed year of service.
3. **Leave :**  
Leave on full pay and allowances as per rules of the Company. Unavailed leave shall be encashable at the end of the tenure.

**CATEGORY C**

1. **Conveyance :**  
Free use of Company's car for Company's work along with driver, petrol. However, cost incurred for personal use of car will be borne by 'Occupier - Whole Time Director'.
2. **Telephone :**  
Telephones at residence at Company's cost. Personal long distance calls will be borne and paid by 'Occupier -Whole Time Director'.

RESOLVED FURTHER that, in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Tahir Hasan's office as 'Occupier - Whole Time Director', the remuneration and perquisites set out in the afore-mentioned resolution be paid or granted as minimum remuneration, as provided in Section II of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

RESOLVED FURTHER that for the purpose of giving effect to these resolutions, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient, usual and proper in the best interest of the Company."

By Order of the Board

Allahabad  
Date : 30th, June 1997

P. K. Nigam  
Company Secretary

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956

### ITEM NO. 6

The Office of the Managing Director in our Company was relinquished from 1st September, 1996 by Mr. Saleem Iqbal Shervani consequent upon his induction as a Minister of State in the Central Government. Mr. Saeed Mustafa Shervani, who was the director of the company since January 1986, who is also the Managing Director of Star Hotels Limited, New Delhi, is an experienced businessman. After considering his experience and abilities and to ensure smooth functioning of the business of the Company, your Directors in their meeting held on 2nd September, 1996 appointed Mr. Saeed Mustafa Shervani as Joint Managing Director for a period of 5 years w.e.f. 2nd September, 1996 with the condition that he shall not be paid remuneration from the Company till he draws remuneration from Star Hotels Limited. As per the provisions of Schedule XIII of the Companies Act, 1956 (applicable at the time of his appointment) a person, who is managerial personnel of more than one company, could draw remuneration only from one company. Mr. S.M. Shervani who was drawing remuneration as Managing Director from Star Hotels Limited decided to continue to draw his remuneration from Star Hotels Limited.

Subsequently, the Central Government issued a Notification No. 418(E) dated 12th September, 1996 by adding Section III to Part II of Schedule XIII permitting a managerial personnel to draw his remuneration from one or both the companies, provided that the total remuneration drawn from the Companies does not exceed the higher maximum limit admissible from any one of the Companies of which he is a managerial person. Your Directors in their meeting held on 28th March, 1997 resolved to pay him remuneration also from the Company w.e.f. 1st December, 1996, as set out in the resolution placed for your approval.

The appointment and remuneration under Schedule XIII is subject to the approval of the Shareholders in the General Meeting. The Board has placed the afore-mentioned Special Resolution for your approval.

### MEMORANDUM OF INTEREST

Mr. Saeed Mustafa Shervani is concerned or interested in the resolution as appointee.

Mrs. T. R. Shervani, Chairperson, Mrs. Salma Hasan and Mr. Tahir Hasan being related to the Appointee as mother, sister and sister's husband may be considered interested in his appointment.

The Explanatory Statement together with the notice should be treated as an abstract of the terms and conditions under Section 302 of the Companies Act, 1956.

### ITEM NO. 7

Mr. Tahir Hasan, Director was nominated as Occupier under the Factories Act, 1948 by the Board of Directors in its meeting held on 28th March, 1997. Mr. Hasan is a business executive having vast experience and diversified knowledge of trade, finance & industry. To discharge the duties and responsibilities as Occupier the Directors felt necessary that he should devote his full time. The Board of Directors in its meeting held on 26th May, 1997 appointed Mr. Tahir Hasan as 'Occupier - Whole Time Director' under the provisions of Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 for a period of 5 years with effect from 1st June, 1997 on the terms and conditions as set out in the resolution placed for your approval.

His appointment and remuneration under Schedule XIII is subject to the approval of Shareholders in the General Meeting. The Board has placed the afore-mentioned Special Resolution for your approval.

### MEMORANDUM OF INTEREST

No other Director except Mr. Tahir Hasan (appointee) is concerned or interested in the resolution.

The Explanatory Statement together with the notice should be treated as an abstract of the appointment and terms & conditions under Section 302 of the Companies Act, 1956.

Allahabad  
Date : 30th, June 1997

By Order of the Board  
P. K. Nigam  
Company Secretary



**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND, ON A POLL TO VOTE INSTEAD OF HIMSELF. PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and the Share Transfer Books shall remain closed from 16th July, 1997 to 23rd July, 1997 (both days inclusive) for the purpose of declaration of dividend.
3. The dividend, if declared will be paid to those Share-holders whose names appear on the Register of Members on 23rd July, 1997
4. Members are requested to intimate to the Company immediately any change in their address alongwith Pin code number indicating their Folio Number.
5. In terms of the provisions of Section 205A (5) of the Companies Act, 1956, the un-claimed dividend for the financial year ended on 31st March, 1993 amounting to Rs. 32,224.45 has been transferred to the General Revenue Account of the Central Government. Those Shareholders who have so far not claimed or collected their dividend for the said financial year, may claim it from the Registrar of Companies, U.P., Kanpur by submitting an application in the prescribed form.



1996 - 97



.....from the desk of the Joint Managing Director



*D*ear Shareholders,

It is a great privilege for me to provide leadership to the company as the Joint Managing Director. During the last few years, your company has taken great strides forward, and it will be my responsibility to ensure that it continues its strategic programme of reconstruction and growth.

As I take over the job, I am keenly aware of the challenges ahead. Yet at the same time as we set out to make Geep a leading player in the industry by the turn of the century, I am also quite certain that the worst is behind us. We face an exciting future indeed.

I am a firm believer that shareholders' support is essential, and that all shareholders have a right to detailed information and facts about the company. Therefore, it is my great pleasure to present to you the Statement of Accounts and Balance Sheet for the year 1996-97. We have not only taken great pains to provide information and facts of accounting in greater detail but have also added a number of interesting analysis and articles this year.

I hope that this Annual Report, apart from giving you a flavour of the top management team, will also provide you with a better idea of the industry and market trends as well as your company's future prospects.

Sincerely,

Saeed Mustafa Shervani

