

50th

**ANNUAL
REPORT
1997-98**





NOTICE

Notice is hereby given that the 50th Annual General Meeting of the members of Geep Industrial Syndicate Limited will be held on Wednesday, the 29th July, 1998 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 31st March, 1998 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. R. R. Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To elect a Director in place of Mr. Mohd. Fazal, who retires by rotation and being eligible, offers himself for re-appointment.

5. To appoint Auditors and 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 later on for auditing the accounts of the Company for the Financial Year 1998-99."

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Saleem Iqbal Shervani who was appointed as an additional director and there after the Managing Director of the Company in the meeting of the Board of Directors of the Company held on 3rd April, 1998 and who holds office as such upto the date of 50th Annual General Meeting and from whom a notice under Section 257 of the Companies Act, 1956 has been received signifying his intention to propose him as a candidate for the office of the Director of the Company be and is hereby appointed as a Director 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, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and article 92 of the Articles of Association of the company the appointment of Mr. Saleem Iqbal Shervani as Managing

Director of the company to look after the management of whole of the affairs of the company subject to the Superintendence, control and Direction of the Board of Directors for a period of five years w.e.f. 3rd April, 1998 on the following terms and conditions and remuneration including perquisites in accordance with the limits specified in Part II of the Schedule XIII to the Act be and is hereby approved :

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|----|--|---|---|
| A. | Salary | : | Rs. 60,000/- per month. |
| B. | Commission | : | 1% of the net profit of the Company. |
| C. | Perquisites: | | |
| | I) Housing | : | Unfurnished residential accommodation subject to deduction of 10% of his salary towards rent. |
| | II) Medical reimbursement for self and family | : | One month's salary in a year or three month's salary over a period of three years. |
| | (III) Leave travel concession for self & family | : | In accordance with the rules framed by the Company in this regard. |
| | IV) Earned/Privilege Leave | : | In accordance with the rules framed by the Company in this regard. |
| | V) Personal Accident / Mediclaim Insurance | : | In accordance with the rules framed by the Company in this regard. |
| | VI) Club Fees | : | Fees of clubs subject to a maximum of two clubs except admission & life membership fees. |
| | VII) Company's contribution towards Provident Fund | : | 12% of salary |
| | VIII) Company's contribution towards Superannuation Fund or Annuity Fund | : | 15% of salary |
| | IX) Gratuity | : | One half month's salary for each completed year of service. |
| | X) Encashment of Leave | : | In accordance with the rules framed by the Company in this regard at the end of the tenure. |

The aforesaid perquisites stated in I, VII, VIII, IX and X will not be included in the computation of the ceiling on remuneration as specified in Part II of the Schedule.

- XI) Provision of car for use on Company's business and telephone at residence will not be considered as perquisites, personal long distance calls on telephone and use of car for private purpose shall be billed by the Company.

'RESOLVED FURTHER that in the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid remuneration by way of salary and perquisites as specified above, or Rs.87,500 per month whichever is less as 'minimum remuneration' as specified in Schedule XIII to the Act."

8. 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 the Section 309 and 310 read with Schedule XIII of the Companies Act, 1956 the modifications in the perquisites to Mr. Tahir Hasan, Whole-time Director of the company made w.e.f. 3rd April, 1998 by adding the following perquisite which relate to the Mediclaim Insurance for himself and his family as perquisite No.6 of category A of his perquisites be and is hereby approved :

CATEGORY "A"

6. **Mediclaim Insurance** : In accordance with the rules framed by the company in this regard.

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

"RESOLVED that the consent of the company be and is hereby accorded in terms of section 293 (l) (a) and other applicable provisions, if any, of the companies Act, 1956, to the Board of Directors of the Company to mortgaging and/or charging the whole of the properties of the company, present and future, situated at Mallital, Nainital and known as Shervani Lodge in favour of :

- a) "Small Industries Development Bank of India" by way of first charge to secure a credit limit of Rs. 75 lacs sanctioned to the company under the Scheme of Direct Discounting of Bills, together with interest, charge and other moneys payable by the company to SIDBI.
- b) "Debenture Trustees of 15% (Vth issue) Secured Non Convertible Debentures" by way of second charge to secure the amount of company's 15% (Vth issue) Secured Non Convertible Debentures aggregating to Rs. 1 (one) crore together with interest, charge and all other moneys payable by the company to the holders of the said debentures.

'RESOLVED further that the Board of Directors of the company be and is hereby authorised to discuss and agree to the terms and conditions of the Securities and mortgage / charge, to execute all necessary documents for creating mortgage / charge and to do all such acts, things and deeds as may be necessary for giving effect to the above resolution."

Place : Allahabad

By Order of the Board

Dated 30 th June, 1998

For Geep Industrial Syndicate Limited

Registered Office :
28, South Road,
Allahabad - 211 001

R. J. MALIK
Company Secretary

NOTES :

1. The explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of the resolutions set out under item nos. 6 to 9 are annexed.
2. 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, and the proxy need not be a member. A proxy form is enclosed. Proxies in order to be effective must be duly stamped, completed, signed and deposited at the Regd. office of the Company not less than 48 hours before the meeting.
3. The register of Members and the Share Transfer Books shall remain closed from 16th July, 1998 to 23rd July, 1998 (both days inclusive) for the purpose of declaration of dividend.
4. The dividend, if declared will be paid to those Shareholders whose names appear on the Register of Members on 23rd July, 1998.
5. Members are requested to intimate to the Company immediately any change in their address alongwith Pin Code number indicating their Folio Numbers.
6. 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, 1994 amounting to Rs. 40,134.85 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.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6 & 7

Mr. Saleem Iqbal Shervani who has earlier been Managing Director of the company from 1981 to 1995 and resigned from the company on being inducted as Minister in Union Government is no more in the Ministry. Presently he is the member of Parliament only and in a position to serve the company as Managing Director again. Your Board of Directors has appointed Mr. S. I. Shervani as Managing Director in its meeting held on 3rd April, 1998 for a period of 5 years w.e.f. 3rd April, 1998 under the provision of Section 198, 269, 309 and 310 read with Schedule XIII of the Companies Act, 1956 and on the terms and conditions as set out in the resolution of item No.7 placed for your approval. Before his appointment as Managing Director he was appointed as an Additional Director on the Board in the above referred meeting.

The company has received a notice dated 2nd April, 1998 from Mr. Shervani under Section 257 of the Companies Act 1956 proposing himself as a candidate for the appointment as Director in the 50th Annual General Meeting.

As per the provisions of Section 257 of the Companies Act, the shareholders of the company may appoint a person who has given the notice under this Section, as Director by passing an ordinary resolution.

Appointment of Mr. S. I. Shervani, Managing Director and fixation of his remuneration under Schedule XIII is subject to approval of Share holders by Special Resolution in the General Meeting.

The Board has placed the aforementioned ordinary resolution as item No.6 of the notice pertaining to his appointment as Director and Special Resolution as Item No.7 of the notice for confirmation of his appointment as Managing Director for your kind approval.

Mr. Saleem Iqbal Shervani is concerned or interested in the resolution as appointee.

Mrs. T. R. Shervani, Chairperson, Mr. S.M. Shervani, Joint Managing Director, Mrs. Salma Hasan and Mr. Tahir Hasan, being related to the Appointee as mother, brother, 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. 8

Mr. Tahir Hasan was appointed as Whole-time Director in the Board Meeting held on 28th March, 1997 and it was approved by the Share holders in its 49th Annual General Meeting. Your Directors are of the view that being the Whole Time Director all the policies and rules framed by the Company for the employees do also apply to Mr. Tahir Hasan. Accordingly your Directors have made a partial modification in their meeting held on 3rd April, 1998 under the provisions of Section 309 and 310 of the Companies Act 1956 in the perquisites of Mr. Tahir Hasan to govern him with the Mediclaim Insurance facility arranged by the Company for employees as set out in the Special Resolution placed for your approval.

Modification in his perquisites under Schedule XIII is subject to the approval of Share holders by Special Resolution in the General Meeting.

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

ITEM NO. 9

In order to arrange sum funds for working capital requirements, the company has approached 'Small Industries Development Bank of India' for financial assistance of Rs.75 lacs in the form of a credit limit under its scheme of direct discounting of bills and for the same purpose the Board has also made an issue of 15% (Vth issue) Non Convertible Secured Debentures of Rs.1 (one) crore through private placement.

The financial assistance from Small Industries Development Bank of India and amount of 15% (Vth issue) Non Convertible Secured Debentures have to be secured by mortgage and charge on all the immovable and movable properties of the company, present and future, situated at Mallital, Nainital, and known as Shervani Lodge.

Section 293 (l) (a) of the Companies Act, 1956 provides, inter alia, that the Board of Directors of a public company shall not without the consent of Share holders in general meeting, sell, lease or otherwise dispose of the whole, substantially the whole, of the undertaking of the Company or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking.

Since the mortgaging by the Company of its immovable and movable properties as aforesaid in favour of the SIDBI and debenture trustees of 15% (Vth issue) Debentures may be regarded as disposal of the Company's properties undertakings it is necessary for the members to pass a resolution under Section 293(l)(a) of the Companies Act, 1956 before creation of the said mortgages/charges.

Copy of the sanction letter NO.KPBO- 3650/DDS-C(Geep) dated 18.11.97 received from SIDBI and the other documents / correspondence with the said institution and draft letter of offer for the proposed issue of 15% (Vth issue) non convertible secured debentures are open for inspection of the members at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M on any working day prior to the date of meeting.

No Director of the company is directly or indirectly interested in the resolution.

By Order of the Board

Allahabad
Dated 30th June, 1998

R. J. MALIK
Company Secretary

Reg. Folio No.

No. of Shares held :

Equity

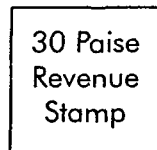
Deferred

PROXY FORM

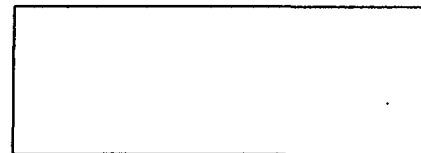
I / We _____
 of _____ in the district
 of _____ being a member/members of
 Geep Industrial Syndicate Limited hereby appoint _____
 of _____ in the district of
 or failing him _____ of _____
 _____ in the district of _____

as my / our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the company to
 be held on Wednesday, 29th July, 1998 and at any adjournment thereof.

Signed this _____ day of _____ 1998



Specimen Signature of Proxy



Signature _____

Note : The Proxy Form duly completed must be deposited at the Registered Office of the Company
 not less than 48 hours before the time for holding the meeting.

