

13th ANNUAL REPORT 2000 - 2001

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Taneja Aerospace and Aviation Limited 

Taneja Aerospace and Aviation Limited

BOARD OF DIRECTORS

MR. KHUSHROO RUSTUMJI	- Chairman
MR. SALIL TANEJA	- Managing Director
MR. ARVIND NANDA	- Joint Managing Director
MR. ASHOK KUMAR JAIN	
MR. RAKESH SURIE	
MR. JAGDISH PRASAD SUREKA	
MR. BALDEV RAJ TANEJA	

AUDITORS

M/S. HARESH UPENDRA & CO.
Chartered Accountants
233, Patil Plaza Business Complex
Parvati
Pune - 411 009

BANKERS

BANK OF INDIA
BANK OF BARODA
CANARA BANK
STATE BANK OF INDIA

SHARE TRANSFER AGENTS

Indseam Services Limited
4/16, Sadamangal Society
Opp. Mahendra Society
Pune - Ahmednagar Road
Yerawada
Pune - 411 006

REGISTERED OFFICE

Lunkad Towers, S. No. 199
Plot No. 3, Viman Nagar, Lohegaon
Pune - 411 014

CORPORATE OFFICE

1010, 10th Floor
Prestige Meridian - I
29, M. G. Road
Bangalore - 560 001

FACTORY

Belagondapally - 635 114
Denkanikottai Taluk
Dharmapuri Dist
Tamilnadu

Taneja Aerospace and Aviation Limited

NOTICE OF THE THIRTEENTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Company will be held at Taj Blue Diamond, 11, Koregaon Park, Pune - 411 001 on Saturday the 23rd March, 2002 at 10.30. a.m. to transact the following business:

1. To receive, consider and adopt the Directors' Report, Audited Balance Sheet as at 30th September, 2001 and Profit and Loss Account for the period ended on that date and to receive and consider the Auditors' Report thereon.
2. To appoint a Director in place of Mr. A. K. Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. Nanda who retires by rotation, and being eligible, offers himself for re- appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

To consider, and if thought fit, to pass, with or without modifications, the following Resolution

5. As a Special Resolution

"RESOLVED THAT pursuant to the Provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to all other necessary approvals, the approval of Members be and is hereby accorded to the re-appointment of Mr. Salil Taneja as Managing Director of the Company for a period of three years with effect from 1st April, 2001 upon the terms and conditions including remuneration and perquisites set out in the draft Agreement to be entered into by the Company with Mr. Salil Taneja and that the said draft Agreement be and is hereby specifically sanctioned and approved with liberty to the Directors to alter and vary the terms and conditions of the appointment and / or the agreement in such manner as may from time to time be stipulated by the Central Government or to be in consonance with any revised terms and conditions as may be prescribed by the Central Government in the aforesaid Schedule XIII or any modification thereto, as may be agreed between the Directors and Mr. Salil Taneja".

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary or desirable to give effect to this resolution."

By Order of the Board

Place : Pune
Date : 28th January, 2002

Salil Taneja
Managing Director

Annual Report 2000 - 2001

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business under item No. 5 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed on 22nd March, 2002 to 23rd March, 2002.
4. The Company has entered into an arrangement with National Securities Depository Limited (NSDL) and Central Depository Services India Ltd (CDSL). Now, Securities and Exchange Board of India has placed the Company's Equity Shares in the list of compulsory Demat Trading.
5. Members are requested to note that copies of Annual Report will not be distributed at the Meeting, as a measure of economy.
6. Members seeking any information with regard to accounts are requested to write to the Company early so as to enable the Company to furnish the information readily.
7. All documents which are referred to in the notice and explanatory statement will be open for inspection at the Registered Office of the Company during office hours between 10.00 A.M. to 4.00 P.M. upto the date of Annual General Meeting on all days except Saturdays and holidays.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**ITEM 5**

Mr. Salil Taneja was appointed as Managing Director of the Company for a period of three years with effect from 1st April, 1998. The Board of Directors of your Company has considered Mr. Salil Taneja as a competent person to be re-appointed as Managing Director of the Company. Accordingly, at the Meeting held on 30th July, 2001, the Board of Directors re-appointed Mr. Salil Taneja as the Managing Director for a further period of three years with effect from 1st April, 2001 on the terms and conditions set out in the draft agreement to be entered into between the Company and Mr. Salil Taneja. The appointment is in conformity with the conditions and the ceilings on remuneration as laid down in schedule XIII of the Companies Act, 1956.

In accordance with the provisions of the Schedule XIII as in force as of the date of this notice, the particulars of the remuneration to be paid and perquisites to be provided to him as the Managing Director of the Company for a period of three years from 1st April, 2001 to 31st March 2004 are as under:

REMUNERATION

Pursuant to the provisions of Section 198, 309 & Schedule XIII of the Companies Act, 1956 and subject to the approval of Central Government as may be required, Managing Director shall be paid remuneration in the event of having adequate profits by way of salary, dearness allowance, perquisites, commission and other allowances which shall not exceed five percent of its net profits and in the event of losses or inadequate profits as below:

i) Salary:

Rs. 42,500 (Rupees Forty two Thousand five hundred only) per month with effect from 1st April, 2001. (Dearness and all other allowances, if any, payable under the Company's rules existing or future shall be treated as part of the Salary) in the grade of Rs. 42500 - 3000 - 94500.

ii) Perquisites:

In addition to the above, Managing Director shall be entitled to the following perquisites:

Taneja Aerospace and Aviation Limited

- A. (a) *Housing:*
Rent not exceeding sixty percent of the salary per month.
- (b) *Medical Reimbursement :*
Expenses incurred for the Managing Director and his family, subject to ceiling of one month's salary in a year or three month's salary over a period of three years.
- (c) *Leave Travel Concession:*
For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.
- (d) *Club Fees:*
Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fee.
- (e) *Personal Accident Insurance:*
Premium not to exceed Rs. 5000/- per annum.

Explanation: For the purpose of category 'A', 'family' means the spouse, the dependent children and dependent parents of the Managing Director.

- B. (a) Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961. Gratuity payable will not exceed half a month's salary for each completed year of service.
- (b) Provision for car for use on Company's business and telephone at residence of Managing Director 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 to the Managing Director.
- (c) *Commission*
Remuneration by way of commission will also be allowed in addition to Salary and Perquisites of the Managing Director. The amount of commission, based on the net profits of the Company in a particular year, shall be subject to the overall ceiling laid down in section 198 and section 309, and shall be further subject to a ceiling of one percent of the net profits or of fifty per cent of the salary of the Managing Director, whichever is less.

The above mentioned terms and conditions are embodied in the draft agreement referred to. The said draft Agreement is open for inspection by the members at the Registered Office of the Company on all working days during business hours.

The resolution is proposed for obtaining approval of the members of the Company in accordance with provisions of Section 269 read with section 309 and Schedule XIII to the Companies Act, 1956.

As required by Section 302 of the Companies Act, 1956, Item 5 of this notice read with the relevant explanatory statement may be deemed to be an abstract of the terms of contract between the Company and Mr. Salil Taneja as the Managing Director.

Mr. Salil Taneja is concerned or interested in the resolution, since aforesaid resolution relate to the terms and conditions of his remuneration.

Mr. B. R. Taneja being related to Mr. Salil Taneja, is concerned or interested in the resolution.

None of the Directors other than Mr. Salil Taneja and Mr. B. R. Taneja are concerned or interested in the said resolution.

Annual Report 2000 - 2001**DIRECTORS' REPORT TO THE MEMBERS**

The Directors are pleased to present the Thirteenth Annual Report and the audited accounts for the period ended 30th September 2001.

1. FINANCIAL RESULTS

	01.04.2000 to 30.09.2001 18 Months (Rs. in Lacs)	01.04.1999 to 31.03.2000 12 Months (Rs. in Lacs)
Gross Income	1638.38	1103.81
Profit before Interest and Depreciation	519.23	390.20
Interest	766.46	420.85
Depreciation	139.62	92.62
Profit / (Loss) for the year	(386.85)	(123.27)

2. OPERATIONS

During the year under consideration, the company's air charter business improved its level of operations significantly with the establishment of a wider charter network and new clients

Under the Company's fractional ownership or Corporate Aircraft Program (CAP), 3 more Corporates were brought into the fold. This has further confirmed our status as the largest operator of fixed-wing air-charter aircraft as well as the largest operator of fractional-ownership aircraft, in the country.

Aero-structure manufacturing being the core strength, during the year the company further developed its association with HAL and made a modest beginning with various manufacturing divisions of HAL.

In the Global market, efforts are also on to exploit the market for the manufacture of aero-structures. Towards this end a modest beginning has been made and the company is working hard to increase its presence gradually in the years to come.

3. FINANCE

The debt restructuring scheme covering reduction in rate of interest and conversion of certain dues into debt, as approved by the Consortium Bankers, has been recognized fully in the books of accounts.

The scheme of arrangement Under Section 391 of the Companies Act, 1956 entailing capital reduction and compromise between company and its equity shareholders, preference shareholders and class of creditors towards share capital advance was sanctioned by the Honourable High Court, Bombay by its order dated 23rd July 2001, from the appointed date of 1st January 2001. The scheme calls for the sacrifice on part of equity and preference shareholders, the face value of the shares being reduced to half. Also the creditors toward share capital advance have sacrificed in part. The share capital is rearranged and the shareholders have been issued equity shares of Rs. 5/- each. Also land has been marked to fair value and the difference arising is credited to Capital Reorganisation Account. The surplus generated out of the capital reduction has been adjusted to wipe out the accumulated losses and expenses.