

CHAIRMAN'S STATEMENT
at 85th Annual General Meeting of The Gaekwar Mills Limited
held on 26th September 2014

I welcome you all to the 85th Annual General Meeting.

As informed to you in last General Meeting, the Company is still under liquidation and neither the Official Liquidator has been discharged nor the Winding-up Order has been set aside. I, along with Shri Ratan Karanjia, have filed an application before the Bombay High Court for setting aside the winding up order dated 4th February, 2008 and discharge of Liquidator

Nevertheless, Directors have been allowed to take steps to ensure implementation of the Scheme of Compromise/Arrangement sanctioned by the Hon'ble Bombay High Court in September 2009 and subsequently modified by various orders passed from time to time for the revival of the Company. The Company has made considerable progress in implementation of the Scheme.

In my previous Statement I had informed the members that the Asst. Labour Commissioner, Navsari, by his Order dated 2nd August 2011 had withdrawn three Recovery Certificates towards Gratuity dues of -386- workmen aggregating to Rs.1,89,83,135.- Withdrawal of the said orders had been challenged by a group of workmen before Gujarat High Court. While hearing the Special Civil Application in this matter, Hon. Mr. Justice Tripathi passed an Ad-interim Order on 21st October 2011 restraining the Company from dealing with the property in any manner. In view of this Ad-interim Order the Company was not able to implement the Scheme. Thereafter the Company filed a Civil Application No.2563 of 2012 for vacating the said ad-interim relief which was allowed by an order dated 11th January 2013. Subsequently, the said order was also upheld by Division Bench of the Gujarat High Court and the special Civil Application filed by the workmen was dismissed by an Order dated 6th August 2013.

However, some workers were aggrieved by the Order of dismissal of SLP and filed Special Leave Application (Civil) before the Supreme Court of India. The workers have also challenged the Order dated 21st July 2011, passed by Division Bench of Hon. Gujarat High Court and the Orders dated 21st January 2011 and 18th April 2011, both passed by Bombay High Court permitting withdrawal of Appeal filed by workers.

All the above three SLP's are pending and scheduled to be heard on 14th October 2014. In view of these pending SLP's the Company Application filed by me along with Mr. Ratan Karanjia before the Bombay High Court, for setting aside the Winding-up Order dated 4th February 2008 and discharge of Liquidator, is being adjourned from time to time.

Though the Company is ready with its plans for developing an ultra-modern township on 60% of the land at Bilimora and an integrated textile unit on the remaining 40% of the land we cannot move ahead until the litigation pending before the Supreme Court is finally disposed off.

We look forward, as in the past, to your continued support.

Thank you.

HOMI F. MEHTA
Chairman.