



AJCON CAPITAL MARKETS LTD.

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**12TH ANNUAL REPORT
1998 - 99**

BOARD OF DIRECTORS

Ashok Kumar Ajmera - Chairman & MD
Walter D'Souza
Ajay Ajmera

Company Secretary

B. S. Shetty

Auditors

G. N. Shanbhag & Co.
Chartered Accountants

Bankers

Canara Bank
Global Trust Bank
Corporation Bank

Solicitors

Vyas & Bhalwal

Registered Office

315, Vasan Udyog Bhavan,
Senapati Bapat Marg,
Lower Parel
Mumbai - 400 013.

Branch Offices

☐ 1-2, Ashram Complex,
Behind 56 Shops, M.G Road,
INDORE - 452 001.
☐ B-6/7, Saroj Apartments,
Mahakali Caves Road,
Andheri (E)
Mumbai - 400 093.

AJCON CAPITAL MARKETS LTD.

Regd. Off.: 315, Vasan Udyog Bhuvan,
Opp. Phoenix Mills, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.

**NOTICE**

Notice is hereby given that the Twelfth Annual General Meeting of the Members of Ajcon Capital Markets Ltd will be held at 315, Vasan Udyog Bhavan, Opp. Phoenix Mills, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013 on Thursday, September 30, 1999 at 10.30 a.m. to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 1999 and the Profit and Loss Account for the year ended on that date together with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Ajay Ajmera who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT subject to the provisions of the Companies Act, 1956 (including any statutory modifications or re enactment thereof for the time being in force or as may be enacted hereinafter) and subject to such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board") consent is hereby accorded to the Board to delist its equity shares from the The Stock Exchange, Ahmedabad, Madhya Pradesh Stock Exchange and Jaipur Stock Exchange Ltd".

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 hereinafter referred to as the 'Act' the Articles of Association of the Company be altered as under.

Insert the following Heading and Article as Article 13A after Article 13.

DEMATERIALISATION OF SECURITIES:**(A) DEFINITIONS:****Beneficial Owner**

"Beneficial Owner" means a person whose name is recorded as such with a depository.

SEBI Board

"SEBI Board" means the Securities and Exchange Board of India.

Bye-laws

"Bye-laws" means bye-laws made by a depository under Section 26 of the Depositories Act, 1996.

Depositories Act:

"Depositories Act" means the Depositories Act, 1996, including any statutory modification or enactment thereof for the time being in force.

Depository:

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (IA) of Section 12 of the Securities and Exchange Board of India Act, 1992.

Record:

"Record" includes the records maintained in the form of books or stored in a computer or in such other form as may be determined by Regulations.

Regulations:

"Regulations" means the regulations made by the SEBI Board.

Security

"Security" means shares, debentures and such other security as may be specified by the SEBI Board from time to time.

(B) Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form, pursuant to the Depositories Act and the Rules framed thereunder.

(C) Option to receive security certificates or hold securities with Depository

- (1) Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or hold securities with a depository.
- (2) Where a person opts to hold a security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of such information the depository shall enter in its record the name of the allottee as the beneficial owner of that security.

(D) Securities in depositories to be in fungible form

- (1) All securities held by a depository shall be dematerialised and shall be in fungible form.
- (2) Nothing contained in Sections 153, 153A, 153B, 187B, 187C, 372 and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

NOTICE (Contd.)**E) Rights of Depositories and Beneficial Owners**

- (1) Notwithstanding anything to the contrary contained in the Articles or in any other law for the time being in force, a depository shall be deemed to be registered owner for the purposes of effecting transfer of ownership of security on behalf of a beneficial owner.
- (2) Save as otherwise provided in clause (1) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of securities owner.
- (3) Every person holding securities of the Company and whose name is entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a depository.

F) Depository to furnish information

Every depository shall furnish to the Company information about the transfer of securities in the name of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

G) Option to opt out in respect of any security

- (1) If a beneficial owner seeks to opt out of a depository in respect of any security, he shall inform the depository accordingly.
- (2) The depository shall on receipt of such intimation make appropriate entries in its records and shall inform the Company.
- (3) The Company shall, within thirty (30) days of the receipt of intimation from a depository and on fulfillment of such conditions and on payment of such fees as may be specified by the Regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

H) Section 83 and 108 of the Act not to apply

Notwithstanding anything to the contrary contained in the Articles

- (1) Section 83 of the Act shall not apply to securities held with a depository.
- (2) Nothing contained in section 108 of the Act shall apply to a transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository.

I) Register and Index of beneficial owners

The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members for the purposes of the Act and these Articles".

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

"RESOLVED THAT in accordance with the provisions of Sections 80, 81 (IA) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification of re-enactment thereof, for the time being in force), and enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of Securities and Exchange Board of India (SEBI) Reserve Bank of India (RBI) and all other authorities concerned, if any, and to the extent necessary and such other approvals, further permissions and sanctions, as may be necessary, and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as the "Board") and/or a duly Authorised Committee thereof for the time being exercising the powers conferred by the Board the consent of the Company be and is hereby accorded to the Board to offer/issue and allot equity shares and/or convertible preference shares and/or non-convertible preference shares including cumulative or non-cumulative and/or any type of preference shares and/or convertible debentures (fully or partly) and/or non-convertible debentures or all or any of the aforesaid with or without detachable or non-detachable warrants, and/or warrants of any nature and/or secured premium notes, and/or Floating rate Notes/bonds and/or any other financial instruments (hereinafter for brevity's sake referred to as "Securities") on such terms and conditions as the Board at its sole discretion may at any time or times hereafter decide which Securities when issued or allotted may ultimately result in an increase in the paid up equity share capital of the Company, to the Members, Debentureholders, Employees, Non-Resident Indians, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs), Companies, Banks Financial Institutions, Mutual funds, Venture capital funds, other entities/authorities and to such other persons, whether through public issue, right issue, private placement/preferential allotment, exchange of securities, conversion of loans or otherwise and for general corporate purposes including capital expenditure, working capital requirements, retiring of high cost debts strategic investments, any mergers, amalgamations, acquisitions, reconstructions or arrangements or any other reorganisation as the Board may deem fit and/or by any one or more or a combination of the above modes/methods or otherwise and in one or more tranches, with or without voting rights in General Meetings/Class Meetings of the Company as may be permitted under the then prevailing laws, at such price or prices, or in such manner as the Board or committee thereof may in its absolute discretion think fit; in consultation with the lead managers, underwriters, advisors and such other persons, and on such terms and conditions including the number of securities to be issued, face value, rate of interest, redemption period, manner of redemption, amount of premium on redemption, the number of equity shares to be allotted on conversion/redemption/extinguishment of debts, exercise of rights attached with warrants, the ratio of exchange of shares and/or Warrants and/or any other financial instrument, period of conversion, fixing of record date or book closure and related or incidental matters, provided that the total value of Securities or any of them should not be more than Rs. 25.00 Crores.

RESOLVED FURTHER that the approval of members be and is hereby given in accordance with the SEBI's (Substantial Acquisition of shares & Takeovers) Regulations, 1997, that any of the above mentioned securities be offered/issued and allotted on Preferential/private placement to any or all the above mentioned authorities/concerns which may increase his/their holding to 5% or more of the post issued equity capital subject to the condition that:

- a) issue is to be made on such price as specified in the SEBI Guidelines on Preferential Issues date 4th August, 1994.
- b) the purpose and reason for such allotment are mentioned in the resolution.
- c) there will be no change in the constitution of the Board of Directors of the Company or in the voting rights so also there will be no change in control over the Company.
- d) the shareholding pattern of the Company will be changed in accordance with the allotment to the persons/ concerns as mentioned in the resolution.

**NOTICE (Contd.)**

RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board/committee thereof, to such persons and in such manner and on such terms as the Board or committee any in its absolute discretion think most beneficial to the Company including offering or placing them with Banks/ Financial institutions/Investment Bank and Institutions/Mutual Funds/Foreign Institutional Investors or such other persons or otherwise as the Board or committee, thereof may in its absolute discretion decide.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board/Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary or proper and to settle any question, difficulty or doubt that may arise in regard to the offer/issue allotment and utilisation of the proceeds of issue of the Securities and further to do all such acts, deeds, matters and things and to negotiate and execute all such deeds, documents and writings as may be necessary, desirable or expedient as it may deem fit".

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

"RESOLVED THAT pursuant to the provisions of Sec. 372A of the Companies Act, 1956, approval of the members be and is hereby accorded to the Board to invest in the equity and/or preference share capital of a Company being promoted by the promoters of the Company to the extent of Rs. 5.00 Crore which, along with the loans or guarantees given, securities provided or investments already made by the Company may exceed 60% of the paid up share capital and its free reserves or 100% of the free reserves of the Company whichever is more as specified in the said Section, provided however, the aggregate of the loans made, guarantees given, securities provided or investments made by the Company shall not exceed the paid up share capital of the Company and its free reserves.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to make the aforesaid investments within the next 12 months and to do all such acts, deeds and things, as may be necessary to give effect to this Resolution".

By order of the Board,

Mumbai,
Date : 1st September, 1999

Bhaskar S. Shetty
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a proxy must be deposited with the Company at its Registered Office not less than 48 hours before the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item No. 4 as set out in the Notice is annexed hereto.
4. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast ten days in advance so as to enable the Company to keep the information ready.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 24th day of September, 1999 to Thursday the 30th day of September, 1999. (both days inclusive)
6. Members/Proxies should bring the Attendance Slip duly filled in and signed for attending the Meeting.
7. Members are requested to send all communications concerning shares etc. to the Company at 315, Vasan Udyog Bhavan, Opp. Phoenix Mills, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 4**

Members may recall that in the Tenth Annual General Meeting held on 30th December, 1996 they had approved delisting of the Company's Equity shares listed on the Stock Exchange, Ahmedabad, Jaipur Stock Exchange Ltd. and Madhya Pradesh Stock Exchange. However, in the absence of clear cut guidelines at that time the Stock Exchanges concerned did not approve the proposal. The SEBI has issued in 1998 suitable guidelines for delisting securities from Stock Exchanges other than the Regional Exchange subject to certain conditions. Accordingly, approval of the members is sought once again.

Members may be aware that the Company's shares are rarely traded on the Stock Exchanges at Ahmedabad, Jaipur and Madhya Pradesh. By delisting the shares from the said Stock Exchanges members will not be inconvenienced as the shares will be continued to be traded on the Stock Exchange at Mumbai. However, by delisting the shares from the said Stock Exchanges the Company will be able to save substantial time and money as, the expenses incurred on the listing on the said Exchanges do not benefit the shareholders. Members are requested to approve the proposal by passing the Special Resolution at item 4 of the Notice.

None of the Directors may be deemed to be concerned or interested in the Resolution except as shareholders.

Item No. 5

With the enactment of the Depositories Act, 1996 and the introduction of the Depository System, certain provisions of the Companies Act, 1956 pertaining to issue, holding, transfer and dealing in shares and other securities as also issue of certificates thereof have been amended with a view to facilitating the operation of the Depository system. In view of this, consequent changes are required to be incorporated in the Articles of Association of the Company. This is sought to be done by introduction of a new Article 13A in terms of the Resolution at Item No. 5 so that the Articles of Association of the Company are in line with the amended provisions of the Companies Act, 1956 read with the provisions of the Depositories Act, 1996. The special resolution at Item No. 5 is therefore proposed pursuant to Section 31 of the Companies Act, 1956. The Directors recommend the special resolution for acceptance by the members.

None of the Directors may be deemed to be concerned or interested in the resolution except as shareholders.