

AUTORIDERS FINANCE LIMITED

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ANNUAL REPORT 1999-2000

BOARD OF DIRECTORS

N. Dwarkanath	-	Vice Chairman
Mukesh Patel, M.P.	-	Managing Director
B. S. Pandit	-	Nominee Director UTI
Amarish Patel, M.L.A.	-	Director
Bhupesh Patel	-	Director

AUDITORS

M/s. Utpal Bhayani & Co.
Chartered Accountants

BANKERS

Union Bank of India

Bank of Baroda

Vijaya Bank

The Federal Bank Ltd.

The South Indian Bank Ltd.

The Catholic Syrian Bank Ltd.

REGISTERED OFFICE

4A, Vikas Centre, 104, S.V. Road,
Santacruz (West), Mumbai-400 054.

REGISTRARS & TRANSFER AGENTS

Sharepro Services
Satam Estate, 3rd Floor,
Above Bank of Baroda,
Cardinal Gracias Road,
Chakala, Andheri(East)
Mumbai - 400 099



Autoriders Finance Limited

NOTICE

Notice is hereby given that the Fifteenth Annual General Meeting of Members of Autoriders Finance Limited will be held on Friday, the 29th September, 2000 at 11.00 a.m. at its Registered Office of the Company at 4A, Vikas Centre, 104, S.V. Road, Santacruz (West), Mumbai 400 054, to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000, and the Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a Director in place of Mr. Bhupesh Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri. N. Dwarkanath, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an ordinary Resolution.

" **RESOLVED** that pursuant to provisions of sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including any statutory modification(s) or re-enactment thereof, for the time being, in force, read with the provisions of Schedule XIII to the said Act, and further subject to such other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. Mukesh Patel, as a Managing Director of the Company for a period of 5 (five) years, with effect from 1st August, 2000, upon the terms and conditions, including remuneration, as set out in the draft Agreement, submitted to the meeting and initiated by the Vice-Chairman, for the purpose of identification, which is hereby specifically approved and sanctioned with full liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or the said Agreement, so as not to exceed the limits specified in Schedule XIII to the said Act or any amendments thereto, as may be mutually agreed to and between the Directors and Mr. Mukesh Patel, the Appointee, in the best interests of the company.

RESOLVED FURTHER that the Board of Directors be and are hereby authorised to take such steps and do all other acts, deeds and things, as may be necessary or desirable to give effect to this resolution."

DEMATERIALIZATION OF SECURITIES

6. To consider and, if thought fit, to pass, with or without modifications (s), the following Resolution as a **Special Resolution** :

" **RESOLVED** that pursuant to Sections 31 and other applicable provisions, if any, of the Companies Act, 1956, and enactment and statutes, wherever applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the following Articles be added to the Articles of Association of the Company", after the existing Article 13 thereof.

13A DEMATERIALIZATION OF SECURITIES : For the purpose of this Article

DEFINITIONS

1. "Beneficial Owner" means a person whose name is recorded as such with a Depository. "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992. "Depositories Act" means the Depositories Act, 1996, including any statutory modifications or reenactment thereof for the time being in force. "Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act. "Depository" means a company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992. "Member" means the duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository. "Debenture holder" means the duly registered holders from time to time of the debentures of the Company. "Participant" means a person registered as such under Section 12(1A) of the Securities and Exchange Board of India Act, 1992. "Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act, "Regulations" means the regulations made by the SEBI. Words imparting persons include corporations. Words and



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expressions used and not defined in the Act but defined in the Depositories Act shall have the same meanings respectively assigned to that Act.

2. Company to recognise interest in dematerialised securities under the Depositories Act.

Either the Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized; in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

3. Dematerialisation of Securities.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing securities, dematerialize its securities held in the Depositories and/or offer its fresh securities in a dematerialized form pursuant to the Depositories Act and the rules framed thereunder, if any.

4. Options to receive securities certificates or hold securities with Depository.

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his security with a Depository, the Company shall intimate the Depository the details of allotment of the Security, and on receipt of the information the Depository shall enter in its record the name of the allottee as the Beneficial Owners of the security.

5. Securities in Depositories to be in fungible form.

All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the Beneficial Owners.

6. Rights of Depositories and Beneficial owners.

- a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the security held by it.
- c) Every person holding securities of the Company and whose name is entered as the beneficial Owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

7. Beneficial Owner deemed as absolute owner.

Except as ordered by a Court of competent jurisdiction or as requires by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or where the name appears as the Beneficial Owner of shares in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benumb trust or equitable, contingent future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it had express or implied notice thereof, but the Board shall be at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

8. Depository to furnish information.

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

9. Cancellation of certificates upon surrender by a person.

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform the Depository accordingly.

10. Option to opt out in respect of any security.

If a Beneficial Owner seeks to opt out of any security, the Beneficial Owner shall inform the depository accordingly. The Depository shall on receipt of information as above make appropriate entries in its records and shall inform the Company. The Company shall, within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such



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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.

11. Service of Documents

Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

12. Provisions of Articles to apply to shares held in Depository.

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, foreclosure of shares and transfer and transmission of shares shall be applicable to shares held in depository so far as they apply to shares held in physical form subject to the provisions of the Depository Act.

13. Allotment of Securities dealt with in a depository.

Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company Shall intimate the details thereof to the Depository immediately on allotment of such securities.

14. Distinctive number of Securities held in a Depository.

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provision relating to progressive numbering shall not apply to the shares of the Company which are dematerialized or may be dematerialized in future or issued in future in dematerialized form. Except in the manner hereinbefore mentioned, no share shall be sub-divided. Every forfeited or surrendered share held in material form shall continue to bear the number by which the same was originally distinguished.

15. Register and Index of Beneficial Owner.

The Company shall cause to be kept a Register and Index of Members and a Register and Index of Debenture holders in accordance with Sections 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialized forms in any media as may be permitted by law including in any form of electronic media. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purposes of the Act. The Company shall have the power to keep in any state or country outside India a Branch Register of Members resident in that state.

16. Register of Transfers

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

17. The persons named in the Register or Members shall be the holders of shares and the beneficial owners thereof

Save as otherwise provided, the Company shall be entitled to treat the person (s) whose name appears on the Register of Members as the holder of any shares and whose name appears as the beneficial owner thereof and accordingly shall not except as ordered by the Court of competent jurisdiction or as by a statute required be bound to recognize any equitable, contingent future or partial interest, lien pledge or charge in any share or (except only as by these presents otherwise provided for) any other right in respect of any share except an absolute right to the entirety thereof in the register of holders.

7. Nomination by shareholders

To consider, and if thought fit, to pass with or without modifications (s), the following resolution as a special resolution.

"RESOLVED that pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 ("the Act"), and enactment and statutes, wherever applicable and subject to such approvals, consents, permissions and sanctions as may be necessary from the appropriate authorities or bodies, the Articles of Association be amended and the following new Articles be and are hereby inserted as Articles 46A, 46B 46C, after the existing Article 46 of the Articles of Association of the Company.

Nomination by shareholders

- 46A (1) Every holder of shares in the Company may, at any time, nominate, in the prescribed manner, a person to whom his shares in the Company, shall vest in the event of his death.
- (2) Where the shares in the Company are held by more than one person jointly, the joint-holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares in the Company shall vest in the event of death of



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all joint holders.

- (3) Notwithstanding anything contained in any other law, for the time being, in force or in any disposition, whether testamentary or otherwise, in respect of such shares in the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in the Company, the nominee shall, on the death of the shareholders of the Company or, as the case may be, on the death of the joint holders, become entitled to all the rights in the shares of the Company or, as the case may be, all the joint holders, in relation to such shares in the Company, to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in the Company, in the event of his death, during the minority.

Transmission of shares

- 46B (1) Any person who becomes a nominee by virtue of the provisions of Article 46A, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either.
- (a) to be registered himself as holder of the share (s); or
 - (b) to make such transfer of the share (s) as the deceased shareholder could have made.
- (2) If the person being a nominee, so becoming entitled, elects to be registered as holder of the share (s), himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder.
 - (3) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer has been signed by the shareholder.
 - (4) A person being a nominee, becoming entitled to a share by reason of the death of the holder shall be entitled to the same dividends and other advantages which he would be entitled if he were the registered holder of the share except that he shall not, before being registered a member in respect of his share be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share (s) and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the share (s) or until the requirements of the notice have been complied with.

Nomination by debenture holders

- 46C The provisions relating to nomination/nominee, contained in Article 46A and 46B, in respect of the Company's shares/ shareholders, shall apply mutandis to the Company's debentures/debentureholders',
- "RESOLVED FURTHER that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, things and matters, as may be necessary or incidental, in the connection."

By Order of the Board

MUKESH PATEL
Managing Director

Place : Mumbai
Dated : 29th July, 2000
Registered office:
4A, Vikas Centre,
104 S. V. Road,
Santacruz (W),
Mumbai - 400 054



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NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER, PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members are requested to notify change of address, if any.
3. The Register of Members and share transfer books will remain closed from Thursday, the 21st September, 2000 to Friday, the 29th September, 2000 (both days inclusive.)
4. Members desiring any information about accounts at the Meeting are requested to write to the Company at least 7 days in advance of the Annual General Meeting.
5. All members who have either not received or have not encashed dividends for the financial year 1995-96, 1996-97 and 1997-98 are requested to write to the Company's Share Registrar and Transfer Agent, M/s Sharepro Services, Satam Industrial Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (East), Mumbai - 400 099, or at the registered office of the Company for the issuance of the duplicate dividend warrants mentioning the relevant folio nos.

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

ITEM NO. 5

Mr. Mukesh R. Patel was earlier appointed as Managing Director of the Company from 1st August, 1995 for a period of five years and his tenure expires on 31st July, 2000. The Board at its meeting held on 15th May, 2000 has re-appointed him for a further period of 5 years subject to your approval, on the following terms and conditions:-

1. Salary: The Appointee shall not, for the time being, be paid a salary, including allowances of any nature and description at his instance. However, he has a right to a salary, as and when thought fit and proper of such amount as may mutually be decided between the Appointee and the Company and well within the limits prescribed under the Companies Act, 1956, and the Schedule XIII thereto.
2. Perquisites: Perquisites shall be restricted to such amount that in the case where, in any financial year, during the currency of tenure of the Appointee, the Company has no profits or its net profits are inadequate, within the meaning of the provisions of Section 198 read with Sections 349, 350 and 351 of the Companies Act, 1956, the aggregate of salary, if any, and perquisites shall not exceed such ceiling as may be prescribed under the Section II of Part II of the Schedule XIII to the said Act.
- a) Leave Travel Concession: The Appointee shall be eligible to leave travel concession for the appointee and his family, once in a year, in accordance with the Rules of the Company.
- b) Car: The Company shall provide to the Appointee a car for use on Company's business. The expenses on account of use of car for his personal purpose shall be billed to the Appointee on actual basis.
- c) Telephone: The Company shall provide telephone or telephones at residence(s) or at private office(s) of the Appointee. Any long distance telephone calls made by the Appointee for his personal purpose, shall be billed by the Company to the Appointee.

The draft agreement for appointment of the said Mr. Mukesh Patel, as referred to in the resolution has been kept open for inspection by the members during business hour, on all working days, including the day of the meeting at the Registered Office of the Company.

The Board recommends his reappointment to the Shareholders.

Mr. Mukesh R. Patel is directly concerned or interested in this resolution, Mr. Amarish R. Patel and Mr. Bhupesh R. Patel, being relatives are indirectly concerned or interested in this resolution. None of the other Directors is interested in this resolution.

ITEM NO. 6

Consequent upon passing the Depositories Act, 1996 and the introduction of the Depository System in Stock Trading, some of the