

B.N. RATHI SECURITIES LIMITED



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14th Annual Report 2000



B.N.RATHI SECURITIES LIMITED

BOARD OF DIRECTORS

Sri B.N. RATHI
Sri LAXMINIVAS SHARMA
Sri K. HARISHCHANDRA PRASAD
Sri K.N. RATHI
Sri H.N. RATHI - Managing Director

AUDITORS

Kalyandas & Co.,
Chartered Accountants
15, Venkateshwara Colony,
Narayanaguda,
Hyderabad - 500 029.

BANKERS

HDFC Bank
Canara Bank
Vijaya Bank
State Bank of Hyderabad

REGISTERED OFFICE

4-5-173, Hasmath Gunj,
Sultan Bazar,
Hyderabad - 500 095.

STOCK EXCHANGES (LISTED)

The Hyderabad Stock Exchange Ltd.,
3-6-275,
Himayatnagar,
Hyderabad - 500 029.

The Stock Exchange, Mumbai.
Phiroze jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.



B.N.RATHI SECURITIES LIMITED

NOTICE

Notice is hereby given that the Fourteenth Annual General Meeting of the Members of B.N. Rathi Securities Limited will be held at Rajasthani Graduates Association, 5-4-790/1, 1st Floor, Abids, Hyderabad-500 001 on Friday, 29th September at 9.30 a.m. to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2000 together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri B.N. Rathi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri K. Harishchandraprasad, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modifications, the following as Special Resolutions:

"RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enhancement thereof, the Articles of Association of the Company be and is hereby altered to the extent and in the manner set out hereunder:

(I) RESOLVED THAT -

A. In Article 1 (2) -

"Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository" shall mean a Depository as defined in the Depositories Act, 1996.

"Register of Members" or "Register" means the Register of Members to be kept pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares held in a Depository.



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"Shareholders" or "Members" means a duly registered holder from time to time of the shares of the Company and also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in Depository.

"Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996.

DEMATERIALISATION AND DEPOSITORY

"Authority to
Dematerialise
Securities"

Notwithstanding anything to the contrary contained in these Articles, the Board may at any time decide to permit holding of and dealings in any or all the shares or debentures or other securities of the Company (hereinafter referred to as 'securities') in dematerialised form under the provisions of the Depositories Act and may offer the securities of the Company for subscription / allotment in dematerialised form in the manner provided by the said Act.

When any securities of the Company are held or dealt in dematerialised form -

"Option to hold
securities in
certificates or with
Depository"

Every person holding any securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of certificates or to hold the same with a depository.

"Securities with
Depository to be
dematerialised"

All securities held with a depository shall be dematerialised and the depository shall hold the same for the beneficial owners thereof in a fungible form.

"Beneficial Owner
is member"

Every person holding securities of the Company and whose name is entered as a 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



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"Beneficial Owner
may opt out of a
Depository"

and be subject to all the liabilities in respect of securities held by him in a depository.

Every person holding securities of the Company with a depository being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act and on exercise of such option and on fulfilment of the conditions and payment of the fees prescribed under the said Act, the Company shall rematerialise the relevant securities and issue to the beneficial owner thereof the requisite certificates of such securities.

"Intimation to
Depository"

The Company shall make available to the depository copies of relevant records in respect of securities held by such depository for the beneficial owners thereof.

When a holder or an allottee of securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities and thereupon the depository shall enter in its record the names of the holders / allottees as the beneficial owners of such securities.

"Register and
Index of
Beneficial
Owners"

The Register and Index of Beneficial Owners of securities maintained by a depository under Section 11 of the Depositories Act shall deemed to be and forming part of the Register and Index of Members or of Holders of Debentures or other securities of the Company.

"Transfer of
securities
held in a
Depository"

Transfers of Securities held in a depository will be governed by the provisions of the Depositories Act.

Every depository shall furnish to the Company information about the transfer of securities, the name of beneficial owners at such intervals and in such a manner as may be specified under the provisions of the Depositories Act.

Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a Depository.



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A Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures or other securities on behalf of beneficial owners and shall not have any voting rights or any other rights in respect of shares, debentures and other securities held by it. The beneficial owner as per the register of Beneficial Owners maintained by a Depository shall be entitled to all rights including voting rights and benefits in respects of securities held by him with the Depository.

In respect of the shares or other securities of the Company held in dematerialised form, the provisions relating to joint holders contained in these Articles shall mutatis mutandis apply to the joint beneficial owners.

(II) "**RESOLVED** that the following two new Articles be inserted under the heading 'NOMINATION INTER VIVOS':

NOMINATION INTER VIVOS

"Nomination"

Every holder of shares in, or debentures of, the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in, or debentures of, the Company shall vest in the event of death of such holder.

Where the shares in, or debentures of, 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 or debentures of the Company as the case may be, held by them shall vest in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the holder, or as the case may be, on the death of the joint holders of shares or debentures become entitled to all the rights of the deceased holder or, as the case may be, of all the deceased joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the provisions of the Act.



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*Transmission
in the name
of nominee*

Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures to make the nomination to appoint, in the manner prescribed under the provisions of the Act, any person to become entitled to shares in or debentures of the Company, in the event of his death, during the minority.

The provisions of this Article shall apply mutatis mutandis to a depositor of money with the Company as per the provisions of Section 58A of the Act.

Any person who becomes a nominee by virtue of the provisions of Article 40A, upon production of such evidence as may be required by the Board and subject as hereinafter provided, shall elect, either -

to be registered himself as holder of the shares or debentures, as the case may be; or

to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debentureholder, could have made.

If the nominee elects himself to be registered as holder of the shares or debentures, as the case may be, 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 by the certificate of death of the deceased holder and the certificate (s) or debentures as the case may be held by the deceased in the Company.

Subject to the provisions of Section 109B (3) of the Act and these Articles, the Board may register the relevant shares or debentures in the name of the nominee or the transferee as if the death of the registered holder of the shares or debentures had not occurred and the notice or transfer were a transfer signed by the registered holder.

A nominee on becoming entitled to any shares or debentures by reason of the death of the holder or joint holders shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the shares or debentures, except that he shall not, before being registered as a holder of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debentures holder in relation to meetings of the Company.

The Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or



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debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses, interest or other moneys payable or rights accrued or accruing in respect of the relevant shares or debentures, until the requirements of the notice have been complied with."

By Order of the Board
for **B.N. Rathi Securities Limited**

Place : Hyderabad.
Date : 24.07.2000.

H.N. Rathi
Managing Director

NOTE:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a member. The Proxies duly stamped and executed, should be lodged with the Registered Office of the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the company will remain closed from 12-09-2000 to 29-09-2000 (Both days inclusive)
3. As per the provisions of the amended Companies Act, 1956, facility for making nominations is now available for share holders in respect of the shares held by them. Nomination forms can be obtained from share department of the Company.
4. Members/Proxies attending the meeting, should bring their copy of Annual Report to the meeting.
5. Members are requested to intimate the Company, changes if any in their addresses as registered with the Company.

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

Item No5

The Depositories Act, 1996 provides option to investors to hold securities of companies in the form of certificates or in dematerialised form with a depository. The Depositories Act has also amended some of the provisions of the Companies Act, 1956 pertaining to issue, holding, transfer, transmission and dealing in shares and other securities to facilitate the introduction and implementation of the depository system. The Securities and Exchange Board of India (SEBI) have already made compulsory dematerialised trading in the shares of certain companies. SEBI has also made compulsory dematerialised trading in the shares of certain