

ANNUAL REPORT - 1996 - 97

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KADVANI SECURITIES LIMITED - RAJKOT



BOARD OF DIRECTORS

ASHOK L. KADVANI
(MANAGING DIRECTOR)

KISHOR L. KADVANI

VIJAY C. MANIAR

ANIL L. KADVANI

GIRISH L. KADVANI

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AUDITORS

KALARIA & SAMPAT
CHARTERED ACCOUNTANTS

BANKERS

BANK OF INDIA
Main Branch - Rajkot

REGISTERED OFFICE

PLOT NO. 1324-27,
GIDC, LODHIKA
KALAVAD ROAD,
RAJKOT - 364 485.

NOTICE

ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifth Annual General Meeting of KADVANI SECURITIES LIMITED will be held at Plot No.1324-27,GIDC Lodhika,Kalavad Road,Rajkot on **Saturday, 23rd AUGUST, 1997** at 1100 Hours to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st MARCH, 1997 and the Profit & Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To appoint director in place of Shri Vijay Maniar who retires by rotation and being eligible offer himself for re-appointment.
3. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT subject to all applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time) and subject to such other 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), the consent of the company be and is hereby accorded to the Board to acquire/purchase and hold or resell any of its own fully or partly paid shares on such terms and conditions and upto such limits as may be determined by the Board or prescribed by law from time to time; Provided that acquisition / purchase of such fully or partly paid Equity Shares of the company be not construed as reduction of Equity Share Capital which is subject to the controls as stipulated in Section 100 to 104 and Section 402 of the Companies Act, 1956, for the time being in force and that the Board of Directors of the company be and is hereby authorised to do all such acts and things as may be necessary or proper to implement this resolution."

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act,1956 (including any statutory modification or re-enactment thereof, for the time being in force), the Articles of Association of the company be and are hereby altered in the manner and to the extent as follows :

- (i) Existing Articles No. 4 of the Articles of Association of the company be and are hereby deleted and new Article as follows be substituted in place and stead thereof;"

(a) New Article No.4

"Subject to the provisions of the Act, and all other applicable provisions of law, as may be in force at any time and from time to time, the company may acquire, purchase, hold, resell any of its own fully/ partly paid or redeemable shares and may make payment out of funds at its disposal for and in respect of such acquisition/ purchases, on such terms and conditions and at such times as the Board may in its discretion decide and deem fit."

- (ii) A new Article be inserted after Article 6(a) of the Articles of Association of the Company as follows, hereinafter called Article 6(a)(i) :

(b) New Article No.6(a)(i)

"Subject to the provisions of the Act and all other applicable provisions of law, as may be in force at any time and from time to time, the company may issue shares, either equity or any other kind with non-voting rights and the resolutions authorising such issue shall prescribe the terms and conditions of the issue."

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, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The register of members and share transfer books of the company will remain closed from Tuesday, 19th AUGUST, 1997 to Saturday, 23rd AUGUST, 1997 (both days inclusive). The share department will be open from 9.30 a.m. to 12.30 p.m.

30th JUNE, 1997

BY ORDER OF THE BOARD

Registered Office :
PLOT NO.1324-27,
GIDC LODHIKA,
KALAVAD ROAD,
RAJKOT - 364 485.

ASHOK L. KADVANI
MANAGING DIRECTOR

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT pursuant to Section 173 of the Companies Act, 1956

In respect of item No.4 :

At present the Companies Act, 1956 restricts the purchase of its own shares by a company unless the same is done with a view to reduce its capital. Reduction of capital is subject to the provisions of Section 100 to 104 and 402 of the Companies Act, 1956. Various representations have been made by Trade and Industry Association and Companies to the Government requesting for an amendment to the Companies Act permitting the companies to buy back its own shares. From the trend of discussions and reports on the subject, it is expected that an amendment/re-enactment to this effect, may be made in the forthcoming codification of the Companies Act, 1956 or amendments thereto. In that event, it will be advisable for your company which often has surplus funds, to buy back its own shares, when your director believe your company's shares to be undervalued. Furthermore, investment of surplus funds by the company in its own shares will be preferable compared to investment in other securities. In case the Act is amended so as to allow the company to buy back its own shares the company may wish to take immediate steps in this regard. The resolution proposed under Item No. 4 of the Notice is recommended for approval of the members.

None of the directors of the company is, in any way, concerned or interested in the resolution.

In respect of item no. 5 :

The following alterations are being made in the Articles of Association

The present Article 4 of the Company's Articles of Association in on the lines of Section 77 of the Companies Act, 1956, which prohibits the company to purchase or to finance the purchase of its own shares. In the event of the expected amendment to the Companies Act, 1956 permitting companies to buy its own shares, this Article will restrict the powers of the company in the matter. It is therefore proposed to delete the present Article 4 and to substitute a new Article 4 in its place as proposed in the Special Resolution at Item No. 5.

The present Article 4 of the Company's Articles of Association provided for equal voting rights for all equity shares of the company. In respect of voting rights it is expected that the forthcoming amendments will also permit issue of shares in the company's share capital without voting rights. It is therefore necessary to add the new Article 6(a)(i) so that the company may avail of the permissive provisions regarding issue of non-voting shares.

30th JUNE, 1997

BY ORDER OF THE BOARD

Registered Office :
PLOT NO.1324-27,
GIDC LODHIKA,
KALAVAD ROAD,
RAJKOT - 364 485.

ASHOK L. KADVANI
MANAGING DIRECTOR

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their **FIFTH ANNUAL REPORT** and the Audited Accounts for the Financial Year ended on **31st MARCH, 1997**.

	(Rs. in '000)	
FINANCIAL RESULTS	1996-97	1995-96
Profit before tax	(295.14)	1337.71
Provision for Taxation	—	600.00
Profit after tax	(295.14)	737.71
Transfer to General Reserves	—	400.00
Profit & Loss Account balance Carried Forward	241.03	536.17

OPERATIONS :

The company's turnover for the year recorded a decrease over the previous year, largely because of uncertainties in the Capital Market throughout the year. This has resulted into net loss for the current year.

INVESTMENTS :

The company has increased its investment in the equity shares of Kadvani Forge Ltd., an associate concern from Rs. 1,000/- to Rs. 66,01,000. The project is for establishing a forging plant and creating a niche in the local market. Your company is one of the core promoters of the company.

FOREIGN EXCHANGE EARNING AND OUTGO :

The company has neither any foreign exchange earnings nor any outgo during the year under review.