

MAGNA



Annual Report **1999 - 2000**

MAGNA ELECTRO CASTINGS LTD

Board of Directors

Sri. L.G. Varadaraj (Chairman)
Sri. L.G. Ramamurthi (Vice Chairman)
Sri. V. Rajendran
Sri. J. Vijayakumar
Dr. Prem P Mohla
Sri. K. Gnanasekaran
(Alternate : Dr. Prem P. Mohla)
Sri. N. Krishna Samaraj (Managing Director)

Auditors

M/s. S. Krishnamoorthy & Co
Chartered Accountants
Coimbatore 641 012

Bankers

Corporation Bank
Industrial Finance Branch
1604 Trichy Road
Coimbatore 641 018

Company Secretary

Sri. S.P. Murthy

Registrars & Share Transfer Agents

S.K.D.C. Consultants Limited
PB No.2979, No.11, S.N.Das Layout
Street No.1, Tatabad
Coimbatore 641 012

Listing with Stock Exchanges

Coimbatore Stock Exchange Ltd
Madras Stock Exchange Ltd
The Stock Exchange, Mumbai

MAGNA**Registered Office**

62 Balasundaram Road
Coimbatore 641 018
Phone : 0422 - 210109

Factory

SF No.34 & 35 Part
Coimbatore Pollachi Main Road
Mullipadi village, Tamaraikulam Post
Pollachi Taluk, Coimbatore District 642 109
Phone : 04259 - 69316

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NOTICE

NOTICE is hereby given that the tenth Annual General Meeting of the members of Magna Electro Castings Limited will be held at 10.00 A.M. on Friday, the 18th August, 2000, at Hotel Annalakshmi, 106 A, Race Course Road, Coimbatore -641 018, 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 Auditors' Report thereon.
2. To appoint a Director in place of Sri.J.Vijayakumar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri. V.Rajendran who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. The present Auditors M/s S.Krishnamoorthy & Co., are eligible for re-appointment.

Special Business

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

RESOLVED that approval of the company be and is hereby granted in terms of Section 149(2A) of the Companies Act, 1956 for commencement of all or any of the business mentioned in Sub Clause 5 of Clause III C of the Memorandum of Association of the company.

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

RESOLVED that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956 (including any statutory modification or reenactment thereof for the time being in force) the Articles of Association of the Company be and are hereby amended, altered and/or substituted in the manner and to the extent as is set out herein below:

A) In Article 1 of the Articles of Association the following definitions be added after clause (f).

- g) Beneficial owner : "Beneficial owner" shall mean beneficial owner as defined in Clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.
- h) Depositories Act : "Depositories Act" means the Depositories Act, 1996, including any statutory modification or reenactment thereof for the time being in force.
- i) Depository : "Depository" shall mean a Depository as defined under clause (e) of sub section (1) of Section 2 of the Depositories Act, 1996.
- j) Member : Member means the duly registered holder from time to time of the shares of the Company and includes the sub-scribers to the Memorandum of Association of the Company and the beneficial owner(s) as defined in clause (a) of sub section (1) of Section 2 of the Depositories Act, 1996.

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B) The following article be inserted after existing Article 4.

- 4A a) The Company shall be entitled to dematerialise its existing shares, rematerialise its shares held in the Depositories and/or to offer its fresh shares in a dematerialised form pursuant to the Depositories Act, 1996 and rules framed thereunder if any.
- b) 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 dematerialised or may be dematerialised in future or issued in future in dematerialised form. Except in the manner herein before 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.
- c) Every person subscribing to shares offered by the Company shall have the option to receive share certificate, or to hold the shares with a Depository. Such a person who is the Beneficial owner of shares can at any time opt out of a Depository, if permitted by the law, in respect of any shares in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required Certificate of shares.
- d) If a person opts to hold his shares with a Depository, the Company shall intimate such Depository the details of allotment of shares, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial owner of the shares.
- e) All shares held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C, and 372 of the Act shall apply to a Depository in respect of the shares held by it on behalf of "the Beneficial Owners".
- f) i) 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 shares on behalf of the Beneficial Owner.
- ii) Same as otherwise provided in a) above, the Depository as the registered owner of the shares shall not have any voting rights or any other rights in respect of the shares held by it.
- iii) Every person holding shares 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 shares shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his shares which are held by a Depository.
- g) Notwithstanding anything in the Act or these Articles to the contrary, where shares are held in a Depository, the records of the Beneficial Ownership may be served by such Depository on the Company by means of electronic media or by delivery of floppies, discs, etc.
- h) Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of shares effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.
- i) Notwithstanding anything in the Act or these Articles, where shares are dealt with by a Depository, the Company shall intimate the details thereof to the Depository, immediately on allotment of such shares.

- j) Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose 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 recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.
 - k) 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 and debentures held in material form.
 - l) In the case of transfer or transmission of shares, where the Company has not issued certificates and where such shares are held in any electronic and fungible form in a Depository the provisions of the Depositories Act, 1996 shall apply.
 - m) A Depository as a registered owner shall not have any voting rights in respect of shares and securities held by it in dematerialised form. However, the Beneficial Owner as per the Register of Beneficial Owner maintained by a Depository shall be entitled to such rights in respect of shares held by him in the Depository. Any reference to the member or joint members shall include a reference to Beneficial Owner or Joint Beneficial Owners in respect of "the shares held in a Depository".
- 4B a) Subject to Provisions of Section 109A and 109B of the Companies Act, 1956, every holder or joint holder of shares or debentures may at any time nominate a person to whom his/their shares or debentures shall vest in the event of death and such nominee may register him as the holder of the shares or debentures as the case may be.
- b) Notwithstanding anything contained in Table A of the Companies Act, 1956, on the death of a member where he was the sole holder, if a member has filed a nomination in the prescribed form, the person so nominated shall be the only person recognised by the company as having any title to his interest in the shares.
- C** The following article be inserted after the existing Article 9 and be numbered as Article 9A.

The Company shall cause to be kept a Register and index of Members in accordance with all applicable provisions of the Companies Act, 1956 and the Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956.

Item No. 5

The company has been carrying on the business of foundry works having been engaged in the manufacture and sale of iron castings to different customers both in Domestic market and Export market. As an extension of the existing activities, it is proposed to carry on certain related business activities mentioned in Sub Clause 5 of Clause III C of the Memorandum and Association of the company which reads as under.

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"5. To carry on in any part of the world all or any of the business of mechanical engineers and manufacturers, tool makers, brass founders, metal works, machinists, iron and steel works, smiths, metallurgists, chemists, chemical manufacturers, electrical engineers, producers of electric power and appliances, water supply engineers, timber merchants and contractors and to buy, sell manufacture, repair, convert, alter, let on hire and deal in minerals, metals, rolling stock, hardwares and chemicals of all kinds."

The commencement of such business is subject to approval of the members by a special resolution. Hence the resolution.

None of the Director(s) may be deemed to be concerned or interested in the above resolution.

Item No. 6

Some of the provisions of the Companies Act, 1956, have been amended to facilitate the introduction of Depository System consequent to the passing of the Depositories Act, 1996 and providing for nomination facilities by share holders/debenture holders. The new automated system of holding and trading in the shares of the Company, side by side with the paper based system will necessitate certain alterations in the Articles of Association of the Company, especially in matters such as Register of Members to cover the Beneficial owners as per the records of the Depository, fungibility of the shares held by Depository, transfer of shares held by depository, etc. Appropriate alterations as set out in the Special Resolution in the notice are, accordingly, proposed for the approval of the shareholders.

While additional facility as above could be provided within the new legal frame work, shareholders would be given an option to join this system. The existing provisions in respect of the shares held in the form of paper scrips will continue without any change.

It may be noted that though the company's name does not figure in the first list issued by SEBI for compulsory Dematerialisation of shares, the resolution will enable the company to comply with the rules and regulations as and when becomes mandatory. Provisions of facilities for nomination will be beneficial to the shareholders/debenture holders.

None of the Director(s) may be deemed to be concerned or interested in the above resolution.

Coimbatore
14th June 2000

By order of the Board
S.P. Murthy
Company Secretary

Notes

1. A member entitled to attend and vote is entitled to appoint one or more proxies to attend and to vote instead of himself and a proxy need not be a member of the Company. Proxy forms in order to be effective must reach the Company's registered office not less than 48 hours before the meeting.
2. Please bring a copy of your annual report to the meeting.
3. The Register of Members of the Company will remain closed for a period of 18 days from 01.08.2000 to 18.08.2000 (both days inclusive)
4. The Company has paid the annual listing fees for the period 2000-2001 to all the Stock Exchanges where the Companies shares are listed.