

# **EIGHTH ANNUAL REPORT**

## **1999 - 2000**



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### **PROCAL ELECTRONICS INDIA LIMITED**

**CERTIFIED TRUE COPY**

*For Procal Electronics India Limited*

A handwritten signature in black ink, appearing to be 'R. S. Singh', written over a horizontal line.

**Director**

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### **BOARD OF DIRECTORS**

SHRI MAHENDRA KUMAR BOTHRA

CHAIRMAN  
& MANAGING DIRECTOR

SHRI SURESH J. BHAGWAT

WHOLE TIME DIRECTOR

SHRI MANAK CHAND BOTHRA

WHOLE TIME DIRECTOR

### **BANKERS**

CANARA BANK

### **AUDITORS**

JAIN & KOTHARI  
CHARTERED ACCOUNTANTS  
43, ONLOOKER, SHR. P M. ROAD,  
MUMBAI - 400 001.

### **SHARE TRANSFER AGENTS**

SATELLITE CORPORATE SERVICES PVT. LTD.  
39/724, AZAD NAGAR II, VEERA DESAI ROAD,  
ANDHERI (WEST), MUMBAI - 400 053.  
TEL. : 632 5764 FAX : 633 0408

### **REGISTERED OFFICE**

1, TYRE TERRACE,  
205/207, LAMINGTON ROAD,  
MUMBAI - 400 007.

### **WORKS**

- 1) 44/45, PRAGATI INDUSTRIAL ESTATE,  
66 KVA SUBSTATION ROAD,  
AMLI, SILVASSA.
- 2) 23/25/27&28, AMLI INDUSTRIAL ESTATE,  
66 KVA SUBSTATION ROAD,  
AMLI, SILVASSA.
- 3) SHED NO. L/200/1/3-6,  
ROAD NO.2, GIDC, SACHIN,  
SURAT, GUJRAT.

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**PROCAL ELECTRONICS INDIA LIMITED**

**Regd. Office:** 1, Tyre Terrace, 205/207 Lamington Road, Mumbai 400 007

**NOTICE**

Notice is hereby given that the Eighth Annual General Meeting of the Members of the company will be held at Amar Gian Grover Auditorium, Lala Lajpatrai College Compound, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034 on Saturday, September 09, 2000 at 12.00 noon to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2000 and the Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Manakchand Bothra who retires by rotation and is eligible for re-appointment.
3. To appoint Auditors 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** pursuant to the provisions of Section 31 of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner:

- A. The following new Heading and Article with marginal notes be inserted as Article 58A after the present Article 58.

**Dematerialisation of Securities**

Dematerialisation of Securities 58A (1) The provisions of this Article shall apply only in respect of securities held in Depository mode and the provisions of the other Articles shall be construed accordingly.

- (2) For the purpose of this Article:



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"Beneficial Owner"	"Beneficial owner" means the Beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Bye Laws"	"Bye Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.
"Depository"	"Depository" means a Depository as defined in clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.
"Depositories Act"	"Depositories Act" means "Depositories Act, 1996" and shall include any statutory modification or re-enactment thereof, for the time being in force.
"SEBI"	"SEBI" means the Securities & Exchange Board of India.
"Security"	"Security" means such security as may be specified by SEBI from time to time.
"Power to dematerialise and rematerialise"	(3) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise/rematerialise its securities, and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder.
"Options for investors"	(4) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository.  Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.  If a person opts to hold his security with a Depository, the Company shall intimate such 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 owner of the security.  The Board of Directors shall have the power to fix a fee payable by the investor to the Company for the services of dematerialisation as it may determine.

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"Option to opt out in respect of any security"

- (5) Subject to the provisions of Section 8 of the Depositories Act, 1996, if a beneficial owner seeks to opt out of a depository in respect of any security, the beneficial owner shall inform the depository accordingly.

The depository shall on receipt of intimation as above make appropriate entries in its records and shall inform the Company.

The Company shall, within thirty (30) days of the receipt of the intimation from the depository and on fulfilment 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.

"Securities in depositories to be in Fungible form"

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

"Rights of Depositories and Beneficial Owners of securities"

- (7) (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 securities 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 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.

"Service of documents"

- (8) Notwithstanding anything contained 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 or in such manner as may be practicable



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| “Transfer of Securities”                              | <p>(9) (a) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.</p> <p>(b) In the case of transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.</p> |
| “Allotment of Securities dealt with in a Depository”  | <p>(10) 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.</p>   |
| “Distinctive nos. of securities held in a Depository” | <p>(11) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to the securities held with a Depository. Every forfeited or surrendered shares held in a material form shall continue to bear the number by which the same was originally distinguished.</p>   |
| “Register and Index of beneficial owners”             | <p>(12) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and Index of members and security holders for the purposes of these Articles.</p>   |

B. The following new Articles with marginal notes be inserted as Articles 77A and 77B after the present Article 77.

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| Nomination | <p>77A (i) Every holder of share(s), in and/or debenture(s) of the Company so entitled under the Act and Rules framed thereunder, may at any time, nominate in the manner prescribed under Section 109A of the Act, a person to whom his share(s) in, and/or debenture(s) of the Company shall vest in the event of his death.</p> <p>(ii) Where the share(s) in, and/or debenture(s) of the Company are held by more than one person jointly, the jointholders so entitled under the Act and Rules framed thereunder may together nominate in the manner prescribed under the Act,</p> |
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a person to whom all the rights in the share and/or debenture (s) of the Company as the case may be shall vest in the event of death of all the jointholders.

- (iii) Notwithstanding anything contained in any other law for the time being in force or in these articles or in any disposition, whether testamentary or otherwise, in respect of such share(s) in and/or debenture(s) of the company where a nomination made in the manner prescribed under the Act, purports to confer on any person the right to vest the share(s) in and/or debenture(s) of, the company the nominee shall, on the death of the shareholder and/or debentureholder concerned or on the death of the jointholders as the case may be become entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner prescribed under the Act.
- (iv) Where the nominee is a minor, the holder of the share(s) in, and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act, to appoint any person to become entitled to the share(s) in and/or debenture(s) of the Company in the event of his death during the minority.

Transmission in  
case of  
nomination

77B (1) Notwithstanding anything contained in these Articles, any person who becomes a nominee by virtue of the provisions of Article 77A 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) and/or debenture(s), as the case may be; or
  - b) to make such transfer of the share(s) and/or debenture(s), as the case may be as the deceased shareholder and/or debentureholder as the case may be could have made.
- (2) If the person being a nominee so becoming entitled, elects himself to be registered as holder of the share(s) and/or

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debenture(s) as the case may be, he shall deliver or send to the company a notice in writing duly signed by him stating that he so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder and/or debentureholder, as the case may be.

- (3) All the limitations, restrictions and provisions of these Articles, relating to the right to transfer and the registration of transfers of share(s) and/or debenture(s) shall be applicable to any such notice or transfer as aforesaid as if the death of the shareholder/debentureholder had not occurred and the notice or transfer were signed by that shareholder and/or debentureholder as the case may be.
- (4) A person, being a nominee, becoming entitled to the share(s) and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share(s) and/or debenture(s), except that he shall not, before being registered a member in respect of his share(s) and/or debenture(s), 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/or debenture(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) and/or debenture(s), until the requirements of the notice have been complied with.

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### 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.
2. The Explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the Special Business at Item No. 4 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 16<sup>th</sup> August, 2000 to Saturday, 9<sup>th</sup> September, 2000 (both days inclusive).
4. Members are requested to bring their copies of the Annual Report at the time of attending the Annual General Meeting.

By order of the Board,

**Registered Office :**

1, Tyre Terrace,  
205/207, Lamington Road,  
Mumbai 400 007.

**Mahendra Kumar Bothra**  
Managing Director

**Date : June 29, 2000**

**ANNEXURE TO NOTICE****Explanatory statement Under Section 173 of the Companies Act, 1956.****Item No. 4**

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 Certificates thereof have been amended with a view to facilitating the operation of the Depository System. In view of this, consequential changes are required to be incorporated in the Articles of Association of the Company. This is sought to be done by the introduction of new Article 58A in terms of the Special resolution at Item No. 4 of the accompanying notice 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.

Further as per the provisions of Sections 109A and 109B of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 1999, every holder of the shares in, or debentures of, the Company, may at any time nominate in the prescribed manner, a person to whom his shares in, or debentures of, the Company, shall vest in the event of his death. A suitable provision is sought to be made for the same by insertion of new Articles 77A and 77B in terms of the Special Resolution at Item No. 4 of the accompanying notice.

It is therefore, proposed to insert new Articles 58A and 77A and 77B in the Articles of Association of the Company to give effect to said provisions as detailed in the Special Resolution set out at Item No. 4 of the accompanying Notice.

Pursuant to the provisions of the Companies Act, 1956, a Company may by a Special Resolution alter its Articles of Association. Accordingly, Directors recommend the Special Resolution as set out at Item No. 4 of the Notice for approval by the Shareholders.