

ANNUAL REPORT 1999-2000

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RAJESWARI GRAPHICS LIMITED

RAJESWARI GRAPHICS LIMITED

DIRECTORS

Shri G. RAMAMURTHY, *Chairman & Managing Director*

Shri G. BABU, *Director (Technical)*

Shri G. KUMAR, *Director (Technical)*

Shri G. KARTHIKEYAN, *Director (Technical)*

AUDITORS

M/s B. THIAGARAJAN & CO

Chartered Accountants

BANKER

STATE BANK OF INDIA,

Siruthozil Branch, Chennai - 34.

REGD OFFICE

36, Arcot Road, Kodambakkam, Chennai - 600 024.

FACTORY

54, Mugalivakkam, Porur, Chennai - 600 116.

WORKS DIVISION

156/1, Vannier Street, Choolaimedu, Chennai - 600 094.

GRAPHIC DIVISION

A 16, Basement, Gemini Parsn Complex, Chennai - 600 006.

RAJESWARI GRAPHICS LIMITED**NOTICE**

NOTICE IS HEREBY GIVEN that the SEVENTH ANNUAL GENERAL MEETING of the Share holders of the Company will be held on Thursday, the 28th September, 2000 at 3.15 P.M. at NARADA GANA SABHA, (Mini Hall) at No. 314, (Old No. 254) T.T.K. Road, CHENNAI-18 to transact the following business:-

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the Profit and Loss account for the year ended 31st March 2000, the Balance sheet as at that date and the Auditor's Report there on.
2. To elect a director in place of Mr. G. Karthikeyan who retires by rotation and being eligible offers himself for re-appointment.
3. The retiring Auditors, M/s B. THIAGARAJAN & Co Chartered Accountants, Chennai retires from the Conclusion of the Seventh Annual General Meeting and being eligible offers themselves for re-appointment.

AS SPECIAL BUSINESS :

4. To consider and if thought fit, to pass with or without modifications, 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 Articles of Association of the Company be altered in the following manner :

- (A) Insert the following definitions under Article 2 after the existing definition 2(s) :
 - (t) "Beneficial owner" shall mean the beneficial owner as defined in Section 2 (1) (a) of the Depositories Act, 1996.
 - (u) "Depositories Act, 1996" shall include any statutory modifications or re-enactment for the time being in force.
 - (v) "Depository" shall mean a Depository as defined under Section 2(1) (c) of the Depositories Act, 1996.
 - (w) "SEBI" means the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992.
 - (x) 'Securities' shall mean such securities as may be specified by SEBI from time to time.
- (B) In Article 2(f) of the Articles of Association the existing definition of 'Members shall be substituted by the following:
 - (f) '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.
- (C) Insert the following heading and Article as new Article 11A after the existing Article No.11 :

11A Dematerialisation of Securities**Dematerialisation of Securities**

- i. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act.

Options for Investors

- ii. 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 the law, in respect of any security 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 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 records the name of the allottee as the beneficial owner of the security.

Securities in depositories to be in fungible form

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

Company not bound to recognise any interest in share other than that of registered holder or beneficial owner.

- iv. Except as ordered by a court of competent jurisdiction or as required 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

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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 equitable contingent feature or partial interest in any share (except only as is by these articles otherwise expressly provided) or any right in respect of a share other than a absolute right thereto, in accordance with these articles on the part of any other persons whether or not it shall have express or implied notice thereof. No notice of any trust, express, implied or constructive shall be entered on the Register of Members or of Debentureholders.

Rights of depositories and beneficial owners

- (v) (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) Notwithstanding anything contained in these Articles, certificate, if required, for a dematerialised share, debenture and any other security shall be issued in the name of the Depository and all provisions contained in these Articles in respect of the rights of a member/debentureholder of the Company shall mutatis mutandis apply to the Depository as if it were a member/debentureholder/securityholder excepting that and notwithstanding that the Depository shall have been registered as the holder of a dematerialised share, debenture and any other security, the person who is the beneficial owner of such shares, debentures and other securities shall be entitled to all the rights (other than those set out in these Articles) available to the registered holders of the shares, debentures and other securities, in the Company as set out in the other provisions of these Articles.
- (d) 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.
- (e) The provisions relating to the waiver of the Company's lien, if any, on partly paid shares on registration for transfer of such shares contained in these Articles shall also mutatis mutandis apply in respect of a dematerialised share, debenture and any other security, the beneficial owner of which is registered with the Depository and where such beneficial owner shall have transferred his dematerialised shares, debentures and other securities.

Service of documents

- vi. Notwithstanding anything contained to the contrary in the Act or these Articles, 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.

Transfer of securities

- vii. Nothing contained in Section 108 of the Act or these Articles shall apply to transfer of securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

In the case of such transfer of securities where the Company has not issued any certificates or certificates have been dematerialised subsequently and where such securities are being held in an electronic and fungible form, the provisions of the Depositories Act, shall apply.

Allotment of securities dealt with in a Depository

- viii. Notwithstanding anything contained 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.

Distinctive numbers of securities held in a Depository

- ix. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and Index of beneficial owners

- x. The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

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

***RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Article No.93 of the Articles of Association of the Company, **approval of the Company be and is hereby accorded thereof** to the re-appointment of Mr. G. Ramamurthy as Managing Director of the Company upon such terms & conditions as are expressed and contained in the draft agreement between the Company and the said Mr. G. Ramamurthy, placed on the table and signed by the Chairman for the item on the Agenda, for the purpose of identification, which draft be and is also hereby approved.

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Resolved further that in the event of any further liberalisation / revision in the events of permissible managerial remuneration, the Board of Directors or a Committee thereof be and is hereby authorised to alter, vary and increase the remuneration, notwithstanding the overall remuneration as set out in the explanatory statement annexed to this Notice as may be prescribed/ permissible without requiring any further resolution or consent of or reference to the Members.

FURTHER RESOLVED that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"Resolved that subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Articles of Association of the Company, the approval of the Company be and is hereby accorded thereof to the re-appointment of Mr. G. Babu, Director (Technical) on such remuneration as stated in the explanatory statement annexed to this notice w.e.f. 1.10.1998 for a period of five years.

Further resolved that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"Resolved that subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Articles of Association of the Company, the approval of the Company be and is hereby accorded thereof to the re-appointment of Mr. G. Kumar, Director (Technical) on such remuneration as stated in the explanatory statement annexed to this notice w.e.f. 1.10.1998 for a period of five years.

Further resolved that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an Ordinary Resolution :
"Resolved that subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and pursuant to Articles of Association of the Company, the approval of the Company be and is hereby accorded thereof to the re-appointment of Mr. G. Karthikeyan, Director (Technical) on such remuneration as stated in the explanatory statement annexed to this notice w.e.f. 1.10.1998 for a period of five years.

Further resolved that the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board

G. RAMAMURTHY

Chairman & Managing Director.

Place : Chennai

Date : 12-08-2000

NOTE :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
The Proxy form in order to be effective must be duly Completed, stamped and lodged with the Registered office of the Company not less than forty eight hours before the commencement of the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from Monday the 18th September, 2000 to Monday the 25th September, 2000 (both days inclusive).
3. Members/Proxy holders must bring the attendance slip duly signed to the meeting and hand it over at the entrance. Xerox copy/torn attendance slips will not be accepted at the entrance of the meeting hall.
4. Members are requested to quote their registered folio number in all Correspondence with the Company and notify the Company immediately of change, if any in the Registered Address and/or of their mandatees.
5. Members who are holding shares in more than one folio are requested to intimate to the Registered office the details of all their folio numbers for consolidation into a single folio.
6. All documents referred in the above Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 2 P.M. and 4 P.M. on any working day.
7. Members are requested to bring their Copies of their Annual Report to the meeting.

By order of the Board

G. RAMAMURTHY

Chairman & Managing Director

Place : Chennai

Date : 12-08-2000

RAJESWARI GRAPHICS LIMITED**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956.****ITEM NO.4**

The Depositories Act, 1996 has amended some of the provisions of the Companies Act, 1956 and the Securities contract (Regulation) Act, 1956 (hereof collectively referred to as "the Act") pertaining to issue, holding, transfer and dealing in shares and other Securities as also issue of relevant certificates so as to facilitate the introduction and implementation of the Depository System. In order to bring the Articles of Association of the Company in line with the Act, relevant Articles as contained in the Notice are being amended and added.

Alteration of the Articles of Association of the Company can be done only by passing a Special Resolution under Section 31 of Companies Act, 1956 as proposed.

The Board of Directors recommend the shareholders to adopt the proposed resolution as a Special Resolution.

MEMORANDUM OF INTEREST OF DIRECTORS :

None of the Directors may be deemed to be concerned or interested in the resolution.

ITEM NO.5 :

The re-appointment and payment of remuneration to Mr. G. RAMAMURTHY as Managing Director is subject to the approval of the Members as required under Section 269 of the Companies Act, 1956 by way of an Ordinary Resolution. Mr. G. RAMAMURTHY has been in the Company since its incorporation in 1993 as a managing Director and has extensive exposure to Commercial and Managerial responsibilities and has outstanding leadership abilities and business acumen.

Approval of the members is sought for the re-appointment of and payment of remuneration to Mr. G. RAMAMURTHY, Managing Director of the Company for a period of 5 years w.e.f. 1.10.1998.

The draft agreement that contains the salient features in respect of his appointment, inter alia, are the following :

(i) TENURE :

Five years with effect from 1.10.1998.

(ii) SALARY :

Rs.18,000/- (Rupees Eighteen Thousand only) per month.

(iii) TERMINATION :

The appointment of Mr. G. Ramamurthy as Managing Director may be terminated by either party giving to the other two calendar months in writing.

(iv) PERQUISITES :

In addition to the above, the Managing Director shall be entitled to the perquisites restricted to an amount equal to the annual salary of Rs.2,16,000/- per annum, whichever is less. Unless the context otherwise requires, perquisites are classified into three categories 'A', 'B' and 'C' as follows:

Category 'A' :

This will comprise house rent allowance leave travel concession, medical reimbursement fees on clubs and personal accident insurance. These will be provided for as under :

(i) Housing I : The expenditure by the Company on hiring furnished accommodation for following ceiling :-

Sixty per cent of the salary over and above ten percent payable by the Managing Director.

Housing II : In case accommodation is owned by the Company ten percent of the salary of the Managing Director shall be deducted by the Company.

Housing III : In case no accommodation is provided by the company, the Managing Director shall be entitled to house rent allowance subject to the ceiling laid down in House I.

Explanation : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per income tax rules 1962. This shall however be subject to ceiling of ten percent of the Salary of the Managing Director.

(ii) Medical Reimbursement : Expenses incurred for the Managing Director and his family subject to a ceiling of one month's salary in a year or three month's salary over a period of 3 years.

(iii) Leave Travel Concession : For the Managing Director and his family once in a year incurred in accordance with any rules specified by the Company.

(iv) Club Fees : Fees of Clubs subject to a maximum of 2 clubs. This will not include admission and life membership fee.

(v) Personal Accident Insurance : Premium not to exceed Rs.5,000/- per annum.

Explanation : For the purpose of Category 'A' "Family" means the spouse, the dependent children and dependent parents of the Managing Director.

RAJESWARI GRAPHICS LIMITED**Category 'B'**

1. Contribution to Provident Fund, Super annuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable will not exceed half a months salary for each completed year of service.
2. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.

Category 'C'

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car, for private purpose shall be billed by the Company to the Managing Director.

COMMISSION

Remuneration by way of commission will also be allowed in addition to salary and perquisites. The amount of it, based on the net profits of the Company in a particular year shall be subject to the overall ceiling laid down in Section 198 and 309.

Notwithstanding anything contained herein, where, in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the company will pay him remuneration by way of salary and perquisites specified above.

The above may be treated as an abstract of the draft agreement proposed to be entered into between the company and Mr. G. RAMAMURTHY, pursuant to Section 302 of the Companies Act, 1956.

The draft Agreement to be entered into between the Company and Mr. G. Ramamurthy is available for inspection by the Members of the Company at the registered office of the Company on any working day excluding Saturdays & holidays upto the date of the ensuing Annual General Meeting between 2.00 p.m. and 4.00 p.m.

ITEM NO.6

The re-appointment and payment of remuneration to Mr. G. BABU, Director (Technical) is subject to the approval of members as required under Section 269 of the Companies Act, 1956 by way of an Ordinary Resolution. Mr. G. Babu has been functioning as such since 1.10.1993.

Approval of members is sought for the re-appointment of Mr. G. Babu, Director (Technical) on a remuneration of Rs.12,000/- p.m. w.e.f. 1.10.1998 for a period of five years.

This explanatory statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO.7

The re-appointment and payment of remuneration to Mr. G. KUMAR, Director (Technical) is subject to the approval of members as required under Section 269 of the Companies Act, 1956 by way of an Ordinary Resolution. Mr. G. Kumar has been functioning as such since 1.10.1993.

Approval of members is sought for the re-appointment of Mr. G. Kumar, Director (Technical) on a remuneration of Rs.12,000/- p.m. w.e.f. 1.10.1998 for a period of five years.

This explanatory statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

ITEM NO.8

The re-appointment and payment of remuneration to Mr. G. KARTHIKEYAN, Director (Technical) is subject to the approval of members as required under Section 269 of the Companies Act, 1956 by way of an Ordinary Resolution. Mr. G. Karthikeyan has been functioning as such since 1.10.1993.

Approval of members is sought for the re-appointment of Mr. G. Karthikeyan, Director (Technical) on a remuneration of Rs.12,000/- p.m. w.e.f. 1.10.1998 for a period of five years.

This explanatory statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

MEMORANDUM OF INTEREST OF DIRECTORS :

Mr. G. Ramamurthy, Mr. G. Babu, Mr. G. Kumar and Mr. G. Karthikeyan may be deemed to be concerned or interested in these items of business (Item Nos. : 5 to 8)

By order of the Board

G. RAMAMURTHY

Chairman & Managing Director

Place : Chennai
Date : 12-08-2000