



ANNUAL REPORT 1999-2000

**BOARD OF DIRECTORS**

Kishore Chand Talwar	Chairman & Managing Director
Sharda K. Talwar	Wholetime Director
V. Shivaswamy Iyer	Director

AUDITORS

R. S. Agrawal & Associates,
Chartered Accountants,
Mumbai.

BANKERS

Development Credit Bank Ltd.

**REGISTERED OFFICE &
FACTORY I**

92-D, Government Industrial Estate,
Charkop, Kandivli [West],
Mumbai - 400 067.

FACTORY II

Gala No. 2, Plot No. 10
Premier Industrial Estate,
Kachigam, Daman - 396210,
(U. T. of Daman & Diu)

**REGISTRARS & SHARE
TRANSFER AGENTS**

Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate,
Sakivihar Road,
Sakinaka, Andheri (East)
Mumbai - 400 072.

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NOTICE

NOTICE is hereby given that the Twelfth Annual General Meeting of the members of **REXNORD ELECTRONICS & CONTROLS LTD** will be held on Friday, the 29th September, 2000 at 11.00 A.M. at the Registered Office of the Company, 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 along with Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Kishore Chand Talwar who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors and fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit, to pass, with or without modification(s), the following resolutions as a special resolution :

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956, (the Act) the existing Articles of Association of the Company be and are hereby altered in the manner and to the extent set out below :

The following new Clauses be inserted as Articles 67A, 67B and 67C after Article 67 in the Articles of Association of the Company

67A. DEMATERIALISATION OF SECURITIES

1. For the purpose of this Article :

"SEBI" means the Securities and Exchange Board of India established under section 3 of the Securities and Exchange of India Act, 1992.

"Depositories Act" means the Depositories Act, 1996, including any statutory modifications or re-enactment thereof for the time being in force.

"Depository" means a company formed and registered under the Companies Act, 1956 and which has been granted a certificate of registration under sub-section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"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 Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under section 12(A) of the Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations made by SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by SEBI.

Words imparting the singular number only include the plural number and vice versa.

Words imparting persons include corporations.

Words and expressions used and not defined in the Act but defined in the Depositories Act, shall have the same meanings respectively assigned to them in that Act.

2. Either the company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof, shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modifications thereto or re-enactment thereof.
3. Notwithstanding anything contained in these Articles, the company shall be entitled to dematerialise its existing securities, dematerialise its securities held in the Depositories and/or offer its fresh securities in a dematerialised form pursuant to the Depositories Act, and the rules framed thereunder, if any.
4. Every person subscribing to or holding securities of the Company shall have the option to receive, security certificates or to hold the securities with a Depository.

If a person opts to hold his security with 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 allottees as the Beneficial Owner of the security.

5. All securities held by 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 securities held by it on behalf of the Beneficial owner.
- 6 (a) Notwithstanding anything to the contrary contained in the Act, or these Articles, a Depository shall be deemed to be registered owner for the purpose 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 security 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.
7. 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 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, future or partial interest in any share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has express or implied notice thereof, but the Board shall be entitled at their sole discretion to register any share in the joint names of any two or more persons or the survivors of them.
8. Every Depository shall furnish to the Company, information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bylaws and the Company in that behalf.
9. Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a Participant, the Company shall cancel such certificate and substitute in its records the name of Depository as the registered owner in respect of the said securities and shall also inform then the Depository accordingly.
10. 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 information as above make appropriate entries in its records and shall inform the Company.
- The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner of the transferee as the case may be.
11. Notwithstanding anything 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.
12. Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien or shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares in physical form subject to the provisions of the Depository Act.
13. 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.
14. 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.
15. The Company shall cause to keep a Register and index of Members and a Register and index of Debenture holders in accordance with Section 151 and 152 of the Act respectively, and the Depositories Act, with details of shares and debentures held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Register and index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act, shall be deemed to be Register and index of Members and Register and index of Debentures holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India a branch Register of Members resident in that state or country.
16. 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 held in material form.

67B. NOMINATION FACILITY :

1. Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
2. Where the Shares or Debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
3. Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of shareholder or debenture holder or as the case may be on the death of the joint holders become entitled to all the rights in such shares or debentures or as the case may be, all the joint holders, in relation to



such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.

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

67C. TRANSMISSION OF SECURITIES :

1. A nominee, upon production of such evidence as hereinafter, may elect, either.
 - a) To register himself as holder of the share or debenture as the case may be, or
 - b) To make such transfer of the share or debenture, as the deceased shareholder or debenture holder, as the case may be, could have made.
2. If the nominee elects to be registered as holder of the share or debenture, himself, 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 with the death certificate of the deceased shareholder or debenture holder, as the case may be.
3. A nominee shall be entitled to the dividend on shares/interest on debentures and other advantages to which he would be entitled if he was the registered holder of the share or debenture, provided that he shall not, before registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.

Provided further 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 or debenture, 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 or debenture, until the requirements of the notice have been complied with.

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

"RESOLVED THAT in pursuance of guideline No.SMDRP/CIR/14/98 dated 29th April, 1998 of SEBI (Securities and Exchange Board of India) and any statutory modification and amendments thereof regarding voluntary de-listing of shares from the Stock Exchanges and subject to the approval of SEBI and the concerned Stock Exchanges, if any, the consent of the Company is hereby accorded to de-list the equity shares of the Company from Delhi Stock Exchange, Ahmedabad Stock Exchange and Bangalore Stock Exchange on or before 31.3.2002 and the Board is hereby authorised to do all acts, deeds, things, necessary and expedient while complying with the guidelines for de-listing of the equity shares".

By Order of the Board,
REXNORD ELECTRONICS & CONTROLS LTD.

Kishore Chand Talwar
Chairman & Managing Director

Place : Mumbai
Dated : 22nd August, 2000

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxy duly stamped and executed, must reach the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. The relevant Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the item No.4 & 5 is annexed hereto.
3. The Registers of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th September, 2000 to Friday, 29th September, 2000 (both days inclusive)
4. Members are requested to intimate any changes in their addresses, if any, to the Company's Share Transfer Agents :

Bigshare Services Pvt. Ltd.,
E/2, Ansa Industrial Estate,
Sakivihar Road,
Sakinaka, Andheri (East)
Mumbai - 400 072

5. All documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company during office hours on all working days except public holidays between 11.00 a.m. and 1.00 p.m upto the date of the Annual General Meeting.



ANNEXURE TO THE NOTICE

THE EXPLANATORY STATEMENT

(Pursuant to section 173 (2) of the Companies Act, 1956)

ITEM NO. 4 :

DEMATERIALISATION OF SECURITIES :

The Securities and Exchange Board of India (SEBI) is putting securities of many Companies under Dematerialisation i.e. to be traded in electronic form only.

It is in this direction that sooner or later the securities of your Company will also put in Demat and your Directors are of the view that as required under the provisions of the Companies Act, 1956 Articles of Association be amended suitably so as to provide the required clause for Demat.

NOMINATION FACILITY & TRANSMISSION OF SECURITIES :

The Companies [Amendment] Ordinance, 1999 has prescribed that the shareholders or debenture holders of the Company have an option to nominate a person for the purpose of getting the right of shareholder or debenture holder in the event of his death. Hence the Company is proposing to add the suitable clause for the purpose of nomination facility in its Articles of Association by altering the Articles of Association.

Section 31 of the Companies Act, 1956, requires that the alteration of Articles of Association can be done only by passing a special resolution. Hence the special resolution as per item No.4 has been proposed.

None of the Directors of the Company are concerned or interested in said resolution.

ITEM NO. 5 OF THE NOTICE :

SEBI (Securities and Exchange Board of India) has announced guidelines for voluntary de-listing of Shares from Stock Exchanges where the shares of the Company are either not traded or rarely traded.

The Board has observed that the shares of the company are rarely traded on the Delhi Stock Exchange, Ahmedabad Stock Exchange and Bangalore Stock Exchange and the Board recommended de-listing of the Shares of the company from Delhi Stock Exchange, Ahmedabad Stock Exchange and Bangalore Stock Exchange. This requires to take the permission of members by passing the special resolution at the Annual General Meeting. The permission of members was already taken at the Tenth Annual General Meeting held on 28th September, 1998, however the same was not acted upon. Therefore the Board thought it fit to take the permission of the members again at the ensuing Annual General Meeting by passing a special resolution and start the procedure for the same actively.

The Board will be fixing a Record Date thereby giving an exit opportunity to the affected shareholders of Company in compliance with the relevant clause of the Listing Agreement entered into with the respective Stock Exchanges.

The Directors recommend the resolution as set out at item No. 5 of the Notice for your approval. The Directors of the Company may deem to be interested in this resolution to the extent of Shares to be taken by them.

By Order of the Board,
REXNORD ELECTRONICS & CONTROLS LTD.

Place : Mumbai
Dated : 22nd August, 2000

Kishore Chand Talwar
Chairman & Managing Director