

Ninth Annual Report 1999-2000

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For Sai Industries Limited

Niraj Kumar Singh

As Chairman & Managing Director

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SAI INDUSTRIES LIMITED

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Ninth Annual Report 1999-2000

BOARD OF DIRECTORS

Shri Bhoj Raj Singh
 Dr. Niraj K. Singh
 Shri. S. Anand
 Shri S. D. R. Chadha
 Dr. S. M. Pathak

Chairman
Vice Chairman and Managing Director
Director
Director
Director

BANKERS

INDIAN BANK
 Aurobindo Place,
 Hauz Khas,
 New Delhi - 110 016

AUDITORS

M/S. GOYAL AND GOYAL
 Chartered Accountants,
 C-2/4, Community Centre,
 Ashok Vihar, Phase-II
 Delhi - 110 052

REGISTERED OFFICE

202, Aurobindo Place,
 Hauz Khas,
 New Delhi - 110 016.

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SAI INDUSTRIES LIMITED

NOTICE TO THE SHAREHOLDERS FOR THE NINTH ANNUAL GENERAL MEETING

Notice is hereby given that the Ninth Annual General Meeting of the Company will be held as scheduled below:

Day and Date	:	Friday the 29th September, 2000
Time	:	12.30 P. M.
Place	:	202, Aurobindo Place, Hauz Khas, New Delhi - 110 016

The agenda for the Meeting will be as follows :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Profit and Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Dr. Niraj Kumar Singh, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. S.M. Pathak, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration. M/s. Goyal and Goyal, Chartered Accountants, the retiring Auditors, are eligible for re-appointment.

SPECIAL BUSINESS

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

"RESOLVED THAT approval of the company be and is hereby accorded to the re-appointment of Dr Niraj Kumar Singh as Vice Chairman & Managing Director for a further period of 5 years with effect from 9th June 2000 on the existing terms and conditions. Dr. Singh will not draw any remuneration from Sai Industries Limited since he is working as Vice Chairman & Managing Director in Sai Capital Limited and drawing salary.

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

"RESOLVED THAT pursuant to Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company be altered in by adding a new Article 56A after the existing Article 56 :

56A DEMATERIALISATION OF SECURITIES

- i.) Definitions : For the purpose of this Article :
"Beneficial Owner" means a person or persons whose name is recorded as such with a depository.

"SEBI" means the Securities and Exchange Board of India.

"Depository" means a Company formed and registered under the Companies Act, 1956 and which has been granted a Certificate of Registration to act as a depository under the Securities and Exchange Board of India Act, 1992, and shall, inter alia, include the National Securities Depository Ltd.,

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Central Securities Depository Ltd, and/or any other such depository set up in future as the case may be .

"Security" means such security as may be specified by SEBI from time to time.

ii. Dematerialisation of Securities

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 and in accordance with the Depository Act, 1996 and other Rules, Regulations and Guidelines as may be applicable in this behalf.

iii. Option for investors

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 Depository Act, and the company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

iv. Securities in depository to be in fungible form

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

v. Rights of Depositories and Beneficial Owners

- a) Notwithstanding anything contrary contained in the Act or these Articles, a depository shall be deemed to be the 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 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 the 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.

vi. Service of Documents

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.

vii. Transfer of Securities

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

SAI INDUSTRIES LIMITED**viii. Allotment of Securities dealt with by a depository**

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.

ix. Distinctive number and securities held in a depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive number for securities issued by the Company shall apply to securities held in a depository.

x. Register and Index of Beneficial Owners

The Register and Index of Beneficial Owners, maintained by depository under the Depository Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

xi. Powers of the Board

The Board have full powers to take all such steps as may be required for the purpose of dematerialisation of the existing securities, as may be deemed expedient and/or may be directed by the Competent Authority in this regard and to decide in respect of all matters incidental of this Article as may be required from time to time including inter-alia, the joining of one or more depositories as may be deemed expedient by the Board.

NOTES

1. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September, 2000 to 29th September, 2000 (both days inclusive).
2. A member entitled to attend and vote at the Meeting is entitled to appoint Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. A proxy, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the time of holding the Meeting.
3. Members desiring any information on the accounts at the Annual General Meeting are requested to write to the Company at its Registered Office atleast 10 days in advance so as to enable the Company to keep the information ready.
4. As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are, therefore, requested to bring the copy of the Annual Report with them at the Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)
OF THE COMPANIES ACT, 1956**

ITEM NO. 5

The existing term of appointment of Dr. Niraj Kumar Singh as Vice Chairman & Managing Director expired on 8th June 2000. The Board of Directors considered the matter and decided that subject to the approval of the Company at the General Meeting, Dr. Niraj Kumar Singh, be re-appointed as Vice Chairman & Managing Director for a further period of 5 years w.e.f. 9th June 2000 on the existing terms & conditions. He will, however, be entitled to the reimbursement of expenses incurred in connection with the work of the company viz. :

- i. out of pocket expenses incurred in discharge of his general duties as Vice Chairman & Managing Director of the Company;
- ii. telephone calls made on behalf of the company;

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- iii. travelling expenses;
- iv. local conveyance expenses; etc.

ITEM NO. 6

With the introduction of the Depository Act, 1996 and the Depository System, some of the provisions of the Act relating to the issue, holding, transfer, transmission of shares and other securities have been amended to facilitate the implementation of the new system. The Depository System of holding securities in an electronic form is a far safer and more convenient method for holding and trading in the securities of a company. SEBI has already notified a list of Companies of which are to be compulsorily traded in dematerialised form. It is, proposed that the Company's Articles of Association be suitably amended, as set out in the resolution at item No. 6 to reflect the provisions introduced by the Depository Act, 1996 to enable the company to be prepared to join the depository system and to spell out the rights of the beneficial owners of the securities in such system as and when the shares of the Company are notified for compulsory trading in dematerialised form.

While the name of your Company is yet to be notified, your Directors recommend that the propose resolution be passed as Special Resolution.

None of the Directors of the Company is, in any way, concerned or interested in the above resolution.

A copy of the memorandum and Articles of Association of the Company together-with the proposed alterations is available for inspection by the members of the Company at its Registered Office during normal business hours on any working day.

By Order of the Board of Directors

Sd/-
(Bhoj Raj Singh)
Chairman

Place : New Delhi
Dated : 30th June, 2000

CERTIFIED TRUE COPY
For Sai Industries Limited

Niraj Kumar Singh
Niraj Kumar Singh
Chairman & Managing Director