

Seventh Annual Report

2000-2001

Report  Junction.com

Senbo 
INDUSTRIES LTD.

CORPORATE PROFILE

BOARD OF DIRECTORS

Mr. Kajal Sengupta	<i>Chairman & Managing Director</i>
Mr. C. S. Choudhury	<i>Director Finance</i>
Mr. P. K. De	<i>Director</i>
Mr. S. P. Roychowdhury	<i>Director</i>
Dr. S. Chakraborty	<i>Director</i>
Mrs. S. Sengupta	<i>Director</i>
Mr. Kingshuk Sengupta	<i>Director</i>

COMPANY SECRETARY

Mr. Subhankar Roychowdhuri

BANKER

State Bank of India

MANAGEMENT TEAM

Ms. Papia Chakraborty
Chief Executive Officer

Mr. Bhaskar Sengupta
Chief General Manager

Mr. Biplab Das
General Manager (Commercial)

Mr. Sujit Chakravorty
Asst. General Manager (Marketing)

Mr. S. K. Choudhury
Asst. General Manager (Pur. & Stores)

Mr. Subrata Basu
Asst. General Manager (QC. & RD.)

AUDITORS

Rajesh Chaturvedi & Associates
Chartered Accountants
675B, 'O' Block, New Alipur,
Kolkata-700 053

REGISTERED OFFICE

87, Lenin Sarani, Kolkata - 700 013
Phone : (033) 244-1395, 245-0816,
249-0441
Fax : (033) 244-9485
Email : senbo@giascl01.vsnl.net.in

MARKETING OFFICE

251A/59A, N. S. C. Bose Road
Kolkata - 700 047
Phone : (033) 471-4009/8928
Fax : (033) 471-8929

WORKS

Karbala, Sonarpur Station Road
Kolkata -700 103
Phone : (033) 434-7339/7340
Fax : (033) 434-7341

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Pvt. Ltd.
C-444, Bagri Market, 71 B.R.B.B. Road
Kolkata - 700 001

CONTENTS

	Page No.
Notice	1
Explanatory Statement to Notice	8
Directors' Report	9
Compliance Certificate on Corporate Governance	12
Corporate Governance	13
Auditors' Report	18
Annexure to Auditors' Report	19
Balance Sheet	20
Profit & Loss Account	21
Schedules to the Balance Sheet	22
Schedules to the Profit & Loss Account	25
Notes to the Accounts	28
Cash Flow Statement	32
Attendance Slip and Proxy	33

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Shareholders of Senbo Industries Limited will be held at Science City, J B S Haldane Sarani, Kolkata 700046 on Thursday, 27th September 2001 at 11AM to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2001 and the Profit & Loss Account for the year ended on that date, together with the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Kingshuk Sengupta, who retires by rotation and is eligible for re-appointment.
3. To appoint a Director in place of Smt. Santwana Sengupta, who retires by rotation and is eligible for re-appointment.
4. To appoint Statutory Auditors and to fix their remuneration.
M/S Rajesh Chaturvedi & Associates, Chartered Accountants, the retiring Auditors of the Company, being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification the following resolution as a 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 and are hereby altered as under:

- a. Article 1 of the Company's Articles of Association shall include the following interpretation at appropriate places :

"Beneficial Owner" means the beneficial owner as defined in Section 2 (1) (a) of the Depositories Act, 1996.

"Bye-Laws" means bye-laws made by a Depository under Section 26 of the Depositories Act, 1996.

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

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

"Member" means the duly registered holder of shares of the Company from time to time and includes the subscribers of the Memorandum of Association of the Company and a Beneficial Owner.

"Record" includes the record maintained in the form of books or stored in a computer or such other form as may be determined by regulations made by SEBI.

"SEBI" means the Securities Exchange Board of India.

"Security" means such securities as defined in Section 2 of the Securities Contracts (Regulation) Act, 1956.

- b. The following new Article 3A be inserted after Article 3 with the following marginal notes:

3A. Power of the Company to purchase its own shares or other securities

Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other specified securities out of its free reserves or the share/ debenture/ securities on premium account or the proceeds of any shares or other specified securities in accordance with the provisions of Section 77A and 77B and other applicable provisions of the Act and Rules prescribed by the Central Government and/or by Securities Exchange Board of India in this behalf.



- c. The following new Article 5A be inserted after Article 5 with the following marginal notes:

5A. Allotment of Securities dealt with Depository

Notwithstanding anything contained in the Act or the 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.

- d. The following new Articles 39A and 39B be inserted after the present Article 39 with the following marginal notes:

39A. Nomination of Shares

- (i) Every holder of Shares in, or holder of debentures of the Company may at any time nominate, in the prescribed manner under Section 109A of the Act, a person to whom his shares in, or debentures of the Company shall vest in the event of his death.
- (ii) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the Shares or debentures of the Company shall vest in the event of death of all the joint holders.
- (iii) Notwithstanding anything contained in any other law for the time being in force or any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of the Company, where a nomination made in the prescribed manner under Section 109A of Act, purports to confer on any person the right to vest the Shares in, or debentures of the Company, the nominee shall, on the death of the holders of Shares in, or debentures of the Company or, on the death of the joint holders, as the case may be, become entitled to all the rights in the shares or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act.
- (iv) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination, to appoint in the prescribed manner under section 109A of the Act, any person to become entitled to shares in, or debentures of the Company, in the event of his death, during the minority.

39B. Transmission of Shares or Debentures

- (i) Any person who becomes nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect, either :
 - (a) to be registered himself as holder of the shares or debentures, as the case may be, or
 - (b) to make such transfer of the shares or debentures, as the case may be, as the deceased holder of shares in or debentures of the Company, as the case may be, could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased holder of shares or debentures, as the case may be, had transferred the shares or debentures, as the case may be, before his death.
- (iii) If the person being nominee, so becoming entitled, elects himself to be registered as holder of the shares or debentures, 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 holder of shares or debentures as the case may be.
- (iv) All the limitations, restrictions and provisions of the Act relating to the right to transfer and registration of transfer shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were a transfer signed by that holder of shares or debentures, as the case may be.

- (v) A person, being a nominee, becoming entitled to a share or debenture by reason of the death of the holders shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the shares or debentures except that he shall not, before being registered a member in respect of his share or debentures 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 either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonus or other monies payable in respect of the shares or the debentures, until the requirements of the notice have been complied with.

- e. The following new Articles 44A, 44B, 44C, 44D, 44E, 44F, 44G and 44H be inserted after Article 44 with the following marginal notes:

44A. Dematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise and re-materialise its shares, debentures and/ or other securities held in the Depositories and /or to offer its fresh shares, debentures and other securities in the dematerialised form pursuant to the Depositories Act and the rules framed thereunder. Where the shares, debentures and/or other securities are held in a dematerialised form the rights and obligation of the concerned parties shall be governed by the Depositories Act, 1996.

44B. Option for Investors

Every person subscribing to shares, debentures and/or other securities offered by the Company shall have the option to receive certificate(s) or to hold the shares, debentures and/or other securities in a dematerialised form with a depository. Such person who is the beneficial owner of securities in a dematerialised form can at any time opt out of a depository, 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 shares, debentures and /or other securities with a depository, the Company shall intimate such depository the details of allotment of the shares, debentures and /or other securities 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, debentures and /or other securities.

44C. Securities in Depositories to be in Fungible Form

All shares, debentures and other securities held by a depository shall be dematerialised and shall be in a fungible form. Nothing contained in sections 153, 187A, 372A and other applicable provisions of the Act, if any, shall apply to a depository in respect of the shares, debentures or other securities held by it on behalf of the beneficial owners. No certificate shall be issued for the shares, debentures and others securities held by the depository.

44D. Distinctive numbers of Securities held in a Depository

Nothing contained in Section 83 of the Act or the Articles regarding the necessity of having distinctive numbers of shares, debentures or other securities issued by the Company shall apply to shares, debentures or other securities held with a depository.

44E. Rights of Depositories and Beneficial Owners

- (i) Notwithstanding anything to the contrary contained in the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of shares, debentures and other securities on behalf of the beneficial owner.
- (ii) Save as otherwise provided in (i) above, the depository as a registered owner shall not have any voting rights or any other rights in respect of shares, debentures or other securities held by it on behalf of the beneficial owners.
- (iii) Every person having equity shares in the Company and whose names are entered as beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner shall be entitled to all the rights and benefits and be subjected to all the liabilities in respect of the securities held by a depository.



44F. Depository to furnish Information

Every Depository shall furnish to the Company information about the transfer of securities in the names of the beneficial owners at such intervals and in such manner as may be specified by the bye-laws in that behalf.

44G. Option to opt out in respect of any Security

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 share, debenture or other securities of the Company, as the case may be, the beneficial owner shall inform the depository. The Depository on receipt of such information shall inform the Company accordingly. The Company shall, within 30 (thirty) days of the receipt of such information from the Depository and on fulfilment of such conditions and on payment of such fees as may be specified by the regulation, issue the certificate of share, debenture or other securities to the beneficial owner or the transferee as the case may be.

44H. Transfer of Securities held by a Depository

- a) Notwithstanding anything contrary contained in the Act, Section 108 of the Act shall not apply to transfer of security effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of the depository.
- b) Notwithstanding anything contained in Articles 34 and 35 of the Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of shares, debentures and other securities of the Company as the case may be, on behalf of a beneficial owner.

f. The following new Article 73A be inserted after Article 73 with the following marginal notes :

73A. Voting Rights of Depositories and Beneficial Owner

Save as otherwise provided in Article 44H hereinbefore, the Depository as a registered owner shall not have any voting rights or any other rights in respect of shares, debentures or other securities held by it and every person holding shares, debentures and other securities of the Company, as the case may be, and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member, debenture holder or holder of other Securities, as the case may be. The beneficial owner shall be entitled to all the rights and benefits and shall be subject to all the liabilities in respect of his shares, debentures or other securities, as the case may be, which are held by a Depository.

g. The existing Article 86 (1) be and is hereby substituted by the following :

86 (1). Sitting Fees

Each Director shall be paid a remuneration by way of fee, of such sum for each meeting of the Board of Directors or any Committee / Sub-Committee of the Board, constituted by the Board, attended by him/her as may be determined by the Board from time to time within the limits prescribed by the Act or Central Government from time to time.

h. The following new Article 112A be inserted after existing Article 112 with the following marginal notes :

112A. Inter Corporate Loans and Investments

Subject to the provisions of Section 292, 293, 295 and 372A and other applicable provisions of the Act, the Company may invest and deal with the funds of the Company by making loans and/or investments in such shares, debentures, other securities as the Board, may think fit, or realise and/or vary such loans and/or investments in such manner and to such extent as it may think fit from time to time.

i. The existing Article 139 be substituted by the following new Article 139 with the following marginal notes :

139. Unpaid or Unclaimed Dividend

Where the Company has declared a dividend but which has not been paid or claimed

within thirty days from the date of declaration to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Senbo Industries Limited" and transfer to the said account, the total amount of Dividend which remains unpaid or unclaimed. Any money transferred to the Unpaid Dividend Account of the Company in pursuance of the Section 205A of the Act, which remain unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund established under Section 205C (1) of the Act.

- j. The following new Article 140A be inserted after the existing Article 140 with the following marginal notes :

140A. Adoption of Accounting Standard

- (i) Every Profit & Loss Account and Balance Sheet of the Company shall comply with the Accounting Standards recommended by the Institute of Chartered Accountants of India and /or prescribed by the Central Government.
- (ii) Where the Profit & Loss Account and Balance Sheet of the Company do not comply with the Accounting Standards, the Company shall disclose in its Profit & Loss Account and Balance Sheet, namely
 - a) The deviation from accounting standard,
 - b) The reasons for such deviation, and
 - c) The financial effect, if any, arising due to such deviation.

- k. The following new Article 142A be inserted after the existing Article 142 :

142A. Service of Documents

Notwithstanding anything contained in the Act or the Articles to the contrary, where shares, debentures and other securities of the Company, as the case may be 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 compact discs.

- l. The following new Article 147A be inserted after the existing Article 147 :

147A. Register and Index of Beneficial Owners

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, Register and Index of Debenture-holders and Register and Index of holder of other securities, as the case may be, for the purpose of these Articles.

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

RESOLVED that pursuant to applicable provisions the Foreign Exchange Management Act, 1999 (FEMA), the Companies Act, 1956 and all other applicable rules, regulations, guidelines and laws (including any statutory modification or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanction and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, which may be agreed to by the Board of Directors of the Company and / or a duly authorised Committee thereof for the time being exercising the power conferred by the Board of Directors (hereinafter referred to as "the Board") the consent of the Shareholders of the Company be and is hereby accorded to the Board to permit purchase/ acquisition from the market by Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) and Overseas Corporate Bodies (OCBs) under the Portfolio Investment Scheme of FEMA of shares /debentures/ other securities of the Company subject to the following conditions

- (i) The aggregate of purchase / acquisitions through primary or secondary market or Equity Shares / Convertible debentures by NRIs / OCBs / FIIs both on re-patriation and non-repatriation basis, shall be within the respective overall ceilings of :



- (a) 49% of the total paid-up equity Capital of the Company; and
- (b) 49% of the total paid-up value of each series of Convertible Debentures of the Company.
- (ii) Investments made on repatriation basis by any single Non-Resident Investor in the Equity Shares and Convertible Debentures of the Company shall not exceed 5 percent of the total paid-up Equity Capital of the Company or 5 percent of the total paid-up value of such series of Convertible Debentures of the Company as the case may be.
- (iii) Investments made by any single OCB and / or FII shall not exceed :
 - (a) 10 per cent of the total paid-up Capital of the Company, and
 - (b) 10 per cent of the total paid-up value of each series of Convertible Debentures of the Company.

RESOLVED FURTHER that the consent as aforesaid, shall be subject to such approvals, if any, as may be necessary and to the conditions/ modifications, if any, that may be prescribed while granting such approvals, which the Board is hereby authorised to agree to and accept.

RESOLVED FURTHER that the Board be and is hereby authorised to do all such acts and things including execution of documents, as may be necessary, or expedient for the purpose of giving effect to the Resolution and for matters connected therewith or consequential or incidental thereto.

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution in supersession of all earlier resolutions passed by the shareholders of the Company :

RESOLVED that in pursuance of the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and other concerned authorities, wherever required, consent of the Company be and is hereby accorded to the Board of Directors of the Company to make any investment or any loans(s) to or give any guarantee(s) and/or provide any security in connection with any loan(s) made or to be made by any other persons(s) or body(ies) corporate or banks or financial institutions to any other person(s) by any body(ies) corporate whether or not under the same management, from time to time, on such terms and conditions as the Board of Directors may deem fit and expedient notwithstanding that the aggregate of all such investments and loans made and guarantees given or securities provided may be in excess of all or any of the limits or percentages prescribed, by the Central Government from time to time under Section 372A of the Act, provided that the aggregate of such loans made or guarantees given or securities provided to all such bodies Corporate together shall not at any time exceed 60 percent of the paid-up capital and free reserves or 100 percent free reserves, which ever is more.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to determine the amount and the terms and conditions of each such loan or guarantee or to decide on any other matters arising out of incidental, consequential or supplemental thereto and to do and execute all such acts, deeds, matters and things as may be necessary to give effect to the above resolution.

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

RESOLVED that subject to such approvals, consents and/or permissions, if any, as may be necessary and subject to such conditions and modifications as may be prescribed by any authorities in granting such approvals and/or consents, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to opt for voluntary delisting of shares of the Company from Madras Stock Exchange where the shares of the Company are listed.

FURTHER RESOLVED that the Board of Directors of the Company be and is hereby authorised to do and execute all such act, deeds and things as may be necessary to give effect to the above resolution.

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

RESOLVED that the consent of the members be and is hereby accorded to the Board of Directors of the Company for keeping the Register of Members together with the Index of Members and copies of all returns prepared under Sections 159 and 160 of the Companies Act, 1956 as also the copies of certificates



and documents required to be annexed thereto under Section 160 and 161 of the Companies Act, 1956 with Company's Registrar and Share Transfer Agents M/s. Niche Technologies Private Limited at C – 444, Bagri Market, 71, Biplabi Rash Behari Basu Road, Kolkata 700001, where necessary registers, index and returns as mentioned above shall remain open for inspection during business hours between 11 AM and 1 PM on all working days, with effect from 1st October, 2001.

By Order of the Board

Kolkata
The 28th day of June, 2001

S. Roychowdhuri
Company Secretary

NOTES

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and a proxy need not be a member.
2. The Register of Members and Share Transfer Book will remain closed from 21st September, 2001 to 27th September, 2001, both days inclusive.
3. The Explanatory Statement, pursuant to Section 173(2) of the Companies Act, 1956 in respect of item nos. 5 to 8 as set out above are annexed hereto. All the documents pertaining to these items are available for inspection by the Members at the Registered Office of the Company between 11 AM and 1 PM on all working days upto the date of the Seventh Annual General Meeting.
4. Members who are holding Equity Shares in identical order of names in more than one folio are requested to write to the Company to enable the Company to consolidate their holdings in one folio.
5. Members who are holding their DP Account with Depository may send their transfer and allied advices through their Depository.
6. Members are requested to intimate the Company queries, if any, regarding Report and the Annual Accounts, at least ten days before the Annual General Meeting to enable the Management to keep the information ready at the Meeting.