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SIXTH ANNUAL REPORT YEAR 1999-2000

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M. B. PARIKH FINSTOCKS LTD.

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BOARD OF DIRECTORS

Mr. Mahesh B. Parikh	Chairman
Mr. Digant M. Parikh	Managing Director
Mrs. Sudha P. Kapadia	Director

STATUTORY AND TAX AUDITORS
M/s. B.R. Pancholi & Co.
11 Shree Ramway Plaza,
First Floor, Khari Vav Road,
Dandia Bazar,
Vadodara - 390 001.

INTERNAL AUDITOR
M/s. G. D. Rathi & Co.
114A/126, Hammersmith Industrial Estate
416, Off. Sitaladevi Temple Road
Mahim (W)
Mumbai - 400 016.

COMPANY LAW CONSULTANT
Sanjay Dholakia & Associates
B-26, Sankalpa Society, Rokadia Cross Lane
SVP Road, Borivli (W), Mumbai- 400 092.

LEGAL ADVISORS / ADVOCATES

Bagla Dandekar & Co.
Mr. Alok Bagla
Ridhi Siddhi Bhawan
2/12, 4th Floor
Babu Genu Road
Mumbai - 400 002

Mr. Rajendra Trivedi
Mr. Ravi Shukla
Bhajwada - Sheth Seri
Vadodara - 390 001.

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BANKERS TO THE COMPANY

CANARA BANK
ORIENTAL BANK OF COMMERCE
IDBI BANK LTD
DEVELOPMENT CREDIT BANK LTD.
VIJAYA BANK

OFFICES

REGISTERED OFFICE
705, Galav Chambers,
Sayajigunj
Vadodara - 390 005.
Tel. : (0265) 362 909

CORPORATE OFFICE
Heena Shopping Arcade, 2nd Floor
Office no. 9 & 10, S.V. Road
Jogeshwari (W), Mumbai - 400 102.
Tel. : 679 0433/34/35
Fax : 679 0463
E-mail : mbpfin@bom5.vsnl.net.in

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NOTICE

NOTICE is hereby given that the Sixth Annual General Meeting of the Members of M.B. PARIKH FINSTOCKS LIMITED will be held on Saturday, 8th July, 2000 at the Registered Office of the Company situated at 705, Galav Chambers, Sayajigunj, Vadodara - 390 005, Gujarat at 9.00 a.m.

ORDINARY BUSINESS

1) To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2000 and Profit and Loss Account for the year ended 31st March 2000, together with Report of Directors' and Auditors thereon.
2) To appoint a Director in place of Mr. Mahesh B. Parikh, who retire 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, the following resolution as an Ordinary Resolution :

   "**RESOLVED THAT** subject to the provisions of Sections 198, 269, 309 read with Schedule XIII and all other applicable provisions if any of the Companies Act, 1956 (including any Statutory modifications or reenactment thereof, for the time being in force) the consent of the Company be and is hereby accorded to the re-appointment of Mr. Digant M. Parikh as Managing Director of the Company for a period of five years with effect from 1st December, 1999 upon and subject to the terms and conditions including the remuneration as detailed in an agreement to be entered into between the Company and Mr. Digant M. Parikh a draft whereof which is initialed by the Chairman for the purpose of identification is placed before this meeting with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment so as not to exceed the limits specified in Schedule XIII of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government or as may be agreed to between the Board of Directors and Mr. Digant M. Parikh".

   "**RESOLVED FURTHER THAT** wherein any financial years on or after 1st April, 2000, the Company has no profits or its profits are inadequate, the Company may pay Mr. Digant M. Parikh a minimum remuneration by way of salary, perquisites and other allowances not exceeding the ceiling limit prescribed under Schedule XIII and in addition thereto the perquisites as specified under section II of the Schedule XIII to the Companies Act, 1956".

   "**RESOLVED FURTHER THAT**, in the event of Statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956 the Board of Directors be and is hereby authorised to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling without any further reference to the Company in General Meeting".

Place : Mumbai, Dated : 6th May, 2000

By Order of the Board of Directors
for M.B. PARIKH FINSTOCKS LTD.

Registered Office :
705, Galav Chambers,
Sayajigunj, Vadodara - 390 005.
Gujarat

DIGANT PARIKH
MANAGING DIRECTOR

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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 THE PROXY NEED NOT BE A MEMBER.

2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

3. The Register of Members and the Share Transfer Register of the Company will remain closed from 19th June. 2000 to 23rd June, 2000, (both days inclusive).

4. The members are requested to :
   a) Intimate changes, if any, in their Registered address to the company at the Registered Office of the company.

   b) Quote ledger folio numbers in all their correspondence.

   c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.

   d) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.

   e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

5. The documents referred to in the Notice are available for inspection to any member of the Company during business hours between 11.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m. at the registered office of the company upto the date of Annual General Meeting.

6. The explanatory statement pursuant to Section 173 of the Companies Act, 1956 for item no. 4 and 5 of the Notice is annexed and forms part of this Notice.

7. The terms & conditions of appointment and remuneration of Mr. Digant M. Parikh as Managing Director are given in Explanatory Statement be treated as an Abstract under Section 302 of the Companies Act 1956.

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Explanatory Statement under
Section 173(2) of the Companies Act, 1956

ITEM NO. 4

Mr. Digant Parikh was appointed as Managing Director of the company at the Extra Ordinary General Meeting held on 27th November, 1996 for a period of 3 years and his term expired on 30th November, 1999. Due to the untiring efforts of Mr. Digant Parikh, the Company recovered substantial amount from its long pending debtors and successfully Secured arbitration award at NSE. In view of this, the Board of Directors at its Meeting held on 22nd November, 1999 had re-appointed Mr. Digant Parikh as Managing Director of the Company for a period of 5 years with effect from 1st December, 1999. The detailed terms and conditions on which he was appointed is within the limits of Schedule XIII of the Companies Act, 1956 and the same are given below :

At the Meeting of the Board of Directors held on 22nd November, 1999 the Board of Directors re-appointed Mr. Digant M. Parikh as Managing Director, subject to approval of the Members in General Meeting for a period of 5 years with effect from 1st December, 1999, on the terms and conditions and the remuneration set below. The Particulars of terms and conditions as laid down under Schedule XIII of the Companies Act, 1956 are as under:

1 **Period :**

For a period of Five years with effect from 1st December, 1999.

2. **Remuneration :**

The Managing Director shall be entitled to the following emoluments, benefits and perquisites:-

A) **Salary :**

Mr. Digant M. Parikh will be paid a salary of Rs. 25,000/- per month in the scale of Rs. 25,000 - 5000-50,000 per month.

B) **Perquisites :**

PART 'A'

1) **Housing :**

In case the accommodation is provided by the Company ten percent of the salary of the Managing Director shall be deducted by the Company OR in case no accommodation is

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provided by the Company the Managing Director shall be entitled to house rent allowance subject to ceiling of 10% of the salary of the Managing Director.

The expenditure incurred by the Company on gas, electricity, water, furnishing shall be valued as per Income Tax Rules, 1962; this will however be subject to ceiling of 10% of the salary of Managing Director.

2) **Medical Reimbursement :**

Reimbursement of expenses incurred by the Managing Director for self and family subject to a ceiling of one month's salary in a year or five months salary over a period of five years.

3) **Leave Travel Concession :**

Leave Travel concession for the Managing Director and his family, once in a year incurred in accordance with the Rules of the Company.

4) **Personal Accident Insurance :**

Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs. 4,000/-.

5) **Club Fees :**

Fees of one club but not admission and life membership fee.

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PART "B"

i) Contribution to Provident Fund/Super Annuation Fund or annuity funds as per the Rules of the Company from time to time which will not be included in the computation of the ceiling on perquisites mentioned above to the extent these either singly or put together are not taxable under the Income Tax Act.

ii) **Gratuity :**

Benefits in accordance with the rule and regulations in force in the company from time to time, but shall not exceed a half month's salary for each completed year of service.

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iii) **Leave Encashment :**

As per the Rules and Regulations of the Company, Encashment of leave at the end of tenure will not be included in the computation of ceiling on perquisites.

PART "C"

i) Car :

Provision of car for use on Company's business. Personal use of car by Managing Director shall be billed by the Company to the Managing Director.

ii) Telephone :

Provision of telephone at his residence. Personal long distance calls on telephone shall be billed by the Company to the Managing Director.

Mr. Mahesh Parikh and Mrs. Sudha P. Kapadia are father and aunt respectively of Mr. Digant M. Parikh and are interested to that extent.

The Board recommends the resolution at item no. 4 of the Notice.

All the Directors of the Company may be deemed to be concerned or interested in the resolution.

Dated : 6th May, 2000

By Order of the Board of Directors
for M.B. PARIKH FINSTOCKS LTD.

Registered Office :
705, Galav Chambers,
Sayajigunj, Vadodara - 390 005.
Gujarat

DIGANT PARIKH
MANAGING DIRECTOR

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DIRECTORS' REPORT

Your Directors present herewith the **Sixth Annual Report** alongwith Audited Accounts of the Company for the year ended 31st March, 2000.

FINANCIAL RESULTS

The Financial performance of the Company is as under -

		(Rs. in lacs) 1999-2000	1998-99
	Profit before Tax	11.69	12.50
Less	: Provision for taxation	–	–
Add	: Balance b/f	–	–
Add	: Prior period items	–	(11.99)
	Balance available for appropriation	11.69	0.56
	Transfer to General Reserve	11.69	0.56
	Proposed Dividend	–	–
	Balance Carried to Balance Sheet		

The Directors do not recommend dividend.

NSE OPERATIONS AT VADODARA

As reported in the last Directors' Report dated 10.7.99, NSE Operations at Vadodara are trimmed considerably. The Management is reviewing the operations from time to time and would decide about complete closure of NSE terminal at Vadodara in due course.

NSE OPERATIONS AT MUMBAI

NSE terminal at Mumbai has picked up operations with good clientele base. NSE node is given to one of the leading BSE brokers. The management is witnessing good volume on the said NSE node.

BSE BOLT AT MUMBAI

The Company has succeeded in installing BSE BOLT of M/s. B.M. Gandhi Securities P. Ltd. (BSE Broker) at its Corporate Office at Jogeshwari (W), Mumbai. The said installation has facilitated clients in switching-over outstanding position and play on arbitrage.

DERIVATIVE TRADING

The Company has become member of NSE - Futures & Options Trading. This new concept of Trading would open up wider opportunities to investors and offer an interesting scope to our clients. The Trading is expected to commence from July 2000.

INVESTMENTS

As stated in the last Directors' Report dated 10.7.1999, the Company has reduced its investment into Unquoted shares by Rs. 18,50,000 /-. Efforts are underway to reduce further the said investment.

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