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SEVENTH ANNUAL REPORT YEAR 2000-2001



M.B. PARIKH FINSTOCKS LIMITED



BOARD OF DIRECTORS

Mr. Mahesh B. Parikh
Mr. Digant M. Parikh
Mrs. Sudha P. Kapadia
Mr. T G Natrajan

Chairman
Managing Director
Director
Director

STATUTORY AND TAX AUDITORS

M/s. B.R. Pancholi & Co.
11 Shree Ramway Plaza
Khari Vav Road
Dandia Bazar
Vadodara - 390 001.

INTERNAL AUDITOR

M/s. G. D. Rathi & Co.
210, Hammersmith Industrial Estate
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

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

Mr. Rajendra Trivedi
Mr. Atul Mistry
Bhajwada - Seth Seri
Vadodara - 390 001.

Mr. Anandvardhan Yagnik
C/o. Mrs. Bhartiben Patel.
40, Prot. Quartar's
Civil Hospital Campus,
Ahmedabad - 380 011.

Jagdish Chokshi
Saiganga Apt.,
R.V. Desai Road,
Nr. Jayratna Bldg.,
Vadodara - 390 001

BANKERS TO THE COMPANY

DEVELOPMENT CREDIT BANK LTD.
CANARA BANK
VIJAYA BANK

ORIENTAL BANK OF COMMERCE
IDBI BANK LTD.

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

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Shareholders of M.B. PARIKH FINSTOCKS LIMITED will be held on Saturday, 7th July, 2001 at the registered office of the Company situated 705, Galav Chambers, Sayajigunj, Vadodara, 390 005 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2001 and the Audited Profit and Loss Account for the year ended 31st March, 2001 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mrs. Sudha P. Kapadia, who retires by rotation and being eligible offers herself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution;

To appoint a Director in place of Mr. Natarajan T.G., who was appointed as an Additional Director under Article 134 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from certain members proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

- 5) To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution;

"RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered as detailed below:

A. Article 2 of the Articles of Association be altered to include the following definition at appropriate places:

* "Beneficial Owner" shall mean beneficial owner as defined in clause (a) of sub-section (I) of Section 2 of the Depositories Act, 1996.

* "Depositories Act, 1996" shall include any statutory modification or re-enactment thereof.

* "Depository" shall mean a Depository as defined in Clause (e) of sub-section (1) of Section 2 of the Depositories Act, 1996.

* "Registered Owner" means a Depository whose name is entered as such in the records of the Company.

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

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

* "Member" means the duly registered holder from time to time of the Shares of the Company and includes the subscribers to the Memorandum of the Company and the beneficial owner as defined above.



B. Article 2 of the Articles of Association of the Company be further amended by substituting the Clause "Register" as under:

"The Register" means the Register of Members to be kept pursuant to the Act, and where shares are held in dematerialised form "The Register" shall include the Register of Beneficial Owners maintained by a Depository."

C. Article 18 of the Articles of Association of the Company shall be substituted by the following:

"18. The Shares in the Capital of the Company shall be numbered progressively according to their several denominations provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are in dematerialised form, provided further that the Company shall not issue any share certificates in respect of shares held in Depository or in dematerialised form".

D. Article 26 of the Articles of Association of the Company shall be substituted by the following new Article:

"26. Save as herein otherwise provided, the Company shall be entitled to treat the person, whose name appears on the register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of Depository, as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognise any benami trust or equity or equitable, contingent, future or partial or other claim or claims or rights to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof".

E. Article 15 of the Articles of Association of the Company shall be substituted by the following new Article:

"15A. The Company shall cause to be kept a Register and index of Members in accordance with all applicable provisions of the Companies Act, 1956 and Depositories Act, 1996 with details of shares held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company shall be entitled to keep in any state or country outside India a Branch Register of Members in that state or country."

F. The following Articles, 27A, 27B, 27C, 27D and 27E shall be inserted after the existing Article 27 of the Articles of Association of the Company:

"27A. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares and other securities, dematerialise its shares and other securities held in the Depositories and/or offer its fresh shares and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and exchange Board of India (Depositories and Participants) Regulations, 1996."

"27B. 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 Certificates 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 record the name of the allottee as the beneficial owner of the security."

"27C. All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Section 153, 153A, 153B, 187B, 187C, 372A of the Companies Act, 1956 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners."

"27D. 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."

"27E. Save as otherwise provided 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.

The beneficial owner of the Security 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."

G. After Article 77 of the Articles of Association of the Company, the following Article 77A shall be inserted:

"77A. Notwithstanding anything contained in these Articles, every holder of shares in or Debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/debentures as the case may be or for transfer of the shares/debentures as the case may be shall be governed by the provisions of Section 109A and 109B and other applicable provisions of the Companies Act, 1956."

H. After Article 63 of the Articles of Association of the Company, the following new Articles 63A and 63B shall be inserted:

"63A. In the case transfer or transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply."

"63B. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a Depository."

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Place : Mumbai , Dated : 3rd May, 2001.

By order of the Board of Directors
for **M.B. PARIKH FINSTOCKS LIMITED,**

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

(DIGANT M. PARIKH)
MANAGING DIRECTOR.

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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
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 Share Transfer Register of the Company will remain closed from 23rd June, 2001 to 7th July, 2001 (both the days inclusive.)
4. The members are requested to :
 - a) Intimate changes, if any, in their Registered address to the Company at the Company's 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. 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 & 5 of the Notice is annexed and forms part of this Notice.

ANNEXURE TO NOTICE**Explanatory Statement Under
Section 173 (2) of the Companies Act, 1956****ITEM NO. 4**

Mr. Natarajan T.G. was appointed as an Additional Director under Article 134 of the Articles of Association of the Company on 19th August, 2000, pursuant to Section 260 of the Companies Act, 1956. As per his terms of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notices from some members pursuant to Section 257 of the Companies Act, 1956 signifying their intention to appoint him as Director. The Directors recommend their appointments in the best interest of the Company.

None of the Directors except Mr. Natarajan T. G. may be considered to be interested in the passing of this resolution.

ITEM NO. 5

The Depositories Act, 1996 has amended some of the provisions of the Companies Act, 1956 and other related laws 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. The Board of Directors of the Company has decided to dematerialise the shares of the Company voluntary to facilitate members deal in the shares in a better way. Subsequently the Securities and Exchange Board of India has mandated trading in the shares of the Company for all investors in dematerialised form.

In order to bring the Company's Articles of Association in line with the above, certain changes are required to be made in the Articles of Association of the Company, subject to the approval of the Shareholders in the General Meeting.

The insertion of Article 77A is based on the facility for nomination provided u/s. 109A and 109B of the Companies Act, 1956 pursuant to the Companies (Amendment) Act, 1999.

The Board of Directors recommends passing of the aforesaid Special Resolution at item 5 of the Notice.

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

Place : Mumbai , Dated : 3rd May, 2001.

By order of the Board of Directors
for **M.B. PARIKH FINSTOCKS LIMITED,**

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

(DIGANT M. PARIKH)
MANAGING DIRECTOR.

DIRECTORS' REPORT

To,
The Members,

Your Directors present herewith the **Seventh Annual Report** alongwith Audited Accounts of the Company for the year ended 31st March, 2001.

1. FINANCIAL RESULTS

The Financial performance of the Company is as under –

(Rs. in lacs)

	Year ended 31/03/2001	Year ended 31/02/2000
Profit before tax	(4.02)	11.69
Less : Provision for taxation	—	—
Profit after Tax	(4.02)	11.69
Prior Period Adjustment	(2.43)	—
Balance b/f	12.25	0.56
Balance Carried to Balance Sheet	5.80	12.25
Trading Loss (Rs.12.99 Lacs) and Depletion in value of Securities (Rs.17.95 Lacs) owing to depressed Capital Market activities have been main contributors to the loss incurred during Financial Year 2000-2001. Income from Broking activities have registered rise of 28.9% i.e. from Rs.30.17 Lacs to Rs.38.90 Lacs.		

2. DIVIDEND

Your Directors do not recommend any dividend on the Equity Share Capital of the Company as the company is having accumulated losses.

3. OPERATIONS

Depressed Capital Market and over-all bearish mood has caused Trading Loss (Rs.12.99 lacs) and depletion in value of Stock-in-trade (Rs.17.95 lacs). However overall performance has been generally satisfactory.

However during the year company could sell its unquoted investments, improved debtors management/recoveries and secured insurance claims which cummulatively augmented liquid resources; besides curtailing expenses.

As stated in last year's Director's Report, Operations of Vadodara are terminated and V-SAT is returned to NSE.

**4. DIRECTORS**

Mrs. Sudha P. Kapadia, retire by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Mr. Natarajan T.G. was appointed as an Additional Director under Article 134 of the Articles of Association of the Company on 19th August, 2000, pursuant to Section 260 of the Companies Act, 1956. As per his terms of appointment, his term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notices from some members pursuant to Section 257 of the Companies Act, 1956 signifying their intention to appoint him as Director.

The Directors recommend their appointments in the best interest of the Company.

5. ARBITRATION

As reported in the last year's Director's Report, the Company has persuaded vigorously arbitration proceedings against its clients – mainly at Vadodara.

During the year company won 5 Arbitration for an aggregate amount of Rs. 9,22,115.92; out of this a sum of Rs. 43,000.00 is received. The company has filed Arbitration Award execution petition in the concerned court.

It is observed that, despite Arbitration Award in favour of the Co. the actual payments are delayed as the Co. has to adopt a defined legal route to secure execution of Decree and other related matters. The Company is pursuing the above cases as per the advice and guidance of its Advocates.

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

8. PARTICULARS REQUIRED UNDER SECTION 217

Your Company is not required to furnish details in Form A & B as per the provision in Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988. Pursuant to the requirements of Section 217(2A) of the Companies Act, 1956, as amended, read with the Companies (Particulars of employees) Rules, 1975, as amended by the Companies (Particulars of employees) Rules, 1994, the information is not given as there was no employee drawing the salary as per the limits mentioned in the said section & Rules.

9. CORPORATE GOVERNANCE

Recently, the listing agreement with the stock exchanges have been amended by incorporating a new Clause 49 covering corporate governance, as a measure of investor protection. As per this amendment, your company is required to comply with the requirements before F.Y. 2002. Your company has already commenced the process of implementation of the required provisions of corporate governance and will ensure that all mandatory provisions are fully complied with well before the due date prescribed by the stock exchanges.