

9th
Annual Report
1999-2000

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PARAS
PETROFILMS LTD.



**9th
Annual
Report
1999-2000**

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BOARD OF DIRECTORS

SHRI DEVRAJ JAIN (Managing Director)
SHRI SIDDHARTH C. PATEL
SHRI JIVABHAI A. PATEL
SHRI JASKARAN CHOPRA
SHRI KAILASHCHAND JAIN
SHRI ANANDKUMAR JAIN
SHRI HARSHAD J. PATEL

COMPANY SECRETARY

SHRI RAJENDRA PARAKH

AUDITORS

M/s. GOYAL RAMESH & CO.
Chartered Accountants, Surat.

BANKER

DENA BANK
Saharagate Branch,
Surat-395 002.

GUJARAT INDUSTRIAL INVESTMENT
CORPORATION LIMITED
Ahmedabad.

REGISTERED OFFICE

PARAS PETROFILS LTD.
4/2327, Ganesh Chambers,
Nr. Hira Panna Textile Market,
Ring Road, Begumpura,
Surat - 395 003.

FACTORY

Block No. 529, N.H. No. 8,
Village Palsana, Dist. Surat - 394315.

PARAS PETROFILS LTD.**NOTICE**

NOTICE is hereby given that the Ninth Annual General Meeting of Paras Petrofils Ltd. will be held at the Registered Office of the Company on 30th September, 2000 at 3.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt Accounts for the year ended 31st March, 2000 and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of Shri Kailashchand Jain who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Director in the place of Shri Harshad J. Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors till next Annual General Meeting and fix their remuneration.

SPECIAL BUSINESS :

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

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act 1956, the Articles of Association of the Company be and is hereby altered to the extent and in the manner set out hereunder :-

(I) RESOLVED that -**(A) In Article 2, —**

- (i) After the existing sub-clause (c) the following sub-clause together with the marginal heading thereof be inserted :

"Beneficial Owner"

"(ca) "Beneficial Owner" shall have the meaning assigned thereto in Section 2 of the Depositories Act, 1996"

- (ii) After the existing sub-clause(i) the following sub-clauses together with the marginal headings thereof be inserted :

"Depositories Act"

"(ia) "Depositories Act" shall mean the Depositories Act, 1996 and includes any statutory modification or re-enactment thereof for the time being in force.

"Depository"

"(ib) "Depository" shall mean a Depository as defined in the Depositories Act, 1996"

- (iii) The existing sub-clause (a) together with the marginal heading thereof be substituted by the following :

"Member"

"(q) "Member" means a duly registered holder from time to time of the shares of the Company & also one whose name is entered as beneficial owner in the records of a Depository in the case of shares held in a Depository"

- (iv) The existing sub-clause (aa) together with the marginal heading thereof be substituted by the following :

"Register"

"(aa) "Register" shall mean Register of Members to be kept as pursuant to Section 150 of the Act and unless it be repugnant to the context or otherwise, the Register of Beneficial Owners in case of shares are held in a Depository"

- (v) After the existing sub-clause (ad) the following sub-clauses together with the marginal headings thereof be inserted:

"SEBI"

"(ada) "SEBI" means the Securities & Exchange Board of India.

"Securities"

"(adb) "Securities" mean Shares, Debentures or other securities as may be specified by central Government, SEBI or any other concerned authorities from time to time".

- (B) After the existing Article 27, the following seven Articles numbered 24 A to 24 G together with the marginal heading thereof be inserted under the heading "Dematerialisation of Securities".

" DEMATERIALISATION OF SECURITIES"**"Authority to dematerialise securities"****"27A"**

- (1) Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
- (2) When any securities of the Company are held or dealt in dematerialised form —



"Option to hold securities in the certificates or with Depository"

- (a) Every person holding securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the dematerialised form with a depository.

"Securities with Depositories to be dematerialised"

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

"Beneficial owner may opt out of a Depository"

- (c) Every person holding securities of the Company with a depository, being the beneficial owner thereof, may at any time opt out of the depository in the manner provided under the provisions of the Depositories Act, 1996 and the rules, if any prescribed thereunder and on fulfilment of the conditions prescribed by the Company from time to time, the Company shall issue the relevant security certificates to the beneficial owner thereof."

"Intimation to Depository"

"27B

- (1) The Company shall make available to the "Depository" depository copies of the relevant records in respect of securities held by such depository for the beneficial owners thereof.
- (2) When a holder or an allottee of the securities opts to hold the same with a depository, the Company shall intimate such depository the details of his holdings or allotment of securities & thereupon the depository shall enter in its record the names of the holders/allottees as the beneficial owners of such securities".

"Register and Index of Beneficial Owners"

"27C The Register and Index of Beneficial Owners of securities

maintained by a depository under section 11 of the Depositories Act, shall be deemed to be the Register & Index of members or of Holders of Debentures or other securities of the Company".

"Transfer of Securities held in a Depository"

"27D

- (1) Transfer of securities held in a depository will be governed by the provisions of Depositories Act, 1996.
- (2) Every depository shall furnish to the Company information about the transfer of securities the name of beneficial owners at such intervals and in such manner as may be specified under the provisions of Depositories Act, 1996.
- (3) Section 108 of the Act shall not apply to transfer of securities effected by the transferor and the transferee both of whom are entered as beneficial owners in the records of a depository".

"Rights of Depositories and Beneficial Owners"

27 E

- (1) A depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of securities on behalf of the beneficial owners and shall not have any voting rights or any other rights in respect of the securities held by it.
- (2) Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of 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 depository".

"Distinctive numbers of Securities held in a Depository"

27F

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

PARAS PETROFILS LTD.**"Other matters"**

"27G

Notwithstanding anything contained in these Articles or the Act, the provisions of Depositories Act 1996, relating to dematerialisation of securities, (including any modification or re-enactment thereof and Rules/Regulations made thereunder) shall prevail and apply accordingly".

- (II) RESOLVED that after the existing Article 56, the following new Article 42A and 42B together with the marginal headings thereof be inserted under the heading "Nomination Inter Vivos":

"NOMINATION"**"Nomination"**

"56 A

- (1) Every holder of shares in, or debenture 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 death of such holder.
- (2) 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, 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.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise in respect of such shares in or debentures of the Company, where a nomination made in a prescribed manner 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 shareholder or holder of debentures of the Company, or as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company, as the case may be, of all joint holders in such shares or debentures to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares or debenture to make the nomination to appoint, in the manner prescribed under the

provision 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.

- (5) The provisions of this Article shall apply *mutatis mutandis* to a depositor of money with the Company as per the provisions of Section 58A of the Companies Act 1956".

"Transmission in the name of nominee"

"56B

- (1) Any person who becomes a nominee by virtue Article 42 A upon in the name production of such evidence as may be required by the Board and subject of nominee" as hereinafter provided, elect, either-
 - (i) to be registered himself as holder of the shares or debentures, as the case may be; or
 - (ii) to make such transfer of the shares or debentures, as the case may be, as the deceased shareholder or debenture-holder, could have made.
- (2) If the nominee 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 by the death certificate of the deceased holder.
- (3) Subject to provision of the Act and these Articles, the relevant shares or debentures may be registered in the name of the nominee or the transferee as if the death of the holder of the shares or debentures had not occurred and the notice or transfer signed by the Registered holder.
- (4) A nominee on becoming entitled to any shares or debentures by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would have been entitled if he were the registered holder of the shares or debentures except that he shall not, before being registered as a member of such shares or debentures, be entitled in respect of them to exercise any right conferred on a member or debenture-holder in relation to meetings of the Company.
- (5) The Board may, at any time, give notice requiring any such person to elect either to

be registered himself or to transfer the shares or debentures, and if the notice is not complied with within 90 days, the Board may thereafter withhold payments of all dividends, bonuses interests or other moneys payable in respect of the relevant shares or debentures, until the requirements of the notice have been complied with.

- (6) The provisions of this Article shall apply mutatis mutandis to a depositor of money with the Company as per the provisions of Section 58 A of the Companies Act 1956".

(III) RESOLVED that the existing Article 196 be substituted by the following:

"Unclaimed

"196

- (1) The Company shall comply with the Dividend provisions of Section 205A and 205B read with Section 205C of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.
- (2) The Company shall comply with the provisions of Section 205 C of the Act in respect of any money remaining unpaid with the Company in the nature of (i) application moneys received by the Company for allotment of any securities and due for refund; (ii) deposit received by the Company and due for repayment; (iii) debentures issued by the Company and matured for redemption; and (iv) the interest, if any, accrued on the accounts referred at items (i), (ii) and (iii) respectively".
6. To consider and if thought fit to pass, with or without modification(s) the following as Ordinary Resolutions:
- "RESOLVED THAT pursuant to the provisions of Section 198,269,309,310 read with schedule XIII and all other applicable provisions of the Companies Act 1956, the company hereby approves the appointment of Shri Devraj Jain as Managing Director of the company for a period of 5 years with effect from 15th July, 2000 on the term and conditions including the remuneration as set out in the explanatory statement.

RESOLVED FURTHER THAT the remuneration specified above for Shri Devraj Jain may subject to overall ceiling as set out in the explanatory statement and subject to Schedule XIII of the Company's Act, 1956, be modified as may be agreed to by the company and Shri Devraj Jain, Managing Director.

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

RESOLVED THAT the registered office of the company situated at 4/2327, Ganesh Chambers, Ring Road, Begumpura, Surat-395003, be shifted to Block No.529, N.H. No.8, Village-Palsana, Dist. Surat.

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

RESOLVED THAT pursuant to section 81(1A) of the Companies Act, 1956 and other applicable provisions and subject to the approvals, consents, permission and/or sanctions as may be necessary of the Government of India, Reserve Bank of India, Stock Exchange, Securities and Exchange Board of India and any other appropriate authorities and subject to such conditions as may be prescribed by any of them, the Board of Directors of the company (hereinafter referred to as "the Board", which term shall be deemed to include any committee of the Board exercising the powers conferred by the Board) be and is hereby authorised on behalf of the company to issue and allot Cumulative redeemable preference shares of Rs.10 each for an aggregate amount not exceeding Rs.400.00 Lacs, at such time or times, at par, on such terms and conditions and to such persons as may be decided and deemed appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of cumulative redeemable preference shares, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the issue, allotment and utilisation of the issue proceeds, as it may in its absolute discretion, deem fit and proper.

EXPLANATORY STATEMENT

Item No.5

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956 in relation to the issue, holding transfer and transmission of shares, debentures and other securities have been amended to facilitate the implementation of new system. The Depository system is safe and convenient method to