

WESTERN MINISTIL LTD.

27

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Annual Report

WESTERN MINISTIL LIMITED

WESTERN MINISTIL LTD.**BOARD OF DIRECTORS**

K. RAMACHANDRAN *Chairman*
 PRITHVIRAJ S. PARIKH
 BHASKAR V. SHAH
 KIRAN D. SHAH
 NIRANJAN N. LALBHAI
 P.K.R.K. MENON, *Company Secretary*

AUDITORS

HARIBHAKTI & CO
Chartered Accountants

BANKERS

DENA BANK
 STATE BANK OF INDIA

REGISTERED OFFICE

16th Floor,
 Mittal Tower, 'A' Wing,
 Nariman Point, Mumbai - 400 021.

PLANT

L. B. S. Marg, Mulund (West)
 Mumbai - 400 080.

**REGISTRARS &
SHARE TRANSFER AGENTS**

M.C.S. Limited
 Plot No.27, Road No.11
 M.I.D.C. Area
 Sri Venkatesh Bhavan
 Andheri (East)
 Mumbai - 400 093

NOTICE

Notice is hereby given that the Twenty-Seventh Annual General Meeting of Western Ministil Limited will be held on Tuesday, the 25th September 2001 at 3.00 P.M. at Kamalnayan Bajaj Hall, Bajaj Bhavan, Ground floor, Nariman Point, Mumbai-400021 to transact the following business:

Ordinary Business :

1. To receive and adopt the Directors' Report and Audited Profit & Loss Account of the Company for the year ended 31st March, 2001 and the Audited Balance Sheet as at that date.
2. To appoint a Director in place of Shri Bhaskar V. Shah who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri P. K. R. K. Menon, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office for the period commencing from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business :

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

"RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) and re-enactment thereof for the time being in force, the Articles of Association of the Company be and are hereby altered in the following manner :

THE FOLLOWING DEFINITIONS SHALL BE INSERTED IN ARTICLE 1 :

"Beneficial Owner" means a person or persons whose name is recorded as such with a depository.

"Depository" has the same meaning as in the Depositories Act, 1996.

"Equity Share Capital" means equity share capital -

(i) with voting rights ; or

(ii) with differential rights as to dividend, voting or otherwise in accordance with such rules and subject to such conditions as may be prescribed.

"Employee Stock Option" means the option given to the whole-time directors, officers or employees of a Company, which gives such directors, officers or employees the benefit or right to purchase or subscribe at a future date, the securities offered by the Company at a pre-determined price.

"Postal Ballot" includes voting by Shareholders by postal or electronic mode instead of voting personally by being present for transacting business in a general meeting of the Company.

"Requisite Majority" with regard to Special Resolution means votes cast in favour of the business is three times more than the votes cast against and with regard to Ordinary Resolution, means votes cast in favour is more than the votes cast against.

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

"Share" means shares in the share capital of the Company and shall include stock except where a distinction between shares and stock is expressed or implied.

"Share Capital" shall mean share capital of the Company as per Clause V of the Memorandum of Association and shall include Ordinary or equity shares, preference shares (cumulative or non-cumulative, redeemable or irredeemable), voting or non-voting shares or such shares as are permitted to be issued under the Companies Act.

"Securities" means shares, Debentures or other Securities as may be specified by Central Government, SEBI or any other concerned authorities from time to time.

THE DEFINITION OF DIVIDEND GIVEN IN ARTICLE 1 SHALL BE SUBSTITUTED BY THE FOLLOWING NEW DEFINITION :

"Dividend" includes any interim dividend and bonus but not bonus shares.

ARTICLE 3 SHALL BE SUBSTITUTED BY THE FOLLOWING ARTICLE :

3. BUY-BACK OF SHARES

Subject to and in compliance of the requirements of Sections 77A, 77AA and 77B of the Companies Act, 1956 or corresponding provisions of any re-enactment thereof and any Rules and Regulations that may be prescribed by the Central Government, the Securities and Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company, in a General Meeting may, upon the recommendations of the Board of Directors, at any time and from time to time, by a Special Resolution authorise buy-back of any part of the share capital of the Company fully paid up on that date.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 5 OF THESE ARTICLES AS ARTICLE 5A :

5A SHARES WITH NON VOTING RIGHTS OR WITH DIFFERENTIAL RIGHTS

Subject to the provisions of section 86 of the Act, the rules made thereunder and any other applicable provision of the law, the company may issue equity share, either with non-voting rights or with differential rights and the resolution authorising such issue shall prescribe the terms and conditions of the issue.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 5A OF THESE ARTICLES AS ARTICLE 5B :

5B SWEAT EQUITY / ESOPS

Subject to the provisions of section 79A and other applicable provisions, if any, of the Act, and subject to the rules, regulations, clarifications and guidelines as may be issued by the Securities Exchange Board of India in this regard, from time to time, the Company may issue Sweat Equity shares and or offer Employees Stock Options to employees and directors of the Company on such terms and conditions and for such consideration or otherwise as may be approved by the members from time to time.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 14A OF THESE ARTICLES AS ARTICLE 14B :

14B DEMATERIALISATION OF SECURITIES

- i) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer them in a dematerialised form pursuant to the Depositories Act, 1996.
- ii) 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 Certificate of Securities.

If a person opts to hold his security with a Depository, the Company shall intimate to 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.

- iii) All securities held by a Depository shall be dematerialised and 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.

- iv) Notwithstanding anything to the 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.

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.

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 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.

- v) Notwithstanding anything 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.
- vi) 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 owners in the records of a Depository.
- vii) 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.
- viii) 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.
- ix) The Register and Index of beneficial owners maintained by a Depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 47 OF THESE ARTICLES AS ARTICLE 47A :

47A NOMINATION OF SHARES

Every holder of shares in, or holder of debenture of, a company shall have a right in pursuance Section 109A of the Act, to nominate, at any time, in the prescribed manner, a person to whom his shares in, or debenture of, the company shall vest in the event of his death ;

- (a) Where such shares in, debentures of, the company are held by more than one person jointly, such joint members shall have right to nominate together, in the prescribed manner, a person to whom all the rights in shares or debentures of the company shall vest in the event of death of all the joint holders;
- (b) Where a nomination is made in the prescribed manner to confer on any person the right to the right to vest the shares in, or debentures of, the company, the nominee on the death of shareholder or debentureholder of the company, or as the case may be, on the death of the joint holders, shall, 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, become entitled to all the rights in the shares or debenture of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (c) Where the nominee is minor, it shall be right of the holder of shares or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of, the company, in the event of his death, during the minority.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 47A OF THESE ARTICLES AS ARTICLE 47B :

47B TRANSMISSION OF SHARES IN THE NAME OF NOMINEE

Any person becoming nominee by virtue of article (i.e. aforesaid new article), shall, upon the production of such evidence as required by the board and subject as hereinafter provided, opt, either-

- (i) to get himself registered as holder of the shares or debentures as the case may be; or
- (ii) to make transfer of the shares or the debentures, as the case may be, as the deceased shareholder or debentureholder, as the case may be, could have made.
- (a) Where such nominee elects to get himself registered as a holder of 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 elect and such notice shall be accompanied with the death certificate of the deceased shareholder or the debentureholder as the case may be.
- (b) All the limitation, restriction and provision of the Act, relating to the right to transfer and the registration of transfers of shares of 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 transfer signed by that shareholder or debentureholder, as the case may be.
- (c) A person being a nominee, becoming entitled to shares or debentures by reason of the death of the holder shall be entitled to same dividends and other advantages to which he would be entitled as if he were a registered holder of the shares of debentures except that he shall not, before being the registered a member in respect of his shares 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 to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 75 OF THESE ARTICLES AS ARTICLE 75A :

75A PASSING OF RESOLUTION BY POSTAL BALLOT

- 1) Subject to the provisions of section 192A of the Act and the rules made thereunder, the company may, declare any business to be conducted only by postal ballot, instead of transacting the business in a general meeting of the company.
- 2) The Company shall transact the following businesses by postal ballot and such other businesses as may be notified by the Central Government from time to time :
 - i) Alteration in the Object Clause of Memorandum;
 - ii) Alteration of Articles of Associations in relation to deletion or insertion of provisions defining private company;
 - iii) Buy-back of own shares by the company under sub-section (1) of Section 77A;
 - iv) Issue of shares with differential voting rights as to voting or dividend or otherwise under sub-clause (ii) of clause (a) of Section 86;
 - v) Change in place of Registered Office outside local limits of any city, town or village as specified in sub-section (2) of Section 146;
 - vi) Sale of whole or substantially the whole of undertaking of a company as specified under sub-clause (a) of sub-section (1) of Section 293;
 - vii) Giving loans or extending guarantee or providing security in excess of the limit prescribed under sub-section (1) of Section 372A;
 - viii) Election of a director under sub-section (1) of Section 252;
 - ix) Power to compromise or make arrangements with creditors and members as specified under sub-section (2) of Section 391;
 - x) Variation in the rights attached to a class of shares or debentures or other securities as specified under Section 106.

- 3) The company shall follow the procedure in respect of Postal Ballot as may be prescribed by the Central Government, from time to time.

ARTICLE 149 SHALL BE SUBSTITUTED BY THE FOLLOWING ARTICLE :

149. PAYMENT BY POST OR BY BANKERS

Unless otherwise directed any dividend may be paid either by cheque or warrant sent through post to the registered address of the member or person entitled or by Electronic Clearing System (ECS) on the consent of shareholders or in the case of joint holders, to the registered address of that one whose name stands first on the Register in respect of the joint holding; and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. Several executors or administrators of a deceased member in whose sole name any share shall stand, shall for the purpose of this Article be deemed to be joint holders thereof. The Company shall not be responsible or liable for any cheque or warrant lost in transit or Electronic Clearing System (ECS) for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent recovery thereof by any other means.

ARTICLE 150 SHALL BE SUBSTITUTED BY THE FOLLOWING ARTICLE :

150. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a dividend but which has not been paid within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any Scheduled Bank called "The Unpaid Dividend Account of Western Ministil Ltd." and deposit the amount of such unclaimed dividend in the said account.
- (b) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the Funds established under Sub Section (1) of Section 205(c) of the Act.

THE FOLLOWING ARTICLE SHALL BE INSERTED AFTER ARTICLE 164 OF THESE ARTICLES AS ARTICLE 164A.

164A. AUDIT COMMITTEE

- (a) In the event of the paid up Capital reaching to Rs.5 crores or such other limit as may be prescribed by Central Government; the Company shall constitute a committee of the Board of Directors known as 'Audit Committee in terms of the provisions of Section 292A of the Act.'
- (b) The Audit Committee shall consist of not less than three directors and such number of other directors as the Board may determine.
- (c) Two-thirds of the total number of the members of the committee shall be directors, other than managing or whole-time director.
- (d) The Annual Report of the Company shall disclose the composition of the Audit Committee.
- (e) The Audit Committee shall act in accordance with the terms of reference to be specified in writing by the Board.
- (f) The members of the Audit Committee shall elect a chairman from amongst themselves.
- (g) The auditors, the internal auditor, if any, and the director-in-charge of finance shall attend and participate at meetings of the Audit Committee but shall not have the right to vote.
- (h) The Audit Committee shall have discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
- (i) The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.