

Ankush Finstock Ltd.

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11TH

**ANNUAL REPORT
2003-2004**

ELEVENTH ANNUAL REPORT
2003 - 2004

BOARD OF DIRECTORS

SHRI BHARAT M. SHAH (CHAIRMAN CUM MANAGING DIRECTOR)
SHRI HITESH P. SHAH (DIRECTOR)
SHRI SATISH N. SHAH (DIRECTOR)
SHRI JAYESH A. SHAH (DIRECTOR)
SHRI BHARAT R. MODI (DIRECTOR)

AUDITORS

KHANDHAR & PARIKH
CHARTERED ACCOUNTANTS
AHMEDABAD

BANKERS

SUVIKAS PEOPLE'S CO. OP. BANK LTD.
HDFC BANK LIMITED

SHARE TRANSFER AGENT

PINNACLE SHARE REGISTRY PVT. LTD.
AHMEDABAD.

REGISTERED OFFICE

B/708, FAIRDEAL HOUSE, OPP. ST. XAVIER'S GIRLS HOSTEL,
OFF. C.G. ROAD, AHMEDABAD - 380 009.

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NOTICE

NOTICE is hereby given that the **Eleventh Annual General Meeting** of the Members of **ANKUSH FINSTOCK LIMITED** will be held at the Registered Office at, B/708, Fairdeal House, Opp. St. Xavier's Girls Hostel, Off. C.G. Road, Ahmedabad-380009, on **Wednesday 15th September, 2004** at 11.00 a.m. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt audited Balance Sheet as at **31st March, 2004**, Profit & Loss Account for the year ended on that date and the Reports of the Directors and the Auditors thereon.
2. To appoint Director in place of **Shri Hiteshbhai P. Shah** , who retires by rotation and being eligible offers him self for reappointment.
3. To appoint Director in place of **Shri Bharatbhai R. Modi**, who retires by rotation and being eligible offers him self for reappointment.
4. To appoint **M/s. KHANDHAR & PARIKH, CHARTERED ACCOUNTANTS, AHMEDABAD** as Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of next Annual General Meeting, to audit accounts of the Company and fix their remuneration.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

PLACE: AHMEDABAD.
DATE: 30/07/2004

BHARAT M. SHAH
CMD

NOTES :

1. 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. A proxy in order to be effective must be received by the Company at its Registered Office not less than 48 hours before the time scheduled for holding the meeting.
2. Members are requested to bring their copies of Annual Report and Accounts to the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 08/09/2004 to 15/09/2004 (both days inclusive) for the purpose of Section 154 of the Companies Act, 1956.

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DIRECTORS REPORT

To,
The Shareholders,
ANKUSH FINSTOCK LIMITED

Your Directors have pleasure in presenting the **Eleventh Annual Report** of the Company together with the Audited Accounts for the year ended 31st March 2004.

FINANCIAL PERFORMANCE :

Particulars	Amount in Rs.	
	2003-04	2002-03
Total Sales & Income	5,53,55,782	29,17,595
Depreciation	43,937	50,204
Profit / (Loss) before Tax	(5,01,302)	(2,73,384)
Provision for Taxation of earlier	4,000	-----
Profit / (Loss) after Tax	(5,05,302)	(2,73,384)

OPERATIONS :

During the year under review the Company's total income was Rs. 5,53,55,782/- and has incurred Net loss of Rs. 5,05,302/- after providing depreciation Rs. 43,937/- and provision for taxation (earlier) of Rs. 4,000/-.

The year under review was also difficult year. The Indian economy passed through a crisis. The stock market was severely affected and trend was a bearish during the year and the effect of the same has been compounded as a result of introduction of rolling settlement. Under the circumstances the company has restricted its activities during the year under review. The directors of the company are exploring the activities to be undertaken by the company for the future prospectus of the company. The directors are hopeful for the better future of the company.

DIVIDEND :

The Directors, in view of present situation and loss incurred by the company during the year, regret their inability to recommend dividend.

11th ANNUAL REPORT**5****DEPOSITS :**

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956. There is no unclaimed or unpaid deposit, as the Company has not accepted any deposit since incorporation.

DIRECTORS :

Shri Hiteshbhai P. Shah and Shri Bharatbhai R. Modi, directors of the company who retires by rotation at the ensuing Annual General Meeting, being eligible and offers them self for reappointment.

AUDITORS :

AUDITORS Of the Company M/s, KHANDHAR & PARIKH, CHARTERED ACCOUNTANTS, AHMEDABAD, retires at the ensuing Annual General Meeting of the Company and are eligible for reappointment. The Shareholders are requested to appoint auditors and fix their remuneration.

AUDITORS REMARKS :

The remarks made by the Auditors' in their report are duly clarified in the respective notes on accounts in **Schedule 16** forming part of account.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

The details of conservation of energy, technology absorption etc. as required to be given under Section 217(1)(e) of the Companies Act, 1956 are not applicable to the Company, as the Company is not engaged in manufacturing activities. The foreign exchange earnings on account of the operation of the Company during the year was **Rs. Nil**.

PARTICULARS OF EMPLOYEES :

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (i) that in the preparation of the annual accounts for the year ended **31st March, 2004** the applicable accounting standards had been followed along with proper expiation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company the year under review;
- (iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that the Directors had prepared the accounts for the year ended **31st March, 2004** on a 'going concern' basis.

CORPORATE GOVERNANCE :

Your Company is committed to the highest standards of Corporate Governance and we have well documented your Company's internal policies on Corporate Governance in the line with the recommendation of the Securities and Exchange Board of India (SEBI) and various committees. A Report on Corporate Governance is incorporated as Annexure to this report.

ACKNOWLEDGEMENT :

Your Directors acknowledge his unmatched valuable contribution and appreciates the co-operation received from the bankers, customers and financial institution for their continued assistance and support extended to the Company.

Your Directors also express their appreciation to all the employees of the Company for their sustained contribution throughout the period.

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Yours Director wish to thanks the shareholders for their continued support, encouragement and the confidence reposed in the Management.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

**PLACE: AHMEDABAD
DATE: 30/07/2004**

**(BHARATBHAI M. SHAH)
CMD**

ANNEXURE TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE REPORT

1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at ANKUSH FINSTOCK is predicated by the need to "enhance shareholder value, keeping in view the interests of other stakeholders". This definition places emphasis on the need to strike a balance at all times between the need to enhance shareholders' wealth whilst not being detrimental to other stakeholders' interests. The imperative for Corporate Governance lies not merely in drafting a code of Corporate Governance, but in practising it to achieve desired results.

Actual management of the Company vests with a team of senior executives, led by the Managing Director. They are vested with operational and financial powers through a well-structured process of delegation. The management team functions within the framework laid out by the Board and are accountable to the Board through the Managing Director for all their actions.

The Code therefore endeavours to address the following deliverables:

- (i) Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the Company's affairs;
- (ii) Ensure that the decision making process is transparent and documentary evi-

dence traceable through the minutes of the meetings of the Board/ Committee/ Executive Committees thereof;

- (iii) Ensure that executive action at the operating level is exercised within a framework of checks and balances but without debilitating the creative processes that need to be encouraged in the organisation;
- (iv) Ensure the fullest commitment of the management and the Board to world class operating practices;
- (v) Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there by ensuring high accountability;
- (vi) Ensure that the extent to which the information is disclosed to present and potential investors is maximized;

It is evident that real onus of achieving the desired level of Corporate Governance, lies in the proactive in initiatives taken to achieve desired results and not in the external measures like breadth and depth of a code or stringency of enforcement of norms.

2. BOARD OF DIRECTORS

The Board of AFL provides leadership and strategic guideline; objectively reviews management decisions and exercises control over the Company, while remaining at all times trustees of shareholders. The Board is accountable at all to the shareholders for creating, protecting and enhancing wealth and resources of the Company and reporting to them on the performance in a timely and transparent manner.

Scheduling and selection of agenda

In terms of the Corporate Governance code, Board Meetings are scheduled with proper notice and the agenda for each meeting, along with explanatory notes are distributed in advance to the Board Members. Every Board Member is free to suggest the inclusion of items on the Agenda. Additionally, while approving the 'Delegation of operational and financial powers' the Board has mandated the management to bring to its attention various operational powers exercised by the management from time to time for ratification or information. This information is also placed with the Board appropriately.

Frequency

The Board meetings are held at least four times in a year, with a maximum time gap of four months between any two meetings.

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Shri Bharatbhai M. Shah, Chairman of the Board is a promoter & Managing Director. He is neither being provided any office at AFL expenses nor reimbursed any expenses incurred in the performance of his duties save for the sitting fees paid to him for attending the meeting of the Board of Directors. The Chairman ensures that the Board meetings are conducted in a manner, which secures the effective participation of all directors and encourages all to make an effective contribution. He makes certain that all directors receive adequate information well in time and that the directors look beyond their duties and except full share of the responsibilities of Governance.

3. BOARD STRUCTURE

100% of the Board comprises of Non-Executive Directors, with considerable experiences in their respective fields. AFL did not have any pecuniary relationship of transactions with the non-executive directors during the period under review. There are no material transactions where they have had personal interests that conflict with that of the Company.

BOARD COMPOSITION & ATTENDANCE TABLE 2004 :

Name of the Directors	Held	Attended	Attendance in last AGM
Mr. Bharat M. Shah	5	5	Yes
Mr. Hitesh P. Shah	5	4	Yes
Mr. Satish N. Shah	5	5	No
Mr. Jayesh A. Shah	5	5	No
Mr. Bharat R. Modi	5	5	No

4. AUDIT COMMITTEE :

The audit committee comprises of 3 non-executive directors of the company. The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956 and the listing agreement.

Terms of Reference :

- 1 Reviewing with management the annual financial statements before submission to the Board.