



**13<sup>TH</sup>**  
**ANNUAL REPORT**  
**2005 - 2006**

Regd. Off.: B/708, Fairdeal House, Opp. St. Xavier's Girls Hostel, Off. C.G. Road, Ahmedabad-380009

**13TH ANNUAL REPORT****2005-2006****BOARD OF DIRECTORS****Mr. Bharat M. Shah****Chairman cum  
Managing Director****Mr. Hitesh P. Shah****Director****Mr. Hardik M. Shukla****Director****Mr. Rajesh C. Trivedi****Director****Mr. Kamlesh H. Mehta****Director****Mr. Vikesh B. Makvana****Director****Mr. Nishant B. Vardhmani****Director**
**AUDITORS****Khandhar & Parikh  
Chartered Accountants  
Ahmedabad****BANKERS****IDBI Bank  
Suvikas People's  
Co. Op. Bank Limited  
Indusind Bank****SHARE TRANSFER AGENT****Pinnacle Share Registry Private Limited  
Ahmedabad****REGISTERED OFFICE****B/708, Fairdeal House,  
Opp. St. Xavier's Girls Hostel,  
Off. C.G. Road,  
Ahmedabad- 380 009**



# 13th Annual Report

**ANKUSH FINSTOCK LIMITED**

## NOTICE

**NOTICE** is hereby given that the **13th** Annual General Meeting of the Members of **ANKUSH FINSTOCK LIMITED** will be held at the Registered Office of the Company at **B/708, Fairdeal House, Opp. St. Xavier's Girls Hostel, Off. C. G. Road, Ahmedabad- 380009** on **Saturday, 30th September, 2006** 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, 2006, 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 **Mr. Kamlesh H. Mehta**, who retires by rotation and being eligible offers him-self for re-appointment.
3. To appoint Director in place of **Mr. Hardik M. Shukla**, who retires by rotation and being eligible offers him-self for re-appointment.
4. To appoint **M/S. KHANDHAR & PARIKH, CHARTERED ACCOUNTANTS, AHMEDABAD** as Statutory 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 DIRECTOR

Place : Ahmedabad

[**BHARAT M. SHAH**]

Date 26/06/2006

Chairman Cum Managing Director

### 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 **23/09/2006 to 30/09/2006** (both days inclusive) for the purpose of Section 154 of the Companies Act, 1956.
4. The relevant Explanatory Statement pursuant to section 173 (2) of the Companies Act, 1956 is annexed hereto.

**DIRECTOR'S REPORT**

To,  
The Shareholders  
**ANKUSH FINSTOCK LIMITED**  
Ahmedabad.

Your Directors have pleasure in presenting the 13th Annual Report of the Company together with the Audited Accounts for the year ended on 31st March 2006.

(Amount in Rupees)

Particulars	Year ended as on 2005-06	Year ended as on 2004-05
Total Sales & Income	2,89,10,442	23,71,69,617
Depreciation	59,633	45,781
Profit/(Loss) before Taxation	24,48,923	2,06,45,314
Provision for taxation current year	2,06,000	16,72,500
Profit/(Loss) after Tax	16,37,329	1,90,98,866

**OPERATIONS:**

During the year under review the Company's total Income was Rs. 2,89,10,442/- and has made net profit of Rs. 16,37,329/- after providing depreciation of Rs. 59,633/- and provision for taxation (current year) of Rs. 2,06,000/-.

**OUTLOOK FOR THE CURRENT YEAR 2006-07**

Your Directors and top management haven taken all measures to improve upon the performance of the Company by increasing revenues in domestic and securities market. The net profit for the year ended on 31st March, 2006 stood to Rs.16,37,329/- as compared to net profit of Rs.1,90,98,866/- of the previous year. The Company is also in the process of implementing various cost effective measures to improve upon operating margins. The management of the Company is planning to start diversified activities in the filed of construction & commission agent.

**DIVIDEND:**

The Directors, regret their inability to recommend any dividend for the year in order to conserve funds for expansion & diversification of business of the Company.

**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:**

Mr. Kamlesh H. Mehta and Mr. Hardik M. Shukla, Directors of the Company who retires by rotation at the ensuing Annual General Meeting, being eligible and offers them self for re-appointment.

**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 re-appointment. The Shareholders are requested to appoint the auditors and fix their remuneration.

**AUDITORS' REPORT:**

The observations made by the Auditors' in their Auditors' report and the notes appearing in the accounts with regard to it are self-explanatory and do not requires further clarification by the Board

**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 our Company, as our Company is not engaged in the manufacturing activities. The foreign exchange earning 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, 2006 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 judgments 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, 2006 on a 'going concern' basis.

**CORPORATE GOVERNANCE REPORT:**

Your Company is committed to the highest standards of Corporate Governance and we have well documented your Company's internal polices 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 acknowledges 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.

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTOR

Place : Ahmedabad  
Date : 26/06/2006

[BHARAT M. SHAH]  
Chairman Cum Managing Director

**ANNEXURE TO THE DIRECTOR'S 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 practicing 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:

- 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;
- Ensure that the decision making process is transparent and documentary evidence traceable through the minutes of the meetings of the Board/ Committee/ Executive Committees thereof;
- 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;
- Ensure the fullest commitment of the management and the Board to world class operating practices;
- Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there by ensuring high accountability;
- 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.

**Chairman**

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- 2006

Attendance in Board Meetings			
Name of the Director	Held	Attended	Attendance in last AGM
Mr. Bharat M. Shah	8	8	Yes
Mr. Hitesh P. Shah	8	8	Yes
Mr. Kamlesh H. Mehta	8	8	Yes
Mr. Hardik M. Shukla	8	7	No
Mr. Rajesh C. Trivedi	8	7	No
Mr. Vikesh B. Makvana	8	7	No
Mr. Nishant B. Vardhmani	8	5	No

### 4. AUDIT COMMITTEE

The audit committee of the Company presently comprises of three non-executive directors i.e. (1) Mr. Kamlesh H. Mehta, (2) Mr. Vikesh B. Makvana & (3) Mr. Nishant B. Vardhmani, at all of whom are independent. **Mr. Kamlesh H. Mehta** was appointed as a Chairman of the Committee. The role, terms of reference, authority and powers of the audit committee are in conformity with the requirement of Companies Act, 1956 and listing agreement.

#### Terms of Reference

- Reviewing with management the annual financial statements before submission to the Board.
- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Review of policies relating to risk management - operational and financial.
- Reviewing with the management, external and internal auditors and the adequacy of the internal control system.
- Discussion with internal auditors of any significant finding and follow-up thereon.

#### Attendance at Audit Committee Meetings- 2006

During the year Audit Committee met 4 times on **06th June, 2005, 25th October, 2005, 09th January, 2006 and 25th February, 2006**, attendance of the members as under:

Name of the Director	No. of Meeting attended
Mr. Kamlesh H. Mehta	4
Mr. Vikesh B. Makvana	4
Mr. Nishant B. Vardhmani	3