



# Ankush Finstock Limited

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## 14th ANNUAL REPORT 2006 - 2007

### **Registered Office**

B/708, Fairdeal House,  
Opp. St. Xavier's Girls Hostel, Off. C.G. Road,  
Ahmedabad - 380 009.



## 14TH ANNUAL REPORT 2006-2007

### 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

AXIS BANK  
SUVIKAS PEOPLE'S CO.  
OPERATIVE BANK LIMITED  
IDBI BANK

### SHARE TRANSFER AGENT

PINNACLE SHARE REGISTRY PRIVATE LIMITED  
Near Asoka Mills, Naroda Road, Ahmedabad - 380025

### REGISTERED OFFICE

B/708, Fairdeal House,  
Copp. St. Xavier's Girls Hostel,  
Off. C.G. Road, Ahmedabad- 380 009



## N O T I C E

**NOTICE** is hereby given that the **14th** Annual General Meeting of the Members of **ANKUSH FINSTOCK LIMITED** will be held at '**Hiral House**', Near **Kasturbhai Block, Naroda Road, Ahmedabad- 380025** on **Saturday, 29th September, 2007** 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, 2007, 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. Rajesh C. Trivedi**, who retires by rotation and being eligible offers him-self for re-appointment.
3. To appoint Director in place of **Mr. Vikesh B. Makvana**, 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.**

**DATE: 28.6.2007**

**[BHARAT M. SHAH]**  
Chairman cum 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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. 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 desiring any information on the Accounts are requested to write to the Company at least one week before the meeting, so as to enable the Management to keep the information ready. Replies will be provided only at the meeting.
3. Members are requested to notify the Company of any change in their address (in full) with the postal area pin code number, quoting their folio numbers.
4. The Register of Members and the Share Transfer Books of the Company will remain closed from **24.09.2007 to 29.09.2007** (both days inclusive) for the purpose of Section 154 of the Companies Act, 1956.
5. **Pinnacle Shares Registry Private Limited**, Near Ashoka Mills, Naroda Road, Ahmedabad-380025 are Registrars and Share Transfer Agents for Company's shares in Demat and Physical Form. The members are requested to please ensure that their shares are converted into Demat Form.
6. Additional information as required in terms of paragraph VI(A) of the Clause 49 of the Listing Agreement on Director seeking re-appointment at the ensuing Annual General Meeting is as under:
  - i) **Mr. Rajesh C. Trivedi** is Non-Executive Director of the Company. He has rich experience in the filed of Construction. He has been associated with the Company since 2005. **Mr. Rajesh C. Trivedi** retires by rotation and being eligible offers himself for re-appointment.
  - ii) **Mr. Vikesh B. Makvana** is Non-Executive Director of the Company. He has good experience in the filed of Stock Market. He has been associated with the Company since 2005. He is Member of the Audit Committee and Remuneration Committee of the Company. **Mr. Vikesh B. Makvana** retires by rotation and being eligible offers himself for re-appointment.



## DIRECTORS' REPORT

The Shareholders

**ANKUSH FINSTOCK LIMITED**

Ahmedabad.

Your Directors have great pleasure in presenting the **14th** Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on **31st March 2007**.

### FINANCIAL PERFORMANCE:

(Amount in Rs.)

Particulars	Financial Year	Financial Year
	2006-07	2005-06
Total Sales & Income	1,79,38,399	2,89,10,442
Depreciation	65,960	59,633
Profit/(Loss) before Taxation	5,45,034	24,48,923
Provision for taxation current year	1,50,000	2,06,000
Profit/(Loss) after Tax	1,01,829	16,37,329

### OPERATIONS:

During the year under review, the Company's total Income was Rs. 1,79,38,399/- and has earned net profit of Rs. 1,01,829/- after providing depreciation of Rs. 65,960/- and provision for taxation (current year) of Rs. 1,50,000/- for the financial year ended on 31<sup>st</sup> March, 2007.

### OUTLOOK FOR THE CURRENT YEAR 2007-08

Yours 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, 2007 stood to Rs.1,01,829/- as compared to net profit of Rs.16,37,329/- 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 diversified activities in the filed of infrastructure and its related activities.

### DIVIDEND:

Your Director's, regret their inability to recommend any dividend for the year in order to conserve funds for expansion & diversification of business of the Company.

### FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

### DIRECTORS:

**Mr. Rajesh C. Trivedi and Mr. Vikesh B. Makvana**, 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.

### ADDITIONAL DISCLOSURES:

In line with the requirements of the Listing Agreement with the Stock Exchanges and Accounting Standard of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the notes on accounts for the year under review in respect of Related Party Transactions, Deferred Tax Liability, etc.

**MANAGEMENT DISCUSSION AND ANALYSIS:**

Management Discussion and Analysis Report is part of Director Report is annexed herewith.

**CORPORATE GOVERNANCE REPORT:**

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

**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.

**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.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have 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 for that period;
- iii) the Directors have 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) the Directors have prepared the accounts on a "going concern basis".

**ACKNOWLEDGEMENT:**

Your Directors acknowledge their unmatched valuable contribution and appreciate the co-operation received from the bankers, customers and financial institutions 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: 28.06.2007**

**[BHARAT M. SHAH]**

**Chairman cum Managing Director**



## Ankush Finstock Limited

### REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2007

#### 1. THE CORPORATE GOVERNANCE PHILOSOPHY

Corporate Governance at AFL 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:

- o 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;
- o 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;
- o 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 organization;
- o Ensure the fullest commitment of the management and the Board to world class operating practices;
- o Ensure that the Board exercises its fiduciary responsibilities towards Shareowners and Creditors, there by ensuring high accountability;
- o 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 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

The Board of Directors is having an appropriate mix of executive and non-executive independent directors as on 31st March, 2007. The Board of Directors is consisting of 7 (Seven) Directors. The Managing Director manages the day to day affairs of the Company. The Board comprises of Executive and 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.

#### Composition of the Board of Directors:

Directors	No. of Directors	Percentage of total No. of Directors
Executive	1	14
Non-Executive Director	6	86
<b>Total</b>	<b>7</b>	<b>100</b>

Numbers of Board Meetings held and the dates on which such meetings were held:

During the financial year 2006-07 the Board met 11 times on 29.04.2006, 31.07.2006, 20.10.2006, 25.12.2006, 09.01.2007, 31.01.2007, 01.03.2007, 02.03.2007, 03.02.2007, 10.03.2007 and 21.03.2007 the maximum gap between two meetings was not more than 4 months.

#### Attendance record of Directors attending the Board meetings and Annual General Meetings during the year 2006-07

Name of the Director & (DIN)	Designation/ Category	No. of Board Meeting		Last AGM attendance	No. of other Directorship & Committee Member/Chairmanship in other Companies		
		Held	Attended		Directorship	Committee Membership	Committee Membership
Bharat M. Shah (00064582)	Managing	11	11	Yes	--	--	--
Hitesh P. Shah (00451528)	Non-Executive/ Independent Director	11	8	Yes	--	--	--
Hardik M. Shukla (00325776)	Non-Executive/ Independent Director	11	5	No	--	--	--
Rajesh C. Trivedi (00070283)	Non-Executive/ Independent Director	11	10	No	--	--	--
Kamlesh H. Mehta (00070632)	Non-Executive/ Independent Director	11	10	Yes	1	--	--
Vikesh B. Makvana (000070711)	Non-Executive/ Independent Director	11	8	No	--	--	--
Nishant B. Vardhmani (00168683)	Non-Executive/ Independent Director	11	6	No	--	--	--

None of the Director is a member in more than 10 Companies and Act as Chairman in more than 5 Companies across all Companies in which he is a Director.

### 4. AUDIT COMMITTEE

The Company has a qualified and independent Audit Committee with all Members of the Committee being 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** is Chairman of the Committee and he is an Independent Director. 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.