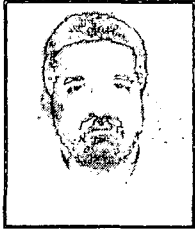


# **Ankush Finstock Limited**

Report  junction.com

**15th  
Annual Report  
2007-2008**



## Chairman's Speech

Dear Shareowners,

I have great pleasure in sharing with you the highlights of another year of achievements.

The Company's total turnover is Rs.2,86,41,424/- for the year ended 31st March, 2008, as compared to turnover of Rs.1,79,38,399/- for the previous year. AFL cash profit (NP + Depreciation) for the year ended 31st March, 2008 is recorded at Rs.2,37,176/- as against Rs.1,67,789/- for the previous year. Earning per share (EPS) of the Company is at Rs.0.03 as on 31.03.2008.

The main activity of the Company is investment and trading in Shares & Securities. We also made creditable progress in the field of infrastructure activities. The Shareholders of the Company will be benefited in long term as Company has changed its focus from finance and investment business to infrastructure business.

I would like to express my gratitude to our Board members for their outstanding support and guidance. I am also grateful to all our shareholders, customers, suppliers, bankers and employees who have reposed their trust in us and given us their constant support.

With best wishes,  
Yours faithfully,

[BHARAT M. SHAH]  
Chairman & Managing Director

28th June, 2008.  
Ahmedabad.

## 15th Annual Report 2007-2008

### BOARD OF DIRECTORS

Mr. Bharat M. Shah	Chairman & 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

### COMPANY SECRETARY

Mr. Samshersingh Rana

### 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, Opp. St. Xavier's Girls Hostel, Off. C.G. Road,  
Ahmedabad- 380009, GUJARAT, INDIA.

Tel.: +91 79 30182613 – 14 Fax: +91 79 26440031

e-mail: corporate@ankushfinstock.com Website: www.ankushfinstock.com

## N O T I C E

**NOTICE** is hereby given that the **15th Annual General Meeting** of the Members of **ANKUSH FINSTOCK LIMITED** will be held at **'Hiral House', Near Kasturbhai Block, Naroda Road, Ahmedabad- 380025** on **Monday, 29th September, 2008** 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, 2008, 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. Nishant B. Vardhmani**, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of **Mr. Hitesh P. Shah**, who retires by rotation and being eligible offers himself for reappointment.
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.

### **SPECIAL BUSINESS:**

5. To reappoint **Shri Bharat M. Shah** as Chairman and Managing Director and in this regard to consider and if through fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or reenactment thereof, approval of the Company be and is hereby accorded to the reappointment of **Shri Bharat M. Shah**, as Chairman and Managing Director of the Company, for a period of 5 (five) years with effect from **August 15, 2008**, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice covering this Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which terms shall be deemed to include any committee of the Board constituted to exercise the powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions and/ or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or reenactment thereof.

"RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**PLACE: AHMEDABAD.**  
**DATE: 28.06.2008**

**[BHARAT M. SHAH]**  
**Chairman & 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 **23.09.2008 to 29.09.2008** (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 of the Company. 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 reappointment at the ensuing Annual General Meeting is as under:
  - i) Mr. Nishant B. Vardhmani is Non-Executive Director of the Company. He has good knowledge in the field of Construction. He has been associated with the Company since 2005. He is Member of the Audit Committee and Remuneration Committee of the Company. Mr. Nishant B. Vardhmani retires by rotation and being eligible offers himself for reappointment.
  - ii) Mr. Hitesh P. Shah is Non-Executive Director of the Company. He has good experience of Stock Market. He has been associated with the Company since 1996. Mr. Hitesh P. Shah retires by rotation and being eligible offers himself for reappointment.

**EXPLANATORY STATEMENT****[Pursuant to the Provisions of Section 173 (2) of the Companies Act, 1956]****ITEM NO. 5 OF THE NOTICE:**

**Shri Bharat M. Shah** has been Chairman of the Company since Incorporation and Managing Director since 2003. The term of office of **Shri Bharat M. Shah**, as Chairman and Managing Director of the Company will expire on **August 14, 2008**.

The present proposal is to seek the members' approval for the reappointment of and remuneration payable to **Shri Bharat M. Shah** as Chairman and Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

The Board of Directors of the Company (the 'Board'), at its meeting held on **28.06.2008** has, subject to the approval of Members, reappointed **Shri Bharat M. Shah** as Chairman and Managing Director for a further period of 5 years from the expiry of his respective term, on the remuneration determined by the Remuneration Committee of the Board at its meeting held on **28.06.2008**.

**Shri Bharat M. Shah** upon reappointment as Chairman and Managing Director shall continue to hold office of the Chairman and Managing Director.

Particulars of the terms of reappointment of and remuneration payable to **Shri Bharat M. Shah** are as under:

Remuneration : Subject to the ceiling limits laid down in section 198 and 309 of the Companies Act, 1956, remuneration by way of salary and shall not exceed the following limits, namely

Salary : Rs. 60,000 – 10,000 – 1,10,000 per month.

Commission : Commission shall be decided by the Board of Directors based on the net profits of the Company each year subject to the condition that the aggregate remuneration of the Chairman and Managing Director shall not exceed 5% of net profits of the Company, in accordance with section 198 & 309 and schedule XIII of the Companies Act, 1956.

**Reimbursement**

of Expenses : Reimbursement of Expenses incurred for traveling, boarding and lodging including for their respective spouses and attendant(s) during business trips; provision of car for use on the Company's business and telephone expenses at residence shall be reimbursed and not considered as perquisites.

**Shri Bharat M. Shah** satisfies all the conditions set out in Part-I of Schedule XIII to the Companies Act, 1956 for being eligible for reappointment.

The above may be treated as an abstract of the terms of reappointment of **Shri Bharat M. Shah** under section 302 of the Companies Act, 1956.

A brief resume of **Shri Bharat M. Shah**, nature of their expertise in Share Market and finance in which he hold directorship and membership/ chairmanship of Board Committees and relationships between directors inter-se, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.

**Shri Bharat M. Shah** is interested in the resolution set out at **Item No.5** of the Notice, which pertain to his reappointment and remuneration payable to him.

None of the other Directors of the Company is, in any way, concerned or interested in this Resolution.

The Board recommends the Resolution set out at **Item No.5** of the Notice for your approval.

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****PLACE: AHMEDABAD.****DATE: 28.06.2008****[BHARAT M. SHAH]****Chairman & Managing Director**



## DIRECTORS' REPORT

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

Your Directors have great pleasure in presenting the **15th** Annual Report together with the Audited statements of Accounts of your Company for the financial year ended on **31st March 2008**.

### FINANCIAL PERFORMANCE:

(Amount in Rs.)

Particulars	Financial Year 2007-08	Financial Year 2006-07
Total Sales & Income	2,86,41,424	1,79,38,399
Depreciation	56,527	65,960
Profit/(Loss) before Taxation	1,37,772	5,45,034
Provision for taxation current year	20,000	1,50,000
Profit/(Loss) after Tax	1,80,649	1,01,829

### OPERATIONS:

During the year under review, the Company's total Income was Rs. 2,86,41,424/- and has earned net profit of Rs. 1,80,649/- after providing depreciation of Rs. 56,527/- and provision for taxation (current year) of Rs. 20,000/- for the financial year ended on 31st March, 2008.

### OUTLOOK FOR THE CURRENT YEAR 2008-09

Your Directors and top management have taken all measures to improve upon the performance of the Company by increasing revenues in finance and securities market as well as infrastructure activities. The net profit for the year ended on 31st March, 2008 stood to Rs.1,80,649/- as compared to net profit of Rs.1,01,829/- of the previous year. The Company is also in the process of implementing various cost effective measures to improve the operating margins. The management of the Company is planning to expose infrastructure and its related activities on large scale and hopeful for better results in near future.

### 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. Nishant B. Vardhmani and Mr. Hitesh P. Shah**, 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 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.

#### **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 DIRECTORS**

**PLACE: AHMEDABAD.**

**DATE: 28.06.2008**

**[BHARAT M. SHAH]**

**Chairman & Managing Director**



## REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON 31ST MARCH, 2008

### 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 Bharat 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.