

10th Annual Report 2003-2004

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ANNUAL REPORT

FICON LEASE AND FINANCE LIMITED

108, SARTHAK COMPLEX, B/H. WEEKENDER, SWASTIK CHAR RASTA,
C.G. ROAD, NAVRANGPURA, AHMEDABAD-380 009.

BOARD OF DIRECTORS

BHARATI B. PATEL

Chairman/Managing Director

SHAILESH L. PATEL

RIKEN B. PATEL

AMRISH J. PATEL

SATYENDRA K. JHA

BANKERS

DENA BANK

AUDITORS

M/S. P. DOSHI & ASSOCIATES

Chartered Accountants

306, Rajkamal Plaza,
Opp. High Court,
Ahmedabad - 380 014.

REGISTERED OFFICE

108, Sarthak Complex,
B/h. Weekender,
Swastik Char Rasta,
C.G. Road, Navrangpura,
Ahmedabad - 380 009.

NOTICE TO THE MEMBERS

NOTICE is hereby given that the **TENTH ANNUAL GENERAL MEETING** of the Members of **FICON LEASE & FINANCE LIMITED** will be held on Thursday, the 30th day of September, 2004 at 11-00 a.m. at 108, Sarthak Complex, B/h. weekender, swastik Char Rasta, C.G. Road, Ahmedabad-380 009. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Profit & Loss Account for the year ended on 31st March, 2004, Balance Sheet as on that date, Directors' Report and the Auditor's Report thereon.
2. To appoint Director in place of Mrs. Bharatiben B. Patel, who retires by rotation and being eligible, offers herself for reappointment.
3. To appoint Director in place of Mr. Shailesh L. Patel, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

Place : Ahmedabad

FOR AND ON BEHALF OF THE COMPANY

Date : 04-09-2004

CHAIRMAN**NOTES :**

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member. The instrument appointing a proxy must be deposited at the Registered office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) The Register of Members and the Share Transfer Books of the Company will remain closed from 30.09.04 to 07.10.04 (both days inclusive)
- c) Shareholders seeking any information with regards to accounts are requested to write to the Company latest by 20th September, 2004 so as to enable the management to keep the information ready.

**DETAILS OF DIRECTORS BEING APPOINTED/REAPPOINTED
AT THE ANNUAL GENERAL MEETING**

(IN PURSUANCE OF CLAUSE 49 (VI) A OF THE LISTING AGREEMENTS)

Name of Director	Bhartiben B. Patel	Shaileshbhai L. Patel
Age	50 Years	49 Years
Qualification	M.A.	B.Com
Experience	5 Years in the field of Finance & Security Market.	10 Years in Business administration.
Other Directorships	Ficon Shriram Capital Market Ltd.	---
Chairman/Member of the Committees	---	---

DIRECTOR'S REPORT

To :

THE MEMBERS :

The Board of Directors have pleasure in presenting the Tenth Annual Report together with Audited Accounts of the year ended 31st March, 2004.

FINANCEIAL RESULTS : The Financial results for the year are as under :

	(Rs. in Lacs)	
<u>PARTICULARS</u>	<u>2003-2004</u>	<u>2002-2003</u>
Sales & Other Income	296.88	306.77
Profit / (Loss) before Non Cash Exp.	(0.79)	(24.45)
Depreciation	1.06	2.38
Other Non cash Expenses	74.52	25.54
Liabilities written off	---	1.96
Provision for Taxation	---	---
Profit / (Loss) after Taxation	(76.38)	(50.41)
Appropriation :		
Balance Carried Forward	(76.38)	(50.41)

OPERATION :

The Company incurred a loss of Rs.0.79 Lacs as against Net Loss of Rs.24.45 Lacs before providing for non-cash expenses in the previous year. The conditions of share Market remained good during the year under report and due to which the company was able to improve its performance. However due to excess volatility in the market, company has to restrict its activities. In the current year after completion of election the market has fallen a lot and now it is stabilised. Thus performance of the Company in the current year depends on how the share market perform.

DIVIDEND :

In view of loss, your Directors do not recommend any dividend.

DEPOSITS :

The Company has not accepted any deposit from public during the year under review.

DIRECTORS :

Mrs. Bhartiben B. Patel and Mr. Shailesh L. Patel, retires by rotation and being eligible offers themselves for reappointment.

MANAGEMENT DISCUSSION AND ANALYSIS :

The year under review was a very sluggish year for industry as well as financial market. However during later part of the year, the interest rate was cut down and thereby some movement in the financial market was noticed.

However, due to good monsoon and estimate of higher industrial growth envisages a growth prospects for the financial companies.

RISKS AND CONCERNS :

The Company through its risk management system has clearly identified the external and internal risk affecting its business operations. External risk may arise because of the fluctuation in the interest rate in the financial market, frequent change in government policies especially in tax matters, general economic recession which affects the viability of the customers to repay their debts etc.

Internal risk may arise in the event of a failure or lapse in the internal control system of safeguards and procedures in the company.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company adopts an efficient internal control system and a procedure, which has been repeatedly fine tuned and improved upon over the last one decade in step with business changes. The Internal Audit department monitors implementation of such systems and procedures, which is also subject to review by the Audit Committee.

HUMAN RESOURCES :

The Company is managed by a professional team under the guidance of the Managing Director. Frequent meetings are arranged to upgrade the knowledge of the employees and to strengthen their managerial capabilities.

CONSERVATION OF ENERGY ETC. :

The Company has no activities having conservation of energy or technology absorption. The Company has no foreign exchange earnings and outgo during the period.

PARTICULARS OF EMPLOYEES :

There are no employees of the Company who are in receipt of a remuneration in excess of the limit as prescribed under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS :

M/s. P. Doshi & Associates, Chartered Accountants, Ahmedabad retires at the conclusion of the ensuing Annual General Meeting of the Company and being eligible offers themselves for reappointment.

AUDITORS REPORT :

The comments in Auditor's report read with notes to the accounts in schedule - 17 are self explanatory.

LISTING OF THE COMPANY'S EQUITY SHARES :

The Equity Shares of your Company continue to be listed during the year under review at the Ahmedabad and Mumbai Stock Exchanges. The Company had paid the annual listing fees for the financial year 2004 - 2005 to these Stock Exchanges.

DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed,
- ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 ended 31st March, 2004 and of the profit or loss of the company for that year,
- iii) that 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, if any.
- iv) that the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE REPORT :

A separate report on Corporate Governance is furnished as a part of the Directors' Report and the certificate from the Company's Auditors regarding compliance of conditions of Corporate Governance is annexed to the said Report.

APPRECIATION :

Your Directors wish to thank and acknowledge with gratitude the valuable and whole hearted Co-operation and assistance extended by the Customers, all the Employees, Bankers and Shareholders of the Company.

PLACE : Ahmedabad

DATE : 04-09-2004

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

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy :

Statutory, Corporate Governance involves transparency, full disclosure, independent monitoring the state of affairs and being fair to all stakeholders. The Company's Philosophy of Corporate Governance is not only to meet the statutory requirements but also to go well beyond that and to attain a high level of transparency and accountability in the functioning of the company and the conduct of the business both internal and external. This is done with the sole view to enhance stakeholder's value.

2. Board of Directors :

a) Composition of Board

The Board of Directors of the Company comprises of 5 Directors of which 2 are Executive Directors and all others are Non Executive, out of which one is promoter and two are independent directors.

b) Board Meetings :

During the financial year 2003 - 2004, five board meetings were held on 30-04-2003, 31-07-2003, 05-09-2003, 20-10-2003 & 29-01-2004.

The Composition, attendance and other memberships of the Board of directors of the company is given as follows :

Name of Director	Designation	Category	No. of Board Meetings attended	Attendance at last AGM	Total No. of Directorships in public companies	Total No. of Committee Memberships	Total No. of Board Chairmanships
MRS. BHARATI B. PATEL	MANAGING DIRECTOR	EXECUTIVE DIRECTOR	5	YES	1	--	--
RIKEN B. PATEL	DIRECTOR	EXECUTIVE DIRECTOR	5	YES	1	--	--
AMRISH J. PATEL	DIRECTOR	NON-EXECUTIVE DIRECTOR	5	YES	--	2	1
SHAILESH L. PATEL	DIRECTOR	NON-EXECUTIVE DIRECTOR	--	--	--	2	--
SATYENDR K. JHA	DIRECTOR	NON-EXECUTIVE DIRECTOR	5	YES	--	2	1

3. Remuneration of Directors

a) Executive Directors :

The Company has not set up a Remuneration committee. The remuneration of Executive Directors were fixed by the Board and approved by the Shareholders at the Annual General Meeting. Details of remuneration paid to the Executive Director during the financial year 2003-04 is given below.

Name	Designation	Tenure of appointment	Gross Remuneration (Rs.)
MRS. BHARTI B. PATEL	MANAGING DIRECTOR	5 YEARS	1,29,996/-
RIKEN B. PATEL	DIRECTOR	5 YEARS	66,298/-

b) Non-Executive Directors :

Non-Executive Directors have not been paid any remuneration.

4. Audit Committee

The Company has an Audit Committee of Directors consisting of Shri Amrish J. Patel, Shri S. K. Jha and Shri Shailesh L. Patel all are Non Executive Independent Directors and have adequate financial accounting knowledge.

The terms of reference of the Audit Committee covers the matters specified as per clause 49 of the Listing Agreement besides other terms as may be referred from time to time by the Board of Directors the audit committee met three times during the year.

5. Shareholders/Investors Grievance Committee :

The Company (Board) has constituted a Shareholders/Investors Grievance Committee. The committee looks into the redressal of Shareholders/Investor Grievances, if any, like Transfer/Transmission/Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Reports; Dividend warrants ; During the year, NIL complaints were received from the Shareholders, The Company has no transfers pending at the close of the financial year.

6. Disclosure

- During the year, there was no material significant transaction with the promoters, the directors or the management, their relatives etc. that may have any potential conflict with the interest of the Company at large.
- There were no instances of non-compliance by the company or Penalties imposed on the Company by the Stock Exchange/(S) or SEBI or any statutory authority, on any matter related to Capital Markets, during the last three years.

7. Share Transfer System

The Company has an inhouse share transfer department and has not appointed any Registrar and Transfer Agents. Valid Share transfers in physical form and complete in all respects were approved and registered within the stipulated period.

8. Dematerialisation of Shares and Liquidity

The company has not registered itself with any agency for dematerialisation of company's securities, so far.

9. Date, time and venue of 10th Annual General Meeting

Thursday, 30th September, 2004 at 11-00 a.m. at 108, Sarthak Complex, B/h. Weekender, Swastik Char Rasta, C.G. Road, Ahmedabad-380 009.

10. Book Closure Date : 30 - 09 - 04 to 07 - 10 - 04 (both days inclusive)

11. Dividend Payment Date : Not Applicable

12. Details of last three Annual General Meeting :

Meeting	Year	Venue of AGM	Date	Time	Whether special resolution passed
7th AGM	2000-2001	108, Sarthak Complex, B/h. Weekender, Swastik Char Rastra, C.G. Road, Ahmedabad-380009.	29-9-2001	11-00 a.m.	Yes
8th AGM	2001-2002	108, Sarthak Complex, B/h. Weekender, Swastik Char Rastra, C.G. Road, Ahmedabad-380009.	30-9-2002	11-00 a.m.	Yes
9th AGM	2002-2003	108, Sarthak Complex, B/h. Weekender, Swastik Char Rastra, C.G. Road, Ahmedabad-380009.	30-9-2003	11-00 a.m.	Yes

13. Financial Calender (Tentative)

Financial reporting for the quarter ending June 30, 2004	End of July, 2004
Financial reporting for the quarter/half year ending September 30, 2004	End of October, 2004
Financial reporting for the quarter ending December 31, 2004	End of January, 2005
Financial reporting for the year ending March 31, 2005	End of April, 2005
Annual General Meeting for the year ending March 31, 2005	September, 2005

14. High/Low of monthly Market Price of the Comany's Equity Shares traded on Ahmedabad Stock Exchange during the financial year 2003 - 2004 is furnished below :

No trading of securities took place during the year.

15. Distribution of Shareholding as on March 31, 2004

On the basis of shares held

No of Equity Shares held (Range)	No. of Shareholders	Percentage to total share holders	No. of Shares held	Perecentage to total share held
Upto 5000	2503	94.52	798170	15.93
5001 - 10000	29	1.10	23700	0.47
10001 - 20000	34	1.28	60500	1.21
20001 - 30000	5	0.19	18900	0.26
30001 - 40000	5	0.19	18900	0.38
40001 - 50000	6	0.23	29000	0.58
50001 - 100000	21	0.79	159900	3.19
above 100000	45	1.70	3907930	77.98
TOTAL	2648	100.00	5011400	100.00

16. Listing on Stock Exchanges :

The Ahmedabad Stock Exchange Kamdhenu Complex, Panjrapole, Opp. Sahjanand College, Ahmedabad - 380 015.

The Stock Exchange Mumbai Phiroze Jeejeebhiy Towers, Dalal Street, Mumbai - 400 023.

17. Stock Codes

: Ahmedabad Stock Exchange - 17130
Mumbai Stock Exchange - 31902

18. Investor Correspondence

: All enquiries, clarifications and Correspondence should be addressed to the compliance officer at the following address.

19. Compliance officer

: Smt. Bharti B. Patel
Managing Director
108, Sarthak Complex,
Bh. Weekender,
Swastik Char Rasta,
C.G. Road, Ahmedabad.

20. Address for Correspondence

: 108, Sarthak Complex,
Bh. Weekender,
Swastik Char Rasta,
C.G. Road, Ahmedabad.