

M. B. Parikh Finstocks Ltd.



10th
Annual Report

YEAR : 2003-2004

**BOARD OF DIRECTORS**

Mr. Digant M. Parikh	Managing Director
Mrs. G. M. Parikh	Director (w.e.f. 30.04.04)
Mrs. Sudha P. Kapadia	Director
Mr. T G Natarajan(A.C.A)	Professional Director
Mr. Lalit Mehta	Professional Director

STATUTORY AND TAX AUDITORS

M/s. B.R. Pancholi & Co.
11 Shree Ramway Plaza
Khari Vav Road
Dandia Bazar
Vadodara - 390 001.

INTERNAL AUDITORS

M/s. G. D. Rathi & Co.
210, Hammersmith Industrial Estate
Off. Sitaladevi Temple Road
Mahim (W)
Mumbai - 400 016.

COMPANY LAW CONSULTANT

Sanjay Dholakia & Associates
E-503, Kamla Vihar, Dahanukar Wadi
Road, Mahavir Nagar, Kandivli (W)
Mumbai - 400 067.

REGISTRARS

Intime Spectrum Registry Ltd.
C/13, Panna Lal Silk Mills Comp, SVP
L.B.S. Marg, Bhandup (W), Mumbai - 78.

LEGAL ADVISORS / ADVOCATES

Mr. Alok Bagla	Mr. Anandvardhan Yagnik	Mr. Jagdish Chokshi
Ridhi Siddhi Bhawan	C/1, Shruti, Gulbai Tekra,	201, Saiganga Apt,
2/12, 4 th Floor,	Behind Polytechnic,	R. V. Desai Road,
Babu Genu Road	Ambawadi,	Nr. Jayratna Bldg.
Mumbai -400 002.	Ahmedabad - 380015.	Vadodara -390 001

BANKERS TO THE COMPANY

DEVELOPMENT CREDIT BANK LTD.
HDFC BANK LTD.

ORIENTAL BANK OF COMMERCE
IDBI BANK LTD.

OFFICES**REGISTERED OFFICE**

705, Galav Chambers,
Sayajigunj
Vadodara - 390 005.
Tel. : (0265) 2362 909

CORPORATE OFFICE

Heena Shopping Arcade, 2nd Floor
Office no. 9 & 10, S.V. Road
Jogeshwari (W)
Mumbai - 400 102.
Tel. : 2679 0434/2103/2105
Fax : 2679 0463
EMAIL : mbpfin@bom5.vsnl.net.in

**NOTICE**

Notice is hereby given that the Tenth Annual General Meeting of the Shareholders of M. B. PARIKH FINSTOCKS LIMITED will be held on Saturday, 14th August, 2004 at the registered office of the Company situated at 705, Galav Chambers, Sayajigunj, Vadodara, 390 005 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider, and adopt the Audited Balance Sheet as at 31st March, 2004 and the Audited Profit and Loss Account for the year ended 31st March, 2004 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mrs. Sudha P Kapadia, who retires by rotation and being eligible offers herself for re-appointment.
- 3) To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :-

To appoint a Director in place of Mrs. G. M. Parikh, who was appointed as an Additional Director under Article 134 of Articles of Association of the Company and who by virtue of Section 260 of the Companies Act, 1956, holds office upto the date of this Annual General Meeting, but being eligible, offers herself for reappointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from certain members proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company.

Dated : 31st May, 2004

Place : Mumbai

By order of the Board of Directors
for M.B. PARIKH FINSTOCKS LIMITED,

Registered Office :
705, Galav Chambers,
Sayajigunj,
Vadodara -390 005.

(DIGANT M. PARIKH)
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 A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The Proxy, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The explanatory statement pursuant to section 173 of the Companies Act 1956 for item no. 4 of the Notice is attached and forms part of the Notice.
4. The Register of Members and Share Transfer Register of the Company will remain closed from 7th August 2004 to 14th August 2004 (both the days inclusive).
5. The members are requested to :
 - a) Intimate changes, if any, in their Registered address to the Company's Share Transfer Agent M/s. Intime Spectrum Registry Ltd.
 - b) Quote ledger folio numbers in all their correspondence.
 - c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future.
 - d) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2)
OF THE COMPANIES ACT, 1956****Item no. 4**

Mrs. G. M. Parikh was appointed as Additional Director under Article 134 of the Articles of Association of the Company on 30th April 2004, pursuant to Section 260 of the Companies Act, 1956. As per her term of appointment, her term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from one member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint her as Director. The Directors recommend her appointment in the best interest of the company.

None of the Directors except Mrs. G. M. Parikh and Mr. Digant M Parikh, may be considered or interested in the passing of this resolution.

Dated : 31st May, 2004
Place : Mumbai

By order of the Board of Directors
for **M.B. PARIKH FINSTOCKS LIMITED,**

Registered Office :
705, Galav Chambers,
Sayajigunj,
Vadodara -390 005.

(DIGANT M. PARIKH)
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To,
The Members,

Your Directors present herewith the **Tenth Annual Report** of your Company together with Audited Accounts for the year ended 31st March, 2004.

1. FINANCIAL RESULTS

The Financial performance of the Company is as under –

(Rs. in lacs)

	Year ended 31/03/2004	Year ended 31/03/2003
Profit Before Tax	14.30	09.08
Less : Provision for taxation	05.40	04.50
Add : Prior Period Adjustment/ Deferred Tax Liability	04.45	(03.77)
Profit After Tax	13.35	00.81
Balance b/f	06.68	05.87
Balance Carried to Balance Sheet	20.03	06.68

2. DIVIDEND

Your Directors do not recommend any dividend on the Equity Share Capital of the Company so as to conserve the resources for working capital requirement of the company.

3. OPERATIONS

Capital Market exhibited upward trend which resulted into higher income of brokerage (Rs.15.53 lacs as against Rs.2.84 lacs in F.Y.2002-03) & Share trading profit of Rs. 2.75 as against loss of Rs.4.02 lacs in the previous year. However, consultancy business has shown improved performance with income at Rs. 36.02 lacs as against Rs.26.85 lacs in the previous year. Our company's prudent investment into Bank's FDR has earned interest income of Rs. 16.59 lacs which is less by around 4.05 lacs owing to overall fall in Bank interest rate. Thus, the overall performance of the company is better with income at Rs. 78.95 lacs (as against Rs. 48.18 lacs in F.Y. 2002-03). During the current year we expect to continue to perform better in consultancy work and hope that the market would continue to show upward trend. We are in constant touch with our clientele base in Mumbai.

The Company is putting all efforts to recover various sums due to the company through various arbitration awards won by the company in past. Various petitions are filed in the Hon. High Court of Gujarat at Ahmedabad & Hon. District Court of Vadodara towards recovery of the above dues. However the Management feel it prudent to write off Rs. 5,26,924/- in respect of which legal suit are being pursued in various court plus an amount of Rs. 2,48,471/- which is due from Clients for a very long period. The amount would be treated as income on recovery thereof.

4. DIRECTORS

During the year under review Mr. Mahesh B. Parikh resigned as Director of the Company w.e.f. 3rd October, 2003. The Board of Directors appreciate the sincere efforts and dedicated services rendered by Mr. M B Parikh as Director and Chairman of the company during his tenure of his office.

Mrs. Sudha P. Kapadia, retires by rotation at the forthcoming Annual General Meeting and being eligible offers herself for re-appointment.

Mrs. G. M. Parikh was appointed as Additional Director under Article 134 of the Articles of Association of the Company on 30th April, 2004 pursuant to Section 260 of the Companies Act, 1956. As per her terms of appointment, her term as Director expires at the forthcoming Annual General Meeting. The Company in turn has received notice from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint her as Director. The Directors recommend her appointment in the best interest of the Company.

5. KEYMAN INSURANCE

During the year under review the Company took 'Keyman Insurance cover in the year 2003 – 04 in respect of Mr. Digant Parikh, Managing Director of the Company for Rs.11,51,217 with all other benefits on the said policy to accrue to the Company. This policy was taken from LIC at a yearly premium (Rs.6,51,217/-) and ICICI Prudential Insurance Company Ltd. (Rs.5,00,000/-) for the term of 3 Years and premium paying term being regular yearly payment, the premiums of which will be paid by the Company to safeguard the Company.

6. CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

In terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 your Directors wish to state that the same is not applicable to the company.

7. FIXED DEPOSITS

The Company has not accepted any deposits from the public.

8. PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with companies (Particulars of Employee) Rules, 1975, as amended is not given as there was no employee drawing the salary as per the limits mentioned in the said section and Rules.



9. LISTING OF SHARES

The Company's shares are listed on Mumbai and Vadodara Stock Exchanges. The Company has paid listing fees to them for the year 2003-2004.

10. INSURANCE

All the assets of the Company are adequately insured.

11. HUMAN RESOURCES

The relationship of your Company with its employees remained cordial throughout the year. The Company is paying full attention in the development of Human Resources at all levels by group discussions, job related training etc. The Company appreciates the value of maintaining high morale amongst its employees and has always endeavored to keep it at highest level.

12. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts for the financial year 31st March, 2004, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment 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 the year under review.
- 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.
- iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2004 on a going concern basis.

13. CORPORATE GOVERNANCE

As per the requirements of Listing Agreement with Stock Exchange, a report on Corporate Governance is made a part of the Annual Report.



14. AUDITORS

M/s. B R Pancholi & Co. Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. You are requested to appoint them and fix their remuneration.

15. ACKNOWLEDGEMENT

The Board wishes to place on records its appreciation to all its bankers, shareholders, customers and employees for achieving these results.

Date : 31st May , 2004

Place : Mumbai.

By order of the Board of Directors

for **M.B. PARIKH FINSTOCKS LIMITED,**

Registered Office:

705, Galav Chambers,

Sayajigunj,

Vadodara, 390 005.

(DIGANT M. PARIKH)
MANAGING DIRECTOR



REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

The company's philosophy on corporate governance is aimed at assisting the top management of the company in efficient conduct of its business, transparency in management and in meeting its obligations towards shareholders.

I Board of Directors

The present strength of the Board is 4 (Four) Directors. The board comprises of 1 (one) Managing Director and 3 (Three) Non Executive Directors. The Board's role, functions, responsibility and accountability are clearly defined. The Meeting of the Board of Directors are generally chaired by Chairman or Mr. Digant M. Parikh, Managing Director of the Company.

The attendance of each Directors at the Board Meetings and the last AGM is given below-

Name of the Director	Category of Directorship	Attendance Particulars	
		Board Meeting	Last AGM
Mr. Mahesh B. Parikh (Resigned w.e.f.3.10.03)	Chairman / Director	3	Yes
Mr. Digant M. Parikh	Managing Director	5	Yes
Mrs. Sudha Kapadia	Director	4	Yes
Mr. T.G. Natrajan	Director	3	Yes.
Mr. Lalit P. Mehta	Director	3	No
Mrs. Gita M Parikh (Joined w.e.f.30.04.04)	Director	1	No

Directors with materially, peculiarly or business relationship with Co.

There has been no material relevant, peculiarly transaction or relationships between the company and its non-executive directors.

II Audit Committee

The following Directors have been appointed as Members of the Audit Committee. The Audit Committee met periodically during the year 2003-04 and gave its reports and recommendations to the Board of Directors for Corporate Governance and overall improvement in the functioning of the Company.

Mr. T. G. Natarajan - Chairman
Mrs. Sudha P. Kapadia - Member