



M. B. Parikh Finstocks Ltd.



ANNUAL REPORT

Year : 2004 - 2005

**M. B. PARIKH FINSTOCKS LTD.****BOARD OF DIRECTORS**

Mr. Mahesh B. Parikh	Chairman
Mrs. G. M. Parikh	Director (Upto 23.02.2005)
Mr. Digant M. Parikh	Managing Director
Mrs. Sudha P. Kapadia	Director
Mr. T G Natarajan (A.C.A)	Independent Director
Mr. Lalit Mehta	Independent Director
Mr. G.D. Rathi (F.C.A)	Independent Director (w.e.f. 23.02.2005)
Mr. Lalit Dalal (F.C.A)	Independent Director (w.e.f. 23.02.2005)

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. U S Tanwar & Co.
210, Hammersmith Industrial Estate
Off. Sitaladevi Temple Road
Mahim (W)
Mumbai – 400 016.

COMPANY LAW CONSULTANT

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

REGISTRARS

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup(W)
Mumbai 400 078.

LEGAL ADVISORS/ ADVOCATES

Mr. Alok Bagla	Mr. Anandvardhan Yagnik	Mr. Jagdish Chokshi
84, Janmabhoomi Marg	C/1, Shruti, Gulbai Tekra,	Saiganga Apt,
3 rd Floor	Behind Polytechnic,	R. V. Desai Road,
Above Café Bahar, Fort	Ambawadi	Nr. Jayratna Bldg.
Mumbai –400 001	Ahmedabad -380015	Vadodara-390001

BANKERS TO THE COMPANY

HDFC BANK • IDBI BANK • VIJAYA BANK • DCB BANK • OBC BANK

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 Eleventh Annual General Meeting of the Shareholders of M.B. PARIKH FINSTOCKS LIMITED will be held on Saturday, 13th August, 2005 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, 2005 and the Audited Profit and Loss Account for the year ended 31st March, 2005 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. T. G. Natarajan, who retires by rotation and being eligible offers himself 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.

"RESOLVED THAT Mr. Mahesh B. 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 himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

- 5) To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Govind D. Rathi, 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 himself for re-appointment and in respect of whom the Company has received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation".

- 6) To Consider and if, thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Lalit P. Dalal, 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 himself for re-appointment and in respect of whom the Company has



received Notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation”.

- 7) To Consider and if, thought fit, to pass with or without modification, the following resolution as a Special Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII the said Act as amended up-to-date, consent and approval be and is hereby accorded to the re-appointment of and the remuneration being paid or provided to Mr. Digant Mahesh Parikh as the Managing Director of the Company for a period of five years with effect from 1st December, 2004 at a remuneration of Rs. 40,000/- per month and with such increase in remuneration, if permissible as per the provisions of the Act and as may be decided by the Board of Directors from time to time and on the terms and conditions set out in Draft Letter of Appointment a copy whereof initialed by Mr. Mahesh Parikh, Director of the Company, for the purpose of identification has been placed before this Meeting, which Draft Letter of Appointment is hereby specifically approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration as specified in the said Draft Letter of Appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Digant Mahesh Parikh shall be within the limits set out in the said Act including the said Schedule XIII to the Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Letter of Appointment between the Company and Mr. Digant Mahesh Parikh shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during the term of Mr. Digant Mahesh Parikh's office as Managing Director, the remuneration set out in the aforesaid Draft Letter of Appointment be paid or granted to Mr. Digant Mahesh Parikh as minimum remuneration provided that the total remuneration by way of salary shall not exceed the ceiling provided in Section II (1) (A) (ii) of Part II of Schedule XIII to the said Act or such other amount as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof”.

Dated : 11th June, 2005.
Place: Mumbai

By order of the Board,
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 Register of Members and Share Transfer Register of the Company will remain closed from Wednesday, 10th August, 2005 to Saturday, 13th August, 2005 both the days inclusive.
4. Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956, in respect of Item Nos. 4 to 7 are enclosed.
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 Limited.
 - 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 to 6

Mr. Mahesh B. Parikh, Mr. Govind D. Rathi and Mr. Lalit P. Dalal were appointed as Additional Directors under Article 134 of the Articles of Association of the Company w.e.f. 23rd February, 2005 pursuant to Section 260 of the Companies Act, 1956. As per the terms of appointments, their terms as Directors expires at the forthcoming Annual General Meeting. The Company in turn has received notices from a member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint them as Directors of the Company liable to retire by rotation. The Director recommends their appointments in the best interests of the Company.

None of the Directors of the Company except Mr. Mahesh B. Parikh, Mr. Digant M. Parikh, Mr. Govind D. Rathi and Mr. Lalit P. Dalal may be considered to be interested in the passing of these resolutions.

ITEM NO. 7

The Board of Directors of the Company has re-appointed Mr. Digant Parikh as Managing Director of the Company for a period of Five years w.e.f. 1st December, 2004 further the Remuneration Committee has recommended the payment of following remuneration and perquisites payable to Mr. Digant Parikh as Managing Director, which also was approved by the Board of Directors. The re-appointment and payment of remuneration to Mr. Digant Parikh as Managing Director is within the overall limits of Schedule XIII of the Companies Act, 1956.

S. No.	Name of Director	Designation	Responsibility
1	Mr. Digant M. Parikh	Managing Director	Overall management administration and day-to-day finance of the Company

The Company proposes to pay following remuneration and perquisites w.e.f. 1st April, 2005.

A. REMUNERATION & PERQUISITES

S. No.	Name of Director	Designation	Remuneration & Perquisite
1	Mr. Digant M. Parikh	Managing Director	Rs. 40,000/- per month

The perquisites shall be classified by the Board of Directors from time to time.

B. INCREMENTS :

The Board of Directors shall decide the increments payable to Managing Director at the end of



March, every year within the overall ceiling laid down in the Schedule XIII so that the total remuneration by way of salary, perquisites and other allowances including increments shall not exceed the ceiling provided in Section II (1) (A) (ii) of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

C. PERQUISITES : Non monetary ceiling perquisites

The following perquisites shall be payable to the Managing Director and which shall not be included in the computation of the ceiling of remuneration as per Schedule XIII of the Companies Act, 1956.

i. Provident Fund:

The Company's contribution to Provident Fund, as per the rules of the Company. Contribution to Provident Fund will not be included in the computation of the ceiling on perquisites to the extent it is not taxable under the Income Tax Act, 1961.

ii. Gratuity :

Gratuity not exceeding one-half months' salary for each completed year of service.

iii. Superannuation

Superannuation premium as applicable and to the extent it is not taxable under the provisions of the Income Tax Act, 1961.

iv. Leave Encashment

Leave salary as per the rules of the Company and Encashment of Leave shall be at the end of the tenure.

D. MINIMUM REMUNERATION

1. The above remuneration and perquisites has been fixed on the basis of inadequate profits as per the audited balance sheet as on 31st March, 2004 and has been fixed as provided in Section II (1) (A) (ii) of Part II of Schedule XIII to the said Act or such other amount and perquisites as may be provided in the said Schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof and shall be considered as minimum remuneration.
2. During the tenure of his appointment, if the Company earns profits in excess of the limits prescribed under Schedule XIII or if the profits are adequate in any financial year, as per the provisions of Section 198, 309 and any other applicable provisions of the Companies Act,


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1956, then the remuneration and commission, if any, of Mr. Digant Parikh, shall be paid as per the profits earned by the Company in that particular financial year.

E. OTHER CONDITIONS

- i. For all other terms and conditions not specifically spelt out above, the Rules and Order of the Company shall apply.
- ii. The Managing Director holds office as such, subject to the provisions of Section 283(1) of the Companies Act, 1956.
- iii. The re-appointment of Managing Director has been approved by the Remuneration Committee of the Company.

The Explanatory Statement together with the accompanying Notice should be treated as an abstract of the terms of the Agreement and Memorandum of concern or interest under Section 302 of the Companies Act, 1956.

The resolution is being recommended for the approval of the members.

None of the Directors of the Company except Mr. Digant Parikh and Mr. Mahesh Parikh may be considered to be interested in the passing of this resolution.

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

Dated : 11th June, 2005.

Place: Mumbai

Registered Office:

705, Galav Chambers,

Sayajigunj, Vadodara, 390 005.

DIGANT M. PARIKH
MANAGING DIRECTOR

**DIRECTORS' REPORT**

To
The Members,

Your Directors present herewith the Eleventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2005.

1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended 31/03/2005	Year Ended 31/03/2004
Profit before Tax	17.30	14.30
Less : Provision for Taxation	2.26	1.62
Add : Prior period adjustment/deferred tax liability	(0.97)	0.67
Profit after Tax	14.07	13.35
Balance b/f	20.03	6.68
Balance carried to balance sheet	34.10	20.03

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

The overall earnings of the company are better at Rs. 85.08 lacs as against Rs. 78.95 lacs in the previous year; though brokerage income is less at Rs. 6.17 lacs owing to lower brokerage slab in line with competitive market and less income by way of interest on Bank Deposits as a result of reduced rates on deposits. During the current year, we expect to continue with upward trend in income and profits.

The company succeeded in securing winding-up order in respect of its claim of Rs. 3 lacs on Alpha Sunrise Agrochem (I) Ltd. However, company's efforts to recover did not yield any results owing to "NO assets" and "not- traceable" whereabouts. Hence the directors felt it prudent to write-off Rs. 3 lacs; though efforts are still 'on' to recover the dues.

The Company sold its flat at Amboli - Andheri (W) for a sum of Rs. 14 lacs making a profit of about Rs. 1.65 lacs as the said flat was vacated by the leasee M/s. Armour Consultants Pvt. Ltd. and Company no longer required the said assets for its own use.

4. DIRECTORS

During the year under review Mrs. Gita M. Parikh resigned as Director of the Company w.e.f. 23rd February, 2005. The Board of Directors appreciates the sincere efforts and dedicated services rendered by Mrs. Gita M. Parikh as Director of the Company during her tenure of her office.



Mr. T. G. Natarajan, retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment.

Mr. Mahesh B. Parikh, Mr. Govind D. Rathi and Mr. Lalit P. Dalal were appointed as Additional Directors under Article 134 of the Articles of Association of the Company on w.e.f. 23rd February, 2005 pursuant to Section 260 of the Companies Act, 1956. As per the terms of appointments, their term as Directors 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 them as Directors of the Company liable to retire by rotation. The Director recommends their appointments in the best interests of the Company.

The Board of Directors has re-appointed Mr. Digant M. Parikh as Managing Director of the Company w.e.f. 1st December, 2004 on such remuneration as given in the Notice convening Annual General Meeting of the Company. The re-appointment of Mr. Digant M. Parikh as Managing Director of the Company is in the best interest of the Company as he has got a long and valuable experience in the Capital Markets.

5 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.

6 FIXED DEPOSITS

The Company has not accepted any deposits from the public.

7 PARTICULARS OF EMPLOYEES

Particulars of Employees as required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) 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.

8 LISTING OF SHARES

The Company's shares are listed on Mumbai and Vadodara Stock Exchanges. The Company has already paid listing fees to them for the year 2005 – 2006.

9 INSURANCE

All the assets of the Company are adequately insured.

10. 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.