



# **M.B. Parikh Finstocks Ltd.**



## **ANNUAL REPORT**

**YEAR : 2005-2006**

## PERFORMANCE AT GLANCE

	31.03.2006	31.03.2005	31.03.2004	31.03.2003	31.03.2002	31.03.2001	31.03.2000	31.03.1999	31.03.1998	31.03.1997	31.03.1996
Capital	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00	300.00
Net Worth	340.34	334.12	320.04	306.68	305.86	305.79	312.25	300.56	288.01	287.82	296.12
Net Fixed Assets	30.20	34.07	51.51	44.99	36.29	46.55	48.89	31.71	33.36	33.60	34.52
Investment & Stock-In-Trade	45.36	34.85	4.91	10.63	23.36	52.06	96.14	111.94	115.64	117.07	103.68
Total Income	60.15	85.08	78.95	48.18	34.45	46.77	56.13	52.21	34.25	47.96	37.00
Expenditure	52.92	67.78	64.64	22.52	27.44	43.72	34.27	30.87	27.58	47.96	45.87
Operating Profit (PBIDT)	20.65	28.78	25.68	25.66	7.01	3.05	21.86	21.34	6.67	0.27	(8.87)
PBDT	13.16	25.60	23.20	16.31	5.73	(0.01)	16.28	16.81	3.05	3.93	(8.87)
PBT	7.23	17.30	14.31	9.09	0.07	(4.02)	11.69	12.55	(3.03)	(8.30)	(12.00)
PAT	6.23	14.07	13.35	4.59	0.07	(4.02)	11.69	12.55	(3.03)	(8.30)	(12.00)
Book Value(Rs.)	11.34	11.14	10.67	10.22	10.19	10.19	10.41	10.02	9.60	9.59	9.87
E.P.S. (Rs.)	0.21	0.47	00.45	00.15	—	—	0.39	0.42	—	—	—

**BOARD OF DIRECTORS****PROMOTER DIRECTORS**

Mr. Mahesh B. Parikh	Chairman
Mr. Digant M. Parikh	Managing Director
Mrs. Sudha P. Kapadia	Director

**INDEPENDENT / PROFESSIONAL DIRECTORS**

Mr. T G Natrajan (A.C.A)	Director
Mr. Lalit Mehta	Director
Mr. G.D. Rathi (F.C.A)	Director (w.e.f. 23.02.2005).
Mr. Lalit Dalal (F.C.A)	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, Dahanukar Wadi  
Mahavir Nagar, Kandivli (W)  
Mumbai – 400 067.

**REGISTRARS**

Intime Spectrum Registry Ltd.  
C/13, Panna Lal Silk Mills Comp.,  
L. B. S. Marg, Bhandup(W),  
Mumbai 400 078.

**LEGAL ADVISORS/ ADVOCATES**

Mr. Alok Bagla	Mumbai
Mr. Anandvardhan Yagnik	Ahmedabad
Mr. Jagdish Chokshi	Vadodara

**BANKERS TO THE COMPANY**

DEVELOPMENT CREDIT BANK LTD.	HDFC BANK LTD.
IDBI BANK LTD.	KOTAK MAHINDRA BANK LTD
ORIENTAL BANK OF COMMERCE LTD	VIJAYA BANK LTD.

**OFFICES****REGISTERED OFFICE**

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

**CORPORATE OFFICE**

209/210, Heena Arcade,  
S.V. Road, Jogeshwari (W)  
Mumbai – 400 102.  
Tel. : 2679 0434/2103/2105  
Fax : 2679 0463  
E-mail : mbpfin@bom5.vsnl.net.in

## NOTICE

Notice is hereby given that the **Twelfth Annual General Meeting** of the Shareholders of **M.B. PARIKH FINSTOCKS LIMITED** will be held on Saturday, 26<sup>th</sup> August, 2006 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, 2006 and the Audited Profit and Loss Account for the year ended 31st March, 2006 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 reappointment.
- 3) To appoint a Director in place of Mr. Lalit P Mehta, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors of the Company and to fix their remuneration.

Dated : June 24, 2006

By order of the Board of Directors

Place : Mumbai

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 Saturday, 19<sup>th</sup> August, 2006 to Saturday, 26<sup>th</sup> August, 2006 (both the days inclusive).
4. 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.

## DIRECTORS' REPORT

To  
The Members,

Your Directors present herewith the Twelfth Annual Report of your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2006.

### 1. FINANCIAL RESULTS

(Rs. in Lacs)

	Year Ended 31/03/2006	Year Ended 31/03/2005
Profit before Tax	7.23	17.30
Less : Provision for Taxation	2.35	2.26
Add : Prior period adjustment/def. tax liability	1.35	(0.97)
Profit after Tax	6.23	14.07
Balance b/f	34.11	20.03
Balance carried to balance sheet	40.34	34.10

### 2. OPERATIONS / PERFORMANCE REVIEW

Consultancy Income is Rs. 26.25 lacs as against Rs. 47.38 lacs in the previous year. But for this downward trend, the income on Brokerage, Share Trading Profit, Interest, etc. show upward swing. Trading in Futures & Option Segment would commence in present financial year for which compliance of various formalities is under-way.

The company has taken steps to concentrate on Consultancy and ensure better income-flow.

### 3. 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.

### 4. DIRECTORS

Mrs. Sudha Kapadia and Mr. Lalit Mehta, retires by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

### 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 2006 – 2007.

## 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.

## 11. CODE OF CONDUCT

The company has adopted the code of conduct as per revised Clause 49 of the Listing Agreement applicable to all the Directors and senior management personnel of the company. The company has received confirmation from all the Directors and senior management personnel of the company on the compliance of the said code of conduct.

## 12. DISCLOSURE U/S 274(1)(g)

None of the Directors of the Company are disqualified from being appointed as Directors as specified under Section 274(1)(g) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000.

## 13. 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 31<sup>st</sup> March, 2006, 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 judgement 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 31<sup>st</sup> March, 2006 on a going concern basis.

#### 14. 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.

#### 15. 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.

#### 16. ACKNOWLEDGEMENT

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

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

Dated : June 24, 2006.  
Place: Mumbai

**MAHESH B. PARIKH**  
**CHAIRMAN**

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

## CORPORATE GOVERNANCE REPORT

The Bombay Stock Exchange Limited has implemented the revised provisions of Clause 49 of the Listing Agreement from December 31, 2006, the Company has already taken steps to comply with the revised provisions to the maximum extent possible.

As per the Clause 49 of Listing Agreement, incorporate certain mandatory disclosure requirements with regard to Corporate Governance. In pursuance of the requirements of Corporate Governance, the Board of Directors reports the following;

### **I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facets of its operations and all dealings. The Board of Directors by considering itself as a trustee of its Shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders

### **II. BOARD OF DIRECTORS :**

#### **i) Board Composition :**

The strength of the Board was 7 Directors as on 31<sup>st</sup> March, 2006. The composition and category of Directors on the Board of the Company are:

#### **Managing Director**

Mr. Digant M. Parikh

#### **Non-Executive Director**

Mr. Mahesh B. Parikh

Mrs. Sudha Kapadia

#### **Independent / Professional Directors**

Mr. T. G. Natrajan

Mr. Lalit Mehta

Mr. Govind Rathi

Mr. Lalit P. Dalal

The independent Directors do not have any material or pecuniary relationship or transaction with the Company, its promoters or its management, which may affect their judgement in any manner.

#### **ii) Other Directorship and Membership of Board Committees:**

None of the Directors hold Directorship in more than the permissible number of Company under the relevant provision. Further, none of the Directors on the Board is a member of more than Ten Committees or Chairman of more than Five Committees.

### iii) Board Meetings:

The Board formulates strategies and reviews performance of the Company. The Managing Director manages day-to-day operations of the company within the policy frame-work and guidelines carved by the Board.

Board members are informed in advance about Board Meetings and necessary agenda / information is circulated in advance. At each Board Meeting, the Managing Director review an overall performance of the company and movement in Capital Market. The functions of the Board, inter-alia, include review of

- Strategies and Business Plan
- Quarterly Results of the Company.
- Minutes of the Audit and other Committee of Board.
- Business Risk Analysis and Control.
- Compliance with statutory and regulatory requirements.
- Transaction relating to Capital Expenses and major provisions / write offs.

The Board met 6 times during the period from April, 2005 to March, 2006.

### iv) Attendance of Directors:

		Attendance Particulars	
		Board Meeting	Last AGM
Mr. Mahesh Parikh	Chairman / Director	6	Yes
Mr. Digant Parikh	Managing Director	6	Yes
Mrs. Sudha P Kapadia	Director	4	Yes
Mr. T G Natrajan	Director	4	No
Mr. Lalit P Mehta	Director	2	No
Mr. Govind Rathi	Director	5	No
Mr. Lalit P Dalal	Director	6	No

### v) Directorship of Public Limited Company

None of the Directors except the following Directors are Directors in any other public limited company.

Name	Director in Public Ltd. Co.
Mr. Mahesh Parikh	Marksans Pharma Ltd.
Mr. Digant Parikh	Akansha Consultancy Services Ltd.
Mr. T G Natrajan	Vishal Exports Overseas Ltd.
Mr. Lalit P Mehta	Shriram Asset Management Ltd.
	Shripath Cyber Systems Ltd.
	Shriram Chits (Maharashtra) Ltd.
	Zenith Securities & Investment Ltd.
	Southern Gas Ltd.
	Akansha Consultancy Services Ltd.