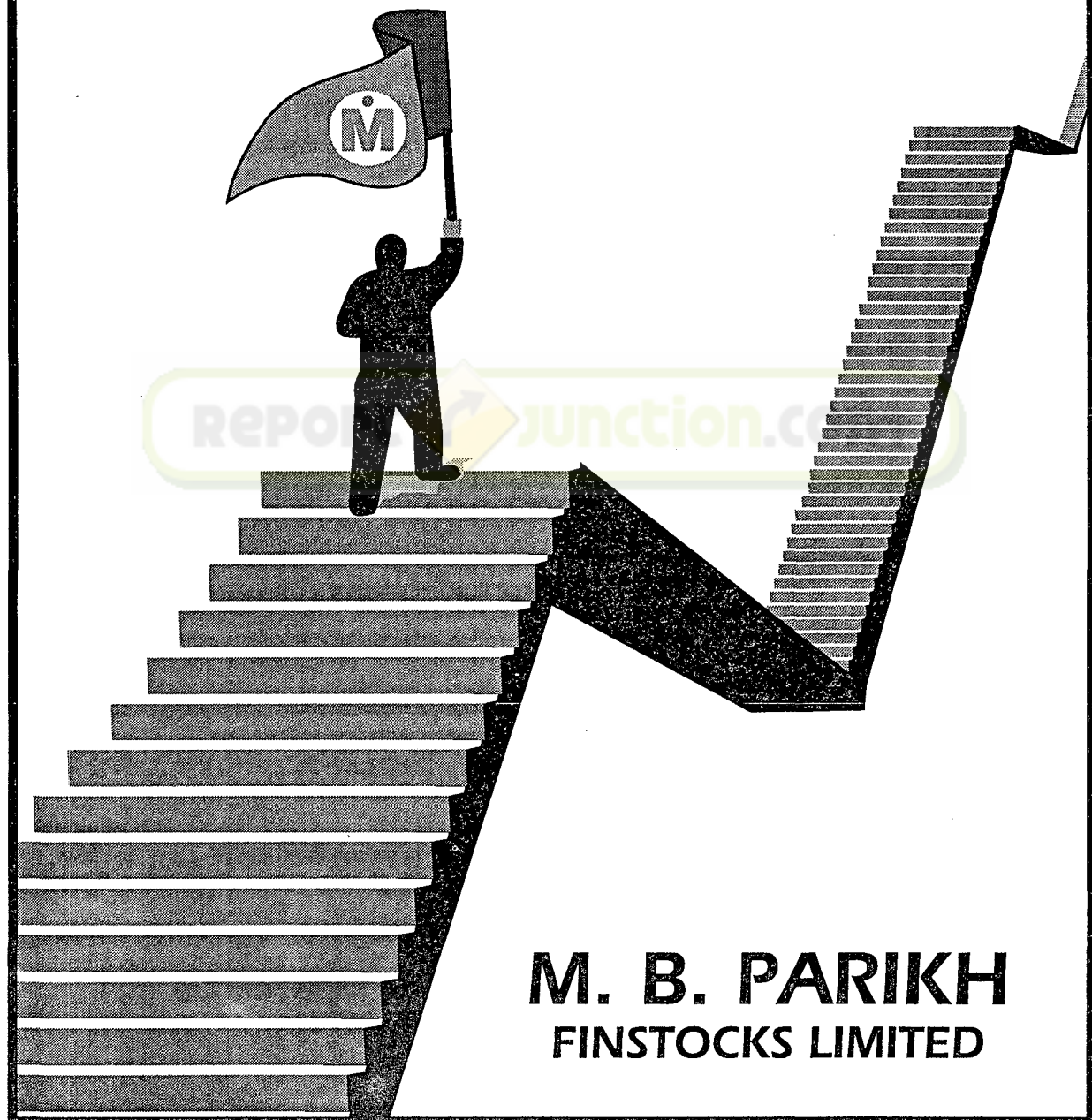


# ANNUAL REPORT

**YEAR : 2006-2007**



**M. B. PARIKH**  
**FINSTOCKS LIMITED**

## PERFORMANCE AT GLANCE

	31.03.07	31.03.06	31.03.05	31.03.04	31.03.03	31.03.02	31.03.01	31.03.00	31.03.99	31.03.98	31.03.97
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	343.12	340.34	334.12	320.04	306.68	305.86	305.79	312.25	300.56	288.01	287.82
Net Fixed Assets	27.02	30.20	34.07	51.51	44.99	36.29	46.55	48.89	31.71	33.36	33.60
Investment & Stok In Trade	62.11	45.36	34.85	4.91	10.63	23.36	52.06	96.14	111.94	115.64	117.07
Total Income	46.78	60.15	85.08	78.95	48.18	34.45	46.77	56.13	52.21	34.25	47.96
Expenditure	36.29	43.50	67.78	64.64	22.52	27.44	43.72	34.27	30.87	27.58	47.96
Operating Profit (PBIDT)	10.49	16.65	28.78	25.68	25.66	7.01	3.05	21.86	21.34	6.67	0.27
PBDT	6.89	13.16	25.60	23.20	16.31	5.73	-0.01	16.28	16.81	3.05	3.93
PBT	3.08	7.23	17.30	14.31	9.09	0.07	-4.02	11.69	12.55	-3.03	-8.30
PAT	2.77	6.23	14.07	13.35	4.59	0.07	-4.02	11.69	12.55	-3.03	-8.30
Book Value (Rs.)	11.40	11.34	11.14	10.67	10.22	10.19	10.19	10.41	10.02	9.60	9.59
E.P.S. (Rs.)	0.09	0.21	0.47	0.45	0.15			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. Natarajan (A.C.A)	Director
Mr. Lalit Mehta	Director
Mr. G.D. Rath (F.C.A)	Director
Mr. Lalit Dalal (F.C.A)	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. 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.

### **ADVISORS/ADVOCATES**

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

### **BANKERS TO THE COMPANY**

DEVELOPMENT CREDIT BANK LTD.  
IDBI BANK LTD.  
VIJAYA BANK LTD.

HDFC BANK LTD.  
KOTAK MAHINDRA BANK LTD.  
YES BANK LTD.

### **REGISTERED OFFICE**

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

### **CORPORATE OFFICE**

Heena Shopping Arcade, 2<sup>nd</sup> 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 **Thirteenth Annual General Meeting** of the Shareholders of **M.B. PARIKH FINSTOCKS LIMITED** will be held on Saturday, 25<sup>th</sup> August, 2007 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, 2007 and the Audited Profit and Loss Account for the year ended 31st March, 2007 and the Report of the Directors and the Auditors thereon.
- 2) To appoint a Director in place of Mr. T. G. Natrajan who retires by rotation and being eligible offers herself for reappointment.
- 3) To appoint a Director in place of Mr. G. D. Rathi, who retires by rotation and being eligible offers himself for reappointment.
- 4) To appoint Auditors of the Company and to fix their remuneration.

### **SPECIAL BUSINESS**

- 5) To consider and if thought fit, to pass with or without modifications, 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 of the said Act as amended up-to-date and in partial modification to the resolution passed at Company's Eleventh Annual General Body Meeting held on 13th August 2005, the consent and approval be and is hereby accorded in connection with appointment and payment of remuneration to Mr. Digant M. Parikh as Managing Director of the company for a period of five years w.e.f. 1.12.2004 at a remuneration of Rs. 40,000/- p.m. and with such increase in remuneration as may be decided by the Board of Directors from time to time, the remuneration of Mr. Digant M. Parikh as Managing Director of the company is increased to Rs. 75000/- p.m. w.e.f. 1st September, 2007 as decided by the Remuneration Committee and Board of Directors in their respective meetings convened on 30.4.2007 and all other terms of appointment of Mr. Digant M. Parikh to remain same”.

Dated : 19th June, 2007

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 Thursday, 23<sup>rd</sup> August, 2007 to Saturday, 25<sup>th</sup> August, 2007 (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.





## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2)** **OF THE COMPANIES ACT, 1956**

### **ITEM NO. 5**

The members of the company have approved at Company's Eleventh Annual General Meeting appointment of Mr. Digant M. Parikh as Managing Director of the Company w. e. f. 1.12.2004 on the terms and conditions as mentioned in Resolution item no. 7 of the Company's Annual General Meeting held on 13.8.2005.

The Company has made growth under the leadership and untiring efforts of Mr. Digant Parikh during last several years.

In view of the above, the Remuneration Committee of the Board of Directors at its meeting convened on 30.4.07 recommended increase in remuneration of the Managing Director from Rs. 48000/- p.m. to Rs. 75000/- p.m. and all other terms of appointment remaining the same. The Board of Directors at its meeting convened on 30.4.07 has agreed to revision in remuneration from 48000/- p.m. to Rs. 75000/- p.m. w.e.f. September, 2007 with all other terms of appointment remaining unchanged.

The resolution is being recommended for approval of the members.

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.

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

Dated: 19th June, 2007  
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.**



## Schedules to the Profit & Loss Account

(figures in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>SCHEDULE - 12 - INCOME</b>		
Consultancy Income (includes TDS Rs. 46368 Prev. Year Rs. 162283)	750000	2625000
Income from Brokerage	1568696	1016119
Profit on Share Trading (Short Term Capital Gain)	356913	883058
Other Income	49812	121370
Bank Interest (includes TDS Rs. 387486 Prev. Year Rs. 252437)	1576850	1072432
Interest on Company Deposit (includes TDS Rs. 40392 Prev. Year Rs. 50400)	180000	240000
Rent Income	108000	-
Dividend Income	87627	47403
	<b>4677898</b>	<b>6005382</b>
<b>SCHEDULE - 13 - OPERATING EXPENSES</b>		
Audit Fees	45000	47250
Stock Exchange Related Expenses	662733	306785
Established Expenses	1656569	2585870
Travelling and Conveyance	72405	396340
Repairs and Maintenance	38438	56262
	<b>2475145</b>	<b>3392507</b>
<b>SCHEDULE - 14 - BUSINESS DEVELOPMENT EXPENSES</b>		
Advertisement Expenses	3500	23956
Business promotion Expenses	5445	29617
	<b>8945</b>	<b>53573</b>
<b>SCHEDULE - 15 - FINANCIAL OVERHEADS</b>		
Bank Charges	2972	12452
Guarantee Fees	48178	49700
Loan Processing Charges	14030	13775
Interest on bank Overdraft	295191	273127
	<b>360371</b>	<b>349054</b>
<b>SCHEDULE - 16 - PAYMENT TO EMPLOYEES</b>		
Managing Director Remuneration	480000	480000
Salary	264000	240000
Staff Welfare	29290	8092
Bonus	32175	29250
Contractual Wages	154475	99284
	<b>959940</b>	<b>856626</b>
<b>SCHEDULE - 17 -</b>		
Preliminary Expenses Written Off	0	150348
Depreciation as per The Companies Act	381064	442252
	<b>381064</b>	<b>592600</b>

## **SCHEDULE "11"**

### **Notes on Accounts :**

### **Significant Accounting Policies :**

#### **1. Accounting Conventions and Concepts :**

The Financial statements are prepared under the historical cost convention on the accrual basis and in accordance with Generally Accepted Accounting Principles (GAAP). GAAP comprises mandatory accounting standards issued by the Institute of Chartered Accountants of India (ICAI), the provisions of the Companies Act, 1956 and guidelines issued by SEBI.

#### **2. Use of Estimates :**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

#### **3. Revenue Recognition :**

Broking income is accounted only in respect of transaction for which delivery settlement has been completed during the accounting period. Consultancy income is recognized on specified terms of agreement in case of advisory and financial consultancy. Dividend income is recognized on receipt basis. Profit on sale of investment (Capital Gain) on securities held in stock is recorded on transfer of title as per guidelines of SEBI.

#### **4. Fixed Assets :**

Fixed Assets are stated at cost less accumulated depreciation. Direct Cost are capitalized until Fixed Assets are ready for use.

#### **5. Depreciation :**

Depreciation on Fixed Assets is provided on "Written Down Value Method" on a pro-rata basis at the rates and in the manner specified in Schedule XIV of the companies Act, 1956.

#### **6. Investments & Stock-in-Trade Equity Shares :**

- a. Quoted Investment valued at Cost.
- b. Unquoted Shares are taken at cost
- c. The securities acquired with the intention of short term holding and trading position are considered as Stock-in-Trade and shown under current asset and are valued at cost or market value, whichever is lower.





- 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 31<sup>st</sup> March, 2007 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. ACKNOWLEDGMENT

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 : 19.6.2007.

Place: Mumbai

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

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



## **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, 2007. 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. Nagarajan  
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 judgment in any manner

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

None of the Directors hold Directorship in more than the permissible no. 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 met 7 times during the period from April, 2006 to March, 2007.