

11th Annual Report 2005 - 2006



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JOINDRE CAPITAL SERVICES LIMITED**11th ANNUAL GENERAL MEETING**

Date	: 23rd September, 2006
Day	: Saturday
Time	: 9.30 a.m.
Place	: 32, Rajabhadur Mansion, 31-A & 31B, 3rd Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 023.
Book Closure Date	: 16th September, 2006 to 23rd September, 2006 (Both days inclusive)

BOARD OF DIRECTORS

Anil Mutha	Whole-time Director
Dinesh Khandelwal	Whole-time Director
Kamal Agrawal	Whole-time Director
Paras Bathia	Whole-time Director
Ranjit Baradia	Whole-time Director
Subhash Agarwal	Whole-time Director
Sunil Jain	Whole-time Director
Jayesh Shah	Director
Mahendrakumar Jain	Director
Pradeep Jain	Director
Ram Ratan Chirania	Director
Shankar Khandelwal	Director
Veepin Thokal	Director

AUDITORS

Banshi Jain & Associates
Chartered Accountants

BANKERS

Bank of India
ICICI Bank Ltd.
HDFC Bank Ltd.
The Federal Bank Ltd.
Indusind Bank Ltd.
IDBI Bank Ltd.
The Ratnakar Bank Ltd.

SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.
17/B, Dena Bank Building, 2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001.
Tel. No. (022) 22702485, 22641376
Fax No. (022) 22641349
e-mail : sharexindia@vsnl.com

REGISTERED OFFICE

32, Raja Bahadur Mansion,
Ground Floor, Opp. Bank of Maharashtra,
Mumbai Samachar Marg,
Fort, Mumbai - 400 023.
Tel. No. (022) 22658661-65
Fax No. (022) 22651409

ADMINISTRATIVE OFFICE

Botawala Building, 2nd Floor,
11/13, Horniman Circle,
Fort, Mumbai - 400 023.
Tel. No. (022) 66548000
Fax No. (022) 22690112
Website : www.joindre.com

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JOINDRE CAPITAL SERVICES LIMITED**NOTICE**

Notice is hereby given that the Eleventh Annual General Meeting of the Shareholders of JOINDRE CAPITAL SERVICES LIMITED will be held on Saturday, 23rd September, 2006 at 32, Rajabhadur Mansion, 31-A & 31-B, 3rd Floor, Ambalal Doshi Marg, Fort, Mumbai - 400 023 at 9.30 A.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 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 Mr. Paras Bathia who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr. Ram Ratan Chirania, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Veepin Thokal, who retires by rotation and being eligible offers himself for reappointment.
5. To appoint Auditors to hold Office from the conclusion of this meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS

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

"RESOLVED THAT Mr. Mahendrakumar M. Jain, who was appointed as an Additional Director under Article 114 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".

Registered Office,
32, Raja Bahadur Mansion,
Ground Floor, Opp. Bank of Maharashtra,
Mumbai Samachar Marg,
Fort, Mumbai- 400 023.

By order of the Board,

Subhash Agarwal
Director

Place: Mumbai,
Date : 30th June, 2006.

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 (2) of the Companies Act, 1956, for Item no. 6 of the Notice is annexed.
4. The Register of Members and Share Transfer Register of the Company will remain closed from Saturday, 16th September, 2006 to Saturday, 23rd September, 2006 both the days inclusive.

JOINDRE CAPITAL SERVICES LIMITED

5. Pursuant to the provisions of Sections 205A and 205C of the Companies Act, 1956, dividend for the financial year March 31, 1998 and dividends declared thereafter, which remain unclaimed for a period of seven years, will be transferred by the Company to the IEPF pursuant to Section 205C of the Companies Act, 1956.

Financial year ended	Date of declaration of Dividend	Last date for claiming un-paid Dividend
31st March, 1999	14th August, 1999	13th August, 2006
31st March, 2000	23rd March, 2000	22nd March, 2007
31st March, 2004	25th September, 2004	24th September, 2011

Members who have not so far received / encashed Dividend for the aforesaid years are requested to seek issue of duplicate warrant(s) by writing to the Company's Registrar & Transfer Agents, Sharex Dynamic (India) Private Limited immediately.

Members are requested to note that no claims shall be against the said fund or the Company in respect of any amounts which were unclaimed and unpaid for a period of 7 (seven) years from the dates they first became due for payment and no payment shall be made in respect of any such claims.

6. The members are requested to:
- Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company.
 - Quote ledger folio numbers in all their correspondence.
 - 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
 - Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
 - Write atleast 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.

ANNEXURE TO THE NOTICE**EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956,****ITEM NO. 6**

Mr. Mahendrakumar M. Jain was appointed as an Additional Director under Article 114 of the Articles of Association of the Company on 28th December, 2005, pursuant to Section 260 of the Companies Act, 1956. As per the term of appointment, his term as Director expire at the forthcoming Annual General Meeting. The Company in turn has received notice from member pursuant to Section 257 of the Companies Act, 1956 signifying his intention to appoint him as Director of the Company liable to retire by rotation. Your Directors recommends his appointment in the best interests of the Company.

None of the Directors except Mr. Mahendrakumar M. Jain of the Company are in any way concerned or interested in this Resolution.

Registered Office,
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Ground Floor, Opp. Bank of Maharashtra,
Mumbai Samachar Marg,
Fort, Mumbai- 400 023.

By order of the Board,

Subhash Agarwal
Director

Place : Mumbai,
Date : 30th June, 2006.

JOINDRE CAPITAL SERVICES LIMITED**DIRECTORS' REPORT**

To
The Members,

The Board of Directors are pleased to present herewith the Eleventh Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2006.

1. FINANCIAL RESULTS

Particulars	Year Ended 31st March, 2006	(Rs. in Lakhs) Year Ended 31st March, 2005
Gross Total Income	3493.36	2185.00
Expenditure	2967.80	1893.54
Interest	23.75	15.18
Gross Profit	501.81	276.28
Depreciation & Amortisation	59.44	58.59
Profit before tax	442.37	217.69
Provision for taxation		
Current	148.45	91.00
Deferred	(3.37)	(5.94)
Excess / (Short) provision for earlier year	1.65	(0.42)
Net Profit after tax	295.64	133.05
Balance brought forward from the last year	479.54	346.49
Balance carried to the Balance Sheet	775.18	479.54

The consolidated financial results of the Company for the year ended 31st March, 2006 are presented and annexed elsewhere in this report

2. DIVIDEND

Your Directors do not recommend any dividend for the year under review in order to conserve the resources of the Company.

3. REVIEW OF PERFORMANCE

During the year under review the Gross Total Income of the Company increased from Rs.2185.00 Lacs to Rs.3493.36 Lacs Showing an increase of 59.88 % and Net Profit for the year increased from Rs.133.05 Lacs to Rs.295.64 Lacs Showing an increase of 122.20%

The Company has been providing capital market services through the network of branches and sub-brokers/ authorised persons as Member of Cash Segment of NSE & BSE and the Trading-cum-Clearing Member of Derivatives Segment of both the Exchanges. The Company is also operating as a Depository Participant of Central Depository Services (I) Ltd..

The subsidiary Joindre Commodities Ltd. is providing services for trading in commodity futures as a member of NCDEX & MCX. The company has incorporated a subsidiary M/s JOINDRE DMCC at Dubai and is providing services for trading in commodity futures as a member of DGCX.

During the year, the research division of the Company has been fully operational and is providing value added services to our clients in capital & commodities market.

As regards the turnover fee liability of SEBI, the Company has filed appeal before the Securities Appellate Tribunal and the matter is sub-judice as referred in Note B(11) to the accounts

4. DIRECTORS

Mr. Paras Bathia, Mr. Ram Ratan Chirania and Mr. Veepin Thokal, Directors retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment

Mr. Mahendrakumar M. Jain was appointed as an Additional Director under Article 114 of the Articles of Association of the Company on 28th December, 2005. As per Section 260 of the Companies Act, 1956 his terms as Directors expires at the forthcoming Annual General Meeting. The Company has also received notices alongwith the requisite fee from a member under Section 257 of the Companies Act, 1956 proposing the candidature of Mr. Mahendrakumar M. Jain as a Director of the Company. The Directors recommend his appointment in the best interests of the Company and appropriate resolution was incorporated in the Notice convening Annual General Meeting.

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.

JOINDRE CAPITAL SERVICES LIMITED

6. FIXED DEPOSITS

The Company has not accepted any deposits from 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 are not given as no Employee of the company is in receipt of remuneration of Rs. 24,00,000/- per annum or Rs. 2,00,000/- per month.

8. DIRECTORS RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures.
- ii) That appropriate accounting policies have been selected and applied consistently and judgment and estimates made by them 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 and of the profit or loss of the Company for the year.
- iii) That proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

9. CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, the Corporate Governance Report is separately given in this Report. Practising Company Secretary's certificate on corporate governance is also annexed to this report.

10. SUBSIDIARY COMPANIES:

The information including Annual Accounts, Director's Report and Auditor's Report in respect of the subsidiaries viz. Joindre Commodities Limited and Joindre DMCC, Dubai as on 31st March 2006 are annexed as required u/s 212 of the Companies Act 1956.

11. LISTING OF SHARES

The Company's shares are listed on Bombay Stock Exchange Ltd., Mumbai and the company has paid the listing Fees for the same.

12. AUDITORS

M/s. Banshi Jain & Associates, Chartered Accountants retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

13. ACKNOWLEDGMENT

The Board wishes to place on records its appreciation to all its Shareholders, Customers, Bankers, Stock Exchange Authorities and Employees for the co-operation and contributions made by them at all levels.

Registered Office,
32, Raja Bahadur Mansion,
Ground Floor, Opp. Bank of Maharashtra,
Mumbai Samachar Marg,
Fort, Mumbai- 400 023.

By order of the Board,

Subhash Agarwal
Director

Place: Mumbai,
Date : 30th June, 2006

JOINDRE CAPITAL SERVICES LIMITED**CERTIFICATE FROM AUDITORS REGARDING COMPLIANCE OF
CONDITIONS OF CORPORATE GOVERNANCE****To the shareholders of Joindre Capital Services Ltd**

We have examined the compliance of conditions of Corporate Governance by Joindre Capital Services Ltd, for the year ended 31st March 2006 as stipulated in clause 49 of the Listing Agreements of the said company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement, subject to the following:

The Board of Directors of the company does not have an optimum combination of executive and non-executive directors. The number of non-executive directors is less than 50 percent of the strength of total directors. Further since the board meetings are chaired by an executive director, the company does not have the minimum requisite number of independent directors.

We state that no investor grievance is pending against the Company exceeding one month as per records maintained by the Company which are presented to the Shareholders/ Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Banshi Jain & Associates
Chartered Accountants

Parag Jain
(Partner)

Membership No.: 78548

Place : MUMBAI
Dated : 30th June, 2006

JOINDRE CAPITAL SERVICES LIMITED**CORPORATE GOVERNANCE**

The Bombay Stock Exchange Limited has implemented the revised provisions of Clause 49 of the Listing Agreement from December 31, 2005, the Company has already taken steps to comply with the revised provisions to the maximum extent possible.

As per Schedule IC of Clause 49 of Listing Agreement, which requires to incorporate certain mandatory disclosure with regard to Corporate Governance Report. In pursuance of the said requirements, the Board of Directors reports the following:

1. 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.

2. BOARD OF DIRECTORS

The Board's role, functions, responsibility and accountability are clearly defined. The company has not appointed any Director as Chairman of the Board of Directors or of the company.

i) Board Composition:

The strength of the Board was 13 Directors as on 31st March, 2006. The composition and category of Directors on the Board of the Company are:

Executive Directors

Mr. Subhash Agarwal
Mr. Sunil Jain
Mr. Kamal Agrawal
Mr. Ranjit Baradia
Mr. Anil Mutha
Mr. Dinesh Khandelwal
Mr. Paras Bathia

Non-executive Directors

Mr. Jayesh Shah
Mr. Ram Ratan Chirania (Independent)
Mr. Veepin Thokal (Independent)
Mr. Shankar Khandelwal (Independent)
Mr. Pradeep Jain (Independent)
*Mr. Mahendrakumar M. Jain (Independent)

* Appointed w.e.f. 28th December, 2005.

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.

The Central Government vide its approval letter dated 15th June, 2005 bearing No. 4/15/2004-CL. VII has approved the increase in number of Directors from 12 (Twelve) to 13 (Thirteen) instead of 16 (Sixteen) Directors requested by the Company vide its application under Section 259 of the Companies Act, 1956. Accordingly the Company can appoint only 5 (Five) Directors as independent Directors as against requirement of 8 (Eight) independent Directors in order to comply Clause 49 (I) of the Listing Agreement. At present the Company has 5 (Five) Non Executive Independent Directors.

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 met 15 times during the period from April, 2005 to March, 2006, i.e. 9th April, 2005, 21st April, 2005, 30th June, 2005, 30th July, 2005, 5th August, 2005, 6th September, 2005, 8th September, 2005, 25th October, 2005, 31st October, 2005, 1st December, 2005, 28th December, 2005, 7th January, 2006, 31st January, 2006, 3rd February, 2006 and 11th February, 2006.

iv) Board Meeting Attendance record of the Directors in 2005 - 2006:

The Meeting of the Board of Directors are generally chaired by Mr. Subhash Agarwal or in his absence by Mr. Kamal Agrawal.

JOINDRE CAPITAL SERVICES LIMITED

The attendance of each Director at the Board Meetings and the last AGM is given below;

Name of the Director	Category of Directorship	Attendance of Board Meeting	Attendance of Last AGM	No. of Other Directorships	No. of other Committees as Member/ Chairperson
Mr. Anil Mutha	Whole Time	15	Yes	5	--
Mr. Subhash Agarwal	Whole Time	15	Yes	3	--
Mr. Ranjit Baradia	Whole Time	15	Yes	3	--
Mr. Dinesh Khandewal	Whole Time	15	Yes	2	--
Mr. Kamal Agrawal	Whole Time	15	Yes	2	--
Mr. Sunil Jain	Whole Time	15	Yes	2	--
Mr. Paras Bathia	Whole Time	15	Yes	2	--
Mr. Jayesh Shah	Non Executive	--	No	4	--
Mr. Ram Ratan Chirania	Non Executive Independent	4	Yes	--	--
Mr. Veepin Thokal	Non Executive Independent	3	Yes	--	--
Mr. Shankar Khandelwal	Non Executive Independent	3	No	1	--
Mr. Pradeep Jain	Non Executive Independent	4	Yes	--	--
Mr. Mahendrakumar Jain	Non Executive Independent	1	No	1	--

v) **Code of Conduct:**

The Board has formulated a code of conduct for the Board members and senior management of the Company. All Board members and senior management have affirmed their compliance with the code. A declaration to this effect signed by the Whole Time Director of the Company is given elsewhere in the Annual Report.

3. AUDIT COMMITTEE

The following Directors have been appointed as Members of the Audit Committee (i) Mr. Pradeep Jain - Chairman, (ii) Mr. Ram Ratan Chirania - Member (iii) Mr. Shankar Khandelwal - Member, all being non executive independent Directors.

The Audit Committee of the Company meets before the finalization of accounts each year and also meets each quarter before the results of that quarter is published in the newspaper and informed to the Stock Exchanges as required under Clause 41 of the Listing Agreement. The Audit Committee gives its reports and recommendations to the Board of Directors for Corporate Governance and overall improvement in the functioning of the Company.

There were 4 meetings of the Audit Committee during the year 2005 - 2006. The attendance of each member of the Committee is given below;

Name of the Director	No. of Meetings attended
Mr. Pradeep Jain	4
Mr. Ram Ratan Chirania	4
Mr. Shankar Khandelwal	3

As per the terms of reference prescribed by the Board as stipulated in Clause 49 (II) (d) of the Listing Agreement, the committee performs such duties and tasks as are assigned to it by the Board. The Committee has access to all records of the Company. The committee reviews the report of the internal and statutory auditors; internal audit systems and procedures, internal control systems, etc. and also addresses the requirements of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges.

4. REMUNERATION COMMITTEE

The resolution passed at the Tenth Annual General Meeting has constituted the Board of Directors as the remuneration committee and accordingly the Board of Directors (constituted remuneration committee) determines and recommends the remuneration package payable to the Whole Time Directors subject to approval by members in the General Meeting. The Board of Directors (constituted remuneration committee) has approved the re-appointment and remuneration payable to Mr. Anil Mutha, Mr. Subhash Agarwal, Mr. Ranjit Baradia, Mr. Dinesh Khandelwal, Mr. Sunil Jain, Mr. Paras Bathia and Mr. Kamal Agrawal approved by the members at the Tenth Annual