

# MALABAR TRADING COMPANY LIMITED

**ANNUAL REPORT  
2010-2011**

**BOARD OF DIRECTORS**

<b>BOARD OF DIRECTORS</b>	Mr. Motilal Laxkar	Chairman & Managing Director
	Mr. Shyam Sunder Gupta	Additional Director (Independent)
	Mr. Rajnath Shukla	Additional Director (Independent)

**STATUTORY AUDITORS** M/S. L.K.MALPANI & CO.  
Chartered Accountants

**BANKERS** Axis Bank

**REGISTERED OFFICE** C-1, 1st Floor, Everest Building,  
Opp. BMC School, Dattapada Road,  
Borivali-(E), Mumbai-400066,  
Maharashtra, India.  
Tel:022-28706523  
E-mail: malabartrading@rediffmail.com

**REGISTRAR AND  
SHARETRANSFER AGENTS** Purva Sharegistry (India) Pvt. Ltd.  
Unit no. 9, Shiv Shakti Ind.Estt.  
J.R.Boricha Marg, Opp. Kasturba Hospital Lane,  
Lower Parel (E), Mumbai-400011.  
Tel : 91-22-2301 6761/ 8261  
Fax : 91-22-2301 2517  
Email : busicomp@vsnl.com

**31<sup>ST</sup> ANNUAL GENERAL MEETING**

**Thursday, the 16<sup>th</sup> day of June, 2011 at 9.30 a.m.**

At C-1, 1<sup>st</sup> Floor, Everest Building, Opp. BMC School, Dattapada Road,  
Borivali (East), Mumbai-400 066.

Shareholders are requested to kindly bring their copies to the Meeting

## **NOTICE**

NOTICE is hereby given that the Thirty First Annual General Meeting of the members of the Company will be held on Thursday, the 16<sup>th</sup> day of June, 2011 at 9.30 a.m. at the Registered Office of the Company at C-1, 1<sup>st</sup> Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066, to transact the following businesses:

### **ORDINARY BUSINESS**

1. To receive, consider and adopt audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2011 and the Profit and Loss Account of the Company for the year ended on that date together with the report of the Auditors and the Directors thereon.
2. To recommend dividend @1% on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.
3. To appoint a Director in place of Mr. M. L. Laxkar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

### **SPECIAL BUSINESS**

5. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

#### **Appointment of Mr. Shyam Sunder Gupta as a Director of the Company**

**“RESOLVED THAT** Mr. Shyam Sunder Gupta who was appointed by the Board of directors as an additional director of the Company with effect from 15<sup>th</sup> October, 2010 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed a Director of the Company and who shall be liable to retire by rotation.”

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

#### **Appointment of Mr. Rajnath Shukla as a Director of the Company**

**“RESOLVED THAT** Mr. Rajnath Shukla who was appointed by the Board of directors as an additional director of the Company with effect from 28<sup>th</sup> March, 2011 and who

holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 ("the Act") be and is hereby appointed a Director of the Company and who shall be liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

**Appointment of Mr. M. L. Laxkar, as Chairman & Managing Director of the Company**

**"RESOLVED** that pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other, approval, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. M. L. Laxkar as Chairman & Managing Director ("CMD") of the Company for a period of 3 (Three) years with effect from 11th May, 2011 without any remuneration..

**RESOLVED FURTHER** that the Board of Directors be and is hereby authorised to pay, vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

**RESOLVED FURTHER** that where in any Financial Year during the currency of the tenure of the CMD, the Company has no profits or its profits are inadequate, the Company may, with the approval of the Board of Directors, pay to the CMD the remuneration within the permissible limits in accordance with Section 198 read with Schedule XIII as the minimum remuneration by way of salary subject to receipt of the requisite approvals, if any.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

8. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

**Alteration in the Articles of Association of the Company**

**“RESOLVED THAT** pursuant to the provision of section 31 and all other applicable provisions, if any, of the Companies Act, 1956, and subject to the requisite regulatory approvals, if any, the Articles of Association of the Company be and are hereby altered in the following manner:

**Substitution of words/phrases:**

**(i) In Article No. 138** (Capitalization of reserves) the starting words “Any General Meeting” be substituted with the words “The Board of Directors”.

**(ii) In Article No. 139** (Surplus money) the starting words “A general meeting” be substituted with the words “The Board of Directors”.

**RESOLVED FURTHER THAT** any Director of the company be and is hereby authorized to take such steps as are usual, necessary and expedient to effectuate the above decision including without limitation, filing of requisite applications, forms, returns, with the relevant authorities.”

**Registered Office:**

C-1, 1<sup>st</sup> Floor, Everest Building  
Opp. BMC School, Dattapada Road  
Borivali (E), Mumbai- 400 066

**Date: 11<sup>th</sup> May, 2011**

**By order of the Board**

**M L Laxkar**

**Chairman & 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. THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of special business mentioned in the above notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from Tuesday, 14<sup>th</sup> June, 2011 to Thursday 16<sup>th</sup> June, 2011 (both days inclusive).

4. Members are requested to intimate to the company, quoting Registered Folio, change in address, if any, with the Pin Code number.
  5. In all correspondence with the company, members are requested to quote their account/ folio number.
  6. Members desirous of obtaining and information concerning the accounts and operations are requested to send their queries to the company at least seven days before the date of the meeting so that the information required by the members may be made available at the meeting.
  7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.
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#### **EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956**

In conformity with the provisions of section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to the Business mentioned under Item Nos. 5 to 8 of the accompanying Notice.

##### **Item No. 5**

Mr. Shyam Sunder Gupta was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 15<sup>th</sup> October, 2010. Mr. Gupta aged about 46 years is a fellow member of the Institute of Chartered Accountants of India and possesses more than 20 years rich experience in the field of finance, taxation and general business management. His induction on the Board would be beneficial to the company.

The Board of directors recommends the resolution for your approval.

None of the Directors are concerned or interested in the aforesaid resolution.

##### **Item No. 6**

Mr. Rajnath Shukla was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 28<sup>th</sup> March, 2011. Mr. Shukla is aged about 69 years and he has done his bachelor of Arts and possesses very rich experience in the field of agricultural commodities and general business management. His induction on the Board would be beneficial to the company.

The Board of directors recommends the resolution for your approval.

None of the Directors are concerned or interested in the aforesaid resolution.

**Item No. 7**

The Board of Directors has appointed Mr. M. L. Laxkar as the Chairman & Managing Director ("CMD") of the Company with effect from 11<sup>th</sup> May, 2011. Mr. Laxkar has rich and extensive experience in the field of business management, finance, accounts and taxation. He is aged about 42 years and is a fellow member of the Institute of Chartered Accountants of India with a rich experience of about 15 years. Briefly, the terms and conditions of the appointment and remuneration of Mr. Laxkar are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. Remuneration : No remuneration is payable to Mr. Laxkar as CMD of the Company for a period of 3 years with effect from 11<sup>th</sup> May, 2011 till 10<sup>th</sup> May, 2014.
3. However, he shall be entitled to reimbursement of out of pocket expenses including travelling expenses actually and properly incurred by him for the business of the company. The Director will also be entitled to expenses incurred for meeting business expenditure on behalf of the Company.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of the extra-ordinary general meeting.

The above information be considered as a relevant abstract, as required under Section 302 of the Companies, 1956.

The Board therefore recommends this resolution as Special Resolution for your approval.

None of the directors of the Company, except Mr. Laxkar himself, is interested or concerned in passing of the proposed resolution.

**Item No. 8**

In view of the profits and good performance of the company the Board of Directors of your company plans to capitalize these profits/reserves in near future. Article 138 and 139 of the Articles of Association mandates the approval of the shareholders in general meeting for

capitalization of the profits/reserves. Your Directors proposes to alter relevant articles of the Articles of Associations of the Company.

Under the provisions of Section 31 of the Act, any alteration to the Articles of Association will be required to be approved by the members and shareholders in general meeting by means of a special resolution. The Board accordingly seeks your approval for the said alteration by means of a special resolution as required under the Act.

None of the directors of the Company is interested or concerned in passing of the proposed resolution, except as shareholders in general.

**Registered Office:**

C-1, 1<sup>st</sup> Floor, Everest Building  
Opp. BMC School, Dattapada Road  
Borivali (E), Mumbai- 400 066

**By order of the Board**

**M L Laxkar**  
**Chairman & Managing Director**

**Date: 11<sup>th</sup> May, 2011**



## **DIRECTORS' REPORT**

To,  
The Members,  
**Malabar Trading Company Limited**

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the accounting period ended on 31<sup>st</sup> March, 2011.

### **FINANCIAL RESULTS**

Description	(Rs. In Lacs)	
	For the Year ended 31.03.2011	For the Year ended 31.03.2010
<b>Total Income</b>	<b>13.92</b>	<b>5.98</b>
<b>Total Expenditure</b>	<b>8.80</b>	<b>3.76</b>
Operating Profit(PBDT)	5.12	5.22
Depreciation	0.61	0.76
<b>Profit before Taxation</b>	<b>4.51</b>	<b>1.46</b>
Add: Net Deferred Tax Assets/Reversal of DTL	3.74	0.07
Add: MAT Credit Entitlement	0.58	-
Less: Interest paid on Income Tax	0.02	-
Less: Provision for MAT	0.83	0.19
<b>Profit after Taxation</b>	<b>7.99</b>	<b>1.35</b>
Proposed Dividend	1.55	0.25
Provision for Dividend Tax	0.26	0.04
Net Profit after Tax and Dividend	6.17	1.05
Amount B/F from Last year	30.37	29.31
Balance C/F to Balance Sheet	36.55	30.37

During the year under review the company's Profit after Tax stood at Rs.7.99 Lacs.

The Directors expects a further growth in the current year due to the new activities being taken up in the current year.

### **DIVIDEND**

The Board has recommended 1% dividend on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.

**AUDITORS**

M/s LKM & Co., Chartered Accountants, retire as the auditors of the Company and have confirmed that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment.

**DIRECTORS.**

Mr. Vishnu G Sharma and Mr. Mahesh Khandelwal resigned from the directorships of the Company with effect from 15<sup>th</sup> October, 2010 and 28<sup>th</sup> March, 2011 respectively. Your Board places on record its sincere appreciation of the services rendered by both the directors.

Mr. Shyam Sunder Gupta and Mr. Rajnath Shukla were appointed as additional directors w.e.f. 15<sup>th</sup> October, 2010 and 28<sup>th</sup> March, 2011 respectively. Notice in writing under section 257 of the Companies Act, 1956 have been received from some members of the Company proposing the candidature of Mr. Gupta and Mr. Shukla.

Mr. M. L. Laxkar retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Further, the Board has, with effect from 11<sup>th</sup> May, 2011, appointed Mr. Laxkar as Chairman & Managing Director of the Company for a period of 3 years. Appropriate resolution has been provided in the Notice convening AGM.

**POSTAL BALLOT**

The Company has obtained the approval of members through Postal Ballot, the results whereof were declared on 25<sup>th</sup> February, 2011, in respect of:

1. Alteration of the Objects Clause of the Memorandum of Association by insertion of Clause Nos. '94' to '102' after the existing Clause No. '93' of the Other Objects;
2. Commencement of the new business as per the objects contained in the Clause Nos. "94' to '102" of the Other Objects Clause;
3. Authority to Borrow under Section 293(1)(d);
4. Authority to create charge/mortgage/dispose off under Section 293(1)(a);and
5. Authority to invest, make loans, guarantees etc. under Section 372A.