

# MARVEL

CAPITAL & FINANCE (INDIA) LTD.

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## THIRTEENTH ANNUAL REPORT 2006-2007

# MARVEL CAPITAL & FINANCE (INDIA) LIMITED

## BOARD OF DIRECTORS

Smt. Shalini Saboo  
Shri Laxmi Kumar Saboo  
Shri Sanjiv Mehrotra  
Shri Praveen Jhangiani

Managing Director  
Director  
Director  
Director

## BANKERS

The Saraswat Co-Operative Bank Ltd.

## AUDITORS

SANJAY DOSI

CHARTERED ACCOUNTANT

502, Manavsthal

Gokuldham, Goregaon (East),

Mumbai - 400 063.

## REGISTERED OFFICE

20, Podar Chambers

S. A. Brelvi Road,

Fort,

Mumbai - 400 023.

## ADMINISTRATIVE OFFICE

UNIT NO. 2, 1ST FLOOR,

MAHALAXMI INDUSTRIAL ESTATE,

GANDHI NAGAR, LOWER PAREL (W),

MUMBAI - 400 013.

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MARVEL CAPITAL & FINANCE (INDIA) LIMITED WILL BE HELD ON 28TH SEPTEMBER, 2007 AT 11.30 A. M. AT MAHALAXMI INDUSTRIAL ESTATE, UNIT NO. 2, 1<sup>ST</sup> FLOOR, GANDHI NAGAR, LOWER PAREL (W), MUMBAI-400 013 TO TRANSACT THE FOLLOWING THE BUSINESS:

## ORDINARY BUSINESS:

1. To receive, consider and adopt Profit & Loss Account for the year ended 31<sup>st</sup> March, 2007 and the Balance Sheet, as at that date, the Reports of Directors and the Auditors thereon.
2. To appoint a Director in place of Shri Sanjiv Mehrotra who retires by rotation and being eligible, offer himself for reappointment.
3. To appoint Auditor to hold office until the conclusion of the next Annual General Meeting of the company and to fix his 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 Shri Praveen Jhangiani who was appointed as an Additional Director of the company by the Board of Directors and who holds office as per section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956, received notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director of the company, liable to retire by rotation."

## NOTES :

1. The relative explanatory statement pursuant to section 173 of the Companies Act, 1956, in respect of the businesses under item nos. 4 set out above in respect of directors proposed to be reappointed at the general meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.  
  
The proxy to be valid should reach to the registered office of the company before 48 hours from the start of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26.09.2007 to 28.09.2007 (both days inclusive) for the purpose of Annual General Meeting.
4. Members desiring any information as regards to Accounts are requested to write 7 days in advance to the company before the date of meeting to enable the management to keep full information ready.
5. The members are requested to :
  - a) Intimate to Registrar & Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. at 17/B, Dena Bank Bldg., 2<sup>nd</sup> Floor, Horniman Circle, Fort, Mumbai-400 001 for changes, if any, in their Registered addresses at an early date.
  - b) Quote Ledger Folio numbers in all correspondence.
  - c) Bring a copy of the Annual Report and Attendance slip to the Annual General Meeting.

For MARVEL CAPITAL & FINANCE (INDIA) LTD.

Shalini Saboo  
MANAGING DIRECTOR

## Registered Office:

20, Podar Chambers,  
S. A. Brelvi Road,  
Fort, Mumbai - 400 023.  
Date: 31/03/2007.

**MARVEL CAPITAL & FINANCE (INDIA) LTD.****ANNUAL REPORT 2006-2007****ANNEXURE TO NOTICE**

The Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 for Item Nos. 4 of the accompanying notice are as under:

**Item 4**

Shri Praveen Jhangiani who was appointed as an Additional Director of the company by the Board of Directors and who holds office as per section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting and in respect of whom the company has, pursuant to section 257 of the Companies Act, 1956, received notice in writing proposing his candidature for the office of Director.

Shri Praveen Jhangiani has immense business experience for 22 years and he is a Commerce Graduate.

In view of the background and valuable experience of Shri Praveen Jhangiani, it will be in the interest of the company that he continues as Director of the company.

**For MARVEL CAPITAL & FINANCE (INDIA) LTD.**

**Shalini Saboo**  
**MANAGING DIRECTOR**

**Registered Office:**

20, Podar Chambers,  
S. A. Brelvi Road,  
Fort, Mumbai - 400 023.  
Date: 31/03/2007.

**Details of Director Seeking : Re-Appointment**

Shri Sanjiv Mehrotra has immense business experience for 24 years & he is a science graduate. In view of the background & valuable experience.

**DIRECTORS' REPORT**

To the Members,  
Your Directors hereby present their Thirteenth Annual Report on the business and operations of your company and audited statement of accounts for the year ended 31st March, 2007.

**FINANCIAL RESULTS:**

	Year Ended 31.03.2007 (Rs. in Lacs)	Year Ended 31.03.2006 (Rs. in Lacs)
Total Income	84.04	206.07
Total Expenditure	63.23	180.31
Profit/(Loss) before Depreciation	20.81	25.76
Depreciation	0.9	4.10
Loss Before Extraordinary Item	—	24.85
Extraordinary Items	—	—
Profit/(Loss) Before Tax	20.71	24.85
Fringe Benefit Tax	0.39	0.40
Profit/(Loss) After Tax	20.32	24.45
Appropriations	(179.92)	(204.36)
Balance transferred to Balance sheet	<u>159.60</u>	<u>179.92</u>

**DIVIDEND:**

In view of insufficient profit, the Directors have not recommended any Dividend for the year ended 31st March, 2007.

**OPERATIONS :**

Due to improved market conditions, the performance of the company for the year ended on 31st March, 2007 is improved over the previous year.

**COMPANY'S PERFORMANCE:**

With the non improvement in economic activities of the Company the same was resulted in decrease of Sales & Other income during the year 2006-07 to Rs. 43.08 Lacs as compare to Rs. 223.25 Lacs in the previous year.

Due to non improvement in the economic activities, the Profit before tax was decreased Rs. 20.71 Lacs as compare to profit of Rs. 24.85 Lacs in the previous year. However after Extraordinary items and Fringe Benefit Tax the Company reported Net Profit of Rs. 20.32 Lacs as compare to Net Profit of Rs. 24.45 Lacs in the previous year.

**PRUDENTIAL NORMS AND GUIDELINES FOR NON-BANKING FINANCIAL COMPANIES:**

The Directors wish to state that your company continues to comply with all the prudential norms prescribed by the RBI governing capital adequacy, provisioning of bad and doubtful debts and income recognition norms.

**ANNUAL REPORT 2006-2007****PUBLIC DEPOSITS:**

The company has not accepted any deposits under section 58A of the Companies Act, 1956 from the public during the year.

**SUBSIDIARY COMPANY:**

As required under Section 212 of the Companies Act, 1956, the audited statement of accounts along with the reports of its Board of directors and Auditors thereon of M/s Harsvin Fintech Limited for the year ended 31st March, 2007 are annexed hereto.

**STOCK EXCHANGE LISTINGS :**

Equity Shares of the Company are listed on The Mumbai Stock Exchange. The Company confirms that it has paid annual listing fees to the above Exchanges for the year 2007-2008.

**PARTICULARS REGARDING EMPLOYEES:**

Information required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956 is not applicable to the Company during the year under review.

**DIRECTORS:**

Shri Sanjiv Mehrotra retires by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. Your Directors recommend his reappointment.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to section 217 (2AA) of the Companies Act, 1956 the Directors confirm that:

1. In the preparation of the annual account for the year ended 31<sup>st</sup> March, 2007, the applicable accounting standards have been followed except as stated in the Notes to Accounts attached to the Annual accounts.
2. appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a True & Fair View of the state of affairs of the Company as at March 31, 2007, and Loss of the Company for the year.
3. 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;
4. the annual accounts have been prepared on a going concern basis.

**DEPOSITORY SYSTEM :**

Securities & Exchange Board of India (SEBI) has made compulsory trading of the company's Equity shares in dematerialised form mandatory. In line with this, the company has entered into Tripartite Agreement with Central Depository

**MARVEL CAPITAL & FINANCE (INDIA) LTD.**

Services (India) Limited and Sharex Dynamic (India) Pvt. Ltd., Registrars for depository system. The company has also into a Tripartite Agreement with National Securities Depository Ltd.(NSDL) and Sharex Dynamics (India) Pvt. Ltd., Registrars for depository system. The shareholders are requested to send their shares for dematerialisation at the earliest.

**AUDITORS:**

Members are requested to appoint Auditors and fix their remuneration. Sanjay Dosi, the retiring Auditor, is eligible for re-appointment. The company has received a certificate from him to the effect that his appointment, if made, will be within the prescribed limit under section 224(1-B) of the Companies Act, 1956.

**AUDITORS' REPORT :**

The notes to the accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation.

**FOREIGN EXCHANGE EARNING AND OUTGO:**

Foreign Exchange Earnings Rs. NIL  
Foreign Exchange outgoing Rs. NIL

**MANAGEMENT DISCUSSION AND ANALYSIS:**

As per clause 49 of the Listing Agreement with Stock Exchange, your company is required to give a note on management discussion and analysis with regards to company perception. A report on the same is given separately as Annexure- 'I'

**CORPORATE GOVERNANCE:**

As per Clause 49 of the Listing Agreements with Stock Exchanges, your Company was required to implement the code of Corporate Governance. Accordingly, your company has complied in all material respects with the features of the said code. A report on the same is given separately as Annexure- 'II'.

**ACKNOWLEDGMENTS:**

Your Directors would like to express their grateful appreciation for the assistance and continued co-operation extended by all its employees, Banks, Government Authorities, shareholders and all other business associates towards efficient operation of your company.

For and on behalf of Board of Directors

Shalini Saboo  
MANAGING DIRECTOR

**Registered Office:**

20, Podar Chambers,  
S. A. Brelvi Road,  
Fort, Mumbai-400023.

Date: 07/07/2007.

**MARVEL CAPITAL & FINANCE (INDIA) LTD.****ANNUAL REPORT 2006-2007****ANNEXURE - 'I' TO THE DIRECTORS' REPORT  
MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****(a) FINANCIAL SECTOR:**

The overall economy has performed well in the year 2006-07 with a GDP growth of about 9%. However, despite various economic and financial reforms, no major improvement is seen in the sector of financial business. The prolonged adverse factors prevailing in the same sector has continued to hamper the growth of concerned companies.

**(b) SEGMENT-WISE PERFORMANCE :**

Segments have been identified in line with the Accounting Standard on Segment Reporting (AS-17), taking into account the company's organisation structure as well as the differential risks and return of these segments. Segment Revenue Results and Capital Employed figures includes expenses incurred at corporate level, which relate to the company as a whole.

**(c) OUTLOOK FOR THE COMPANY:**

With the improvement in economic activities your Company is expected to increase the business activities in future. However, Company is unable to infusion of fresh fund of its own or via strategic investor. The company will concentrate on its financial & investment banking business.

**(d) OPPORTUNITIES & THREATS :**

The Company is totally relied on financial business, presently it is very difficult to compete in the market. The company is facing tight competition from big organization having wide network and sound financial conditions.

**(e) RISKS & CONCERNS :**

The Company is engaged in the business of finance and by its very nature is exposed to credit and investment risk. The company has been facing severe competition from the big companies which are in the similar business for longer time.

**(f) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :**

The Company has not proper and adequate system of internal control looking to its size and business. The internal control system of the Company is designed to ensure that the financial and other records are reliable, for preparing financial statements and other data, and for maintaining accountability of assets.

**(g) HUMAN RESOURCES :**

The Company is deriving maximum output from the existing employees through motivation. There has been no material development in human resources during the year under review.

**ANNEXURE - 'II' TO THE DIRECTORS' REPORT  
REPORT ON CORPORATE GOVERNANCE:****1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

The Company believes in the principle of good corporate governance in pursuit of overall excellence over the year. The Company's Board of Directors support the board principle of corporate governance and lays strong emphasis on transparency, accountability and integrity in functioning of the company.

**2. BOARD OF DIRECTORS****A) Board Composition:**

Name of Directors	Designation	Executive/ Non-Executive/ Independent	No. of other Public Limited Companies in which Director	No. of Committee Chairmanship/ Membership	
				Chairman	Member
Shri Laxmi Kumar Saboo	Chairman	Promoter/ Non-Executive	1	Nil	Nil
Smt. Shalini	Managing Director	Promoter/ Executive	1		Nil
Shri Praveen Jhangiani	Director	Non-Executive/ Independent	Nil		1
Shri Sanjiv Mehrotra	Director	Non-Executive/ Independent	1	1	1

**B) Board Procedure:**

The Board of Directors comprises of a Managing Director, Executive director and two Non-Executive /Independent Directors.

During the financial year, Six Board Meetings were held on 29th April 2006, 7th July, 2006, 31st July, 2006, 31st October, 2006, 31st December, 2006, 31st January, 2007.

Attendance of each director at the Board Meetings and last Annual General Meeting:

Name of Director	No. of Board Meetings attended	Attendance at last AGM held On 29.09.2006
Shri Laxmi Kumar Saboo	5 out of 5	Yes
Smt. Shalini Saboo	5 out of 5	Yes
Shri Sanjiv Mehrotra	5 out of 5	Yes
Shri Praveen Jhangiani	5 out of 5	Yes

**3. AUDIT COMMITTEE:**

Terms of Reference and composition, Names of Members and Chairman

The Audit Committee comprises of Shri Praveen Jhangiani, member, Smt. Shalini Saboo, member and Sanjiv Mehrotra, Chairman. The terms of reference of this committee cover all matters specified for audit Committees under the Listing Agreement.

Four meetings were held on 29.04.2006, 07.07.2006, 31.07.2006, 31.10.2006 and 31.01.2007