

MARVEL

CAPITAL & FINANCE (INDIA) LTD.

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**FIFTEENTH
ANNUAL REPORT
2008-2009**

MARVEL CAPITAL & FINANCE (INDIA) LIMITED

BOARD OF DIRECTORS

Shri. Laxmi Kumar Saboo

Chairman

Shri. Shalini Saboo

Managing Director

Shri Sanjiv Mehrotra

Director

Shri Praveen Jhangiani

Director

BANKERS

The Saraswat Co-Operative Bank Ltd.

AUDITORS

NGS & CO.

CHARTERED ACCOUNTANTS

B-46, 3rd Floor, Pravasi Industrial Estate,

Vishveshwar Nagar Road, Goregaon (E),

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.

ANNUAL REPORT 2008-2009**MARVEL CAPITAL & FINANCE (INDIA) LTD.****NOTICE**

NOTICE IS HEREBY GIVEN THAT THE FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MARVEL CAPITAL & FINANCE (INDIA) LIMITED WILL BE HELD ON 29TH SEPTEMBER, 2009 AT 11.30 A.M. AT MAHALAXMI INDUSTRIAL ESTATE, UNIT NO. 2, 1ST 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 31st March, 2009 and the Balance Sheet, as that the date, the Reports of Directors and the Auditors thereon.
- 2 To appoint a Director in place of Shri Praveen Jhangania 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 & to fix their remuneration.

NOTES :

1. **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.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 25.09.2009 to 29.09.2009 (both days inclusive) for the purpose of Annual General Meeting

3. 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.
4. The members are requested to :
 - a) Intimate to Registrar & Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. at 17/B, Dena Bank Bldg., 2nd Floor, Hormiman Circle, Fort, Mumbai - 400 001 for charges, 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 : 30/06/2009

MARVEL CAPITAL & FINANCE (INDIA) LTD.**ANNUAL REPORT 2008-2009****DIRECTORS' REPORT**

To the Members,

Your Directors hereby present their Fifteenth Annual Report on the business and operations of your company and audited statement of accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS:

	Year Ended 31.03.2009 (Rs. in Lacs)	Year Ended 31.03.2008 (Rs. in Lacs)
Total Income	40.50	205.53
Total Expenditure	24.84	202.06
Profit/(Loss) before Depreciation	15.60	3.44
Depreciation	0.05	0.03
Profit/(Loss) Before Tax	15.65	3.47
Deferred Tax Change	(.81)	—
Fringe Benefit Tax	.27	0.46
Net Profit/(Loss)	16.19	3.01
Appropriations	(156.59)	(159.60)
Balance transferred to Balance Sheet	<u>(140.40)</u>	<u>(156.59)</u>

DIVIDEND:

In view of insufficient profit, the Directors have not recommended any Dividend for the year ended 31st March, 2009

OPERATIONS:

Due to variance in market conditions, the performance of the company for the year ended on 31st March, 2009 is decreased 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 2008-09 to Rs. 41.94 Lacs as compare to Rs. 175.52.08 Lacs in the previous year.

Due to improvement in market conditions, the Profit before tax was increased Rs. 15.65 Lacs as compare to profit of Rs. 3.47 Lacs in the previous year. However after Deferred tax charged Fringe Benefit Tax the Company reported Net Profit of Rs. 16.19 Lacs as compare to Net Profit of Rs. 3.01 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.

PUBLIC DEPOSITS:

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

STOCK EXCHANGE LISTINGS:

Equity Shares of the Company are listed on The Bombay Stock Exchange Ltd. The Company confirms that it has paid annual listing fees to the above Exchanges for the year 2009-2010.

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 Praveen Jhangania 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 31st March, 2009 the applicable accounting standards have been followed except as stated in the Notes to Accounts attached to the Annual account.

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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, 2009 and Profit 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.

DEPOSITS SYSTEM:

Securities & Exchange Board of India (SEBI) has made compulsory trading of the company's Equity shares in dematerialised form mandatory in the line with this, the company has entered into Tripartite Agreement with Central Depository Services (India) Limited and shares Dynamic (India) Pvt. Ltd., Registrars for depository system. The company has also entered 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. M/s NGS & Co., the retiring Auditors are eligible for re-appointment. The Company has received a Certificate from them 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 Auditor's Report are self explanatory and therefore do not call for any further explanation.

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

ACKNOWLEDGEMENTS:

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 : 30.06.2009

MARVEL CAPITAL & FINANCE (INDIA) LTD.**ANNUAL REPORT 2008-2009****ANNEXURE-'I' TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****(a) FINANCIAL SECTOR:**

The overall economy has performed well in the year 2008-09 with a GDP growth of about 8%. 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) SEGEMENT-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 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 vis 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 complete 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	
				Chair man	Mem ber
Shri Laxmi Kumar Saboo	Chairman	Promoter/ Non-Executive	1	Nil	Nil
Smt. Shalini Saboo	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 30th April 2008, 30th June, 2008, 31st July, 2008, 31st October, 2008, 31st January, 2009, 21st February, 2009.

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 29.09.2008
Shri Laxmi Kumar Saboo	6 out of 6	Yes
Smt. Shalini Saboo	6 out of 6	Yes
Shri Sanjiv Mehrotra	6 out of 6	Yes
Shri Praveen Jhangiani	6 out of 6	Yes

3. AUDIT COMMITTEE:

Terms of Reference and composition, Names of Members and Chairman

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

Five meetings were held on 30.04.2008, 30.06.2008, 31.07.2008, 31.10.2008 and 31.01.2009

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Attendance of Member:

Name of Member	No. of Meetings Attended
Shri Sanjiv Mehrotra	5
Shri Praveen Jhangiani	5
Smt. Shalini Saboo	5

4. INVESTOR'S/SHAREHOLDERS' GRIEVANCE COMMITTEE

The company's Investors'/Shareholders' Grievance Committee met four times during the year. The Members of the Committee are Shri Praveen Jhangania, Member, Shri Sanjiv Mehrotra, Member and Laxmi Kumar Saboo, Chariman. Shri Akhilesh Kothari, the compliance Officer of the Company.

The Company's Registrars Sharex Dynamic (India) Pvt. Ltd. had not received any letters/complaints during the financial year.

5. REMUNERATION COMMITTEE:

The company does not have a formal Remuneration Committee. However, all decision regarding the remuneration of Executive directors are taken by the Board of directors subject to approval from shareholders at Annual General Meeting and central Government, wherever required as per the provisions of Companies Act, 1956.

6. GENERAL BODY MEETINGS:

The last three Annual General Meetings were held as under:

Financial year	Date	Time	Meeting No.	Location
2005-2006	29.09.06	11.30 a.m.	Twelfth	Mahalaxmi Industrial Estate, Unit No. 2, First Floor, Gandhi Nagar, Lower Parel (W) Mumbai - 400013.
2006-2007	28.09.07	11.30 a.m.	Thirteenth	— do —
2007-2008	28.09.08	11.30 a.m.	Fourteenth	— do —

All the resolutions set out in the respective Notices were passed by the shareholders.

No resolution was required to be passed by postal ballot.

7. DISCLOSURE:

There were no transactions of material nature with its promoters, the Directors of the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

8. SHARE TRANSFERS AND HOLDINGS:

A) Share Transfer System : The Board has delegated share transfer function to the Share Transfer Committee. Physical transfers are effected within one month. The Board has appointed Mr. Akhilesh Kothari as the Compliance Officer.

MARVEL CAPITAL & FINANCE (INDIA) LTD.**B) SHAREHOLDING PATTERNS ON 31.03.2009**

CATEGORY	NO OF SHARES HELD	PERCENTAGE OF SHARE HOLDING
A. Promoter's Holding		
1. -Indian Promoters		
saboo & family	1651300	33.028
- Foreign Promoters	0	.000
2. Persons acting in concert	0	.000
Sub-Total	1651300	33.028
B. Non-Promoters Holding	0	0.000
3. Institutional Investors		
a. Mutual Funds and UTI	0	0.000
b. Banks, Financial Institutions, Insurance companies(Central/ State Govt. institutions/Non Government Institutions)	0	.000
c. FIs	0	.000
Sub-Total	0	.000
4. Others		
a. Private Corporate Bodies	2374050	47.481
b. Indian Public	974650	19.493
c. NRIs/QCBs	0	.00
d. Clearing Members	0	.000
Sub-Total	3348700	66.974
GRAND TOTAL	5000000	100.00

NOTE: Further 1650000 Equity Shares were allotted on 07.04.2000 to M/s. Meadows Finvest Private Limited on private placement basis. The same Equity Shares are still unlisted with The Bombay Stock Exchange Ltd.

C) DISTRIBUTION SCHEDULES AS ON 31ST MARCH, 2009

Shares	No. of Holders	(%) of Holders	Total Amount	% of Shares
UP TO 5000	448	62.22	903250	1.81
5001 TO 10000	89	12.37	781000	1.56
10001 TO 20000	60	8.33	931250	1.86
20001 TO 30000	53	7.37	1357000	2.71
30001 TO 40000	14	1.94	519000	1.04
40001 TO 50000	16	2.22	764000	1.53
50001 TO 100000	8	1.11	497000	0.99
100001 TO ABOVE	32	4.44	44247500	88.50
TOTAL	720	100.00	50000000	100.00