

MARVEL

CAPITAL & FINANCE (INDIA) LTD.

**EIGHTEENTH
ANNUAL REPORT
2011-2012**

MARVEL CAPITAL & FINANCE (INDIA) LIMITED

BOARD OF DIRECTORS

| | |
|-----------------------|--------------------|
| Shri. Vikram Saboo | Managing Director |
| Shri. Shailesh Saboo | Executive Director |
| Shri. Sanjiv Mehrotra | Director |
| Shri. Lalit Tapuriah | Director |

AUDITORS

NGS & CO.

CHARTERED ACCOUNTANTS

B-46, 3rd Floor, Pravasi Industrial Estate,
Vishveshwar Nagar Road, Goregaon (E),
Mumbai - 400 063.

REGISTERED OFFICE

A-6, MIDC SINNAR INDUSTRIAL AREA,
MALEGAON, SINNAR, NASIK - 422 113.
MAHARASHTRA.

CORPORATE OFFICE

UNIT NO.2, 1ST FLOOR,
MAHALAXMI INDUSTRIAL ESTATE,
GANDHI NAGAR, LOWER PAREL (W),
MUMBAI - 400 013.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF MARVEL CAPITAL & FINANCE (INDIA) LIMITED WILL BE HELD ON 29TH SEPTEMBER, 2012 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 BUSINESS:

ORDINARY BUSINESS :

- 1 To receive, consider and adopt Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet, as that date, the Reports of Directors and the Auditors thereon.
- 2 To appoint a Director in place of Shri Laxmi Kumar Saboo who retires by rotation and being eligible, offer himself for reappointment.
- 3 To appoint Auditors to hold office from the conclusion of this Annual General Meeting upto the conclusion of the next Annual General Meeting and 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 of the Company. The instrument appointing proxy must be deposited with the Company at its Registered Office not less than 48 hours before the Meeting.
2. All documents referred to in the accompanied Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. to 12.30 p.m. on all working days except Saturday and holidays upto the date of Annual General Meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 26.09.2012 to 29.09.2011 (both days inclusive) for the purpose of Annual General Meeting.
4. Shareholder intending to require information about accounts to be explained at the meeting are requested to furnish queries to the Company at least 10 (ten) days advance of the Annual General Meeting.
- 5 The members are requested to intimate to Registrar & Transfer Agent, Sharex Dynamic (India) Pvt. Ltd. at Unit No. 1, Luthra Industrial Premises, Andheri-Kurla Road, Safed
8. Members are requested to quote Folio Numbers in all

correspondence. Members holding share in identical order of names in more than one folio are requested to write to Company to consolidate their holding in one folio.

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6. Members / Proxies who attend the meeting are requested to bring the enclosed attendance slip duly filled and deliver the same at the entrance of the meeting hall.
7. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
8. Members are requested to quote Folio Numbers in all correspondence. Members holding share in identical order of names in more than one folio are requested to write to Company to consolidate their holdig in one folio.

For MARVEL CAPITAL & FINANCE (INDIA) LTD.

Sd/-

Shallini Saboo

MANAGING DIRECTOR

Registered Office:

20, Podar Chambers, S. A. Brelvi Road,
Fort, Mumbai - 400 023.

Date : 31/07/2011

DIRECTORS' REPORT

TO THE MEMBERS,

On behalf of the Board of Directors I have great pleasure in presenting to you the 18th Annual Report together with the Audited Financial Statement of the Company for the year ended on 31st March 2012 and other accompanying reports, notes and certificates.

FINANCIAL RESULTS

| | <u>Year ended</u> | <u>Year Ended</u> |
|--------------------------------------|----------------------|----------------------|
| | 31.03.2012 | 31.03.2011 |
| | (Rs. in Lacs) | (Rs. in Lacs) |
| Total Income | | 186.85 |
| Total Expenditure | | 213.01 |
| Profit/(Loss) before Depreciation | | (26.29) |
| Depreciation | | 0.05 |
| Profit/(Loss) Before Tax | | (26.24) |
| Deferred Tax Charge | | (0.01) |
| Net Profit/(Loss) | | (0.01) |
| Appropriations | | (116.68) |
| Balance transferred to Balance Sheet | | (145.90) |

DIVIDEND:

In view of insufficient loss, the Directors have not recommended any Dividend for the year ended 31st March, 2012

OPERATIONS:

Due to variance in market conditions, the performance of the company for the year ended on 31st March, 2012 is decreased over the previous year.

COMPANY'S PERFORMANCE:

With the improvement in economic activities of the Company the same was resulted in increase of Sales & Other income during the year 2010-12 as compare to Rs. 238.66 Lacs in the previous year.

Due to variance in market conditions, the loss before tax was Rs. 00.00 Lacs as compare to loss Rs. 26.24 Lacs in the previous year. However after Deferred tax charged the Company reported Net loss of Rs. 00.00 Lacs as compare to Net Profit of Rs. 26.23 Lacs in the previous year.

PRUDENTIAL NORMS AND GUIDELINES FOR NONBANKING 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 is accounting to pay annual listing fees to the above Exchange for the year 2012-2013.

DEMATERIALISATION OF SHARES:

Company has dematerialised its shares with both depositories viz. Central Depository Services(India) Ltd.

(CDSL) and National Securities Depository Ltd. (NSDL)

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 Laxmi Kumar Saboo retires by rotation at the ensuring Annual General Meeting of the Company and being eligible offers himself for re-appointment. Your Directors recommend his reappointment.

Compliance Officer Mr. Saurabh Rathi appointed as compliance officer in of Mr. Akhilesh Kothari w.e.f. 14.8.2012

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, 2012 the applicable accounting standards have been followed except as stated in the Notes to Accounts attached to the Annual account.
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, 2012 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.

DEPOSITS SYSTEM:

Securities & Exchange Board of India (SEBI) has made compulsory trading of the company's Equity shares in dematerialised from 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 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., is retiring Auditors of the co. & in place of the M/s NGS & Co. 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.

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:

Pursuant to Clause 49 of Listing Agreement with Bombay Stock Exchange, Management Discussion and Analysis, a report on Corporate Governance and Certificate from the Auditors of the Company regarding compliance of the condition of corporate governance by the Company is attached to this Annual Report.

Further, a declaration signed by the member of the Board affirming compliance with the Code of Conduct by all Board members and Senior Management Personnel is attached to this report. 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 : 14.08.2012

**ANNEXURE-'I' TO THE DIRECTORS' REPORT
MANAGEMENT DISCUSSION AND ANALYSIS REPORT:****(a) FINANCIAL SECTOR:**

The overall economy has performed well in the year 2011-12 with a GDP growth of about 7%. 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 segements. Segement 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:

Pursuant to clause 49 of the Listing Agreement with Bombay Stock Exchange Ltd. This Report on Corporate Governance is divided into the following parts.

- Philosophy on code of Corporate Governance
- Board of Directors
- Audit committee
- General Body Meetings
- Disclosures
- Means of Communication
- General Shareholder information

1. PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**Basic Philosophy**

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine management's ability to take sound decisions vis-à-vis its entire stakeholders-in particular, its shareholders, creditors, the state and employees. There is a global consensus on the objective of Good Corporate Governance, maximizing long-term shareholder value.

Since shareholders are residual claimants, this objective follows from a premise that in well -performing capital and financial markets, whatever maximizes shareholder value must necessarily maximize corporate value, and best satisfy the claims of creditors, employees and the state.

A company, which proactively complies with law and adds value to it through Corporate Governance initiatives, would also command a higher value in the eyes of present and prospective shareholders.

The basic philosophy of Company is that corporate Governance is not an end in itself but is a catalyst in the process of maximization of shareholder value. Therefore, shareholder value as an objective is the basic premise in all aspects of corporate governance.

Compliance with revised clause 49 of the Listing Agreement

The company has complied with the revised clause 49 of the listing agreement.

During the year under review, the Company laid down and adopted Code of conduct for the Board of Directors. The Code of conduct prescribes certain dos and don'ts to the Directors to promote ethical conduct accordance with the stated values of the company and also to meet the prescribed statutory requirements.

| Name of Directors | Designation | Executive/ Non-Executive/ Independent | No. of other Public Limited Companies Membership 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 2011, 31st May, 2011, 30st July, 2011, 31st October, 2011, 31st January, 2012.

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 30.09.2011 |
|------------------------|--------------------------------|---|
| 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 |

C. Directors Seeking appointment/re-appointment:

At the ensuing Annual General Meeting Shri Laxmi Kumar Saboo retires by rotation and being eligible, offers himself for the reappointment.

SHRI LAXMI KUMAR SABOO

Shri Sanjiv Mehrotra has immense business experience for 41 years and he is a Commerce Graduate.

He is also having experience in industry, trading activities and finance field of business. His business, background and valuable experience in various fields help the company to carry on its present business

D. Code of Conduct:

During the year under review, the Board had laid out a Code of Conduct for all its Board members and Senior Management Personnel. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the period ended March 31, 2012.

E. CEO/CFO Certification:

The CEO/CFO Certification as required under Clause 49 V of the Listing Agreement with Bombay Stock Exchange is annexed.

E. 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.

3. AUDIT COMMITTEE:

The Audit Committee was constituted by the Board in accordance with section 292A of the Companies Act, 1956. The terms of reference of the Audit committee are as stated in Clause 49 of the Standard Listing Agreement, Section 292A of the Companies Act, 1956 and include:

1. Review of the financial reporting process of the Company.

2. Recommending to the Board, the appointment, re-appointment and if required the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory for any other services rendered by statutory auditors.
4. Reviewing with the management the annual financial statements before submission to the Board for approval with particular reference to:
 - a. Matters required being included in the Director's responsibility statement.
 - b. Changes if any in the accounting policies and practices and reasons for the same.
 - c. Major accounting entries involving estimates based on the exercised of judgment by the Management.
 - d. Significant adjustments made in the financial statements arising out of audit findings.
 - e. Compliance with listing and other legal requirements relating to financial statements.
 - f. Disclosure of any related party transactions.
 - g. Qualifications in the draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Review of management letters issued by statutory auditors.
8. Reviewing the adequacy of internal audit function, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
9. Discuss with internal auditors any significant findings and follow-up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors.
11. Discussion with statutory auditors before commencement of the audit about the nature and scope of audit and concern areas if any post.
12. Reviewing mandatorily the following.
 - a. Management Discussion and Analysis of financial condition and results of operation;
 - b. Statement of significant related party transactions;
 - c. The appointment, removal and terms of remuneration of the Chief internal Auditor.