

# Annual Report

2 0 1 1 - 2 0 1 2



**Mefcom Capital Markets Ltd.**  
Brokerage • Wealth Management • Investment Banking



## **Board of Directors**

<b>Mr. Vijay Mehta</b>	Chairman
<b>Mr. Sham Nijhawan</b>	
<b>Mr. Shailendra Haruray</b>	
<b>Mr. Tarsem Garg</b>	Additional Director
<b>Mr. T.R. Khare</b>	

## **Bankers**

HDFC Bank Limited  
ICICI Bank Limited  
Oriental Bank of Commerce

## **Auditors**

V.K. Dhingra & Co.  
Chartered Accountants  
1-E/15, Jahndewalan Extn.,  
New Delhi - 110055

## **Registrar and Shares Transfer Agent**

Beetal Financial & Computer Services Pvt. Ltd.  
Beetal House, 99, Madangir, New Delhi - 110062

## **Registered Office**

5th Floor, Sanchi Building,  
77, Nehru Place,  
New Delhi - 110019  
Ph.: 011-4650 0500  
E-mail : invest@mefcom.in

<b>CONTENTS</b>	<b>Page Nos.</b>
Notice	1
Directors' Report	2-3
Management Discussion and Analysis	4-5
Report on Corporate Governance	5-9
Auditors' Report	10-11
Balance Sheet	12
Statement of Profit and Loss Account	13
Cash Flow Statement	14
Notes to Accounts	15-27
Consolidated Financial Statements	28-36



## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 27TH ANNUAL GENERAL MEETING OF THE MEMBERS OF MEFCOM CAPITAL MARKETS LIMITED WILL BE HELD ON TUESDAY, THE 28TH DAY OF AUGUST, 2012, AT 11.00 A.M. AT E-15, ANSAL VILLAS, VILLAGE SATBARI, NEW DELHI – 110030 TO TRANSACT THE FOLLOWING BUSINESS;

### ORDINARY BUSINESS: -

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the year ended on that date along with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Shailendra Haruray, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on such remuneration as the Board may decide.

### SPECIAL BUSINESS: -

4. To consider and if thought fit to pass with or without modification(s) following resolution as an **ORDINARY RESOLUTION:-**

**"RESOLVED THAT** in accordance with all applicable provisions of the Companies Act, 1956, Mr. Tarsem Garg who was appointed as an additional director of the company at the meeting of Board of Directors of the company, held on 23rd June, 2012 and who holds office up to the date of ensuring Annual General Meeting under section 260 of the Companies Act, 1956 and who are eligible for appointment as director of the company, be and is hereby appointed as director of the company liable to retire by rotation."

By order of the Board  
For Mefcom Capital Markets Ltd.

Place : New Delhi  
Dated : June 23, 2012

(Vijay Mehta)  
Chairman

### NOTES: -

1. MEMBERS ENTITLED TO ATTEND AND VOTE ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. Register of Members and the Share Transfer books of the Company will remain closed w.e.f. Monday, the 27th August, 2012 to Tuesday, the 28th August, 2012 (both days inclusive).
3. M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi - 110062, are the Registrars and Share Transfer Agents of the Company for electronic mode and transfer of shares held in physical form. Pursuant to the directions of Securities & Exchange Board of India (SEBI), trading of the shares of the Company is compulsory in de-materialized form for all investors. The ISIN No. of the Company is **INE186C01015**.

4. Members are requested to intimate to M/s Beetal Financial Computer Services Pvt. Ltd., 99, Beetal House, Madangir, New Delhi – 110062, regarding change, if any, of their postal as well as E-mail address for mailing purposes.
5. As per the amended provisions of the Companies Act 1956, the facility for making nomination is now available to the Members in respect of the shares held by them. Nomination Form can be obtained from the company's registrars – M/s Beetal Financial Computer Services Pvt. Ltd., New Delhi.
6. Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual General Meeting so that the same may be responded well in advance.
7. Members are requested to intimate their email address in order to reduce the consumption of paper for copies of Balance Sheet and Auditors Report, to the members of the company. As required under section 219 of the Companies Act, 1956, Balance Sheet and Auditors report have now been allowed to be sent through electronic mode as per the new initiatives of Ministry of corporate affairs for corporate governance.
8. As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report at the meeting.
9. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

#### Item No.4

Mr. Tarsem Garg is appointed as Additional Director of the company in the meeting of Board of Directors of the company held on 23rd June, 2012 under section 260 of the Companies Act, 1956 and he will hold office up to the date of ensuring Annual General Meeting. He is a rank holder Chartered Accountant, Cost Accountant, Management Accountant and law graduate having more than 30 years diversified professional and corporate experience in service, business and industry. Moreover, he is a man of varied experience in diverse fields. Mr. Garg has attained eminence in the field of technology & economic feasibility reports, project financing, public issue management, valuations, re-construction, mergers, amalgamation and revival plans. Your directors therefore recommend for your approval for his re-appointment as director, which would be in the interest of the company.

Keeping in consideration the interests of the company, your directors recommend this resolution for your approval.

Except Mr. Tarsem Garg, none of the directors is concerned or interested in the resolution.

By order of the Board  
For Mefcom Capital Markets Ltd.

Place : New Delhi  
Dated : June 23, 2012

(Vijay Mehta)  
Chairman

## DIRECTORS' REPORT



Dear Shareholders,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2012.

## FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH, 2012 (₹ IN LACS)	FOR THE YEAR ENDED 31 <sup>ST</sup> MARCH, 2011 (₹ IN LACS)
Gross Income	76.46	109.27
Profit / (Loss) before Interest, Depreciation and Tax	(30.19)	(47.97)
Depreciation	9.50	7.13
Interest	29.33	31.87
Provision for Income Tax	--	--
Prior period expenses	--	4.11
Profit / (Loss) after Tax	(69.02)	(91.08)

## OPERATIONS AND FUTURE OUTLOOK

The Company has shown a net loss this year as mentioned above. It is because this year market conditions were unfavorable for IPO and other major activities in the capital market; which affects the business of the company and further affects the total income of the company.

The Company has got permanent registration as Merchant Bankers from SEBI. The small and medium companies have now got a separate SME platform to list their shares so now even small companies can go for IPO which will also help to increase the business of your company. It is expected that company will grow in future and will give better results as the capital market is expected to do better in future.

## DIVIDEND

With a view to conserve resources of the company, the Directors of the company do not recommend any dividend.

## DIRECTORS

In Accordance with the provisions of Companies Act, 1956 and Articles of Association of the company, Mr. Shailendra Haruray retires by rotation at the ensuing Annual General Meeting, but being eligible offers himself for re-appointment. The Board recommends his re-appointment.

Due to their personal reasons, Mr. P.K. Rajgarhia resigned as a director of the company with effect from 29.10.2011 and Mr. R.K.Pandey resigned as a director w.e.f. 30.04.2012. The Directors wish to place on record their appreciation for the contribution made by Mr. P. K. Rajgarhia and Mr. R.K.Pandey during their tenure. However, Mr. Tarsem Garg has appointed as Additional Director of the company as on 23.06.2012.

## DIRECTORS RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your directors confirm that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- The directors had adopted such accounting policies and are applying them consistently and to make judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31<sup>st</sup> March, 2012 and of the Losses of the Company for that year.

- The directors had taken proper and sufficient care 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.
- The directors had prepared the annual accounts on a "Going Concern" basis.

## PUBLIC DEPOSIT

During the year under review, the Company has not accepted any deposits as defined under section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposit) Rules 1975.

## CONVERTIBLE WARRANTS

During the year under consideration, the Company had allotted 10 Lacs Equity Shares against conversion of 10 lacs fully Convertible Warrants and forfeited 8 lacs Fully Convertible Warrants due to non payment of allotment money. Further the shares allotted as mentioned above has been listed with BSE as on 08/05/2012.

## SUBSIDIARY COMPANIES

The company has one subsidiary company namely M/s Mefcom Securities Ltd. M/s Mefcom Infrastructure Projects Ltd. is no more a subsidiary of the company w. e. f. 12/03/2012. There has been no material change in the nature of the business of the subsidiary.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956, Ministry of Corporate Affairs vide its circular No.2/2011 dated 8<sup>th</sup> February, 2011 has granted general exemption from attaching the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary company with the Balance Sheet of the company. A statement containing brief financial details of the subsidiary company for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of the subsidiary and the related detailed information will be made available to any member of the Company/ its subsidiary at the Registered Office of the company. The annual accounts of the said subsidiary will also be available for inspection, as above, at the Registered Office of the respective subsidiary company. The Company furnish a copy of the details of annual accounts of subsidiary to any member on demand.

## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. The Company adheres to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and the requirements of the Listing Agreement and has implemented all mandatory stipulations prescribed there under. Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2012 in terms of Clause 49 of the Listing Agreements entered into with the Stock Exchanges in India forms part of the Annual Report. Certificate from the Company Secretary in Whole Time Practice, M/s Lalit K Agarwal & Company, confirming compliance of conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS STATEMENT

Management discussion and Analysis Statement on the Company's performance, industry trends and other material changes with respect to the Company and its subsidiaries, wherever applicable is attached to this report

## CODE OF CONDUCT

In terms of Clause 49 of the Listing Agreement the Company has formulated a Code of Conduct for the Directors and Senior Managerial Personnel. All the Board members and senior managerial persons have

given their consent to adhere to the code of conduct to the Compliance Officer. As per requirement of Listing Agreement, the code of conduct is also available on Company's website [www.mefcom.in](http://www.mefcom.in)

#### AUDITORS

M/s V. K. Dhingra & Company, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible for reappointment have expressed their willingness to be re-appointed, as statutory auditors of the company. Your directors recommend their reappointment.

#### PARTICULARS OF EMPLOYEES

No employee of the company is getting remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended.

#### CONSERVATION OF ENERGY

The company is engaged in providing financial services and such operations do not account for substantial energy consumption. However the company is taking all possible measure to conserve the energy. Several environment friendly measures have been adopted by the company such as:

- Installation of TFT monitors that save the power.
- Automatic power shut down of the monitors.
- Creating environmental awareness by way of distributing information in electronic form.
- Minimizing Air-Conditioning usage
- Shutting off the lights when not in use
- Education and awareness programs for the employees

The management frequently puts circulars on the corporate intranet for the employees, educating them on ways and means to conserve electricity and other natural resources and ensures strict compliance with the same.

#### TECHNOLOGY ABSORPTION

The management understands the importance of technology in the business segment in which the company works and lays utmost emphasis on the system development and innovation with the use of new technological advancements. During the year the company has installed several software's and this effort will reduce the unnecessary usage of paper and manpower.

#### FOREIGN EXCHANGE EARNING AND OUTGO

During the year under review, company has not earned anything in foreign exchange. However, during the year the company has incurred ₹ 1.39 lacs in foreign exchange.

#### INSURANCE

The property and assets of the company have been adequately insured wherever needed.

#### LISTING WITH STOCK EXCHANGES

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the company hereby declares that the listing for its shares continued throughout the year with "Bombay Stock Exchange Limited" Phiroze Jeejeebhoy Towers, Dada Saheb Phalke Street, Mumbai- 400001.

#### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 the consolidated financial statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Companies as approved by their Board of Directors.

#### ACKNOWLEDGEMENT

Your directors place on record their appreciation and thanks for the assistance and support extended by various Government departments, Regulators, Stock Exchanges, other statutory bodies and Bankers to the company. The Directors also place on record their sincere appreciation for the company's employees who are instrumental for smooth working of the company. Your Directors look forward to their continuing support and unstinting efforts in ensuring the excellent all round operational performance.

By order of the Board  
For Mefcom Capital Markets Ltd.

Place : New Delhi  
Dated : June 23, 2012

(Vijay Mehta)  
Chairman

#### Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

	Name of the Subsidiary Company	Mefcom Securities Ltd.
1.	Financial Year of the Subsidiary Companies ended on	31st March, 2012
2.	(a) Issued subscribed and paid-up capital of Subsidiary Companies.	50,00,000 Equity Shares of ₹ 10/- each.
	(b) Extent of interest of Mefcom Capital Markets Ltd. in the capital of Subsidiary.	29,99,900 Equity Shares of ₹ 10/-each. (60%)
3.	The Net Aggregate Amount of Profits/(Losses) of the Subsidiary so far as it concern the members of Mefcom Capital Markets Ltd. and is not dealt with in the Accounts of Mefcom Capital Markets Ltd.	
	(a) For the Financial Year 31st March, 2012.	(31,50,391)
	(b) For the previous financial years of the subsidiary since it became subsidiary of Mefcom Capital Markets Ltd.	55,07,089
4.	Net aggregate amount of Profit/ (Losses) of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of Mefcom Capital Markets Ltd.	
	(a) For the Financial Year ended 31st March, 2012	Nil
	(b) For the Previous Financial Years of the Subsidiary since it became Subsidiary of Mefcom Capital Markets Ltd.	Nil

For and on behalf of Board of Directors

Place : New Delhi  
Date : June 23, 2012

(Vijay Mehta)  
Chairman



## Forming part of Directors Report MANAGEMENT DISCUSSION AND ANALYSIS

### Industry structure and developments

The Indian economy is marching towards a high growth trajectory, albeit with certain impediments on the horizon. While the year began on an optimistic note, concerns on sustainability of the high growth phase had surfaced by the end of Financial Year 2011. Despite improvement in the overall optimism about the economy, the financial markets continued to witness high volatility primarily driven by the direction and magnitude of foreign capital flows and movement in industrial production and inflation. At the end of Financial Year 2010, when we had put down our expectations for the coming year, we had foreseen gradual receding of inflationary pressures during Financial Year 2011. However, inflation remained elevated throughout the year, as some unanticipated factors like surge in prices of some vegetables and fruits during the end of year 2010, unexpected rapid rise in international crude oil prices. Although the inflationary pressures are expected to see some abatement during the course of the year, significant upside risks do persist and would continue to be a major focus area for the Government as well as the businesses.

During financial year 2011-12 (up to 31 December, 2011) resource mobilization through the primary market witnessed a sharp decline over the year 2010-11. The cumulative amount mobilized as on 31 December, 2011 through equity public issues stood at INR 9,683 crore as compared to INR 48,654 crore in 2010-11. During 2011-12, (up to 31 December, 2011), 30 new companies (initial public offers—IPOs) were listed at the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) amounting to INR 5,043 crore as against 53 companies amounting to INR 35,559 crore listed in 2010-11. The IPO size for the year 2011-12 was of ₹ 168 crore as compared to ₹ 671 crore in 2010-11. Further, only INR 4,791 crore was mobilized through debt issue as compared to INR 9,451 crore in 2010-11. The amount of capital mobilized through private placement in corporate debt in 2011-12 (April-December) was INR 1,88,530 crore as compared to INR 2,18,785 crore in 2010-11.

### Opportunities and Threats

Your Company also being an investment company seeks opportunities in the capital market. The volatility in the stock indices in the financial year under report represents both an opportunity and challenge for the company.

The business of subsidiary company i.e. Mefcom Securities Ltd is affected by the sentiments prevailing in the stock markets.

The likely increase in capital mobilization from the primary market, increase in resource mobilization by Mutual Funds, growth in secondary market volumes, introduction of new products like mini derivative contracts & Securities Lending & Borrowing Scheme, introduction of new instruments in the F & O segment, trading in Mutual Funds through exchanges etc provide significant business opportunities for the Company.

Capital market activities in which most of our activities depend on is also influenced by global events and hence there is an amount of uncertainty in the near term outlook of the market. The economic crisis in some countries in the Europe and Middle East has added some volatility globally and Indian stock market has not yet decoupled from such global trends. The recent increase in inflation rate in India is a cause of concern as it can affect corporate profitability. The percentage of retail savings that is channeled into equities and equity related products in the country are still much lower than in developed countries. Fast economic growth generating higher savings and better corporate performance is likely to provide growth opportunities for the business.

### Segment-wise Performance

The Company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organization structure and internal reporting system. There are no reportable geographical segments.

Segment wise information can be viewed in Note No.26 annexed to and forming part of Balance Sheet as at and Statement of Profit & Loss for the year ended on 31st March, 2012

### Operations and Future Outlook

The Company has shown a net loss this year as mentioned above. It is because this year market conditions were unfavorable for IPO and other major activities in the capital market which affects the business of the company and further affects the total income of the company.

The Company has got permanent registration as Merchant Bankers from SEBI. The small and medium companies have now got a separate SME platform to list their shares so now even small companies can go for IPO which will also help to increase the business of your company. It is expected that company will grow in future and will give better results as the capital market is expected to do better in future.

### Risks & Concern

The stock broking industry has recently witnessed intense competition, falling brokerage rates and the entry of several big players. The company's subsidiary company continues to achieve cost efficiencies through the application of technology.

The capital market industry in which your Company is operating is subject to extensive regulation. The Company evaluates the technological obsolescence and the associated risk and makes investment accordingly.

### Internal Control Systems & their adequacy

The company has proper and adequate systems of internal control in order to ensure that assets are safeguarded and transactions are duly authorized, recorded and reported correctly. With the implementation of new systems, internal control will get further reinforced through system based checks and controls.

Internal Audit function is being looked after by a professional firm of Chartered Accountants. They independently evaluate the adequacy of internal control system. Based on the audit observations & suggestions, follow up & remedial measures are being taken on a regular basis.

### Financial Performance with respect to Operational Performance:

#### Share Capital

The paid up equity share capital of the Company as on March 31, 2012 stands at ₹ 91,401,680/- divided into 91,40,168 equity shares of ₹ 10/- each fully paid up.

#### Reserves and Surplus

During the year under consideration, the Reserves and Surplus stands at ₹ 30.39 Lacs

#### Conversion and Forfeiture of Convertible Warrants

During the year under consideration, the company had converted 10 lacs Fully Convertible Warrants into 10 lacs Equity Shares and 8 lacs Fully Convertible Warrants were forfeited due to non-payment of allotment money.

#### Investments

The total investment decreased to ₹ 964.27 Lacs as at March 31, 2012 against ₹ 1020.04 Lacs at the end of the previous year as the management has off-loaded a few investments.

**Loan**

Secured Loan stands at ₹ 41.56 Lacs as at March 31, 2012

**Total Income**

During the year under consideration, total income was ₹ 76.46 Lacs as against ₹ 109.27 Lacs in the previous year.

**Other Income**

During the year under consideration, other income was ₹ 41.34 Lacs as against ₹ 38.41 Lacs in the previous year.

**Interest and Finance Charges**

During the year under consideration, total interest and finance charges were ₹ 29.33 Lacs

**Human Resources**

The Company has a small but efficient Human Resource Division which is well equipped to meet the present and future growth plans. Relations with employees were cordial throughout the year. The unity of purpose to continuously strive for all round improvements in work practice & productivity is visible among all the employees.

**Cautionary Statement**

Certain statements in the Management Discussion & Analysis Report describing the company's views about the industry's expectations/predictions/objectives etc. may be forward looking within the applicable laws and regulations. Actual results may differ materially from those expressed in the statements. Company's operations may be affected with the demand and supply situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above, in mind.

**CORPORATE GOVERNANCE REPORT****1 Company's philosophy on Corporate Governance**

For Mefcom, maintaining the highest standards of corporate governance is not a matter of mere form but also of substance. It is an article of faith, a way of life, and an integral part of the company's core values. Your company is committed for adopting best global practices of Corporate Governance. The philosophy of Corporate Governance as manifested in the company's functioning is to achieve business excellence by enhancing long term shareholders value and interest of its entire shareholders. Efficient conduct of the business of the company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the Company.

**2. Board of Directors****Composition**

The company is managed by the Board of Directors. The Board has given powers to the Chairman for managing the day to day affairs of the company. The composition and category of Board of Directors is given below:

Category	Name of Directors	Designation
Executive Non-Independent Director	Shri Vijay Mehta	Chairman
Non Executive Non-Independent Director	Shri T R Khare	Director
Non-Executive Independent Director	Shri Sham Nijhawan	Director
Non-Executive Independent Director	Shri Snallendra Haruray	Director
Non-Executive Independent Director	Shri Tarsem Garg	Additional Director

Mr. P. K. Rajgarhia, the Independent Director of the Company has resigned w.e.f. 29.10.2011 and Mr. R.K.Pandey the Independent Director of the Company has resigned w.e.f. 30.04.2012 due to their personal reasons. Mr. Tarsem Garg has been appointed as additional director of the company as on 23.06.2012.

The Board has optimum combination of independent and non independent directors. Non executive independent directors of your company have no pecuniary relationship or any transaction with your company.

**Board Meeting**

The Meetings of the Board of Directors are scheduled well in advance and generally held at the company's office at Nehru Place, New Delhi. The notice confirming the meeting and the detailed agenda is sent well in advance to all the directors.

**MEETINGS AND ATTENDANCE OF DIRECTORS**

During the financial year ended 31st March, 2012, 7 meetings of the Board of Directors of the company were held on the following dates:

S. No.	Date of Meeting	Board Strength	No. Directors Present
1	28.04.2011	6	3
2	30.06.2011	6	5
3	30.07.2011	6	3
4	29.10.2011	5	3
5	03.12.2011	5	3
6	12.12.2011	5	3
7	30.01.2012	5	3

**Other Directorship & Membership**

Membership and attendance of each director's at the Board Meetings held during the year and the last Annual General Meeting and the number of other directorship/ membership of board committees as on 31<sup>st</sup> March, 2012 is given below:

Name of the Director	Board Meeting Attended	Attendance at Last AGM	Membership of the Board of other Companies	Chairmanship of the Board of Other Companies	Committee Membership of other Companies	Chairmanship of Committees of other Companies
Sh Vijay Mehta	7	Yes	5	1	-	-
Sh T. R. Khare	7	Yes	7	-	1	-
Sh Sham Nijhawan	1	-	1	-	-	-
Sh. R. K. Pandey	1	-	10	-	4	2
Sh. Shailendra Haruray	7	-	4	-	-	-

## 2.2 REMUNERATION OF DIRECTORS

The directors waived the sitting fees for the financial year 2011-12. Therefore no sitting fee was paid during the financial year.

The Company presently does not have any stock option scheme.

### Profile of Director being Re-appointed:

Sh. Shailendra Haruray, Director of the Company, retiring by rotation, is proposed to be re-appointed, at the ensuing Annual General Meeting.

Particulars of his other Directorship are given below:

Name of the Director	Details of other Directorships of Public Limited Companies	Committees memberships in other Companies
Sh. Shailendra Haruray	Mefcom Securities Limited Mefcom Commodity Brokers Limited	—

## 3.0 COMMITTEES OF DIRECTORS

To comply with the requirement of Clause 49 of the listing agreement with the Stock Exchange, the Board has constituted the required Committees. The composition of these Committees is as under:

S. No.	Name of Member/ Chairman	Audit Committee	Remuneration Committee	Share Transfer & Shareholders/ Investors Grievance Committee
1	Sh. Shailendra Haruray	Yes	Yes	Yes
2	Sh. T.R.Khare	Yes	Yes	Yes
3	Sh. Sham Nijhawan	Yes	Yes	Yes
4	Sh. Tarsem Garg	Yes	Yes	Yes

Sh. Tarsem Garg, who is Chairman of Audit Committee, is a Member of the Institute of Chartered Accountants of India, Member of the Institute of Cost & Work Accountants of India, a law graduate and possesses over 30 years of diversified professional and corporate experience. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Shailendra Haruray are the Members of Audit Committee.

Sh. Sham Nijhawan, who is Chairman of Share Transfer & Shareholders/ Investors Grievance Committee, is a Fellow Member of Institute of Chartered Accountants of India and possesses over 28 years of experience in financial matters. Sh. T.R.Khare, Sh. Tarsem Garg and Sh. Shailendra Haruray are the Members of Share Transfer & Shareholders/ Investors Grievance Committee.

Sh. Shailendra Haruray, who is Chairman of Remuneration Committee, is a post-graduate in commerce from Delhi University. He is also an

accredited trainer on leadership skills from the Industrial Society of England and possesses over 22 years of experience in the field of Human Resources, Marketing and Strategic Planning areas. Sh. T.R.Khare, Sh. Sham Nijhawan and Sh. Tarsem Garg are the Members of Remuneration Committee.

## 3.1 AUDIT COMMITTEE

The Board of Directors set up the Audit Committee, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Sh. Tarsem Garg is the chairman of the Audit Committee.

During the year ended 31<sup>st</sup> March, 2012, the committee held 5 Meetings on the following dates:

1. 28<sup>th</sup> April, 2011.
2. 30<sup>th</sup> June, 2011.
3. 30<sup>th</sup> July, 2011.
4. 29<sup>th</sup> October, 2011.
5. 30<sup>th</sup> January, 2012.

The terms of reference of the Audit Committee are in conformity with the requirements of the Clause 49 of the listing agreement and also section 292A of the Companies Act, 1956. These broadly cover the following:

- To discuss and review the quarterly Audit Reports submitted by the Internal Audit Department.
- To review the progress in implementation of the suggestions made by the Internal Audit Department.
- To discuss and review the observations of the Internal Audit Department of the Company on the systems and controls, cost control, statutory compliance etc., in various areas.
- To discuss the quarterly, half yearly and annual financial results of the Company and recommend the same to the Board for its approval.
- To interact with Statutory Auditor on the Annual Accounts and on other accounting matters.
- To recommend re-appointment of Statutory Auditors, and other remuneration.

## 3.2 SHARES TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors set up the Shares Transfer and Shareholders Grievance Committee, in accordance with the provisions of the Listing Agreement and the Companies Act, 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive, Non-Independent Director. Mr. Sham Nijhawan is the Chairman of the Committee.



During the year ended 31<sup>st</sup> March, 2012, the committee held 5 Meetings on the following dates:

1. 30<sup>th</sup> August, 2011
2. 20<sup>th</sup> September, 2011
3. 10<sup>th</sup> February, 2012
4. 20<sup>th</sup> February, 2012
5. 10<sup>th</sup> March, 2012

The Committee is empowered to deal with various matters relating to the Allotment of Shares, Transfer of Shares, Transmission of Shares, Issue of duplicate Share Certificates, and Issuance of Share Certificates against re-materialization of shares and monitors expeditious redressal of investor's grievances etc.

### 3.3 COMPENSATION AND REMUNERATION COMMITTEE

The Board of Directors set up the Compensation & Remuneration Committee, in accordance with the provisions of the Listing Agreement and the Companies Act, 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. Sh. Shallendra Haruray is the Chairman of the Committee.

1. The Committee is empowered to administer and decide the remuneration and other terms and conditions of the Directors of the company.
2. The Committee is empowered to decide on employees' Stock Option Schemes as and when such Scheme is considered for introduction in the Company.

The members of all the committees of the company waived their right of sitting fees w.e.f. 28.06.2010

### 4. GENERAL BODY MEETINGS

Details of Annual General Meetings held in the last three years are given below:

AGM No.	Year	Date	Time	Venue
24 <sup>th</sup>	2009	30 <sup>th</sup> Sept. 2009	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
25 <sup>th</sup>	2010	31 <sup>st</sup> July 2010	11.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.
26 <sup>th</sup>	2011	30 <sup>th</sup> July 2011	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi – 110030.

No Special Resolution was passed in the 24<sup>th</sup> and 25<sup>th</sup> Annual General Meetings.

A special resolution was passed in 26<sup>th</sup> Annual General Meeting, held on 30<sup>th</sup> July, 2011 to alter the Articles of Association of the Company.

### 5. DISCLOSURES

#### 5.1 Related Party Transactions

Details of transactions with related parties have been reported in Notes to Accounts as per Note No. '27-ii' in the Balance Sheet. Further, statement on transactions with related parties in the ordinary course of business shall be placed before the Audit committee periodically.

#### 5.2 Code of Conduct

The Company has adopted a code of Conduct for the members of the Board of Directors and the senior management of the company. The Code of Conduct is displayed on the website of

the Company. All the Directors and the senior management personnel have affirmed Compliance with the code for the financial year ended 31<sup>st</sup> March 2012. A declaration to this effect signed by the Chairman is annexed to this report.

### 5.3 Compliance with Mandatory Requirements of Clause 49 of Listing Agreement

The Company has complied with all the applicable mandatory requirements of Clause 49 of Listing Agreement.

### 5.4 Penalty and Strictures

No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI, or by any Statutory Authority on any matter relating to Capital markets during the last three years.

### 5.5 Company is properly adopting the whistle blow policy and no person has been denied access to the Audit Committee.

### 6. POSTAL BALLOT

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting.

No Resolution is being proposed at the ensuing Annual General Meeting, which requires approval of Members through postal ballot.

### 7. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the company's shares are listed, immediately after the approval of the Board. These are also published generally in the newspapers as per the requirements of the stock exchange, as well as on the website of the company.

On insertion of clause 54 to the listing agreement, the company has maintained a functional website viz., [www.mefcom.in](http://www.mefcom.in), containing basic information about the company e.g. details of its business, financial information, shareholding pattern, compliance with corporate governance, code of conduct, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances. The company has also ensured that the contents of the said website are updated at any point of time.

The half-yearly reports are not sent to household of shareholders. Copies of the financial results and Annual Reports of the Company are provided to various analysts, Government departments, investors and others, interested in getting the same upon receipt of request from them. During the year, the Company has no occasion to make any official news release and no formal presentation was made to the institutional investors / analysts.

### 8.0 GENERAL SHAREHOLDERS INFORMATION

#### 8.1 ANNUAL GENERAL MEETING

Date : 28<sup>th</sup> August, 2012  
Time : 11.00 A.M.  
Venue : E-15, Ansal Villas, Village Satbari, New Delhi-110030

#### 8.2 FINANCIAL CALENDAR 2012-13

- First Quarter Results	: By the end of July, 2012
- Second Quarter / Half yearly Results	: By the end of October, 2012
- Third Quarter Results	: By the end of January, 2013
- Annual Results (audited) for the year ending March 31, 2013	: By the end of May, 2013
- Annual General Meeting	: By the end of September, 2013

**8.3 BOOK CLOSURE**

The Share Transfer Books and Register of Members shall remain closed from August 27, 2012 to August 28, 2012 (both days inclusive). Notice to this effect has been sent to all the Stock Exchanges, where the shares of the Company are listed as per the Listing Agreement.

**8.4 DIVIDEND**

The Company has not declared dividend for the year ended March 31, 2012.

**8.5 LISTING OF SHARES**

The name of the Stock Exchange, at which Company's shares are listed as on 31<sup>st</sup> March, 2012 and details of Stock Code is as mentioned below

Name of the Stock Exchange	Stock Code
Bombay Stock Exchange	531176

Trading in the equity shares of the Company is compulsorily in demat form.

The ISIN number to hold the shares for Mefcom capital Markets Ltd in electronic mode is - **INE186C01015**

**8.6 LISTING FEES**

The Company has paid listing fees to Bombay Stock Exchange limited up to the financial year 2011-12. There are no arrears of listing fees with the said Stock Exchange

**8.7 MARKET PRICE DATA**

Details of monthly high / low market price of the Company's shares at Bombay Stock Exchange Limited (BSE) are given below:

Month	High (₹)	Low (₹)
April, 2011	16.00	11.75
May, 2011	15.95	11.33
June, 2011	13.63	10.91
July, 2011	15.21	12.01
August, 2011	16.71	11.34
September, 2011	17.44	11.10
October, 2011	20.05	15.70
November, 2011	20.25	12.75
December, 2011	15.85	10.75
January, 2012	15.45	11.60
February, 2012	16.95	11.70
March, 2012	14.37	9.75

**8.8 DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2012**

Number of Equity Shareholding	Number of Share holders	% of Share holders	No. of Shares	% of Total Shares
1- 500	2962	90.17	416999	4.5623
501- 1000	136	4.14	112151	1.2270
1001-2000	79	2.40	124229	1.3592
2001-3000	32	0.97	79477	0.8695
3001-4000	10	0.30	36123	0.3952
4001-5000	7	0.21	34830	0.3811
5001-10000	20	0.61	142778	1.5621
10001 & above	39	1.19	8193581	89.6437
<b>Total</b>	<b>3285</b>	<b>100%</b>	<b>9140168</b>	<b>100%</b>

**8.9 CATEGORY OF SHAREHOLDING AS ON 31<sup>st</sup> MARCH, 2012**

S. No.	Category	No. of Shares Held	% of Share holding
A.	Promoter's holding		
1.	Promoters		
	- Indian Promoters	59,08,500	64.64
	- Foreign Promoters	Nil	Nil
2.	Person acting in concert	Nil	Nil
	<b>Sub - Total</b>	<b>59,08,500</b>	<b>64.64</b>
B.	Non-Promoters Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	20200	0.22
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions)	Nil	Nil
	c. Foreign Institutional Investors	Nil	Nil
	<b>Sub - Total</b>	<b>20200</b>	<b>0.22</b>
4.	Others		
	a. Private Corporate Bodies	302252	3.31
	b. Indian Public	2831414	30.98
	c. NRIs / OCBs	77802	0.85
	d. Any Other (Clearing Member)	Nil	Nil
	<b>Sub Total</b>	<b>3211468</b>	<b>35.14</b>
	<b>Grand - Total</b>	<b>9140168</b>	<b>100%</b>

**8.10 DEMATERIALISATION OF SHARES**

The shares of the company are under Demat form. The ISIN Number of the Company is INE186C01015. Members who have not yet applied are requested to convert their shares in demat form, by applying to their depository participants in the prescribed Demat Requisition Form along with original Share certificates in physical form. About 84.88% of total shares are held in demat form as on 31<sup>st</sup> March, 2012.

**8.11 REGISTRARS AND SHARE TRANSFER AGENTS AND SHARE TRANSFER SYSTEM**

The Company had appointed M/s. Beetal Financial and Computer Services Pvt Ltd., for share transfer and dematerialization of shares. To expedite the process of share transfers the Board has delegated the power of share transfer to Beetal Financial Computer Services Pvt Ltd. viz. Registrar and share transfer Agents who will attend to the share transfer formalities at least once in fortnight. Their contact details are as follows:

M/s Beetal Financial and Computer Services Pvt. Ltd  
99, Beetal House,  
Madangir  
New Delhi-110062  
Ph: +91 11 29961281-282-283  
Email: beetalrta@gmail.com

**8.12 SHAREHOLDERS COMPLAINTS**

The Company confirms that there are no share transfers received with valid documents and is lying pending on March 31, 2012, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.