



2015-**16** | ANNUAL
REPORT

Mefcom Capital Markets Ltd.
Stock Broking • Commodities • Wealth Management • Investment Banking



Board of Directors

Mr. Vijay Mehta Chairman

Mr. Sham Nijhawan

Mr. Shailendra Haruray

Mr. Tarsem Garg

Mrs. Nisha Ashwani Kumar

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

Flat No. 18, 5th Floor,

77 Sanchi Building, Nehru Place,

New Delhi - 110019

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIRST ANNUAL GENERAL MEETING OF MEFCOM CAPITAL MARKETS LIMITED WILL BE HELD AT E-15, ANSAL VILLAS, SATBARI, NEW DELHI-110030 ON WEDNESDAY, 10TH AUGUST, 2016 AT 10:30 A.M. TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including audited Balance Sheet and the Statement of Profit and Loss for the financial year ended on 31st March, 2016.
2. To appoint a Director in place of Mrs. Nisha Ashwani Kumar (DIN 01089668), who retires by rotation and being eligible offers herself for re-appointment.
3. To Consider and if thought fit, to pass with or without modifications, the following Resolution as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. V. K. Dhingra & Co., Chartered Accountants (FRN 000250N) as the Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be determined by the Board of Directors."

By Order of the Board of Directors
for Mefcom Capital Markets Limited

Place: New Delhi

Vijay Mehta

Date: 30.05.2016

Managing Director

IMPORTANT NOTES:

1. The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, 6th August, 2016 to Wednesday, 10th August, 2016 (both days inclusive) for annual closing.
2. The Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**

The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

4. To prevent fraudulent transactions, members are advised to exercise due-diligence and notify the Company of any change in address or demise of any member as soon as possible. Members

are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participants and holdings should be verified.

5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every Participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in Physical form can submit their PAN details to the Company.
6. Details under SEBI (Listing obligations & Disclosure Requirements) Regulation, 2015 with the Stock Exchange in respect of the Directors Seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Company/ Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their e-mail address, physical copy of the Annual Report for 2016 is being sent in the permitted mode.
8. Electronic copy of the Notice of the 31st Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the company/ Depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report 2015 -16 are being sent by the modes permitted under Companies Act, 2013. The Annual Report is also available on the Company's website www.mefcom.in.
9. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in New Delhi for inspection during normal business hours from 11:00 A.m. to 1:00 P.M. on working days except Second Saturdays and Sundays. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.
10. The route map of the venue of the meeting is given in the Notice.
11. **Voting through electronic means**
 - I. In compliance with provisions of section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 31st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
 - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting

who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper.

- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The remote e-voting period commences on Sunday, 7th August, 2016 (9:00 am) and will end on Tuesday, 9th August, 2016 (5:00 pm). During this period members of the Company, holding shares either in Physical form or in dematerialized form, as on the cut-off date of 3rd August, 2016 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
 - A. In case a Member receives an e-mail from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - i. Open e-mail and open PDF file viz. "Mefcom capital Markets e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your USER ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - ii. Launch internet browser by typing the URL: <https://www.evoting.nsdl.com/>
 - iii. Click on Shareholder –Login
 - iv. If you are already registered with NSDL for e-Voting, you can use your existing User ID and password for casting your vote.
 - v. If you are Logging for the first time, please enter the USER ID and password provided in the PDF file attached with the e-mail as initial password.
 - vi. The password change menu appears on your screen. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and to take utmost care to keep your password confidential.
 - vii. Once the e-Voting Home page opens, click on remote e-Voting: Active Voting Cycles.
 - viii. Select Electronic Voting Event Number ("EVEN") of Mefcom Capital Markets Limited as given in the body of the e-mail. You are now ready for e-Voting as Cast Vote page opens.
 - ix. Cast your vote(s) by selecting appropriate options and click on "Submit" and also "Confirm" when prompted.
 - x. Upon Confirmation, the message "Vote cast successfully" will be displayed.
 - xi. Once the votes on the resolution are cast, the Shareholder shall not be allowed to change the same subsequently.
 - xii. Institutional Shareholders (i.e. other than individuals, HUFs, NRIs, etc.) are required to send scanned certified true copy (PDF/JPG Format) of the relevant Board Resolution / Authority Letter/ Power of Attorney etc. together with the attested

specimen signatures of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at pkmishra59@yahoo.com with a copy marked to evoting@nsdl.co.in

- B. In case a Member receives Physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company / Depository Participant(s) or requesting physical copy]:
 - i) Initial password, USER ID and Electronic Voting Event Number ("EVEN") are provided at the bottom of the Attendance Slip for the AGM:
 - ii) Please follow all the steps from Sl. No. (ii) to Sl.No. (xii) Above, to cast your vote.
 - VI. In case of any query, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com or call on toll free no.:1800-222-990.
 - VII. You can also update your mobile number and e-mail address in the user profile details of the folio which shall be used for sending future communication(s).
 - VIII. If you are already registered with NSDL for e-Voting, you can use your existing User ID and password/PIN for casting your vote.
 - IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of 3rd August, 2016.
 - X. Any person, who acquires shares of the company and become member of the company after dispatch of the notice of the AGM and holding shares as of the cutoff date i.e 3rd August, 2016 may obtain the login id and password by sending a request at evoting@nsdl.co.in or Issuer/RTA
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user id and password for casting your vote. If you forgot your password, you can reset your password by using "forgot user details/password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed vote against at the AGM.
 - XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cutoff date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through polling paper.
 - XIII. Mr. P. K. Mishra, Practising Company Secretary (Membership no. 16222), Proprietor of M/s. P. K. Mishra & Associates, Company Secretaries has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 - XIV. The Chairman shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of polling paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - XV. The scrutinizer shall after the conclusion of voting at the AGM, will first count the votes at the meeting, thereafter unblock the votes cast through the remote e-voting in the presence of at least two



witnesses not in the employment of the Company and shall make, not later than 48 hours of the conclusion of the AGM a consolidated scrutinizers report of the total votes cast in favour or against, if any, to the chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The result declared along with the report of the scrutinizer shall be placed on the web site of the Company www.mefcom.in and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The result shall also be immediately forwarded to the BSE limited, Mumbai.

XVII. All documents referred to in the accompanying notice and the explanatory statement shall be open for inspection at the registered office of the Company during the normal business hours on all working days except Second Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

XVIII. This notice has been updated with the instructions for voting through electronic means as per the Amended Rules, 2015.

XIX. Brief profile of Directors being Appointed/Re-appointed

Name	Mrs. Nisha Ashwani Kumar
DIN	01089668
Date of Appointment	30.03.2015
Qualification	Graduate with Economics
Expertise	More than 8 years of experience in financial services.
Other Directorship	Mascot Insulators Pvt. Ltd.
Shareholding in Company	NIL
Relationship with any Director(s)	She is related to Managing Director of the Company

**By Order of the Board of Directors
for Mefcom Capital Markets Limited**

Date: 30.05.2016
Place: New Delhi

Vijay Mehta
Managing Director

DIRECTORS' REPORT



Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report of the Company together with Audited Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS

PARTICULARS	STANDALONE		CONSOLIDATED	
	YEAR ENDED 31ST MARCH 2016 (Rs. IN Lacs)	YEAR ENDED 31ST MARCH 2015 (Rs. IN Lacs)	YEAR ENDED 31ST MARCH 2016 (Rs. IN Lacs)	YEAR ENDED 31ST MARCH 2015 (Rs. IN Lacs)
Gross Income	182.90	235.80	214.93	270.00
Total Expenses	179.22	174.40	216.75	224.58
Profit/ (Loss) before interest, Depreciation and Tax	11.01	69.33	6.42	56.61
Depreciation	5.17	5.94	6.06	9.20
Interest	2.17	1.99	2.17	1.99
Provision for Tax	-	-	9.78	-
Prior period expenses	-	-	-	-
Profit/ (Loss) after Tax	3.67	61.40	-11.60	45.42

OPERATION AND FUTURE OUTLOOK

Your Company has earned a net profit of Rs. 3.67 Lacs as on 31st March, 2016 against a profit of Rs. 61.40 Lacs in previous year ended on 31st March 2015.

Merchant Banking activities is very low in the year under review in comparison to the previous year. The Company is taking necessary steps to show better results in ensuing year in this activity.

Your Directors are putting their best efforts for the growth of the Company.

CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The consolidated financial statements have been prepared on the basis of audited financial statements of your Company, its subsidiary and associate Company, as approved by the respective Board of Directors.

DIVIDEND

Keeping in view to conserve resources of the Company, Director do not recommend any dividend for the financial year 2015 – 16.

SUBSIDIARY COMPANIES

The Company has one Subsidiary Company namely M/s. Mefcom Securities Ltd. There has been no material change in the nature of the business of the subsidiary.

A separate statement containing the salient features of financial statements of the Subsidiary of your Company forms part of consolidated financial statements in compliance with Section 129 and other applicable provisions, if any, of the Companies Act, 2013.

The financial statements of the Subsidiary Company and related information are available for inspection by the members at the Registered Office of your Company during business hours on all days except Second Saturdays, Sundays and public holidays upto the date of the Annual General Meeting ('AGM') as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Managing Director at the Registered Office of your Company. The financial statements including the consolidated financial statements, financial statements of subsidiary and all other documents required to be attached to this report have been uploaded on the website of your Company www.mefcom.in

CORPORATE GOVERNANCE REPORT

The Company fully complies with the Corporate Governance practices as enunciated in the SEBI (LODR) Regulations, 2015, Corporate Governance Report presented in a separate section forms an integral part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company's various businesses viz., the decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2015-16.

PUBLIC DEPOSIT

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Nisha Ashwani Kumar is liable to retire by rotation at the ensuing General Meeting, but being eligible offers herself for re-appointment. The Board recommends her re-appointment.

Ms. Pinky Jha, Company Secretary of the Company has resigned w.e.f 23rd April, 2016. The Board places on record her appreciation for the contribution made by her during her tenure.

As required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the information on the particulars of the Directors proposed for appointment/re-appointment has been given in the Notice of the Annual General Meeting.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board has carries out an evaluation of its own performance, the Directors individually as well as evolution of the working of its Audit Committee, Nomination & Remuneration Committees, the manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Remuneration Policy

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-

enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this report. The Managing Director of your Company does not receive remuneration w.e.f. 1st October, 2015 onwards from your Company and any of the subsidiaries of your Company.

NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

During the year under review, four (4) Board Meetings, four (4) Audit Committee Meetings, four (4) Stakeholders Relationship Committee Meetings and Two (2) Remuneration Committee Meetings were convened and held. The details of such Meetings are given in the Corporate Governance Report which forms a part of this Report. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) and sub section (5) of Section 134 of the Companies Act, 2013, shall state that

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the Directors had selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit and loss of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis; and
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

Statutory Auditors

The Auditors M/s. V. K. Dhingra & Company, Chartered Accountants (FRN- 085842) retire at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment for a period of 2016-17 from the conclusion of ensuing Annual General Meeting till the conclusion of next Annual General Meeting.

As regard to the Auditors' observations, the relevant note in the significant Accounting Policies, notes on accounts and order disclosures are self explanatory and it is reproduced as given in notes on accounts point no. 35 (ii) i.e. "Gratuity is accounted for on accrual basis upto 31.03.2013 and no provision for gratuity liability is made from 01.04.2013. During the year no gratuity was paid".

Secretarial Auditors

Pursuant to the provision of Section 204 of Companies Act, 2013 read with the the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. Kundan Agarwal & Associates, Practicing Company Secretaries (Certificate of Practice Number – 8325) has been appointed as Secretarial Auditor to undertake the Secretarial Audit of the Company for the Financial Year ended 31st March, 2016. The detailed report on the same is appended as an Annexure to this Report.

Secretarial Auditors have made two observations and the responses of your Directors with respect to the same are as follows:

- A) "During the period Company had one Director who is disqualified to become Director as per Section 164 (2) of the Companies Act, 2013 and have to vacate office as per provision of Section 167 of the Companies Act, 2013. Though this cessation from the office is w.e.f. 31st July, 2015."

The response of your Directors:

Your Director would like to apprise you that Mr. Tika Ram Khare has vacated his office w.e.f. 31st July, 2015.

- B) "The Company had appointed Mr. Anup Kumar Verma as CFO of the Company as on 13th February, 2016 through the provisions of the Section 203 of the Companies Act, 2013 was applicable from 31/03/2016."

The response of your Directors:

Your Director would like to apprise you that the Company had identified the requirement of appointment of CFO as per the provision of Section 203 of Companies Act, 2013 but the Company was unable to search the right candidate for the post of CFO in the FY 2014-15, therefore, the Company could not appoint CFO within the prescriber time limit. As soon as the Company found the eligible candidate, Mr. Anup Kumar Verma has been appointed as CFO of the Company w.e.f. 13th February, 2016.

EXTRACT OF ANNUAL RETURN

In compliance to Section 92(3) of the Companies Act, 2013 read with rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of Annual Return in Form MGT-9 is enclosed as Annexure DR-2, which forms part of this Annual Report.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transaction made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large.

LOAN AND INVESTMENTS

During the year under review, the Company has not given any Loan, Guarantee and made any Investment, covered under the provisions of Section 186, of the Companies Act, 2013.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company established a vigil mechanism to be known as the 'Whistle Blower Policy' for its Directors and employees to report instances of unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct. The aim of the policy is to provide adequate safeguards against victimization of whistle blower who avails of the mechanism and also provide direct access to the Chairman of the Audit committee, in appropriate or exceptional cases.

Accordingly, 'Whistle Blower Policy' has been formulated with a view to provide a mechanism for the Directors and employees of the Company to approach the Ethics counselor or the Chairman of Audit Committee of the Company.



DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149 (7) of the Companies Act, 2013, confirming that they meet the criteria of Independence under Section 149 (6) of the Companies Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out as under:

Conservation of Energy

- The Company is engaged in providing the financial services and such operations do not account for substantial energy consumption. However the Company is taking all possible measures to conserve 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 all 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 advancement. During the year the Company has installed several software and this effort will reduce the unnecessary usage of paper and manpower.

Foreign Exchange Earning And Outgo

During the year under review, Company did not have any foreign exchange earnings and out go.

RISK MANAGEMENT POLICY

The Company has adequate systems and procedures in place for identification and mitigation of all potential risks to the business of the Company.

ACKNOWLEDGEMENT

Your Directors wish to express their grateful appreciation for the co-operation and assistance extended to the Company by various Government departments, regulators, stock exchanges, other statutory bodies and bankers to the Company. The Directors thankfully acknowledge the continuous support and guidance of all the shareholders and, more importantly, for the confidence reposed in the Company's management.

**By order of the Board
FOR Mefcom Capital Markets Limited**

Vijay Mehta
Managing Director

Tarsem Garg
Director

Place: New Delhi
Date: 30.05.2016

ANNEXURE TO DIRECTOR'S REPORT

Annexure DR-1



Form No. MR 3

Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
M/s. MEFCOM CAPITAL MARKETS LIMITED
Flat No. 18, 5th Floor 77 Sanchi Building,
Nehru Place, New Delhi, 110019

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Meffcom Capital Markets Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that:

- a) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of the financial records and Books of the Company.
- c) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc. The compliance of the provisions of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of management.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2016 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (provisions thereof not applicable to the Company during the year under review);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (provisions thereof not applicable to the Company during the year under review); and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (provisions thereof not applicable to the Company during the year under review);
- (i) The Company has complied with the requirements under the SEBI (Listing Obligations & disclosure Requirements) Regulations, 2015 entered into a fresh agreement with Bombay Stock Exchange.

Having regard to the compliance system prevailing in the Company and on the basis of presentation and Reports made by Compliance Auditors and Internal Auditors of the Company, we further report that the Company has adequate system to ensure the compliance of the other applicable laws specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- Listing Agreements with Stock Exchanges in India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreement etc mentioned above.

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except following:-
 - o **During the period Company had one Director who is disqualified to become Director as per sec 164 (2) of Companies Act 2013 and have to vacate office as per provision of section 167 of the companies act 2013. Though his cessation from the office is w.e.f. 31st July, 2015.**
 - o **The Company had appointed Mr. Anup Kumar Verma as CFO of the Company as on 13/02/2016 though the provisions of section 203 of companies Act, 2013 was applicable from 31/03/2015.**
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.
- The Company has obtained all necessary approvals under the various provisions of the Act.
- There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against/ on the Company, its Directors and officers.
- The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliances with the code of Business Conduct & Ethics for Directors and Management Personnel.

We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Kundan Agrawal & Associates
Company Secretaries

Kundan Agrawal
Company Secretary
Membership No. 7631
C.P. No. 8325

Place : Delhi
Date : 30.05.2016