



**Annual Report
1999 - 2000**

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Mefcom

CAPITAL MARKETS LIMITED
Merchant Bankers & Portfolio Investors

Mefcom CAPITAL MARKETS LIMITED

BOARD OF DIRECTORS

Mr. Vijay Mehta (Chairman)
Mr. Deepak Talwar
Mr. Jagjeet Sinha
Mrs. Indu Mehta

AUDITORS

V.K. DHINGRA & CO.
Chartered Accountants
1E/15, Jhandewalan Extension
New Delhi - 110 055

BANKERS

Standard Chartered Bank
Oriental Bank of Commerce

REGISTERED OFFICE

12/3, Asaf Ali Road
New Delhi - 110 002

Mefcom Capital Markets Limited

NOTICE

Notice is hereby given that the 15th Annual General Meeting of the Company will be held at 11.00 A.M. at Mehta Farms, Chhawla Village, Beyond BSF Camp, Rajokri-Najafgarh Road, New Delhi - 110 071 on Saturday the 30th September, 2000 to transact the following business :-

ORDINARY BUSINESS :-

1. To Consider & Adopt the Audited Balance Sheet, Profit and Loss Account for the year ended 31st March, 2000 alongwith Directors' and Auditor's Reports thereon.
2. To appoint a Director in place of Mr.Jagjeet Sinha, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint a Director in place of Mr.Deepak Talwar, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :-

5. To consider and if thought fit to pass with or without modifications, the following Resolution as Special Resolution :-

... "RESOLVED THAT" pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, if any, the Articles of Association of the Company be and are hereby altered to the extent and in the manner set out hereunder :-

After Article 46 the following new Articles 46A and 46B be inserted under the heading of "Dematerialisation of Securities".

DEMATERIALISATION OF SECURITIES :-

46A DEFINITIONS

For the purpose of this Article,

"Beneficial Owner"

"Beneficial Owner" shall mean beneficial owner as defined in Section 2 of the Depositories Act, 1996.

"Depositories Act, 1996"

"Depository" shall mean a Depository Act, 1996 and include and statutory modifications or reenactment thereof for the time being in force.

"Depository"

Depository shall mean a Depository as Defined in the Depositories Act, 1996.

"SEBI"

SEBI" means the Securities and Exchange Board of India.

Mefcom Capital Markets Limited

"Member"

"Member" means a duly registered holder from time to time of the shares of the Company, one who agrees in writing to become a member of the Company as contained in Section 41(2) of the Act and also one whose name is entered as beneficial owner in the records of Depository in the case of shares held in at Depository.

"Securities"

Securities means shares, scrips, stocks, bonds, debentures, debenture stock, or other marketable securities of a like nature in or of any incorporated Company or other body Corporate, or other securities as may be specified by the Central Government, SEBI or any other concerned Authorities from time to time.

46B

"Dematerialisation of Securities"

- 1 Notwithstanding anything contained in these articles, the Company shall be entitled to dematerialise its securities, re-materialise its securities held in the depository and / or offer fresh securities, in a dematerialised form, pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositors and Participants) Regulations, 1996.

"Option to hold Securities in physical form or with Depository"

- 2 Every person holding Securities of the Company through allotment or otherwise shall have the option to receive and hold the same in the form of Security Certificates or to receive and hold the same in the Dematerialised form with a Depository.

"Beneficial Owner may opt out of a Depository"

3. Every person holding Securities of the Company with a depository being the beneficial owner thereof may at any time opt out of the depository in the manner provided under the Provisions of the Depositories Act and the Rules, if any, prescribed there under and the Company shall issue the relevant Security Certificates to the beneficial owner thereof.

"Securities in Depositories to be in fungible form"

- 4 All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in sections 153, 153-A, 153-B, 187-B, 187-C and 372-A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

"Rights of Depositories and beneficial owners"

- 5 (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his / her securities which are held by a Depository.

"Service of documents"

- 6 The Depository shall furnish to the Company the information of transfer of securities and the records of beneficial ownership at such intervals and in such manner as may be stipulated under the Provisions of the Depositories Act.

Mefcom Capital Markets Limited

"Transfer of Securities"

- 7 Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

"Allotment of Securities dealt with in a depository"

- 8 Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

"Distinctive numbers of Securities held in a Depository"

- 9 Nothing contained in the Act or these Articles regarding the necessary of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

"Register and Index of beneficial owners"

- 10 The Register and Index of beneficial owners maintained by Depositories under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

"Other Matters"

Notwithstanding anything contained in these Articles or the provisions of Depositories Act, 1996 relating to deamaterialisation of securities (including any modification or reenactment thereof and Rules / Regulations made thereunder) shall prevail and apply accordingly.

To consider and if thought fit to pass with or without modifications, the following Resolution as a Special Resolution :-

- 11) "RESOLVED THAT" after Article 44B the new following Articles 46C be inserted under the heading "RIGHT OF NOMINATION "

Every holder of shares in or debentures of the Company may at anytime nominate in the manner prescribed under the Act a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares / debentures as the case may be or for transfer of the shares / debentures as the case may be shall be governed by Sections 109-A and 109-B and other applicable provisions of the Companies Act, 1956.

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002
Dated : 26th August, 2000

By order of the Board
for Mefcom Capital Markets Ltd.

(Vijay Mehta)
Chairman

NOTES :-

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself / herself and the proxy need not be a member. Proxies in order to be effective must be received at the Registered Office of the Company not less than fortyeight hours before this Annual General Meeting.

Mefcom Capital Markets Limited

- b. Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 29th September, 2000 to Saturday, the 30th September, 2000 (Both days inclusive).
- c. Members are requested to intimate the Company at its Registered Office change, if any, in their address for mailing purposes.
- d. 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 Annual General Meeting so that the same may be respond well in advance.
- e. Members are requested to bring their copy of annual report at the meeting.
- f. The relevant explanatory statement pursuant to section 173 of the Companies Act, 1956 in respect of Item No.5 of the notice set out above, is annexed hereto.

EXPLANATORY STATEMENT UNDER SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No.5

With the introduction of the Depositories Act, 1996 and Depository System, some of the provisions of the Companies Act, 1956 in relation to the issue, holding transfer and Transmission of shares, debentures and other securities have been amended to facilitate the implementation of the new system. The Depository system is safe and convenient method to hold and trade in the securities of the Company. The system will eliminate several problems experienced in the scrip based system such as bad deliveries, fraudulent transfers and transmission, theft in postal transit, time taken in registration of transfer, maintenance of share certificate etc. The system also offers several cost advantages such as no postage expenses, exemption from stamp duty on transfers etc. Your Company has already initiated steps to introduce depository system in the Company.

The Companies Act, 1956 as amended by the Companies (Amendment) Act, 1999 has provided to every holder of shares or debentures or other securities an option to nominate a person to whom his shares or debentures of the Company shall vest in the event of his death.

It is proposed to amend the Article of Association of the Company suitably incorporating therein necessary provisions relating to the implementation of the Depository System and for providing nomination facilities with conformity with the Depositories Act, 1996 and the Companies Act, 1956 respectively as amended from time to time. Opportunity is also being availed to make certain other alterations in the Articles of Association to bring in conformity with the provisions of the Companies Act 1956 and the Depository Act 1996 respectively.

The Resolutions are accordingly recommended for approval of the Members by means of special resolutions as required under section 31 of the Companies Act 1956.

None of the Directors of the Company except Mr Vijay Mehta and Mrs. Indu Mehta are interested to the extent of their shareholding in the Company

Copy of the Memorandum and articles of Association of the Company together with the proposed alterations shall be kept open for the inspections of the shareholders at the Registered Office of the Company on any working day upto and inclusive of the date of the Annual General Meeting between 3.00 P.M. to 5.00 P.M.

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002
Dated : 26th August, 2000

**By order of the Board
for Mefcom Capital Markets Ltd.**

**(Vijay Mehta)
Chairman**

Mefcom Capital Markets Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts of the Company for the Year ended 31st March, 2000.

FINANCIAL RESULTS

	YEAR ENDED 31 ST MARCH, 2000 (Rs. IN LACS)	YEAR ENDED 31 ST MARCH, 1999 (Rs. IN LACS)
Gross Income	367.96	42.70
Profit / (Loss) before interest, depreciation and tax	165.14	(34.04)
Depreciation	32.84	35.84
Provisions for Tax / Tax Adjustments	15.88	2.87
Profit / (Loss) after tax	116.42	(72.75)

OPERATIONS AND FUTURE OUTLOOK

The Gross Income of the company has increased from Rs. 42.70 Lacs to Rs. 367.96 Lacs during the year and the Net Income for the Current Year stands at Rs.116.42 Lacs. Your Directors have now made full provisions for the Bad Debts of earlier years but still there is a carry forward loss of Rs. 202.45 Lacs as you can see from the enclosed Balance Sheet. The Networth of the company has significantly eroded due to the losses in the previous years.

In view of the increasing competition - both from direct manufacturers and banks - your directors have decided to gradually withdraw from Hire Purchase & Leasing operations. The company, therefore, did not enter into any fresh contracts after September, 1999. About 80% of the existing contracts are expected to expire by 31st March, 2001 and the balance by 30th September, 2001. Almost all the balance funds of the company, therefore, are presently invested in Stocks which have given good appreciation during the year in view of a bullish Stock Market. This trend is expected to continue in the current year as well.

As per SEBI Notification, your company has been included in the list of companies who have to compulsarily go for Demat of their shares. The necessary notices in this regard are being enclosed. You are requested to kindly send your shares for Demat which will also facilitate your future trading in the shares.

You can now also visit us on the Website at www.mefcom.com to know more about your company as well as to get the latest market information.

DIVIDEND

In view of the carry forward losses, your Directors regret their inability to recommend any dividend.

DIRECTORS

Mr. Deepak Talwar and Mr. Jagjit Sinha, Directors of the Company are liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offer themselves for reappointment. The Board recommends their reappointment.

FIXED DEPOSIT

The company does not have any public deposits.

Mefcom Capital Markets Limited

AUDITORS

M/s. V.K. Dhingra & Company, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting, being eligible for reappointment, have expressed their willingness to be reappointed, as statutory auditors of the Company. Your Directors recommended their reappointment.

PARTICULARS OF EMPLOYEES

The Company has no employees in the Category of employees specified under section 217 (2A) of the Companies Act, 1956.

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

Your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, the Company did not have any foreign exchange earning and outgo.

SUBSIDIARY COMPANIES

Company does not have any subsidiary company.

DEPOSITORY SYSTEM

SEBI through their Circular No. SMDRP / Policy / CIR- / 2000 dated 29/5/2000 indicated that delivery of Shares of your Company in dematerialised form will be compulsory with effect from 26.12.2000. The Board of Directors are taking necessary steps in regard.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support from its Bankers, Government Authorities, Business Constituents, shareholders & employees.

Regd. Office :
12/3 Asaf Ali Road
New Delhi - 110 002
Dated : 26th August, 2000

for and on behalf of the Board
for Mefcom Capital Markets Ltd.

(Vijay Mehta)
Chairman

Mefcom Capital Markets Limited

AUDITORS' REPORT

To
The Members of
MEFCOM CAPITAL MARKETS LIMITED

We have audited the attached Balance Sheet of **MEFCOM CAPITAL MARKETS LIMITED** as at 31st March, 2000 and also the Profit and Loss Account of the Company for the year ended on that date annexed thereto and report that :

- 1 As required by the Manufacturing and Other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 2 Further to our comments in the annexure referred to in paragraph 1 above :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 except for non-compliance of Accounting Standard in respect of Accounting for gratuity payable to employees which has not been accounted for on accrual basis.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the accounts, subject to non-provision of accruing liability for gratuity, effect of which on the accounts not being ascertained and read with notes thereon, given in Schedule 'J' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view :
 - i) In case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2000 and
 - ii) In case of Profit and Loss Account of the Profit of the Company for the year ended on that date.

for **V.K. Dhingra & Co.**
Chartered Accountants

(V.K. Dhingra)
Partner

Place : New Delhi
Dated : August 26, 2000