

# ANNUAL REPORT

## 2002 2003

**Strengthening Efforts.  
Realising Dreams.**

**Mefcom Capital Markets Ltd.**





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# **Mefcom Capital Markets Ltd.**

## **AUDITED FINANCIAL RESULTS 2002-2003**

**BOARD OF DIRECTORS** : Mr. Vijay Mehta (Chairman)  
Mr. Jagjeet Sinha  
Mr. Alok Sharma  
Mr. Balraj Malhotra  
Mr. T.R. Khare  
Ms. Priyanka Mehta

**AUDITORS** : V.K. Dhingra & Co.  
*Chartered Accountants*  
1E/15, Jhandewalan Extn.  
New Delhi - 110 055

**BANKERS** : Oriental Bank of Commerce  
HDFC

**REGISTERED OFFICE** : 12/3, Asaf Ali Road  
New Delhi – 110 002

**REGISTRAR & SHARE  
TRANSFER AGENTS** : Intime Spectrum Registry Ltd.  
A-31, 3rd Floor,  
Naraina Industrial Area, Phase-I  
Near PVR Cinema  
New Delhi – 110 028



**A PROFESSIONALLY MANAGED, TECHNOLOGY-DRIVEN ENTERPRISE**



### NOTICE

Notice is hereby given that the 18<sup>th</sup> Annual General Meeting of the Company will be held at 9.30 A.M. at Mehta farms, Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi-110071 on Tuesday, the 30<sup>th</sup> September, 2003 to transact the following business.

#### ORDINARY BUSINESS :-

1. To consider and adopt the audited Balance Sheet as at 31<sup>st</sup> March, 2003, Profit and Loss Account for the year ended on that date and the Reports of the Auditors and Directors thereon.
2. To appoint a director in place of Mr. Vijay Mehta who retires by rotation at the conclusion of this Annual General Meeting and being eligible for re-appointment.
3. To appoint a director in place of Mr.T.R. Khare who retires by rotation at the conclusion of this Annual General Meeting and being eligible for re-appointment.
4. To appoint Auditors and fix their remuneration.

#### SPECIAL BUSINESS :-

5. To consider and if thought fit to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION**.  
**RESOLVED That** Mr.Balraj Malhotra, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 28<sup>th</sup> March 2003 under section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the Company has received a notice from a member, proposing his candidature for the office of a Director under the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, where period of office shall be liable to determination by rotation.
6. To consider and if thought fit to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION**.  
**RESOLVED That** Mr.Alok Sharma, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 28<sup>th</sup> March 2003 under section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the Company has received a notice from a member, proposing his candidature for the office of a Director under the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, where period of office shall be liable to determination by rotation.
7. To consider and if thought fit to pass with or without modification(s) the following resolution as **ORDINARY RESOLUTION**.  
**RESOLVED THAT** Ms. Priyanka Mehta, who was appointed as an Additional Director of the Company by the Board of Directors w.e.f. 31<sup>st</sup> July 2003 under section 260 of the Companies Act, 1956 and who holds office upto the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the Company has received a notice from a member, proposing her candidature for the office of a Director under the provisions of section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, where period of office shall be liable to determination by rotation.
8. To consider and if thought fit to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION**.  
**RESOLVED THAT** in accordance with the applicable provisions of the Companies Act, 1956, The Securities Contracts (Regulation) Act, 1956, the Listing Agreement with Stock Exchanges and the provisions of the Securities And Exchange Board of India (Delisting of Securities) Guidelines 2003, or any amendment or modification thereof and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions or sanctions which may be agreed to by the Board of Directors of the Company (the Board) or any Committee / person's authorised by the Board, consent be and is hereby accorded to delist the shares of the Company from the Stock Exchange at Delhi.  
**RESOLVED FURTHER THAT** the authority be and is hereby accorded to the Board or any Committee / person's authorised by the board, to settle all questions, difficulties or doubts that may arise in this regard and to do all such acts, deeds, and things as may be necessary, expedient and desirable, for the purpose of giving effect to this resolution.

Regd. Office  
12/3 Asaf Ali Road  
New Delhi – 110 002

By order of the Board  
For Mefcom Capital Markets Ltd.

Place : New Delhi  
Dated: September 4<sup>th</sup> 2003

(Vijay Mehta)  
Director





## NOTES

- a) Explanatory statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
- b) 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 forty eight hours before this Annual general Meeting.
- c) Register of Members and the share transfer books of the Company will remain closed from Monday the 29<sup>th</sup> September 2003 to 30<sup>th</sup> September 2003 (both days inclusive).
- d) M/s. Intime Spectrum Registry Ltd. A-31, 3<sup>rd</sup> Floor, Naraina Industrial Area, Phase-1, Near PVR, Cinema, New Delhi – 110028 have been appointed Registrar and Share Transfer Agent of the Company for electronic mode and Transfer of Shares physically. Pursuant to the directions of Securities Exchange Board of India (SEBI), trading of the shares of the Company is in compulsory de-materialized form for all investors. The specific ISIN No., allotted to the Company is INE 188C01011.
- e) Members are requested to intimate to M/s Intime Spectrum Registry Ltd. A-31, 3<sup>rd</sup> Floor, Naraina Industrial Area, Phase-1, Near PVR, Cinema, New Delhi – 110028, change, if any, in their address for mailing purposes.
- f) Pursuant to the provisions of Section 205A/ 205C of the Companies Act, 1956, as amended, Dividend for the financial year ended 30<sup>th</sup> June 1996 which remains unpaid or unclaimed for a period 7 years, will be due for transfer to the Investor Education and Protection Fund of the Central Government. Shareholders who have not encashed the dividend warrant(s) so far are requested to make their claim to the Registered Office of the Company. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as above, no claim shall lie in respect thereof.
- g) 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.
- h) Members are requested to bring their copy of Annual Report at the meeting.

### INFORMATION PURSUANT TO CLAUSE 49 VI A OF THE LISTING AGREEMENT

At the ensuing Annual General Meeting, Mr. Vijay Mehta & Mr. T.R.Khare retire by rotation and being eligible, offer themselves for reappointment and Mr. Balraj Malhotra, Mr. Anurag Swarup Aggarwal & Ms. Priyanka Mehta are seeking appointment. The information/details pertaining to these Directors to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the statement on Corporate Governance published in this Annual Report.

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

#### Item No.5

Mr. Balraj Malhotra was appointed Additional Director of the Company w.e.f. 28.03.2003 and holds office up to the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Mr. Balraj Malhotra as Director of the Company.

Except Mr. Balraj Malhotra, none of the Directors is concerned or interested in the resolution.

#### Item No.6

Mr. Alok Sharma was appointed Additional Director of the Company w.e.f. 28.03.2003 and holds office upto the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Mr. Alok Sharma as Director of the Company.

Except Mr. Alok Sharma, none of the Directors is concerned or interested in the resolution.

#### Item No.7

Ms. Priyanka Mehta was appointed Additional Director of the Company w.e.f. 31.07.2003 and holds office upto the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying her intention to propose the appointment of Ms. Priyanka Mehta as Director of the Company.

Except Ms. Priyanka Mehta and Mr. Vijay Mehta (being father of Ms Priyanka) none of the Directors is concerned or interested in the resolution.

#### Item No.8

The Securities And Exchange Board Of India (SEBI) has issued the (Delisting of Securities) Guidelines, 2003 (hereinafter referred to as "delisting Guidelines") incorporating among other provisions of delisting of securities of a Body Corporate voluntarily by a promoter or acquirer or any person other than the Stock exchanges.



The Equity Shares of the Company were listed on the following Stock Exchanges in India:

The Delhi Stock Exchange Association Limited.

The Stock Exchange, Mumbai

With the extensive networking of The Stock Exchange, Mumbai (BSE) as also the extension of BSE terminals to other cities as well, investors have access to online dealings in equity shares of the Company across the Country. The bulk of the trading in the Company's equity shares takes place on the BSE and trading in the Company's equity shares on The Delhi Stock Exchange Ltd., was not significant. Keeping in view the above facts it is proposed to get the shares of the Company delisted from The Delhi Stock Exchange Association Limited.

This resolution as a part of its cost reduction measures would enable the Company for voluntary delisting of its equity shares from The Delhi Stock Exchange Association Limited.

The proposed delisting of the Company's equity shares from The Delhi Stock Exchange Association Limited, as and when it take place, will not affect the investors.

Directors recommend the resolution for approval of the shareholders.

None of the Directors of the Company may be deemed to be interested in the said resolution.

**Regd. Office**  
12/3 Asaf Ali Road  
New Delhi – 110 002

By order of the Board  
For Mefcom Capital Markets Ltd.

Place : New Delhi  
Dated: September 4<sup>th</sup> 2003

(Vijay Mehta)  
Director







## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 18<sup>th</sup> Annual Report together with the Audited Accounts of the company for the year ended 31<sup>st</sup> March, 2003.

### FINANCIAL RESULTS

	YEAR ENDED 31 <sup>ST</sup> MARCH, 2003 (Rs. IN LACS)	YEAR ENDED 31 <sup>ST</sup> MARCH, 2002 (Rs. IN LACS)
Gross Income	8.13	28.06
Profit / (Loss) before Interest, Depreciation and Tax	(49.99)	(203.42)
Depreciation	3.31	18.02
Interest	1.11	0.00
Prior period expenses and others	0.24	0.00
Profit / (Loss) after tax	(54.65)	(221.44)

### OPERATIONS AND FUTURE OUTLOOK

The gross income of the company has reduced substantially due to lack of activity in the areas of your company's operations. However, the company has reported a nominal loss in view of the Stock Prices now being stable and the general upward movement ahead. In view of the same, your directors are hopeful of better Balance Sheet this year in consonance with the improvement in Stock Markets.

As reported last year, all Hire Purchasing & Leasing contracts of the company have come to an end and barring a few bad cases of financing of trucks, the return earned by the company has been satisfactory. Your directors do not wish to resume financing of automobiles and would like to concentrate on its core areas only. There has been significant development on the recovery of Bad debts which had been written off earlier and your directors are hopeful of recovering more than Rs. 100 lacs from different parties in the current year.

In view of the recessionary trends, there has hardly been any public issues or Merchant Banking activities. No new projects are being set-up in the country and no public issues are getting subscription from the investors as a whole. In view of the same, Merchant Banking Division has also not been doing up to the expectations. We sincerely hope that the stock market and the economic factors in the country continue to improve so that things are back to health.

Your company had earlier become the holding company for Mefcom Securities Ltd. (Corporate Members : Delhi, Mumbai & National Stock Exchanges, Dealer : OTCEI) & Mefcom Agro Industries Ltd. (Manufacturer & Exporters of Agro Based Food Products) during the preceding financial year. However, due to change in the shareholding pattern, Mefcom Agro Industries Ltd. is no longer a subsidiary of your company whereas Mefcom Securities Ltd. continues to be so. Further IKMA Enterprise Ltd. (Proposed Name: Mefcom Commodity Brokers Ltd.) is also added as a subsidiary of your company. The total operations of Mefcom Group of Companies are divided into two segments – the Food Processing Unit & the Financial Services. All Companies engaged in financial services have been brought under the Umbrella of your company as a holding company and the Food Processing Unit has been separated as an Independent Company under the name of Mefcom Agro Industries Ltd. Accordingly, the accounts statement of Mefcom Securities Ltd. and IKMA Enterprise Ltd. also form part of this balance sheet.

### DIVIDEND

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

### DIRECTORS

Mr. Vijay Mehta & Mr. T.R. Khare 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.



Mr. Deepak Talwar, Director of the company, resigned from the Board w.e.f. 28.03.03 and Mrs. Indu Mehta resigned from the Board w.e.f. 31.07.03. Your directors would like to place on record their sincere thanks and appreciation for the services rendered by them during their tenure as a member of the Board of Directors of the company.

Mr. Alok Sharma appointed as an additional director of the company w.e.f. 28.03.03, shall hold office upto the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Mr. Alok Sharma as a Director.

Mr. Balraj Malhotra appointed as an additional director of the company w.e.f. 28.03.03, shall hold office upto the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Mr. Balraj Malhotra as a Director.

Ms. Priyanka Mehta appointed as an additional director of the company w.e.f. 31.07.03, shall hold office upto the conclusion of this Annual General Meeting. A notice under section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the appointment of Ms. Priyanka Mehta as a Director.

Brief resume of the above Directors together with the nature of their expertise, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, is given in the section on Corporate Governance.

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31<sup>st</sup> March, 2003 and of the loss of the Company for that period.
- The Directors have 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 have prepared the Annual Accounts on a going concern basis.

### **FIXED DEPOSIT**

The company does not have any public deposits.

### **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 recommend their reappointment.

### **PARTICULARS OF EMPLOYEES**

Particulars of employee pursuant to section 217 (2A) of the Companies Act, 1956, read with companies particulars of employees rules, 1975, as amended, and forming part of this Director Report are Nil.

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

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

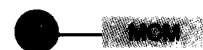
During the year under review, the Company did not have any foreign exchange earning or outoto.

### **INSURANCE**

The Company's property and assets 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 the following Exchanges :







1. The Delhi Stock Exchange Association Ltd. 3/1, Asaf Ali Road, New Delhi – 110 002.
2. The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001

#### **CORPORATE GOVERNANCE**

As per the amended listing agreement with the Stock Exchanges, your company was required to comply with the requirement of Corporate Governance upto 31<sup>st</sup> March 2003. The Board of directors are pleased to announce that all necessary steps to comply with the requirements as per the listing agreement have been taken and the detailed report on Corporate Governance has been included separately in Annexure-1 of this Director Report.

#### **ACKNOWLEDGMENT**

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

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

Place : New Delhi  
Dated: September 4<sup>th</sup> 2003

(Vijay Mehta)  
Director





## Mefcom Capital Markets Limited

ANNEXURE – A

### CORPORATE GOVERNANCE REPORT

#### 1.0 PHILOSOPHY

The Company believes in sound and transparent Corporate Governance practices. The Company is committed to make adequate disclosures and to adopt consistent reporting system to its stakeholders. The Board of Directors of the Company comprises of adequate number of independent Directors. The Board has already constituted several committees such as Audit Committee, Remuneration Committee, Share Transfer & Shareholders Grievances Committee as per Corporate Governance Code.

#### 2.0 BOARD OF DIRECTORS

##### 2.1 COMPOSITION AND OTHER PARTICULARS

As on 31<sup>st</sup> March, 2003 the Board of Directors comprised of 6 Directors. Shri Vijay Mehta, as Chairman and Mrs.Indu Mehta, as Managing Director, Shri Jagjeet Sinha and Shri T.R. Khare as Non-Executive, Non-Independent Directors and Shri Balraj Malhotra, and Sh. Alok Sharma as Non-Executive, Independent Directors of the Company. The composition of the Board as on 31<sup>st</sup> March 2003 is in conformity with the Corporate Governance Code.

Details of Directorship in other Companies (excluding Private Limited Companies, Foreign Companies and section 25 Companies), Chairmanship and Committee membership held by the Directors as on 31<sup>st</sup> March, 2003, are given below:

Name of the Director	Category	Membership of the Board of other Companies	Chairmanship of the Board of Other Companies	Committees Membership of other Companies	Chairmanship of the Committees of other Companies
Shri Vijay Mehta	Non-Executive Non-Independent Chairman	4	3	-	-
Mrs Indu Mehta	Executive Non Independent Managing Director	2	-	-	-
Shri Jagjeet Sinha	Non-Executive Non-Independent Director	1	-	-	-
Shri Balraj Malhotra 28.03.2003	Non-Executive Independent Director	-	-	-	-
Shri Alok Sharma 28.03.2003	Non Executive Independent Director	2	2	-	-
Shri T.R. Khare 31.07.2003	Non-Executive, Non Independent Director	2	-	1	-