

# Annual Report 2006-07

## MEFCOM

*creating wealth through knowledge*

**Mefcom Capital Markets Ltd.**

► BROKERAGE & DISTRIBUTION ► MERCHANT BANKING ► PORTFOLIO MANAGEMENT





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# Mefcom Capital Markets Limited

<b>BOARD OF DIRECTORS</b>	: Vijay Mehta, Chairman Sham Nijhawan T.R. Khare Priyanka Mehta
<b>AUDITORS</b>	: V.K. Dhingra & Co. Chartered Accountants E/15, Jhandewalan Extn New Delhi 110055
<b>BANKERS</b>	: HDFC Bank Oriental Bank of Commerce
<b>SHARE REGISTRARS &amp; TRANSFER AGENTS</b>	: Beetal Financial Computer services Pvt. Ltd 99, Beetal House, Madangir, New Delhi - 110062
<b>REGISTERED OFFICE</b>	: 5th Floor, Sanchi Building 77, Nehru Place New Delhi - 110019

## NOTICE

Notice is hereby given that the 22nd Annual General Meeting of the Company will be held on Saturday, the 29th September, 2007, at 11.00 A.M. at Ikma Estate, E-15, Ansal Villas, Satbari, New Delhi 110030 to transact the following business:

### ORDINARY BUSINESS:-

1. To consider and adopt the audited balance sheet, profit and loss account for the year ended 31st March 2007 along with the Directors' and Auditors' reports thereon.
2. To appoint a Director in place of Ms. Priyanka Mehta, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as a "**Ordinary Resolution**":

"RESOLVED THAT pursuant to Section 293(1)(e) of the Companies Act 1956 and any other applicable provisions if any the company be and is hereby authorised to pay 5% of its net profits of every financial year to "Vijay Mehta Foundation" (Charitable trust of Mefcom Group).

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION**:

"RESOLVED THAT in terms of Schedule XIII of the Companies Act 1956 and pursuant to section 198, 269, 310 and other applicable provisions if any, of the Companies Act, 1956 and subject to such other approval / sanction as may be necessary, Mr. Vijay Mehta be and is hereby appointed as Executive Chairman of the Company for the period of three years with effect from 01.10.2007 on a remuneration and other terms and conditions set out hereinafter.

#### a. Salary

Salary of Rs.250000/- (Rupees two lac fifty thousand only) P.M.

#### b. Commission on Net Profit:-

In addition to salary Mr. Vijay Mehta will be also entitled for Annual Performance Incentive, to be decided by the Board of Directors/ Remuneration Committee from time to time based on performance criteria to be fixed by the Board for each financial year within the maximum amount payable in accordance with the provisions of section 349 to 350 of the Companies Act 1956 or any amendments/ approvals hereafter in this regard..

#### c. Perquisites

In addition to salary as stated above, Mr. Vijay Mehta will also be entitled to perquisites restricted to an amount equal to the annual salary or Rs.30,00,000/- per annum, whichever is less. For this purpose the perquisites are classified into three categories part A, B, & C as follows:-

#### PART A

##### 1. Housing:-

- a. In case of unfurnished accommodation hired by the Company, on hiring of such accommodation shall not exceed 60% of the salary, over and above payable by the Managing Director himself.
- b. In case of the accommodation provided is owned by the Company, 10% of the salary of the Managing Director shall be deducted by the Company.
- c. In case no accommodation is provided by the Company, the Managing Director shall be entitled to House Rent Allowance subject to the ceiling laid down in (1) (a) above.
- d. The expenditure incurred by the Company on gas, electricity, water and furnishing will be valued as per Income Tax Rules, 1962. This will however, be subject to ceiling of 10% of the salary of Managing Director.

##### 2. Medical Reimbursement:-

Expenditure incurred for self and family subject to ceiling of one month salary per year or three months salary over a period of three years.

##### 3. Leave Travel Concession:-

For self and family once in a year to and from place in India subject to the condition that only actual fare A.C. 1st class / by Air, shall be reimbursed.



## 4. Club Fees:-

Fees of club to maximum of two clubs, admission and life membership fees being not allowed.

## 5. Personal Accident Insurance:-

Premium not to exceed Rs.10000/- per annum.

**PART B**

Contribution made by the Company to the provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

2. Payment of gratuity at the rate of one half month's salary for each completed years of service.

**PART C**

1. Provision of Company's car with driver for use on Company's business and telephone at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.
2. Leave with full pay and allowances in accordance with rules of the Company. Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.
3. Mr. Vijay Mehta shall not be entitled for sitting fees for attending meeting of the Board or committee w.e.f. taking over charge as Executive Chairman.
4. Mr. Vijay Mehta shall not retire by rotation.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of Mr. Vijay Mehta as Executive Chairman, the Company has no profits or the profit are inadequate, the remuneration by way of salary and perquisites as above shall be payable to him as the minimum remuneration or as prescribed in Schedule XIII of the Companies Act 1956, whichever is less.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the said appointment so as not to exceed the maximum limits of payment of managerial remuneration prescribed in Schedule XIII The Companies Act, 1956 or any amendments thereto or any other guidelines issued by the Central Government from time to time or any amendments in the Companies Act, 1956.

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as **SPECIAL RESOLUTION:**

**RESOLVED THAT PURSUANT TO** Section 149(2A) of the Companies Act, 1956 and other applicable provisions, if any, the Company is hereby authorised to commence the business as mentioned under Serial No. 10, 18, 19(a), 19(b), 24 and 34 under the heading OTHER OBJECTS in Memorandum of Association of the Company.

Regd.Office:  
5th Floor, Sanchi Building,  
77, Nehru Place  
New Delhi - 110 019

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

(Vijay Mehta)  
Chairman

Place: New Delhi  
Dated: August 28, 2007

**NOTES:-**

- a) 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 this Annual general Meeting.
- b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed here to.
- c) Register of Members and the Share Transfer books of the Company will remain closed w.e.f. Friday the 28th September 2007 to Saturday the 29th September 2007 (both days inclusive).
- d) M/s Beetal Financial Computer Services Pvt. Ltd. 99 Beetal House, Madangir, New Delhi - 110062, is Registrar and Share Transfer agent 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.
- e) 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 address for mailing purposes.
- f) 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 Registrar M/s Beetal Financial Computer Services Pvt. Ltd.
- 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) 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.

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

Item No. 4

"Vijay Mehta Foundation" is Charitable Trust of the Mefcom Group founded for charitable purposes.

Therefore keeping in consideration the interest of the society, your Directors recommends this resolution for your approval.

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

## Mefcom Capital Markets Limited



## Item No.5

Mr. Vijay Mehta is presently the Chairman of the company. He is looking after the overall operations of the company. He is a man of varied experience in diverse fields. Moreover he is well known figure in the financial circle of the Country. Your Directors therefore recommend for your approval his appointment as Executive Chairman and utilize his services in the capacity of Executive Chairman on remuneration as mentioned in the body of the resolution which would be in the interest of the Company. It is proposed that he should be appointed as a Executive Chairman w.e.f. 1st October, 2007 for a period of three years by special resolution.

Mr. Vijay Mehta is also holding a position of Managing Director in Mefcom Securities Limited.

Keeping in consideration the interests of the company, your Directors recommends this resolution for your approval.

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

## Item No. 5

The company propose to commence the Business mentioned under serial No. 10, 18, 19(a), 19(b), 24, and 34 under the heading OTHER OBJECTS of Memorandum of Association of the Company which are as follows:

10. To store, sell and generally to trade and deal in petroleum and all kinds of mineral oils all products and bye-products thereof including wax, paraffin, soap, paint, varnish, lubricants, illuminant and butter substitutes, oil cloth, candles, glycerin, steaming and in connection therewith to acquire construct, repair, operate and use oil and other refineries buildings, mills, factories, oil wells, derricks, distilleries, ghanies, rotaries, expellers mechanical or hydraulic press.
18. To carry on all or any of the business of constructional engineers, architects, builders, contractors, decorators, electricians, wood workers and pavours and to acquire, develop, buy, sell, real estate, multi-storeyed or other buildings group housing schemes.
19. (a) To purchase sell, develop, take in exchange, or in lease, hire or otherwise acquire, whether for investment or sale, or working the

same, any real or personal estate, including lands, mines, business, building, factories mill, houses, cottages, shops, depots, warehouses, machinery, plant, stock in trade, mineral, rights, concessions, privileges, licenses, easement or interest in or without respect to any property whatsoever for the purpose of the Company in consideration for a gross sum or rent or partly in one way and partly in the other or for any other consideration.

- (b) To carry on business as proprietors of flats and buildings and to let on lease or otherwise apartments therein and to provide for the conveniences commonly provided in flats, suits and residential and business quarters.
24. To buy, sell, deal in and speculate in shares and securities, foreign exchange, gold, silver, cotton, jute, hessian, oils, oil seeds and commodities of all kinds, agricultural or otherwise finished or unfinished and to take delivery and hold them as permitted under the law from time to time in force.
34. To invest in, acquire, sale hold and otherwise deal in and invest in gold, silver, platinum or any precious stone (whether or not set in any furnitures, utensils other articles or worked or sewn into any wearing apparel) metal, alloy etc., and to invest in any ornaments made of gold, silver, platinum or any other precious metal or any alloy containing one or more such precious metals whether or not containing any precious or semi precious stone and wearing apparel.

The approval of Members by Special Resolution in General Meeting to the commencement by the company of the said new business is considered necessary in view of the requirement of Section 149(2A) of the companies Act, 1956 read with the explanation thereof.

The Board recommends the passing the resolution mentioned against item No. 5.

None of the directors is concerned or interested in the above resolution.

By order of the Board  
for Mefcom Capital Markets Ltd.

Regd. Office:  
5th Floor, Sanchi Building.  
77, Nehru Place New Delhi - 110 019

(Vijay Mehta)  
Chairman

Place: New Delhi  
Dated: August 28, 2007





Mefcom Capital Markets Limited

## Mefcom Capital Markets Limited

### DIRECTORS REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 22nd Annual Report together with the Audited Accounts of the company for the year ended 31st March 2007.

#### FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2007 (Rs. IN LACS)	FOR THE YEAR ENDED 31ST MARCH, 2006 (Rs. IN LACS)
Gross Income	52.99	245.76
Profit / (Loss) before Interest, Depreciation and Tax	(70.62)	179.39
Depreciation	5.57	1.15
Interest	6.27	4.12
Provision for Income Tax (incl. fringe benefit tax)	0.45	27.10
Prior period expenses and others	0.54	4.89
Profit / (Loss)	(83.45)	142.13

#### OPERATIONS AND FUTURE OUTLOOK

Your Company has incurred a loss of Rs. 83.45 lacs as compared to the profit of Rs. 142.13 lacs in the previous year. This loss is mainly due to the erosion of value in the investment in shares held by the company during the year.

The company is aggressively pursuing the activities of Merchant Banking and Portfolio Management. Your company expects to have good results from these financial activities during this year.

During the year the company has issued 2758400 forfeited equity shares and the paid-up capital of the company has increased to Rs.8,14,01,680/-

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

#### DIVIDEND

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

#### DIRECTORS

Ms. Priyanka Mehta, Director of the Company is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offer herself for re-appointment.

Mr. Vijay Mehta, Chairman of the company has been appointed as Executive Chairman of the company by the Board of Directors in their meeting held on 28th August, 2007 and resolved the payment of remuneration as set out under agenda 4 of the Notice, with effect from 01.10.2007.

Mr. R.K.Pandey, Director of the company, resigned from the Board w.e.f. 01.04.2007. Your directors would like to place on record their sincere thanks and appreciation for the services rendered by him during his tenure as a member of the board.

#### 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 31st March, 2007 and of the benefit 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.

#### PUBLIC DEPOSIT

The company does not have any public deposits.

#### SUBSIDIARY COMPANIES

The financial statement along with report of directors of subsidiary companies namely Mefcom Securities Limited, Mefcom Commodity Brokers Limited and Mefcom Infrastructure Projects Limited for the year ended 31st March, 2007 are attached hereto. The statement under section 212 of the Companies Act, 1956 with respect to the said subsidiaries is attached together with the annual accounts of the company.

Mefcom Commodity Brokers Limited has ceased to be the subsidiary of Mefcom Capital Markets Limited and has become the subsidiary of Mefcom Securities Limited w.e.f. 11th June, 2007.

#### 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

Particulars of employees 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. However, an expenditure of Rs. 1,04,655/- (Rupees One lakh four thousand six hundred and fifty five only) has been incurred for the business purpose.

#### 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 Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.

#### CORPORATE GOVERNANCE

The detailed report on Corporate Governance has been included separately in Annexure '1' and '2' of the Directors Report.

#### ACKNOWLEDGEMENT

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

By order of the Board

for Mefcom Capital Markets Ltd.

Regd. Office:

5th Floor, Sanchi Building.

77, Nehru Place New Delhi - 110 019

Place: New Delhi

Dated: August 28, 2007

(Vijay Mehta)  
Chairman

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Mefcom Capital Markets Limited



# Mefcom Capital Markets Limited

## Forming part of Directors Report

## Annexure 1

### CORPORATE GOVERNANCE REPORT

#### 1.0 PHILOSOPHY

Our Corporate Governance philosophy rests upon the foundations of disclosures and transparency in dealing with stakeholders. We have made conscious efforts to institutionalize Corporate Governance practices and we believe that it shall go beyond adherence to the regulatory framework.

The Mefcom Group to which it belongs, is committed to ethical values and self discipline through good governance. The Company is committed to sound corporate practices based on conscience, professionalism and accountability in building confidence of its various stakeholders in it thereby paving the way for its long term success."

We remain committed towards protection and enhancement of overall long-term value and interest for all our stakeholders - shareholders, investors, customers, lenders and employees.

#### 2.0 Board of Directors

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically.

##### 2.1 Composition and Other Particulars

The Board of Directors comprises of 5 Directors, three of the whom i.e. Sh Vijay Mehta, Sh T.R.Khare and Ms Priyanka Mehta are Non-Executive-Non-Independent Directors. Sh Sham Nijhawan and Sh. R.K.Pandey are Non-Executive-Independent Directors. The composition of the Board as on 31st March, 2007 is in conformity with the Corporate Governance.

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 31st March, 2007, are given below:

Name of the Director	Category	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	Non-Executive Non-Independent Director	4	3	14	1
Sh T.R.Khare	Non-Executive Non-Independent Director	3	-	1	-
Ms Priyanka Mehta	Non-Executive Non-Independent Director	1	-	1	-
Sh Sham Nijhawan	Non-Executive Independent Director	2	-	-	-
Sh. R.K.Pandey*	Non-Executive Independent Director	5	-	1	-

\*Mr. R.K.Pandey (Non-Executive Independent Director) resigned from the Board w.e.f. 01.04.2007.

#### Note:

The committee Membership of Mr. Vijay Mehta includes membership other than Audit Committee, Compensation and Remuneration Committee as well as Share Transfer and Shareholders/Investors Grievance Committee.

#### 2.2 MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year ended 31st March, 2007, 14 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	03.04.2006	4	3
2	28.04.2006	4	3
3	24.07.2006	5	4

4	28.08.2006	5	4
5	06.09.2006	5	2
6	21.09.2006	5	2
7	29.09.2006	5	2
8	28.10.2006	5	5
9	05.12.2006	5	2
10	12.12.2006	5	3
11	11.01.2007	5	2
12	31.01.2007	5	2
13	17.02.2007	5	2
14	09.03.2007	5	2

The attendance of the Directors at the Board Meetings held during the year ended March 31, 2007 and at the last Annual General Meeting (AGM) is as under:



Name of the Director	Attendance in Board Meetings	Attendance in Last AGM
Sh Vijay Mehta	14	Y
Sh T. R. Khare	14	Y
Ms Priyanka Mehta	1	-
Sh Sham Nijhawan	5	-
Sh. R.K.Pandey	4	-

Other than the Annual General Meeting, there was no other General Meeting held during the year.

## 2.2 REMUNERATION OF DIRECTORS

The sitting fees to the Directors were paid as under during the financial year:

1. Sh T.R.Khare	Rs.6000/-
2. Sh Sham Nijhawan	Rs.3000/-
3. Sh R.K.Pandey	Rs.3000/-

The Company presently does not have any stock option scheme.

## Appointment/ Re-appointment/ Resignation of Directors

Brief particulars of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting are as follows:

Sh R.K.Pandey (Director) resigned from the Board of Directors of the Company w.e.f. 01.04.2007.

Ms. Priyanka Mehta, Director, of the Company retiring by rotation, is proposed to be re-appointed, at the ensuing Annual General Meeting.

Particulars of their other Directorship are given below:

Name of the Director	Details of other Directorships of Public Ltd. Companies	Committees memberships in other Companies
Ms. Priyanka Mehta	Mefcom Securities Limited	1

## 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 of Various Committees	Audit Committee	Remuneration Committee	Share Transfer & Shareholders/ Investors Grievance Committee
1	Sh Sham Nijhawan	Yes	Yes	Yes
2	Sh. T.R.Khare	Yes	Yes	Yes
3.	Sh. R.K.Pandey	Yes	Yes	Yes

Sh. Sham Nijhawan who is Chairman of Audit Committee, Remuneration Committee and Share Transfer & Shareholders / Investors Grievance Committee is a Fellow Member of Institute of Chartered Accountants of India and possesses over 15 years' experience in financial matters. Sh.T.R.Khare and Sh. R.K.Pandey are the other worthy members of Audit Committee, Remuneration Committee and Share Transfer & Shareholders/ Investors Grievance Committee as on 31.03.2007.

## 3.1 AUDIT COMMITTEE

The Board of Directors set up the Audit Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 2 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. The Chairman of the Committee continues to be Non-Executive Independent Director. Mr. Sham Nijhawan, the Chairman of this committee, is a Fellow Member of the Institute of Chartered Accountants of India and possesses over 16 years' experience in financial matters

Mr. R.K.Pandey resigned from the committee w.e.f. 01.04.2007.

During the year ended 31st March 2007, the committee held 5 Meetings on the following dates:

- 22nd April, 2006.
- 22nd July, 2006.
- 25th August, 2006.
- 21st October, 2006.
- 27th January, 2007.

The terms of the reference of 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 Auditors' on the Annual Accounts and on other accounting matters.
- To recommend re-appointment of Statutory Auditors, and other remuneration.

## 3.2 COMPENSATION AND REMUNERATION COMMITTEE

The Board of Directors set up the Compensation & Remuneration Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 2 Non-Executive Independent Directors and one Non-Executive Non-Independent Director, and the Chairman of the Committee continues to be a Non-Executive Independent Director.

Mr. Sham Nijhawan is Chairman of the committee.

During the year ended 31st March 2007, no committee meeting was held, in view of no business being on agenda.

- The Committee is empowered to decide remuneration and other terms and conditions of Executive Director.
- The Committee is empowered to decide on employees' Stock Option Schemes as and when such Scheme is considered for introduction in the Company.

## 3.3 SHARES TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE





## Mefcom Capital Markets Limited

The Board of Directors set up the Shares Transfer and Shareholders Grievance Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 2 Non-Executive Independent Directors and one Non-Executive, Non-Independent Director. The Chairman of the Committee continues to be a Non-Executive Independent Director.

During the year ended 31st March 2007, the committee held 12 Meetings on the following dates:

- |                       |                       |
|-----------------------|-----------------------|
| 1. 29th April, 2006   | 2. 25th June 2006     |
| 3. 17th August, 2006  | 4. 16th October, 2006 |
| 5. 31st October, 2006 | 6. 11th Dec, 2006     |
| 7. 10th Jan, 2007     | 8. 11th Jan, 2007     |
| 9. 17th Feb, 2007     | 10. 28th Feb, 2007    |
| 11. 10th March, 2007  | 12. 30th March, 2007  |

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.

### 4.0 MANAGEMENT

#### 4.1 Management Discussion and Analysis

The Company has provided a detailed management discussion and analyses in Annexure - 2 to the Report.

#### 4.2 DISCLOSURES

Details of transactions with related parties have been reported in Notes to Accounts as per Schedule 'K' in the Balance Sheet

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

#### 4.3 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. PAST THREE GENERAL BODY MEETINGS

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

AGM No.	Year	Date	Time	Venue
19 <sup>th</sup>	2004	30th Sept. 2004	10.30 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030.
20 <sup>th</sup>	2005	30th Sept. 2005	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030.
21 <sup>st</sup>	2006	30th Sept. 2006	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030.

### 6. POSTAL BALLOT

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

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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 Board approves them. These are also published generally in the "Money Makers" and "Mahalaxmi Bhagyodaya" Delhi.

The Company does not by itself display its periodic results in any Web Site, except EDIFAR Website as required by Listing Agreement.

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. The Management Discussion and Analysis Report form a part of the Directors Report.

### 8.0 GENERAL SHAREHOLDERS INFORMATION

#### 8.1 ANNUAL GENERAL MEETING

Date : 29th September 2007

Time : 11.00 A.M.

Venue : E-15 Ansal Villas, Satbari, New Delhi-110030

#### SPECIAL RESOLUTION PASSED AT THE PREVIOUS 3 AGMs

- 2004 : Appointment of Mr. S.R. Velanand as Whole Time Director.  
 2005 : Nil  
 2006 : Corporate Guarantee of Rupees one crore to HDFC Bank for Mefcom Securities Ltd. (borrower).

#### 8.2 FINANCIAL CALENDAR 2007-08

- First Quarter Results	By the end of July, 2007
- Second Quarter / Half yearly Results	By the end of October, 2007
- Third Quarter Results	By the end of January, 2008
- Annual Results (UN-audited) for the year ending March 31, 2008	By the end of April, 2008
- Annual General Meeting	By the end of September, 2008

#### 8.3 BOOK CLOSURE

The Share Transfer Books and Register of Members shall remain closed from September 28, 2007 to September 29, 2007 (both days inclusive). Notice to this effect will be 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, 2007.

#### 8.5 LISTING OF SHARES

The Company's Equity Shares are listed at The Stock Exchange Mumbai (BSE) and the Stock Code is 531176.



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

The ISIN number to hold the shares in electronic mode is - INE186C01015.

### 8.6 LISTING FEES

The Company has paid listing fees to The Stock Exchange Mumbai (BSE) up to the financial year 2006-07.

### 8.7 MARKET PRICE DATA

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

Month	High (RS.)	Low (RS.)
April 2006	28.45	19.00
May 2006	23.95	15.80
June 2006	17.75	11.15
July 2006	11.76	8.00
August 2006	11.66	8.11
September 2006	13.60	8.50
October 2006	19.35	10.01
November 2006	16.19	10.81
December 2006	20.95	11.40
January 2007	22.40	14.40
February 2007	21.20	15.05
March 2007	17.50	13.45

### 8.8 SHARE TRANSFER AGENTS AND REGISTRARS

The transfer and demat of shares are being done by Beetal Financial Computer Services Pvt. Ltd., 99 Beetal House, Madangir, New Delhi-110062. The investors can send request for transfer and demat to:

M/s Beetal Financial Computer Pvt. Ltd.  
99 Beetal House, Madangir, New Delhi-110062

Shareholders holding shares in electronic form should address all their correspondence to their respective depository participant.

### 8.9 SHARE TRANSFER SYSTEM

All the Share transfers are processed by the Registrar and Share Transfer Agent namely Beetal Financial Computer Services Pvt. Ltd., 99 Beetal House, Madangir, New Delhi-110062., and approved by the Committee constituted by the Board for the said purpose. The Committee meets as and when required to approve share transfer received in physical form.

### 8.10 SHAREHOLDERS COMPLAINTS

The Company confirms that there are no share transfers received with valid documents lying pending on March 31, 2007, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.

Complaints received by the Company	11
Replied	11

Pending

Nil

All the complaints received by the Company during the year under review from investors were replied / resolved to the satisfaction of the investors.

Compliance Officer: Mr. R.N.Yadav, Manager Secretarial

Company Secretary: There is no Company Secretary in the Company

### 8.11 DEMATERIALISATION OF SHARES

The Company's shares are under demat form. The ISIN Number of the Company is INE186C01015. Members who are desirous of holding their shares in demat are requested to apply to their depository participants in the prescribed Demat Requisition Form along with original Share Certificates. About 94.65% of total shares are held in demat form as on 31st March, 2007.

### 8.12 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2007

Number of Equity Shareholding	Number of Share holders	% of Shareholders	No. of Shares	% of Total Shares
1-500	3328	88.87	512484	6.2957
501-1000	216	5.77	178287	2.1902
1001-2000	84	2.24	123400	1.5159
2001-3000	30	0.80	77037	0.9464
3001-4000	15	0.40	52672	0.6471
4001-5000	15	0.40	70171	0.8620
5001-10000	21	0.56	159319	1.9572
10001 & above	36	0.96	6966798	85.5854
Total	3745	100%	8140168	100%

### 8.12 CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2007

S. No	Category	No. of Shares Held	% of Shareholding
A.	Promoter's holding		
1.	Promoters		
	-Indian Promoters	5800000	71.25
	-Foreign Promoters	Nil	Nil
2.	Person acting in concert	Nil	Nil
	Sub - Total	5800000	71.25
B.	Non-Promoters Holding		
3.	Institutional Investors		
	a. Mutual Funds and UTI	70100	0.86
	b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions)	67547	0.83
	c. Foreign Institutional Investors	15000	0.18
	Sub - Total	152647	1.88