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**MUNOTH CAPITAL MERKET LIMITED**

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Tele:2870278,2843144

Regd.offices: Mittal Tower, 'B' Wing, 9th Floor, Nariman Point, Mumbai- 21

**NOTICE**

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NOTICE is hereby given that Twenty First Annual General Meeting of the members of the Company will be held at the Registered office of the Company at Mittal Tower, 'B' Wing, Office No.92, 9th Floor, Nariman Point, Mumbai - 400 021 on Saturday, the 27th September, 2003 at 5.00 p.m. to transact the following business :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts for the year ended 31st March, 2003 together with Director's Report along with compliance certificate and Auditor's Report thereon.
2. To appoint Director in place of Shri. SURESH S.JAIN who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditor's to hold office from the conclusion of this meeting until the conclusion of next Annual General meeting and to fix their remuneration.

By Order of The Board

(MR. SHANTILAL M JAIN)  
CHAIRMAN

Dated:16.08.2003

**NOTES**

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1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be member of the Company.
2. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the meeting.

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## MUNOTH CAPITAL MARKET LIMITED.

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## DIRECTOR' REPORT

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The Members,

Your Directors have pleasure in presenting their Twenty First Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2003.

## 1.FINANCIAL RESULTS:

	AS AT 31.03.2003	AS AT 31.03.2002
Profit Before Tax	34,67,206	37,87,860
Less:Income Tax	4,06,220	2,78,107
	30,60,986	35,09,753
Add:Excess provision for earlier years reversed	1,558	52,678
Less:Provision for Deffered Tax Liability	1,800	8,674
Add:Profit brought forward from previous years	1,95,65,434	1,60,11,677
Balance carried to Balance Sheet	2,26,26,180	1,95,65,434

## 2.DIVIDEND

The Directors do not recommend any Dividend for the year under review to strengthen the Foundation & Net worth of the Company as entire profit is retained for the business activities of the Company.

## 3.DIRECTORS

a. In accordance with the provision of the Companies Act, 1956 Shri.Suresh S.Jain, retire by rotation at the Annual General Meeting and is eligible for re-appointment.

## 4.PARTICULARS OF EMPLOYEES

None of the employees of the Company were in receipt of aggregating of remuneration by not less than Rs.24,00,000/- per annum, if employed for the full year not less than Rs.2,00,000/- per month, if employed for the year. Therefore provision of Section 217 (2A) of the Companies Act, 1956 are not applicable.

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#### 5. Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors' Responsibility statement, it is hereby confirmed that:

i. in the preparation of the annual accounts for the financial year ended 31st March, 2003 the applicable accounting standards had been followed

ii. the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were 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 the year under review ;

iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The Directors have prepared the annual accounts on a going concern basis.

#### 6. AUDITORS:

M/s. Vijay R. Tater & Co, Chartered Accountants, Mumbai, retire at ensuing Annual General meeting and are eligible for re-appointment have offered themselves for re-appointment, if re-appointed so.

#### 7. SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956.

THE Company has no activity relating to conservation of energy or technology absorption. The Company did not have any foreign exchange earnings or expenditure.

#### 8. AUDITORS REPORT.

The auditors in their report have referred to the notes forming part of the Accounts. The said notes are self explanatory.

#### 9. LISTING OF SHARES

The Company's shares are listed with Mumbai Stock Exchange, Dalal Street, Fort, Mumbai-400 023 and the listing fees for the year 2002-2003 has been paid on time.

For AND ON BEHALF OF THE BOARD.

Mumbai, Dated :16.08.2003

(S.H.JAIN)  
Chairman

**SHIV HARI JALAN**  
**B.COM., F.C.A., A.C.S.**  
**COMPANY SECRETARY**

104, MAHAVIR BUILDING, 44/46, POPATWADI LANE, KALBADEVI, MUMBAI-2  
Telephone: 22075834, Tele Fax: 22075835, Mobile: 9869035834, Residence: 28845111.

**COMPLIANCE CERTIFICATE**

U/S 383 A of the companies Act, 1956 & Rule 3 of the companies  
(compliance certificate) Rules, 2001.

Registration No.: 11-040833

Nominal Capital: Rs. 150 Lacs

To,

The Members,

**MUNOTH CAPITAL MARKET LIMITED**

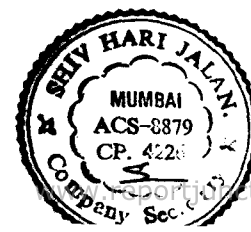
Mittal Tower,

'B' Wing, 2<sup>nd</sup> Floor,

Nariman Point, Mumbai-400021.

I have examined the registers, records, books and papers of MUNOTH CAPITAL MARKET LIMITED (Registration No.: 11-040833) (the company) as required to be maintained under the companies Act, 1956 (THE ACT) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31.03.2003. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in the respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms & returns as stated in Annexure "B" to this certificate, with the Registrar of companies, Regional Director, Central Government, Company law Board or other authorities within the time prescribed under the Act and the rules made there under
3. The company is a Public Limited company and hence comments are not required.
4. The board of Directors duly met Nine times on 08.04.2002, 30.04.2002, 31.07.2002, 12.08.2002, 14.08.2002, 20.09.2002, 30.10.2002, 30.01.2003 and 10.03.2003 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the Minutes Book maintained for the purpose.
5. The company closed its Register of members from 23.09.2002 to 27.09.2002.
6. The Annual General Meeting for the financial year ended on 31.03.2002 was held on 27.09.2002 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.



8. The company has not advanced any loan to its Directors and/or persons firms or companies referred in Section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. There were no instances falling within the purview of Section 314 of the Act.
12. The company has not issued any duplicate share certificates during the financial year under review.
13. The company has:
  - (i) Delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
  - (ii) Not deposited any amount in a separate bank Account as no dividend was declared during the financial year.
  - (iii) Not posted Warrants for Dividends to any members of the company as no dividend was declared during the financial year.
  - (iv) No Transaction Necessitating to transfer the amounts in unpaid dividend account, applications money due for refund, matured deposits, matured debentures and the interest accrued thereon, which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) Duly complied with the requirements of section 217 of the Act.
14. The board of Directors of the company is duly constituted and there was no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies during the financial year under certification.
15. The appointment of Whole time Directors has been made in compliance with the provisions of section 269 read with schedule XIII to the Act and no approval is required to be obtained from the Central Government, in terms of schedule XIII.
16. The company has not appointed any sole-selling Agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board /Regional Director/ Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
18. The directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provision of the Act and the rules made there under.
19. The company has not issued any shares, debentures or other securities during the financial year.
20. The company has not bought back any shares during the financial year.
21. The company has not redeemed any preference shares / debentures, during the financial year.

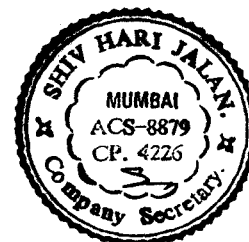


22. There was no transaction necessitating to keep in abeyance rights to dividend / rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited or accepted any Deposits including any unsecured loans falling within the purview of section 58A of the Act read with companies (Acceptance of Deposit) Rules 1975, during the financial year under review from public.
24. The amount borrowed by the company from Banks during the financial year ending 31.03.2003 is within the borrowing limits of the company.
25. The company has made loans and investments to other bodies corporate in compliance with the provision of the Act and has made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
27. The company has not altered the provisions of the memorandum with respect to the object of the company during the year under scrutiny.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. There was/were no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year under certification.
33. The company has not constituted its Provident Fund u/s.418 of the companies Act, 1956 and hence provisions of section 418 of the Act do not apply to the company.

**Place: Mumbai**

**Date: 16.08.2003**

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**SHIV HARI JALAN**  
**COMPANY SECRETARY**  
**C.P.NO. : 4226**  
**A.C.S.NO. : 8879.**



**MUNOTH CAPITAL MARKET LIMITED****Annexure "A"**

Registers as maintained by the company

1. Register of Members u/s. 150(1).
2. Register of Transfers.
3. Copies of Annual Return prepared u/s. 163(1)
4. Minutes of proceedings of meetings of Board of Directors and of general meeting u/s.193 (1).
5. Books of Accounts u/s. 209(1).
6. Register of contracts, companies and firms in which directors are interested u/s 301(1).
7. Register of Directors, Manager and Secretary u/s. 303(1).
8. Register of Directors shareholding u/s. 307(1).
9. Register of inter-corporate deposits / investments, etc. u/s. 372A(5) & (6).


**Annexure "B"**

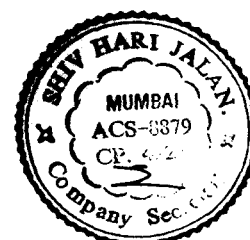
Forms and Returns as filed by company with the Registrar of the companies, Regional Director, Central Government or other authorities during the financial year ending on 31.03.2003:

Sr. No.	Form No./ return	Filed under section	For	Date of filing	Whether filed within prescribed time	If delay in filing whether requisite additional fee paid
1.	Annual Return	159	2001-02	22.11.02	Yes	N/A
2.	Balance sheet(with required annexure and schedules)	220	2001-02	04.10.02	Yes	N/A
3.	CCOM	383A	2001-02	04.10.02	Yes	N/A

Place: Mumbai

Date: 16.08.2003

  
**SHIV HARI JALAN**  
**COMPANY SECRETARY**  
 C.P.NO. : 4226  
 A.C.S. NO. : 8879





**Vijay R. Tater & Co.**

CHARTERED ACCOUNTANTS

**Vijay Raj Tater**  
B.Com., F.C.A.  
**Suresh G. Kothari**  
B.Com., F.C.A.

105, Chartered House,  
293/297, Dr. Cawasji Hormasji Street,  
Marine Lines, Mumbai - 400 002.  
Phone : 201 9601/ 206 1214.  
Fax : 206 8487.  
Date :

Ref No.:

To,  
The Members of  
**Munoth Capital Market Limited**  
92-B, Mittal Tower,  
Nariman Point,  
MUMBAI 400 021.

We have audited the attached Balance Sheet of **M/s. Munoth Capital Market Limited** as at 31st March, 2003 and the Profit & Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Manufacturing and other Companies (Auditors Report) Order 1983 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 to the extent applicable to the company.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that;
  - (a). We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - (b). In our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of the books.
  - (c). The Balance Sheet and Profit & Loss account referred to in this report are in agreement with the books of accounts.
  - (d). The balance sheet and profit & loss account comply with the mandatory accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



M/s. Munoth Capital Market Ltd.,  
A/c. year 2003-04

Vijay R. Tater & Co.  
Chartered Accountants

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(e). On the basis of written representation received from the directors as on 31st March, 2003 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2003 from being appointed as a Director in terms of Clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.

(f). In our opinion, and to the best of our information and according to the explanation given to us, the said accounts read together with the Significant Accounting Policies and other Notes there in Schedule 'M' generally give the information required by the Companies Act, 1956, in the manner so required and also give, subject to: -

- 1) Note no. A(2)(ii) of Accounting policies in respect of Dividend on shares accounted for on cash basis.
- 2) Note no. A(2)(iii) of Accounting policy in respect of income on doubtful advances is not recognised until realised as per guidelines issued by the Reserve Bank Of India for NBFC.
- 3) Note no. A(6) regarding non provision of liabilities for gratuity & leave encashment, amount unascertained, a true & fair view :-
  - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2003 and
  - (ii) In the case of the Profit and Loss account, of the Profit for the year ended on that date.
  - (iii) In case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **VIJAY R. TATER & CO.**  
Chartered Accountants

(V.R. TATER)  
Partner

Place: Mumbai  
Date: 16.08.2003

**Vijay R. Tater & Co.**  
Chartered Accountants

**ANNEXURE TO THE AUDITOR'S REPORT**  
(Referred to in Paragraph 1 of our report of even date)

**M/S. MUNOTH CAPITAL MARKET LIMITED**

1. The provision of Clause 4(A),(iii),(iv),(v),(vi),(xi),(xii),(xiv), 4B,(ii),(iii),(iv) and 4(C)(ii) of the aforesaid Orders are not applicable to the company for the year under review.
2. The Company has maintained proper records showing particulars, including quantitative details and situation of Fixed Assets. All the fixed assets, other than leased assets, have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
3. None of the fixed assets have been revalued during the year.
4. The Company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under section 301 of the Companies Act, 1956.
5. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956, except for loan given to a proprietary concern of a director and the terms and conditions of such loan are not prima-facie prejudicial to the interest of the Company.
6. In respect of loans and advances in the nature of loans, have been given by the Company are repaying the principal amounts as stipulated and are also regular in payment of the interest.
7. There are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of assets.
8. As explained to us the Company has not accepted any Deposits from the public to which provisions of Section 58(A) of the Companies Act, 1956, and the Companies (Acceptance of deposit) Rules 1975 apply.
9. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
10. The maintenance of cost records have not been prescribed by the Central Govt. U/S 209 (i)(d) of the Companies Act, 1956.
11. The Company is not contributory to the Provident Fund and Employees State Insurance Scheme as in the opinion of Directors, it is not applicable to the Company.
12. According to the information and explanations given to us, there are no undisputed & outstanding amounts payable in respect of Income Tax, Sales Tax, Customs Duty and Excise Duty which were outstanding as on 31st March, 2003 for a period of more than six months from the date they become payable.