

# MUNOTH CAPITAL MARKET LIMITED



## ANNUAL REPORT 2008-09

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## COMPANY DETAILS

### Board of Directors of Munoth Capital Market Limited

Shantilal M Jain  
Siddharth S Jain  
Suresh S Jain  
Smita Jain

### Statutory Auditors

Vijay R Tater & Co.

### Internal Auditors

Pankaj K Shah Associates

### Bankers

Bank of Maharashtra  
HDFC Bank Limited  
ICICI Bank Limited  
State Bank of India  
Syndicate Bank

### Registrars and Share Transfer Agent

Purva Sharegistry (India) Pvt. Ltd.,  
33, Printing House, 28-D, Police Court Lane,  
B/h. Old Handloom House, Fort,  
Mumbai-400001.

### Registered Office

92/B, Mittal Tower, Opp. New Council Hall, Narimal Point, Mumbai 400 021  
Tel: +91 -22 -22843144/ 22870278 Telefax: +91-22-22822227

## DIRECTORS REPORT

The Members,

Your Directors have pleasure in presenting their Twenty Seventh Report together with the Audited Accounts of the company for the year 31<sup>st</sup> March 2009.

### 1. FINANCIAL RESULTS:-

The highlights of the financial results of your company are as follows:

Particulars	(Rs.'000)	
	31.03.2009	31.03.2008
Gross Income	34248.90	31182.63
Operating Expenditure	12020.67	13951.11
Profit(loss) before Tax, Interest and Depreciation	22228.23	17231.52
Less: Interest	563.52	856.52
Depreciation	1754.08	2317.60
Profit(loss) before Tax	19910.63	15019.09
Less: Current Tax and deferred tax liability	2684.77	1760.67
Profit(Loss) after tax	17225.86	13258.42
Add: Balance brought forward from previous year	36699.14	42609.50
Profit available for appropriation	53925.00	55867.92
Less: Proposed Dividend	999.00	999.00
Tax on distributed fund	169.78	169.78
Less: Appropriation Transfer to General Reserve	30000.00	18000.00
Surplus/(Deficit) in profit & loss a/c Carried to Balance Sheet	22756.22	36699.14

### 2.DIVIDEND:

The directors are pleased to recommend a Dividend of 3 % for the year ended 31<sup>st</sup> March 2009.  
(P.Y. Dividend of 10%)

### 3.BONUS:

The directors are pleased to inform that the Company has issued 7 equity shares for every 2 equity shares held as bonus shares.

### 4.SPLIT OF EQUITY SHARES:

The directors are pleased to recommend split of every equity shares with face value of Rs. 10/- into two equity shares with face value of Rs. 5/-.

### 5.DIRECTORS:

In accordance with the provision of the Company Act, 1956 Suresh S Jain retire by the rotation at the annual general meeting and is eligible for re-appointment.

**6.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 part of year. Therefore provisions of section 217(2A) of the companies Act, 1956 are not applicable.

**7.AUDITORS:**

M/s. Vijay R. Tater & Co., Chartered Accountants, Mumbai, Auditor of the company retire at the conclusion of this Annual General Meeting and are eligible for re-appointment and have offered themselves for re-appointment, if re-appointed so.

**8.SECTION 217(1)(e) OF THE COMPANIES ACT, 1956:**

The company has no activity relating to conservation of energy or technological absorption. The company did not have foreign exchange earnings or expenditures.

**9.AUDITORS REPORT:**

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

**10.LISTING OF SHARES:**

The company's share are listed in Mumbai Stock Exchange, Dalal Street, Mumbai- 400 023 and listing fees for the year 2008-09 has been paid in time.

**11.DIRECTORS RESPONSIBILITY STATEMENT:**

In terms of Section 217(2AA) of the Companies Act, 1956 Directors have:

- a) followed in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departure;
- b) selected such accounting policies and applied them consistently and made judgement and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of company at the end of the financial year and of the profit of your company for that period;
- c) taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provision of the companies act, 1956 for safeguarding the assets of your company and for detecting fraud and other irregularities and
- d) prepared the annual accounts on a going concern basis.

**By Order of the Board**

**FOR, MUNOTH CAPITAL MARKET LIMITED**

**PLACE: MUMBAI.**

**DATE: 07.09.2009**

**[SHANTILAL M. JAIN]  
CHAIRMAN**

## AUDITOR'S REPORT

Auditor's Report to the Members of Munoth Capital Market Limited.

- 1) We have audited the attached Balance Sheet of **M/S. MUNOTH CAPITAL MARKET LTD.** as at 31st March, 2009 and also the Profit & Loss Account and the Cash Flow Statement 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.
- 2) 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 misstatements. 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.
- 3) As required by the Companies (Auditor's Report) Order, 2003 issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956 and in terms of the information and explanations given to us and also on the basis of such checks, as we considered appropriate set out in the Annexure, a statement on the matters specified in paragraph 4 & 5 of the said order.
- 4) Further to our comments in Annexure referred to in paragraph 3 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 account as required by law have been kept by the Company so far as it appears from our examination of the books.

- c) The Balance Sheet and Profit & Loss account dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance sheet and Profit & Loss account have been prepared, in all material respects in compliance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the Directors as on 31st March, 2009, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 from being appointed as a Director in terms of clause (g) of the 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 with the Significant Accounting policies and other notes generally give the information required by the Companies Act, 1956, in the manner so required and also give a true and fair view: -
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
  - (ii) in the case of the Profit and Loss account, of the Profit for the year ended on that date, and
  - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on the date.

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

Place: Mumbai  
Date: June 8, 2009

**Suresh G. Kothari**  
Partner  
Membership number 47625

**Annexure: As Referred to in our report of even date.**

- (i)
  - a) The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, during the year the fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
  - c) No substantial part of fixed assets of the company has been disposed of during the year.
- (ii). According to information and explanations given to us, during the year, the company does not have any inventory. Therefore the question of physical verification, adequacy of procedures of physical verification and maintenance of proper records of inventories does not arise.
- (iii).
  - a) According to information and explanations given to us, during the year the Company has granted interest free unsecured loans to two companies and a party covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs.217.57 lacs and the year-end balance was Rs. NIL.
  - b) In our opinion, the other terms and conditions of the above interest free loan granted are not prima facie prejudicial to the interest of the Company.
  - c) The aforesaid interest free loans are repayable on demand. According to information and explanations given to us, loans granted to the Companies listed in the register maintained u/s 301 of the Act, were regular in repaying the principal amounts as stipulated.
  - d) According to information and explanations given to us, in respect to such interest free loans given by the company, the same are repayable on demand and no stipulations have been made regarding repayment of principal amount.
  - e) According to information and explanations given to us, the Company has taken interest free unsecured loan from two companies and a party covered in the register maintained under section 301 of the Companies Act, 1956. The Maximum amount involved during the year was Rs.17.49 lacs and the year-end balance was Rs. NIL.
  - f) In our opinion, the other terms and conditions of the above referred interest free loan taken by the company, is not prima facie prejudicial to the interest of the Company.

- g) According to information and explanations given to us, in respect to such interest free loans taken by the company, the same are repayable on demand and no stipulations have been made regarding repayment of principal amount.
- (iv) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets, shares & securities and other assets, and for the sale of shares & securities and services. We have not observed any major weaknesses in the internal control system during the course of the audit.
- (v)
  - a) According to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act, have been entered in the register required to be maintained under that section.
  - b) In our opinion, and according to the information and explanations given to us, where transactions made with different parties, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lacs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from public during the year, within the meaning of Section 58A and 58AA and other relevant provisions of the Companies Act, 1956 and rules framed there under.
- (vii) The company does not have a formal internal audit system. However, effective internal controls are being exercised by the management, which is broadly commensurate with the size of the company and nature of its business.
- (viii) According to the information and explanations given to us, the maintenance of Cost records has not been prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956.
- (ix)
  - a) According to the records of the Company and information and explanations given to us, the Company has been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales-Tax, Wealth Tax, Custom Duty, Investor Education and Protection Fund, Excise Duty, Cess, service tax or any