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Corporate Information

Board of Directors

Mr. Shantilal M Jain
Mr. Siddharth S Jain
Mr. Suresh S Jain
Ms. Smita Jain

Statutory Auditor

Vijay R. Tater & Co.

Bankers

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

Registry and Share Transfer Agent

Purva Shareregistry (India) Pvt. Ltd
33, Printing House, 28 D, Police Court lane
B/H Old Handloom House, Fort
Mumbai 400001

Registered Office

92 B Mittal Towers, Opp. New Council Hall,
Nariman Point Mumbai. 400021
Tel: +91-22-22843144/ 22870278 Tel. Fax: +91-22-22822227

DIRECTORS' REPORT

Dear Shareholders,
MUNOTH CAPITAL MARKET LIMITED

Your Directors have great pleasure in presenting the 29th Annual Report on business and operations of the Company together-with the Audited statements of Accounts for the financial year ended on 31st March 2011.

FINANCIAL PERFORMANCE:

Particulars	(Amount in Lacs)	
	Financial Year 2010-11	Financial Year 2009-10
Income from Operation-----	247.36	308.08
Depreciation-----	26.04	24.05
Profit/(Loss) before Taxation-----	56.48	(85.44)
Provision for taxation current year-----	1.54	2.52
Profit/(Loss) after Tax-----	58.03	(87.97)
Add. Balance Brought forward from Previous year--	68.91	227.53
Amount available for Appropriation-----	NIL	NIL
Less: Proposed Dividend on Equity Shares-----	26.97	26.97
Less: Dividend Tax-----	4.47	4.58
Balance transferred to Balance Sheet-----	60.49	68.91

RESUME OF PERFORMANCE

Your Directors are pleased to report satisfactory performance of the Company for yet another year. The income from operations of the Company has stands to Rs.247.36/- lacs from that of Rs.308.08/- lacs of the previous year.

The Company has made net profit of Rs.58.03/- lacs as against the previous loss of Rs.87.97/- lacs after providing depreciation of Rs.26.04/- and provision for taxation (current year) of Rs.1.54/- lacs for the financial year ended on 31st March, 2011 which shows that the Company's performance is good and satisfactory and directors are hopeful for better results in coming years.

OUTLOOK FOR THE CURRENT YEAR 2010-11

Yours Directors and top management have taken all measures to improve upon the performance of the Company by increasing revenues in finance and securities market. The Company is also in the process of implementing various cost effective measures to improve the operating margins. The management of the Company is planning to introduce new system of work control for effective results and also initiate a special Customer Relationship Module (CRM). For this, a special Business Process Department shall be set up.

DIVIDEND:

Your Directors have recommended a dividend @6% on equity shares i.e. 0.30 paise per equity share on the 8991000 equity shares of Rs.5/- each fully paid-up for the financial year ended March 31, 2011, subject to approval of members at the ensuing Annual General Meeting.

FIXED DEPOSIT:

The Company has not accepted any deposit from the public pursuant to the provisions of Section 58A of the Companies Act, 1956.

....2/-

DIRECTORS:

At the ensuing Annual General Meeting Mr. Siddharth S Jain will retire by rotation and being eligible and offers him-self for re-appointment in the term of provision of Articles of Association of the Company.

AUDITORS AND THEIR REPORTS:

Auditors of the Company, **M/S. Vijay R. Tater & Co., Chartered Accountants, Mumbai** will retire at the ensuing Annual General Meeting of the Company and they being eligible have offered themselves for re-appointment. The Shareholders are requested to appoint the auditors of the Company and authorize the Board to fix their remuneration. Necessary resolution for their appointment as Auditors of the Company is being included in notice convening Annual General Meeting.

The observations made by the Auditors' in their Auditors' report and the notes appearing in the accounts with regard to it are self-explanatory and do not requires further clarification by the Board.

ADDITIONAL DISCLOSURES:

In line with the requirements of the Listing Agreement with the Stock Exchanges and Accounting Standard of the Institute of Chartered Accountants of India, your Company has made additional disclosures in the notes on accounts for the year under review in respect of Related Party Transactions, Deferred Tax Liability, etc.

SECRETARIAL COMPLIANCE CERTIFICATE:

In accordance with the Section 383A of the Companies Act, 1956 and Companies (Appointment and Qualifications of Secretary) Amendment Rules, 2009, the Company has obtained a certificate from a secretary in whole-time practice confirming that the Company has complied with the provisions of the Companies Act, 1956 and a copy of such certificate is annexed to this report.

CORPORATE GOVERNANCE REPORT:

Your Company perceives Corporate Governance as an endeavor for transparency and a wholehearted approach towards continuous enhancement of shareholders' value. Your Company has been complying with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. Further, the Board of Directors of your Company constituted a Committee known as Corporate Governance Committee, which recommends the best practices in the Corporate Governance.

A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance norms and stipulated in Clause 49 of the Listing Agreement, forming part of this report is annexed herewith.

PARTICULARS OF EMPLOYEES:

The statement showing particulars of employees under section 217(2A) of the Companies Act, 1956, read with the companies (Particulars of Employees) Rules, 1975, as amended, is not required to be given as there were no employees coming within the purview of this section.

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

Information pursuant to Section 217(1)(e) of the Companies Act 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 relating to the foregoing matters is given hereunder.

- a) Conservation of energy : Rs.-- Nil
- b) Technology absorption, research & development : Rs.-- Nil
- c) FOREIGN EXCHANGE EARNINGS AND OUTGO:
- Foreign Exchange Earnings during the year : Rs.-- Nil
- Foreign Exchange Outgo during the year : Rs.-- Nil

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors of your Company confirm that:

- i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) the Directors have selected such accounting policies and applied them consistently and made judgments 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 or loss of the Company for that period;
- iii) 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;
- iv) the Directors have prepared the accounts on a "going concern basis".

ACKNOWLEDGEMENT:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

Your Directors also express their appreciation to all the employees of the Company for their sustained contribution throughout the period.

Your Directors wish to thank the shareholders for their continued support, encouragement and the confidence reposed in the Management.

ON BEHALF OF THE BOARD
For, MUNOTH CAPITAL MARKET LIMITED

PLACE: MUMBAI.

DATE: 30.05.2011

[S. S. JAIN]
CHAIRMAN



Vijay R. Tater & Co.
Chartered Accountants

105, Chartered House, 293, Dr. Cawasji Hormasji Street, Near Marine Lines Church, Mumbai 400002.
Phone/Fax: 91-22-22619601 | 22061214 | 22068487 | Email: info@cavt.com

AUDITOR'S REPORT

To,
The Members,
M/S. MUNOTH CAPITAL MARKET LTD.,
Mumbai - 400 021.

- 1) We have audited the attached Balance Sheet of **M/S. MUNOTH CAPITAL MARKET LTD.** as at 31st March, 2011 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.

Qr

- 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 and cash flow dealt with by this report are in agreement with the books of accounts.
- d) In our opinion, the Balance sheet and Profit & Loss account and cash flow 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, 2011, and taken on the record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 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 2011.
 - (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.

Place: Mumbai
Date: 30.05.2011

For VIJAY R. TATER & CO.
Chartered Accountants

(Suresh G. Kothari)
Partner.
M.NO.47625

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our report of even date to the members of Munoth Capital Market Ltd. For the year ended 31st March, 2011.)

- (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 the information and explanation given to us, during the year the company has neither granted nor taken any loans, secured or unsecured, to / from companies, Firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 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.

Qr

- e) According to information and explanations given to us, the Company has not taken any unsecured loan from companies and or parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - 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 has a formal internal audit system.