

*Annual Report 2011-12*

## Corporate Information

### Board of Directors

Mr. Shantilal M Jain  
Mr. Siddharth S Jain  
Mr. Mukesh Patel

### 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

### **NOTICE TO THE MEMBERS**

**NOTICE** is hereby given that the **ANNUAL GENERAL MEETING** of the Members of **MUNOTH CAPITAL MARKET LIMITED** will be held on 17<sup>th</sup> September, 2012 at 11:00 a.m. at the Registered Office of the Company to transact the following business:

#### **ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Profit & Loss Statement for the year ended 31<sup>st</sup> March, 2012, the Balance Sheet as on that date, the Directors' Report and the Auditors' Report thereon.
2. To elect Director in place of Mr. Shantilal M. Jain, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

#### **SPECIAL BUSINESS**

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

"RESOLVED THAT Mr. Mukesh Hakralal Patel, who was appointed as an additional director of the Company by the Board of directors and who holds office as per section 260 of the Companies Act 1956 up to the date of forthcoming Annual General Meeting and in respect of whom the Company has, pursuant to section 257 of the Companies Act, 1956, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a director of the company, liable to retire by rotation".

Date : 29.08.2012

Place : Mumbai



**BY ORDER OF THE BOARD OF DIRECTOR  
FOR MUNOTH CAPITAL MARKET LTD.**

*[Signature]*  
**DIRECTOR DIRECTOR**

#### **NOTES :**

- a) A Member is entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of himself and a proxy need not be a Member. The instrument appointing a proxy shall be deposited at the Registered Office of the Company not later than 48 hours before the time fixed for holding the meeting.
- b) The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of the business under Item No. 1 under Special Business above are annexed hereto and forms part of this Notice.
- c) The Register of Members and Share Transfer Books of the Company will remain closed from 10<sup>th</sup> September, 2012 to 17<sup>th</sup> September, 2012 (both days inclusive).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES  
ACT, 1956:  
Item No. 4**

**Appointment of Director liable to retire by rotation**

Mr. Mukesh H. Patel was appointed as an Additional Director of the Company with effect from January 18, 2012. As per the provisions of the Companies Act, 1956 (Act), the above Director, hold office only upto the date of the forthcoming Annual General Meeting of the Company. The Company has received Notice under Section 257 of the Act, proposing their appointment as a Director of the Company. Keeping in view the experience and expertise of Mr. Mukesh H. Patel, his appointment as Director of the Company is recommended by the Board.

Mr. Mukesh H. Patel, may be deemed to be concerned or interested, directly or indirectly, in resolution relating to his appointment.

Date : 28.05.2012.

Place : Mumbai.



**BY ORDER OF THE BOARD OF DIRECTOR  
FOR MUNOTH CAPITAL MARKET LTD.**

*Siddharth Jais*  
DIRECTOR

DIRECTOR



**DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT  
THE ANNUAL GENERAL MEETING AS PER CLAUSE 49 OF LISTING  
AGREEMENT:**

Particulars	Mr. Shantilal M. Jain	Mr. Mukesh H. Patel
Date of Birth	18/08/1943	03/12/1985
Date of Appointment	04/09/1986	18/01/2012
Qualification	B. Com.	B. A.
Expertise in specific functional area	Investment	None
Number of Shares held in the Company	1,27,800	0

**FOR MUNOTH CAPITAL MARKET LTD.**

*Siddhant Patel*

**DIRECTOR**



## **DIRECTORS' REPORT**

To :  
**THE MEMBERS :**

The Board of Directors has pleasure in presenting the Annual Report together with Audited Accounts for the year ended 31st March, 2012.

### **FINANCIAL RESULTS:**

The Financial Results for the year are as under :

(Rs. in Lacs)

Particulars	2011-12	2010-11
Turnover	148.90	422.55
Expenses	172.35	366.06
Profit / (Loss) Before Tax	(23.45)	56.49
Provision for Taxation		
■ Taxation Adjustment for P.Y.	(0.80)	-
■ Deferred Tax	4.80	1.55
Profit/(Loss) after Tax	(19.45)	58.04

### **DEPOSITS :**

The Company has not accepted any deposits during the year, to which the provisions of Section - 58A and the Companies (Acceptance of Deposits) Rules, 1975 are applicable.

### **CONSERVATION OF ENERGY ETC.:**

Company has no activities related to conservation of Energy or technological absorption. The Company didn't have any foreign Expenditure or Earnings during the year.

### **DIRECTORS:**

Mr. Shantilal M. Jain retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

Mr. Suresh Jain and Ms. Smita Jain have resigned from their directorship during the year and Board took the note of the valuable services rendered by them during their tenure. Mr. Mukesh H. Patel , was appointed as an additional director as independent director of the Company during the Year. The Company has received proposal u/a. 257 for the appointment of Mr. Mukesh H. Patel and being eligible to be appointed as regular director, the Board recommends his appointment.

### **PARTICULARS OF EMPLOYEES:**

There are no employees drawing the remuneration exceeding the ceiling prescribed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

### **AUDITORS:**

M/s. Vijay R. TATER & Co., Chartered Accountants, Mumbai retires at the ensuing Annual General Meeting and being eligible, the Board request to reappoint him as Auditors from the conclusion of this Annual General Meeting to the next Annual General Meeting.

## AUDITORS' REPORT:

The observations made in the Auditors' Report, read with the relevant notes thereon are self-explanatory and therefore do not call for any further comments under Section 217 of the Companies Act, 1956.

## CHANGE IN ACCOUNTING POLICY:

During the year, the revised Schedule VI notified under the Companies Act, 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule - VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosure made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

## DIRECTOR'S RESPONSIBILITY STATEMENT :

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

- i) That, in the preparation of the annual accounts, the applicable accounting standards had been followed,
- ii) That, the directors have selected such accounting policies and applied them consistently and made judgments 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, 2012 and of the profit of the company for that year,
- iii) That, the directors had 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) That, the directors have prepared the annual accounts on a going concern basis.

## SECRETARIAL AUDIT COMPLIANCE CERTIFICATE :

As required under the provisions of Sec. 383A(1) of the Companies (Amendment) Act, 2000, the compliance certificate from Practicing Company Secretary is attached with this report and forms part of Director's Report.

## Corporate Governance:

A separate Report on Corporate Governance along with the certificate on its compliance from M/s. Pankaj K. Shah Associates, Chartered Accountant is attached.

## ACKNOWLEDGMENTS:

Your Directors wish to place on record their appreciation for whole hearted Co-operation received from Bankers, Financial Institutions and Employees of the Company.

Date : 29.05.2012

Place : Mumbai

ON BEHALF OF THE BOARD OF DIRECTORS  
FOR MUNOTH CAPITAL MARKET LTD.



*[Signature]*  
DIRECTOR

*[Signature]*  
DIRECTOR



**REPORT ON CORPORATE GOVERNANCE**  
(Pursuant to clause 49 of the Listing Agreement)

**1. Company's Philosophy**

The Company is committed to ethical values and self discipline through standards of good Corporate Governance involving a high level of transparency, integrity, accountability and responsibility in all areas of its operations for ensuring protection of the rights and interest of its stakeholders including employees and financiers and to the society in general. In order to achieve the objective, the company continuously endeavors to improve on these aspects on an ongoing basis.

**2. Board of Directors**

The Board of Director of the company comprises of Three Directors.

i. The Present Strength of Board of Directors of your company is as under.

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM	No. of Outside Directorship held in Public Companies	No. of other Outside Board Committees members in Public Companies	No. of shares held as on 31.03.2012
		Held	Attended				
Shantilal Misrimal Jain	Promoter	6	6	Yes	3	--	1,27,800
Siddharth Shantilal Jain	Promoter	6	6	Yes	3	--	1,35,000
Mukesh Haraklal Patel (From 18.01.2012)	Independent	6	2	N.A.	--	--	0
Smita Shantilal Jain (upto 18.01.2012)	Promoter	6	4	Yes	--	--	--
Suresh Shantilal Jain (upto 18.01.2012)	Promoter	6	4	Yes	2	--	--

The day-to-day management of the company is conducted by the Director subject to the supervision and control of the Board of the Directors.

**2. Changes in Composition of Board of Directors since last Report:**

The company has appointed Mr. Mukesh H. Patel as an Independent Director of the Company and Mr. Suresh S. Jain and Ms. Smita S. Jain, resigned from their directorship on 18<sup>th</sup> January, 2012.





During the financial year under review, Six (6) Board meetings were held on following date.

10/05/2011, 30/05/2011, 28/07/2011, 27/10/2011, 18/01/2012, 27/01/2012.

The time gap between any two meetings was less than 3 months. The Board monitors the business operations.

### 3. Audit Committee:

The Company is in process of appointing another New Independent Director and only after such appointment, the company will constitute Audit Committee. As there is no Audit Committee constituted there is no Audit Committee meeting held during the year.

### 4. Remuneration of Directors

The Company has not set up any Remuneration committee as the company does not pay any remuneration and seating fees to Directors.

### 5. Shareholders / Investor's Grievance Committee

The Board of the company has constituted a Shareholders/investors' Grievance Committee, comprising of three Directors viz., Mr. Siddharth S. Jain & Mr. Mukesh H. Patel are the members and Mr. Shantilal M. Jain, is the chairman of the committee. The terms of reference of the Committee are to look into the redressal of investor's complaints relating to transfer of shares, non-receipt of share certificates, issue of duplicate share certificates, issue of dividend warrants, non-receipt of dividend warrants, notice/Annual Reports and other grievances.

### 6. General Body Meeting

The location and time of the last three Annual General Meeting are as under:

Financial Year	AGM Date	Time	Venue	No. of special resolution
2008-09	30.09.2009	11:00 a.m.	Registered Office	Nil
2009-10	29.09.2010	11:00 a.m.	Registered Office	Nil
2010-11	30.09.2011	11:00 a.m.	Registered Office	Nil

### Extra Ordinary General Meeting:

The Company held two EGM in last three years.

For the year 2011-2012, on 17<sup>th</sup> June, 2011 for the purpose of passing resolution for Alteration of Object Clause in Memorandum of Association through postal ballot.

And for the year 2009 -2010, on 28<sup>th</sup> July, 2009 for the issue of Bonus shares out of General Reserve of the Company.

No any other EGM was held during last three years.



## POSTAL BALLOT:

A Postal Ballot for obtaining approval of members under Section 17 of Companies Act, 1956, for the insertion of new clause to Main Object Clause of Memorandum of Association of Company was conducted in May - June- 2011. The Postal Ballot was conducted by Mr. Siddharth S. Jain.

### 7. Code of Conduct:

The Board of Directors has adopted the code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the Senior Management.

### 8. Disclosures :

#### a) Disclosure on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There are no materially significant related party transactions made by the Company with its promoters, Directors or Management, etc., that may have potential conflict with the interests of the Company at large.

There are transactions with related parties as per requirements of Accounting Standard (AS-18) – 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India as below:

(Rs. In Lacs)		
Name of the Party	Nature of Transaction	31.03.2012
Shantilal M. Jain	Loan Taken	54.80
	Advance for acquisition of business	110.00
Mukesh Patel	Advance for Expenses	1.00
Munoth Investment & Finance Co. Pvt. Ltd.	Loan Taken	87.00
Munoth Finance & Leasing Ltd.	Loan Taken	16.50

#### b) Disclosure of Accounting Treatment:

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Notes to the Accounts.

#### c) Details of non-compliance by the company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

