

***Annual Report 2013-14***

***Munoth Capital Market Limited***

### **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 30<sup>th</sup> September, 2014 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, 2014, the Balance Sheet as on that date, the Directors' Report and the Auditors' Report thereon.
2. To elect Director in place of Mr. Shantilal Misrimal Jain (DIN: 00370624), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. Vijay R. TATER & Co., Chartered Accountants, the retiring auditors, as Statutory Auditors of the Company and fix their remuneration and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. Vijay R. TATER & Co., Chartered Accountants (Firm Registration no. 111426W), Mumbai, be and is hereby re-appointed as Auditors of the company to hold the office from the conclusion of the Annual General Meeting till the conclusion of the next Annual General Meeting of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc. as may be fixed by the Board of Directors of the Company."

#### **SPECIAL BUSINESS**

4. To appoint Mr. Mukesh Hakralal Patel (DIN: 05179865) as an independent Director and in this regard to consider and if thought fit, to pass, with or without modification (s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Mukesh Hakralal Patel (DIN: 05179865), who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 30/09/2014 upto 29/09/2019, not liable to retire by rotation."

Date : 30/05/2014

Place : Ahmedabad

**BY ORDER OF THE BOARD OF DIRECTOR**





### **Profile of Directors Seeking Appointment / Re-Appointment at the Annual**

Particulars	Mr. Shantilal Misrimal Jain	Mr. Mukesh Hakralal 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	9,03,222	---

#### **General Meeting as required under Clause 49 of Listing Agreement:**

#### **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 102 of the Companies Act, 2013, in respect of item No. 4 is given and forms part of the Notice.
- c) The members are requested to notifying change in their address to the Company quoting their folio number at the earliest to avoid inconvenience at a later stage.
- d) Members are requested to kindly bring their copy of the Annual Report with them at the Annual General Meeting, as no extra copy of Annual Report would be made available at the Annual General Meeting.
- e) Shareholders seeking any information with regards to accounts are requested to write to the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready.
- f) Members / Proxies should bring the Attendance Slip attached herewith duly filled in for attending the meeting.
- g) The Register of Members and Share Transfer Books of the Company will remain closed from 22/09/2014 to 30/09/2014 (both days inclusive).
- h) Members Companies / Organization are requested to send a copy of the Resolution of their Governing Body authorizing their representative to attend and vote at this Annual General Meeting.
- i) Voting through Electronic Means:
  - 1) In compliance with the provisions of clause 35B of the Listing Agreement, Section 108 of the Companies Act, 2013 read with Rules 20 of the Companies (Management and Administration) Rule 2014, the Company is offering e-voting facility to all its members to enable them to exercise their right to vote on all matters listed in this Notice by electronic means.

For this purpose, the Company has entered into an Agreement with National Securities Depository Limited (NSDL) for facilitating e-voting.



The instructions for e-voting are as under:

A) In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:

i) User ID and Password for e-voting is provided in the table given on annexure to EGM Notice. Please note that the Password is an Initial Password.

ii) Launch internet browser by typing the following URL:

iii) Click on Shareholder – Login.

iv) Put User ID and password as initial Password/PIN noted in step (i) above. Click Login.

v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your Password confidential.

vi) Home page of e-voting opens. Click on e-voting: Active Voting cycles.

vii) Select "EVEN" of Munoth Capital Market Limited.

viii) Now you are ready for e-voting as Cast Vote Page opens.

ix) Cast your vote by selecting appropriate option and click on "submit" when prompted.

x) Upon confirmation, the message "Vote Cast Successfully" will be displayed.

xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

xii) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send scanned copy (in pdf or jpg format) of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the scrutinizer through e-mail [munoth@gmail.com](mailto:munoth@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

B) In case a Member receives physical copy of the Notice of AGM [for Members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy]:

i) Initial Password will be provided separately:

Even (e-voting Event Number) USER ID PASSWORD/PIN

ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

iii) In case of any queries, you may refer the frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

iv) If you are already register with NSDL for e-voting then you can use your existing used ID and Password/PIN for casting your vote.

v) You can also update your mobile number and email ID in the user profile details of the folio which may be used for sending future communication(s).

- vi) The e-voting period commences on 24/09/2014 at 9.30 A.M. and ends on 26/09/2014 at 6.00 P.M. During this period, shareholders of the Company, holding shares either in Physical form or in dematerialized form may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- vii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 04/09/2014.
- viii) Shri Pankaj Shah, Pankaj K. Shah Associates has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- ix) The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of e-voting period unblock the votes in the presence of atleast two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- x) The result shall be declared at the Annual General Meeting of the Company. The results declared with Scrutinizer's Report shall be placed on the Website of the Company [www.munoth.com](http://www.munoth.com) and on the website of NSDL within 2 (two) days of passing of the resolutions at the Annual General Meeting of the Company and communicate to BSE Limited.

Date : 30.05.2014

Place : Ahmedabad

BY ORDER OF THE BOARD OF DIRECTOR



*[Signature]*  
DIRECTOR



**Explanatory Statement Pursuant to section 102 of the Companies Act, 2013 ("the Act")**

**Item No. 4**

Mr. Mukesh Hakralal Patel (DIN: 05179865) is an Independent Director of the Company pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock exchange.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-half/one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Board considers that continued association of Mr. Mukesh Hakralal Patel (DIN: 05179865) would be of immense benefit to the Company and it is desirable to continue to avail his service as Independent Director. It is proposed to appoint Mr. Mukesh Hakralal Patel (DIN: 05179865) as Independent Director under section 149 of the Act read with schedule IV of the Act and Clause 49 of the Listing Agreement to hold office from 30/09/2014 up to 29/09/2019.

Mr. Mukesh Hakralal Patel (DIN: 05179865), non-executive director of the Company, has given a declaration to the Board that he meets the criteria of independence as provided under section 149(6) of the Act and Clause 49 of the Listing Agreement. In the opinion of the Board, Mr. Mukesh Hakralal Patel (DIN: 05179865) fulfills the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and he is independent of the management. In compliance with the provisions of section 149 read with Schedule IV of the Act and Clause 49 of the Listing Agreement, the appointment of Mr. Mukesh Hakralal Patel (DIN: 05179865) as Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of the above Director shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Sunday. A brief profile of the Independent Director is given in the Annexure.

DATE: 30/05/2014  
PLACE: Ahmedabad

FOR AND ON BEHALF OF THE BOARD

  
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, 2014.

### **FINANCIAL RESULTS:**

The Financial Results for the year are as under :

(Rs. in Lacs)

Particulars	2013-14	2012-13
Turnover	50.65	61.80
Expenses	50.28	71.34
Profit / (Loss) Before Tax	0.36	(9.54)
Provision for Taxation		
■ Taxation Adjustment for P.Y.	--	(0.11)
■ Deferred Tax	0.20	0.86
Profit/(Loss) after Tax	0.16	(8.79)

### **DIVIDEND :**

In view of very negligible profit during the year, the Directors do not recommend any Dividend for the year.

### **DEPOSITS :**

The Company has not accepted any deposits during the year, to which the provisions of Section - 58A of the Companies Act, 1956 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 Misrimal Jain (DIN: 00370624) retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment.

As per section 149(4) of the Companies Act, 2013 (Act), which came into effect from April 1, 2014, every listed public company is required to have at least one half/one-third of the total number of directors as Independent Directors. In accordance with the provisions of section 149 of the Act, Mr. Mukesh Hakralal Patel (DIN: 06179865) is being appointed as Independent Directors to hold office as per his tenure of appointment mentioned in the Notice of the forthcoming Annual General Meeting (AGM) of the Company. Your directors recommend his re-appointment as director.

### **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 were re-appointed as statutory Auditors in the last Annual General Meeting and their term is scheduled to be held at the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment.

The Company received the requisite confirmation from them to the effect that their re-appointment, if made, would be as per Section 139 & 141 of the Companies Act, 2013.

The Directors of your company recommend re-appointment of M/s. Vijay R. TATER & Co., Chartered Accountants, Mumbai as Statutory Auditors of the Company from the ensuing Annual General Meeting till conclusion of next AGM of the Company to be held in the year 2017. Suitable resolution for re-appointment requiring approval of the shareholders forms part of the Agenda of the 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.

**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, 2014 and of the loss 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.



**Subsidiary companies and consolidated financial statements:**

The Company had subsidiary as on March 31, 2014. There has been no material change in the nature of the business of the subsidiary.

As required under the Listing Agreement entered into with the Stock Exchange, consolidated financial statement of the Company and its subsidiary is attached. The consolidated financial statement have been prepared in accordance with the relevant accounting standards as prescribed under section 211(3C) of the Companies Act, 1956. The consolidated financial statement discloses the assets, liabilities, income, expenses and other details of the Company and its subsidiary.

**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 : 30.05.2014

Place : Ahmedabad



DIRECTOR

DIRECTOR



## **MANAGEMENT DISCUSSION AND ANALYSIS**

The operational performance and future outlook of the business has been reviewed by the management based on current resources and future development of the Company.

### **INDUSTRY STRUCTURE & DEVELOPMENT**

The year 2013-14 was a year of unfulfilled expectations for the Indian economy. The slowdown is not just confined to India but there has been a general slowdown in the global economy visible in many sectors primarily on account of Poor business sentiment, the decline in gross fixed capital formation, the dip in the launch of new project and lower exports. Many sectors including the finance and investment operations have been adversely affected by both domestic and external factors. The reasons behind persistent inflation are higher international prices of crude, precious metals, edible oil etc. Higher borrowing costs and the dip in investment impacted the capital goods sector the most.

The global economic slowdown had affected the export dependent sectors, depressed sentiments, high interest rates, moderation in credit growth and a deceleration in growth of investment also contributed to the reduction in growth. The unfavorable investment climate in the country coupled with significantly low inflow of foreign investment kept the stock market weak for the major part of the year. The Reserve Bank of India continued to follow a relatively tight monetary policy to control inflation. In an effort to maintain a balance between growth and inflation, RBI is seemingly more concerned about high inflation than slow rate of growth. The financial sector is eagerly waiting for the fall in inflation followed by the rate cut which is likely to help the sector regaining its lost ground.

### **OPPORTUNITY & THREATS, RISKS & CONCERNS AND BUSINESS OUTLOOK**

**Opportunities and Business Outlook:** The Company is mainly doing broking business and considering new government in the center and local conditions, there is likely hood of momentum in capital market, the volume of business is likely to improve in current year.

**Threats, Risks & Concern:** The movements in the stock market greatly influence the financial performance of the Company and the Stock Market movement depends on internal as well as external factors and thus there are various factors which concerns the Company.

The extraneous factors like the Reserve Bank of India's fiscal measures, especially on the interest rates, etc. influence the Company's performance and invariably generate risk on the Company's Operations.

### **INTERNAL CONTROL SYSTEM AND ADEQUACY**

The Company has a sound Internal Control System which is in tune of its volume and line of operations. The Company has clearly laid down policies, guidelines and procedures that form part of the internal control system which provide for automatic checks and balances. All operating parameters are monitored and controlled. Regular internal audit and checks ensure the effectiveness and efficiency of these systems to ensure that all assets are protected against loss and that the financial and operational information is complete and accurate.

### **CEO CERTIFICATION**

Mr. Siddharth Shantilal Jain (DIN: 00370650), Director, have given certificate to the board as contemplated in sub-clause (V) of clause 49 of the Listing Agreement.

### **CAUTIONARY STATEMENT**

Statements in the Management Discussion & Analysis describing the Company's objectives, projections, estimates, expectations, predictions etc. may be "Forward looking Statement" within the meaning of applicable laws and regulations. Actual results, performance or achievements may vary with those expressed or implied, depending upon the economic conditions, Government policies and other incidental/ unforeseeable factors.