

**25<sup>th</sup>**

**Annual Report  
2011 - 2012**



***STANDARD CAPITAL MARKETS LIMITED***

**STANDARD CAPITAL MARKETS LIMITED**  
8/28, W.E.A., ABDUL AZIZ ROAD, KAROL BAGH, NEW DELHI-110 005

**STANDARD CAPITAL MARKETS LTD.**  
**25<sup>TH</sup> ANNUAL REPORT 2011-2012**

**BOARD OF DIRECTORS**

Durga Prasad Sharma	Director
Narender K. Arora	Director
Vijay Sehgal	Director
Kapoor Chand Gupta	Director

**AUDITORS**

TIWARI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
1<sup>ST</sup> FLOOR, SEWAK BHAWAN  
16/2, W.E.A., ABDUL AZIZ ROAD,  
KAROL BAGH, NEW DELHI-110 005.

**BANKERS**

PUNJAB NATIONAL BANK  
SECTOR-5, ROHINI BRANCH, DELHI, 110 085

**REGISTRARS**

SKYLINE FINANCIAL SERVICES PVT. LTD.  
D-153A, 1<sup>ST</sup> FLOOR, OKHLA INDUSTRIAL AREA  
PHASE-I, NEW DELHI- 110 020  
PH. +91-11-26812682 +91-11-26812683

**REGISTERED OFFICE**

8/28, W.E.A., ABDUL AZIZ ROAD  
KAROL BAGH, NEW DELHI-110 005

---

**CONTENTS**

---

1. NOTICE OF MEETING	02
2. DIRECTORS' REPORT	04
3. CORPORATE GOVERNANCE REPORT	09
4. AUDITORS'REPORT	18
5. BALANCE SHEET	21
6. STATEMENT OF PROFIT & LOSS	22
7. CASH FLOW STATEMENT	23
8. NOTES & SIGNIFICANT ACCOUNTING POLICIES	24

---

**NOTICE**

---

To  
The Members,

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of Members of M/s Standard Capital Markets Limited will be held on Saturday, 29<sup>th</sup> September, 2012 at 11.00 AM at 94/16, Mukhmelpur Road, Zindpur, Alipur, Delhi-110 036 to transact the following business;

**ORDINARY BUSINESS:**

**AGENDA ITEM NO 1 :**

To consider, receive and adopt the audited Balance Sheet as at 31st March, 2012 and Profit & Loss Account of the Company and the Reports of Directors and Auditors thereon for the year ended 31st March, 2012.

**AGENDA ITEM NO. 2 :**

To appoint a Director in place of Shri. Vijay Kumar Sehgal who retires by rotation, and being eligible, offers himself for re-appointment.

**AGENDA ITEM NO. 3 :**

To appoint M/s TIWARI & ASSOCIATES, Chartered Accountants, ( Registration No. 002870N) the retiring Auditors, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

Place : New Delhi  
Dated : 4<sup>th</sup>, September, 2012

By order of the Board of Directors  
**Standard Capital Markets Limited**

Narender K. Arora  
Director

---

**NOTES**

---

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote in his stead. The proxy need not be a member of the Company. Proxy in the order to be valid must be lodged at the registered office of the Company not less than 48 hours, before the commencement of Meeting.
2. A Member or his proxy is requested to produce at the entrance of the registered office, attendance slip forwarded to them along with this Annual Report, to facilitate their attendance at the AGM.
3. Members desirous of getting any information related to the accounts of the Company for the period under reference are requested to write to the Company at least ten days before the meeting, to enable it to make the requisite details available at the Meeting.
4. Members are requested to address all correspondence, including intimation of change in their addresses, if any, to **M/s Skyline Financial Services Pvt. Ltd.**, who are Registrars & Shares Transfer Agents of the Company and whose address is given in Corporate Governance Report.
5. The Register of Members and share transfer book of the Company will remain closed from 21-09-2012 to 28.09.2012 both days inclusive)
6. Members are requested to bring a copy of the Annual Report along with them to the Annual General Meeting since as a measure of economy as extra copies will not be supplied at the meeting.
7. Members, who hold shares in dematerialized form, are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the meeting.
8. **For special attention of members: no gifts / coupons will be distributed at the Annual General Meeting.**

Registered Office:  
STANDARD CAPITAL MARKETS LTD  
8/28, W.E.A., Abdul Aziz Road,  
Karol Bagh, New Delhi-110 005

By order of the Board of Directors  
**Standard Capital Markets Limited**

Date : September 4, 2012  
Place : New Delhi

Narender K. Arora  
Director

## DIRECTORS' REPORT

Dear Shareholders

Your Directors hereby present the 25<sup>th</sup> Annual Report and Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### FINANCIAL RESULTS

( ₹ in Lakh)

Particulars	Current Year (2011-2012)	Previous Year (2010-2011)
Gross Income	<b>24.70</b>	18.19
Expenditure	<b>17.18</b>	10.63
Profit/ (Loss) Before Depreciation & Tax	<b>7.52</b>	7.56
Depreciation	<b>0.66</b>	0.66
Provision for Deferred Tax (MAT)/Tax	<b>2.35</b>	1.36
Profit/ (Loss) for the Year	<b>4.51</b>	5.54
Balance brought forward from the Previous Year	<b>(34.16)</b>	(72.93)
<b>APPROPRIATION</b>		
General Reserve	<b>NIL</b>	NIL
Prov .for Doubtful Debts Written Back	<b>NIL</b>	33.53
Prov. For Doubtful Loans Written Back	<b>NIL</b>	0.95
Prov, For Doubtful Investment Written Back	<b>NIL</b>	NIL
Income Tax Paid for Earlier Years	<b>NIL</b>	0.15
Transferred to RBI Reserve Fund	<b>0.90</b>	1.10
Balance Carried Forward	<b>(30.56)</b>	(34.16)

### DIVIDEND

In view of the accumulated losses of the Company, your Directors do not recommend any dividend for the year ended 31st March, 2012.

### OPERATIONS AND FUTURE PROSPECTS

During the year, the Company has done all efforts to consolidate its portfolio and is doing consistent efforts to increase the revenue of the Company. Management is optimistic about better results in the current year as well as in future.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Please refer to Annexure 'A' of this report.

### AUDITORS & THEIR REPORT

M/s Tiwari & Associates, Chartered Accountants retire as Auditors of the Company at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The company has received a letter from them that their reappointment, if made would be within the prescribed limit under section 224 (1B) of Companies Act, 1956 and that they are not disqualified from being reappointed as Auditor U/s 226. The Board of Directors and the Audit Committee recommend their re appointment.

Auditors' Report is self-explanatory and required no comments by the Directors.

## **DIRECTORS**

Shri Vijay Kumar Sehgal, Director retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The directors recommend his reappointment.

## **CORPORATE GOVERNANCE**

The Company has complied with the mandatory provisions of Corporate Governance as prescribed in the Listing Agreement. A Separate report on Corporate Governance is included as a part of the Annual Report.

Certificate from the auditors of the Company M/s Tiwari & Associates confirming compliance of conditions of Corporate Governance as stipulated of under the clause 49 of Listing Agreement is annexed to this report as annexure "B"

## **PARTICULARS OF EMPLOYEES INFORMATION IN ACCORDANCE WITH SECTION 217(2A) OF THE COMPANIES ACT 1956 WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES 1975**

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended. Hence the details required under Section 217 (2A) are not given.

## **PUBLIC DEPOSITS**

The Company has not accepted any deposits from public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 during the year under review and hence no information is required to be furnished in this respect.

## **CONSERVATION OF ENERGY**

The company is not engaged in any activity where conservation of energy/technology absorption is required. Hence the details required under section 217 of the Companies Act, 1956 are not given.

## **FOREIGN EXCHANGE EARNINGS AND OUTGO**

There are no foreign exchange earning & outgo during the financial year under review.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217( 2AA) of the Companies Act, 1956 as introduced by Companies ( Amendment) Act, 2000, the Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) Appropriate accounting policies have been selected and applied consistently, and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the profits of the Company for the year ended 31st March, 2012.
- (iii) Proper and sufficient care has been taken 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 annual accounts have been prepared on a going concern basis.

## **COMPLIANCE CERTIFICATES**

The Company has obtained Compliance Certificate from Practicing Company Secretary as required under provision to Section 383A(1) of the Companies Act, 1956.

### **ACKNOWLEDGEMENT**

Your directors are pleased to place on record their sincere thanks to the Bankers and business associates of the company for their continued and valuable co-operation and support to the Company.

Your Directors also express their appreciation for the hard work and sincere services rendered by workers, staff and executives of the Company during the year.

The Board also acknowledges the faith reposed in the company by investing public and Banks for their valuable assistance, and look forward to their continued cooperation.

Place : New Delhi  
Dated : 4<sup>th</sup>, September 2012

By order of the Board of Directors  
**Standard Capital Markets Limited**

**Durga Prasad Sharma**  
Director

**Narender K. Arora**  
Director



---

**ANNEXURE-A**  
**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

---

**1. Operating Results**

The Company earned a gross income of ₹ 24.70 Lacs during the year under review compared to ₹ 18.19 lacs in the previous year. Net profit before tax earned by the Company during the current year is ₹ 6.87 lacs compared to ₹ 6.90 lacs in the previous year.

**2. Industry Trends and Business Analysis**

During the year the BSE Sensitive Index which was 19420 at the start of the financial year, made a low of 15454 in December 2011 and a high and ended at 17,404 on 31st March, 2012.

The revision of India's long term Sovereign rating from "stable" to "negative" by international ratings agency "standard and poor" has huge implications for the Indian Economy and adversely affected the way Foreign investors view India as Investment destination. The revision has hurt sentiments of financial markets and tripped shares, the rupee and bonds.

**3. Opportunities and Threats**

With the globalization and electronic age, Indian Stock market changed over the past decade. Nearly 100% of all transactions are executed through electronic media online trading system, the developments of high-tech and transparent markets with an increasingly wide geographic footprint have increased the number of trading venues offering diverse pools of liquidity.

Current elevated rates of inflation pose significant risks to future growth. With the attention of Government focused in containing the inflation, the economic growth may see a deceleration with corporate turning in moderate growth.

**4. Future Prospects and Outlook**

High inflation is inimical to sustained growth and banks are also reducing its interest rates therefore the combination of both factors and global economic crises with reluctant looking FIIs, the entire picture of Indian market looks gloomy.

Further, uncertainties about the path of future global recovery and risks arising from large sovereign debt continue to threaten the return to stability in the international financial markets. These developments in the global financial market transmitted to the domestic financial markets could give way to volatility in stock prices and the exchange rate.

**5. Risks and Concerns**

The Company like any other Company is exposed to specific risks that are particular to its business and the environment within which it operates. The company is exposed to the market risk (including liquidity risk) and also the factors that are associated with capital market, which inter alia includes economic/ business cycle, fluctuations in the stock prices in the markets besides the interest rate volatility, and credit risk.

The Company is confident of managing these risks by maintaining a conservative financial profile, and by following prudent business and risk management practices.

**6. Internal Control system and their adequacy**

The Company has proper and adequate system of internal controls to ensure that all its assets are safeguarded and protected against loss from unauthorized use or disposition of assets and that the transactions are recorded and reported.

The Company ensures adherence to all internal control policies and procedures as well as compliance with all regulatory guidelines.



## 7. Financial Performance

**Share Capital** The Company's issued and subscribed share capital consists of Equity Share Capital only, the paid-up share capital of the company as on 31st March, 2012 stood at ₹ 40,001,000/- Lacs comprising of 40,00,100/- Equity Shares of ₹ 10/- each.

**Reserve & Surplus:** During the year under review, the accumulated losses of the company has decreased due to the efforts taken by the management of the company.

**Current Assets & Current Liabilities:** The current assets and current liabilities at the end of the year under review stood at ₹ 374.46 Lacs and ₹ 13.30 Lacs respectively against ₹ 359.98 Lacs and ₹ 3.82 Lacs for the last year.

## 8. Human Resources

The Company has adequate qualified and trained employees which is commensurate with the size of operations. The Company recognizes the role and importance of human resources in the future prospects of the company and follows good man management practices.

## 9. Cautionary Statement

Statements in this "management's Discussion and Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" are only predictions within the meaning of applicable securities laws and regulations and are subject to risks, uncertainties, and assumptions that are difficult to predict. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include interest rates and changes in the Government regulations, tax regimes, economic developments and other factors such as litigation etc.

Place : New Delhi  
Dated : 4<sup>th</sup>, September 2012



By order of the Board of Directors  
**Standard Capital Markets Limited**

**Durga Parshad Sharma**  
Director

**Narender Kumar Arora**  
Director

## REPORT ON CORPORATE GOVERNANCE

Corporate Governance implies governance with highest standards of professionalism, integrity, accountability, fairness, transparency and business ethics for efficient and ethical conduct of business. Good Governance practices stem from the culture and mindset of the organization. As Shareholders evince keen interest in the practices and performance of Companies, Corporate Governance has emerged on the center stage.

**In accordance with Clause 49 of the listing agreement entered into with the Stock Exchanges Corporate Governance Report of the Company for the financial year ending 31st March, 2012 is as follows:**

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

The company's philosophy on corporate governance envisages attainment of the highest levels of transparency, accountability and equity in all facets of its operations and in all its interactions with stakeholders, including shareholders employees, lenders and the Government. The company is committed to achieve and maintain the highest standards of corporate governance. The company continuously endeavors to improve on these aspects on the ongoing basis.

### 2. Board of Directors ("Board")

a) The Board of Directors comprise four Non-Executive Directors. During the year 10 Board meetings were held on 28.04.2011, 11.05.2011, 15.07.2011, 23.08.2011, 30.09.2011, 28.10.2011, 02.12.2011, 25.01.2012, 11.02.2012, 19.03.2012. The Composition of Board of Directors and their attendance during the year and at last Annual General Meeting as also number of other Directorship/ Memberships of committees are as follows:

Name of Director	Category of Directorship	Attendance At	Whether attended	No. of Directorship/ Committee Memberships/ Chairmanship	
		Board Meeting	Last AGM	Other Directorship	Committee Membership
Durga Prasad Sharma	Non-Executive/ Non- Independent	10	Yes	2	No
Narender K. Arora	Non-Executive/ Non- Independent	10	Yes	4	Audit Committee
Vijay Sehgal	Non-Executive/ Independent	9	Yes	0	Audit Committee
Kapoor Chand Gupta	Non-Executive/ Independent	10	Yes	0	Audit Committee Chairman

(b) Information about persons who are being appointed/ reappointed as Directors.

### NAME OF DIRECTOR, BRIEF RESUME, FIELD OF SPECIALISATION AND DIRECTORSHIP/ COMMITTEE MEMBERSHIP HELD BY HIM :

Sh. Vijay Sehgal is a practicing advocate with long experience in his field and also in the allied fields.

### 3. Board Committees

#### AUDIT COMMITTEE

The Board has constituted Audit Committee comprising three Non-Executive Directors out of which two are independent and one non independent. All the members of the Audit Committee possess financial / Accounting expertise and well versed in