



Contents

Company Balance Sheets

Mefcom Capital Markets Ltd.

Notice

Directors Report

Auditors Report

Balance Sheet

Profit and Loss Account

Cash flow Statement

Schedules

Mefcom Securities Ltd.

Notice

Directors Report

Auditors Report

Balance Sheet

Profit and Loss Account

Cash flow Statement

Schedules

Mefcom Commodity Brokers Ltd.

Notice

Directors Report

Auditors Report

Balance Sheet

Profit and Loss Account

Cash flow Statement

Schedules

Mefcom Infrastructure Projects Ltd.

Notice

Directors Report

Auditors Report

Balance Sheet

Profit and Loss Account

Cash flow Statement

Schedules

Mefcom Capital Markets Limited

NOTICE

Notice is hereby given that the 23rd Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2008, at 10.30 A.M. at "MEHTA FARMS, Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071 to transact the following business:

ORDINARY BUSINESS: -

1. To consider and adopt the audited balance sheet, profit and loss account for the year ended 31st March 2008 along with the Directors' and Auditors' reports thereon.
2. To appoint a Director in place of Mr. T.R.Khare, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sham Nijhawan, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit to pass with or without modification(s) following resolution as an **ORDINARY RESOLUTION:-**

RESOLVED THAT Mr. C.P. Misra, who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956 and is hereby appointed as a Director of the company, where period of office shall be liable to determination by rotation.

6. To consider and if thought fit to pass with or without modification(s) following resolution as an **ORDINARY RESOLUTION:-**

RESOLVED THAT Mr. P.K.Rajgarhia, who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956, and is hereby appointed as a Director of the company, where period of office shall be liable to determination by rotation.

By order of the Board
for Mefcom Capital Markets Ltd.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

(Vijay Mehta)
Chairman

Place : New Delhi

Dated : September 3, 2008

NOTES: -

- a) Members entitled to attend and vote are entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before this Annual general Meeting.
- b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Special Business is annexed hereto.
- c) Register of Members and the Share Transfer books of the Company will remain closed w.e.f. Monday the 29th September 2008 to Tuesday the 30th September 2008 (both days inclusive).
- d) M/s Beetal Financial Computer Services Pvt. Ltd. 99 Beetal House, Madangir, New Delhi - 110062, is Registrar and Share Transfer Agent of the Company for electronic mode and transfer of shares held in physical form. Pursuant to the directions of Securities & Exchange Board of India (SEBI), trading of the shares of the Company is compulsory in de-materialized form for all investors. The ISIN No. of the Company is INE186C01015.
- e) Members are requested to intimate to M/s Beetal Financial Computer Services Pvt. Ltd. 99 Beetal House, Madangir, New Delhi - 110062, regarding change, if any, of their address for mailing purposes.
- f) As per the amended provisions of the Companies Act 1956, the facility for making nomination is now available to the Members in respect of the Shares held by them. Nomination Form can be obtained from the Company's Registrar - M/s Beetal Financial Computer Services Pvt. Ltd.
- g) Members Desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual general Meeting so that the same may be responded well in advance.
- h) As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of the Annual Report at the meeting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.5

Mr. C.P. Misra, was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956.

Except Mr. C.P.Misra, none of the Directors is concerned or interested in the resolution.

Item No.6

Mr. P.K. Rajgarhia, was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956.

Except Mr. P.K.Rajgarhia, none of the Directors is concerned or interested in the resolution.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

By order of the Board
for Mefcom Capital Markets Ltd.

(Vijay Mehta)
Chairman

Place : New Delhi

Dated : September 3, 2008

Mefcom Capital Markets Limited

DIRECTORS' REPORT

Dear Shareholders,
Your Directors have pleasure in presenting the 23rd Annual Report together with the Audited Accounts of the company for the year ended 31st March 2008.

FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2008 (Rs. IN LACS)	FOR THE YEAR ENDED 31ST MARCH, 2007 (Rs. IN LACS)
Gross Income	267.91	52.99
Profit / (Loss) before Interest, Depreciation and Tax	34.42	(70.62)
Depreciation	7.61	5.57
Interest	3.24	6.27
Provision for Income Tax (incl. fringe benefit tax)	9.02	0.45
Prior period expenses and others	2.37	0.54
Profit / (Loss)	12.18	(83.45)

OPERATIONS AND FUTURE OUTLOOK

Your company has earned a gross profit of over Rs. 266 lacs during the year under review as against a gross profit of Rs. 52.98 lacs in the previous year registering a growth of over 500%.

There is a significant difference in the income pattern during the current year. In earlier years, major part of the income in your company used to accrue due to trading in shares. This year, more than 50% of the gross income has accrued from Merchant banking and Portfolio management activities, which is a matter of great satisfaction.

Your company handled a total number of 13 merchant banking assignments during the year 2007-08 and re-emerged as a leading private sector merchant banker in North India. Some of the prestigious assignments handled by your company during the year include acting as Advisors to the demutualisation process of both Delhi Stock Exchange and Jaipur stock exchange. Your company also acted as Lead Managers to the open offer for acquisitions of shares of DCM Shriram Industries Ltd. and Jagson Airlines Ltd. During the year under review, your company received a single cheque of Rs. 1,56,63,723/- (Rs. one crore fifty six lacs sixty three thousand seven hundred and twenty three) for services rendered which is the highest ever amount received in one assignment by your company. This is again a matter of great pride and satisfaction..

The profitability of your company was seriously eroded in the last quarter of the current year due to a steep fall in the portfolio investments held by the company. Besides the booked losses, your auditors have also provided for Rs. 97.73 lacs on account of diminution in the valuation of the current stocks held by the company. The expenses for the year had also substantially gone up mainly on account of high

salaries and outsourced consultancy charges besides Travel, Advertisement & some co-related misc. expenses. Due to these reasons, the net profit of the company substantially came down to Rs. 12.48 lacs, which though, is higher in comparison to the loss of Rs. 83.48 lacs during the previous year ending 31st March, 2007.

Despite the roller coaster ride experienced by your company during the year under review, your directors feel blessed for showing a profit balance sheet as compared to the crisis being experienced by the industry both at the national and international levels. Your directors are making their best efforts to take a larger market share in their operational activities and reduce their exposure on the portfolio investments so as to bring more stability in the operations.

DIVIDEND

In view of the carry forward losses, your Directors regret their inability to recommend any dividend.

DIRECTORS

Mr. T.R.Khare, Director of the company is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offer himself for reappointment.

Mr. Sham Nijhawan, Director of the company is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offer himself for reappointment.

Mr. C.P. Misra was appointed Additional Director of the Company w.e.f. 28.12.2007 and shall hold Office upto the conclusion of this Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received by the company, signifying his intention to propose the appointment of Mr. C.P.Misra, as Director of the company.

Mr. P.K.Rajgarhia, was appointed Additional Director of the Company w.e.f. 28.12.2007 and shall hold Office upto the conclusion of this Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received by the company, signifying his intention to propose the appointment of Mr. P.K.Rajgarhia, as Director of the company.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgements 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, 2008 and of the benefit of the Company for that period.
- 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.
- The Directors have prepared the annual accounts on a going concern basis.

PUBLIC DEPOSIT

The company does not have any public deposits.

SUBSIDIARY COMPANIES

The financial statement along with report of directors of subsidiary companies namely Mefcom Securities Limited, Mefcom Infrastructure Projects Limited and , Mefcom Commodity Brokers Limited (subsidiary of Mefcom Securities Ltd) for the year ended 31st March, 2008 are attached hereto. The statement under section 212 of the Companies Act, 1956 with respect to the said subsidiaries is attached together with the annual accounts of the company.

AUDITORS

M/s V. K. Dhingra & Company, Chartered Accountants, New Delhi retire at the conclusion of this Annual General Meeting and being eligible for reappointment, have expressed their willingness to be re-appointed, as statutory auditors of the Company. Your Directors recommend their reappointment.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this Director Report are Nil.

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

Your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, the Company did not have any foreign exchange earning. However, an expenditure of Rs. 285920/- (Two Lacs Eighty Five Thousand Nine Hundred Twenty only) has been

incurred for the business purpose.

INSURANCE

The Company's property and assets have been adequately insured wherever needed.

LISTING WITH STOCK EXCHANGES

As per the requirement of Clause 49 of the Listing Agreement with Stock Exchanges, the company hereby declares that the listing for its shares continued throughout the year with "The Stock Exchange Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001.

CORPORATE GOVERNANCE

The detailed report on Corporate Governance has been included separately in Annexure - '1' and '2' of the Directors Report.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support from its Bankers, Government Authorities, Business Constituents, shareholders & employees.

By order of the Board
for Mefcom Capital Markets Ltd.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

(Vijay Mehta)
Chairman

Place : New Delhi
Dated : September 3, 2008

Statement Pursuant to Section 212 of the Companies Act 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Mefcom Securities Ltd.	Mefcom Infrastructure Projects Limited
1. Financial Year of the Subsidiary Companies ended on	31st March, 2008	31st March, 2008
2. a) Issued subscribed and paid-up capital of Subsidiary Companies. b) Extent of interest of Mefcom Capital Markets Ltd. in the capital of Subsidiary.	- 29,99,900 Equity Shares of Rs.10/-each.(60%)	- 49,940 Equity Shares of Rs. 10/- each.(99.88%)
3. The Net Aggregate Amount of Profits/(Losses) of the Subsidiary so far as it concern the Members of Mefcom Capital Markets Ltd. and is not dealt with in the Accounts of Mefcom Capital Markets Ltd. a) For the Financial Year 31st March, 2008. b) For the previous Financial Years of the Subsidiary since it became Subsidiary of Mefcom Capital Markets Ltd	1,49,77,692 (7083110)	(239202) (10070)
4. Net Aggregate Amount of Profit/ (Losses) of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of Mefcom Capital Markets Ltd. a) For the Financial year ended 31st March, 2008. b) For the previous Financial Years of the Subsidiary since it became Subsidiary of Mefcom capital Markets Ltd.	- -	250000 -

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

By order of the Board
for Mefcom Capital Markets Ltd.

(Vijay Mehta)
Chairman

Place : New Delhi
Dated : September 3, 2008

Mefcom Capital Markets Limited

Forming part of Directors Report

Annexure - 1

CORPORATE GOVERNANCE REPORT

1.0 PHILOSOPHY

The Company believes in abiding by the Code of Corporate governance so as to be responsible corporate citizen and to serve the best interests of stakeholders, viz., the employees, shareholders and society at large. The company seeks to achieve its goal by being transparent in its business dealings by disclosure of all its relevant information in an easily understood manner, by ensuring that the company's activities are managed by a professionally competent and independent Board of Directors.

2.0 Board of Directors

2.1 Composition and Other Particulars

The Board of Directors comprises of 6 Directors, three of the whom i.e. Sh Vijay Mehta, Sh T.R.Khare and Ms Priyanka Mehta are Non-Executive-Non-Independent Directors. Sh Sham Nijhawan, Sh. P.K.Rajgarhia and Sh. C.P. Misra are Non-Executive-Independent Directors. The composition of the Board as on 31st March 2008 is in conformity with the Corporate Governance.

Details of Directorship in other Companies (excluding Private Limited Companies, Foreign Companies and section 25 Companies), Chairmanship and Committee membership held by the Directors as on 31st March, 2008, are given below:

Name of the Director	Category	Membership of the Board of other Companies	Chairmanship of the Board of Other Companies	Committee Membership of other Companies	Chairmanship of Committees of other Companies
Sh Vijay Mehta	Non-Executive Non-Independent Director	7	3	5	1
Sh T.R.Khare	Non-Executive Non-Independent Director	4	-	1	-
Ms Priyanka Mehta	Non-Executive Non-Independent Director	0	-	-	-
Sh Sham Nijhawan	Non-Executive Independent Director	2	-	-	-
Sh. P.K.Rajgarhia	Non-Executive Independent Director	8	-	-	-
Sh. C.P.Misra	Non-Executive Independent Director	1	-	-	-

Note:

The committee Membership of Mr. Vijay Mehta includes membership other than Audit Committee, Compensation and Remuneration

2.2 MEETINGS AND ATTENDANCE OF DIRECTORS

During the financial year ended 31st March 2008, 10 meetings of the Board of Directors of the Company were held on the following dates:

S.No.	Date of Meeting	Board Strength	No. Directors Present
1	02.04.2007	4	2
2	30.04.2007	4	3
3	09.06.2007	4	2
4	30.06.2007	4	2
5	31.07.2007	4	2
6	28.08.2007	4	2
7	29.09.2007	4	2
8	30.10.2007	4	2
9	28.12.2007	4	2
10	24.01.2008	6	3

The attendance of the Directors at the Board Meetings held during the year ended March 31, 2008 and at the last Annual General Meeting (AGM) is as under:

Name of the Director	Attendance in Board Meetings	Attendance in Last AGM
Sh Vijay Mehta	10	Y
Sh T. R. Khare	10	Y
Ms Priyanka Mehta	0	-
Sh Sham Nijhawan	2	-
Sh. C.P.Misra	1	-
Sh. P.K.Rajgarhia	1	-

Other than the Annual General Meeting, there was no other General Meeting held during the year.

2.2 REMUNERATION OF DIRECTORS

The sitting fees to the Directors were paid as under during the financial year:

1. Sh T.R.Khare	Rs.1000/-
2. Sh Sham Nijhawan	Rs.1000/-
3. Sh. C.P.Misra	Rs.1000/-

The Company presently does not have any stock option scheme.

Appointment / Re-appointment / Resignation of Directors

Brief particulars of the Directors proposed to be appointed / re-appointed at the ensuing Annual General Meeting are as follows:

Sh T.R.Khare, Director of the Company, retiring by rotation, is proposed to be re-appointed, at the ensuing Annual General Meeting.

Sh. Sham Nijhawan, Director, of the Company retiring by rotation, is proposed to be re-appointed, at the ensuing Annual General Meeting. Sh. C.P.Misra joined the Board on 28.12.2007 as an Additional Director and will hold office upto the conclusion of ensuing Annual General Meeting. It is proposed to appoint him as a Director at the same Annual General meeting. Sh. C.P.Misra aged 67 years, is M.A. English and Geography and is retired from the post of Chief Secretary of Himachal Government.

Sh. P.K.Rajgarhia, joined the Board on 28.12.2007 as an Additional Director and will hold office upto the conclusion of ensuing Annual General Meeting. It is proposed to appoint him as a Director at the same Annual General meeting. Sh. P.K.Rajgarhia, aged 65 years, is B. Mechanical and is engaged in the business of share market since last 10 years.

Particulars of their other Directorship are given below:

Name of the Director	Details of other Directorships of Public Limited Companies	Committees memberships in other Companies
Sh T.R.Khare	Mefcom Securities Ltd. Mefcom Commodity Brokers Ltd. Mefcom Infrastructure Projects Ltd.	Mefcom Securities Ltd.
Sh Sham Nijhawan	-	-
Sh. C.P.Misra	Mefcom Securities Ltd.	Mefcom Securities Ltd.
Sh. P.K.Rajgarhia	Vyaparik Pratisthan Ltd. Vivek Paper Mills Ltd. Amrit International Ltd. Krofta Engineering Ltd.	-

3.0 Committees of Directors

To comply with the requirement of Clause 49 of the listing agreement with the Stock Exchange, the Board has constituted the required Committees. The composition of these Committees is as under:

S.No.	Various Committees Name of Member/ Chairman	Audit Committee	Remuneration Committee	Share Transfer & Shareholders/ Investors Grievance Committee
1	Sh Sham Nijhawan	Yes	Yes	Yes
2	Sh. T.R.Khare	Yes	Yes	Yes
3	Sh. C.P.Misra	Yes	Yes	Yes
4	Sh. P.K. Rajgarhia	Yes	Yes	Yes

Sh. Sham Nijhawan who is Chairman of Audit Committee, is a Fellow Member of Institute of Chartered Accountants of India and possesses over 16 years' experience in financial matters. Sh.T.R.Khare and Sh. C.P.Misra and Sh. P.K.Rajgarhia are the Members of Audit Committee as on 31.03.2008.

Sh. C.P.Misra who is Chairman of Remuneration Committee, is M.A. English and Geography and is retired from the post of Chief Secretary of Himachal Government. Sh.T.R.Khare Sh. Sham Nijhawan and Sh. P.K.Rajgarhia are the Members of Audit Committee as on 31.03.2008. Sh. P.K.Rajgarhia who is Chairman of Share Transfer & Shareholders/ Investors Grievance Committee, is engaged in the business of share market since last 10 years. Sh.T.R.Khare and Sh. C.P.Misra and Sh. Sham Nijhawan are the Members of Audit Committee as on 31.03.2008.

3.1 AUDIT COMMITTEE

The Board of Directors set up the Audit Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director. The Chairman of the Committee continues to be Non-Executive Independent Director. Mr. Sham Nijhawan, the Chairman of this committee, is a Fellow Member of the Institute of Chartered Accountants of India and possesses over 16 years' experience in financial matters

During the year ended 31st March 2008, the committee held 5 Meetings on the following dates:

- 28th April 2007.
- 28th July 2007.
- 20th August 2007.
- 22nd October 2007.
- 14th January 2008.

The terms of the reference of Audit Committee are in conformity with the requirements of the Clause 49 of the listing agreement and also section 292A of the Companies Act, 1956. These broadly cover the following:

- To discuss and review the quarterly Audit Reports submitted by the Internal Audit Department.
- To review the progress in implementation of the suggestions made by the Internal Audit Department.
- To discuss and review the observations of the Internal Audit Department of the Company on the systems and controls, cost control, statutory compliance etc., in various areas.
- To discuss the quarterly, half yearly and annual financial results of the Company and recommend the same to the Board for its approval.
- To interact with Statutory Auditors' on the Annual Accounts and on other accounting matters.
- To recommend re-appointment of Statutory Auditors, and other remuneration.

3.2 COMPENSATION AND REMUNERATION COMMITTEE

The Board of Directors set up the Compensation & Remuneration Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive Non-Independent Director, and the Chairman of the Committee continues to be a Non-Executive Independent Director.

Mr. C.P. Misra is Chairman of the committee.

During the year ended 31st March 2008, the committee held only one meeting on 25th August 2007.

1. The Committee is empowered to decide remuneration and other terms and conditions of Executive Director.
2. The Committee is empowered to decide on employees' Stock Option Schemes as and when such Scheme is considered for introduction in the Company.

3.3 SHARES TRANSFER AND SHAREHOLDERS' GRIEVANCE COMMITTEE

The Board of Directors set up the Shares Transfer And Shareholders Grievance Committee on 28th March, 2003, in accordance with the provisions of the Listing Agreement and the Companies Act 1956, consisting of 3 Non-Executive Independent Directors and one Non-Executive, Non-Independent Director. The Chairman of the Committee continues to be a Non-Executive Independent Director.

Mr. P.K. Rajgarhia is Chairman of Shares Transfer And Shareholders Grievance Committee

During the year ended 31st March 2008, the committee held 15 Meetings on the following dates:

- | | |
|-----------------------|-----------------------|
| 1. 20th April 2007 | 2. 21st May 2007 |
| 3. 31st May 2007 | 4. 10th July 2007 |
| 5. 31st July 2007 | 6. 11th August 2007 |
| 7. 26th December 2007 | 8. 10th January 2008 |
| 9. 21st January 2008 | 10. 31st January 2008 |
| 11. 11th Feb. 2008 | 12. 20th Feb. 2008 |
| 13. 29th Feb. 2008 | 14. 10th March 2008 |
| 15. 31st March 2008 | |

The Committee is empowered to deal with various matters relating to the Allotment of Shares, Transfer of Shares, Transmission of Shares, Issue of duplicate Share Certificates, and Issuance of Share Certificates against re-materialization of shares and monitors expeditious redressal of investor's grievances etc.

4.0 MANAGEMENT

4.1 Management Discussion and Analysis

The Company has provided a detailed management discussion and analyses in Annexure - 2 to the Report.

4.2 DISCLOSURES

Details of transactions with related parties have been reported in Notes to Accounts as per Schedule 'K' in the Balance Sheet

Company is properly adopting the whistle blower policy and no person has been denied access to the Audit Committee.

4.3 Penalty and Strictures

No penalties or strictures have been imposed on the Company by Stock Exchanges, SEBI, or by any Statutory Authority on any matter relating to Capital Markets during the last three years.

5. PAST THREE GENERAL BODY MEETINGS

Details of Annual General Meetings held in the last three years are given below:

AGM No.	Year	Date	Time	Venue
20th	2005	30th Sept. 2005	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030
21st	2006	30th Sept. 2006	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030
22nd	2007	29th Sept. 2007	11.00 A.M.	E-15, Ansal Villas, Village Satbari, New Delhi - 110030

6. POSTAL BALLOT

No Special Resolution requiring postal ballot was placed before the last Annual General Meeting.

No Resolution is being proposed at the ensuing Annual General Meeting, which requires approval of Members through postal ballot.

7. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual financial results of the Company are sent to the Stock Exchanges where the Company's shares are listed, immediately after the Board approves them. These are also published generally in the "Money Makers" and "Mahalaxmi Bhagyodaya" Delhi. The Company does not by itself display its periodic results in any Web Site, except EDIFAR Website as required by Listing Agreement. The half-yearly reports are not sent to household of shareholders. Copies of the financial results and Annual Reports of the Company are provided to various analysts, Government Departments, investors and others, interested in getting the same upon receipt of request from them. During the year, the Company has no occasion to make any official news release and no formal presentation was made to the institutional investors / analysts. The Management Discussion and Analysis Report form a part of the Directors Report.

8.0 GENERAL SHAREHOLDERS INFORMATION

8.1 ANNUAL GENERAL MEETING

Date	: 30th September 2008
Time	: 10.30 A.M.
Venue	: Mehta Farms, Chhawla Village, Beyond BSF Camp, Rajokary Nazafgarh Road, New Delhi-110030

SPECIAL RESOLUTION PASSED AT THE PREVIOUS 3 AGMs

2005	: Nil
2006	: Corporate Guarantee of Rupees one crore to HDFC Bank for Mefcom Securities Ltd. (borrower).
2007	: Appointment of Mr. Vijay Mehta as Executive Chairman.

8.2 FINANCIAL CALENDAR 2008-09

- First Quarter Results	By the end of July, 2008
- Second Quarter / Half yearly Results	By the end of October, 2008

- Third Quarter Results By the end of January, 2009
- Annual Results (UN-audited) for the year ending March 31, 2007 By the end of April, 2009
- Annual General Meeting By the end of September, 2009

8.3 BOOK CLOSURE

The Share Transfer Books and Register of Members shall remain closed from September 29, 2008 to September 30, 2008 (both days inclusive). Notice to this effect will be sent to all the Stock Exchanges, where the shares of the Company are listed as per the Listing Agreement.

8.4 DIVIDEND

The Company has not declared dividend for the year ended March 31, 2008.

8.5 LISTING OF SHARES

The Company's Equity Shares are listed at Bombay Stock Exchange Limited and the Stock Code is 531176.

Trading of the equity shares of the Company is compulsorily in demat form.

The ISIN number to hold the shares in electronic mode is - INE186C01015

8.6 LISTING FEES

The Company has paid listing fees to The Stock Exchange Mumbai up to the financial year 2007-08.

8.7 MARKET PRICE DATA

Details of monthly high / low market price of the Company's shares at The Stock Exchange Mumbai (BSE) are given below:

Month	High (RS.)	Low (RS.)
April 2007	19.50	14.15
May 2007	15.80	13.06
June 2007	17.90	13.80
July 2007	23.00	14.95
August 2007	33.35	20.10
September 2007	38.20	27.50
October 2007	36.45	25.50
November 2007	51.90	35.00
December 2007	59.95	41.00
January 2008	62.15	41.65
February 2008	43.05	26.40
March 2008	28.50	16.35

8.8 SHARE TRANSFER AGENTS AND REGISTRARS

The transfer and demat of shares are being done by Beetal Financial Computer Services Pvt. Ltd., 99 Beetal House, Madangir, New Delhi-110062. The investors can send request for transfer and demat to:

M/s Beetal Financial Computer Pvt. Ltd.
99 Beetal House, Madangir
New Delhi-110062

Shareholders holding shares in electronic form should address all their correspondence to their respective depository participant.

8.9 SHARE TRANSFER SYSTEM

All the Share transfers are processed by the Registrar and Share Transfer Agent namely Beetal Financial Computer Services Pvt. Ltd., 99 Beetal House, Madangir, New Delhi-110062., and the approved by the Committee constituted by the Board for the said purpose. The Committee meets as and when required to approve share transfer received in physical form.

8.10 SHAREHOLDERS COMPLAINTS

The Company confirms that there are no share transfers received with valid documents lying pending on March 31, 2007, and all requests for dematerialization of shares as on that date were confirmed / rejected to NSDL/CDSL.

Complaints received by the Company	05
Replied	05
Pending	Nil

All the complaints received by the Company during the year under review from investors were replied / resolved to the satisfaction of the investors.

Compliance Officer: Mr. R.N.Yadav, Manager Secretarial

Company Secretary: There is no Company Secretary in the Company

8.11 DEMATERIALISATION OF SHARES

The Company's shares are under dematting form. The ISIN Number of the Company is INE186C01015. Members who are desirous of holding their shares in demat are requested to apply to their depository participants in the prescribed Demat Requisition Form along with original Share certificates. About 95.10% of total shares are held in demat form as on 31st March 2008.

8.12 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2008

Number of Equity Shareholding	Number of Share holders	% of Shareholders	No. of Shares	% of Total Shares
1-500	3178	89.88	469244	5.7645
501-1000	176	4.98	148364	1.8226
1001-2000	69	1.95	108882	1.3376
2001-3000	28	0.79	71435	0.8776
3001-4000	9	0.25	30511	0.3748
4001-5000	14	0.40	68359	0.8398
5001-10000	20	0.57	137534	1.6896
10001& above	42	1.19	7105839	87.2935
Total	3536	100%	8140168	100%

8.13 CATEGORY OF SHAREHOLDING AS ON 31ST MARCH, 2007

S. No.	Category	No. of Shares Held	% of Shareholding
A. Promoter's holding			
1.	Promoters		
	-Indian Promoters	5800000	71.25
	-Foreign Promoters	Nil	Nil
2.	Person acting in concert	Nil	Nil
	Sub - Total	5800000	71.25
B. Non-Promoters Holding			
3.	Institutional Investors		
	a. Mutual Funds and UTI	70100	0.86
	b. Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions)	Nil	Nil
	c. Foreign Institutional Investors	15000	0.18
	Sub - Total	85100	1.05
4.	Others		
	a. Private Corporate Bodies	358970	4.41
	b. Indian Public	1810271	22.24
	c. NRIs / OCBs	80493	0.99
	d. Any Other (Clearing Member)	5334	0.07
	Sub Total	2255068	27.70
	Grand - Total	8140168	100%

CEO/CFO CERTIFICATION

A certificate from CEO/CFO of the Company is attached to this report.

COMPLIANCE

A certificate has been obtained from the Practicing Company Secretary, regarding compliance of conditions of Corporate Governance and is attached to this Report.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

By order of the Board
for Mefcom Capital Markets Ltd.

(Vijay Mehta)
Director

Place : New Delhi
Dated : September 3, 2008

CEO / CFO Certification

To
The Board of Directors
Mefcom Capital Markets Ltd.
New Delhi.

We hereby certify that:

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting stands, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the

company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) They have indicated to the auditors and the Audit Committee
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

(Vijay Mehta)
Chief Executive Officer

(T.R.Khare)
Chief Financial Officer

Place : New Delhi
Dated : September 3, 2008

Forming part of Directors Report

Annexure - 2

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Industry Overview**

Indian economy has grown at a growth rate of 8.9% on an average annual basis over the last five years despite slow down in advanced economies. Quarterly growth of 1st quarter of 2008-09 was also amongst the highest in the world despite all time high inflation, rise in crude oil, metal and food price internationally.

Outlook on Opportunities, Threats and Concerns

Capital Markets have remained volatile and stability is likely to return after the new government is in place post election sometime in the first quarter of 2009. However, new products like currency derivatives have been launched and your company has applied for its membership. This lull period is proposed to be utilized by your company to expand its network and retail outlets which will improve the bottom line of the company.

Internal Control System and Adequacy

Internal control system has been designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization properly recorded and accounting records are adequate for preparation of financial statements and other financial information. The management has put in place internal system for constant review and monitoring of recovery efforts.

Financial Performance

Your company has made a profit of Rs. 12.18 lacs during the financial year ended on 31st March, 2008 and has also recovered a sum of Rs. 7.25 lacs which were written off as bad debts earlier. Your company is confident of continuing to be in-profit during the current year.

Human Resources

Because of the financial constraints, the Company is operating with minimum work force. The Company is now also planning to employ additional people in view of proposed addition in its activities.



Certificate of Company Secretary (Whole Time in Practice)

To
The Members of
Mefcom Capital Markets Ltd

We examined the compliance of conditions of Corporate Governance by Mefcom Capital Markets Ltd. for the year ended 31st March 2008, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures, implementation thereof, adopted by the Company for ensuing the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In our opinion and to the best of our information and explanations given to us, we certify that the Company was complying with the conditions of Corporate Governance. However, due to resignation of one independent director, the composition of Board and other Committees is not in conformity with the conditions of Corporate Governance till

28.12.2007, as stipulated in the above mentioned Listing Agreement from 31st October, 2005.

We state that in respect of investors grievances received during the year ended 31st March, 2008, no investor grievances are pending against the Company as per records maintained by the Company, which are presented to the shareholders/investors grievance committee.

We further state that compliance is neither assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Lalit K. Agarwal & Company
(Company Secretaries)
Lalit Agarwal
Proprietor
C.P.No. 5768

Place : New Delhi

Dated : September 3, 2008

AUDITORS' REPORT

To
The Members of
MEFCOM CAPITAL MARKETS LIMITED

1. We have audited the attached Balance Sheet of MEFCOM CAPITAL MARKETS LIMITED as at 31st March, 2008 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 the 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 the management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report on the matters specified in paragraphs 4 & 5 of the said Order, to the extent applicable to the Company.
4. Further to our comments in the annexure referred to in paragraph 3 above, we report that:
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
 - iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- iv) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 except for: **non-compliance of Accounting Standard-15 in respect of Accounting for gratuity payable to employees which has not been accounted for an accrual basis.**
 - v) **In the absence of written representation from one of directors of the Company, we are not able to comment whether he is disqualified or not as on 31st March, 2008 from being appointed as a director in term of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.** Except for above, on the basis of written representations received from other directors of the Company and taken on record by the Board of Directors, we report that none of the directors is, prima facie, disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.
 - vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts **subject to non provision of accruing liability for gratuity, effect of which on the accounts has not been ascertained and read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:**
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2008;
 - b) in the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the Cash Flows of the Company for the year ended on that date.
- for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner
M. No. 14467

Place : New Delhi
Dated : September 3, 2008

ANNEXURE TO THE AUDITORS' REPORT

REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF MEFCOM CAPITAL MARKETS LIMITED FOR THE YEAR ENDED ON 31ST MARCH, 2008

- 1 a) The Company has maintained proper records showing full particulars including quantitative detail and situation of its fixed assets.
- b) As explained to us, physical verification of fixed assets was conducted by the management during the year. In our opinion, frequency of physical verification is reasonable having regard to the size of the company and the nature of its business. On the basis of explanation given to us, no discrepancy has been noticed on aforesaid verification.
- c) There was no disposal of fixed assets during the year ended on 31st March, 2008 which may affect the going concern.
- 2 The company did not have or dealt with any inventory during the year. Accordingly clause (ii) of para (4) of the Order is not applicable.
3. (a) According to the information and explanation given to us, the company has granted unsecured loans to its director and one other party covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate maximum amount of loans granted to them was Rs. 37 lacs. The loan was repaid by them during the year.
- (b) In our opinion and according to the information and explanations given to us, the interest and other terms and conditions of loans given by the company were not prima facie prejudicial to the interest of the company;
- (c) As explained to us the receipt of principal amount and interest are regular as stipulated.
- (d) There was no overdue amount exceeding rupees one lakh from any party.
- (e) According to the information and explanations given to us, the company has not taken any loans from the Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of fixed assets and for sale of services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.
5. a) Based on the audit procedures applied by us and according to the information and explanations given by the management, we are of the opinion that the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered into the register maintained under that section.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at relevant time.
6. The Company has not accepted any deposit from public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed thereunder.
7. In our opinion the Company has an internal audit system which needs to be strengthened to be commensurate with the size of the Company and nature of its business.
8. The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.
9. a) According to the records of the Company, the Company is generally regular in depositing undisputed dues of Provident Fund, Investor Education and Protection Fund, Employers' State Insurance, Income Tax, Cess and other statutory dues as applicable to the Company except for the non deposition of Income Tax amounting to Rs. 1,30,113/- on dividend declared for the year 1996-97 pertaining to unpaid dividend on partly paid-up shares, which has remained outstanding as on 31st March, 2008 for a period of more than six months from the date it became payable.
- b) According to the records of the Company and the information and explanation given to us the details of the dues of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute are given below :-

Name of Statute	Nature of Dues	Financial Year to which the Matter Pertains	Amount (Rs.)	Forum Where Dispute is Pending
Income Tax Act, 1961	Income Tax & Interest	1999-2000	2,18,848/-	Dy. Commissioner of Income Tax

10. The accumulated losses of the Company at the end of the year has not exceeded 50% of the net worth of the Company. The Company has not incurred cash losses during the year ended on 31st March, 2008 but has incurred cash losses during the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues of financial institutions and banks.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us the provisions of any special statute relating to chit fund / nidhi / mutual benefit fund/ societies were not applicable to the company during the year ended on 31st March, 2008.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities and other investments and timely entries have been made in those records. We also report that the Company has held the shares, securities and other investments in its own name.
15. According to information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
16. The company has not taken any term loans. Accordingly clause (xvi) of para (4) of the Order is not applicable.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investments.
18. According to the information and explanations given to us no preferential allotment of shares was made during the year to the parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Accordingly, clause (xix) of para (4) of the Order is not applicable.
20. The company has not raised any money by public issue during the year. Accordingly, clause (xx) of para (4) of the Order is not applicable.
21. Based upon the audit procedures performed and according to the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2008.

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner
M. No. 14467

Place : New Delhi
Dated : September 3, 2008

Mefcom Capital Markets Limited

Balance Sheet as at 31st. March, 2008

	SCHEDULE	AS AT 31.03.2008		AS AT 31.03.2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS					
SHARE HOLDERS' FUND					
a) Share Capital	A	81401680.00		81401680.00	
b) Reserve and Surplus	B	<u>25617952.63</u>	107019632.63	<u>24400339.36</u>	105802019.36
LOAN FUND					
a) Secured Loans	C		-		3688924.18
TOTAL			<u>107019632.63</u>		<u>109490943.54</u>
APPLICATION OF FUNDS					
1 FIXED ASSETS	D				
Gross Block		6740641.58		6136763.58	
Less : Depreciation		<u>3285692.00</u>	3454949.58	<u>2524635.14</u>	3612128.44
2 INVESTMENTS	E		70592604.04		71343427.42
3 CURRENT ASSETS, LOANS & ADVANCES	F				
a) CURRENT ASSETS					
- Cash & Bank Balances		1615673.46		16531740.20	
- Debtors		499909.00		-	
- Other Current Assets		3588491.00		3644778.00	
b) LOANS & ADVANCES		<u>28737450.28</u>		<u>15188920.41</u>	
		34441523.74		35365438.61	
Less : CURRENT LIABILITIES & PROVISIONS	G				
		<u>1469444.73</u>	32972079.01	830050.93	34535387.68
TOTAL			<u>107019632.63</u>		<u>109490943.54</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS					
Schedules referred to above form integral part of this Balance Sheet					

As per our report of even date

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. 014467
Place : New Delhi
Dated : September 3, 2008

Mefcom Capital Markets Limited

Profit And Loss Account for the period ended 31st. March, 2008

	SCHEDULE	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
INCOME			
Securities (Net)		11457520.14	Profit on Sale of Shares / 3814118.44
Income from Merchant Banking Operations	H	13518155.00	300000.00
Dividend on Shares		873441.50	310025.00
Other Income	I	941542.51	874417.28
TOTAL (A)		26790659.15	5298560.72
EXPENSES			
Personnel, Administrative and Other Expenses	J	13434453.69	4922195.78
Provisions and write offs	K	9915130.33	7437595.55
Interest Paid		324268.00	627390.00
Depreciation		761056.86	557314.88
TOTAL (B)		24434908.88	13544496.21
Profit/(Loss) Before the Taxation (A-B)		2355750.27	(8245935.49)
Less : Provision for Income Tax - Current Tax		820000.00	-
Provision for Fringe Benefit Tax- Current Tax		81695.00	45000.00
Profit / (Loss) after taxation but before Prior Period Adjustments		1454055.27	(8290935.49)
Less : Prior Period Adjustments:			
-Tax paid for earlier years		236442.00	54236.34
Profit / (Loss) after Prior Period Adjustments		1217613.27	(8345171.83)
Profit / (Loss) brought forward		(99114189.14)	(90769017.31)
BALANCE CARRIED TO RESERVES & SURPLUS		(97896575.87)	(99114189.14)
Basic and Diluted Earnings Per Shares (Rs)		0.15	(1.40)
SIGNIFICANT ACCOUNTING POLICIES	L		
AND NOTES TO ACCOUNTS			

Schedules referred to above form integral part of this Profit & Loss Account

As per our report of even date

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. 014467
Place : New Delhi
Dated : September 3, 2008

Mefcom Capital Markets Limited

Cash Flow Statement for the year ended 31st March, 2007

	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) after Tax	1217613.27	(8345171.83)
Adjustment for :		
- Depreciation	761056.86	557314.88
- Loss / (Profit) on Sale of Investments (Net)	(25997110.65)	(9652959.92)
- Write off/ Diminution in value of Investments (Net)	10,123,070.87	7437595.55
- Interest Paid	324268.00	627390.00
- Provision for Taxation (Including Prior Period)	1138137.00	99236.34
- Dividend Income on Investments	(873441.50)	(308545.00)
- Loss / (Profit) on Sale of Fixed Assets	-	1,063.03
- Write back of provision for Sub-Standard Assets	(207940.54)	-
Operating Profit before Working Capital Changes	<u>(14731959.96)</u>	<u>(1238905.12)</u>
Adjustment for :	<u>(13514346.69)</u>	<u>(9584076.95)</u>
- Trade and Other Receivables	(9827786.33)	805159.03
- Trade and Other Payables	1029644.80	(49032.86)
	<u>(8798141.53)</u>	<u>756126.17</u>
	<u>(22312488.22)</u>	<u>(8827950.78)</u>
Less : Direct Tax Paid	<u>(5271111.00)</u>	<u>(3093000.00)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>(27583599.22)</u>	<u>(11920950.78)</u>
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets (Including CWIP)	(817580.00)	(2336120.00)
- Sale of Fixed Assets	-	51,000.00
- Purchase of Investments	(228691490.41)	(70507365.21)
- Sale of Investments	245316353.57	69004932.65
- Dividend Received on Investments	873441.50	308545.00
NET CASH FROM INVESTING ACTIVITIES	<u>16680724.66</u>	<u>(3479007.56)</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Issue of Share Capital	-	27,584,000.00
- Secured Loan Taken/(Repaid)	(3688924.18)	3,688,924.18
- Interest Paid	(324268.00)	(627390.00)
NET CASH FROM FINANCING ACTIVITIES	<u>(4013192.18)</u>	<u>30645534.18</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	<u>(14916066.74)</u>	<u>15245575.84</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16531740.20	1286164.36
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	1615673.46	16531740.20

NOTES :-

- i) Figures in brackets represent cash outflows.
- ii) Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with those of current year.

As per our report of even date attached
for V.K. Dhingra & Co.
Chartered Accountants

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

(V.K. Dhingra)
Partner

Place : New Delhi
Dated : September 3, 2008

Schedule Annexed to and forming part of Balance Sheet as at 31st. March, 2008

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>100000000.00</u>	<u>100000000.00</u>
Issued and Subscribed Capital		
81,40,168 Equity Shares of Rs. 10/- each	<u>81401680.00</u>	<u>81401680.00</u>
Paid-up Capital		
81,40,168 Equity Shares of Rs. 10/- each fully paid up	<u>81401680.00</u>	<u>81401680.00</u>
TOTAL	<u><u>81401680.00</u></u>	<u><u>81401680.00</u></u>
SCHEDULE 'B' - RESERVES AND SURPLUS		
Capital Reserve		
- Profit on reissue of forfeited equity shares	12916689.50	467000.00
Add: Additions during the year	-	<u>12449689.50</u>
	<u>12916689.50</u>	12916689.50
Share Premium Account	108797839.00	108797839.00
General Reserve	1100000.00	1100000.00
Special Reserve	<u>700000.00</u>	<u>700000.00</u>
Total Reserves	123514528.50	123514528.50
Less: Debit Balance in Profit & Loss Account	<u>97896575.87</u>	<u>99114189.14</u>
TOTAL	<u><u>25617952.63</u></u>	<u><u>24400339.36</u></u>
SCHEDULE 'C' - SECURED LOANS		
- From Body Corporate	-	3688924.18
(Secured against pledge of equity shares in a designated Demat Account)	-	-
TOTAL	-	<u><u>3688924.18</u></u>

SCHEDULE 'D' - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ASON 01.04.2007 (Rs.)	ADDITIONS FOR THE YEAR (Rs.)	SALES/ADJ. FOR THE YEAR (Rs.)	TOTAL ASON 31.03.2008 (Rs.)	UPTO 31.03.2007 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENT FOR THE YEAR (Rs.)	TOTAL ASON 31.03.2008 (Rs.)	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
Computers	1004953.71	87500.00	-	1092453.71	895575.86	64695.51	-	960271.37	132182.34	109377.85
Furniture & Fixtures	1013825.88	-	-	1013825.88	369963.25	116539.14	-	486502.39	527323.49	643862.63
Office Equipments	2127396.82	-	-	2127396.82	1013316.95	154968.51	-	1168285.46	959111.36	1114079.87
Vehicles	769837.00	-	-	769837.00	95013.92	174711.70	-	269725.62	500111.38	674823.08
Software	82650.00	730080.00	-	812730.00	33663.84	149230.00	-	182893.84	629836.16	48986.16
Leased Premises										
Development	1138100.17	-	213702.00	924398.17	117101.32	100912.00	-	218013.32	706384.85	1020998.85
TOTAL	6136763.58	817580.00	213702.00	6740641.58	2524635.14	761056.86	-	3285692.00	3454949.58	3612128.44
PREVIOUS YEAR	3477705.58	3620120.00	961062.00	6136763.58	2876319.23	557314.88	908998.97	2524635.14	3612128.44	601386.35

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule Annexed to and forming part of Balance Sheet as at 31st. March, 2008

SCHEDULE 'E' - INVESTMENTS OTHER THAN TRADE

	AS AT 31.03.2008			AS AT 31.03.2007		
	FACE VALUE	QTY.	AMOUNT (Rs.)	FACE VALUE	QTY.	AMOUNT (Rs.)
Long Term Investments:						
Quoted - At Cost - Fully Paid up shares						
ATV Projects Ltd.			-	10	100	101.00
Radico Khaitan Finance Ltd.			-	10	600	8727.61
Shiva Medicare Ltd.			-	10	96500	965000.00
Sub Total (A)			-			973828.61
Unquoted - At Cost - Fully Paid up shares						
Investment in Share of Subsidiary Companies						
Mefcom Commodity Brokers Ltd.			-	10	999500	5499500.00
Mefcom Securities Ltd.	10	2999900	32291323.59	10	2999900	32291323.59
Mefcom Infrastructure Projects Ltd.	10	49940	499400.00	10	49940	499400.00
Investment in Share of Other Companies						
Jaipur Stock Exchange Limited	1	324500	5841000.00			-
Sub Total (B)			38631723.59			38290223.59
Sub Total (A+B)			38631723.59			39264052.20
Less: Provision for Diminution in value of Long Term Investments			250000.00			973825.61
Total (A)			38381723.59			38290226.59
Current Investments:						
Quoted - At Lower of Cost or Market Price - Fully Paid up shares						
Banswara Syntex Ltd.	10	199150	10243275.00	10	74150	6375988.00
BPL Ltd.			-	10	10000	948380.00
CEAT Limited			-	10	10000	1378771.95
Crew B.O.S.Production Ltd.			-	10	4000	1037760.00
DCM Shriram Consolidated Ltd	2	10000	1048463.78			-
Gujarat Borosil Ltd.	5	50000	1267361.07			-
G.E.Shipping Ltd.			-	10	8000	1874230.22
Godavari Power & Ispat Ltd.			-	10	6385	672690.40
Great Offshore Ltd.			-	10	2000	480259.38
Himachal Futuristic Ltd	10	100000	5133156.30			-
Jay Pee Hotels (CR) Ltd.	10	10000	2370625.65			-
Jenson & Nicholson Ltd.	2	50000	1006391.97			-
Jindal Saw Ltd.	10	2000	1815305.40			-
Jindal Stainless Ltd.	10	10000	2214700.00			-
KPIT Info System Ltd.			-	2	11000	1526222.25
Lakshmi Vilas Bank Ltd.	10	5000	690145.30			-
LKP Merchant Fin. Ltd.	10	52827	6630917.95	10	49740	6119960.03
Manglam Cement Ltd	10	10000	2008903.88			-

	AS AT 31.03.2008			AS AT 31.03.2007		
	FACE VALUE	QTY.	AMOUNT (Rs.)	FACE VALUE	QTY.	AMOUNT (Rs.)
Mercator Lines Ltd.	1	10000	1506567.20		-	-
Mirza International Ltd.		-	-	10	2000	442285.91
Mysore Cements Ltd.	10	50000	3134724.70			
Nagpureng (Jayswal Necco)	10	20000	1396204.95			
Nikki Global Finance Ltd.		-	-	10	149775	2075679.10
Nocil Ltd.	10	40000	1731371.05			
Oswal Chemicals Ltd.	10	20000	1308463.35		-	-
Petronet LNG Ltd	10	10000	1135044.00		-	-
Shaw Wallace Ltd	10	8000	3637563.92		-	-
S.Kumar Nationwide Ltd.				10	10000	639603.20
SRF Ltd.		-	-	10	5500	1284356.55
Tata Steel Ltd.(CCPS)	100	5220	522000.00		-	-
Tata Steel Ltd.	10	1069	320700.00		-	-
Tata Tele Ltd.	10	20000	1079629.05		-	-
Tele Data Info Ltd.	2	1250	78757.50		-	-
Tele Data Marine Solutions Ltd.	10	625	-			
Tele Data Technology Solutions Ltd.	10	625	-			
Uflex Ltd.		-	-	10	10000	2311696.60
United Spirits Ltd.		-	-	10	15000	11859140.60
UCO. Bank Ltd.	10	10000	482923.50		-	-
Vipul Ltd.	2	2000	481146.17			
Webpulse Consulting Ltd.		-	-	10	19800	1.00
Welspun Gujrat Ltd.		-	-	5	20000	2212740.40
Sub Total (C)			51244341.69			41239765.59
Less: Provision for Diminution in value of Current Investments			19033461.24			8186564.76
Total (B)			32210880.45			33053200.83
Total (A+B)			70592604.04			71343427.42
A. Aggregate of Quoted Investments						
- At Cost Price			51244341.69			42213594.20
- At Market Price			33309784.10			34515752.25
B. Aggregate of Unquoted Investments						
- At Cost Price			38631723.59			38290233.59

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

**Schedule Annexed to and forming part of
Balance Sheet as at 31st. March, 2008**

	AS AT 31.03.2008		AS AT 31.03.2007	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE 'F' - CURRENT ASSETS, LOANS AND ADVANCES				
1	CURRENT ASSETS			
a)	Stock in Trade			
	- Hire Purchase			
		-		207940.54
	(Secured against Hire Purchase Contract)			
	- Less : Provision of Sub-Standard Assets			
		-		207940.54
	TOTAL			
		-		-
b)	Sundry Debtors			
	(unsecured considered good)			
	- Outstanding for a period exceeding six months			
		-		-
	- Others			
		499909.00		-
		<u>499909.00</u>		-
c)	Cash & Bank Balances			
	- Cash in Hand			
		322049.78		368832.78
	- Balances with Scheduled Bank			
	- in Current Accounts			
		1293623.68		13662907.42
	- in Fixed Deposit Accounts			
		-		2500000.00
	TOTAL			
		<u>1615673.46</u>		<u>16531740.20</u>
d)	Other Current Assets			
	- Properties acquired in satisfaction of Loans & Advances (At Cost)"			
		7176982.00		7176982.00
	Less : Provision for diminution in Value			
		<u>3588491.00</u>	3588491.00	<u>3588491.00</u>
	- Interest Accrued			
	- Due from relative of a Director			
		-	54575.00	
	- Others			
		-	1712.00	56287.00
	TOTAL			
		<u>3588491.00</u>		<u>3644778.00</u>
2	LOANS & ADVANCES			
	(Unsecured Considered Good):			
a)	Advances Recoverable in cash or in kind or for value to be received"			
	- Due from Subsidiary			
		20203340.70		4359017.41
	- Due from Others			
		<u>3493881.98</u>	23697222.68	<u>10302073.00</u>
b)	Other Loans			
	- Due from Subsidiary			
		-		500000.00
	Due from others			
		1055972.60		-
c)	Security Deposits			
		11000.00		11000.00
d)	Tax Deducted at Source (Net)			
		3973255.00		16830.00
	TOTAL			
		<u>28737450.28</u>		<u>15188920.41</u>
SCHEDULE 'G' - CURRENT LIABILITIES AND PROVISIONS				
A	CURRENT LIABILITIES			
	- Advances From Customers			
		399760.00		-
	- Other Liabilities			
		1069684.73		821849.93
	TOTAL (A)			
		<u>1469444.73</u>		<u>821849.93</u>
B	PROVISIONS			
	- Provision for Taxation			
		-		8201.00
	TOTAL (B)			
		-		8201.00
	TOTAL (A + B)			
		<u>1469444.73</u>		<u>830050.93</u>

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule Annexed to and forming Part of Profit And Loss Account for the period ended 31st. March, 2008.

	FOR THE PERIOD ENDED 31.09.2008 (Rs.)	(Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)	(Rs.)
SCHEDULE 'H' - INCOME FROM MERCHANT BANKING OPERATIONS				
Merchant Banking Fee Received	38131350.00		300000.00	
Less: Merchant Banking Fee Paid to Associates	<u>24613195.00</u>		-	
	<u>13518155.00</u>		<u>300000.00</u>	
SCHEDULE 'I' - OTHER INCOME				
Interest Earned (TDS deducted Rs.37,604/-, Previous Year Rs.Nil)	267038.60		56287.00	
Unclaimed Liabilities written back	351.69		92365.00	
Profit / Loss on Trading in Commodity Derivatives	(9118.05)		-	
Miscellaneous Income	10020.27		-	
Recovery from bad debts written - off	600000.00		725765.28	
Profit on Maturity of Chit	<u>73250.00</u>		-	
T O T A L	<u>941542.51</u>		<u>874417.28</u>	
SCHEDULE 'J' - PERSONNEL, ADMINISTRATIVE & OTHER EXPENSES				
Salaries & Allowances	1304226.00		797579.00	
Director's Remuneration	1564000.00		-	
Bank Charges	10682.72		41734.48	
Travelling and Conveyance	933457.26		345935.60	
Fees and Subscriptions	529519.00		439961.00	
Legal & Professional Charges	4761962.00		656651.00	
Auditor's Remuneration (including Service Tax wherever applicable)				
- Audit Fee	55800.00		62630.00	
- Tax Audit Fee	5700.00		6398.00	
- Other Matters	<u>3074.00</u>	64574.00	<u>13468.00</u>	82496.00
Printing and Stationary Expenses	415652.00		216895.63	
Postage & Telephone Expenses	206237.56		171101.91	
Advertisement & Publication Expenses	508189.00		41286.40	
Business Promotion Expenses	92776.11		16831.60	
Electricity & Water Expenses	242943.00		190118.00	
Rent	721560.00		751560.00	
Insurance Expenses	9063.00		8686.00	
Other Expenses	912995.37		556637.90	
Repair and Maintenance (General)	299241.50		316170.00	
Director's Sitting Fee	3000.00		12000.00	
Depository Charges	29944.63		12708.23	
Donation			53000.00	
Pledge Charges	32945.00		-	
Claims & Settlements	125000.00		-	
Securities Transaction Tax	556845.00		209780.00	
Loss on sale of Fixed Assets (Net)	-		1063.03	
Penalty Charges	1700.00		-	
Bad Debts Written Off	<u>107940.54</u>		-	
T O T A L	<u>13434453.69</u>		<u>4922195.78</u>	
SCHEDULE 'K' - PROVISIONS & WRITE OFFS				
Provision/(write back of provision) for Diminution in value of				
-Long Term Investments	(723825.61)		(505801.21)	
-Current Investments	10846896.48		7943396.76	
Provision on Sub Standard Assets written back	<u>(207940.54)</u>		-	
T O T A L	<u>9915130.33</u>		<u>7437595.55</u>	

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule Annexed To And Forming Part Of Balance Sheet As At And Profit & Loss Account For The Year Ended On 31st March, 2008

SCHEDULE 'L' - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Significant Accounting Policies

a) Basis of Preparation of Financial Statements :

The financial statements are prepared under the historical cost convention on accrual basis in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 1956 and Guidelines issued by the Reserve Bank of India.

b) Fixed Assets :

Fixed Assets have been valued at cost less accumulated depreciation.

c) Depreciation :

- i) Softwares are amortised on straight line basis in three years on prorata basis.
- ii) Amount spent on renovation including extensions on office premises, taken on rent, is capitalised under the head 'Leased Premises Development' and amortised on straight line basis in nine years (being reasonably expected lease tenure) on prorata basis.
- iii) Assets costing upto five thousand rupees are fully depreciated in the year of purchase.
- iv) Depreciation on other assets has been provided on the written down value basis at rates provided by Schedule XIV to the Companies Act, 1956 on pro-rata basis.

d) Investments :

- i) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Long Term Investments'.
- ii) Long Term Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Long Term Investments.
- iii) Current Investments i.e. the investments, which are not intended to be held for more than one year, are carried at lower of cost of market price. Where no market quotes are available the investments are valued at rupee one per company. Shortfall in the book value as compared to market value of investments, in each category, is charged to Profit & Loss Account.
- iv) Cost is arrived at on FIFO basis.
- v) Cost of Bonus Shares acquired is taken as 'Nil'.

e) Stock on Hire-Purchase :

Stock on Hire-Purchase is stated at total amount due as per respective agreements less unaccrued financial charges.

f) Assets Acquired in Satisfaction of Loans and Advances :

Properties and other assets acquired in satisfaction of Loans and Advances are valued at cost i.e. the amount settled against principal amount of loans and interest thereon. Adequate provision has been made for the diminution in the value of those assets.

g) Provision for Sub-Standard and Doubtful Advances :

Provision for Sub-Standard and Doubtful Advances, Leased Assets and Sundry Debtors has been made in accordance with the prudential norms prescribed by Reserve Bank of India.

h) Income Recognition :

- In accordance with the prudential norms prescribed by the Reserve Bank of India, the Hire Purchase Income, Leasing Income and interest on loans and advances are not recognised on non-performing assets (NPA) unless the same are actually realised.
- Portfolio management service incomes are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.

i) Retirement Benefits :

- i. Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in the Employees Provident Fund Account(s) administrated by the Central Government.
- ii. Gratuity is accounted for on cash basis.
- iii. The value of unutilised leaves due to employees at the end of the year is provided for / paid.

2. Contingent Liabilities

- a) Unpaid calls on Investments : Rs. 1,25,02,500/- (Previous Year : Rs. 1,25,02,500/-).
- b) Disputed demand under Income Tax Act, 1961 : Rs. 2,18,848/- (Previous Year :Rs. 2,18,848/-).
- c) Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker Rs.1,00,00,000/- (Previous Year : Rs. 1,00,00,000/-).

3. In the opinion of the Board of Directors, Current Assets, Loans and Advances shall have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.

4. Provision for taxation

- a). Provision for Income-tax has been made in accordance with the provisions of the Income-tax Act, 1961.
- b). The Company has carry forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognized in accordance with the Accounting Standard - 22 on 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India.

5. The Company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

6. Pending sale of properties acquired in satisfaction of claims and due to non availability of market rates for the same, provision made in the earlier years has been maintained as the same, in the opinion of the management, is adequate to take care of any diminution in their value.

7. a) Income / (Loss) from sale of Shares and Securities comprises of :
Profit/ (Loss) on trading in Shares / Securities and Derivatives (Net): Rs. (1,45,39,590.51) [Previous Year : Rs. (58,38,841.48)]

- Profit/ (Loss) on sale of Long Term Investments (Net):
Rs. 35,70,721.39 (Previous Year : Rs. 76,51,234.93)
Profit/ (loss) on sale of Current Investments (Net):
Rs. 2,24,26,389.26 (Previous Year :Rs. 20,01,724.99)
- b) Dividend Income comprises of, dividend received on shares held as :
- Long Term Investments : Rs. NIL (Previous Year : Rs. 150.00)
 - Current Investments : Rs. 8,73,441.50 (Previous Year : Rs. 3,08,395.00)
 - Stock-in-Trade : Rs. NIL (Previous Year : Rs. 1,480.00)
9. 'Special Reserve' represent, the reserve created as per the provisions of Section 45-IC of the Reserve Bank of India (Amendment) Act, 1998.
10. No amount was due to the suppliers registered under The Micro, Small and Medium Enterprises Development Act, 2006 as on 31st March, 2008.
11. a) Some of the directors have waived-off their right to Sitting Fee.
b) Remuneration has been paid to the Chairman as a minimum

remuneration in accordance with the limits prescribed in Schedule-XIII of the Companies Act, 1956 and resolution passed by the members in the General Meeting as per details given hereunder :-

Salary & Allowances :-Rs 15,00,000/- (Previous Year: NIL)
Perquisites :-Rs.64,000/- (Previous Year: NIL)

12. Segment Reporting

The company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organisation structure and internal reporting system. There are no reportable geographical segment.

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities includes the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities, Incomes and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively.

Segmentwise information is as under:-

Particulars	Investments in Share & Securities (Rs.)	Short Term Trading in Shares / Securities (Rs.)	Merchant Banking Service	Financing (Rs.)	Total (Rs.)
- Segment Revenues(Loss)	2,68,70,552.15	(1,45,39,590.51)	1,35,28,155.00	8,67,038.60	2,67,26,155.24
	99,61,504.92	(58,37,361.48)	300000.00	7,80,340.28	52,04,483.72
- Segment Results	1,67,15,836.65	(1,64,36,594.51)	77,67,833.74	8,42,038.60	88,89,113.83
	12,93,885.14	(58,37,361.48)	3,00,000.00	7,50,340.28	(34,93,136.06)
- Unallocable Expenses net of Unallocable Incomes	-	-	-	-	(74,35,058.56)
- Net Profit / (Loss) before Prior Period Adjustment	-	-	-	-	(47,97,799.43)
	-	-	-	-	14,54,055.27
- Segment Assets	9,09,29,505.85	-	4,99,909.00	46,44,463.50	9,60,73,878.35
	8,37,72,594.83	-	-	41,43,066.00	8,79,15,660.83
- Segment Liabilities	-	-	8,74,391.00	-	8,74,391.00
	1,411.59	--	-	-	1,411.59
- Unallocable Assets	-	-	-	-	1,24,15,199.01
	-	-	-	-	2,24,05,333.34
- Unallocable Liabilities	-	-	-	-	5,95,053.73
	-	-	-	-	8,28,639.34

Figures in italics pertain to previous year.

13. Related Party Disclosure

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India are as under:

<p>i. Related Parties : Key Management Personnel : Mr. Vijay Mehta - Chairman Relatives: Mr. Karan Mehta - Son of Chairman Ms. Priyanka Mehta- Director , Daughter of Chairman</p>	<p>Subsidiaries: Mefcom Securities Ltd. Mefcom Infrastructure Projects Ltd. Mefcom Commodity Brokers Ltd. -Subsidiary of Mefcom Securities Ltd. Enterprise over which key management personnel can exercise significant influence: IKMA Estate Pvt. Ltd</p>
--	--

Note : Related party relationship is as identified by the Company and relied upon by the Auditors

ii. Summary of Transaction :

Nature of Transaction	Key Personnel	Relatives	Subsidiaries	Enterprise over which key management personnel can exercise significant influence	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Directors Remuneration					
- Mr. Vijay Mehta	15,64,000	-	-	-	15,64,000
	-	-	-	-	-
Rent Paid					
- Mr. Vijay Mehta	721,560	-	-	-	721,560
	721,560	-	-	-	721,560
- IKMA Estate Pvt. Ltd.	-	-	-	-	-
	-	-	-	30,000	30,000
Interest Earned on Loan					
- Mr. Karan Mehta	-	-	-	-	-
	-	54,575	-	-	54,575
- Mr. Vijay Mehta	21,493	-	-	-	21,493
Profit / (Loss) on Sale of Shares (Net) - Non-Delivery					
- Mefcom Securities Ltd.	-	-	113,646	-	113,646
	-	-	12,355	-	12,355
Profit / (Loss) on Dealing in derivatives					
- Mefcom Securities Ltd.	-	-	(14,653,236)	-	(14,653,236)
	-	-	(5,812,585)	-	(5,812,585)
- Mefcom Commodity Brokers Ltd.	-	-	(9,118)	-	(9,118.05)
	-	-	(38,611)	-	(38,611)
Purchase / Allotment of Shares					
- Mefcom Securities Ltd.	-	-	164,750,490	-	164,750,490
	-	-	54,896,695	-	54,896,695
- Mefcom Infrastructure Projects Ltd.	-	-	-	-	-
	-	-	4,99,400	-	4,99,400
Sale / Allotment of Shares					
- Mefcom Securities Ltd.	-	-	186,716,650	-	186,716,650
	-	-	61,594,939	-	61,594,939
Issue of Share Capital					
- Mr. Vijay Mehta	-	-	-	-	-
	17,179,490	-	-	-	17,179,490
- Ms. Priyanka Mehta	-	-	-	-	-
	-	76,920	-	-	76,920
- Mr. Karan Mehta	-	-	-	-	-
	-	2,538,460	-	-	2,538,460

Nature of Transaction	Key Personnel	Relatives	Subsidiaries	Enterprise over which key management personnel can exercise significant influence	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Loan Given					
- Mefcom Commodity Brokers Ltd.	-	-	200,000	-	200,000
	-	-	5,00,000	-	5,00,000
- Mefcom Infrastructure Projects Ltd.	-	-	-	-	-
	-	-	10,00,000	-	10,00,000
- Mr. Karan Mehta	-	-	-	-	-
	-	15,00,000	-	-	15,00,000
- Mr. Vijay Mehta	30,00,000-	-	-	-	30,00,000
	-	-	-	-	-
Refund of Loan Given					
- Mr. Karan Mehta	-	-	-	-	-
	-	1,500,000	-	-	1,500,000

- Mefcom Infrastructure Projects Ltd.	-	-	-	-	-
- Mefcom Commodity Brokers Ltd.	-	-	10,00,000	-	10,00,000
- Mr. Vijay Mehta	30,00,000	-	700,000	-	700,000
Balance as on 31.03.2008	-	-	-	-	-
- Mr. Karan Mehta	-	-	-	-	-
- Mefcom Commodity Brokers Ltd.	-	Dr.54,575	-	-	Dr. 54,575
- Mefcom Securities Ltd.	-	-	Dr.536,389	-	Dr.536,389
	-	-	Dr.20,203,341	-	Dr.20,203,341
	-	-	Dr.4,322,628	-	Dr.4,322,628

Figures in italics pertain to previous year.

iii. There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties.

14. Earning Per Share :

In accordance with Accounting Standard - 20 on 'Earning Per Share' issued by The Institute of Chartered Accountants of India, the Earning Per Share has been computed as under :

			2007-08	2006-07
a)	Net Profit / (Loss) for the year	(Rs.)	1217613.27	(83,45,171.83)
b)	Weighted Average Number of Equity Shares *	(Nos.)	8140168	5944486
c)	Nominal Value per Equity Shares	(Rs.)	10.00	10.00
d)	Earning Per Share (Basic & Diluted)	(Rs.)	0.15	(1.40)

*There were no potential equity shares.

15. Employees Benefits :

a) Defined Contribution Plan

There was no employee in the company who was eligible for contribution to Provident Fund. Therefore only a minimum contribution of Rs. 119/- has been made to prescribed authorities.

b) Defined Benefit Plan

- As per consistent practice, gratuity is provided on cash basis. During the year no gratuity was paid.
- The company has a practice of making payments against encashment of unavailed leaves on annual basis. No unavailed leaves were outstanding as at the beginning and at the end of the year. No payment of leave encashment has been made to any employee during the year.

16. Additional information pursuant to the provision of paragraph 3 of Part - II of Schedule - VI to the Companies Act, 1956 to the extent applicable :

(a) Expenses in Foreign Currency

- Traveling Expenses: Rs. 285,920.00 (Previous Year : Rs. 104,655.00)

17. Particulars as required in terms of paragraph 9BB of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 are given in schedule L - 1 appended hereto.

18. Previous year figures have been regrouped/ rearranged wherever considered necessary.

19. Figures in brackets pertain to previous year.

Signatures to Schedules 'A' to 'L'

Schedules referred to above form integral part of this Balance Sheet
And Profit & Loss Account.

for V.K. Dhingra & Co.
Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. : 014467

Place : New Delhi

Dated : September 3, 2008

Mefcom Capital Markets Limited

SCHEDULE 'L-1' - PARTICULARS AS REQUIRED IN TERMS OF PARAGRAPH 9BB OF NON-BANKING FINANCIAL COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 1998 FOR THE YEAR ENDED ON 31ST MARCH, 2008

(Rs. in lakhs)

S.No.	Particulars	Amount Outstanding	Amount Overdue
LIABILITIES SIDE :			
1	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :		
	(a) Debentures : Secured	Nil	Nil
	: Unsecured	Nil	Nil
	(other than falling within the meaning of public deposits *)		
	(b) Deferred Credits	Nil	Nil
	(c) Term Loans	Nil	Nil
	(d) Inter-Corporate Loans and Borrowing	Nil	Nil
	(e) Commercial Paper	Nil	Nil
	(f) Public Deposits *	Nil	Nil
	(g) Other Loans (Specify nature)		
	- From Bank	Nil	Nil
	- From Director	Nil	Nil
	* Please see Note 1 below		
2	Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid) :		
	(a) In the form of Unsecured debentures	Nil	Nil
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security	Nil	Nil
	(c) Other public deposits	Nil	Nil
ASSETS SIDE :			
3	Break-up of Loans and Advances including bills receivables [other than those included in (4) below] :		
	(a) Secured	Nil	
	(b) Unsecured	11	
4	Break-up of Leased Assets and Stock on Hire and Hypothecation loans counting towards EL / HP Activities :		
	(i) Lease assets including lease rentals under Sundry Debtors :		
	(a) Financial Lease	Nil	
	(b) Operating Lease	Nil	
	(ii) Stock on Hire including Hire Charges under Sundry Debtors :		
	(a) Assets on Hire	Nil	
	(b) Repossessed Assets	Nil	
	(iii) Hypothecation loans counting towards EL / HP Activities :		
	(a) Loans where assets have been repossessed	Nil	
	(b) Loans other than (a) above	Nil	
5	Break-up of Investments :		
	Current Investments :		
	(A) Quoted :		
	(i) Shares : (a) Equity	322	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	
	(B) Unquoted :		
	(i) Shares : (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	

Mefcom Capital Markets Limited



S.No.	Particulars	Amount Outstanding	Amount Overdue
	Long Term Investments :		
	(A) Quoted :		
	(i) Shares : (a) Equity	Nil	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	
	(B) Unquoted :		
	(i) Shares : (a) Equity	384	
	(b) Preference	Nil	
	(ii) Debentures and Bonds	Nil	
	(iii) Units of Mutual Funds	Nil	
	(iv) Government Securities	Nil	
	(v) Others (Please Specify)	Nil	
6	Borrower Group-wise classification of all Lease Assets, Stock-on-Hire and Loans and Advances : Please see Note 2 below :		
	Category	Secured	Amount net of provisions Unsecured
			Total
	1. Related Parties **		
	(a) Subsidiaries	Nil	Nil
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	Nil	11
	T o t a l	Nil	11
7	Investor Group-wise classification of all investments (Current and Long Term) in shares and securities (both quoted and unquoted) : Please see Note 3 below :		
	Category	Market Value / Break-up or fair value or NAV	Book Value (Net of Provisions)
	1. Related Parties **		
	(a) Subsidiaries	294	325
	(b) Companies in the same group	Nil	Nil
	(c) Other related parties	Nil	Nil
	2. Other than related parties	392	381
	T o t a l	686	706
	** As per Accounting Standard of ICAI (Please see Note 3)		
8	Other Information		
	Particulars	Amount	
	(i) Gross Non-Performing Assets		
	(a) Related Parties	Nil	
	(b) Other than related parties	Nil	
	(ii) Net Non-Performing Assets		
	(a) Related Parties	Nil	
	(b) Other than related parties	Nil	
	(iii) Assets acquired in satisfaction of debt (Net of Provision)	36	

Notes :

- As defined in Paragraph 2 (1) (xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break-up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Mefcom Capital Markets Limited

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	19749	State Code	:	55
Balance Sheet Date	:	31.03.2008			

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	:	107020	Total Assets	:	107020
-------------------	---	--------	--------------	---	--------

Sources of Funds

Paid up Capital	:	81402	Reserve & Surplus	:	25618
Secured Loans	:	Nil	Unsecured Loans	:	Nil

Application of Funds

Net Fixed Assets	:	3455	Investments	:	70593
Net Current Assets	:	32972	Misc. Expenditure	:	Nil
Accumulated Losses	:	Nil			

IV. Performance of Company (Amount in Rs. thousand)

Turnover (including other Income)	:	26791	Total Expenditure	:	24435
Profit / (Loss) before tax	:	2356	Profit / (Loss) after tax	:	1454
Earning per share (In Rs.)	:	0.15	Dividend Rate (%)	:	Nil

V. General Names of three Principal Products / Services of Company

(As per monetary terms)

Product Description :	Item Code No.
Share & Stock Broking	N.A.

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Mefcom Securities Limited

NOTICE

Notice is hereby given that the 31st Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2008 at 1.30 P.M. at "MEHTA FARMS, Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071 to transact the following business:

ORDINARY BUSINESS: -

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March 2008 along with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Karan Mehta, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Shailendra Haruray, who retires by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) following resolution as an **ORDINARY RESOLUTION:-**

RESOLVED THAT Mr. C.P. Misra, who was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, but who is eligible for re-appointment and in respect of whom, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the company, where period of office shall be liable to determination by rotation.

6. To consider and if thought fit to pass with or without modification(s) following resolution as an **ORDINARY RESOLUTION:-**

RESOLVED THAT the terms of appointment of Mr. Vijay Mehta, Managing Director of the company be and are hereby extended for further period of 5 years with effect from 01.10.2008 without remuneration.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

Place : New Delhi
Dated : September 3, 2008

By order of the Board
for Mefcom Securities Ltd.

(Vijay Mehta)
Chairman

NOTES: -

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before this Annual General Meeting.
- b) Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Special Business in annexed hereto.
- c) Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual General Meeting so that the same may be responded well in advance.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No.5

Mr. C.P. Misra, was appointed as an Additional Director of the company by the Board of Directors w.e.f. 28th December, 2007 under Section 260 of the Companies Act, 1956 and who holds office up to the conclusion of this Annual General Meeting, the company has received a notice from a member, proposing his candidature for the office of a Director under the provision of Section 257 of the Companies Act, 1956.

Except Mr. C.P. Misra, none of the Directors is concerned or interested in the resolution.

Item No.6

Mr. Vijay Mehta have been appointed as executive chairman in Mefcom Capital Markets Limited (the holding company of Mefcom Securities Limited) w.e.f. 1-10-2007, therefore he discontinued drawing his salary from the company w.e.f. 1-10-2007.

Except Mr. Vijay Mehta, none of the Directors is concerned or interested in the resolution.

By order of the Board
for Mefcom Securities Ltd.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

Place : New Delhi
Dated : September 3, 2008

(Vijay Mehta)
Chairman

Mefcom Securities Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 31st Annual Report together with the Audited Accounts of the Company for the year ended March 31, 2008.

FINANCIAL RESULTS

PARTICULARS	YEAR ENDED 31ST MARCH, 2008 (Rs. IN LACS)	YEAR ENDED 31ST MARCH, 2007 (Rs. IN LACS)
Gross Income	496.50	115.67
Profit / (Loss) before Interest, Depreciation & Tax	285.33	(10.59)
Depreciation	014.94	18.25
Interest	0.42	0.51
Provision for Income Tax (including Fringe Benefit Tax)	20.26	0.70
Prior period expenses and others	0.08	0.58
Profit / (Loss) after tax	249.63	(29.97)

OPERATIONS AND FUTURE OUTLOOK

Your company has earned a gross profit of over Rs. 496 lacs during the year under review as against the gross profit of Rs. 115.67 lacs during the previous year registering a growth of over 430%. The net profit after interest and tax is Rs. 249.40 as against a loss of Rs. 29.97 lacs in the previous year. With such profits, all carried forward losses have been adjusted in the year under review.

Due to the steep and continuous fall in the stock markets after 11th January, 2008, the brokerage business across the globe has suffered. There have been payment problems from clients and substantial decrease in turnover which is certainly going to affect your company as well. We can only hope and pray that the markets recover and the investors come back to the market in large volumes. Then and only then, brokerage business will be able to recover from its present position. Your directors are making their best efforts but the picture for the current year is not expected to be good.

DIVIDEND

To conserve resources, your Board of Directors have decided not to recommend any dividend for the current year.

DIRECTORS

Mr. Karan Mehta and Mr. Shailendra Haruray, Directors of the company are liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers themselves for re-appointment. The terms of appointment of Mr. Vijay Mehta, Managing Director of the company are expiring on 30th September 2008. Mr. Vijay Mehta discontinued drawing his salary w.e.f. 01.10.2007. The resolution for extension of further period of 5 years w.e.f. 01.10.2008 is presented

for your approval.

Mr. C.P. Misra was appointed Additional Director of the Company w.e.f. 28.12.2007 and shall hold Office upto the conclusion of this Annual General Meeting. A Notice under Section 257 of the Companies Act, 1956 has been received by the company, signifying his intention to propose the appointment of Mr. C.P. Misra, as Director of the company.

Your directors recommend the appointment of Mr. C.P. Misra as Director of the company.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed in the opinion of the Board of Directors;
- The Directors have 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 the Company at the end of the financial year ended 31st March, 2008 and of the loss of the Company for that year;
- 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;
- The Directors have prepared the Annual Accounts on a going concern basis.

PUBLIC DEPOSITS

The company does not have any public deposits.

AUDITORS

M/s S. M. Gulati & Company, Chartered Accountants, New Delhi, retire at the conclusion of this Annual General Meeting, and being eligible for reappointment, have expressed their willingness to be re-appointed as statutory auditor of the Company. Your directors recommend their appointment.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and forming part of this Directors' Report are Nil.

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

Your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, the Company did not have any foreign exchange earning and no expenditure has been incurred for the business purpose.

INSURANCE

The Company's property and assets have been adequately insured wherever needed.

CORPORATE GOVERNANCE

As per the provisions of Section 292A of the Companies Act, 1956 inserted vide Companies Amendment Act, 2000, your Company was to comply with certain aspects of Corporate Governance. The Company has complied with the requirements of Corporate Governance and an

Audit Committee was formed consisting of Mr. Shailendra Haruray as Chairman and Mr. C.P. Misra and Mr. T.R. Khare as its Members.

SUBSIDIARY COMPANIES

Mefcom Commodity Brokers Limited is the subsidiary of Mefcom Securities Limited.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support received by them from Stock Exchanges, its Bankers, Government Authorities, Business Constituents, Shareholders and Employees.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

Place : New Delhi
Dated : September 3, 2008

By order of the Board
for Mefcom Securities Ltd.

(Vijay Mehta)
Chairman

Statement Pursuant to Section 212 of the Companies Act 1956 relating to Subsidiary Companies

Name of the Subsidiary Company	Mefcom Commodity Brokers Ltd
1. Financial Year of the Subsidiary Companies ended on	31st March, 2008
2. a) Issued subscribed and paid-up capital of Subsidiary Companies. b) Extent of interest of Mefcom Securities Ltd. in the capital of Subsidiary.	- 9,99,500 Equity Shares of Rs.10/- each (99.95%)
3. The Net Aggregate Amount of Profits/ (Losses) of the Subsidiary so far as it concern the Members of Mefcom Securities Ltd. and is not dealt with in the Accounts of Mefcom Securities Ltd. a) For the Financial Year 31st March, 2008. b) For the previous Financial Years of the Subsidiary since it became Subsidiary of Mefcom Securities Ltd.	7923876.18 -
4. Net Aggregate Amount of Profit/ (Losses) of the Subsidiary so far as dealt with or provisions made for those losses in the Accounts of Mefcom Securities Ltd. a) For the Financial year ended 31st March, 2008. b) For the previous Financial Years of the Subsidiary since it became Subsidiary of Mefcom Securities Ltd.	- -

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

Place : New Delhi
Dated : September 3, 2008

By order of the Board
for Mefcom Securities Ltd.

(Vijay Mehta)
Chairman

AUDITORS' REPORT

To
The Members of
MEFCOM SECURITIES LIMITED

1. We have audited the attached Balance Sheet of MEFCOM SECURITIES LIMITED as at 31st March, 2008, the Profit and Loss Account and also 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 misstatement. 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 Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a Statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in Paragraph 3 above, we report that:
 - i. **Note No.7 of part (b) of Schedule '18' - No provision for gratuity has been made in the accounts and the extent of accrued liability which is also not actuarially determined (with corresponding effect on the year end net assets and loss for the year).**
5. We further report that:
 - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts and records as specified in rule 15 of the Securities Contract (Regulation) Rules 1957 have been kept so far as appears from our examination of such books.
 - c. The stock broker has complied with the requirement of Stock Exchanges so far as they relate to maintenance of account and was regular in submitting the required accounting information to the Stock Exchange.
- d. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- e. The Balance Sheet, Profit & Loss Account & Cash Flow statement dealt with by this report are in agreement with the books of account;
- f. In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow statement dealt with by this report comply with the accounting standards referred to sub-section (3C) of section 211 of the Companies Act, 1956, 1956 except for :
 - i) **("non compliance of Accounting Standard 15 in respect of Accounting for Gratuity payable to employees which has not been accounted for on accrual basis.")**
- g. On the basis of written representations received from the Directors, as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2008 from being appointed as a director in terms of clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956;
- h. The Company is not required to make any payment of Cess, as no notification has been issued by the Central Government specifying the rate for levying of Cess under Section 441A of the Companies Act, 1956 till 31st of March, 2008;
- i. Subject to our remarks in paragraph 4 and 5c above, in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
 - i). In the case of Balance Sheet, of the state of affairs of the company as at 31st March, 2008.
 - ii). In the case of the Profit & 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 Flow for the year ended on that date.

for **S. M. Gulati & Co.**
Chartered Accountants

(**S.M. Gulati**)
Partner
M.No - 8849

Place : New Delhi
Dated : September 3, 2008

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in Paragraph 3 of the Auditor's Report to the Members of **MEFCOM SECURITIES LIMITED** on the accounts for the year ended 31st March, 2008 :-

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the Management at the end of the accounting year, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management were adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and books records were not material.
3. a) According to the information and explanations given to us, the company has granted loans, Secured and Unsecured to **Mefcom Commodity Brokers Limited**, a wholly-owned subsidiary, being a body corporate covered in the register maintained u/s 301 of the Companies Act, 1956. The maximum amount outstanding during the year amounting to Rs. One crore and the year end balance of such loan amounting to Rs. Nil .
- b) In our opinion and according to the information and explanations given to us the rate of interest and other terms and conditions on which above loan was granted is not prima-facie, prejudicial to the interest of the Company.
- c) There is no overdue amount of more than Rs. One lacs from parties covered in the register maintained u/s 301 of the Companies Act , 1956 and in our opinion reasonable steps have been taken by the company for recovery of the principal and / or interest.
- d) According to the information and explanations given to us, the company has, during the year not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly, paragraph 4(3) (e), (f) and (g) of the order, are not applicable.
4. According to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, shares, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956, have been so entered.
- b) In our opinion and according to the information and explanations given to us, 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 rupees five 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.
6. The Company has not accepted any deposit from the public attracting the provision of the sections 58A and 58AA of the Companies Act, 1956 and the Companies (acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system which needs to be strengthened to commensurate with the size of the Company and nature of its business.
8. According to the information and explanation given to us, the central Government has not prescribed maintenance of cost record under clause (d) of sub-section (1) of section 209 of the companies Act, 1956.
9. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund , Investor Education and Protection Fund, Income tax, Sales Tax, customs duty, wealth tax, exise duty, Service Tax and other material statutory dues were in arrears as at 31.03.2008 for a period of more than six months from the date they became payable,
- c) According to the information and explanations given to us, the followings dues of Stamp duty payable have not been deposited by the company on account of dispute.

Name of the Statue	Nature of the Dues	Amount	Period to which the amount relates	Forum where dispute is pending
GOVT OF INDIA	Stamp duty	188253.60	01.4.02 to 31.03.03	Collector of Stamp Duty New Delhi
GOVT OF INDIA	Stamp duty	813274.00	01.4.05 to 31.03.06	Collector of Stamp Duty New Delhi
GOVT OF INDIA	Stamp duty	671153.00	01.4.06 to 31.03.07	Collector of Stamp Duty New Delhi
GOVT OF INDIA	Stamp duty	874563.00	01.4.07 to 31.03.08	Collector of Stamp Duty New Delhi

10. In our opinion, the Company does not have accumulated losses and has not incurred cash losses during the financial year covered by the Audit and During the immediately preceding year, the Company has incurred a cash loss of Rs.1110831.00.

11. In our opinion and according to information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. According to the information and explanations given to us, the company is dealing in or trading in shares, securities, debentures and other investments for which proper records for sale and purchase have been made and timely entries have been made therein for the purchase and sale of share, securities, debentures and other investments during the year.
15. In our opinion, the company has not given guarantees for loans taken by others from banks or financial institutions.
16. The company has not raised any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short - terms basis have been used for long - term investment. No long - term funds have been used to finance short - term assets except permanent working capital.
18. The company has not made any preferential allotment of share to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956 during the year.
19. The company has not issued any debentures during the year.
20. The company has not raised any monies by making a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

for **S. M. Gulati & Co.**
Chartered Accountants

(S.M. Gulati)
Partner
M.No - 8849

Place : New Delhi
Dated : September 3, 2008

Mefcom Securities Limited

Balance Sheet as at 31st. March, 2008

PARTICULARS	SCHEDULE	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<u>SOURCES OF FUNDS</u>			
1 SHAREHOLDERS' FUND			
Share Capital	1	50000000.00	50000000.00
Reserves & Surplus	2	11912695.47	500000.00
2 LOAN FUNDS	3	186293.92	462560.48
TOTAL		62098989.39	50962560.48
<u>APPLICATION OF FUNDS</u>			
1 FIXED ASSETS	4		
Gross Block		12189478.90	30695114.54
Less : Depreciation		8000537.47	8058951.09
Net Block		4188941.43	22636163.45
2 INVESTMENTS	5	17184801.00	10000.00
3 CURRENT ASSETS, LOANS & ADVANCES			
Inventories	6	3167821.49	679905.90
Sundry Debtors	7	33592138.82	2836942.16
Cash & Bank Balances	8	22048906.76	18790115.10
Other Current Assets	9	0.00	1639.60
Loans & Advances	10	28466287.48	21941711.52
		87275154.55	44250314.28
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	44561665.59	29478873.71
Provisions	12	1,992,742.00	14168.00
		46554407.59	29493041.71
Net Current Assets		40720746.96	14757272.57
4 MISCELLANEOUS EXPENDITURE	13	4500.00	9000.00
(To the extent not written off or adjusted)			
Profit and Loss Account		0.00	13550124.46
TOTAL		62098989.39	50962560.48

**Significant Accounting Policies
& Notes to Account**

18

Schedules referred to above form integral part of this Balance Sheet
As per our report of even date attached
for S.M. Gulati & Co.
Chartered Accountants

(S.M. Gulati)
Partner
M. No. 008849

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Place : New Delhi
Dated : September 3, 2008

Mefcom Securities Limited

Profit and Loss Account for the year ended 31st March, 2008

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
INCOME			
Income from Operations	14	27046183.34	11037172.66
Other Income	15	22603781.97	505767.07
TOTAL		49649965.31	11542939.73
EXPENDITURE			
Office Administration & Other Expenses	16	20996006.03	12515092.92
Financial Charges	17	158935.67	134178.26
Depreciation		1493657.62	1825422.00
Expenses Amortised		4500.00	4500.00
		22653099.32	14479193.18
Profit / (Loss) for the year		26996865.99	(2936253.45)
Less : Provision for Income Tax		1,950,000.00	-
Less : Provision for Fringe Benefit Tax		76000.00	70000.00
Profit / (Loss) after Tax but before prior period adjustment		24970865.99	(3006253.45)
Less : Prior period adjustment (Net)		8046.06	37303.90
Less : Tax paid / adjustment for earlier year		-	20664.00
Add: Amount Transferred from General Reserve		-	67000.00
		24962819.93	(2997221.35)
Brought Forward Profit / (Loss)		(13550124.46)	(10552903.11)
Balance carried to Balance Sheet		11412695.47	(13550124.46)
Notes:			
1. Basic and Diluted Earnings Per Shares (Rs)		4.99	(0.60)
2. Number of Equity Shares.		5,000,000	5,000,000
3. Nominal value of Equity Share		10.00	10.00
Significant Accounting Policies & Notes to Account	18		

Schedules referred to above form integral part of this Balance Sheet

As per our report of even date attached

for S.M. Gulati & Co.

Chartered Accountants

(S.M. Gulati)
Partner
M. No. 008849

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Place : New Delhi

Dated : September 3, 2008

Mefcom Securities Limited

Cash Flow Statement for the year ended 31st March, 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Taxation and Extra ordinary items	26996865.99	(2936253.45)
Adjustment for :		
- Profit/ Loss on sale of Fixed Assets	(95333.60)	23791.41
- Depreciation	1493657.62	1825422.00
- Misc. Expenses written off	4500.00	4500.00
- Dividend Income	(102715.25)	(96109.00)
- Profit on sale of investments	(18258624.50)	(10000.00)
- Extra ordinary items	(8046.06)	(110786.64)
	<u>(16966561.79)</u>	<u>1636817.77</u>
Operating Profit before Working Capital Changes	10030304.20	(1299435.68)
Adjustment for :		
- Inventories	(2487915.59)	(565903.44)
- Other Current Assets	1639.60	38109.72
- Trade and other Receivables	(37279772.62)	(1310244.48)
- Current Liabilities	<u>15082791.88</u>	<u>14328759.93</u>
	<u>(24683256.73)</u>	<u>12490721.73</u>
	(14652952.53)	11191286.05
<i>Less : Direct Tax Paid / Refund received</i>		
Fringe Benefits Tax	(47426.00)	(84734.00)
Income Tax	0.00	
NET CASH FROM OPERATING ACTIVITIES	<u>(14700378.53)</u>	<u>11106552.05</u>
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Investment	(10154000.00)	0.00
- Sale of Fixed Assets	2500600.00	210000.00
- Sale of investment	26737823.50	0.00
- Purchase of Fixed Assets	(951702.00)	(3803469.54)
- Dividend Received	102715.25	96109.00
NET CASH FROM INVESTING ACTIVITIES	<u>18235436.75</u>	<u>(3497360.54)</u>
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Unsecured Loans	0.00	0.00
- Secured Loans	(276266.56)	(259096.03)
NET CASH FROM FINANCING ACTIVITIES	<u>(276266.56)</u>	<u>(259096.03)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	3258791.66	7350095.48
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	18790115.10	11440019.62
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	22048906.76	18790115.10

NOTES :-

- Cash flow statement has been prepared following the indirect method except incase of interest paid / received, dividend paid / received, purchase and sale of assets and taxes paid which have been considered on the basis of actual movements of cash, with necessary adjustment in the corresponding assets and liabilities.
- Cash and Cash equivalents represent cash, bank balance and fixed deposit with bank, including interest accrued thereon.
- Trade and other receivable includes loans and advances.

As per our report of even date attached
for **S.M. Gulati & Co.**
Chartered Accountants

(S.M. Gulati)
Partner
M. No. 008849

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Place : New Delhi
Dated : September 3, 2008

Schedule forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE - 1 SHARE CAPITAL		
AUTHORISED CAPITAL		
50,00,000 Equity Shares of Rs.10/- each	50000000.00	50000000.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL		
50,00,000 Equity Shares of Rs.10/- each fully paid-up	50000000.00	50000000.00
1. [Includes 35,00,000 Shares (P.Y. 35,00,000 Shares) issued other than cash]		
2. [29,99,900 Equity Shares (P.Y. 29,99,900) are held by Mefcom Capital Markets Ltd., the Holding Company]		
TOTAL	50000000.00	50000000.00

SCHEDULE - 2 RESERVES & SURPLUS

Capital Reserve	500000.00	500000.00
General Reserve	-	67000.00
Less: Transferred to Profit & Loss Accounts	-	67000.00
Surplus as per Profit & Loss Account	11412695.47	-
TOTAL	11912695.47	500000.00

SCHEDULE - 3 LOAN FUNDS**SECURED LOANS**

Loans from Bank		
- Against hypothecation of vehicles	186293.92	462560.48
TOTAL	186293.92	462560.48

SCHEDULE - 4 FIXED ASSETS

PARTICULARS		GROSS BLOCK				DEPRECIATION				NET BLOCK	
		AS AT 01.04.2007	ADDITIONS FOR THE YEAR	DELETION/ ADJUSTMENT FOR THE YEAR	AS AT 31.03.2008	UP TO 31.03.2007	FOR THE YEAR	DELETION/ ADJUSTMENT DURING THE YEAR	UP TO 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
Stock Exchanges Membership		15710000.00	0.00	15500000.00	210000.00	0.00	0.00	0.00	0.00	210000.00	15710000.00
(Refer to Note No.2 of Accounting Conversion)											
Commercial Flat		2500000.00		2500000.00	0.00	757734.30	10978.66	768712.96	0.00	0.00	1742265.70
Computers	40%	7196760.54	931456.00	656996.64	7471219.90	4980530.13	1000235.55	498622.70	5482142.98	1989076.92	2216230.41
Furniture & Fixtures	18.10%	2291056.00	0.00	598596.00	1692460.00	532453.51	246824.49	163284.00	615994.00	1076466.00	1758602.49
Air Conditioners	13.91%	440045.00	0.00	50750.00	389295.00	259271.49	20257.11	13103.27	266425.33	122869.67	180773.51
Office Equipments	13.91%	291525.00	0.00	7495.00	284030.00	100325.01	25838.40	1373.10	124790.31	159239.69	191199.99
Electric Inverter & Generator	13.91%	143500.00	0.00	143500.00	0.00	101073.71	5901.50	106975.21	0.00	0.00	42426.29
EPBX & Intercom System	13.91%	255065.00	20246.00	0.00	275311.00	60876.49	28158.53	0.00	89035.02	186275.98	194188.51
Vehicles	25.89%	1867163.00	0.00	0.00	1867163.00	1266686.45	155463.38	0.00	1422149.83	445013.17	600476.55
TOTAL		30695114.54	951702.00	19457337.64	12189478.90	8058951.09	1493657.62	1552071.24	8000537.47	4188941.43	22636163.45
PREVIOUS YEAR		27403735.00	3803469.54	512090.00	30695114.54	6511827.68	1825422.00	278298.59	8058951.09	22636163.45	20891907.32

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule forming part of the Balance Sheet as at 31st March, 2008

PARTICULARS	AS AT 31.03.2008 (Rs.)			AS AT 31.03.2007 (Rs.)	
	F.V.	Qty. (Nos.)	Amount	Qty. (Nos.)	Amount
<u>SCHEDULE - 5 INVESTMENTS</u>					
Long Term Investment					
Unquoted - At Cost - Fully Paid up shares					
Delhi Stock Exchange Asso. Ltd	1	40000	40000.00	-	-
Bombay Stock Exchange Limited	1	5438	7074838.00	10000	10000.00
			7114838.00		10000.00
In Share of Subsidiary Companies					
Mefcom Commodity Brokers Ltd	10	999500	10069963.00	-	-
			17184801.00		10000.00
<u>SCHEDULE - 6 INVENTORIES:</u>					
(At cost or market value whichever is lower)					
(As taken, valued & certified by the Management)					
SHARES (Quoted)					
Astral Poly Techil Ltd	10	500	79750.00	-	-
Compact Disc India Ltd	10	2750	178062.50	-	-
Karuturi Global Ltd	1	1000	177550.00	-	-
Kaveri Telecom Products Ltd	10	1650	182789.08	-	-
Kemrock Industries & Exp Ltd	10	250	124244.70	-	-
KLG Systel Ltd.	10	500	280100.00	-	-
Vishvas Projects Ltd.	10	50	467.50	-	-
Megasoft Ltd	10	2250	196987.50	-	-
Mold Tek Technologies Ltd	10	2250	168637.50	-	-
Orbit Corporation Ltd.	10	1900	611212.21	-	-
NTPC Ltd.	-	-	-	100	13,430.00
Panacea Biotec Ltd.	-	-	-	1200	466495.00
Refex Refrigerants Ltd	10	750	109900.50	-	-
Shiv-Vani Oil & Gas Exploration Services Ltd.	10	500	261975.00	-	-
Punjab National Bank	-	-	-	300	139845.00
State Bank of Bikaner & Jaipur	100	20	47200.00	20	47200.00
Tata Steel Ltd.	10	3	900.00	-	-
Tata Steel Ltd. CCPS	100	32	3200.00	-	-
Tanla Solutions Ltd.	1	1000	478082.50	-	-
Tilak Nagar Industries Ltd.	10	750	110587.50	-	-
Zenith Infotech Ltd	10	500	156175.00	-	-
SHARES (Unquoted)					
Electrolux Kelvinator Ltd.	-	-	-	2033	12935.90
T O T A L			3167821.49		679905.90
Aggregate Value of un-quoted Inventories			At Cost	-	12935.90
Aggregate Value of quoted Inventories			At Cost	3910784.51	666970.00
Aggregate Value of quoted Inventories			At Market Value	3872279.45	723685.00

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule forming part of the Balance Sheet for the year ended 31st March, 2008

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<u>SCHEDULE - 7 SUNDRY DEBTORS</u>		
(Unsecured considered good)		
Due from Others		
Debts outstanding for a period exceeding six months	157408.46	794906.46
Other Debts	33434730.36	2042035.70
TOTAL	<u>33592138.82</u>	<u>2836942.16</u>
<u>SCHEDULE - 8 CASH & BANK BALANCES</u>		
Cash in hand	168,858.95	95213.95
Balances with Scheduled banks in current accounts	18265224.02	15084281.87
In Fixed Deposit including interest accrued thereon (under bank lien)	3614823.79	3610619.28
TOTAL	<u>22048906.76</u>	<u>18790115.10</u>
<u>SCHEDULE - 9 OTHER CURRENT ASSETS</u>		
Brokerage Receivable	-	1639.60
TOTAL	-	<u>1639.60</u>
<u>SCHEDULE - 10 LOANS AND ADVANCES</u>		
(Unsecured considered good)		
Advances recoverable in cash or in kind or for Value to be received	118901.00	142960.80
Others	10792446.58	4777603.62
Advance Tax / Tax Deducted at Source	219058.61	156625.81
Security Deposit	17335881.29	16864521.29
TOTAL	<u>28466287.48</u>	<u>21941711.52</u>
<u>SCHEDULE - 11 CURRENT LIABILITIES</u>		
Expenses Payable	3280284.45	1326986.83
Security Deposit	7651464.11	195000.00
Other Liabilities	1585149.92	2358083.60
Sundry Creditors		
- Due to small scale Industrial undertaking	-	-
- Others	32044767.11	25598803.28
TOTAL	<u>44561665.59</u>	<u>29478873.71</u>
<u>SCHEDULE - 12 PROVISIONS</u>		
-Income Tax	1,950,000.00	-
-Fringe Benefits Tax	42,742.00	14168.00
TOTAL	<u>1,992,742.00</u>	<u>14168.00</u>
<u>SCHEDULE - 13 MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure	9000.00	13500.00
Less : Written off	4500.00	4500.00
TOTAL	<u>4500.00</u>	<u>9000.00</u>

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

**Schedule forming part of the Profit and Loss Account for the
year ended 31st March, 2008**

PARTICULARS	FOR THE YEAR ENDED 31.03.2008	FOR THE YEAR ENDED 31.03.2007
<u>SCHEDULE - 14 INCOME FROM OPERATIONS</u>		
Income from Primary Mkt. Division	2251.05	2272.71
Income from Secondary Mkt. Division	17195317.75	7283586.62
Profit / (Loss) on trading of shares (Net)	9745899.29	3655204.33
Dividend Received	102715.25	96109.00
T O T A L	<u>27046183.34</u>	<u>11037172.66</u>
<u>SCHEDULE - 15 OTHER INCOME</u>		
Interest Received [TDS deducted Rs. 59,784.47 (Previous Year Rs.52818.74)]	394239.94	237184.22
Profit/(Loss) on sale of fixed assets	95333.60	(23,791.41)
Profit / (Loss) on sale of Investments (Long Terms)	15418238.00	-
Profit / (Loss) on sale of Investments (Short Terms)	2840386.50	-
Miscellaneous Income [TDS Deducted Rs. 2637.00 (Previous Year Rs. Nil)]	3855583.93	292374.26
T O T A L	<u>22603781.97</u>	<u>505767.07</u>
<u>SCHEDULE - 16 OFFICE ADMINISTRATION & OTHER EXPENSES</u>		
Establishment	5497886.00	1638098.00
Contribution to Provident Fund & E.S.I.	100403.00	73624.00
Directors Remuneration	540000.00	894384.00
Sub - Brokerage paid	3364655.23	2757703.78
Travelling & Conveyance	228163.00	189269.00
Depository Charges	508205.97	339306.72
Insurance	71852.00	77914.00
Fees & Subscription	200272.00	202743.50
Legal & Professional Charges	1133611.00	264240.00
Postage & Telephone	425489.61	362015.94
Printing & Stationary	288817.00	119181.75
Electricity & Water Charges	226218.00	290324.00
Stock Exchange Charges	3031166.83	1626492.54
Repair & Maintenance	469053.80	480850.63
Auditors Remuneration		
- Audit Fees	16,000.00	16000.00
- Tax Audit Fees	4,000.00	4000.00
- Other Matter	11500.00	12500.00
Connectivity Charges	191833.00	181718.37
Miscellaneous Expenses	686197.61	204544.64
Bad Debts W/O	659361.00	-
Guest House Expenses	150000.00	-
Advertising Exp.	143039.64	-
Rent	522,000.00	587960.00
Staff Welfare	95261.00	101553.00
Business Promotion Expenses	41189.00	38634.30
Vehicle Running & Maintenance	237844.34	211417.75
SEBI Turnover Fees	750.00	22000.00
Securities Transaction Tax	2151237.00	1818617.00
T O T A L	<u>20996006.03</u>	<u>12515092.92</u>
<u>SCHEDULE - 17 FINANCIAL CHARGES:</u>		
Interest Paid	41966.99	51406.32
Bank Charges	116968.68	82771.94
T O T A L	<u>158935.67</u>	<u>134178.26</u>

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedules attached to and forming part of Balance Sheet And Profit & Loss Account for the year ended 31st March, 2008

SCHEDULE - 18**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****a) ACCOUNTING CONVENTIONS**

1. The accounts and the Financial Statements have been prepared on the historical cost basis of accounting and on the basis of a going concern.
2. Fixed Assets
All Fixed Assets are valued at historical cost less accumulated depreciation.
3. Investments
Long term Investments are stated at cost.
Current Investments are stated at the lower of cost and fair market value.
Any diminution in the value of long term investments is charged off, only if, such a decline is other than temporary, in the opinion of the management.
4. Inventories
Investments in shares/bonds acquired with the intention of short-term holding are considered as stock-in-trade, classified as Current Assets, and valued at cost or net realisable value whichever is lower.
5. Revenue Recognition
 - a) Brokerage Income from Secondary Market is recognised on completion of issuance of bill.
 - b) Brokerage Income from Primary Market are recognised at the stage of completion of assignments / as per the terms of related agreements.
 - c) Interest Income is accounted for on accrual basis.
 - d) Dividend Income is accounted for on receipt basis.
 - e) Profit / Loss on purchase / sale of shares and securities is recognised on FIFO method.
 - f) Expenses : All expenses are provided on accrual basis except Gratuity payable to employees.
6. Amortisation of Miscellaneous Expenditure
Preliminary Expenses / Deferred Revenue Expenses are written-off over a period of ten years.
7. Retirement Benefits
 - a) Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in Employees Provident Fund Account(s) administered by the Central Government.
 - b) Gratuity is accounted for on cash basis.
 - c) The value of unutilised leaves due to employees at the end of the year has been provided for / paid.
8. Depreciation
The depreciation on fixed assets are provided at the rates and in the manner specified in Schedule - XIV of the Companies Act, 1956 under W.D.V. Method except on Stock Exchanges Membership, on which no depreciation has been charged.
9. Taxes on Income
 - a) Provision for Income-tax has been made in accordance with the provision of Income-Tax Act, 1961.
 - b) Deferred tax assets and liabilities are measured using the tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only if there is a reasonable / virtual certainty of its realisation.
 - c) Fringe Benefit Tax
Tax on Fringe Benefit is measured as per the specified

rates on the value of Fringe Benefit in accordance with the provision of the section 115WC of the Income Tax Act, 1961. Accounting for the Fringe Benefit Tax in done as per the guidance note issued by ICAL.

b) NOTES FORMING PART OF ACCOUNTS

1. During the year, a sum of Rs.1,55,00,000 (Rs.1,30,00,000 as cost of acquiring member sheep ticket of BSE and Rs.25,00,000 as cost of acquiring member sheep ticket and cost of 2000 shares of DSE is transferred from fixed asset to Long term Investments.
2. Contingent Liabilities
 - a) The Company has given FDRs to DSE Stock Exchanges amounting to Rs. 87500/- (Previous Year Rs.87, 500/-) for Capital Adequacy.
 - b) For guarantees given by Banks to Stock Exchanges for Rs.70, 00,000/- (Previous Year Rs. 70, 00,000/-) against pledging of FDRs of Rs.35, 26,813.79 (Previous Year Rs. 35, 22609.28).
 - c) Penalty demand raised by Securities & Exchange Board of India in respect of inspection of records for financial year 2002-03 and 2003-04 disputed in appeal before Securities Appellate Tribunal Rs. Nil (Previous Year Rs. 10,00,000/-)
3. Quantitative Details of securities held as stock in trade
 - a) Details of Opening & Closing Stock

	Opening Stock		Closing Stock	
	Qty. Nos.	Value Rs.	Qty. Nos.	Value Rs.
Equity Shares	3653 (17,605)	679906 (1,14,002)	16655 (3,653)	3167821 (6,79,906)

b) Details of Purchases and Sales during the year

	Purchases / Allotment		Sales / Adjustment	
	Qty. Nos.	Value Rs.	Qty. Nos.	Value Rs.
Equity Shares	115849 (8,44,169)	18092789 (2,65,93,112)	102847 (8,58,121)	25350773* (2,96,82,412)

* Including Profit (Net) on trading in shares without effecting deliveries Rs. 93,11452.10 (Previous Year Rs 48,03,443.84) and profit (Net) on Trading In Derivatives (Rs. NIL) [Previous Year (Rs. 85,765.30)]

4. Income / (Loss) from sale of shares and securities comprises of:
Profit from trading in shares / securities (Net) : Rs. 97,45,899.29 (Previous Year : Rs. 36,55,204.33) Including Profit (Net) on trading in shares without effecting deliveries Rs. 93,11452.10 (Previous Year Rs. 48,03,443.84) and profit (Net) on Trading In Derivatives (Rs. NIL) [Previous Year (Rs. 85,765.30)]
5. Sundry Creditors includes Rs.2,03,21,934.37 (Previous year Rs. 42,85,473.81) due to companies/firms in which directors are interested.
6. Sundry debtors include Rs. 97,27,660.84 (Previous Year

Rs.NIL) due from subsidiary company.

7. In the opinion of the Board of Directors, Current Assets, loans and advances have a value on realization in ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and Contingent Liabilities have been disclosed properly.
8. The Company has identified that there is no material impairment of assets and as such, no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India
9. No provision has been made in respect of accruing liability under the payment of Gratuity Act, 1972. The same will be charged to account as and when paid. Exact liability on actuarial basis has not been determined by the company.
10. During the year a sum of Rs. 24,94,633/- have been transferred from stamp duty payable account to miscellaneous income being the amount excess charged towards service charges included in stamp duty charges.
11. Prior Period Adjustments' represents:

	2007-08 (Rs.)	2006-07 (Rs.)
Debits relating to earlier years	8046.06	37,303.90
Credit relating to earlier years	Nil	Nil

12. Expenditure in Foreign Currency : Nil (Previous Year Nil)
13. Payment to Auditors:

	2007-08 (Rs.)	2006-07 (Rs.)
As Auditors	16,000.00	16,000.00
As Tax Audit	4,000.00	4,000.00
For other matters	11,500.00	12,500.00

14. Segment Reporting :

The company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organization structure and internal reporting system. There are no reportable geographical segments

Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities, Incomes and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively.

Particulars	Share Investment (Rs.)	Trading in Shares / Securities (Rs.)	Dealing in NSE & BSE (Rs.)	Total (Rs.)
- Segment Revenues / (Profit)	18,258,624.50	9,848,614.54	17,197,568.80	45,304,807.84
		3,751,313.33	7,285,859.33	11,037,172.66
- Segment Results	-	7,241,311.97	12,536,858.27	19,778,170.24
		2,268,873.72	8,365,171.98	10,634,045.70
- Unallocable Expenses Net of Unallocable Incomes	-	-	-	1,470,228.39
				(3,339,380.41)
- Net Profit / (Loss)	-	-	-	26,996,865.99
				(2,936,253.45)
- Segment Assets	17,184,801.00	3,167,821.49	85,449,650.40	105,802,272.89
	15,510,000.00	679,905.90	44,984,613.09	61,174,518.99
- Segment Liabilities	-	-	41,281,381.14	41,281,381.14
			28,151,886.88	28,151,886.88
- Unallocable Assets	-	-	-	2,846,624.09
				5721958.74
- Unallocable Liabilities	-	-	-	5,459,320.37
				1,341,154.83

15. Related Party Disclosure in accordance with the Accounting Standards (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountant of India are as under:-

i. Related Parties :

Related Parties	Key Management Personnel	Holding Company
Mr. Vijay Mehta	- Managing Director	Mefcom Capital Markets Ltd.
Mr. T.R. Khare	- Whole Time Director	Subsidiary
Mr. Karan Mehta	- Director, Son of Managing Director	Mefcom Commodity Brokers Ltd.
Relatives		Associates
Mrs. Indu Mehta	- Wife of Managing Director	Mefcom Infrastructure Projects Ltd. Subsidiary of Mefcom Capital Markets Ltd.
Ms. Priyanka Mehta	- Daughter of Managing Director	Enterprise over which key management personnel can exercise significant influence
		Vijay Mehta & Son - HUF
		IKMA Estate Private Ltd.

Note : Related party relationship is as identified by the Company and relied upon by the Auditors

ii. Summary of Transaction :

Nature of Transaction	Key Personnel (Rs.)	Subsidiary (Rs.)	Associates (Rs.)	Relatives (Rs.)	Holding Company (Rs.)	Enterprise over which key management personnel can exercise significant influence (Rs.)	Total (Rs.)
Remuneration							
- Mr. Vijay Mehta	300,000.00 [6,00,000.00]	-	-	-	-	-	300,000.00 [6,00,000.00]
- Mr. T.R. Khare	240,000.00 [304575.00]	-	-	-	-	-	240,000.00 [304575.00]
Rent Paid							
- Mr. Vijay Mehta	420,000.00 [420000.00]	-	-	-	-	-	420,000.00 [420000.00]
Profit/ (Loss) on Sale of Shares (Net) - Non-Delivery							
- Mefcom Capital Mkts. Ltd.	-	-	-	-	113,645.55 [12354.99]	-	113,645.55 [12354.99]
- Ms. Priyanka Mehta	-	-	-	-	-	-	-
- Mr. Karan Mehta	-	-	-	[(60.00)] 646.40 [5545.50]	-	-	[(60.00)] 646.40 [5545.50]
- Mr. Vijay Mehta	-	-	-	-	-	-	-
- Mefcom Commodity Brokers Ltd.	-	22,949.99 [(7090.00)]	-	-	-	-	22,949.99 [(7090.00)]
Profit/ (Loss) on Dealing in derivatives							
- Mefcom Capital Mkts. Ltd.	-	-	-	-	(14,653,236.06) [(5813058.03)]	-	(14,653,236.06) [(5813058.03)]
- Mefcom Commodity Brokers Ltd.	-	(4,043,850.32)	-	-	-	-	(4,043,850.32)
- Mr. Vijay Mehta	(598,591.41)	-	-	-	-	-	(598,591.41)
Purchase of Shares							
- Mefcom Capital Mkts. Ltd.	-	-	-	-	170468634.00 [61558199.23]	-	170468634.00 [61558199.23]
- Mefcom Commodity Brokers Ltd.	-	13664035.82 [1826704.62]	-	-	-	-	13664035.82 [1826704.62]
- Mr. Vijay Mehta	1319598.23 [2373287.76]	-	-	-	-	-	1319598.23 [2373287.76]
- Mrs. Indu Mehta	-	-	-	415,068.31	-	-	415,068.31
- Ms. Priyanka Mehta	-	-	-	4718868.25 [14973381.67]	-	-	4718868.25 [14973381.67]
- Mr. Karan Mehta	-	-	-	4599585.88 [134669.27]	-	-	4599585.88 [134669.27]
Sale of Shares							
- Mefcom Capital Mkts. Ltd.	-	-	-	-	163421402.20 [54896683.29]	-	163421402.20 [54896683.29]
- Mr. Vijay Mehta	1667306.42 [2670.98]	-	-	-	-	-	1667306.42 [2670.98]

Nature of Transaction	Key Personnel (Rs.)	Subsidiary (Rs.)	Associates (Rs.)	Relatives (Rs.)	Holding Company (Rs.)	Enterprise over which key management personnel can exercise significant influence (Rs.)	Total (Rs.)
- Mefcom Commodity Brokers Ltd.	-	17166717.33 [5363397.24]	-	-	-	-	17166717.33 [5363397.24]
Mefcom Infrastructure Projects Ltd.	-	-	349,639.50	-	-	-	349,639.50
IKMA Estate Private Ltd.	-	-	-	-	-	90,503.05	90,503.05
- Mrs. Indu Mehta	-	-	-	1,164,092.80	-	-	1,164,092.80
- Ms. Priyanka Mehta	-	-	-	2455200.36 [14001831.71]	-	-	2455200.36 [14001831.71]
- Mr. Karan Mehta	-	-	-	565933.33 [327346.03]	-	-	565933.33 [327346.03]
Balance as on 31.03.2008							
- Mefcom Capital Mkts. Ltd.	-	-	-	-	Cr. 20,321,934.37 [Cr. 4285,473.81]	-	Cr. 20,321,934.37 [Cr. 4285,473.81]
- Mefcom Commodity Brokers Ltd.	-	9,727,660.84	-	-	-	-	9,727,660.84
- Ms. Priyanka Mehta	-	-	-	-	-	-	-
- Mr. Karan Mehta	-	-	-	[590,468.55] Cr.1,250.00	-	-	[590,468.55] Cr.1,250.00

- iii. There is no provision for doubtful or amounts written off or written back during the year in respect of dues from or to related parties.
iv. Mefcom Commodity Brokers Ltd. is Subsidiary of MSL w.e.f. 11.06.2007.

16. Particulars of Earning per Share (As per AS-20) :

	Year Ended on 31.03.08 (Rs.)	Year Ended on 31.03.07 (Rs.)
Net Profit / (Loss) for the year	24962819.93	(29,97,221.35)
Number of Equity Shares	50,00,000	50,00,000
Nominal Value of the Shares	10/-	10/-
Earning per Share	4.99	(0.60)

17. In accordance with Accounting Standard - 22, "Accounting for Taxes on Income" since the company has carry forward losses under the applicable tax law, deferred tax asset have not been recognized since there is no certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized.

18. Balances of parties are subject to confirmation.

19. Previous year figures have been regrouped/rearranged wherever considered necessary.

20. Figures in brackets pertain to previous year.

Signature to Schedules '1' to '18'

Schedules referred to above form integral part of this Balance Sheet and Profit & Loss Account.

As per our report of even date attached

for S.M. Gulati & Co.

Chartered Accountants

(S.M. Gulati)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Place : New Delhi

Dated : September 3, 2008

Mefcom Securities Limited

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile

I. Registration Details

Registration No.	:	8476	State Code	:	55
Balance Sheet Date	:	31.03.2008			

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	:	62099	Total Assets	:	62099
-------------------	---	-------	--------------	---	-------

Sources of Funds

Paid up Capital	:	50000	Reserve & Surplus	:	11913
Secured Loans	:	186	Unsecured Loans	:	Nil

Application of Funds

Net Fixed Assets	:	4189	Investments	:	17185
Net Current Assets	:	40721	Misc. Expenditure	:	4
Accumulated Losses	:	0			

IV. Performance of Company (Amount in Rs. thousand)

Turnover (including other Income)	:	49650	Total Expenditure	:	22653
Profit / (Loss) before tax	:	26997	Profit / (Loss) after tax	:	24971
Earning per share (In Rs.)	:	4.99	Dividend Rate (%)	:	Nil

V. General Names of three Principal Products / Services of Company

(As per monetary terms)

Product Description :

Item Code No.

Share & Stock Broking	N.A.
-----------------------	------

(Vijay Mehta)
Chairman

(T.R. Khare)
Director



Mefcom Commodity Brokers Limited

NOTICE

Notice is hereby given that the 13th Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2008 at 11.30 A.M. at "MEHTA FARMS, Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071 to transact the following business:

ORDINARY BUSINESS: -

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2008 along with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Vijay Mehta, who retires by rotation at the conclusion of this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board
Regd. Office: for Mefcom Commodity Brokers Ltd.
5th Floor, Sanchi Building.
77, Nehru Place
New Delhi - 110 019

(Vijay Mehta)
Director

Place : New Delhi
Dated : September 3, 2008

NOTES: -

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself, and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before this Annual general Meeting.
- b) Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual General Meeting so that the same may be responded well in advance.
- c) As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report at the meeting.

By order of the Board
Regd. Office: for Mefcom Commodity Brokers Ltd.
5th Floor, Sanchi Building.
77, Nehru Place
New Delhi - 110 019

(Vijay Mehta)
Director

Place : New Delhi
Dated : September 3, 2008

Mefcom Commodity Brokers Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Accounts of the company for the year ended 31st March, 2008.

FINANCIAL RESULTS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH, 2008 (Rs. IN LACS)	FOR THE YEAR ENDED 31ST MARCH, 2007 (Rs. IN LACS)
Gross Income	(2946691)	(173840)
Profit / (Loss) before Interest, Depreciation and Tax	(7700966)	(1713222)
Depreciation	223943	242640
Provision for Tax (incl. Fringe Benefit Tax)	2930	2300
Prior period expenses and others	-	25000
Profit / (Loss) after tax	(7927840)	(1983162)

OPERATIONS AND FUTURE OUTLOOK

Your Company has temporarily suspended its operations due to certain technical and commercial reasons. Now, in this year, your Company is gearing up to recommence its operations.

Your Directors took the decision to bring all brokerage activities - both in equity and Commodity - under one umbrella and accordingly your company which was hitherto a subsidiary Mefcom Capital Markets Limited was made a subsidiary of Mefcom Securities Limited by transferring all shares in your company from Mefcom Capital Markets Limited to Mefcom Securities Limited.

DIVIDEND

In view of losses, your Directors regret their inability to recommend any dividend.

DIRECTORS

Mr. Vijay Mehta, Director of the Company, is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have 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 the Company at the end of the financial year ended 31st March, 2008 and of the loss of the Company for that period.

- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.

PUBLIC DEPOSITS

The company does not have any public deposits.

AUDITORS

M/s Sachdeva & Company, Chartered Accountants, New Delhi, retiring auditors are not interested for reappointment as per their letter dated 20.08.2008, received by the company. Therefore subject to approval of shareholders the Board of Directors has appointed M/s Bhatia & Associates, Chartered Accountants, 9+8+9 as statutory auditors of the company for the financial year 2008-2009. Your directors recommend their appointment.

AUDIT REPORT

Observation of the Auditors received together with relevant notes to the accounts are self explanatory and do not call for further clarification.

COMPLIANCE CERTIFICATE

As required by Companies (Compliance Certificate) Rules, 2001 read with Section 383A (1) of the Companies Act 1956, a Secretarial Compliance Certificate given by M/s Kapahi & Associates, Company Secretaries in whole time practice in the prescribed form is annexed hereto and form part of this report.

PARTICULARS OF EMPLOYEES

Particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended, and forming part of this Directors' Report are Nil.

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

Your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, the Company did not have any foreign exchange earning and no expenditure has been incurred for the business purpose.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support from its Bankers, Government Authorities, Business Constituents, Shareholders & Employees.

Regd. Office:
5th Floor, Sanchi Building,
77, Nehru Place
New Delhi - 110 019

By order of the Board
for Mefcom Commodity Brokers Ltd.

(Vijay Mehta)
Director

Place : New Delhi
Dated : September 3, 2008

COMPLIANCE CERTIFICATE

To,
The members

M/S. MEFCOM COMMODITY BROKERS LTD.

We have examined the registers, records, books and papers of M/S. MEFCOM COMMODITY BROKERS LTD. as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the company for the financial year ended on 31ST MARCH, 2008. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The company, being a public limited company, comments are not required.
4. The Board of Directors duly met SEVEN TIMES on 06.04.2007, 30.06.2007, 10.07.2007, 10.08.2007, 29.09.2007, 12.10.2007 and 03.01.2008 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The Company has not closed its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the financial year ended on 31.03.2007 was held on 29.09.2007 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Books maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its Directors or persons or firms or Companies referred to under Section 295 of the Act.
9. The company has duly complied with the provisions of section 297 of the Act in respect of contracts specified in that section, during the Financial Year under review.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The company has not issued any duplicate share certificate during the financial year.
13. The company has :
 - (i) Delivered all the certificates on allotment of securities and on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act.
 - (ii) The company has not deposited any amount in a separate Bank account as no dividend was declared during the financial year.
 - (iii) The company was not required to post warrants to any member of the company as no dividend was declared during the financial year.
 - (iv) No amount was transferred, as none was due.
 - (v) Duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and no appointment of Directors, Additional Directors, Alternate Directors and Directors to fill casual vacancies have been made.
15. The Company has not appointed any Managing Director, whole time Director, Manager during the financial year.
16. The Company has not appointed any Sole Selling Agent during the financial year.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The company has not issued any Shares/Debentures/other Securities during the financial year.
20. The company has not bought back any Shares during the financial year.
21. There was no redemption of Preference Shares or Debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to Dividend, Rights Shares and Bonus Shares pending registration of transfer of shares.
23. The company has not invited/accepted any Deposits including any unsecured loans falling within the purview of section 58A and 58AA during the financial year under review.
24. The amount borrowed by the Company is within the borrowing limits of the Company.
25. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for that purposes.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one State to another during the year under scrutiny.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the year under scrutiny.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the year under scrutiny.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the year under scrutiny.
30. The company has not altered its articles of association during the year under scrutiny.
31. There were no prosecutions initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company has not constituted a separate provident fund trust for its employees or class of its employees as contemplated under section 418 of the Act.

FOR KAPAH AND ASSOCIATES
COMPANY SECRETARIES
(S. K. KAPAH)
 PROPRIETOR
 FCS NO. 1407
 C.P. NO. 1118

Dated : September 3, 2008
 Place : New Delhi

**ANNEXURE - 'A'**

**STATUTORY REGISTERS MAINTAINED BY
M/S. MEFCOM COMMODITY BROKERS LTD.**

1. Register of Members under Section 150 and Index of Members under Section 151
2. Registers and Returns under Section 163
3. Minutes Book of Meetings
4. Books of Accounts under section 209.
5. Register of Particulars of contracts in which Directors are interested under Section 301
6. Register of Directors, Managing Director, Manager and Secretary under Section 303
7. Register of Directors' Shareholdings under Section 307
8. Register of Investments or Loans made, Guarantee given or Security Provided under Section 372A.

ANNEXURE - 'B'

Forms and Returns as filed by **M/S. MEFCOM COMMODITY BROKERS LTD.** with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on **31st March, 2008.**

S. No.	Form No. /Return	Filed under Section	Date of Filing	Subject
1	23 AC & ACA	220	26.10.2007	Annual Accounts for the Financial year ended 31st March, 2007
2	66	383A	26.10.2007	Relevant to Directors Report dated 10th August, 2007
3	20B	159	27.11.2007	Annual Return relevant to Annual General Meeting held on 29th September, 2007

**FOR KAPAHI AND ASSOCIATES
COMPANY SECRETARIES**

**(S. K. KAPAHI)
PROPRIETOR
FCS NO. 1407
C.P. NO. 1118**

Dated : September 3, 2008
Place : New Delhi

AUDITORS' REPORT

To
The Members of
MEFCOM COMMODITY BROKERS LIMITED

1. We have audited the attached Balance Sheet of **MEFCOM COMMODITY BROKERS LIMITED (FORMELY KNOWN AS IKMA ENTERPRISE LIMITED)** as at 31st March 2008 the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. 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 have 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, the evidences 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, as amended by the Companies (Auditor's Report)(Amendment) Order 2004, issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks of the books and the records of the company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable.
4. Further to our comments in the annexure referred to in paragraph (3) above:
 - a) We have obtained all the information and explanations, 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 appears from our examination of those books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply 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, 2008, we report that none of the directors is, prima facie, disqualified as on 31st March, 2008, from being appointed as a director in term of Clause (g) of 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 explanations given to us, the accounts, and read with notes thereon, given in Schedule 'L' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) In case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2008, and
 - ii) In case of Profit and Loss Account, of the Profit of the Company for the year ended on that date.
 - iii) In case of the Cash Flow Statement of the cash flow for the year ended on that date.

for Sachdeva & Co.
Chartered Accountants
(CA Rosy Sachdeva)
Proprietor
M. No. 089743

Place : New Delhi
Dated : 3rd Sep., 2008

ANNEXURE TO THE AUDITOR'S REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) The Fixed assets have been physically verified by the management periodically in a phased manner and no material discrepancies have been noticed on physical verification as confirmed by the management.
- (c) No substantial part of fixed assets has been disposed off during the year, which has bearing on the going concern assumption.
2. The stock of shares is held in dematerialized form and are confirmed on the basis of the statement of holding from depository participant and the stock of commodities is physically held and verified by the management.
3. The company has not granted or taken any loan, secured or unsecured loan from companies, firms or other parties as covered in the Register maintained under Section 301 of the Companies Act, 1956.
4. There is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, and with regard to sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system.
5. (a) According to the information and explanation given to us we are of opinion that the transaction that need to be entered into the register maintained u/s 301 have been so entered.
- (b) In our opinion and according to the information given to us the transaction entered in the registers maintained under Section 301 of the Companies Act 1956, have been made at price which are reasonable having regard to prevailing market price where available or the price at which the transaction for the similar item have been made with other parties where comparable.
6. The company has not accepted any deposit during the year covered by section 58A and section 58AA of the Companies Act, 1956 and companies (Acceptance of deposit) Rules 1975 with regard to

the deposit accepted from the public.

7. The management does not consider necessity of internal audit in view of the quantum and value of transaction being low.
8. As explained to us the company is not required to maintain the cost records u/s 209(1) (d) of the Companies Act 1956.
9. (a) According to the records of the company, the company is regular in depositing with appropriate authorities. undisputed

statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, cess, service tax and other statutory dues applicable to it

- (b) According to the information and explanations given to us, details of undisputed statutory dues, which has not been deposited with the appropriate authorities are as under:-

Name of the Statute	Nature of dues	Amount (Rs in Lakhs)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	6.87 Lakh	Financial Year 2005-2006	Rectification filed u/s 154 of the Income Tax Act

10. The company is in existence from more than five years and accumulated losses at the end of current financial year are in excess of its share capital.
11. The company has not defaulted in repayment of dues to a financial institution, bank. The company has not issued any debenture.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities
13. The company is not a chit fund / nidhi / mutual benefit fund / society so the said clause L4 (xiii) of Companies (Auditor's Report) order 2003 are not applicable.
14. Based on our examination of the records and evaluation of the related internal controls, we are of the opinion that proper records have been maintained of the transactions and contract of dealing or trading in shares, securities and other investments and timely entries have been made in records.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions
16. The company do not have any term loans during the year so the said

clause is not applicable.

17. The company has taken unsecured loans to fund the day to day working of the company
18. The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Company Act, 1956.
19. The company has not issued any debenture during the financial year covered by our audit report.
20. The company has not raised any money by Public Issues during the year.
21. Based upon the audit procedures performed and information and explanations given by them management, we report that no fraud on or by the company has been noticed or reported during the year.

for Sachdeva & Co.
Chartered Accountants
(CA Rosy Sachdeva)

Place : New Delhi
Dated : 3rd Sep., 2008

Proprietor
M. No. 089743

Mefcom Commodity Brokers Limited

Balance Sheet as at 31st March, 2008

PARTICULARS	SCHEDULE	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SOURCE OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	A	10,000,000.00	10,000,000.00
LOAN FUNDS			
Unsecured Loans			
- From Holding Company		-	500,000.00
TOTAL		10,000,000.00	10,500,000.00
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	B	1,456,478.00	1,456,478.00
Less : Depreciation		466,583.80	242,640.44
Net Block		989,894.20	1,213,837.56
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	C	4,185,320.00	3,229,800.00
Sundry Debtors	D	56,148.52	-
Cash & Bank Balances	E	501,884.92	148,471.08
Loans & Advances	F	715,896.46	581,626.22
Other Current Assets	G	166,500.00	166,500.00
		5,625,749.90	4,126,397.30
Less : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	H	9,865,943.07	164,193.73
Provisions	I	1,598.00	98.00
		9,867,541.07	164,291.73
Net Current Assets		(4,241,791.17)	3,962,105.57
PROFIT AND LOSS ACCOUNT			
TOTAL		13,251,896.97	5,324,056.87
Significant Accounting Policies & Notes to Accounts	L	10,000,000.00	10,500,000.00

Schedules referred to above form integral part of this Balance Sheet

As per our Report of even date attached for Sachdeva & Co.

Chartered Accountants

(Rosy Sachdeva)
Proprietor
M. No. 89743

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi

Dated : September 3, 2008

Mefcom Commodity Brokers Limited

Profit and Loss Account for the year ended 31st. March, 2008

PARTICULARS	SCHEDULE	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
<u>INCOME</u>			
Income from Operations	J	(2,984,488.64)	(211,840.04)
Dividend Received		-	38,000.00
Other Income		37,797.28	-
TOTAL		<u>(2,946,691.36)</u>	<u>(173,840.04)</u>
<u>EXPENDITURE</u>			
Administrative & Other Expenses	K	1,371,896.98	530,573.18
Provision for Diminution in value of Inventories		3,382,378.40	1,008,808.76
Depreciation		223,943.36	242,640.44
TOTAL		<u>4,978,218.74</u>	<u>1,782,022.38</u>
Profit / (Loss) before Tax		(7,924,910.10)	(1,955,862.42)
Less: Prior Period Expenses		-	25,000.00
- Provision for Taxation-Current		-	-
- Provision for Fringe Benefits Tax		2,930.00	2,300.00
Profit / (Loss) after Tax		(7,927,840.10)	(1,983,162.42)
Surplus / (Deficit) trfd. from Previous Year		(5,324,056.87)	(3,340,894.45)
Balance carried to Balance Sheet		<u>(13,251,896.97)</u>	<u>(5,324,056.87)</u>
Significant Accounting Policies	L		
& Notes to Accounts			

Schedules referred to above form integral part of this Profit & Loss Account

As per our Report of even date attached for Sachdeva & Co.
Chartered Accountants

(Rosy Sachdeva)
Proprietor
M. No. 89743

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi
Dated : September 3, 2008

Mefcom Commodity Brokers Limited

Cash Flow Statement For The Year Ended 31st March ,2008

	CURRENT YEAR (Rs)	PREVIOUS YEAR (Rs)
A. Cash Flow From Operating Activities		
Net(Loss) Profit before Tax	(7,924,910.10)	(1,955,862.42)
Adjustment for		
Loss/Profit on sale of Inventories	3,147,886.86	213,498.04
Dividend Income	-	(38,000.00)
FBT Paid	(1,332.00)	-
Depreciation	223,943.36	242,640.44
Provision for Diminution of Inventories	3,382,378.40	1,008,808.76
Operating Profit before working capital change	<u>(1,172,033.48)</u>	<u>(528,915.18)</u>
Adjustment for:		
Inventories	(7,485,785.26)	(978,711.46)
Sundry Debtors	(56,148.52)	1,915,007.46
Advances Recoverable	(134,270.24)	985,249.85
Current Liabilities	9,703,249.34	(372,371.92)
Payment for Prior Period Exp	-	(25,000.00)
Provision for FBT	(1,598.00)	(3,702.00)
Cash generated form Operations	<u>2,025,447.32</u>	<u>1,520,471.93</u>
Net Cash From Operating Activities	<u><u>853,413.84</u></u>	<u><u>991,556.75</u></u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Purchase of Fixed Assets	-	(1,456,478.00)
Dividend Received	-	38,000.00
Net Cash from Investing Activities	-	(1,418,478.00)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of Unsecured Loans	-	500,000.00
Payment of Unsecured Loans	(500,000.00)	-
Net Cash from Financial Activities	<u>(500,000.00)</u>	<u>500,000.00</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A+B+C)	353,413.84	73,078.75
CASH AND CASH EQUIVALENT-OPENING BALANCE	148,471.08	75,392.33
CASH AND CASH EQUIVALENT-CLOSING BALANCE	501,884.92	148,471.08

As per our Report of even date attached
for Sachdeva & Co.
Chartered Accountants

(Rosy Sachdeva)
Proprietor
M. No. 89743

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi
Dated : September 3, 2008

Schedule forming part of the Balance Sheet as at 31st March, 2008

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
AUTHORISED CAPITAL		
10,000,00 Equity Shares of Rs.10/- each		
ISSUED, SUBSCRIBED & PAID UP	10,000,000.00	10,000,000.00
10,000,00* Equity Shares of Rs.10/- each fully paid-up	10,000,000.00	10,000,000.00
TOTAL	10,000,000.00	10,000,000.00

* Includes 9,99,500 Shares held by Mefcom Securities Ltd. (Previous year 9,99,500 Shares held by Mefcom Capital Markets Ltd.) (Holding Company)

SCHEDULE 'B' - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ASON 01.04.2007 (Rs.)	ADDITIONS DURING THE YEAR (Rs.)	SALES/ADJ. DURING THE YEAR (Rs.)	TOTAL ASON 31.03.2008 (Rs.)	UPTO 31.03.2007 (Rs.)	FOR THE YEAR (Rs.)	ADJUSTMENT FOR THE YEAR (Rs.)	TOTAL ASON 31.03.2008 (Rs.)	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
Furniture & Fixtures	1435005.00	0.00	0.00	1435005.00	240522.56	216201.32	0.00	456723.88	978281.12	1194482.44
Software	21473.00	0.00	0.00	21473.00	2117.88	7742.04	0.00	9859.92	11613.08	19355.12
TOTAL	1456478.00	0.00	0.00	1456478.00	242640.44	223943.36	0.00	466583.80	989894.20	1213837.56
PREVIOUS YEAR	1456478.00	1456478.00	0.00	1456478.00	-	242640.44	0.00	242640.44	1213837.56	-

SCHEDULE 'C' - INVENTORIES

(at lower of cost or market value)

(As taken, verified and valued by the management)

Shares (Quoted)

	Qty.	Amount	Qty.	Amount
	(Nos.)	Rs.	(Nos.)	Rs.
Banswara Syntex Limited (Face value Rs.10/-)	-	-	50,000	2,987,500.00
SRF Limited (Face value Rs.10/-)	-	-	2,000	242,300.00
Alembic Ltd.(Face value Rs.10/-)	5,000	277,250.00	-	-
Appollo Tyres Ltd.(Face value Rs.10/-)	5,000	206,000.00	-	-
Dhampur Sugar Mills Ltd.(Face value Rs.10/-)	9,900	465,795.00	-	-
Fortis Health Care Ltd.(Face value Rs.10/-)	5,000	406,000.00	-	-
IL & FS Invest-Mers LTD.(Face value Rs.10/-)	2,000	238,400.00	-	-
Indraprastha Medical Ltd.(Face value Rs.10/-)	10,000	310,000.00	-	-
Raymond Ltd.(Face value Rs.10/-)	1,500	446,475.00	-	-
Religare Inter Ltd.(Face value Rs.10/-)	2,000	741,100.00	-	-
Royal Orchid Hotels Ltd.(Face value Rs.10/-)	5,000	459,250.00	-	-
Torrent Power Ltd.(Face value Rs.10/-)	4,000	450,800.00	-	-
UCO Bank(Face value Rs.10/-)	5,000	184,250.00	-	-
Total(A)	54,400	4,185,320	52,000	3,229,800.00
Aggregate Cost	-	7,567,698.00		4,238,608.76
Aggregate Market Value	-	4,185,320.00		3,229,800.00

(Vijay Mehta)
Director

(T.R. Khare)
Director

Schedule forming part of the Balance Sheet as at 31st March, 2008

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<u>SCHEDULE 'D' - SUNDRY DEBTORS</u>		
(Unsecured Considered Good)		
- Debts outstanding for a period exceeding six months	-	-
- Other Debts	56,148.52	-
TOTAL	56,148.52	-
<u>SCHEDULE 'E' - CASH & BANK BALANCES</u>		
- Cash in hand	13,987.00	13,987.00
- Balance with Scheduled Banks in Current Account	487,897.92	134,484.08
TOTAL	501,884.92	148,471.08
<u>SCHEDULE 'F' - LOANS & ADVANCES</u>		
(Unsecured Considered Good)		
- Advances Recoverable in cash or in kind or for value to be received	33,403.68	-
- Security Deposit	661,239.70	570,576.07
- Advance Tax Paid/TDS	21,253.08	11,050.15
TOTAL	715,896.46	581,626.22
<u>SCHEDULE 'G' - OTHER CURRENT ASSETS</u>		
- V-sat	166,500.00	166,500.00
TOTAL	166,500.00	166,500.00
<u>SCHEDULE 'H' - CURRENT LIABILITIES</u>		
- Expenses Payable	17,197.23	116,770.73
- Other Liabilities	-	33.94
- Sundry Creditors		
- Due to Small Scale Industrial Undertaking	-	-
- Due to Holding Company	9,727,660.84	
- Others	121,085.00	47,389.06
TOTAL	9,865,943.07	164,193.73
<u>SCHEDULE 'I' - PROVISIONS</u>		
- For Fringe Benefits Tax	1,598.00	98.00
TOTAL	1,598.00	98.00

(Vijay Mehta)
Director

(T.R. Khare)
Director

Schedule forming part of the Profit and Loss Account for the year ended 31st March, 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2008 (Rs.)
<u>SCHEDULE 'J' - INCOME FROM OPERATIONS</u>		
Profit in dealing in Commodity Exchange(Net)	-	191675.82
Profit /Loss on Sale of Stocks /Securities (Net)	(3,185,684.14)	(405173.86)
Brokerage Income	201195.50	1658.00
TOTAL	(2984488.64)	(211840.04)
<u>SCHEDULE 'K' - ADMINISTRATIVE & OTHER EXPENSES</u>		
Salary	193,080.00	-
Director Remuneration	180,000.00	30,000.00
Fee & Subscription	107,502.00	29,657.00
Rent Paid	300,000.00	300,000.00
<u>Auditor's Remuneration</u>		
- As Auditor	4,000.00	4,000.00
-Tax Audit Fee	2,000.00	2,000.00
- For Other Matters	750.00	1,000.00
Bank Charges	1,599.32	529.00
Business Promotion Expenses	1,096.38	-
Bad debts Written Off	14,584.02	-
Depository Charges	2,099.50	1,730.74
Electricity Charges	143,681.00	78,240.00
Internet Charges	15,043.52	15,350.00
Meeting & Seminar	6,000.00	-
Miscellaneous Expenses	-	1,775.00
Penalty Charges	25,464.00	-
Printing & Stationery	35,584.00	6,319.00
Professional Charges	243,961.00	3,400.00
Securities Transaction Tax	53,642.00	8,183.00
Telephone Charges	35,812.24	33,940.37
Transaction Charges	-	419.07
Travelling Exp.	5,998.00	-
VSAT Shifting Charges	-	14,030.00
TOTAL	1,371,896.98	530,573.18

(Vijay Mehta)
Director

(T.R. Khare)
Director

SCHEDULE 'L'

Significant Accounting Policies and Notes on Account

For the year ended 31st March, 2008

A) ACCOUNTING POLICIES**1. Basis of Accounting**

The Financial Statement are prepared under historical cost convention and on accrual basis of accounting in accordance with the applicable accounting standards issued by ICAI.

2. Investment

Current Investments are carried at the lower of cost and quoted/fair value, computed category wise. Long term investments are stated at cost. Provision for diminution in the value of long term investment is made only if, such a decline is other than temporary in the opinion of the management.

3. Inventories

Shares held as Stock-in-Trade representing Investment in Shares and Securities intended to be held for less than one year is valued at lower of cost or market price. Where no market quotes are available value is taken at Rupee one per company. Cost is arrived on FIFO basis. Cost of Bonus Shares acquired is taken as Nil.

Other Stocks is valued at cost or net realizable value, whichever is lower.

B) NOTES ON ACCOUNTS

1. No deferred tax assets have been recognized in books of accounts in view of perception of the management that such assets may not be realized within the applicable time limit.
2. Income / (Loss) from sale of Shares and Securities comprises of :
 - Income from trading in Shares / Securities and

Derivatives (Net): (Rs.3,185,684.14)(Previous Year : Rs. 405,173.86)

3. In the opinion of the Board of Directors, Current Assets, Loans and Advances shall have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.

4. Contingent Liabilities:

Disputed demand under Income Tax Act 1961: Rs. 6,87,000/- A.Y. 06-07(Previous Year Rs. Nil)

5. Segment Reporting :

The company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organization structure and internal reporting system. There are no reportable geographical segments. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities, Incomes and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively.

Segment wise information is as under:-

Particulars	Short Term Trading in Shares / Securities (Rs.)	Dealing in Commodity Exchange (Rs.)	Total (Rs.)
- Segment Revenues / (Profit)	(3185684) (367174)	238993 193334	(2946691) (173840)
- Segment Results	(3691331) (1385896)	(369802) 147876	(4061133) (1238020)
- Unallocable Expenses net of Unallocable Incomes	- -	- -	(920016) (717842)
- Net Profit / (Loss)	- -	- -	(7927840) (1983162)
- Segment Assets	41,85,320 3229800	13,83,619 7,56,431	55,68,939 39,86,231
- Segment Liabilities	97,27,661 421	843 47,720	97,28,503 48,141
- Unallocable Assets	- -	- -	10,46,705 13,54,004
- Unallocable Liabilities	- -	- -	1,39,038 6,16,151

Figures in italics pertain to previous year.

6. Related Party Disclosure:

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on Related Party Disclosures' issued by the Institute of Chartered Accountant of India are as under:

i) Related Parties:

Key Management Personnel Mr. Vijay Mehta - Director Mr. Karan Mehta - Director	Holding Company M/s Mefcom Securities Ltd. Associates M/s Mefcom Capital Market Ltd
---	--

ii) Mefcom Capital Markets Ltd sold 999500 Equity Shares of Mefcom Commodity Brokers Ltd. to Mefcom Securities Ltd. as per Transfer Register date 11.06.2007.

iii) Summary of Transactions with Related Parties :

Nature of Transactions	Key Personnel (Rs.)	Holding Company (Rs.)	Associates (Rs.)	Total (Rs.)
Remuneration - Mr. Karan Mehta	1,80,000 30,000	-	-	1,80,000 30,000
Rent Paid - Mr. Vijay Mehta	3,00,000 3,00,000	-	-	3,00,000 3,00,000
Loan Received - Mefcom Capital Markets Ltd	- -	2,00,000 5,00,000	- -	2,00,000 5,00,000
Loan Paid - Mefcom Capital Markets Ltd.	- -	7,00,000 -	- -	7,00,000 -
Profit / (Loss) on Sale of Shares (Net) - Non-Delivery - Mefcom Securities Ltd	- -	(22,950) -	- (7090)	(22,950) (7090)
Profit / (Loss) on dealing in derivatives - Mefcom Securities Ltd	- -	(40,27,396) -	- -	(40,27,396) -
Purchase of Shares - Mefcom Securities Ltd.	- -	1,71,66,718 -	- 53,63,397	1,71,66,718 53,63,397
Sale of Shares - Mefcom Securities Ltd.	- -	1,36,64,036 -	- 1826705	1,36,64,036 18,26,706
Profit / (Loss) on Dealing in Commodity Exchange (Non-Delivery) - Mefcom Capital Markets Limited	- -	(38604) (27,611)	- -	(38604) (27,611)
Balance recoverable as on 31.03.2008 - Mefcom Capital Markets Ltd	- -	- (5,47,389)	- -	- (5,47,389)
- Mefcom Securities Ltd.	- -	97,27,661 -	- -	97,27,661 -

Figures in italics pertain to previous year.

iv) There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties.

7. Earning Per Share:

In accordance with Accounting Standard - 20 on 'Earning Per Share' issued by The Institute of Chartered Accountants of India, the Earning Per Share has been computed as under:

		2007-08	2006-07
a) Net Profit / (Loss) for the year	(Rs.)	(7927840.10)	(19,83,162.42)
b) Number of Equity Shares	(Nos.)	10,00,000	10,00,000
c) Nominal Value per Equity Shares	(Rs.)	10.00	10.00
d) Earning Per Share (Basic & Diluted)	(Rs.)	(0.79)	(0.19)

8. **Expenditure in Foreign Currency:** Nil (Previous Figure Nil)

9. Additional information pursuant to the provision of paragraph 3 of Part - II of Schedule - VI to the Companies Act, 1956:

		Opening Stock		Purchase	
Traded Goods	Unit	Qty.	Value (Rs.)	Qty.	Value (Rs)
Shares	Nos.	52,000	32,29,800.00	1,50,200	1,71,66718.03
		(1,00,000)	(11,00,000.00)	(60,000)	(53,63,397.24)
Commodities	Kg.	-	-	-	-
		(34,000)	(23,73,395.34)	(-)	(-)
		Sales		Closing Stock	
Traded Goods	Unit	Qty.	Value (Rs.)	Qty.	Value (Rs)
Shares	Nos.	1,47,800	96,43,135.49*	54,400	4,185,320.00
		(1,08,000)	(18,19,614.62)	(52,000)	(32,29,800.00)
Commodities	Kg.	-	-	-	-
		(34,000)	25,65,071.16**	(-)	(-)

* Including Profit/(Loss) (Net) on trading in Shares without effecting deliveries Rs.22,949.99 (Previous Year (Rs.7,090.00)) and profit (Net) on trading in derivatives Rs.(40,43,850.32) (Previous Year Rs.Nil).

** Includes profit(Net) in trading in commodity exchange without effecting deliveries of Nil (Previous Year Rs.2,60,212.61)

10. Previous year figures have been regrouped/rearranged wherever considered necessary.
11. Figures in brackets pertain to previous year.
12. Schedule A to L form the integral part of Balance Sheet & Profit & Loss Account.

As per our Report of even date attached
for Sachdeva & Co.

Chartered Accountants

(Rosy Sachdeva)
Proprietor
M. No. 89743

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi

Dated : September 3, 2008

Mefcom Commodity Brokers Limited

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract And Company's General Business Profile

I. Registration Details

Registration No.	:	66895	State Code	:	55
Balance Sheet Date	:	31.03.2008			

II. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	Nil

III. Position of Mobilization and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	:	10,000	Total Assets	:	10,000
-------------------	---	--------	--------------	---	--------

Sources of Funds

Paid up Capital	:	10,000	Reserve & Surplus	:	Nil
Secured Loans	:	Nil	Unsecured Loans	:	0

Application of Funds

Net Fixed Assets	:	990	Investments	:	Nil
Net Current Assets	:	(4242)	Misc. Expenditure	:	Nil
Accumulated Losses	:	13252			

IV. Performance of Company (Amount in Rs. thousand)

Turnover (including other Income)	:	(2947)	Total Expenditure	:	4978
Profit / (Loss) before tax	:	(7925)	Profit / (Loss) after tax	:	(7928)
Earning per share (In Rs.)	:	(0.79)	Dividend Rate (%)	:	Nil

V. General Names of three Principal Products / Services of Company

(As per monetary terms)

Product Description :

Item Code No.

i) Investment & Sale / Purchase of Shares	N.A.
ii) Commodity Broking	N.A.

(Vijay Mehta)
Director

(T.R. Khare)
Director

Mefcom Infrastructure Projects Limited



NOTICE

Notice is hereby given that the 2nd Annual General Meeting of the Company will be held on Tuesday, the 30th September, 2008 at 12.30 P.M. at "MEHTA FARMS, Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071 to transact the following business:

ORDINARY BUSINESS: -

1. To consider and adopt the Audited Balance Sheet and Profit and Loss Account for the year ended 31st March, 2008 along with the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Mr. Vijay Mehta, who retires by rotation at the conclusion of this Annual General Meeting and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

By order of the Board

Regd. Office: for **Mefcom Infrastructure Projects Ltd.**
Sanchi Bldg.
77 Nehru Place,
New Delhi-110019

(Vijay Mehta)
Director

Place : New Delhi
Dated : August 07, 2008

NOTES: -

- a) A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/herself, and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company not less than forty-eight hours before this Annual general Meeting.
- b) Members desiring information / clarification on the accounts are requested to write to the Company at its Registered Office at least seven days before the date of the Annual General Meeting so that the same may be responded well in advance.
- c) As a measure of economy, copies of Annual Reports will not be distributed at the Annual General Meeting. Members are requested to bring their copy of Annual Report at the meeting.

By order of the Board

Regd. Office: for **Mefcom Infrastructure Projects Ltd.**
Sanchi Bldg.
77 Nehru Place,
New Delhi-110019

(Vijay Mehta)
Director

Place : New Delhi
Dated : August 07, 2008

Mefcom Infrastructure Projects Limited

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 2nd Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2008.

FINANCIAL RESULTS

PARTICULARS	YEAR ENDED 31ST MARCH, 2008 (Rs.)	YEAR ENDED 31ST MARCH, 2007 (Rs.)
Gross Income	Nil	Nil
Profit / (Loss) before Interest, Depreciation and Tax	(239489)	(10082)
Depreciation	Nil	Nil
Provision for Tax (incl. Fringe Benefit Tax)	Nil	Nil
Prior period expenses and others	Nil	Nil
Profit / (Loss) after tax	(239489)	(10082)

OPERATIONS AND FUTURE OUTLOOK

There were no business activities during the year under review. Your directors are looking for suitable business opportunities for the Company.

DIVIDEND

In view of losses, your Directors regret their inability to recommend any dividend.

DIRECTORS

Mr. Vijay Mehta, Director of the Company, is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, offers himself for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have 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 the Company at the end of the financial year ended 31st March, 2008 and of the loss of the Company for that period.

- 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.
- The Directors have prepared the Annual Accounts on a going concern basis.

PUBLIC DEPOSITS

The company does not have any public deposits.

AUDITORS

M/s Bhatia & Associates, Chartered Accountants, New Delhi, retire at the conclusion of this Annual General Meeting, and being eligible for re-appointment, have expressed their willingness to be reappointed as statutory auditor of the Company. Your directors recommend their appointment.

AUDIT REPORT

Observation of the Auditors received together with relevant notes to the accounts are self explanatory and do not call for further clarification.

PARTICULARS OF EMPLOYEES

Particulars of employee pursuant to Section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees), Rules, 1975, as amended, and forming part of this Directors' Report are Nil.

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

Your Company has no activity relating to conservation of energy or technology absorption.

During the year under review, the Company did not have any foreign exchange earning and outgo.

ACKNOWLEDGEMENT

Your Directors wish to place on record their appreciation of the continued support from its Bankers, Government Authorities, Business Constituents, Shareholders & Employees.

By order of the Board
for Mefcom Infrastructure Projects Ltd.

Regd. Office:
Sanchi Bldg.
77 Nehru Place,
New Delhi-110019

(Vijay Mehta)
Director

Place : New Delhi
Dated : August 07, 2008

AUDITORS' REPORT

To
The Members of
Mefcom Infrastructure Projects Limited

1. We have audited the attached Balance Sheet of Mefcom Infrastructure Projects Limited as at 31st March, 2008 and also the Profit and Loss Account and also 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 have 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, the evidences 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. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditors' Report) Order, 2003, issued by the Company Law Board in terms of Section 227 (4A) of the Companies Act, 1956, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
4. Further we report that :
 - a) We have obtained all the information and explanations 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 appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply 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, 2008, we report that none of the directors is, prima facie, disqualified as on 31st March, 2008, from being appointed as a director in term of Clause (g) of 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 explanations given to us, the accounts, and read with notes thereon, given in Schedule 'A' give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in case of Balance Sheet, of the State of Affairs of the Company as at 31st March, 2008, and
 - ii) in case of Profit and Loss Account, of the loss of the Company for the year ended on that date.
 - iii) in case of Cash Flow Statement , of the cash flows for year ended on that date.

for Bhatia & Associates
Chartered Accountants
(Sunil Bhatia)
Proprietor
M.No. 016821

Place : New Delhi
Dated : August 07, 2008

Mefcom Infrastructure Projects Limited

Balance Sheet as at 31st March, 2008

PARTICULARS	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
<u>SOURCE OF FUNDS</u>		
SHAREHOLDERS' FUND		
Share Capital		
- Authorised		
100000 Equity Shares of Rs.10/- each	1,000,000.00	1,000,000.00
- Issued, Subscribed and Paid-up		
50000 Equity Shares of Rs.10/- each fully paid-up in cash (Includes 499400 Equity Shares held by Mefcom Capital Markets Ltd. The holding Company)	500,000.00	500,000.00
TOTAL	<u>500,000.00</u>	<u>500,000.00</u>
<u>APPLICATION OF FUNDS</u>		
Investments:		
Current Investments		
18000 shares in Jenson & Nicholson (At cost or market value , which ever is lower)	119,520.00	0.00
- Current Assets		
- Cash-in-hand	65,000.00	100,000.00
- Balance with Scheduled Bank in Current Account	34,851.50	362,062.00
	<u>99,851.50</u>	<u>462,062.00</u>
Less : Current Liabilities & Provisions		
- Other Liabilities	3,037.08	10,500.00
Net Current Assets	<u>96,814.42</u>	<u>451,562.00</u>
- Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
- Preliminary Expenses	34,094.40	38,356.20
- Profit & Loss Account	249,571.18	10,081.80
TOTAL	<u>500,000.00</u>	<u>500,000.00</u>
Significant Accounting Policies & Notes to Accounts - Schedule 'A'		

Schedules referred to above form integral part of this Balance Sheet

As per our Report of even date attached
for **Bhatia & Associates**
Chartered Accountants

(Sunil Bhatia)
Proprietor

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi
Dated : August 07, 2008

Mefcom Infrastructure Projects Limited

Profit & Loss Account for the year ended 31st March , 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
INCOME	0.00	0.00
TOTAL [A]	0.00	0.00
EXPENDITURE		
- Audit Fee	3,000.00	3,000.00
Filing Fees	1,334.00	0.00
- Bank Charges (Including Cash Withdrawal Tax)	-	1,000.00
Depository & S T Tax	774.08	0.00
- Preliminary Expenses written off	4,261.80	4,261.80
- Printing & Stationery	-	1,820.00
Diminuation in value of Current Investments	230,119.50	0.00
TOTAL [B]	239,489.38	10,081.80
Profit / (Loss) for the year [A - B]	(239,489.38)	(10,081.80)
Balance brought forward from previous years	(10,081.80)	
Less : Provision for Income Tax	-	0.00
Balance carried to Balance Sheet	(249,571.18)	(10,081.80)
Significant Accounting Policies & Notes to Accounts - Schedule 'A'		

Schedules referred to above form integral part of this Balance Sheet

As per our Report of even date attached
for **Bhatia & Associates**
Chartered Accountants

(Sunil Bhatia)
Proprietor

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi
Dated : August 07, 2008



Mefcom Infrastructure Projects Limited

Cash Flow Statement for the year ended 31st March , 2008

PARTICULARS	FOR THE YEAR ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net (Loss) / Profit before Tax	(239,489.38)	(10,081.80)
Adjustment for:		
- Misc expenses written off	4,261.80	4,261.80
Operating Profit Before Working Capital Change	(235,227.58)	(5,820.00)
Adjustment For:		
- Preliminary Expenses	-	(42,618.00)
- Other Liabilities	3,037.08	10,500.00
Diminuation in value of Inventories	230,119.50	
Net Cash From Operating Activities	(2,071.00)	(37,938.00)
[B] CASH FLOW FROM INVESTMENT ACTIVITIES	119,520.00	-
Adjustment for Diminuation in value of current investment	230,119.50	-
	349,639.50	-
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds From Fresh Issue of Shares	-	500,000.00
Net Increase (Decrease) In Cash and Cash Equivalents (A+B+C)	(362,210.50)	462,062.00
Opening Cash & Cash Equivalent	462,062.00	-
Closing Cash & Cash Equivalent	99,851.50	462,062.00

Schedules referred to above form integral part of this Balance Sheet

As per our Report of even date attached
for **Bhatia & Associates**
Chartered Accountants

(Sunil Bhatia)
Proprietor

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi

Dated : August 07, 2008

**Schedules annexed to and forming part of Balance Sheet as at
31st March, 2008 and Profit & Loss Account for the
Year ended 31st March, 2008**

SCHEDULE - 'A'**SIGNIFICANT ACCOUNTING POLICIES
AND NOTES TO ACCOUNTS****SIGNIFICANT ACCOUNTING POLICIES****a) Basis of Preparation of Financial Statements :**

The financial statements are prepared under the historical cost convention on accrual basis in according with the applicable Accounting standards.

b) Amortisation of Miscellaneous Expenditure :

Preliminary Expenses are written off over a period of ten years.

NOTES TO ACCOUNTS

a) The current year figures not comparable to the previous year figures as previous year figures was from incorporation , 13th Nov.2006, to 31 March 2007 .

b) Related Party Disclosure in accordance with the Accounting Standards (AS-18) "Related Party Disclosures" issued by the Institute of Chartered Accountant of India are as under :

i. Related Parties :

Key Management Personnel Mr. Vijay Mehta - Director Mr. T.R. Khare - Director Mr. Karan Mehta - Director Associates Memcom Securities Ltd	Holding Company Mefcom Capital Markets Ltd. Relatives Ms. Priyanka Mehta - Daughter of Mr. Vijay Mehta, Director
--	---

Note : Related party relationship is as identified by the Company and relied upon by the Auditors

ii) Summary of Transactions with Related Parties :

Nature of Transactions	Key Personnel (Rs.)	Relatives (Rs.)	Holding Company (Rs.)	Associates (Rs.)	Total
Allotment of shares	0	0	0	0	0
- Mr Vijay Mehta	(100)	-	-	0	(100)
- Mr.T.R. Khare	(100)	-	-	0	(100)
- Mr. Karan Mehta	(100)	-	-	0	(100)
- Ms. Priyanka Mehta	-	(100)	-	0	(100)
- Mefcom Capital Markets Ltd.	-	-	(499400)	0	(499400)
Loan Received	0	0	0	0	0
	0	0	(1000000)	0	(1000000)
Loan Repaid	0	0	0	0	0
	0	0	(1000000)	0	(1000000)
Mefcom Securities Ltd.	0	0	0	349640	349640
	0	0	0	0	0

iii) There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties

a) In the opinion of the Board, Current Assets, Loans & Advances have a value on realization in the ordinary course of business at least equal to the amount at which they are stated in Balance Sheet.

b) Diminution in value of Current investments has been done as per provision of Accounting Standard 13., and the loss in value has been charged to Profit & Loss Account as under :

18000 Shares purchased 31.12.2007 Jenson & Nicholson for :	Rs 349639.50
Less : Diminution in value 31/3/2008 :	Rs 230119.50
	Rs 119520.00

As per our Report of even date attached
for **Bhatia & Associates**
Chartered Accountants

(Sunil Bhatia)
Proprietor

(Vijay Mehta)
Director

(T.R. Khare)
Director

Place : New Delhi
Dated : August 07, 2008

Mefcom Infrastructure Projects Limited

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956 Balance Sheet abstract and Company's General Business Profile

I. Registration Details

Corporate Identification No.	:	155436	State Code	:	55
Balance Sheet Date	:	31.03.2008			

II. Capital raised during the year (Amount in Rs. thousands)

Public Issue	:	Nil	Rights Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	0

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. thousands)

Total Liabilities	:	500	Total Assets	:	500
-------------------	---	-----	--------------	---	-----

Sources of Funds

Paid up Capital	:	500	Reserve & Surplus	:	Nil
Secured Loans	:	Nil	Unsecured Loans	:	0

Application of Funds

Net Fixed Assets	:	Nil	Investments	:	120
Net Current Assets	:	97	Misc. Expenditure	:	34
Accumulated Losses	:	249			

IV. Performance of Company (Amount in Rs. thousand)

Turnover (including other Income)	:	Nil	Total Expenditure	:	239
Profit / (Loss) before tax	:	(239)	Profit / (Loss) after tax	:	(239)
Earning per share (In Rs.)	:	(4.79)	Dividend Rate (%)	:	Nil

V. General Names of three Principal Products / Services of Company

(As per monetary terms)

Product Description :

Item Code No.

N.A.	N.A.
------	------

(Vijay Mehta)
Director

(T.R. Khare)
Director

**AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE
CONSOLIDATED FINANCIAL STATEMENTS OF
MEFCOM CAPITAL MARKETS LIMITED AND ITS SUBSIDIARIES**

To
The Board of Directors
MEFCOM CAPITAL MARKET LIMI^TIED

1. We have audited the attached Consolidated Balance Sheet of Mefcom Capital Markets Ltd. (the Company), its subsidiaries collectively referred to as 'the Group' as at 31st March 2008 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit of the financial statements of the subsidiaries which have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the reports of the other auditors. The financial statements of subsidiaries reflect total assets of Rs.1155.23 lacs as at 31st March, 2008 and total revenues of Rs.467.03 lacs and net cash inflows amounting to Rs.32.50 lacs for the year ended 31st March, 2008.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS)-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.
5. We also report that provision has not been made for accruing liability for gratuity, in the accounts of Mefcom Capital Markets Limited and Mefcom Securities Limited, the effect of which on consolidated financial statements is not ascertained.
6. Subject to our comment in para 5 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Group, we are of the opinion that the said consolidated financial statements and read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2008;
 - ii) in case of Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date; and
 - iii) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

for **V.K. Dhingra & Co.**
Chartered Accountants

(V.K. Dhingra)
Partner
M.No. 14467

Place : New Delhi
Dated : September 03, 2008



Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its Subsidiaries as at 31st March, 2008

SCHEDULE	AS AT 31.03.2008		AS AT 31.03.2007	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
SOURCES OF FUNDS				
SHARE HOLDERS' FUND				
a) Share Capital	A	81401680.00		81401680.00
b) Reserve and Surplus	B	<u>30800652.75</u>	112202332.75	<u>23922003.96</u>
MINORITY INTEREST			21595542.15	14781550.22
LOAN FUNDS				
a) Secured Loans	C		<u>186293.92</u>	<u>4151484.66</u>
T O T A L			<u><u>133984168.82</u></u>	<u><u>124256718.84</u></u>
APPLICATION OF FUNDS				
1 GOODWILL			10477701.54	10477701.54
- Arised from Consolidation				
2 FIXED ASSETS	D			
Gross Block		20386598.48		38288356.12
Less : Depreciation (Including Capital Advances)		<u>11752813.27</u>	8633785.21	<u>10826226.67</u>
3 INVESTMENTS	E		45286238.45	33063203.83
4 CURRENT ASSETS, LOANS & ADVANCES	F			
a) CURRENT ASSETS				
- Stock-in-Trade		7353141.49		3909705.90
- Sundry Debtors		24420535.50		2836942.16
- Cash & Bank Balances		24266316.64		35932388.38
- Other Current Assets		3754991.00		3812917.60
b) LOANS & ADVANCES		<u>37716293.52</u>		<u>32879395.28</u>
		97511278.15		79371349.32
Less : CURRENT LIABILITIES & PROVISIONS	G			
		<u>27963428.93</u>	69547849.22	<u>26165021.50</u>
5 MISCELLANEOUS EXPENDITURE	H		38594.40	47356.20
(To the extent not written off or adjusted)				
T O T A L			<u><u>133984168.82</u></u>	<u><u>124256718.84</u></u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS				
M				

Schedules referred to above form integral part of this Balance Sheet

As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. 014467
Place : New Delhi
Dated : September 3, 2008

Consolidated Profit and Loss Account of Mefcom Capital Markets Ltd. and its Subsidiaries for the year ended 31st March, 2008

	SCHEDULE	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
INCOME			
Income from Operation	I	63,664,817.79	15,287,476.06
Other Income	J	5,333,615.31	1,403,975.76
TOTAL (A)		68,998,433.10	16,691,451.82
EXPENSES			
Personnel, Administrative and Other Expenses	K	35,924,433.46	18,080,245.23
Provisions & Write off	L	13,277,628.23	8,446,404.31
Interest Paid		366,234.99	678,796.32
Miscellaneous Expenditure Written off		8,761.80	8,761.80
Depreciation		2,478,657.84	2,625,377.32
TOTAL (B)		52,055,716.32	29,839,584.98
Profit/(Loss) Before the Taxation (A-B)		16,942,716.78	(13,148,133.16)
Less : -Provision for Income Tax - Current Tax		2,770,000.00	-
-Provision for Fringe Benefits Tax		160,625.00	117,300.00
Profit/(Loss) after taxation but before Prior Period Adjustments		14,012,091.78	(13,265,433.16)
Less : Prior Period Adjustments		8,046.06	62,303.90
Tax Paid for earlier year		236,442.00	74,900.34
Profit/(Loss) after Prior Period Adjustments		13,767,603.72	(13,402,637.40)
Less: i) Share of Profit/(Loss) in Associate for the year		-	2,506,067.28
ii) Minority Interest		6,813,991.93	(1,225,688.54)
Profit after Tax & Minority Interest		6,953,611.79	(9,670,881.58)
Profit/(Loss) brought forward		(99,694,258.87)	(90,023,377.29)
Balance Carried to Reserves & Surplus		(92,740,647.08)	(99,694,258.87)
Earnings per Share		0.85	(1.63)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS			
	M		

Schedules referred to above form integral part of this Profit & Loss Account

As per our report of even date

for **V.K. Dhingra & Co.**
Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. 014467
Place : New Delhi
Dated : September 3, 2008

Consolidated Cash Flow Statement of Mefcom Capital Market Ltd. and Its Subsidiaries and Associates for the year ended 31st March, 2008

	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
[A] CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Taxation, Extra ordinary item and minority interests	16942716.78	(13148133.16)
Adjustment for		
- Depreciation	2,478,657.84	2625377.32
- Miscellaneous Expenditure Written Off	8,761.80	8761.80
- Loss/ (Profit) on Sale of Investments (Net)	(36,612,348.29)	(9887562.67)
- Write off / Diminution in value of Investments and Stock-in-Trade (Net)	13255449.27	8446404.31
- Dividend Income on Investments	(976,156.75)	(308,545.00)
- Provision / (Write back of provision) for Sub-Std Asset	(207940.54)	-
- Interest Paid	324,268.00	678796.32
- Profit/ Loss on sale of fixed assets/Inventories	(95,333.60)	24854.44
	(21,824,642.27)	1588086.52
Extra-ordinary Item	(8046.06)	(62303.90)
Operating Profit before Working Capital Changes	(4889971.55)	(11622350.54)
Adjustment for		
- Stock of Shares & Securities	(9,743,581.35)	(1,331,116.86)
- Trade and Other Receivables	(17,365,336.57)	7204345.28
- Trade and Other Payables	(4,170,204.44)	9647070.45
	(31279122.36)	15520298.87
	(36169093.91)	3897948.33
Less : Direct Tax Paid	(5,274,041.00)	(3,254,597.74)
NET CASH FROM OPERATING ACTIVITIES	(41,443,134.91)	643350.59
[B] CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of Fixed Assets	(1,769,282.00)	(7,596,067.54)
- Purchase of Investments	(229,199,629.91)	(69,783,362.46)
- Sale of Investments	262,058,677.07	69004932.65
- Dividend Received on Investments	976,156.75	308545.00
- Sale of Fixed Assets	2,500,600.00	261000.00
NET CASH FROM INVESTING ACTIVITIES	34566521.91	(7804952.35)
[C] CASH FLOW FROM FINANCING ACTIVITIES		
- Issue of share capital	-	27584000.00
- Share Issue Expenses	-	(42,618.00)
- Secured Loan Taken/(Repaid)	(3,965,190.74)	3429828.15
- Unsecured Loan Taken/(Repaid)	(500,000.00)	-
- Interest Paid	(324,268.00)	(678,796.32)
NET CASH FROM FINANCING ACTIVITIES	(4789458.74)	30292413.83
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(11666071.74)	23130812.07
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	35932388.38	12801576.31
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	24266316.64	35932388.38

NOTES:-

Figures in brackets represent cash outflows.

As per our report of even date attached
for **V.K. Dhingra & Co.**
Chartered Accountants

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

(V.K. Dhingra)
Partner

Place : New Delhi

Dated : September 3, 2008

Schedules Annexed to and forming part of Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its Subsidiaries as at 31st March, 2008

	AS AT 31.03.2008 (Rs.)	AS AT 31.03.2007 (Rs.)
SCHEDULE 'A' - SHARE CAPITAL		
Authorised		
1,00,00,000 Equity Shares of Rs. 10/- each	<u>100000000.00</u>	<u>100000000.00</u>
Issued and Subscribed Capital		
81,40,168 Equity Shares of Rs. 10/- each	<u>81401680.00</u>	<u>81401680.00</u>
Paid-up Capital		
81,40,168 Equity Shares of Rs. 10/- each fully paid up	<u>81401680.00</u>	<u>81401680.00</u>
T O T A L	<u><u>81401680.00</u></u>	<u><u>81401680.00</u></u>
SCHEDULE 'B' - RESERVES AND SURPLUS		
- Capital Reserve		
- Profit on reissue of forfeited shares	12916689.50	467000.00
Add: Additions during the year	-	12,449,689.50
- Arised on Consolidation	26,771.33	101734.33
- Share Premium Account	108797839.00	108797839.00
- General Reserve	1100000.00	1100000.00
- Special Reserve	700000.00	700000.00
Total Reserves	<u>123541299.83</u>	<u>123616262.83</u>
Less: Debit Balance in Profit & Loss Account	<u>92740647.08</u>	<u>99694258.87</u>
T O T A L	<u><u>30800652.75</u></u>	<u><u>23922003.96</u></u>
SCHEDULE 'C' - SECURED LOANS		
- From Bank	186293.92	462560.48
(Secured against Hypothecation of vehicles)		
- From Body Corporate	-	3,688,924.18
(Secured against pledge of equity shares in a designated Demat Account)		
T O T A L	<u><u>186293.92</u></u>	<u><u>4151484.66</u></u>
SCHEDULE 'D' - FIXED ASSETS		

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	ASON 01.04.2007	ADDITIONS FOR THE YEAR	SALES/ADJ. FOR THE YEAR	TOTAL ASON 31.03.2008	UPTO 31.03.2007	FOR THE YEAR	ADJUSTMENT FOR THE YEAR	TOTAL ASON 31.03.2008	AS AT 31.03.2008	AS AT 31.03.2007
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Stock Exchange Membership*	15,710,000.00	-	15,500,000.00	210,000.00	-	-	-	-	210,000.00	15,710,000.00
Commercial Flat	2,500,000.00	-	2,500,000.00	-	757,734.30	10,978.66	768,712.96	-	-	1,742,265.70
Computers	8,223,187.25	1,018,956.00	656,996.64	8,585,146.61	5,878,223.87	1,064,931.06	498,622.70	6,444,532.23	2,140,614.38	2,344,963.38
Furniture & Fixtures	4,739,886.88	-	598,596.00	4,141,290.88	1,142,939.32	579,564.95	163,284.00	1,559,220.27	2,582,070.61	3,596,947.56
Office Equipments	3,257,531.82	20,246.00	201,745.00	3,076,032.82	1,534,863.65	235,124.05	121,451.58	1,648,536.12	1,427,496.70	1,722,668.17
Vehicles	2,637,000.00	-	-	2,637,000.00	1,361,700.37	330,175.08	-	1,691,875.45	945,124.55	1,275,299.63
Software	82,650.00	730,080.00	-	812,730.00	33,663.84	156,972.04	-	190,635.88	622,094.12	48,986.16
Leased Premises	1,138,100.17	-	213,702.00	924,398.17	117,101.32	100,912.00	-	218,013.32	706,384.85	1,020,998.85
Development										
T O T A L	38,288,356.12	1,769,282.00	19,671,039.64	20,386,598.48	10,826,226.67	2,478,657.84	1,552,071.24	11,752,813.27	8,633,785.21	27,462,129.45
Previous Year	30,881,440.58	8,880,067.54	1,473,152.00	38,288,356.12	9,388,146.91	2,625,377.32	1,187,297.56	10,826,226.67	27,462,129.45	21,493,293.67

*Refer Accounting Policy 3(c) (ii) in Schedule 'M'

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

**Schedules Annexed to and forming part of
Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its
Subsidiaries as at 31st March, 2008**

SCHEDULE 'E' - INVESTMENTS OTHER THAN TRADE

	AS AT 31.03.2008			AS AT 31.03.2007		
	FACE VALUE	QTY.	AMOUNT (Rs.)	FACE VALUE	QTY.	AMOUNT (Rs.)
Long Term Investments:						
Quoted - At Cost - Fully Paid up shares						
ATV Projects Ltd.			-	10	100	101.00
Radico Khaitan Finance Ltd.			-	10	600	8727.61
Shiva Medicare Ltd.			-	10	96500	965000.00
Sub Total (A)			-			973828.61
Unquoted - At Cost - Fully Paid up shares						
Delhi Stock Exchang Asso. Ltd.	1	40000	40000.00			-
Bombay Stock Exchange Ltd.	1	5438	7074838.00	1	10000	10000
Jaipur Stock Exchange Limited	1	324500	5841000.00			-
Sub Total (B)			12955838.00			10000.00
Sub Total (A+B)			12955838.00			983828.61
Less: Provision for Diminution in value of Long Term Investments			-			973825.61
Total (A)			12955838.00			10003.00
Current Investments:						
Quoted - At Lower of Cost or Market Price - Fully Paid up shares						
Banswara Syntex Ltd.	10	199150	10243275.00	10	74150	6375988.00
BPL Ltd.		-	-	10	10000	948380.00
CEAT Limited		-	-	10	10000	1378771.95
Crew B.O.S.Production Ltd.		-	-	10	4000	1037760.00
DCM Shriram Consolidated Ltd	2	10000	1048463.78		-	-
Gujarat Borosil Ltd.	5	50000	1267361.07		-	-
G.E.Shipping Ltd.		-	-	10	8000	1874230.22
Godavari Power & Ispat Ltd.		-	-	10	6385	672690.40
Great Offshore Ltd.		-	-	10	2000	480259.38
Himachal Futuristic Ltd	10	100000	5133156.30		-	-
Jay Pee Hotels (CR) Ltd.	10	10000	2370625.65		-	-
Jenson & Nicholson Ltd.	2	68000	1356031.47		-	-
Jindal Saw Ltd.	10	2000	1815305.40		-	-
Jindal Stanless Ltd.	10	10000	2214700.00		-	-
KPIT Info System Ltd.		-	-	2	11000	1526222.25
Lakshmi Vilas Bank Ltd.	10	5,000	690,145.30		-	-
LKP Merchant Fin. Ltd.	10	52,827	6,630,917.95	10	49740	6119960.03
Manglam Cement Ltd	10	10000	2008903.88		-	-
Mercator Lines Ltd.	1	10000	1506567.20		-	-

	AS AT 31.03.2008			AS AT 31.03.2007		
	FACE VALUE	QTY.	AMOUNT (Rs.)	FACE VALUE	QTY.	AMOUNT (Rs.)
Mirza International Ltd.		-	-	10	2000	442285.91
Mysore Cements Ltd.	10	50,000	3,134,724.70		-	-
Nagpureng (Jayswal Necco)	10	20,000	1,396,204.95		-	-
Nikki Global Finance Ltd.		-	-	10	149775	2075679.10
Nocil Ltd.	10	40,000	1,731,371.05		-	-
Oswal Chemicals Ltd.	10	20000	1308463.35		-	-
Petronet LNG Ltd	10	10000	1135044.00		-	-
Shaw Wallace Ltd	10	8000	3637563.92		-	-
S.Kumar Nationwide Ltd.		-	-	10	10,000	639,603.20
SRF Ltd.		-	-	10	5500	1284356.55
Tata Steel Ltd.(CCPS)	100	5220	522000.00		-	-
Tata Steel Ltd.	10	1069	320700.00		-	-
Tata Tele Ltd.	10	20000	1079629.05		-	-
Tele Data Info Ltd.	2	1250	78757.50		-	-
Tele Data Marine Solutions Ltd.	10	625	-		-	-
Tele Data Technology Solutions Ltd.	10	625	-		-	-
Uflex Ltd.		-	-	10	10000	2311696.60
United Spirits Ltd.		-	-	10	15000	11859140.60
UCO. Bank Ltd.	10	10000	482923.50		-	-
Vipul Ltd.	2	2000	481146.17		-	-
Webpulse Consulting Ltd.		-	-	10	19800	1.00
Welspun Gujrat Ltd.		-	-	5	20000	2212740.40
Sub Total (C)			51593981.19			41239765.59
Less: Provision for Diminution in value of Current Investments			19263580.74			8186564.76
Total (B)			32330400.45			33053200.83
Total (A+B)			45286238.45			33063203.83
A. Aggregate of Quoted Investments						
- At Cost Price			51593981.19			42204765.59
- At Market Price			33309784.10			34515752.25
B. Aggregate of Unquoted Investments						
- At Cost Price			12955838.00			10000.00

(Vijay Mehta)
Chairman

(T.R. Khare)
Director



**Schedules Annexed to and forming part of
Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its
Subsidiaries as at 31st March, 2008**

		AS AT 31.03.2008		AS AT 31.03.2007	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
SCHEDULE 'F' - CURRENT ASSETS, LOANS AND ADVANCES					
1	CURRENT ASSETS				
	a) Stock in Trade				
	- Hire Purchase (Secured against Hire Purchase Contract)	-		207940.54	
	- Less : Provision of Sub-Standard Assets	-		207940.54	-
	- Shares and Securities (At cost or market value, whichever is lower) (As taken, verified and valued by the management) (As per Schedule F-1)		<u>7353141.49</u>		<u>3909705.90</u>
	TOTAL		<u><u>7353141.49</u></u>		<u><u>3909705.90</u></u>
	b) Sundry Debtors (Unsecured consider good)				
	- Debts Outstanding for a period exceeding six months	157408.46		794906.46	
	- Other Debts	<u>24263127.04</u>	<u>24420535.50</u>	2042035.70	<u>2836942.16</u>
	TOTAL		<u><u>24420535.50</u></u>		<u><u>2836942.16</u></u>
	c) Cash & Bank Balances				
	- Cash in Hand		569,895.73		578033.73
	- Balances with Scheduled Bank				
	- in Current Accounts	20081597.12		29243735.37	
	- in Fixed Deposit including interest accrued thereon (Under Bank Lien)	<u>3614823.79</u>	<u>23696420.91</u>	<u>6110619.28</u>	<u>35354354.65</u>
	TOTAL		<u><u>24266316.64</u></u>		<u><u>35932388.38</u></u>
	d) Other Current Assets				
	- Properties acquired in satisfaction of Loans & Advances (At Cost)	7176982.00		7176982.00	
	Less : Provision for diminution in value	<u>3588491.00</u>	<u>3588491.00</u>	<u>3588491.00</u>	<u>3588491.00</u>
	- Others				
	- Due from a relative of a director	-		54,575.00	
	- Others	<u>166,500.00</u>	<u>166500.00</u>	<u>169851.60</u>	<u>224426.60</u>
	TOTAL		<u><u>3754991.00</u></u>		<u><u>3812917.60</u></u>
2	LOANS & ADVANCES (Unsecured Considered Good)				
	- Advances Recoverable in cash or in kind or for value to be received		3,646,186.66		10471188.34
	-Other Advances		11,848,419.18		4777603.62
	-Security Deposits		18,008,120.99		17446097.36
	-Advance Tax /Tax Deducted at Source		<u>4,213,566.69</u>		<u>184505.96</u>
	TOTAL		<u><u>37716293.52</u></u>		<u><u>32879395.28</u></u>

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedules Annexed to and forming part of Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its Subsidiaries as at 31st March, 2008

	AS AT 31.03.2008		AS AT 31.03.2007	
	Qty.	(Rs.)	Qty.	(Rs.)
SCHEDULE 'F-1' - SHARES & SECURITIES HELD AS STOCK-IN-TRADE				
(at lower of cost or market value)				
Shares (Quoted)				
Banswara Syntex Ltd.	-	-	50000.00	2987500.00
NTPC Ltd.	-	-	100.00	13430.00
Panacea Biotech Ltd.	-	-	1200.00	466495.00
Punjab National Bank	-	-	300.00	139845.00
SRF Ltd.	-	-	2000.00	242300.00
State Bank of Bikaner & Jaipur	20.00	47200.00	20.00	47200.00
Astral Poly Techil Ltd	500.00	79750.00	-	-
Compact Disc India Ltd	2750.00	178062.50	-	-
Karuturi Global Ltd	1000.00	177550.00	-	-
Kaveri Telecom Products Ltd	1650.00	182789.08	-	-
Kemrock Industries & Exp. Ltd	250.00	124244.70	-	-
KLG Systel Ltd.	500.00	280100.00	-	-
Vishvas Projects Ltd.	50.00	467.50	-	-
Megasoft Ltd	2250.00	196987.50	-	-
Mold Tek Technologies Ltd.	2250.00	168637.50	-	-
Orbit Corporation Ltd.	1900.00	611212.21	-	-
Refex Refrigerants Ltd.	750.00	109900.50	-	-
Shiv-Vani Oil & Gas Exploration Services Ltd.	500.00	261975.00	-	-
Tata Steel Ltd	3.00	900.00	-	-
Tata Steel Ltd CCPS	32.00	3200.00	-	-
Tanla Solutions Ltd	1000.00	478082.5	-	-
Tilak Nagar Industries Ltd	750.00	110587.50	-	-
Zenith Infotech Ltd	500.00	156175.00	-	-
Alebic Ltd.	5000.00	277250.00	-	-
Appollo Tyres Ltd	5000.00	206000.00	-	-
Dhampur Sugar Sugar Mills Ltd.	9900.00	465795.00	-	-
Fortis Health Care Ltd.	5000.00	406000.00	-	-
IL & FS Invest - Mers Ltd	2000.00	238400.00	-	-
Indraprastha Medical Ltd.	10000.00	310000.00	-	-
Raymond Ltd	1500.00	446475.00	-	-
Religare Inter Ltd.	2000.00	741100.00	-	-
Royal Orchid Hotels Ltd.	5000.00	459250.00	-	-
Torrent Power Ltd	4000.00	450800.00	-	-
UCO Bank	5000.00	184250.00	-	-
Shares (Unquoted)				
Electrolux Kelvinator Ltd.	-	-	2033.00	12935.90
S U B - T O T A L	71055	7353141.49	55653.00	3909705.90
Less: Transferred to Current Investment	-	-	-	-
T O T A L	71055	7353141.49	55653	3909705.9
Aggregate Cost (Quoted)		11478482.91		4905578.76
Aggregate Market Value of Quoted Shares		7353141.49		3953485.00

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

**Schedules Annexed to and forming part of
Consolidated Balance Sheet of Mefcom Capital Markets Ltd. and its
Subsidiaries as at 31st March, 2008**

	AS AT 31.03.2008		AS AT 31.03.2007	
	Qty.	(Rs.)	Qty.	(Rs.)
SCHEDULE 'G' - CURRENT LIABILITIES AND PROVISIONS				
A CURRENT LIABILITIES				
a) Sundry Creditors				
-Due to Micro & Small Enterprises	-		-	
-Others	11962511.41	11962511.41	21313329.47	21313329.47
b) Other Liabilities		2654834.65		4829225.03
c) Advance from Customer		399760.00		-
c) Expenses Payable		3300518.76		-
d) Security Deposit		7651464.11		-
TOTAL (A)		25969088.93		26142554.50
B PROVISIONS				
For Taxation		1994340.00		22467.00
TOTAL (B)		1994340.00		22467.00
TOTAL (A + B)		27963428.93		26165021.50
SCHEDULE 'H' - MISCELLANEOUS EXPENDITURE				
(To the extent not written off or adjusted)				
Preliminary Expenses		34094.40		38356.20
Deferred Revenue Expenditure		4500.00		9000.00
TOTAL		38594.40		47356.20

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

**Schedule Annexed to and forming Part of Consolidated
Profit And Loss Account of Mefcom Capital Markets Ltd. and its
Subsidiaries and Associates for the year ended 31st March, 2008**

	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
SCHEDULE 'I' - INCOME FROM OPERATION		
Merchant Banking Fee Received	38,131,350.00	
Less: Merchant Banking Fee Paid	<u>24,613,195.00</u>	300,000.00
Profit on Sale of Share and Securities	32457898.21	7445043.64
Brokerage Income from Primary Market	2251.05	2272.71
Brokerage Income from Secondary Market	16518279.33	6904349.89
Dividend Income	976156.75	444134.00
Profit/(Loss) on Trading in Commodity Derivatives	(6818.60)	
Brokerage from Dealing in Commodity Exchange	198896.05	191675.82
TOTAL	<u>63664817.79</u>	<u>15287476.06</u>
SCHEDULE 'J' - OTHER INCOME		
Recovery from bad debts written-off	600000.00	725765.28
Interest Earned (Gross) (TDS: Rs.97388.47) (P.Y. : Rs.52818.74)	661278.54	293471.22
Unclaimed Liabilities written back	351.69	92365.00
Misc. Income	3903401.48	292374.26
Profit / Loss on sale of Fixed Assets	95333.60	-
Profit on Maturity of Chit	73250.00	-
TOTAL	<u>5333615.31</u>	<u>1403975.76</u>
SCHEDULE 'K' - PERSONNEL, ADMINISTRATIVE & OTHER EXPENSES		
Salaries & Allowances	6995192.00	2435677.00
Contribution to PF and other Funds	100403.00	73624.00
Bank Charges	129250.72	126035.42
Travelling and Conveyance	1167618.26	535204.60
Fees and Subscription	838627.00	672361.50
Professional & Consultancy Charges	6139534.00	924291.00
Auditor's Remuneration (including Service Tax wherever applicable)		
- Audit Fee	78800.00	85630.00
- Tax Audit Fee	11700.00	12398.00
- Other Matters	<u>15324.00</u>	<u>26968.00</u>
Printing and Stationary Expenses	740053.00	344216.38
Postage & Telephone Expenses	667539.41	567058.22
Advertisement & Marketing Expenses	651228.64	41286.40
Business Promotion Expenses	135061.49	55465.90
Electricity & Water Expenses	612842.00	558682.00
Rent	1543560.00	1639520.00
Insurance Expenses	80915.00	86600.00
Other Expenses	1620236.50	792337.54
Repair and Maintenance (General)	1006139.64	1008438.38



**Schedule Annexed to and forming Part of Consolidated
Profit And Loss Account of Mefcom Capital Markets Ltd. and its
Subsidiaries and Associates for the year ended 31st March, 2008**

	FOR THE PERIOD ENDED 31.03.2008 (Rs.)	FOR THE YEAR ENDED 31.03.2007 (Rs.)
Director's Remuneration	2284000.00	924384.00
Directors' Sitting Fees	3000.00	12000.00
Depository Charges	540250.10	353745.69
Stock Exchange Charges	3031166.83	1626911.61
Staff Welfare	95261.00	101553.00
Securities Transaction Tax	2762498.08	2036580.00
Donations	-	53000.00
Connectivity Charges	191833.00	181718.37
Loss on sale of fixed assets	-	24854.44
Sub-Brokerage Paid	3364655.23	2757703.78
Sebi Turnover fees	750.00	22000.00
Penalty Charges	27164.00	-
Bad Debts Written off	781885.56	-
Guest House Expenses	150000.00	-
Pledge Charges	32945.00	-
Claims & Settlements	125000.00	-
T O T A L	<u>35924433.46</u>	<u>18080245.23</u>

SCHEDULE 'L' - PROVISIONS & WRITE OFFS

Provision for Diminution in value of		
- Stock in Trade	3382378.40	1008808.76
- Current Investments	11077015.98	7943396.76
- Long Term Investments	(973825.61)	(505801.21)
Provision for Substandard Assets	(207,940.54)	-
T O T A L	<u>13277628.23</u>	<u>8446404.31</u>

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

Schedule Annexed to and forming part of Consolidated Financial Statements of Mefcom Capital Markets Limited and its Subsidiaries for the year ended on 31st March, 2008

SCHEDULE 'M' - SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1. Group Companies

Consolidated financial statements comprise the financial statements of Mefcom Capital Markets Ltd. being parent company and its three subsidiaries, all incorporated in India, as listed below:-

S. No.	Name of Company	Relationship	Proportion (%) of shareholding as on 31.03.2008	Proportion (%) of shareholding as on 31.03.2007
1.	Mefcom Securities Ltd.	Subsidiary	60.00	60.00
2.	Mefcom Infrastructure Projects Ltd.	Subsidiary	100.00	100.00
3.	Mefcom Commodity Brokers Ltd.	Subsidiary	--	100.00
4.	Mefcom Commodity Brokers Ltd.	Wholly owned Subsidiary of Mefcom Securities Ltd.	60.00	--

2. Principles applied for Consolidation of Financial Statements

- a) The Financial Statements of the parent company and the subsidiaries have been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions including unrealised profits in full as per Accounting Standard-21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India (ICAI).
- b) Accounting Policies between group companies are consistent.
- c) The excess of cost to parent company of its investment in subsidiaries, over its portion of equity is recognised in the financial statements as Goodwill. The excess of parent company's portion of equity of the subsidiaries and associates, over cost of its investment is treated as Capital Reserve. This has been calculated, presuming such investments being made on the last date of the respective years, irrespective of the actual date of such investments.
- d) The results of operations of a subsidiary are included in the consolidated statements of Profit and Loss until the date of cessation of the parent-subsidiary relationship. Wherever it is impracticable it is presumed that the cessation of such relation has taken place on the first day of the accounting period.

3. Significant Accounting Policies

- a) **Basis for Preparation of Financial Statements**
The Consolidated Financial Statements of the group have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory accounting standards and the provisions of the Companies Act, 1956 and other applicable laws.
- b) **Fixed Assets**
All fixed assets are valued at historical cost less accumulated depreciation.
- c) **Depreciation**
 - i) Software are amortised in three years on straight line method on pro-rata basis.
 - ii) Depreciation on other assets has been provided on the written down value basis at rates provided by Schedule

XIV to the Companies Act, 1956 on pro-rata basis.
iii) No depreciation is provided on Stock Exchange Membership.

d) Investments

- i) Investments in shares, debentures and other securities are classified into 'Current Investments' and 'Long Term Investments'.
- ii) Long Term Investments are valued at cost. Adequate provision is made for a decline, other than temporary, in the value of Long Term Investments.
- iii) Current Investments i.e. the investments, which are not intended to be held for more than one year, are carried at lower of cost or market price. Where no market quotes are available the investments are valued at rupee one per company. Shortfall in the book value as compared to market value of investments, in each category, is charged to Profit & Loss Account.
- iv) Cost is arrived at on FIFO basis.
- v) Costs of Bonus Shares acquired are taken as 'Nil'.

e) Inventories

- i) **Stock of Shares and Securities**
Shares and securities intended to be held for less than one year and considered as stock-in-trade are valued at lower of cost or market price. Where no market quotes are available, value is taken at rupee one per Company.
Cost is arrived on FIFO basis. Costs of Bonus Shares acquired are taken as Nil.
- ii) **Stock on Hire Purchase**
Stock on hire purchase is stated at total amount due as per respective agreements less unaccrued financial charges.
- iii) **Commodities**
Stock of commodities are valued at cost or net realizable value, whichever is lower.

- f) **Assets acquired in satisfaction of Loans and Advances**
Properties and other assets acquired in satisfaction of loans and advances are valued at cost. Adequate provision has been made for the diminution in the value of those assets.
- g) **Provision for sub-standard and Doubtful Advances**
Provision for sub-standard and doubtful advances, leased

assets and sundry debtors has been made in accordance with the prudential norms prescribed by Reserve Bank of India.

- h) Revenue Recognition
- i) In accordance with the prudential norms prescribed by the Reserve Bank of India, the Hire Purchase Income, Leasing Income and interest on loans and advances are not recognised on non-performing assets (NPA) unless the same are actually realised.
 - ii) Brokerage income from Secondary Market operations is recognised on completion of issuance of bill.
 - iii) Brokerage Income from Primary Market Operations is recognised of the stage of completion of assignments / as per the terms of related agreements.
 - iv) Portfolio management service incomes are recognized on the basis of agreements entered into with clients and when the right to receive the income is established.
- i) Amortisation of Miscellaneous Expenditure
Share Issue Expenses, Preliminary Expenses and Deferred Revenue Expenses are written off over a period of ten years.
- j) Retirement Benefits
- i) Contribution to Provident Fund and Family Pension Fund are provided for on accrual basis and deposited in the Employees Provident Fund Account(s) administered by the Central Government.
 - ii) Gratuity is accounted for on cash basis.
 - iii) The value of unutilised leaves due to employees at the end of the year has been provided for / paid.
- k) Taxes on Income
- i) Current Tax is provided in accordance with the applicable provisions of Income Tax Act, 1961.
 - ii) Deferred Tax Assets and Liabilities are measured using the tax rates and laws that have enacted or substantively enacted by the Balance Sheet Date. Deferred Tax Assets are recognised and carried forward only if there is a reasonable / virtual certainty of its realisation.
- 4. Contingent Liabilities**
- a) Unpaid calls on Investments : Rs. 1,25,02,500/- (Previous Year: Rs.1,25,02,500/-)
 - b) Disputed demand under Income Tax Act, 1961 : Rs. 9,05,848/- (Previous Year :Rs. 2,18,848/-).
 - c) Corporate Guarantee issued to the banker of Mefcom Securities Ltd. (subsidiary company) for securing guarantee issued by their banker : Rs. 1,00,00,000/- (Previous Year : Nil).
 - d) FDRs given to various Stock Exchanges amounting to Rs. 87,500/- (Previous Year: Rs. 87,500/-) for Capital Adequacy.
 - e) Guarantees given by Banks to Stock Exchanges for Rs. 70,00,000/- (Previous Year: Rs.70,00,000/-) against pledging of FDRs of Rs. 35,22,609.28/- (Previous Year: Rs. 35,22,609.28).
 - f) Penalty Demand raised by Securities & Exchange Board of India in respect of inspection of records for financial year 2002-03 and 2003-04 disputed in Appeal before Securities Appellate Tribunal : NIL (Previous Year Rs. 10,00,000/-)
5. In the opinion of the management, Current Assets, Loans and Advances shall have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated in the Balance Sheet and provision for all known liabilities have been made and contingent liabilities have been disclosed properly.
6. Provision for Taxation
- a) Provision for income-tax has been made in accordance with provisions of the Income-tax Act, 1961.
 - b) The group companies have unabsorbed depreciation and carry forward losses under tax laws. In absence of virtual certainty of sufficient future taxable income, net deferred tax asset has not been recognised in accordance with the Accounting Standard-22 on Accounting for Taxes on Income issued by the institute of Chartered Accountants of India.
7. Balances of some of the parties are subject to confirmation.
8. Pending sale of properties acquired in satisfaction of claims and due to non availability of market rates for the same, provision made the earlier year has been maintained as the same, in the opinion of the management, is adequate to take care of any diminution in their value.
9. Income / (Loss) from sale of Shares and Securities comprises of :
- i) Profit/(Loss) on trading in Shares/Securities (Net) : Rs. (40,93,702.81) (Previous Year Rs. 1,22,88,813.98).
 - ii) Profit/(Loss) on sale of Long Term Investments (Net) Rs.1,44,93,459.39 (Previous Year: Rs. (76,51,234.93)
 - iii) Profit/(Loss) on sale of Current Investments (Net) Rs.2,20,58,141.63 (Previous Year: Rs. 20,01,724.99)
 - iv) Dividend Income comprises of, dividend received on shares held as :
 - a) Long Term Investments : Rs. NIL (Previous Year : Rs . 150.00)
 - b) Current Investments : Rs. 8,73,441.50 (Previous Year : Rs. 3,08,395.00)
 - c) Stock-in-Trade : Rs. 1,02,715.25 (Previous Year : Rs. 1,35,589.00)
10. 'Special Reserve' represent, the reserve created as per the provisions of Section 45-IC of the Reserve Bank of India (Amendment) Act, 1998.
- 11. Directors' Remuneration**
- a) Rs. 22,84,000/- (Previous Year: Rs. 9,24,384/-) has been paid to the directors of group companies as a minimum remuneration in terms of resolution passed by shareholders read with the provisions of Schedule XIII to the Companies Act, 1956.
 - b) Some of the directors have waived-off their right to Sitting Fee.
- 12. Segment Reporting**
- The company has considered business segment as the primary segment. Segments have been identified taking into account the nature of the activities, the differing risks and returns, the organisation structure and internal reporting system. There are no reportable geographical segment. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities includes the respective amount identifiable to each segment and also amount allocated on a reasonable basis. Assets, Liabilities and Expenses that can not be allocated between the segments are shown as part of Unallocable Assets, Liabilities, Incomes and Expenses respectively. Segment wise information is as under:-

Particulars	Investments in Share & Securities (Rs.)	Trading in Shares / Securities (Rs.)	Dealing in Commodity Exchange (Rs.)	Financing (Rs.)	Brokerage (Rs.)	Merchant Banking Service (Rs.)	Total (Rs.)
Revenue							
External revenue	40959078 10196108	(7525383) (6058242)	236694 193334	867038 780340	16520530 11187494	13528155 -	64586113 16299034
Result							
Segment Result	31054362 18048953	(20355030) (7076966)	(133109) 147876	842039 750340	3983672 (3385490)	7767834 -	23159768 (8035752)
Unallocated Exp. net of unallocated income	-	-	-	-	-	-	9147676 5229681
Net Profit / (Loss) before Prior Period Adjustments	-	-	-	-	-	-	14012092 (13265433)
Other Information							
Segment Assets	65503620 44159508	7353141 3229800	1383619 756431	4644463 3643066	55518648 66895477	499909 -	134903400 115684282
Unallocated Assets	-	-	-	-	-	-	27044195 34737457
Segment Liabilities	- 1412	- 421	843 331	-	21078040 25207568	874391	21953274 25209732
Unallocated Liabilities	-	-	-	-	-	-	6196449 955290

Figures in Bold indicates Current Year.

13. Related Party Disclosure

Related Party Disclosure in accordance with the Accounting Standards (AS-18) on 'Related Party Disclosures' issued by the Institute of Chartered Accountant of India are as under :

i. Related Parties :

Key Management Personnel	Enterprise over which Key Management Personnel can exercise significant influence
Mr. Vijay Mehta - Chairman	IKMA Infoway Pvt. Ltd. IKMA Estate Pvt. Ltd.
Mr. T.R. Khare, Director	
Relatives:	
Ms. Priyanka Mehta- Daughter of Mr. Vijay Mehta	
Mr. Karan Mehta - Son of Mr. Vijay Mehta	
Mrs. Indu Mehta - Wife of Mr. Vijay Mehta	

ii. Summary of Transaction :

Nature of Transaction	Key Personnel (Rs.)	Relatives (Rs.)	Enterprise over which key management personnel can exercise significant influence (Rs.)	Total (Rs.)
Remuneration Paid				
-Mr. Vijay Mehta	1864000	-	-	1864000
-Mr. T.R. Khare	600000	-	-	600000
	240000	-	-	240000
	304575	-	-	304575
-Mr. Karan Mehta	-	180000	-	180000
	-	-	-	-
Rent Paid				
-Mr. Vijay Mehta	1441560	-	-	1441560
	1441560	-	-	1441560
-IKMA Infoway (P) Ltd.	-	-	-	-
	-	-	30000	30000

Nature of Transaction	Key Personnel	Relatives	Enterprise over which key management personnel can exercise significant influence	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Interest Earned on Loan				
- Mr Vijay Mehta.	21473	-	-	21473
- Mr. Karan Mehta	-	-	-	-
	-	54575	-	54575
Unsecured Loan Given				
-Mr Vijay Mehta	3000000	-	-	3000000
-Mr. Karan Mehta	-	150000	-	150000
Loan Refund				
-Mr Vijay Mehta	3000000	-	-	3000000
-Mr. Karan Mehta	-	150000	-	150000
Profit/(Loss) on Sale of Shares (Net) Non-Delivery				
-Mr. Karan Mehta	-	646	-	646
	-	5546	-	5546
- Ms. Priyanka Mehta	-	-	-	-
	-	(60)	-	(60)
Profit/(Loss) on Dealing in Derivatives				
-Mr. Vijay Mehta	(598591)	-	-	(598591)
	-	-	-	-
Purchase of Shares				
Mr. Vijay Mehta	1319598	-	-	1319598
	237288	-	-	237288
Mrs. Indu Mehta	-	415068	-	415068
	-	-	-	-
Ms. Priyanka Mehta	-	4718868	-	4718868
	-	14973382	-	14973382
Mr. Karan Mehta	-	4599589	-	4599589
	-	134669	-	134669
Sale of Shares				
-IKMA Estate Private Ltd.	-	-	90504	90504
	-	-	-	-
-Mr. Vijay Mehta	1667306	-	-	1667306
	2671	-	-	2671
Mrs. Indu Mehta	-	1164093	-	1164093
	-	-	-	-
-Ms. Priyanka Mehta	-	2455200	-	2455200
	-	14001832	-	14001832
-Mr. Karan Mehta	-	565933	-	565933
	-	327346	-	327346
Balances payable				
	-	1250	-	1250
	-	-	-	-

Figures in Bold indicates Current Year.

iii) There is no provision for bad and doubtful debt or amounts written off or written back during the year in respect of dues from or to related parties.

14. Earning per Share

In accordance with Accounting Standard - 20 on 'Earning Per Share' issued by The Institute of Chartered Accountants of India, the Earning Per Share has been computed as under :

			2007-08	2006-07
a)	Net Profit / (Loss) @	(Rs.)		(9670881.58)
b)	Number of Equity Shares *	(Nos.)	8140168	5944486
c)	Nominal Value per Equity Shares	(Rs.)	10.00	10.00
d)	Earning Per Share (Basic & Diluted)	(Rs.)	0.85	(1.63)

@ After taking into account share of Profit/Loss of associate and minority interest in subsidiary company's Profits/(Losses).

* There were no potential equity shares and there was no change in Share Capital during the year.

15. Employees Benefits :

i. Defined Contribution Plan

Contribution to Provident Fund : Rs. 1,00,403/- (Previous Year : Rs. 73.624/-)

ii. Defined Benefit Plan

a) As per consistent practice, gratuity is provided on cash basis. During the year no gratuity was paid.

b) The company has a practice of making payments against encashment of unavailed leaves on annual basis. No unavailed leaves were



outstanding as at the beginning and at the end of the year. No payment of leave encashment has been made to any employee during the year.

16. During the year a sum of Rs. 1,55,00,000/- (Rs. 1,30,00,000/- as cost of acquiring membership ticket of BSE and Rs. 25,00,000/- as cost of acquiring membership ticket and cost of 2000 shares of DSE) is transferred from fixed assets to long term investments.
17. During the year a sum of Rs. 24,94,633/- has been transferred from Stamp Duty Payable Account to Miscellaneous Income being the amount excess charged towards service charges included in Stamp Duty Charges.
18. Previous year figures have been regrouped/rearranged wherever considered necessary.

Signatures to Schedules 'A' to 'M'.

for V.K. Dhingra & Co.

Chartered Accountants

(V.K. Dhingra)
Partner

(Vijay Mehta)
Chairman

(T.R. Khare)
Director

M.No. : 014467

Place : New Delhi

Dated : September 3, 2008

THIS PAGE IS INTENTIONALLY
LEFT BLANK



ANNUAL GENERAL MEETING

MEFCOM CAPITAL MARKETS LIMITED

Regd. Office : 5th Floor, Sanchi Building, 77, Nehru Place, New Delhi-110019

Proxy Form

L.F. No. _____

No. of shares held. _____

DP. Id. _____

Client Id.* _____

I/We ;

Name(s) in full

Father's/Husband's

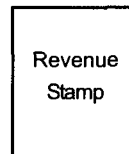
**Name & Address as Regd.
with the Company**

1. _____
2. _____
3. _____

being a member/members of Mefcom Capital Markets Limited appoint _____ or falling him/her of _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company being held on Tuesday, 30th September, 2008 at 10:30 A.M at "MEHTA FARMS", Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071 and at any adjournment thereof.

Signature of Proxy

Affix One Rupee Revenue Stamp.



Signature of the shareholder

Note : This Proxy Form, in order to be effective, should be duly stamped, completed and signed and must be deposited at the registered office of the Company, not less than 48 hours before the meeting.

MEFCOM CAPITAL MARKETS LIMITED

Regd. Office : 5th Floor, Sanchi Building, 77, Nehru Place, New Delhi-110019

Attendance Slip

Please complete this attendance slip and hand it over at the entrance of the meeting hall.

Name(s) in full

Father's/Husband's

**Name & Address as Regd.
with the Company**

1. _____
2. _____
3. _____

I/We certify that I/we am/are member/Proxy for the Member of Mefcom Capital Markets Limited. I/We hereby record my/our presence at the Annual General Meeting of the Company on Tuesday, 30th September, 2008 at 10:30 A.M at "MEHTA FARMS", Chhawla Village, Beyond BSF Camp, Rajokari-Nazafgarh Road, New Delhi - 110071

Signature of the shareholder/proxy**

1. _____

2. _____

3. _____

* Applicable for investors holding shares in electronic form.

** Strike out whichever is not applicable.

NO GIFT OF ANY NATURE WILL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING





Mefcom Capital Markets Limited

BOARD OF DIRECTORS	:	Vijay Mehta, Chairman C.P. Misra Sham Nijhawan T. R. Khare P. K. Rajgarhia Priyanka Mehta
AUDITORS	:	V. K. Dhingra & Co. Chartered Accountants 1E/15, Jhandewalan Extn. New Delhi - 110 055
BANKERS	:	HDFC Bank Oriental Bank of Commerce
SHARE REGISTRARS & TRANSFERS AGENTS	:	Beetal Financial Computer Services Pvt. Ltd. 99, Beetal House, Madangir, New Delhi - 110 019
REGISTERED OFFICE	:	5th Floor, Sanchi Building 77, Nehru Place, New Delhi - 110 019

Mefcom Securities Limited

BOARD OF DIRECTORS	:	Vijay Mehta, Chairman C.P. Misra Shailendra Haruray T. R. Khare Karan Mehta
AUDITORS	:	S. M. Gulati & Co. Chartered Accountants 307, Essel House, Asaf Ali Road, New Delhi - 110 002
BANKERS	:	Bank of India HDFC Bank Oriental Bank of Commerce
REGISTERED OFFICE	:	5th Floor, Sanchi Building 77, Nehru Place, New Delhi - 110 019

Mefcom Commodity Brokers Limited

BOARD OF DIRECTORS	:	Vijay Mehta T. R. Khare Karan Mehta
AUDITORS	:	Sachdeva & Co. Chartered Accountants A-68, Ashok Vihar, Phase-I New Delhi - 110 052
BANKERS	:	HDFC Bank Oriental Bank of Commerce
REGISTERED OFFICE	:	5th Floor, Sanchi Building 77, Nehru Place, New Delhi - 110 019

Mefcom Infrastructure Projects Limited

BOARD OF DIRECTORS	:	Vijay Mehta T. R. Khare Karan Mehta
AUDITORS	:	Bhatia & Associates Chartered Accountants Q-4/9, Bogan Villea Marg, DLF Phase-II, Gurgaon, Haryana - 122 002
BANKERS	:	Oriental Bank of Commerce
REGISTERED OFFICE	:	5th Floor, Sanchi Building 77, Nehru Place, New Delhi - 110 019

Derivatives

Equities

Commodities



MEFCOM

Portfolio
Management

Merchant
Banking

Currencies

Group Companies

Mefcom Capital Markets Ltd.

Mefcom Securities Ltd.

Mefcom Commodity Brokers Ltd.

Mefcom Infrastructure Projects Ltd.

Group Memberships

BSE, DSE, NSE, MCX, NMCE, DGCX, PMS, MBD

Registered and Corporate Office :

5th Floor, Sanchi Building, 77, Nehru Place, New Delhi-110 019, Phone : +91(11) 46500500

Fax : +91(11) 46500550, E-mail: invest@mefcom.in, Website : www.mefcom.in