

**17<sup>th</sup>**

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**ANNUAL REPORT**

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From :  
**MARKET CREATORS LIMITED**

**"Creative Castle"**

**70, Sampatrao Colony, Opp. Masonic Hall,  
Off. Productivity Road, Vadodara-390 007.**

**Ph. : 0265-2354075, Fax : 0265-2340214**

# 17<sup>th</sup> ANNUAL REPORT - 2008-2009

## BOARD OF DIRECTORS

Dr. J. H. Shah  
Mr. Rashmikant Acharya  
Mr. Kalpesh Shah  
Mr. Narendra Shah  
Mr. Chirag Patel  
Mr. Amal R. Patel  
Mr. Kirit D. Vadalia  
Mr. Prakashchandra G. Juthani

**Chairman / Wholetime Director**  
**Wholetime Director**  
**Wholetime Director**  
**Director - Independent\***  
**Director - Independent\***  
**Director - Independent\***  
**Director - Independent\***  
**Director - Independent\***

\* See clause 49 of listing guidelines.

## AUDITORS

Shah & Talati  
Chartered Accountants  
Nadiad.

## REGD OFFICE

"Creative Castle"  
70, Sampatrao Colony,  
Opp. Masonic Hall,  
Off. Productivity Road,  
Vadodara: 390 007

## SHARE REGISTRARS

Dealing Office:  
Link Intime India(Pvt) Ltd.  
1st Floor, 308 Jaldhara Complex  
Opp. Manisha Society, Off. Old Padra Road,  
Vadodara - 390 015.

**Registered Office :**  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078

The Annual General Meeting will be held on  
September 30, 2009, Wednesday 4.30 p.m  
at the Registered Office of the Company.  
"Creative Castle", 70, Sampatrao Colony,  
Opp. Masonic Hall, Off. Productivity Road,  
Vadodara: 390 007

The practice of distributing copies of notice  
at the Annual General Meeting has been  
discontinued.

**A Request :** For appropriate replies to queries if any related to the statement herein please  
intimate the same at the Registered Office, 48 hours before the meeting. We  
solicit your kind Co-operation.

## **NOTICE TO SHAREHOLDERS**

Notice is hereby given that Sixteenth Annual General Meeting of the Shareholders of **Market Creators Limited** will be held at the Registered Office of the Company, "Creative Castle", 70, Sampatrao Colony, Opp. Masonic Hall, Off. Productivity Road, Vadodara, 390 007, on Wednesday 30<sup>th</sup> September 2009, at 4.30 p.m to transact the following business as:

### **Ordinary Business:**

1. To receive consider and adopt audited Balance Sheet and Profit and Loss Account for year ended on March 31, 2009 along with Auditor's and Director's Report thereon.
2. To appoint a Director in place of Mr. Amal R. Patel, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Kirit D. Vadalia, who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors SHAH & TALATI and fix their remuneration.

The board recommends all the above resolutions for your approval.

### **Note:**

- 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. The proxy form to be effective should be lodged with the company at its Registered Office duly completed and signed not less than 48 hours before the time of the meeting.
- b. The shareholders (those holding shares in physical form only) are requested to notify the change, if any in their address to the Company immediately.
- c. The Shareholders, those holding shares in dematerialized form only are requested to notify the change in their Bank Account, if any to their respective Depository Participants immediately. Any request for the change of banking instructions should be through respective Depository Participants only.
- d. Members desiring any information relating to the annual accounts of the Company are requested to write to the Company at the earliest, (but not later than 48 hours before the time of meeting) so as to enable the Board of Directors to keep the information ready.
- e. For the convenience of the Members, an Attendance slip is annexed to the Proxy Form. Members are requested to affix their signature at the space provided and fill up the particulars and hand over the attendance slip at the place of the Meeting.
- f. All documents referred to in the notice shall be available for inspection at the Registered Office of the Company during office hours on all working days except Public holidays, Saturday and Sunday; between 11.00 a.m. to 2.00 p.m. upto the date of Annual General Meeting.
- g. Members holding shares in sole name are advised to avail of the nomination facility by filling the prescribed FORM 2B (in duplicate) with the Investor Services Department. Such Members holding shares in dematerialized form are requested to contact their depository participant, for recording their nominations.
- h. Members, who hold shares in Dematerialized form, are requested to bring their Depository Account number along with the Depository Participant Identification Number (DP ID) for identification.
- i. Members are requested to bring their copies of this notice and annual report to the meeting, as company does not follow the practice to give copies at the Meeting.

Registered office  
"Creative Castle"  
70, Sampatrao Colony,  
Opp. Masonic Hall,  
Off. Productivity Road,  
Vadodara: 390 007.

**By order of Board**  
For Market Creators Limited  
s/d  
Dr. J. H. Shah  
Chairman  
Date: 27th June, 2009.  
Vadodara.

## DIRECTOR'S REPORT

To,  
The Members of Market Creators Limited.  
Ladies and Gentlemen,  
The Directors present herewith their **Seventeenth Annual Report** on the affairs of the company together with the audited statement of accounts for the year ended on **31<sup>st</sup> March, 2009**.

### FINANCIAL RESULTS :

The working results of your company for the financial year under report are as under:

(Rs. in Lacs)

Particulars	Current Year (2008-2009)	Previous Year (2007-2008)
Total Income	484.79	726.45
Profit before interest, depreciation and taxation	73.72	160.60
Depreciation	27.57	23.92
Interest	75.41	87.73
Taxation	2.68	16.90
Balance of Profit (Loss)	(31.95)	32.05
Add : Balance brought forward from the previous year	59.15	84.09
Less : Dividend 2005-06 including Tax	NIL	56.99
Balance carried forward	27.20	59.15

### DIVIDEND :

In view of the current market scenario your Board do not recommend any dividend.

### OPERATION / ACHIEVEMENTS / FUTURE PROSPECTS :

As you are aware that stock market both in India and abroad has been passing through great turmoil. Your company inspite of all hik-ups has done well. As the company is the member of National Stock Exchange of India Limited in Capital and F & O segment and the Member of Bombay Stock Exchange Limited, and also has acquired Depository Participants status with The Central Depository Services (India) Limited and its associate is the Member of Multi Commodity Exchange of India Limited and National Commodity & Derivatives Exchange Limited. Your company has expanded its presence and as on date of writing this report, the prospects of the company and its business looks robust. During the fog end of the year Chennai Operations our associate of long standing abruptly stopping operation but fortunately your Management was in position to stabilise the operations. Accounts for the year have made appropriate note for the impact of this development.

### PARTICULARS OF EMPLOYEES:

As there was no employee who is drawing remuneration of Rs.200,000/- per month or Rs. 24,00,000/- per annum. No particulars are required to be furnished under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employees) Rules 1975 as amended.

### AUDITORS:

The Retiring Auditors of the company, SHAH & TALATI (Formerly known as Baxi, Desai & Shah Associates) - Chartered Accountants are eligible for reappointment. The company has received a certificate to the effect that their appointment will be in accordance with section 224(1B) of the Companies Act, 1956.

### DIRECTOR'S RESPONSIBILITY STATEMENT:

As required under Section 217(2AA) of the Companies Act, 1956, your Directors hereby confirm that,

- a) In the preparation of these Annual Accounts, applicable accounting policies and standards have been followed.
- b) These accounting policies are applied consistently and have made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your company as on 31<sup>st</sup> March, 2009 and in the case of Profit and Loss Account, of the profit of the company for the year ended on that date.
- c) Proper and sufficient care has been taken, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.
- d) These annual accounts have been prepared on a "going concern" basis.

## **CORPORATE GOVERNANCE :**

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance is made part of this report and a certificate from the Company's Auditors confirming compliance is set out in the Annexure forming part of this report. Also a certification by the Whole-time director (CEO) confirming compliance by all the Board members & Senior Management Personnel with company's code of conduct are made a part of the Annual Report and is annexed herewith.

The basic objective of corporate governance is ensuring commitment of the Board of Directors in managing the company in a transparent manner for maximizing long term shareholder value. A detailed report on the status of implementation of the Corporate Governance is as under :

### **Report on Corporate Governance :**

#### **1. Company's Philosophy on Code of Governance :**

The basic philosophy of corporate governance in the company is to achieve business excellence and enhance shareholders value. Our employees are committed to offer efficient and courteous service, to promote excellence and improvement in the quality of service. We value our customers' feedback. The Company also respects the inalienable rights of its investors and other stakeholders to information on the performance of the Company based on highest professional, ethical and financial reporting standards.

As per guidelines applicable, Board of Directors' composition in terms of Interested Directors and Independent Directors is in accordance with the listing requirement.

#### **2. Board of Directors :**

The Present strength of the Board of Directors is Eight (8), out of which Five (5) are Independent Non-Executive Directors. The remaining Three (3) Directors comprises of One Executive Chairman, One Executive Director and One Whole-time Director. The constitution of the Board confirms compliance in respect of appointing independent directors in terms of Clause 49 of the Listing Agreement.

During the financial year ended 31<sup>st</sup> March, 2009, Five (5) Board Meetings were held as per Statutory requirements on 30<sup>th</sup> April, 2008, 31<sup>st</sup> July, 2008, 31<sup>st</sup> October, 2008, 31<sup>st</sup> January, 2009 and 28<sup>th</sup> February, 2009. The maximum time gap between any two meetings was not more than four months.

The composition of the Board of Directors, the attendance of each Director on Board Meetings & the Annual General Meeting (AGM) and also the number of other Board of Directors or Board Committees of which he is Member/Chairman, are as under:

Name of the Director	Category	Attendance Particulars		No. of other Directorships and Committee Memberships/Chairmanships		
		Board Meetings	Last AGM	Other Directors hips	Committee Memberships	Committee Chairmanships
Dr. Jayantilal H. Shah	Executive Director/ Chairman	5	YES	1	NIL	NIL
Mr. Rashmikant Acharya	Executive Director	5	YES	1	NIL	NIL
Mr. Kalpesh J. Shah	Whole-time Director	5	YES	1	3	NIL
Mr. Narendra R. Shah	Independent Director	5	YES	1	NIL	NIL
Mr. Chirag J. Patel	Independent Director	4	NO	1	NIL	3
Mr. Amal R. Patel	Independent Director	3	NO	NIL	3	NIL
Mr. Kirit D. Vadalia	Independent Director	3	NO	NIL	NIL	NIL
Mr. Prakashchandra G. Juthani	Independent Director	2	NO	NIL	NIL	NIL

**Notes :**

- (i) None of the above Directors is a member in more than 10 committees or acts as Chairman of more than 5 Companies across all Companies in which he is a Director.
- (ii) Number of other Directorships held by the Directors, as mentioned above, do not include alternate directorships and directorships held in foreign companies, Section 25 companies and Indian private limited companies besides trustee/membership of managing Committees of various trusts and other bodies and are based on the latest declarations received from the Directors. The details of Committee Membership/Chairmanship is in accordance with revised clause 49 of the Listing Agreements and reflects the Membership/Chairmanship of the Audit Committee and Share holders/Investors' Grievance Committee alone of all other Public Limited Companies.

The Company has a system to circulate and provide adequate information to the Board including as required under Annexure-IA of Clause 49 of the Listing Agreement(s) to enable the Board to take informed decisions. The compliance report of all laws applicable to the Company as prepared and complied by the Compliance Officer is circulated to all the Directors along with the Agenda and placed/reviewed in each Board Meeting.

The Board has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company and the same has been posted on the website of the Company.

**3. Remuneration Committee :**

The Remuneration Committee constituted in pursuance of the provisions of the Listing Agreement and Schedule XIII to the Companies Act, 1956, consisting of two Non-executive Independent Directors and one Executive Director, Chaired by Mr. Chirag J. Patel, Mr. Amal R. Patel and Mr. Kalpesh J. Shah are members of the committee. The Remuneration Committee of the company is empowered to recommend/review the remuneration packages of Managing/Whole time directors including executive directors and the relatives of directors based on their performance and on review of their achievements.

The terms of reference of the Remuneration Committee are as per the guidelines of the Central Government/Listing Agreement with Stock Exchange. The Committee met on 30-04-2008, during the year and there were no issue for consideration within the prescribed scope/terms of reference of the Committee. The committee also met on 31-07-08 and decided to reduce the remuneration of Dr. J. H. Shah and Mr. Rasmikant Acharya w.e.f. 1-11-08 to NIL

**4. Remuneration to the Directors :**

At present, the Company does not have any policy for payment of remuneration to non-executive directors including non-executive independent directors except by way of sitting fees. The details of remuneration paid to all the Directors for the financial year ended on 31<sup>st</sup> March, 2009, are set out below:

<b>Name of Director</b>	<b>Sitting Fees</b>	<b>Remuneration</b>	<b>Total (Rs.)</b>
Dr. J. H. Shah	Nil	700000/-	700000/-
Mr. Rashmi Acharya	Nil	455000/-	455000/-
Mr. Kalpesh J. Shah	Nil	509580/-	509580/-
Mr. Narendra R. Shah	7000/-	Nil	7000/-
Mr. Chirag J. Patel	10000/-	Nil	10000/-
Mr. Amal R. Patel	8000/-	Nil	8000/-
Mr. Kirit D. Vadalia	3000/-	Nil	3000/-
Mr. Prakashchandra G. Juthani	2000/-	Nil	2000/-
Mr. R. R. Patel	4000/-	Nil	4000/-

**5. Audit Committee of the Board :**

The Audit Committee of the Board was constituted on 30-04-2007. Presently the Audit Committee comprises of three Directors chaired by an independent director Mr. Chirag J. Patel, Besides Executive Director Mr. Kalpesh J. Shah and an independent director Mr. Amal R. Patel are members of the committee. Five meetings of the Audit Committee were held during the year. The Audit Committee is a bridge between the Board of Directors and the company.

The role and the terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These include:

- ♦ Overseeing the company's financial reporting process and the disclosure of financial information ;
- ♦ Review of annual and quarterly financial statements with the management before submission to the Board of Directors ;
- ♦ Review of the Adequacy of internal control systems with the management, external and internal auditors and review of the company's financial risk and management policies;
- ♦ Verification of the securities under investment portfolio and ensuring sound functioning, compliance with various statutory laws ; and
- ♦ Provide an open Avenue of communication between the Independent Auditor, Internal Auditor and the Board of Directors.

**6. Investors/Shareholder Grievance Committee :**

The committee constituted by the Board comprises of Mr. Chirag J. Patel, a non-executive independent director as Chairman, and Mr. Amal R. Patel, a non-executive independent director with Mr. Kalpesh J. Shah, an executive director, as its members.

The committee held Two (2) meetings during the year on 31<sup>st</sup> October, 2008 & 31<sup>st</sup> January, 2009. All the members of the committee attended the aforesaid meetings.

The committee looks into various matters relating to :

- Expeditious redressal of investors grievances ;
- Transfer and transmission of shares ;
- Issue of duplicate share certificates ;
- Approval of split and consolidated requests ;
- Review of shares dematerialized ; and
- All other matters related to shares.



During the year 2008-2009, all complaints received, have been redressed to the satisfaction of the complainants. There were no outstanding complaints as on the date of the Balance sheet.

All valid requests for share transfers received during the year have been acted upon and there were no shares pending for transfer as on March 31, 2009.

**7. General Body Meetings :**

The location and time of the General Meetings held during the last three years is as follows:

<b>AGM/ EGM</b>	<b>Date</b>	<b>Venue</b>	<b>Time</b>	<b>No. of special resolution passed</b>
AGM	30/09/06	"Creative Castle", 70, Sampatrao Colony, Productivity Road, Vadodara-7.	4.30 p.m.	One
AGM	29/09/07	"Creative Castle", 70, Sampatrao Colony, Productivity Road, Vadodara-7.	11.30 a.m.	Nil
AGM	30/09/08	"Creative Castle", 70, Sampatrao Colony, Productivity Road, Vadodara-7.	4.30 p.m.	Nil

**8. Notes on Directors seeking Appointment/Re-appointment :**

Mr. Amal R. Patel and Mr. Kirit D. Vadalia, are retiring by rotation and they are being eligible to offer themselves for reappointment.

**9. Disclosures :**

- There are no materially significant related party transactions entered into by the company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large. The register of contracts containing the transactions in which the Directors are interested is placed before the Board regularly for its approval.
- Transactions with the related parties are disclosed in Note 11 of Schedule 10 to the financial statements in the Annual report.
- The Company has generally complied with all the mandatory requirements as specified in the revised Clause 49 to the extent these apply and extend to the Company.
- In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the ICAI. The significant accounting policies applied in preparation and presentation of financial statements have been set out in Schedule-10 forming part of the financial statements.
- The Company has laid down procedures to inform the Board Members about the risk assessment and minimization procedures covering the entire gamut of business operations of the Company and the same have been reviewed by the Board during the year.
- The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

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- The CEO (Whole-time Director) has furnished a Certificate to the Board for the year ended 31<sup>st</sup> March, 2009 in compliance with the revised Clause 49 V of the Listing Agreement(s), as amended.
- During the last three years, there were no strictures of penalties imposed by either the Securities Exchange Board of India or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets. Except amount charged by the National Stock Exchange of India Ltd. and Bombay Stock Exchange Ltd. as a member in Capital and Derivative segment payable by dealer member and amount is insignificant when compared to the size of operation in the market.

## 10. Means of Communication:

• Half Yearly report sent to each household of Shareholders.	No
• Which newspaper normally published in	Western Times – English & vernacular languages editions.
• Any website, where displayed.	No – As required by SEBI and the listing agreement, the Company has been regularly filling the required financial and other information on the Electronic Data Information Filing and Retrieval (EDIFAR) website <a href="http://www.sebiedifar.com">www.sebiedifar.com</a> maintained by SEBI/National Informatics Centre.
• Presentation made to Institutional Investors or the Analyst.	Yes. Results as per Clause 41 of the Listing Agreement are sent to the Stock Exchanges at Mumbai where shares of the company are listed.
• Whether the Management Discussion and Analysis Report is part of the Annual report or not.	No

## 11. General Shareholder information :

AGM – Date : 30<sup>th</sup> September, 2009  
Time : 4.30 p.m.  
Venue : Regd. Office : "Creative Castle", 70, Sampatrao Colony, Opp. Masonic Hall, Off. Productivity Road, Vadodara – 390007.

	(Tentative Schedule)
• <b>Financial Calendar :</b>	<b>April 2009-2010</b>
a) First Quarter Results 1st July 2009	July, 2009
b) Second Quarter Results 1st October 2009	October, 2009
c) Third Quarter Results 1st February 2010	February, 2010
d) Results for the year ending March 2010	30 June 2010
e) Annual General Meeting for the year ending on 31/03/2009	30 <sup>th</sup> September, 2009
• <b>Date of Book Closure</b>	<b>From 22.09.2009 to 25.09.2009 (Both days inclusive)</b>
• <b>Listing on Stock Exchange</b>	<b>The Bombay Stock Exchange Ltd.</b>
• <b>Stock Code</b>	<b>526891</b>
• <b>Demat ISIN Number in NSDL and CDSL for Equity Shares</b>	<b>INE 944C01017</b>

- **Monthly Highs and Lows of Market Price of the company's shares traded for the period April 2007 to March 2009.**

<b>Period</b>	<b>High</b>	<b>Low</b>	<b>Period</b>	<b>High</b>	<b>Low</b>
April 08	15.25	12.95	October 08	11.95	8.83
May 08	15.74	12.86	November 08	9.85	6.56
June 08	15.91	12.24	December 08	8.08	5.76
July 08	13.72	11.80	January 09	9.29	6.00
August 08	16.09	12.31	February 09	6.40	5.78
September 08	15.35	10.50	March 09	7.71	5.00

- **Registrars and Share Transfer Agents :** Link Intime India (Pvt.) Ltd.  
1<sup>st</sup> Floor, 308, Jaldhara Complex,  
Opp. Manisha Society,  
Off. Old Padra Road, Vasana Road,  
BARODA – 390 015.
- **Share Transfer System :**  
Transfer of shares are processed by the share transfer agents and approved by the share transfer committee called as "Investors/Shareholders Grievance Committee", which meets at frequent intervals.
- **Distribution and Shareholding Pattern as on March 31, 2009 is as follows :**

No. of Shareholders in the physical mode	4,96,254	9.932%
No. of Shareholders in the electronic mode	45,03,746	90.07%
<b>Total</b>	<b>50,00,000</b>	<b>100%</b>

- **Shareholding Pattern as on March 31, 2009 is as follows :**

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Director's and their Relatives'	34,72,691	69.45
Companies in which the Directors are interested	Nil	Nil
Non-Resident Indians	92,407	1.85
General Public	14,34,902	28.70
<b>Total</b>	<b>50,00,000</b>	<b>100%</b>

- **Dematerialization of shares and liquidity :** 90.07% of the paid up capital has been dematerialized as on 31<sup>st</sup> March, 2009.
- **Address for Correspondence :** Market Creators Limited  
"Creative Castle", 70, Sampatrao Colony,  
Opp. Masonic Hall, Productivity Road,  
Vadodara-390 007.

**CONSERVATION ENERGY, TECHNOLOGIES ABSORPTION, FOREIGN EXCHANGE, EARNINGS AND OUTGO.**

Prescribed information regarding compliance of rules relating to conservation of Energy and Technology absorption as per section 217(1)(C) of the Companies Act, 1956 read with the company's (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is not provided, as same is not applicable to your company.

**LISTING OF THE COMPANY'S SHARES:**

The Equity shares of your company continue to be listed during the year under review at the Bombay Stock Exchange Limited. The company has paid the Annual listing fees for the financial year 2008-09 and 2009-10. The company shares are dematerialized for providing better services to the shareholders. Your company, looking into various guidelines issued by the Stock Exchange and consequent to amendments in listing norms, as part of good governance is complain to all the requirements.

**ACKNOWLEDGEMENT:**

The company's relation with the staff remained cordial during the year. Your Directors expect that cordial relations with the employees will continue and will help in achieving the objectives of the company and place on record the appreciation for the dedicated services rendered by the executives, the staffs and other employees of the company.

Your Directors wish to place on record their appreciation for the timely support and co-operation received from the Government and Semi-government agencies and other associates, particularly SEBI, Office of the Registrar of the Companies, Financial Institutions, Bankers, Brokers, Officers & NSEIL, NSCCL, NSDL, BSE, CDSL, Professionals etc. who helped the company to meet with requirements from time to time.

**Place : Vadodara,  
Date : 27th June 2009.**

**By Order of the Board  
S/d.  
Dr. J. H. Shah  
Chairman.**

**ANNEXURE FORMING PART OF DIRECTORS' REPORT :**

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT**

As provided under Clause 49 of the Listing Agreement relating to Corporate Governance with the Stock Exchanges, all the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct during the financial year 2008-09

**For Market Creators Limited**

**S/d.**

**Kalpesh J. Shah**  
**Whole time Director (CEO)**

**Place : Vadodara**

**Date : 27th June 2009.**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
**The Members of Market Creators Limited**

We have examined the compliance of the conditions of Corporate Governance by Market Creators Limited for the year ended on March 31, 2009 as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchanges of India.

The compliance of the condition of Corporate Governance is the responsibility of the company's management. Our examination was limited only to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state in respect of investor grievances received during the year ended March 31, 2009, no investor grievances are pending against the company as on the date of Balance Sheet as per the records maintained by the company and presented to the Investors/Shareholders Grievances Committee.

We further state that such compliance is neither an 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.

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

## AUDITOR'S REPORT

To,  
**The Members of Market Creators Limited**

We have audited the attached Balance Sheet of MARKET CREATORS LIMITED as on 31<sup>st</sup> March 2009 and also the Profit and Loss Account 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.

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 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.

1. As required by the companies (Auditor's Report) order, 2003, (read with amendments Order 2004) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, 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 purposes of our audit.
  - b) In our opinion, proper books of accounts as required by the law have been kept by the company so far as appears from our examination of such books.
  - c) The Balance Sheet and Profit and Loss account dealt with by this report are in agreement with the books of accounts of the company.
  - d) In our opinion, the Profit and Loss account and Balance Sheet dealt with by this report comply with the accounting standards referred to in Sub-section (3C) of Section 211 of the Company's Act, 1956 so far as it is applicable to the company.
  - e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March 2009 from being appointed as a Director in terms 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 said accounts read together with the accounting policies followed and notes thereon, give the information as 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 the Balance Sheet, of the state of affairs of the company as on 31<sup>st</sup> March, 2009; and
    - ii. In the case of Profit and Loss Account, of the **Loss** for the year ended on that date and
    - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

## **ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in paragraph 1 of our report of even date on the Accounts of **Market Creators Limited**, as on **31<sup>st</sup> March, 2009**)

- i. The company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. All the assets have been physically verified by the management during the year at reasonable intervals and no discrepancies have been noticed on such verifications.  
No substantial part of Fixed Assets has been disposed off during the year, which has bearing on the going concern assumption.
- ii. The company's nature of operation is such that Clause 4(ii) of the aforesaid order is not applicable to the company.
  - (a) The company has not granted any loans, secured or unsecured to the companies, firms or other parties listed in the Register maintained u/s 301 of the Companies Act, 1956. and in view of this sub clause (b), (c) & (d) are not applicable to the company.
  - (b) According to the information and explanations given to us, we are of the opinion that the rate of interest and terms and conditions of loans taken by the company are prima facie not prejudicial to the interest of the company.
  - (c) The company is repaying the principal amount as stipulated and is also regular in payment of the interest.  
There is no overdue amount of loan taken from the party listed in the Register maintained u/s 301 of the Companies Act, 1956.
- iii. In our opinion and 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 Fixed Assets. During the course of our audit, no weakness has been noticed in the internal controls.
- iv. In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register in pursuance of Section 301 of the Act have been entered and the transactions have been made at prices which are reasonable with regard to the prevailing market prices at the relevant time.
- v. The company has not accepted any deposits from the public, hence, the provisions of Section 58A and 58AA of the Companies Act, 1956 and rules there-under are not applicable to the company.
- vi. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- vii. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under Clause (d) of Sub-section (1) of Section 209 of the Companies Act, 1956 in respect of services carried out by the company.
- viii. According to the information and explanations given to us, and on the basis of our examination of the books of accounts, the company has been regular in depositing with the appropriate authorities undisputed statutory dues applicable to it.
- ix. According to the information and explanations given to us, no undisputed dues in respect of Income Tax, Excise duty (Service Tax) were outstanding on 31-3-2009 for a period of more than six months from the date they became payable.
- x. According to the information and explanations given to us, there are no dues in respect of Income Tax, Excise duty (Service Tax) that have not been deposited with the appropriate authorities.
- xi. The company does not have accumulated losses at the end of the Financial year in excess of fifty percent of its net worth and has not incurred Cash losses in the Financial year and in the Financial year immediately preceding such Financial year.
- xii. The company has not defaulted in repayment of dues to a Financial Institution or Bank or Debenture holders as the company has neither taken any loans from a Financial Institution or a Bank nor has issued any Debentures. Accordingly Clause 4(xi) of the aforesaid order is not applicable to the company.
- xiii. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities. Accordingly Clause No. 4(xii) of the aforesaid order is not applicable to the company.
- xiv. The company is not a chit fund, Nidhi or mutual benefit fund or a society. Accordingly Clause 4(xiii) of the aforesaid order is not applicable to the company.
- xv. The company is not dealing or trading in shares, securities, debentures or other investments. Accordingly Clause 4(xiv) of the aforesaid order is not applicable to the company.
- xvi. The company has not given any guarantee for loans taken by others from Banks or Financial Institutions. Accordingly Clause 4(xv) of the aforesaid order is not applicable to the company.
- xvii. The company has not obtained any term loans during the year. Accordingly Clause 4(xvi) of the aforesaid order is not applicable to the company.
- xviii. The company has not raised any funds on short term basis. Accordingly Clause 4(xvii) of the aforesaid order is not applicable to the company.
- xix. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained u/s 301 of the Companies Act, 1956. Accordingly Clause 4(xviii) of the aforesaid order is not applicable to the company.
- xx. The company has not issued any debentures. Accordingly Clause 4(xix) of the aforesaid order is not applicable to the company.
- xxi. The company has not raised any money by public issues during the year. Accordingly Clause 4(xx) of the aforesaid order is not applicable to the company.
- xxii. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

**MARKET CREATORS LIMITED**

"CREATIVE CASTLE", 70, SAMPATRAO COLONY. PRODUCTIVITY ROAD, ALKAPURI, BARODA-390007

**BALANCE SHEET AS ON 31ST MARCH 2009**

PARTICULARS	SCH NO	AS ON 31-3-2009	AS ON 31-3-2008
		AMOUNT(Rs)	AMOUNT(Rs)
<b>I SOURCE OF FUNDS</b>			
<b>1 Shareholder's Funds</b>			
a) Capital	<b>1</b>	49,990,715.00	9,990,715.00
b) Reserves and Surplus		<b>2,719,901.29</b>	5,915,225.62
<b>2 Loan Funds</b>		-	-
<b>Total</b>		<b>52,710,616.29</b>	55,905,940.62
<b>II APPLICATION OF FUNDS</b>			
<b>1 Fixed Assets</b>	<b>2</b>		
a) Gross Block		26,432,639.11	25,427,697.23
b) Less: Depreciation		<b>(14,724,951.43)</b>	(11,967,785.39)
c) Net Block		11,707,687.68	13,459,911.84
<b>2 Investments</b>	<b>3</b>	721,331.00	100.00
<b>3 Current Assets, Loans &amp; Advances</b>			
a) Sundry Debtors (Unsecured)			
(I) Outstanding for more than three months	-	1,203,559.80	5,636,913.95
(II) Other Debtors	-	30,409,063.66	47,253,367.76
b) Cash and Bank Balances	<b>4</b>	46,158,032.18	40,478,246.54
c) Inventories		25,676,948.20	25,676,948.20
c) Other Current Assets	-	2,696,482.56	4,409,898.18
d) Loans And Advances	<b>5</b>	591,758.86	616,840.00
e) NSE/BSE/CDSL Deposits	<b>6</b>	15,650,000.00	15,550,000.00
		<b>122,385,845.26</b>	139,622,214.63
<b>Less: Current Liabilities and Provisions</b>			
a) Current Liabilities			
(I) Sundry Creditors	<b>7</b>	2,415,948.00	3,173,538.07
(II) Client Advances	-	45,210,968.07	72,016,257.49
(III) Margin Account (NSE-F&O)	-	13,579,368.00	17,377,846.87
(IV) Other Current Liabilities	-	20,762,210.85	1,376,642.06
b) Provisions	-	1,128,294.75	4,224,543.36
		<b>83,096,789.67</b>	98,168,827.85
<b>Net Current Assets</b>		<b>39,289,055.59</b>	41,453,386.78
<b>Total Assets</b>		<b>51,718,074.29</b>	54,913,398.62
<b>4 Miscellaneous Expenditure</b> (to the extent not written off or adjusted)		<b>992,542.00</b>	992,542.00
<b>Total</b>		<b>52,710,616.29</b>	55,905,940.62
<b>Notes On Account</b>	<b>10</b>		

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

For and on behalf of the Board

s/d

**Dr. J.H. Shah, Chairman**

s/d

**Rashmikant Acharya, Director**

Place: Vadodara

Date: 27th June 2009



**MARKET CREATORS LIMITED**

"CREATIVE CASTLE", 70, SAMPATRAO COLONY. PRODUCTIVITY ROAD, ALKAPURI, BARODA-390007  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009**

PARTICULARS	SCH NO	CURRENT YEAR 2008-09 AMOUNT (Rs)	PREVIOUS YEAR 2007-08 AMOUNT (Rs)
<b>I INCOME</b>			
From Operations	-	43,741,401.92	67,962,732.90
Interest & Other Income	-	4,738,249.07	4,682,109.85
<b>Total(I)</b>		<b>48,479,650.99</b>	<b>72,644,842.75</b>
<b>II EXPENDITURE</b>			
Administrative and Other Expenses	8	41,107,701.91	56,583,945.64
Financial Charges	9	7,541,682.38	8,772,796.45
Depreciation	2	<b>2,757,166.03</b>	2,392,298.39
<b>Total(II)</b>		<b>51,406,550.32</b>	<b>67,749,040.48</b>
<b>Net Profit (Loss) Before Taxation ( i-ii )</b>		<b>(2,926,899.23)</b>	4,895,802.27
<b>Less : Income Tax</b>		-	1,514,038.00
Deferred Tax		189,895.00	51,622.00
Fringe Benefit Tax		78,530.00	125,000.00
<b>Net Profit (Loss) After Taxation</b>		<b>(3,195,324.33)</b>	3,205,142.27
<b>Add(Less): Prior Period Items</b>		-	-
		<b>(3,195,324.33)</b>	3,205,142.27
<b>Balance</b>		<b>(3,195,324.33)</b>	3,205,142.27
<b>Less : I. T. Provisions Written Off</b>		-	-
<b>Net Profit (Loss)</b>		<b>(3,195,324.33)</b>	3,205,142.27
<b>Net Profit (Loss)</b>		<b>(3,195,324.33)</b>	3,205,142.27
<b>Add: Prevoius Year Balance b/f</b>		5,915,225.62	8,409,523.35
<b>Less:(a) Dividend 2006-07</b>		-	4,998,412.00
(b) Dividend Tax 2006-07		-	701,028.00
<b>Balance Carried to Balance Sheet</b>		<b>2,719,901.29</b>	5,915,225.62
<b>Notes on Account</b>	<b>10</b>		

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER.

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

For and on behalf of the Board

s/d

**Dr. J.H. Shah, Chairman**

s/d

**Rashmikant Acharya, Director**

Place: Baroda

Date: 27th June 2009

**MARKET CREATORS LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2009**

PARTICULARS	AMOUNT (RS.)	CURRENT YEAR 2008-09 AMOUNT(RS.)	AMOUNT (RS.)	PREVIOUS YEAR 2007-08 AMOUNT(RS.)
<b>A Cash Flow from Operating activities:</b>				
<b>1 Net Profit before tax and Extraordinary Items</b>		<b>(2,926,899.33)</b>		4,895,802.27
Adjustment for:				
2 Depreciation	<b>2,757,166.03</b>		2,392,298.39	
3 Interest Income	(2,920,186.25)		(2,973,329.87)	
4 Other Income	(4,738,249.07)		(1,708,779.98)	
5 Interest on Borrowings	7,541,682.38		8,772,796.45	
6 Miscellaneous Expenditure	0.00		0.00	
7 Income Tax Paid	0.00		0.00	
8 Prior period Adjustment	11,732.00		0.00	
9 Total (2 to 8)	2,652,145.09		6,482,084.99	
<b>10 Operating Profit before Working Capital Changes (1+9)</b>		<b>(274,754.24)</b>		11,378,787.26
11 Adjustments for:				
Trade and other receivables				
12 Sundry Debtors	21,277,658.25		(32,088,940.93)	
13 Other Current Assets	1,713,415.62		(1,899,546.34)	
14 Loans and Advances and Deposits	(74,918.86)		(405,857.31)	
15 Trade and Other Payables:	15,531,730.11		(407,265.91)	
16 Client Advances	(26,805,289.42)		44,975,649.83	
17 Margin Accounts (NSE-F&O)	(3,798,478.87)		6,463,975.80	
18 Total (11 to 17)	7,844,116.83		16,638,015.14	
<b>19 Gross Cash generated from Operations</b>		<b>7,569,362.59</b>		28,016,802.40
20 Prior Period Adjustments / Extra Ordinary Item	(11,732.00)		(1,567.00)	
21 Income Tax Paid & Deferred Tax	(268,425.00)		(1,690,660.00)	
22 Total (20 +/- 21)		<b>(280,157.00)</b>		(1,692,227.00)
<b>23 Net Cash from Operating Activities (A) (19 +/- 22)</b>		<b>7,289,205.59</b>		26,324,575.40
<b>B.Cash Flow from Investing activities:</b>				
1 Purchase of Fixed Assets	(1,004,941.98)		(2,960,302.96)	
2 Purchase / Sale of Investments	(721,231.00)		0.00	
3 Interest received	2,920,186.25		2,973,329.87	
4 Other Income	4,738,249.07		1,708,779.98	
<b>5 Net Cash Used in Investing activities (B)</b>		<b>5,932,262.34</b>		1,721,806.89
<b>Total (A +/- B)</b>		<b>13,221,467.93</b>		28,046,382.29
<b>C. Cash from Financial Activities:</b>				
1 Proceeds from issue of Share Capital	0.00		0.00	
2 Repayment of Borrowings (NET)	0.00		0.00	
3 Interest Paid	(7,541,682.38)		<b>(8,772,796.45)</b>	
4 Dividend Payout	0.00		(5,699,440.00)	
<b>Net Cash From Financial Activities (C)</b>		<b>(7,541,682.38)</b>		<b>(14,472,236.45)</b>
<b>D. Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>5,679,785.55</b>		13,574,145.84
1. Cash and Cash Equivalents as at 1st April, 2008 (Opening Balance)		40,478,246.54		26,904,100.70
<b>2. Cash and Cash Equivalents as at 31/03/09 (Closing Balance)</b>		<b>46,158,032.18</b>		40,478,246.54

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

For and on behalf of the Board

s/d

**Dr. J.H. Shah, Chairman**

s/d

**Rashmikan Acharya, Director**

Place: Baroda

Date: 27th June 2009

**Schedule 1:- SHARE CAPITAL**

Particulars	AS ON 31-03-2009 AMOUNT (Rs)	AS ON 31-03-2008 AMOUNT (Rs)
<b>AUTHORISED CAPITAL</b> 10000000 Equity Shares of Rs.10 each  (Previous year 5000000 equity shares of Rs.10 each)	<b>100,000,000.00</b>	<b>50,000,000.00</b>
<b>ISSUED CAPITAL</b> 5000000 Equity Shares of Rs.10 each  (Previous year 5000000 equity shares of Rs.10 each)	<b>50,000,000.00</b>	<b>50,000,000.00</b>
<b>SUBSCRIBED &amp; PAID UP CAPITAL</b> 5000000 Equity Shares of Rs.10 each (Previous year 5000000 equity shares of Rs.10 each)		
<b>Less: a) Call in arrears (Rights) (Rs.9,285/-)</b>	<b>9,285.00</b>	<b>9,285.00</b>
<b>TOTAL</b>	<b>49,990,715.00</b>	<b>49,990,715.00</b>

**SCHEDULE 2:- FIXED ASSETS: PLEASE SEE ON THE NEXT PAGE**
**SCHEDULE 3:- INVESTMENTS**

Particulars	AS ON 31-03-2009	AS ON 31-03-2008
<b>Unquoted Shares</b> Shares of Pragati Sahakari Bank Ltd. 10 shares of Rs.10/- each (Previous year 10 shares of Rs.10 each) Share Capital Thailand	100.00 721,231.00	100.00
<b>TOTAL</b>	<b>721,331.00</b>	<b>100.00</b>

**SCHEDULE 4:- CASH AND BANK BALANCE**

Particulars	AS ON 31-03-2009	AS ON 31-03-2008
I Cash on Hand	58,604.93	49,986.43
II Bank Balance with Schedule Bank including FDR Non Schedule Bank	46,099,427.25 -	40,428,260.11 -
<b>TOTAL</b>	<b>46,158,032.18</b>	<b>40,478,246.54</b>

**SCHEDULE 5:- LOANS AND ADVANCES**

<b>PARTICULARS</b>	<b>AS ON 31-03-2009</b>	<b>AS ON 31-03-2008</b>
Deposits	555,674.86	568,740.00
Advances	36,084.00.00	48,100.00
<b>TOTAL</b>	<b>591,758.86</b>	<b>616,840.00</b>

**SCHEDULE 6:- NSE / BSE DEPOSITS**

<b>PARTICULARS</b>	<b>AS ON 31-03-2009</b>	<b>AS ON 31-03-2008</b>
<b><u>NSE</u></b>		
Security Deposits (NSEIL)	2,500,000.00	2,500,000.00
Security Deposits (NSCCL)	2,000,000.00	2,000,000.00
Deposits for Mem. Subscription (NSEIL)	500,000.00	500,000.00
NSE Deposit (Derivative Segment)	800,000.00	800,000.00
Initial Margin (F&O)	400,000.00	400,000.00
	<b>6,200,000.00</b>	<b>6,200,000.00</b>
<b><u>BSE</u></b>		
The Stock Exchange, Mumbai (BSE)	8,600,000.00	8,600,000.00
Membership Fees (BSE)	600,000.00	500,000.00
	<b>9,100,000.00</b>	<b>9,100,000.00</b>
<b><u>CDSL</u></b>		
Security Deposit	250,000.00	250,000.00
<b>TOTAL</b>	<b>15,650,000.00</b>	<b>15,550,000.00</b>

**SCHEDULE 7:- SUNDRY CREDITORS**

<b>PARTICULARS</b>	<b>AS ON 31-03-2009</b>	<b>AS ON 31-03-2008</b>
For Goods	702,718.20	1,710,457.14
For Services	1,713,229.80	1,463,080.93
<b>TOTAL</b>	<b>2,415,948.00</b>	<b>3,173,538.07</b>

# MARKET CREATORS LIMITED

(schedules forming part of Financial Statements for the period 01-04-2008 to 31-03-2009)

SR. NO	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK					NET BLOCK	
		AS ON 01/04/08	ADDITION	DEDU CTION	TOTAL 31/03/2009	DEP AS ON 01/04/08	RATE	DEPRECIATION	DEDU CTION	TOTAL DEP	AS ON 31.03.2009	AS ON 31.03.08
1	Land	237350.00	0.00	0.00	237350.00	0.00	0.00	-	0.00	0.00	237350.00	237350.00
2	Building	3774141.33	0.00	0.00	3774141.33	424924.15	1.63	61,518.50	0.00	486442.65	3287698.68	3349217.18
3	Furniture	2732539.84	63838.00	0.00	2796377.84	1080583.46	6.23	169,071.65	0.00	1249655.11	1546722.73	1651956.38
4	Telephone System	367940.00	2800.00	0.00	370740.00	159265.12	4.75	17,626.70	0.00	176891.82	193848.18	208674.88
5	Computer Hardware/ Software/System	11724661.22	864257.60	0.00	12588918.82	8612213.50	16.21	2,016,645.66	0.00	10628859.16	1960059.66	3112447.81
6	Air conditioners	1002121.00	0.00	0.00	1002121.00	315627.44	4.75	47,600.75	0.00	363228.19	638892.81	686493.56
7	Water Coolers	47050.00	0.00	0.00	47050.00	16734.64	4.75	2,234.88	0.00	18969.52	28080.49	30315.36
8	Electrical Installation	1177394.16	35459.96	0.00	1212854.12	260997.54	4.75	57158.05	0.00	318155.59	894698.53	916396.62
9	Pagers	23590.00	0.00	0.00	23590.00	13932.23	4.75	1,120.53	0.00	15052.76	8537.25	9657.77
10	Cars	3724550.58	1346.42	0.00	3725897.00	1010607.22	9.50	353,832.31	0.00	1364439.53	2361457.47	2713943.36
11	Aquaguard classics	5940.00	0.00	0.00	5940.00	2653.75	4.75	282.15	0.00	2935.90	3004.10	3286.25
12	Television	145339.00	7790.00	0.00	153129.00	37474.9636	4.75	7,207.73	0.00	44682.69	108446.31	107864.04
13	Nestle Coffee Machine	30875.00	0.00	0.00	30875.00	3498.91	4.75	1,466.56	0.00	4965.47	25909.53	27376.09
14	Mobile Phone	200837.00	29450.00	0.00	230287.00	19241.62	4.75	10,315.58	0.00	29557.20	2361457.47	181595.38
15	Cycle / Scooter	44368.00	0.00	0.00	44368.00	9883.69	4.75	2,107.48	0.00	1191.17	32376.83	34484.31
16	Franking Machine	189000.00	0.00	0.00	189000.00	147.17	4.75	8,977.50	0.00	9124.67	179875.33	188852.83
	<b>TOTAL</b>	<b>25427697.13</b>	<b>1004941.98</b>	<b>0.00</b>	<b>26432639.11</b>	<b>11967785.40</b>	<b>-</b>	<b>2757166.03</b>	<b>0.00</b>	<b>14724951.43</b>	<b>11707687.68</b>	<b>13459911.83</b>
	<b>PREVIOUS YEAR TOTAL</b>	<b>2246734.27</b>	<b>2960302.96</b>	<b>0.00</b>	<b>25427697.23</b>	<b>9575487.00</b>	<b>-</b>	<b>2392298.39</b>	<b>0.00</b>	<b>11967785.39</b>	<b>13459911.84</b>	<b>12891907.27</b>

Schedule 2 : Fixed Assets

17<sup>th</sup> Annual Report..... Market Creators Limited

**SCHEDULE 8 :- ADMINISTRATIVE EXPENSES**

<b>PARTICULARS</b>	<b>AS ON 31-03-2009</b>	<b>AS ON 31-03-2008</b>
Advertisement Expenses	-	53,855.00
Audit Fees	-	10,000.00
Books And Periodicals	75,112.00	151,864.50
Business Processing Charges	8,736,731.22	13,590,427.69
Business Promotion Exps.	161,400.00	458,946.00
Car Insurance	76,124.00	62,070.00
Computer Expenses	21,190.00	44,090.00
Consultancy Fees	385,427.00	173,635.00
Electricity Charges	546,772.88	402,639.04
Director Sitting Fees	-	34,000.00
Domein Charges	7,599.00	300.00
Filing Fees	37,210.00	39,305.51
Hardware Charges	-	30,807.00
Legal Fees And Expenses	139,305.00	14,700.00
Listing Fees (StockExchange)	10,000.00	10,000.00
Renueal Fees	1,000.00	-
Misc. Expenses	-	748.00
Notary Charges	5,750.00	11,665.00
NSE/BSE Expenses	16,511,103.18	26,668,142.05
LI&FS MCX SX A/C (PROFIT & LOSS )	(51.42)	-
Office and Misc. Expenses	552,936.60	909,971.02
Postage,Telegram and Telephones	1,196,509.64	1,006,502.81
Printing and Stationery	245,356.91	327,478.88
Professional Fees	60,000.00	542,978.00
Profession Tax - Co.	2,000.00	-
Rent, Rates & Taxes	2,295,931.00	2,071,986.00
Rep and Maint Expenses	90,242.00	233,028.00
Salary	9,282,581.00	9,005,233.00
Security Service Charges	33,568.00	49,687.00
Share Transfer Fees & Form Exps.	-	-
Software Securities Charges	7,500.00	7,357.00
Stamp Paper Charges	7,390.00	43,760.00
Sundry Balances W/O	-	(1.60)
Travelling and Conveyance Expenses	573,188.70	560,407.64
Typing and Xerox charges	45,825.20	68,309.10
<b>Total</b>	<b>41,107,701.91</b>	<b>56,583,945.64</b>

**SCHEDULE 9:- FINANCIAL CHARGES**

<b>PARTICULARS</b>	<b>AS ON 31-03-2009</b>	<b>AS ON 31-03-2008</b>
Bank Charges and Commission	809,895.65	947,605.19
Bank Interest	1,385,861.12	788,400.85
Financial Charges	3,100,000.00	3,540,000.00
Interest on Advances	2,245,925.61	3,496,790.41
<b>Total</b>	<b>7,541,682.38</b>	<b>8,772,796.45</b>

**SCHEDULE 10: - NOTES ON ACCOUNTS**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Accounting:**

The financial statements are prepared under historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956.

**(b) Investments:**

Investments are at cost or market price whichever is lower.

**(c) FIXED ASSETS & DEPRECIATION:**

**I. Fixed Assets**

All fixed assets are recorded at cost of acquisition inclusive of all direct and allocated expenses incurred for the same or construction. They are stated at historical cost.

**II. Depreciation**

Depreciation on fixed assets is provided on "**straight line method**" at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

**(d)** The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax is recognized, subject to consideration of prudence, in respect of deferred tax assets or liabilities, on timing differences being the difference between taxable income and accounting income that originate in one period and is reversible in one or more subsequent periods.

**(e)** During the year it has been noticed that at Chennai there was non reconciliation of client beneficiary account. Company has made appropriate arrangement for it amount would be marked on mark to market basis.

**2.** Particulars of expenditure incurred on employees who were in receipt of remuneration which in the aggregate was not less than Rs.24.00 Lacs per annum or Rs.2.00 Lacs per month.

No. of employees	<b>None</b>
i) Salaries	<b>Nil</b>
ii) Other perquisites	<b>Nil</b>

**3. Auditor's Remuneration:**

	<b>2008-09(Rs.)</b>	<b>2007-2008(Rs.)</b>
(a)As an auditor	<b>10,000.00</b>	10,000.00
(b)In any other matter	<b>Nil</b>	Nil

**4.** In the opinion of the Board, loans and advances and current assets are of the value stated, if realized, in the ordinary course of business.

**5.** The information under clauses 3, and 4 part-II of schedule VI of the Companies Act, 1956 are given to the extent applicable.

**6.** Disputed Income Tax demand in respect of appeals has been filed : **NIL**

**7.** Previous Year's figures have been regrouped and rearranged wherever necessary.

## 8. DEFERRED TAX

(a) In accordance with The Accounting standard -22 "Accounting For Taxes on Income" issued by ICAI the Company has considered Deferred tax assets and liability arising on account of timing differences as on 31.03.2008.

(b) The details of Deferred Tax assets and Liability arising on account of timing differences are:

	<b>Assets (in Rs.)</b>	<b>Liabilities (in Rs.)</b>
1) Depreciation	-	51,622.00
<b>Total</b>	<b>-</b>	<b>51,622.00</b>

(c) The Deferred tax liability for the current year is of Rs. 51,622.00.

## 9. EARNINGS PER SHARE:

(i) Profit/ (Loss) as per Profit and Loss Account	<b>Rs.32.05 lacs</b>
(ii)Weighted average Nos. of Equity Shares outstanding during the year	<b>Nos.4998762</b>
(iii)Basic Earning Per Share	<b>Rs.0.64</b>

10. The company is engaged primarily in the broking business and accordingly there are no separate reportable segments, as per **Accounting Standard -17 Segment Reporting."**

## 11. RELATED PARTY DISCLOSURE (as required by AS-18)

### (A) List of Related Parties

(a) Associates :

- J. Harkisondas & Co.
- Mani Market Creators Ltd.
- H.D.Shah (HUF)
- J. H.Shah (HUF)
- K. A. Shah (HUF)
- Y. H. Shah
- Y. H. Shah (HUF)
- Y. Y. Shah
- M. H. Merwana
- M. H. Merwana (HUF)
- K. M. Merwana
- S. H. Shah
- B. S. Shah

(b) Key Management Personnel :

- Dr. Jayantilal H.Shah – Whole time Director
- Mr. Rashmikan Acharya – Whole time Director
- Mr. Kalpesh J.Shah – Whole time Director
- Mrs. Neela J. Shah
- Mrs. Bina Acharya
- Mrs. Vaishali K. Shah
- Mr. Raj Acharya
- Ms. Priyanka Acharya
- Mr. Umesh Divekar
- Mr. Sanjay Christy
- Mr. Kamlesh Bhagat



**(B) Following Transactions were carried out with the related parties in ordinary course of business during the year.**

**(Rs. in Lacs)**

Sr. No.	Transactions	Associates		Key Management Personnel	
		08-09	07-08	08-09	07-08
1	Investments, Deposits, Loans and Advances & Receivables (Net)	-	-	-	0.00
2	Other Liabilities & Provisions	191.80	4.69	-	4.34
3	Sales of Shares & Securities	104.24	385.49	61.78	93.89
4	Purchase of Shares & Securities	79.67	414.68	53.36	104.45
5	Interest Paid	0.57	25.65	3.68	3.40
6	Rent Paid	14.40	14.40	-	-
7	Financial Charges	12.75	13.50	-	-
8	Remuneration		-	36.49	48.23
	Outstanding Balances:				
9	(a) Payable at the year end	191.26	84.00	16.57	13.81
	(b) Receivable at the year end	0.02	0.08	27.63	36.82

In Terms of our report of even date annexed herewith

**For SHAH & TALATI**

Chartered Accountants

s/d

**HITESH K. SHAH**

PARTNER

(Membership No. 43521)

Place: Nadiad

Date: 27th June 2009

For and on behalf of the Board

s/d

**Dr. J.H. Shah, Chairman**

s/d

**Rashmikant Acharya, Director**

Place: Baroda

Date: 27th June 2009

**MARKET CREATORS LIMITED**

Regd. Office : "Creative Castle", 70, Sampatrao Colony,  
Opp. Masonic Hall, Off. Productivity Road, Vadodara – 390 007.

**ATTENDANCE SLIP**

To be handed over at the entrance of the meeting hall

Name of the attending member (in block letters)	Member's Folio number
Name of the proxy (in block letters) (to be filled in if the proxy attends instead of the member)	

No. of shares held

I, hereby record my presence at the ANNUAL GENERAL MEETING at, "Creative Castle", 70, Sampatrao Colony, Opp. Masonic Hall, Off. Productivity Road, Vadodara – 390 007. on Wednesday, 30th September, 2009 at 4.30 p.m.

\_\_\_\_\_  
Signature of attending member / proxy

- Notes : 1). Shareholder / proxyholder wishing to attend the meeting must bring the attendance slip to the meeting and handover at the entrance duly signed.
- 2). Shareholder / proxyholder desiring to attend the meeting should bring his copy of this annual report to the meeting for reference.

**MARKET CREATORS LIMITED**

Regd. Office : "Creative Castle", 70, Sampatrao Colony,  
Opp. Masonic Hall, Off. Productivity Road, Vadodara – 390 007.

**PROXY FORM**

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of the above named company, hereby appoint

or failing him \_\_\_\_\_

of \_\_\_\_\_

as my/our proxy to attend and vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the company to be held at 4.30 pm. on Wednesday, 30th September, 2009 and at any adjournment thereof.

Signed \_\_\_\_\_

Date \_\_\_\_\_

A Request : Proxies must be returned so as to reach the Registered Office of the company not less than 48 hours before time for holding the aforesaid meeting.

**BOOK-POST**

**TO,**

**If undelivered, please return to :**

**MARKET CREATORS LIMITED**

**Registered Office :**

**"Creative Castle"**

**70, Sampatrao Colony, Opp. Masonic Hall,**

**Off. Productivity Road, Vadodara-390 007.**

**Ph. : 0265-2354075, Fax : 0265-2340214**