

ANNUAL REPORT 2012 - 2013

MARDA COMMERCIAL & HOLDINGS LIMITED

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Corporate Information

Board of Directors

Daulat Ram Agarwal - Managing Director

Lalit Agarwal - Director

Jitendra Kumar Goyal - Director

Rajesh Kumar Singhi - Director

Bankers

CITY UNION BANK LIMITED

Kolkata Main Branch

Kolkata – 700 001

Statutory Auditors

MAMRAJ & CO.

Chartered Accountants

Apartment No. 301& 302

10159, Padam Singh Road,

Karol Bagh,

New Delhi – 110 005

Registrars & Transfer Agents

Niche Technologies Private Limited

D511, Bagree Market, 5th Floor

71, B.R.B. Basu Road, Kolkata – 700001

Phone No. : 91 33 2235 7270/7271

Fax : 91 33 2215 6823

Email : nichetechpl@nichetechpl.com

Registered Office

Mercantile Building,

Block-E, 2nd Floor,

9/12, Lalbazar Street,

Kolkata – 700 001

Tel : 91 33 2248 5664

Fax : 91 33 2243 9601

Website: www.mchl.co.in

MARDA COMMERCIAL & HOLDINGS LIMITED

NOTICE

TO THE SHAREHOLDERS

NOTICE is hereby given that the 24th Annual General Meeting of the Company will be held at the Registered Office of the Company at Mercantile Building, Block-E, 2nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001, on Monday, the 30th September, 2013 at 11.00 A.M. to transact the following business:

Ordinary Business:

1. To receive and adopt the Audited Accounts of the Company for the year ended 31st March, 2013 along with Director's and Auditor's report thereon.
2. To appoint Director in place of Sri Jitendra Kumar Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint retiring Auditors, M/s Mamraj & Co., Chartered Accountants, Kolkata to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and authorize the Board of Directors to fix their remuneration.

Registered Office:
Mercantile Building, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001
Dated: The 5th September, 2013

By Order of the Board
Marda Commercial & Holdings Limited
J. K. Goyal
Director

NOTE:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote and the proxy need not be a member of the Company. The instrument appointing proxies in order to be effective must be received by the Company at the registered office, not less than 48 hours before the scheduled time of the meeting.
2. The Register of members and Share Transfer Books of the Company will remain closed from 25th September, 2013 to 30th September, 2013 (both days inclusive).
3. Members holding shares in physical form are requested to intimate changes in their registered office mentioning full address in block letters with Pin Code of the Post Office, Bank particulars and Permanent Account Number (PAN) to the Company's Registrar and the Share Transfer Agent and in case of members holding their shares in electronic form, this information should be given to their Depository Participants immediately.

MARDA COMMERCIAL & HOLDINGS LIMITED

4. Pursuant to Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to collect form (Form 2B) from Company's office and send their request in Form 2B in duplicate to the R & T Agent.
5. Members are requested to send their queries, if any on the accounts or operations of the company, to reach the Compliance Officer at the Company's Registered Office, at least 7 (seven) working days prior to the meeting, so that the information can be complied in advance.
6. Members are requested to mention their Folio Number in all their correspondence with the Company in order to facilitate response to their queries promptly.
7. Members/Proxies are requested to kindly take note of the following:
 - (i) copies of Annual Report will not be distributed at the venue of the meeting;
 - (ii) attendance slip, as sent herewith, is required to be produced at the venue duly filled in and signed, for attending the meeting;
 - (iii) entry to the hall will be strictly on the basis of produce of duly completed and signed Attendance Slips; and
 - (iv) in all correspondences with the company and/or the R&T Agent, Folio No. must be quoted.
8. Members who are holding shares in identical order of names in more than one folio are requested to write to the Company enclosing their share certificate to enable the Company to consolidate their holdings in one folio.
9. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
10. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
11. Niche Technologies Pvt. Ltd. is the Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to the following address:

Niche Technologies Pvt. Ltd.
D-571, Bagree Market
71, B.R.B. Basu Road
Kolkata – 700001
Phone No. : 033 22357270

MARDA COMMERCIAL & HOLDINGS LIMITED

12. Information about Director proposed to be re-appointed at the Annual General Meeting as stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges

Name of Director	Mr. Jitendra Kumar Goyal
Date Of Birth	3 rd November, 1963
Date of Appointment	15 th December, 2004
Qualification	B.Com
Directorship in other public limited Companies	4
Membership of Committees in other public limited companies	9
Shareholding of Director in the Company	NIL

Registered Office:
Mercantile Building, Block-E,
2nd Floor, 9/12, Lalbazar Street,
Kolkata – 700 001
Dated: The 5th September, 2013

By Order of the Board
Marda Commercial & Holdings Limited
J. K. Goyal
Director

MARDA COMMERCIAL & HOLDINGS LIMITED

DIRECTORS' REPORT

The Shareholders

Your Directors have pleasure in submitting their 24th Annual Report together with the audited accounts for the year ended on March 31, 2013.

FINANCIAL RESULTS

	2012 – 2013 (Rupees)	2011 – 2012 (Rupees)
Total Revenue	27,130,545.09	33,685,364.33
Less: Total Expenses	17,301,014.51	26,135,884.82
Profit before Tax	9,829,530.58	7,549,479.51
Less: Tax Expense	3,533,753.00	2,642,272.00
Profit after Tax	6,295,777.58	4,907,207.51
Less: Transferred to Special Reserve	1,259,156.00	1,047,000.00
Less: Transfer to/(from) Contingent Provisions against Standard Assets	(231,317.00)	521,650.00
Balance b/f from Previous Year	63,782,196.60	60,443,639.09
Balance transferred to Balance Sheet	69,050,135.18	63,782,196.60

DIVIDEND

Your directors have decided to retain profits of the Company for deployment of Funds in the business and therefore, do not recommend any dividend during the Financial Year.

OPERATION OF THE COMPANY

During the year under review, Total Revenue of the Company has decreased from Rs. 3.37 Crores to Rs.2.71 Crores. Your Directors feel that your Company would perform better in the years ahead.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION

Your Company being a Finance Company, the disclosure of above information is not applicable.

FOREIGN EXCHANGE EARNINGS & OUTGO

There is no foreign exchange earnings and outgo during the year under review.

MARDA COMMERCIAL & HOLDINGS LIMITED

DIRECTORS RESPONSIBILITY STATEMENT

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

- i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- iii) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) the directors have prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

As per recommendations of SEBI Committee on Corporate Governance, a separate Report on the Corporate Governance is enclosed as a part of Annual Report.

PARTICULARS OF EMPLOYEES

There is no employee falling under the Provisions of Section 217(2A) of the Companies Act, 1956.

DIRECTOR RETIRE BY ROTATION

Sri Jitendra Kumar Goyal, retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

AUDITORS

The Statutory Auditors of the Company, M/s. Mamraj & Co., retire at the conclusion of the ensuing Annual General Meeting. The Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment for the next term.

RBI GUIDELINES FOR NON-BANKING FINANCIAL COMPANIES:

The Company has observed all the prudential norms prescribed by the Reserve Bank of India. The Schedule as required in terms of Paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 is annexed herewith.

ACKNOWLEDGEMENT

The Board of Directors would like to thank the Company's Clients, Employees, Shareholders, Bankers and all others associated with the Company for their continued Support.

**By Order of the Board of Directors
For Marda Commercial & Holdings Limited**

Place : Kolkata
Date: 30.05.2013

**Daulat Ram Agarwal
Managing Director**

**Lalit Agarwal
Director**

MARDA COMMERCIAL & HOLDINGS LIMITED

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY

The Company firmly believes in and has consistently practiced good Corporate Governance. The Company's essential character is shaped by the values of transparency, professionalism and accountability. The Company is committed to attain the highest standard of Corporate Governance. The philosophy of the Company in relation to Corporate Governance is to ensure transparency in all its operations, make disclosures and enhance all stakeholders' value within the framework of laws and regulations.

We believe in the adoption of most relevant and practical practices for good Corporate Governance in its totality to boost up the image of the Company by adhering to be fair to all the Shareholders. Transparency in day-to-day affairs, full disclosure, independence, long term approach, growth in absolute terms and Social welfare had been the essence of the management of the Company.

BOARD OF DIRECTORS

An active, informed and independent Board is necessary to ensure highest standards of Corporate Governance. The main role of Board is to take right decision to safeguard and enhance shareholders value.

Composition of the Board:

The Board of Director presently consists of four Directors, of which three are non-executive. Management of the Company is headed by in Sri Daulat Ram Agarwal, Managing Director, subject to general supervision, control and direction of the Board. None of the Non-Executive Directors have any material pecuniary relationship or transaction with the Company. During the Year under review Nine Board Meetings were held and the gap between two meetings did not exceed four months. Dates of the Board Meeting are 06.04.2012, 14.05.2012, 30.06.2012, 14.08.2012, 22.09.2012, 14.11.2012, 02.01.2013, 14.02.2013 and 29.03.2013.

Name of the Director	Category	Financial Year 2012-2013		Attendance at the Last AGM	No. of Directorship in other Public Companies incorporated in India	Committee Positions held in other Companies	
		Board Meeting held	Board Meeting attended			Chairman	Member
Sri Daulat Ram Agarwal	Managing Director	9	9	Yes	02	Nil	Nil
Sri Jitendra Kumar Goyal	Independent and Non-Executive	9	9	Yes	04	03	06
Sri Lalit Agarwal	Non-Independent and Non-Executive	9	9	Yes	04	01	01
Sri Rajesh Kumar Singhi	Independent and Non-Executive	9	9	Yes	Nil	Nil	Nil

Board Meetings, Board Committee Meetings and Procedures

- **Decision Making Process**

The Board of Directors is the ultimate body constituted by the Shareholders for looking after overall functions of the Company. It provides and evaluates the strategic direction of the Company, Management policies and their effectiveness and ensures that the Long Term interests of the Shareholders are being served. Management Committee has been entrusted with the powers to oversee the functional matters of the Company.

MARDA COMMERCIAL & HOLDINGS LIMITED

All the relevant information during the Financial Year 2012-2013 as enumerated in Clause 49 of the Listing Agreement has been placed before the Board for its consideration. The draft minutes of each meeting are circulated to all Directors for their comments before being recorded in the minutes book. The important decisions taken at board meetings are communicated to the concerned departments promptly.

- **Scheduling and selection of Agenda Items for Board Meetings**

- i. Minimum four Board Meetings are held every year and in addition, as and when it is required, the same is called and convened by giving due Notice to all the Board Members.
- ii. The meetings are usually held at the Registered Office of the Company.
- iii. The Executive Director in consultation with other Directors finalize the Agenda and other related matters for the Board Meeting.
- iv. The Board is provided with the sufficient Financial Information as and when required by them by way of Quarterly, half yearly and so on.
- v. All the relevant information are placed before the Board in compliance of the Listing agreement with the Stock Exchanges as well as other Statutory Requirements.

- **Minutes of Proceeding at Board and Committee Meetings**

The Minutes are prepared for each Board and Committee Meeting. Each member of the Board/Committee receives a draft copy of the Minutes for their comments before its final recording into Minutes Book.

COMMITTEES OF THE BOARD:

The Board of Directors of the Company has constituted three Committees viz, Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The minutes of the Committee Meetings are noted by the Board. The role and Composition of the aforesaid Committees, including the number of meetings held and the related attendance of the members are given below:

Audit Committee

The Board of Directors has in accordance with the requirements of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956, constituted an Audit Committee for overseeing the accounting, auditing and overall financial reporting process of the Company. The Committee's purpose is to oversee quality and integrity of accounting, auditing and financial reporting process. The Committee also oversees the appointment, performance and remuneration of the statutory auditors.

1. Power of Audit Committee

As enumerated in clause 49 of the Listing Agreement, the Audit Committee has following powers:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other independent professional advice
- To secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

2. Role of Audit Committee

The role as stipulated by the Board to the Audit Committee includes:

1. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
3. Reviewing with the Management, the annual financial statement before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement in the Directors Report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.

MARDA COMMERCIAL & HOLDINGS LIMITED

- Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Qualification in the draft audit report, if any.
4. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 5. Reviewing with the management, performance of auditors, and adequacy of internal control systems.
 6. Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post - audit discussion to ascertain any area of concern.
 7. To review the functioning of Whistle Blower Mechanism, in case the same is existing.
 8. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.

Mr. Jitendra Kumar Goyal, the Chairman of the Audit Committee was present at the previous Annual General Meeting of the Company which held on 29th September, 2012.

During the year under review, four meetings of the committee were held during the year ended 14.05.2012, 14.08.2012, 14.11.2012 and 14.02.2013. The composition of the committee and attendance at its meeting is given below:

Names of the members	Category	No. of Meetings held	No. of Meetings Attended
Sri Jitendra Kumar Goyal, Chairman	Non-Executive, Independent	4	4
Sri Lalit Agarwal	Non-Executive, Non-Independent	4	4
Sri Rajesh Kumar Singhi	Non-Executive, Independent	4	4

All the members of the Audit Committee are Independent Directors. The composition of the committee is conformity with clause 49II(A) of the Listing Agreement. The Statutory Auditor is regular invitee. The Company Secretary acts as the Secretary of the Committee.

Remuneration Committee

The Company has formed Remuneration Committee and the Committee meeting during the year under review held on 30th June, 2012. All the members were present in the meeting. No payments are made by the Company to Non-executive directors for which approval of the remuneration committee is required.

Sri Lalit Agarwal was appointed as the Chairman of Remuneration Committee. The other members of the Committee are Sri Rajesh Kumar Singhi and Sri Jitendra Kumar Goyal.

The broad terms of reference of the Remuneration Committee are as under:

- To approve the annual remuneration plan of the Company.
- To approve the remuneration and commission/incentive payable to the Managing Director for each financial year
- Such other matters as the Board may from time to time request the Remuneration Committee to examine and recommend/approve

Remuneration to the Managing Director:

The Managing Director, Mr. Daulat Ram Agarwal is paid a fixed quantum of Salary and perquisites as recommended by the Board of Directors within the overall limits permissible under the Companies Act and as approved by the Shareholders.

MARDA COMMERCIAL & HOLDINGS LIMITED

Shares held by the Directors as on 31st March, 2013.

Name of the Director	Category	No. of Equity Shares held
Sri Daulat Ram Agarwal	Non-Independent	512500
Sri Lalit Agarwal	Non-Independent	350000
Sri Jitendra Kumar Goyal	Independent	NIL
Sri Rajesh Kumar Singhi	Independent	NIL

Shareholders'/Investors' Grievance Committee

The shareholders'/Investors' Grievance committee of the Board has been constituted to look into complaints like transfer of shares, non-receipt of dividend etc. The committee is headed by Jitendra Kumar Goyal, as Chairman (Non-Executive Director) and other members are Mr. Lalit Agarwal, Non-Executive Director and Ms. Puja Gupta, Company Secretary as the Compliance Officer. W.e.f 22.05.2013 Mr. Daulat Ram Agarwal has been appointed as Compliance Officer due to resignation of Ms. Puja Gupta. The Committee generally meets once in three months to deal with any complaints or grievances as may be received from the Shareholders. No Complaint has been received during the Financial Year. The Company is registered with SEBI under SCORES.

CODE OF CONDUCT

The Code of Conduct in line with the provisions of Clause 49 of the Listing Agreement has been framed /adopted by the Board and is applicable to all the members of the Board and Senior Management Executives. This Code forms an integral part of the Company's Governance policy. The Company adheres to the highest Standards of business ethics, compliance with the Statutory and legal requirements and commitment to transparency in business dealings.

Declaration affirming compliance of Code of Conduct

A declaration by the Managing Director affirming compliance of Board members and senior Management Personnel to the Code is mentioned herewith:

Declaration signed by the Executive Director	
As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Personnel have confirmed compliance with the Code of Conduct for the year ended 31 st March, 2013.	
Place: Kolkata Date: 30.05.2013	For Marda Commercial & Holdings Limited Daulat Ram Agarwal Managing Director

GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

AGM for the Financial Year	Date	Time	Venue for all the three AGMs
2009-2010	30.09.2010	11.00 A. M.	503, Keotalla Road, 1 st Floor, Kolkata – 700 029
2010-2011	30.09.2011	1.00 P. M.	“Mercantile Building”, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001
2011-2012	29.09.2012	2.00 P. M.	“Mercantile Building”, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001

No extra-ordinary general meeting of the shareholders was held during the year.

None of the Resolution proposed at the Annual General Meeting held was required to be passed by postal ballot.

MARDA COMMERCIAL & HOLDINGS LIMITED

DISCLOSURES

- a. There were no materially significant related party transactions i.e. transactions of the Company of material nature, which its promoters, the Directors of the Management, their subsidiaries or relatives etc., that may have potential conflict with the interest of the Company at large. The related party transactions have been duly disclosed in the “Notes on Accounts” to the Balance Sheet.
- b. There were no cases of non-compliance by the Company and no penalties / strictures imposed on the Company by any Statutory Authority on any matter.
- c. The statutory financial statements of the Company are unqualified.
- d. Reconciliation of Share Capital Audit:
A Qualified Company Secretary carried out a Share Capital Audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
- e. Code For Prevention Of Insider Trading:
In compliance with the SEBI Regulations on prevention of Insider Trading, the company has framed a comprehensive Code of Conduct for prevention of Insider Trading for its designated employees. The Code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company, and cautioning them of the consequences of violations.

COMPLIANCE CERTIFICATE

Compliance Certificate on Corporate Governance from the Auditors of the Company is annexed with this Report

MEANS OF COMMUNICATION

The Quarterly and Half Yearly results are published normally in Financial Express and Vartamaan. The results are not sent individually to the shareholders. The Company has its own website <http://www.mchl.co.in> and all vital information relating to the Company and its performance including financial results and corporate presentations, etc. are regularly posted on the website.

There were no presentations made to the institutional investors or analysis during the year.

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting	
Date and Time	: 30 th September, 2013 at 11.00 A.M.
Venue	: Registered Office of the Company at: “Mercantile Building”, Block-E, 2 nd Floor, 9/12, Lalbazar Street, Kolkata – 700 001
Financial Calender (Tentative) for the Financial Year 2013-2014	: 1 st April, 2013 to 31 st March, 2014 First Quarter Results 2nd week of August, 2013 Second Quarter Results 2nd week of November, 2013 Third Quarter Results 2nd week of February, 2014 Fourth Quarter Results Last week of May, 2014
Date of Book Closure	: 25 th September, 2013 to 30 th September, 2013 (both days inclusive)
Dividend payment date	: No dividend is being recommended
Listing on stock exchange	: The Calcutta Stock Exchange Association Ltd.
The Company has paid listing fees as applicable to the stock exchanges.	

MARDA COMMERCIAL & HOLDINGS LIMITED

The ISIN Number of the Company on both NSDL and CDSL is INE 912C01014. Total No. of Shares dematerialized up to 31.03.2013 is 2888100.

MARKET PRICE DATA

THERE HAS BEEN NO TRADING DURING THE FINANCIAL YEAR 2012-2013.

REGISTRAR & SHARE TRANSFER AGENT :

M/s Niche Technologies Pvt. Ltd.
D-571, Bagree Market, 71, B.R.B.Basu Road,
Kolkata – 700 001

SHARE TRANSFER SYSTEM:

The Authority to approve Share transfers has been delegated by the Board of Directors to the Share Transfer Committee. Requests received for transfer of Shares are processed within thirty days of receipt. After transfer, letters are sent to those shareholders as specified by the Depositories giving an option to dematerialize their shares. In case a Shareholder who opt for dematerialization, Electronic Credit is made. Physical Certificates are sent by Registered Post in case of those shareholders who opt to hold the shares in physical form.

DISTRIBUTION OF SHAREHOLDING (AS ON 31ST MARCH 2013)

Category	No. of Shares	%
Promoters	5220900	52.21
Domestic Companies	4044700	40.44
Indian Public	735000	7.35
	10000600	100.000

DISTRIBUTION OF SHAREHOLDINGS:

SRL	No. of Shares	No. of Shareholders	% to Total	Total Shares	% to Total
1.	UPTO 500	-	-	-	-
2.	501 1000	-	-	-	-
3.	1001 5000	-	-	-	-
4.	5001 10000	-	-	-	-
5.	10001 50000	2	5.8824	75000	0.7500
6.	50001 100000	6	17.6471	514700	5.1467
7.	100001 AND ABOVE	26	76.4706	9410900	94.1034
	TOTAL	34	100.000	10000600	100.000

DEMATERIALIZATION OF SHARES:

As on 31st March 2013, 28.87 % of the total equity capital of the company was held in dematerialized form.

OUTSTANDING GDR/ADR/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND IMPACT ON EQUITY.

The Company has not issued any GDR/ADR/Warrants.

ADDRESS FOR CORRESPONDENCE:

For any assistance in respect of status of dematerialization of shares, transfer, transmission, issue of duplicate certificates, change of address, non-receipt of Annual Reports, Investors are requested to write to:

“Mercantile Building”, Block-E, 2nd Floor,
9/12, Lalbazar Street, Kolkata – 700 001.

Email: info@mchl.co.in

MARDA COMMERCIAL & HOLDINGS LIMITED

CEO / CFO CERTIFICATION

The Board of Directors
M/s Marda Commercial & Holdings Limited
Kolkata

Re: Financial Statement for the Financial Year 2012-2013 – Certification by Managing Director

I, Daulat Ram Agarwal, Managing Director of **M/s Marda Commercial & Holdings Limited** on the review of Financial Statements and Cash Flow Statement for the year ended 31st March, 2013 and to the best of my knowledge and belief, hereby certify that:

1. These statement do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2013 which are fraudulent, illegal or violative of Company's Code of Conduct.
4. I accept responsibility of establishing and maintaining internal control systems of the Company pertaining the financial reporting and I have disclosed to the auditors and the Audit Committee those deficiencies in the design and operation of such internal controls of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
5. I have indicated to the Auditors and the Audit Committee:
 - i. There have been no significant changes in internal control over financial reporting during the period.
 - ii. There have been no significant changes in accounting policies during the period.
 - iii. There have been no instances of significant fraud of which I have become aware and the involvement therein, of management or an employee having significant role in the Company's internal control systems over financial reporting.

For and on behalf of the Board

Daulat Ram Agarwal

Managing Director

Place: Kolkata

Date: 30.05.2013

MARDA COMMERCIAL & HOLDINGS LIMITED

CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE

To the Members of

M/s Marda Commercial & Holdings Limited

We have examined the compliance of conditions of corporate governance by **M/s Marda Commercial & Holdings Limited**, for the year ended on 31st March, 2013, 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 and implementation thereof adopted by the company for ensuring the compliance of the conditions of the 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 according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the abovementioned Listing Agreement.

As required by Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the Shareholders'/Investors' Grievance 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.

Place: Kolkata

Date: 30.05.2013

**For MAMRAJ & CO.
Chartered Accountants
Firm Regn No.006396N**

**(Mamraj Agarwal)
Partner
M.No. 84944**

MARDA COMMERCIAL & HOLDINGS LIMITED

AUDITOR'S REPORT

The Members of Marda Commercial & Holdings Limited.

- i. We have audited the attached balance sheet of Marda Commercial & Holdings Limited, as at 31st March 2013, and also the profit and loss statement 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.
- ii. 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 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.
- iii. 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 paragraphs 4 and 5 of the said Order.
- iv. Further to our comments in the Annexure referred to 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 and loss statement and cash flow statement dealt with by this report are in agreement with the books of account;

MARDA COMMERCIAL & HOLDINGS LIMITED

- (iv.) In our opinion, the balance sheet, profit and loss statement and cash flow statement dealt with by this report comply with accounting standards referred to in sub-section (3C) of section 211 of the Companies act. 1956;
- (v.) On the basis of written representations received from the directors, as on 31st March 2013, and taken on record by the Board of Directors, we report that none of the directors is disqualified an on 31st March 2013 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 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 2013;
- b) In the case of the profit and loss statement, of the Profit for the year ended on that date; and
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

**For MAMRAJ & CO.
REGN. NO. 006396N
CHARTERED ACCOUNTANTS**

**MAMRAJ AGARWAL
(PARTNER)
M. No. 084944**

Place : Kolkata
Date : 30.05.2013

MARDA COMMERCIAL & HOLDINGS LIMITED

ANNEXURE

Re: Marda Commercial & Holdings Limited

Referred in paragraph 3 of our report of even date,

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. All the assets have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
3. During the year, the company has not disposed off any of its assets.
4. In our opinion and according to the information and explanations given to us, the management has conducted physical verification of stock of shares and securities at reasonable intervals. In our opinion procedures for physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business. The Company has maintained proper records of stocks. No material discrepancies have been noticed on physical verification of stocks as compared to book records.
5. The Company had taken unsecured loans, from companies, firms and other parties covered in the Register maintained under Section 301 of the Companies act, 1956 from two parties and the year end balance is 8,18,25,491.00.
6. The Company had granted loans secured or unsecured , to companies, firms and other parties covered in the Register maintained under Section 301 of the Companies act, 1956 to three parties amounting to Rs. 13,43,57,773.00.
7. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchases and sale of stocks and securities. During the course of our audit, no major weakness has been noticed in the internal controls.
8. Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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 are duly entered.
9. In our opinion and according to the information and explanations given to us, no purchase and sale of shares and securities valued in excess of Rs. 5,00,000/- have been made in pursuance of contracts or arrangements entered in the registers maintained under Section 301 of the Companies Act, 1956 which may be prejudicial to the interest of the Company .

MARDA COMMERCIAL & HOLDINGS LIMITED

10. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public Under Section 58A of the Companies Act, 1956 and the rules framed there under.
11. As explained to us, the company has adequate internal audit system which is commensurate to the size and nature.
12. According to the information and explanations provided by the Management, the provisions section 209 (1) (d) of the Companies Act, 1956 are not applicable to the company.
13. According to the records of the company, the company is regular , in depositing with appropriate authorities undisputed statutory dues including Income Tax , Wealth Tax, Sales Tax, Custom Duty and Excise Duty and/or other statutory dues, if any , applicable to it.
14. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty were outstanding, as at 31.03.2013 for a period of more than six months from the date they became payable.
15. According to the records of the company, there are no dues of Sales Tax, Income Tax, customs tax/wealth-tax, excise duty/cess which has not been deposited on account of any dispute.
16. The company has no accumulated losses and has not suffered any cash losses during the financial year covered by our audit, and immediately preceding financial year.
17. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not obtained any loans, hence no default is made in repayment of dues to a financial institution, bank or debenture holders.
18. Based on our examination of documents and records, 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.
19. 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 transaction and contracts regarding its trading activities in shares, securities, debentures and other investment and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other securities in its own name to the extent it is possible.
20. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.

MARDA COMMERCIAL & HOLDINGS LIMITED

21. According to the information and explanations given to us, the company has not availed any term loans during the current financial year.
22. According to the information and explanations given to us and on an overall examination of the Balance Sheet, we report that no funds raised on short term basis have been used for long term investment by the company.
23. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
24. According to the records of the Company, the Company has not issued any debentures.
25. The Company has not raised any money by public issue during the year and hence the question of disclosure and verification of end use of such monies does not arise.
26. During the course of our examination of the books of accounts carried out in accordance with generally accepted auditing practices in India, we have neither come across any incidence of fraud on or by the Company nor have we been informed of any such case by the management.

As required by the non- Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 we report as follows:-

- (a) The Company has received Registration certificate bearing No. 05.02261 from the Reserve Bank of India u/s 45IA of the RBI Act, 1934.
- (b) The Board of Directors has passed a resolution for the non- acceptance of any Public Deposit.
- (c) The Company has not accepted any Public Deposit during the year.
- (d) The Company has complied with provisions of the NBFC Prudential Norms (R.B.I.) Directions, 1998 relating to Income Recognition, Accounting Standards, Asset Classification, and provisioning of Bad and Doubtful Debts as applicable to it.

**For Mamraj & Co.
REGN. NO. 006396N
Chartered Accountants**

**MAMRAJ AGARWAL
(Partner)
M. No. 084944**

Place : Kolkata
Date : 30.05.2013

MARDA COMMERCIAL & HOLDINGS LIMITED**Balance sheet as at 31 March 2013**

(Amount in Rupees)

Particulars	Notes	As at 31st March 2013	As at 31st March 2012
Equity and liabilities			
Shareholders' funds			
Share capital	2	100,006,000.00	100,006,000.00
Reserves and surplus	3	86,706,857.18	80,179,762.60
		<u>186,712,857.18</u>	<u>180,185,762.60</u>
Current liabilities			
Short-term borrowings	4	93,651,857.00	108,704,274.00
Other current liabilities	5	2,146,298.00	1,593,560.41
Short-term provisions	6	12,665,242.00	9,368,317.00
		<u>108,463,397.00</u>	<u>119,666,151.41</u>
Total		<u>295,176,254.18</u>	<u>299,851,914.01</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	114,721.00	154,798.00
Non-current investments	8	11,898,600.00	17,938,423.16
Deferred tax assets (net)	9	122,115.00	127,626.00
Long-term loans and advances	10	79,751,581.00	105,957,328.00
		<u>91,887,017.00</u>	<u>124,178,175.16</u>
Current assets			
Inventories	11	1,647,640.00	1,696,802.50
Trade receivables	12	129,319.72	118,273.99
Cash and bank balances	13	11,343,188.26	12,967,724.16
Short-term loans and advances	10	190,169,089.20	160,890,938.20
		<u>203,289,237.18</u>	<u>175,673,738.85</u>
Total		<u>295,176,254.18</u>	<u>299,851,914.01</u>
		-	-

Notes 1 to 22 form an integral part of these financial statements

As per our report of even date

For MAMRAJ & CO.
Chartered Accountants
Firm Regn No - 006396N

For and on behalf of the Board

MAMRAJ AGARWAL
(Partner)
Mem No. 084944
Date : 30.05.2013
Place : Kolkata

(Managing Director)**(Director)**

MARDA COMMERCIAL & HOLDINGS LIMITED
Statement of profit and loss for the year ended 31 March 2013

(Amount in Rupees)

Particulars	Notes	Year Ended 31 March 2013	Year Ended 31 March 2012
Revenue			
Revenue from operations	14	26,299,870.87	33,136,059.59
Other income	15	623,378.40	549,474.74
Prior Period Income	16	207,295.82	(170.00)
Total revenue		27,130,545.09	33,685,364.33
Expenses			
Purchases of traded goods	17	3,748,329.77	11,543,225.41
Changes in inventories of finished goods, work-in-progress and traded goods	18	49,162.50	174,072.50
Employee benefit expenses	19	820,334.00	673,000.00
Finance costs	20	11,299,642.33	12,669,463.00
Depreciation and amortisation expense	21	40,077.00	54,077.00
Other expenses	22	1,343,468.91	1,022,046.91
Total expenses		17,301,014.51	26,135,884.82
Profit before tax		9,829,530.58	7,549,479.51
Tax expense			
Current tax		3,528,242.00	2,400,000.00
Excess/ (Short) provision of Income tax for earlier years		-	237,772.00
Deferred tax		5,511.00	4,500.00
Profit for the year		6,295,777.58	4,907,207.51
Less: Transfer to/(from) Statutory Provision		647,000.00	521,650.00
Less: Transferred to Statutory reserve		1,259,156.00	1,047,000.00
		4,389,621.58	3,338,557.51
Earnings per equity share of Face Value (Rs 10 each)			
Basic & Diluted		0.63	0.49

As per our report of even date

For MAMRAJ & CO.
Chartered Accountants
Firm Regn No - 006396N

MAMRAJ AGARWAL
(Partner)
 Mem No. 084944
 Date : 30.05.2013
 Place : Kolkata

For and on behalf of the Board of Directors

Daulat Ram Agarwal **Lalit Agarwal**
Managing Director **Director**

MARDA COMMERCIAL & HOLDINGS LIMITED

CASH FLOW STATEMENT

A. CASH FLOW FROM OPERATING ACTIVITIES

	<u>31.03.2013</u> <u>AMOUNT (RS.)</u>	<u>31.03.2012</u> <u>AMOUNT (RS.)</u>
Net Profit before Tax and Extraordinary Items	9,829,530.58	7,311,707.51
Adjustment for :		
Depreciation	40,077.00	54,077.00
Interest Paid	11,275,757.00	12,650,057.00
	<u>21,145,364.58</u>	<u>20,015,841.51</u>
Adjustment for :		
Profit on sale of Fixed Assets	-	(162,220.00)
Dividend Received	(601,803.40)	(387,253.76)
Operating Profit before Working Capital changes	20,543,561.18	19,466,367.75
Adjustment for :		
Current Assets	(3,028,776.23)	(56,567,394.03)
Current Liabilities	3,849,662.59	(971,524.59)
(Increase)/ Decrease in Net Current Assets	21,364,447.54	(38,072,550.87)
Cash generated from Operations	21,364,447.54	(38,072,550.87)
Interest paid	(11,275,757.00)	(12,650,057.00)
Deferred Tax Asset	(5,511.00)	(4,500.00)
Taxation	(3,528,242.00)	(2,400,000.00)
Cash Flow before Extraordinary items	6,554,937.54	(53,127,107.87)
Extraordinary Items/Other Provisions	231,317.00	(521,650.00)
Net Cash from operating activities (A)	<u>6,786,254.54</u>	<u>(53,648,757.87)</u>
B. CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale/(Purchase) of Investments	6,039,823.16	(1,500,000.00)
Sale / (Purchase) of Fixed Assets	-	350,000.00
Dividend Received	601,803.40	387,253.76
Net Cash used in investing activities (B)	<u>6,641,626.56</u>	<u>(762,746.24)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowing	(15,052,417.00)	54,749,602.00
Net Cash from Financing activities (C)	<u>(15,052,417.00)</u>	<u>54,749,602.00</u>
Net increase in Cash and Cash equivalents (A+B+C)	<u>(1,624,535.90)</u>	<u>338,097.89</u>
Cash and Cash equivalents at the beginning of the year	<u>12,967,724.16</u>	<u>12,629,626.27</u>
Cash and Cash equivalents at the close of the year	<u>11,343,188.26</u>	<u>12,967,724.16</u>

As per our report of even date

For MAMRAJ & CO.

Chartered Accountants

Firm Regn No - 006396N

MAMRAJ AGARWAL

(Partner)

Mem No. 084944

Date : 30.05.2013

Place : Kolkata

For and on behalf of the Board of Directors

Daulat Ram Agarwal

Managing Director

Lalit Agarwal

Director

MARDA COMMERCIAL & HOLDINGS LIMITED

Mercantile Building, Block - E, 2nd Floor

9/12, Lalbazar Street, Kolkata - 700001

Significant Accounting Policies to the financial statements for the year ended on 31st March 2013

a. General

The Company follows the Mercantile System of Accounting and recognises Income & Expenditure on Accrual Basis

b. Inventories :

Stock of shares in Quoted companies are valued at Cost or Market Price, whichever is lower.

c. Revenue Recognition:

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of securities. Dividend income is recognized on receipt basis. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

d. Fixed Assets and Depreciation :

i) Fixed Assets are stated at cost of acquisition less accumulated depreciation.

ii) Depreciation on fixed assets have been determined in the manner and at the rates specified in the schedule XIV of the Companies Act, 1956 on the written down value method.

e. Investments:

Investments have been valued at Cost. Provision for diminutions in the value is not considered unless such shortfall is permanent in nature

f. Taxation:

Provision for Income Tax comprises of current tax and deferred tax charge or release. Deferred tax is recognised subject to consideration of prudence on timing difference, being difference between taxable and accounting income/expenditure that originate in one period and are capable of reversal in one or more subsequent period(s). Deferred tax assets are not recognised unless there is "virtual certainty" that sufficient future taxable income will be available against which such deferred tax assets will be realised.

**Significant accounting policies form integral part of the financial Statements
for the year ended on 31/03/2013**

Signatures to Significant accounting Policies

In terms of our attached report of even date.

As per our report of even date

For MAMRAJ & CO.

Chartered Accountants

Firm Regn No - 006396N

MAMRAJ AGARWAL

(Partner)

Mem No. 084944

Date : 30.05.2013

Place : Kolkata

For and on behalf of the Board of Directors

Daulat Ram Agarwal

Managing Director

Lalit Agarwal

Director

MARDA COMMERCIAL & HOLDINGS LIMITED
Notes to the financial statements for the year ended 31 March 2013

(Amount in Rupees)

	31 March 2013		31 March 2012	
	Number	Amount	Number	Amount
2 Share capital				
Authorised share capital				
Equity shares of ` 10 each	10,100,000	101,000,000	10,100,000	101,000,000
Issued, subscribed and fully paid up				
Equity shares of ` 10 each	10,000,600	100,006,000	10,000,600	100,006,000
Total issues, subscribed and fully paid up share capital	10,000,600	100,006,000	10,000,600	100,006,000
a. Details of shareholders holding more than 5% shares of the company				
Name of Shareholder	% of shares	No of Shares	% of shares	No of Shares
Advance Ispat(India) Ltd.	19.43	1,943,400	19.43	1,943,400
Daulat Ram Agrawal	5.13	512,500	5.13	512,500
Sneha Agarwal	5.45	545,000	5.45	545,000
b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
Equity Shares with voting rights				
	31 March 2013	31 March 2012		
	Number	Amount	Number	Amount
At the beginning of the year	10,000,600	100,006,000	10,000,600	100,006,000
Outstanding at the end of the year	10,000,600	100,006,000	10,000,600	100,006,000
c. Equity shares carry voting rights at the General Meetings of the Company, and are entitled to dividend and to participate in surplus, if any, in the event of winding up.				
3 Reserves and surplus		31 March 2013		31 March 2012
Surplus in the statement of profit and loss				
Balance as per last financial statements		63,782,196.60		60,443,639.09
Add : Profit for the year		5,267,938.58		3,338,557.51
Net Surplus in the statement of profit and loss		69,050,135.18		63,782,196.60
Statutory Reserve				
Balance as per last financial statements		16,397,566.00		15,350,566.00
Add: During the year		1,259,156.00		1,047,000.00
		17,656,722.00		16,397,566.00
Total Reserves and surplus		86,706,857.18		80,179,762.60
4 Short Term Borrowings		31 March 2013		31 March 2012
Unsecured				
- From Related Party	-	81,825,491.00	-	97,553,676.00
- From Others		11,826,366.00		11,150,598.00
Total borrowings	-	93,651,857.00	-	108,704,274.00
5 Other current liabilities		31 March 2013		31 March 2012
Expenses payable		2,146,298.00		1,593,560.41
		2,146,298.00		1,593,560.41
6 Short Term Provisions		31 March 2013		31 March 2012
Statutory Provision				
Opening Balance	878,317.00			878,317.00
Add : Transfer from/(to) Profit & Loss A/c	(231,317.00)	647,000		
Provision for taxation		12,018,242.00		8,490,000.00
		12,665,242.00		9,368,317.00

MARDA COMMERCIAL & HOLDINGS LIMITED
Notes to the financial statements for the year ended 31 March 2013

7 **Tangible assets**

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01st April, 2012	Additions during the year	Deletions during the year	As at 31st March, 2013	Up to 31st March, 2012	For the year	Adjustments for deletions during the year	Other Adjustments	Total up to 31st March, 2013	As at 31st March, 2013	As at 31st March, 2012
Car	1,060,735	-	-	1,060,735	905,937	40,077	-	-	946,014	114,721	154,798
Total	1,060,735	-	-	1,060,735	905,937	40,077	-	-	946,014	114,721	154,798
Previous Year	2,038,758	-	978,023	1,060,735	1,642,103	54,077	790,243		905,937	154,798	396,655

8 **Non Current Investments**

	31 March 2013		31 March 2012
	Quantity	Trade	Trade
Other investments			
Investment in Unquoted equity shares			
Advance Hightech Agro Products Limited (Face Value Rs. 10/-)	50000	150,000.00	150,000.00
Tirupati Structurals Limited (Face Value Rs. 10/- each)	1447900	748,600.00	748,600.00
		<u>898,600.00</u>	<u>898,600.00</u>
Unquoted Preference Shares		31 March 2013	31 March 2012
Farsight Securities Limited (Face Value Rs. 100/- each)	15000	<u>1,500,000.00</u>	<u>1,500,000.00</u>
		<u>1,500,000.00</u>	<u>1,500,000.00</u>
Investment in Mutual Fund (Units)			
JM Core (Face Value Rs. 10/- each)	250000	2,500,000.00	2,500,000.00
Reliance Reg. Saving Fund (Face Value Rs. 10/- each)		-	7,539,823.16
Aditya Birla P Equity (Face Value Rs. 10/- each)	100000	7,000,000.00	5,500,000.00
		<u>9,500,000.00</u>	<u>15,539,823.16</u>
Aggregate amount of Investment		<u>11,898,600.00</u>	<u>17,938,423.16</u>
Break Up Value of Unquoted equity shares		63,924,070.00	60,528,900.00
Break Up Value of Unquoted Preference shares		1,500,000.00	1,500,000.00
NAV of Units of Mutual Fund		7,855,675.00	12,391,040.40
		<u>73,279,745.00</u>	<u>74,419,940.40</u>
9 Deferred tax Assets (Net)			
Timing difference on tangible assets depreciation and impairment		122,115.00	127,626.00
Total		<u>122,115.00</u>	<u>127,626.00</u>
Net deferred tax asset / (liability)		<u>122,115.00</u>	<u>127,626.00</u>

MARDA COMMERCIAL & HOLDINGS LIMITED
Notes to the financial statements for the year ended 31 March 2013

(Amount in Rupees)

10 Loans and advances

Loan Term

- Unsecured, considered good
- To Related Party

	31 March 2013	31 March 2012
	79,751,581.00	105,957,328.00
	79,751,581.00	105,957,328.00

Short Term

Other loans and advances

- Unsecured, considered good
- To Related Party
- To Others

	54,606,192.00	72,701,627.00
	74,943,343.00	30,000,000.00

Advances recoverable in Cash or Kind or value to be Received
Income Tax & TDS

	49,499,036.00	49,500,036.00
	11,120,518.20	8,689,275.20
	190,169,089.20	160,890,938.20

- a. Management believes that, the loans and advances have a value on realization in the ordinary course of business at least equal to the amount stated in the Balance Sheet and provisions for all the known liabilities have been made.

11 Inventories (valued at cost or lower of net realisable value)

	No. of Shares	31 March 2013	31 March 2012
APOLLO TYRES (Face Value Rs. 1 each)	800	72,453	158,748.77
BHARTI AIRTEL (Face Value Rs 5 each)	300	100,025	-
EXIDE INDUSTRIES (Face Value Re. 1 each)	670	101,188	-
IDFC (Face Value Rs.10 each)	600	98,535	-
INDUSIND BANK LTD (Face Value Rs.10 each)	-	-	96,861.00
NTPC LTD(Face Value Rs. 10 each)	2000	412,000	412,000.00
RELIANCE INDUSTRIES(Face Value Rs.10 each)	700	667,652	667,652.00
SOUTH IND BANK(Face Value Re. 1 each)	-	-	259,300.00
STERLITE INDUSTRIES(Face Value Re. 1 each)	750	100,725	100,725.00
TATA CHEMICALS (Face Value Rs. 10 each)	400	150,048	150,048.00
TATA GLOBAL BEVERAGES LTD (Face Value Re.1 each)	700	100,767	-
THE FEDERAL BANK LTD (Face Value Rs 10 each)	190	101,148	-
TATA POWER COMPANY (Face Value Re.1 each)	1200	153,218	153,218.40
		2,057,760.04	1,998,553.17
Less: Devaluation In Stock(as per Market Price)		410,120.04	301,750.67
Market Value of Quoted Equity Shares		1,647,640.00	1,696,802.50

12 Trade receivables

Other debts

Unsecured considered good

	31 March 2013	31 March 2012
	129,319.72	118,273.99
	129,319.72	118,273.99
Total	129,319.72	118,273.99

13 Cash and bank balances

Cash and cash equivalents

Cash in hand (As Certified By Management)

Balances with banks

- in current accounts

FDR With Scheduled Bank

Interest accrued on FDR

	31 March 2013	31 March 2012
	75,458.60	97,933.60
	475,132.66	2,711,389.56
	10,000,000.00	10,000,000.00
	792,597.00	158,401.00
Total	11,343,188.26	12,967,724.16

Management believes that, the current assets have a value on realization in the ordinary course of business at least equal to the amount stated in the Balance Sheet and provisions for all the known liabilities have been made.

MARDA COMMERCIAL & HOLDINGS LIMITED

Notes to the financial statements for the year ended 31 March 2013

	31 March 2013	31 March 2012
14 Revenue		
Revenue from operations		
Interest (T.D.S 2431243, P.Y. 2417682)	24,216,850.00	24,675,165.74
Sale of Shares	3,764,084.23	8,315,988.68
Profit from trading in F & O	-	144,905.17
Profit from Investment	(1,681,063.36)	-
	<u>26,299,870.87</u>	<u>33,136,059.59</u>
Other operating revenues	-	-
Revenue from operations (Net)	<u>26,299,870.87</u>	<u>33,136,059.59</u>
15 Other income		
Dividend	601,803.40	387,253.76
Short and excess recovery	-	0.98
Profit on sale of fixed assets	-	162,220.00
Liability no longer required	21,575.00	-
	<u>623,378.40</u>	<u>549,474.74</u>
16 Prior period items		
A brief write up on the reason for prior period items		
Prior period items consists of		
Dividend from Mutual Fund not recognized in previous year	207,295.82	(170.00)
STT Paid on Dividend Shiftout Plan	-	-
	<u>207,295.82</u>	<u>(170.00)</u>
17 Purchases		
Purchase of shares	3,748,329.77	11,543,225.41
	<u>3,748,329.77</u>	<u>11,543,225.41</u>
18 Changes in inventories		
Opening stock	1,696,802.50	1,870,875.00
	<u>1,696,802.50</u>	<u>1,870,875.00</u>
Closing stock	1,647,640.00	1,696,802.50
	<u>1,647,640.00</u>	<u>1,696,802.50</u>
	<u>49,162.50</u>	<u>174,072.50</u>
19 Employee benefit expense		
Salaries, wages and bonus	220,334.00	73,000.00
Director's Remuneration	600,000.00	600,000.00
	<u>820,334.00</u>	<u>673,000.00</u>
20 Finance costs		
Interest expenses	11,275,757.00	12,650,057.00
Bank charges	2,158.33	518.00
Financial Charges	21,727.00	18,888.00
	<u>11,299,642.33</u>	<u>12,669,463.00</u>
21 Depreciation and amortisation expense		
Depreciation of tangible assets (Also, refer note 7)	40,077.00	54,077.00
	<u>40,077.00</u>	<u>54,077.00</u>
22 Other expenses		
Payments to auditors		
- Audit Fees	57,519.00	55,150.00
- Tax Audit Fees	16,854.00	16,545.00
Advertisement	1,537.00	1,681.00
Commision & Brokerage	400,000.00	-
Demate Charges	1,112.18	2,213.91
Depository Charges	67,416.00	66,180.00
Filing Fees	3,093.00	4,000.00
General Charges	1,382.00	219.00
Insurance	11,418.00	12,736.00
Keyman Insurance Premium	563,056.00	563,056.00
Legal & Professional Charges	17,136.00	87,108.00
Listing Fees	39,326.00	38,605.00
Postage	3,060.00	14,240.00
Printing and stationery	4,050.00	9,170.00
Rent	108,000.00	108,000.00
RTA Fees	11,236.00	11,032.00
STT Charges	22,383.73	8,384.00
Sundry Balance written off	1,000.00	-
Travelling & Conveyance Charges	4,640.00	14,977.00
Vehicle running and maintenance	9,250.00	8,750.00
	<u>1,343,468.91</u>	<u>1,022,046.91</u>

A. NOTES ON ACCOUNTS:

1. The company's main business is Finance and Investment activities falling under one business head. Hence, Segmental Reporting as per AS – 17 is not applicable to the company.

2. Related Party Transaction

Disclosure in relation of Transactions with Related Parties as per AS-18

Name of Related Party (Nature of Relationship)	Nature of Transactions	Amount Outstanding as on Balance Sheet Date	Provisions for doubtful debts due from such parties at that date	Amount written off or written back in the period in respect of debts due from or to related parties
Advance Steel Tubes Ltd.	Loan Given	5,46,06,192.00	NIL	NIL
Tirupati Structural Limited	Loan Given	7,55,69,400.00	NIL	NIL
Advance Infra Solution (P) Ltd	Loan Given	41,82,181.00	NIL	NIL
Advance Enterprises (P)Ltd	Loan Taken	2,83,34,389.00	NIL	NIL
Vishal Equity Services(P) Ltd	Loan Taken	5,34,91,102.00	NIL	NIL

3. Deferred Tax Asset amounting to Rs. 5,511.00 has been created and provision is made accordingly as per AS- 22.
4. Special Reserve has been created @ 20 % of Profit After Tax as per RBI Guidelines.
5. Contingent Provisions against Standard Assets has been maintained @ .25 % of the Outstanding Standard as per RBI Directions
6. As required in terms of paragraph 13 of Non – Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998, issued by RBI, We

enclose in the annexure the required Schedule to the Balance Sheet of a Non – Banking Finance Company.

7. The Company has reclassified previous year figures to conform to this year's classification.
8. Contingent Liabilities & Contracts on Capital Account – NIL.

9. <u>Calculation of EPS</u>	<u>31.03.2013</u>	<u>31.03.2012</u>
Profit After Tax (A)	6,295,777.58	4,907,207.51
No Of Equity Shares (B)	10,000,600	10,000,600
Earnings per Share (A/B)	.63	.49

10. Schedules 1 to 22 form an integral part of the Accounts for the year

Signatures to Schedules 1 to 22

As per our report of even date attached.

For MAMRAJ & CO.
REGN. NO. 006396N

Chartered Accountants
(Mamraj Agarwal)
Partner
Mem No. 084944

Place: Kolkata
Date: 30.06.2013

By Order of the Board of Directors
For Marda Commercial & Holdings Limited

(Daulat Ram Agarwal)
Managing Director

(Lalit Agarwal)
Director

MARDA COMMERCIAL & HOLDINGS LIMITED

SCHEDULE TO THE BALANCE SHEET OF A NON BANKING FINANCIAL COMPANY AS ON 31.03.2013 AS REQUIRED IN TERMS OF PARAGRAPH 13 OF A NON BANKING FINANCIAL (NON DEPOSIT ACCEPTING OR HOLDING) COMPANIES PRUDENTIAL NORMS (RESERVE BANK) DIRECTIONS, 2007

PARTICULARS
LIABILITIES SIDE

(RS. IN LACS)

1

LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID		<u>AMOUNT OUTSTANDING</u>	<u>AMOUNT OVERDUE</u>
a	DEBENTURES		
	• SECURED	NIL	NIL
	• UNSECURED (OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSIT)	NIL	NIL
b	DEFERRED CREDITS	NIL	NIL
c	TERM LOANS	NIL	NIL
d	INTER – CORPORATE LOANS AND BORROWINGS	NIL	NIL
e	COMMERCIAL PAPER	NIL	NIL
f	PUBLIC DEPOSIT	NIL	NIL
g	OTHER LOANS (INCLUDING LOAN FROM RELATED PARTIES)	936.52	NIL
	• please see note -1 below		

ASSET SIDE

2

BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN (4) BELOW		<u>AMOUNT OUTSTANDING</u>
	• SECURED	NIL
	• UNSECURED	2588.00

3

BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES		<u>AMOUNT OUTSTANDING</u>
	1 LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS	NIL
	• FINANCIAL LEASE	NIL
	• OPERATING LEASE	NIL
	2 STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS	NIL
	• ASSETS ON HIRE	NIL
	• REPOSSESSED ASSETS	NIL
	3 HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES	NIL
	• LOANS WHERE ASSETS HAVE BEEN REPOSSESSED	NIL
	• LOANS OTHER THAN ABOVE	NIL

BREAK UP OF INVESTMENTS

4

	• CURRENT INVESTMENTS (STOCK IN TRADE)		
1	QUOTED		
	• SHARES		
	EQUITY		16.47
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		NIL
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL
2	UNQUOTED		
	• SHARES		
	EQUITY		NIL
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		NIL
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL

	• LONG TERM INVESTMENTS		
1	QUOTED		
	• SHARES		
	EQUITY		NIL
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		95.00
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL
2	UNQUOTED		
	• SHARES		
	EQUITY		8.99
	PREFERENCE		15.00
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		NIL
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL

BORROWER GROUP WISE CLASSIFICATION OF ALL LEASED ASSETS , STOCK ON HIRE AND LOANS AND ADVANCES

5

CATEGORY		AMOUNT NET OF PROVISIONS			
1		RELATED PARTIES	SECURED	UNSECURED	TOTAL
	a	SUBSIDIARIES	NIL	NIL	NIL
	b	COMPANIES IN THE SAME GROUP	NIL	1343.58	1343.58
	c	OTHER RELATED PARTIES	NIL	NIL	NIL
2		OTHER THAN RELATED PARTIES	NIL	1244.42	1244.42
		TOTAL	NIL	2588.00	2588.00

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 OF FAIR VALUE OR NAV	BOOK VALUE (NET OF PROVISION)
1		RELATED PARTIES		
	a	SUBSIDIARIES	NIL	NIL
	b	COMPANIES IN THE SAME GROUP	639.24	8.99
	c	OTHER RELATED PARTIES	NIL	NIL
2		OTHER THAN RELATED PARTIES	110.03	126.47
		TOTAL	749.27	135.46

*** As Per Accounting Standard of ICAI (Please see note – 3)

7.

OTHER INFORMATION			AMOUNT
		PARICULARS	
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 DEBTS	NIL

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 **Non – Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve bank) Direction , 2007**
- 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 debts. However , Market value in respect of quoted investment and break – up / fair value/ NAV in respect on unquoted investment should be disclosed irrespective of whether they are classified as long term or current in (4) above .

**For MAMRAJ & CO.
REGN. NO. 006396N**

**Chartered Accountants
(Mamraj Agarwal)
Partner
Mem No. 084944**

**By Order of the Board of Directors
For Marda Commercial & Holdings Limited**

**(Daulat Ram Agarwal)
Managing Director**

**(Lalit Agarwal)
Director**

**Place: Kolkata
Date: 30.05.2013**