

ANNUAL REPORT 2011 – 2012



**MARDA COMMERCIAL & HOLDINGS LIMITED**



# MARDA COMMERCIAL & HOLDINGS LIMITED

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## **BOARD OF DIRECTORS**

SHRI DAULAT RAM AGARWAL - MANAGING DIRECTOR  
SHRI LALIT AGARWAL - DIRECTOR  
SHRI J. K. GOYAL - DIRECTOR  
SHRI RAJESH KUMAR SINGHI - DIRECTOR

## **COMPANY SECRETARY**

PUJA GUPTA

## **BANKERS**

CITY UNION BANK LIMITED

2, LALBAZAR STREET,  
KOLKATA - 700001

## **AUDITORS**

M/s. MAMRAJ & CO.  
Chartered Accountants  
APARTMENT NO. 301 & 302  
10159, PADAM SINGH ROAD  
KAROL BAGH  
NEW DELHI – 110 005

## **REGISTERED OFFICE**

MERCANTILE BUILDING, BLOCK –E  
2<sup>ND</sup> FLOOR, 9/12, LAL BAZAR STREET  
KOLKATA - 700001

## **CONTENTS:**

- NOTICE
- DIRECTORS' REPORT
- AUDITORS' REPORT
- BALANCE SHEET
- STATEMENT OF PROFIT & LOSS
- SCHEDULE OF ACCOUNTS
- CASH FLOW STATEMENTS

## MARDA COMMERCIAL & HOLDINGS LIMITED

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### NOTICE

**NOTICE** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Company will be held at the Registered Office of the Company at Mercantile Building, Block-E, 2<sup>nd</sup> Floor, 9/12, Lalbazar Street, Kolkata – 700 001, on Saturday, the 29<sup>th</sup> September, 2012 at 2.00 P.M. to transact the following business:

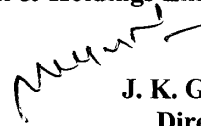
### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended on that date together with the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Lalit Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

**Registered Office:**

Mercantile Building, Block-E, 2<sup>nd</sup> Floor,  
9/12, Lalbazar Street,  
Kolkata – 700 001

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



**J. K. Goyal  
Director**

Date: 30.06.2012

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### NOTES FOR MEMBER'S ATTENTION:

1. The Register of Members and the Share Transfer Books in respect of Equity Shares of the Company will remain closed from Thursday, September 27, 2012 to Saturday, September 29, 2012 (both days inclusive).
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing Proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during office hours on all working days, except Saturday, between 11.00 A.M. to 1.00 P.M. up to the date of the Annual General Meeting.
5. Shareholders seeking any information with regard to Accounts are requested to write the Company early so as to enable the Management to keep the information ready.
6. Members are requested to bring their copy of the Annual Report to the Meeting and produce the enclosed Attendance Slip at the entrance to the place of meeting.

# MARDA COMMERCIAL & HOLDINGS LIMITED

## DIRECTORS' REPORT

### The Shareholders

Your Directors have pleasure in submitting their 23<sup>rd</sup> Annual Report together with the audited accounts for the year ended on March 31, 2012.

### FINANCIAL RESULTS

	<b>2011 – 2012</b>	<b>2010 – 2011</b>
	<b>(Rupees)</b>	<b>(Rupees)</b>
Total Revenue	<b>33,685,534.33</b>	17,587,746.61
Less: Total Expenses	<b>26,373,826.82</b>	10,169,455.62
Profit before Tax	<b>7,311,707.51</b>	7,418,290.99
Less: Tax Expense	<b>24,04,500.00</b>	1,967,333.00
Profit/(loss) after Tax	<b>4,907,207.51</b>	5,450,957.99
Less: Transferred to Special Reserve	<b>1,047,000.00</b>	1,091,000.00
Less: Transfer to Contingent Provisions against Standard Assets	<b>521,650.00</b>	356,667.00
Balance b/f from Previous Year	<b>60,443,639.09</b>	56,440,348.10
Balance transferred to Balance Sheet	<b>63,782,196.60</b>	60,443,639.09

### 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 increase from Rs. 1.76 Crores to Rs.3.37 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 Lalit Agarwal, 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.

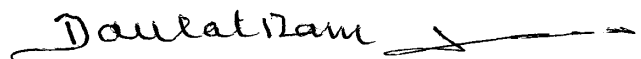
## RBI GUIDELINES FOR NON-BANKING FINANCIAL COMPANIES:

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.

For and on behalf of the Board  
for Marda Commercial & Holdings Limited

  
Daulat Ram Agarwal                      Lalit Agarwal  
Managing Director                      Director

Place : Kolkata  
Date: 30.06.2012

# MARDA COMMERCIAL & HOLDINGS LIMITED

## REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

In accordance with Clause 49 of the Listing Agreement with the Calcutta Stock Exchange Limited, the report containing the details of corporate governance systems.

### 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.

The Board presently consists of four Directors, of which three are non-executive. Management of the Company is vested in Sri Daulat Ram Agarwal, the Managing Director, subject to general supervision, control and direction of the Board.

Name of the Director	Category	Financial Year 2011-2012		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 (Executive)	11	11	Yes	1	Nil	Nil
Jitendra Kumar Goyal	Non-Executive	11	11	Yes	03	Nil	02
Sri Lalit Agarwal	Non-Executive	11	11	Yes	4#	@	Nil
Sri Rajesh Kumar Singhi	Non-Executive	11	11	Yes	Nil	Nil	Nil

# 1. Tirupati Structurals Limited; 2. Advance Steel Tubes Limited; 3. Advance Ispat (India) Limited; 4. Sophia Exports Limited

@ Chairman of the Audit Committee of Tirupati Structurals Limited

During the Year under review Ten Board Meetings were held on 06.04.2011, 13.05.2011, 30.06.2011, 13.08.2011, 22.09.2011, 01.10.2011, 01.11.2011, 14.11.2011, 02/01/2012, 14.02.2012 and 31.03.2012.

### **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

## • 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 two Committee viz, Audit Committee, 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 Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practice of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audit of the Company's Financial Statements, the appointment of Auditor, Independent performance and remuneration of the Statutory Auditors.

During the year under review, four meetings of the committee were held during the year ended 12.05.2011, 12.08.2011, 12.11.2011 and 13.02.2012. The composition of the committee and attendance at its meeting is given below:

<b>Names of the members</b>	<b>Status</b>	<b>Meetings held during his Tenure</b>	<b>No. of Meetings Attended</b>
Sri Jitendra Kumar Goyal	Chairman	4	4
Sri Lalit Agarwal	Member	4	4
Sri Rajesh Kumar Singhi	Member	4	4

The terms of reference as stipulated by the Board to the Audit Committee include:

1. Oversight of the Companies 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 judgement by Management.
  - 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.

## **MARDA COMMERCIAL & HOLDINGS LIMITED**

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4. Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval.
5. Reviewing with the Management, Performance of the Auditors, and adequacy of Internal Control Systems.
6. Discussion with the 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.
8. Carrying out any other function as is mentioned in the terms of reference of the audit Committee.

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee.
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary.

We have instituted internal processes and systems to ensure that the audit committee has access to all the material information and reviews on a regular basis as follows:

- Management discussion and analysis of financial condition and results of operations.
- Statement of significant party related transactions (as defined by the Audit Committee), submitted by management.
- Management certificates on internal controls and compliances with laws and regulations, including any exceptions to these.
- Management letters / letters of internal control weakness issued by the auditors.

### **Remuneration Committee**

There is no Remuneration Committee.

Sitting fee has been waived and no sitting fee is presently paid to any director or any member of any committee of Directors.

The Remuneration Policy of the Company is:

#### **Managing Director:**

The Managing Director is paid a fixed quantum of Salary and perquisites within the overall limits permissible under the Companies Act and as approved by the Shareholders.

#### **Non-Executive – Independent Directors**

Sitting fee has been waived and no sitting fee is presently paid to any director or any member of any committee of Directors.

#### **Shareholders'/Investors'**

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. No Complaint had been received during the Financial Year.

### **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.



# MARDA COMMERCIAL & HOLDINGS LIMITED

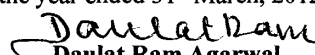
## Declaration affirming compliance of Code of Conduct

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<sup>st</sup> March, 2012.

Place: Kolkata  
Date:30.06.2012

  
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
2008-2009	30.09.2009	11.00 A. M.	503, Keotalla road, 1 <sup>st</sup> Floor, Kolkata – 700 029
2009-2010	30.09.2010	11.00 A. M.	503, Keotalla road, 1 <sup>st</sup> Floor, Kolkata – 700 029
2010-2011	30.09.2011	1.00 P. M.	“Mercantile Building”, Block-E, 2 <sup>nd</sup> Floor, 9/12, Lalbazar Street, Kolkata – 700 001

No Special Resolution was passed during the Period under review.

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

## DISCLOSURES

- 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.
- 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.

## 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.

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

# MARDA COMMERCIAL & HOLDINGS LIMITED

## ADDITIONAL SHAREHOLDERS INFORMATION

### 23<sup>rd</sup> Annual General Meeting:

<b>Annual General Meeting</b>	
Date and Time	: Saturday, the 29 <sup>th</sup> September, 2012 at 2.00 P.M.
Venue	: Registered Office of the Company at : "Mercantile Building", Block-E, 2 <sup>nd</sup> Floor, 9/12, Lalbazar Street, Kolkata – 700 001
Financial Calender (Tentative) for the Financial Year 2012-2013	: 1 <sup>st</sup> April, 2012 to 31 <sup>st</sup> March, 2013 First Quarter Results      2nd week of August, 2012 Second Quarter Results    2nd week of November, 2012 Third Quarter Results      2nd week of February, 2013 Fourth Quarter Results     2nd week of May, 2013
Date of Book Closure	: 27 <sup>th</sup> September, 2012 to 29 <sup>th</sup> September, 2012 (both days inclusive)
Dividend payment date	: No dividend is being recommended
Listing on stock exchanges and Stock Code	: The Calcutta Stock Exchange Association Ltd. – 10023486
The Company has paid listing fees as applicable to the stock exchanges.	

The ISIN Number of the Company (or demat number) on both NSDL and CDSL is INE 912C01014.

Total No. of Shares dematerialized up to 31.03.2012 is 2643400.

### MARKET PRICE DATA

Monthly high/low during the year 2011-2012 on the Stock Exchange, Kolkata

**THERE HAS BEEN NO TRADING DURING THE FINANCIAL YEAR 2011-2012**

### REGISTRAR & SHARE TRANSFER AGENT :

M/s Niche Technologies Pvt. Ltd.  
D-571, Bagri Market, 71, B.R.B.B. 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.

# **MARDA COMMERCIAL & HOLDINGS LIMITED**

## **DISTRIBUTION OF SHAREHOLDING (AS ON 31<sup>ST</sup> MARCH 2012)**

<b>Category</b>	<b>No. of Shares</b>	<b>%</b>
Promoters	5220900	52.21
Financial Institutions	NIL	NIL
Nationalised Banks	NIL	NIL
Non Resident Indians	NIL	NIL
Mutual funds and FIIs	NIL	NIL
Domestic Companies	4044700	40.44
Indian Public	735000	7.35
Others (Clearing Members)	NIL	NIL
	<b>10000600</b>	<b>100.000</b>

## **DISTRIBUTION OF SHAREHOLDINGS:**

<b>SRL</b>	<b>No. of Shares</b>		<b>No. of Shareholders</b>	<b>% to Total</b>	<b>Total Shares</b>	<b>% to Total</b>
1.	UPTO	500	0	0	0	0
2.	501	1000	0	0	0	0
3.	1001	5000	0	0	0	0
4.	5001	10000	0	0	0	0
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
		<b>TOTAL</b>	<b>34</b>	<b>100.000</b>	<b>10000600</b>	<b>100.000</b>

## **DEMATERIALIZATION OF SHARES:**

As on 31<sup>st</sup> March 2012, 26.43 % 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:**

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

## **ADOPTION OF NON-MANDATORY REQUIREMENTS**

Company has so far not implemented other non- mandatory requirements of the Code of Corporate Governance.

# **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 2011-2012 – Certification by Managing Director and Company Secretary**

We, Daulat Ram Agarwal, Managing Director and Puja Gupta, Company Secretary of **M/s Marda Commercial & Holdings Limited** on the review of Financial Statements and Cash Flow Statement for the year ended 31<sup>st</sup> March, 2012 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 our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2012 which are fraudulent, illegal or violative of Company's Code of Conduct.
4. We accept responsibility of establishing and maintaining internal control systems of the Company pertaining the financial reporting and we have disclosed to the auditors and the Audit Committee those deficiencies in the design and operation of such internal controls of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We 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 we 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.

Place: Kolkata

Date: 30.06.2012

  
**Puja Gupta**

*Company Secretary*

  
**Daulat Ram Agarwal**

*Managing Director*

# **MARDA COMMERCIAL & HOLDINGS LIMITED**

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## **CERTIFICATE OF THE AUDITORS IN RESPECT OF COMPLIANCE OF CORPORATE GOVERNANCE**

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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 31<sup>st</sup> March, 2012, 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.

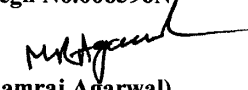
As required by Guidance Note issued by the Institute of Chartered Accountants of India we have to state that no investor grievances were pending for a period of one month against the company as per the records maintained by the Shareholders'/Investors' Grievance Committee.

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 : 30.06.2012

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



  
(Mamraj Agarwal)  
Partner  
M.No. 84944



**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 31<sup>st</sup> March 2012, 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;

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- (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;
- (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 31<sup>st</sup> March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified an on 31<sup>st</sup> March 2012 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 31<sup>st</sup> March 2012;
- 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. 84944

Place : Kolkata  
Date : 30.06.2012



*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 not been physically verified by the management during the year but 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 disposed off some of its assets, however it will not have any impact on the working of the company.
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 three parties and the year end balance is Rs 9,75,53,676.00.
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 four parties amounting to Rs. 17,86,58,955.00.
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.

Cont...2





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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 .
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 Ac, 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 31.03.2012 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.

Cont...3



:3:

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.
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.

Cont...4



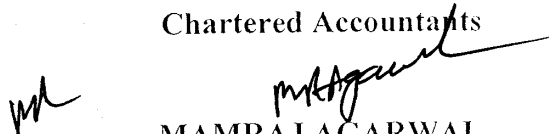
:4:

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. 84944

Place : Kolkata  
Date : 30.06.2012

**MARDA COMMERCIAL & HOLDINGS LIMITED****Balance sheet as at 31 March 2012**

( Amount in Rupees )

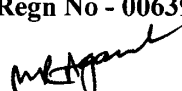
Particulars	Notes	As at 31 March 2012	As at 31 March 2011
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	100,006,000.00	100,006,000.00
Reserves and surplus	3	80,179,762.60	75,794,205.09
		<u>180,185,762.60</u>	<u>175,800,205.09</u>
<b>Current liabilities</b>			
Short-term borrowings	4	108,704,274.00	53,954,672.00
Other current liabilities	5	1,593,560.41	809,663.00
Short-term provisions	6	9,368,317.00	11,123,739.00
		<u>119,666,151.41</u>	<u>65,888,074.00</u>
<b>Total</b>		<b><u>299,851,914.01</u></b>	<b><u>241,688,279.09</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7	154,798.00	396,655.00
Non-current investments	8	17,938,423.16	16,438,423.16
Deferred tax assets (net)	9	127,626.00	132,126.00
Long-term loans and advances	10	105,957,328.00	85,235,763.00
		<u>124,178,175.16</u>	<u>102,202,967.16</u>
<b>Current assets</b>			
Inventories	11	1,696,802.50	1,870,875.00
Trade receivables	12	118,273.99	876,801.79
Cash and bank balances	13	12,967,724.16	12,629,626.27
Short-term loans and advances	10	160,890,938.20	124,108,008.87
		<u>175,673,738.85</u>	<u>139,485,311.93</u>
<b>Total</b>		<b><u>299,851,914.01</u></b>	<b><u>241,688,279.09</u></b>

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

Note 1 refers to Significant Accounting Policies &amp; Notes on Accounts.

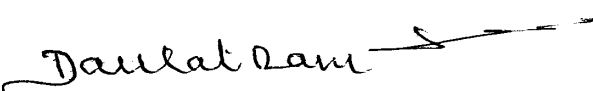
As per our report of even date

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


  
**MAMRAJ AGARWAL**  
(Partner)

Mem No. 084944  
Date : 30.06.2012  
Place : Kolkata

For and on behalf of the Board

  
(Managing Director)

(Director)

  
Company Secretary

**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Statement of profit and loss for the year ended 31 March 2012**

( Amount in Rupees )

Particulars	Notes	Year Ended 31 March 2012	Year Ended 31 March 2011
<b>Revenue</b>			
Revenue from operations	14	33,136,059.59	16,155,953.45
Other income	15	549,474.74	1,431,793.16
<b>Total revenue</b>		<b>33,685,534.33</b>	<b>17,587,746.61</b>
<b>Expenses</b>			
Purchases of traded goods	16	11,543,225.41	6,076,436.43
Changes in inventories of finished goods, work-in-progress and traded goods	17	174,072.50	452,375.00
Employee benefit expenses	18	73,000.00	48,000.00
Finance costs	19	12,669,463.00	1,429,677.22
Depreciation and amortisation expense	20	54,077.00	138,569.00
Other expenses	21	1,859,818.91	1,880,329.97
Prior period items	22	170.00	144,068.00
<b>Total expenses</b>		<b>26,373,826.82</b>	<b>10,169,455.62</b>
<b>Profit before tax</b>		<b>7,311,707.51</b>	<b>7,418,290.99</b>
<b>Tax expense</b>			
Current tax		2,400,000.00	2,000,000.00
Excess/ (Short) provision of Income tax for earlier years written back		-	33,767.00
Deferred tax		4,500.00	1,100.00
<b>Profit for the year</b>		<b>4,907,207.51</b>	<b>5,450,957.99</b>
<b>Less: Provision for contingencies</b>		<b>521,650.00</b>	<b>356,667.00</b>
<b>Less: Transferred to Special reserve</b>		<b>1,047,000.00</b>	<b>1,091,000.00</b>
		<b>3,338,557.51</b>	<b>4,003,290.99</b>
<b>Earnings per equity share</b>			
Basic		0.49	0.54

As per our report of even date

For MAMRAJ & CO.

Chartered Accountants

Firm Regn No - 006396N

  
MAMRAJ AGARWAL

(Partner)

Mem No. 084944

Date : 30.06.2012

Place : Kolkata

For and on behalf of the Board

  
(DManaging Director) (Director)

  
Company Secretary

**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2012

( Amount in Rupees )

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
<b>2 Share capital</b>				
<b>Authorised share capital</b>				
10100000 Equity shares of Rs. 10 each	10,100,000	101,000,000	10,100,000	101,000,000
<b>Issued, subscribed and fully paid up</b>				
10000600 Equity shares of Rs. 10 each	10,000,600	100,006,000	10,000,600	100,006,000
<b>Total issues, subscribed and fully paid up share capital</b>	<b>10,000,600</b>	<b>100,006,000</b>	<b>10,000,600</b>	<b>100,006,000</b>

**a.Details of shareholders holding more than 5% shares in the company**

Name of Shareholder	31st March 2012		31st March 2011	
	% of shares	No. of shares	% of shares	No. of shares
Advance Ispat (India) Ltd.	19.43	1943400	19.43	1943400
Daulat Ram Agarwal	5.13	512500	5.13	512500
Sneha Agarwal	5.45	545000	5.45	545000

**b. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

Equity Shares with voting rights

	31 March 2012		31 March 2011	
	Number	Amount	Number	Amount
At the beginning of the year	10,000,600	100,006,000	10,000,600	100,006,000
<b>Outstanding at the end of the year</b>	<b>10,000,600</b>	<b>100,006,000</b>	<b>10,000,600</b>	<b>100,006,000</b>

**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.

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**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2012**

( Amount in Rupees )

**3 Reserves and surplus**

	<b>31 March 2012</b>	<b>31 March 2011</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	60,443,639.09	56,440,348.10
Add : Profit for the year	<u>3,338,557.51</u>	<u>4,003,290.99</u>
<b>Net Surplus in the statement of profit and loss</b>	63,782,196.60	60,443,639.09
<b>Special Reserve</b>	16,397,566.00	15,350,566.00
<b>Total Reserves and surplus</b>	<u><u>80,179,762.60</u></u>	<u><u>75,794,205.09</u></u>

	<b>31 March 2012</b>		<b>31 March 2011</b>	
	<b>Non Current</b>	<b>Current</b>	<b>Non Current</b>	<b>Current</b>
<b>4 Borrowings - Short term</b>				
<b>Unsecured</b>				
From Corporates	-	108,704,274.00	-	53,954,672.00
	<u>-</u>	<u>108,704,274.00</u>	<u>-</u>	<u>53,954,672.00</u>
<b>Total borrowings</b>	<u><u>-</u></u>	<u><u>108,704,274.00</u></u>	<u><u>-</u></u>	<u><u>53,954,672.00</u></u>

	<b>31 March 2012</b>	<b>31 March 2011</b>
<b>5 Other current liabilities</b>		
Expenses payable	1,593,560.41	809,663.00
	<u>1,593,560.41</u>	<u>809,663.00</u>

	<b>31 March 2012</b>		<b>31 March 2011</b>	
	<b>Long term</b>	<b>Short term</b>	<b>Long term</b>	<b>Short term</b>
<b>6 Provisions</b>				
<b>Other Provisions</b>				
Provision for taxation	-	8,490,000.00	-	10,767,072.00
Provision for Contingencies	-	878,317.00	-	356,667.00
	<u>-</u>	<u>9,368,317.00</u>	<u>-</u>	<u>11,123,739.00</u>

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**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2012

**7. Tangible assets**

( Amount in Rupees )

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	AS AT 01st APRIL, 2011	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31st MARCH, 2012	UP TO 31st MARCH, 2011	FOR THE YEAR	ADJUSTMENTS FOR DELETIONS DURING THE YEAR	OTHER ADJUSTM ENTS	TOTAL UP TO 31st MARCH, 2012	AS AT 31st MARCH, 2012	AS AT 31st MARCH, 2011
Car	2,038,758.00	-	978,023.00	1,060,735.00	1,642,103.00	54,077.00	790,243.00	-	905,937.00	154,798.00	396,655.00
Air Conditioner	-	82,200.00	-	82,200.00	-	10,024.50	-	-	10,024.50	72,175.50	-
Computer	318,443.00	7,140.00	-	325,583.00	216,874.80	41,146.00	-	-	258,020.80	67,562.20	101,568.20
Mobile Phone	43,650.00	4,800.00	-	48,450.00	11,678.25	4,713.50	-	-	16,391.75	32,058.25	31,971.75
Total	2,038,758.00	-	978,023.00	1,060,735.00	1,642,103.00	54,077.00	790,243.00	-	905,937.00	154,798.00	396,655.00
Previous Year	2,038,758.00	-	-	2,038,758.00	1,503,534.00	138,569.00	-	-	1,642,103.00	396,655.00	535,224.00



**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2012**

( Amount in Rupees )

**8 Non Current Investments**

	<u>Quantity</u>	<u>31 March 2012</u> Trade	<u>31 March 2011</u> Trade
<b>Other investments</b>			
Investment in Unquoted equity shares			
Advance Hightech Agro Products Limited (Face Value Rs. 10/-)	50000	150,000.00	150,000.00
Advance Ispat (I) Limited (Face Value Rs. 10/-)	49860	498,600.00	498,600.00
Tirupati Structurals Limited (Face Value Rs. 10/- each)	723950	250,000.00	250,000.00
		<u>898,600.00</u>	<u>898,600.00</u>
<b>Unquoted Preference Shares</b>			
Farsight Securities Limited (Face Value Rs. 100/- each)	15000	1,500,000.00	1,500,000.00
		<u>1,500,000.00</u>	<u>1,500,000.00</u>
<b>Investment in Mutual Fund (Units)</b>			
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)	291213	7,539,823.16	7,539,823.16
Aditya Birla P Equity (Face Value Rs. 10/- each)	40000	5,500,000.00	4,000,000.00
		<u>15,539,823.16</u>	<u>14,039,823.16</u>
<b>Aggregate amount of Investment</b>			
		<u>17,938,423.16</u>	<u>16,438,423.16</u>
Break Up Value of Unquoted equity shares		33,720,183.00	46,606,749.00
Break Up Value of Unquoted Preference shares		1,500,000.00	1,500,000.00
NAV of Units of Mutual Fund		12,391,040.40	11243.690.34
		<u>47,611,223.40</u>	<u>48,106,749.00</u>
<b>9 Deferred taxes</b>			
		<u>31 March 2012</u>	<u>31 March 2011</u>
Timing difference on tangible assets depreciation and impairment		127,626.00	132,126.00
<b>Total</b>		<u>127,626.00</u>	<u>132,126.00</u>
<b>Net deferred tax asset / (liability)</b>		<u>127,626.00</u>	<u>132,126.00</u>
<b>10 Loans and advances</b>			
<b>Long Term</b>		<u>31 March 2012</u>	<u>31 March 2011</u>
<b>Loans</b>			
- Unsecured, considered good		105,957,328.00	85,235,763.00
		<u>105,957,328.00</u>	<u>85,235,763.00</u>
<b>Short Term</b>			
<b>Other loans and advances</b>			
- Unsecured, considered good		102,701,627.00	57,430,880.00
Advances recoverable in Cash or Kind or value to be Received		49,500,036.00	53,400,036.00
Income Tax & TDS		8,689,275.20	13,277,092.87
		<u>160,890,938.20</u>	<u>124,108,008.87</u>

- 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.

*ml*

11 **Inventories : valued at cost or lower of net realisable value)**  
(As Taken, Valued & Certified by the Management)

Quoted - Equity Shares	No. of share	Amount	No. of share	Amount
NTPC LTD (Face Value Rs. 10 each)	2,000	412,000.00	2,000	412,000.00
TATA POWER COMPANY (Face Value Rs. 1 each)	1,200	153,218.40	-	-
TATA CHEMICALS LTD. (Face Value Rs. 10 each)	400	150,048.00	-	-
STERLITE INDUSTRIES (Face Value Rs. 1 each)	750	100,725.00	-	-
SOUTH IND BANK (Face Value Rs. 1 each)	10,000	259,300.00	-	-
SBI (Face Value Rs. 10 each)			200	432,000.00
L&T LTD (Face Value Rs. 2 each)			150	247,500.00
TATA MOTORS (Face Value Rs. 2 each)			1,875	279,375.00
RELAINCE INDUSTRIES (Face Value Rs. 10 each)	700	667,652.00	500	500,000.00
INDUSIND BANK LTD. (Face Value Rs. 10 each)	300	96,861.00	-	-
APOLLO TYRES (Face Value Rs. 1 each)	2,000	158,748.77	-	-
		<b>1,998,553.17</b>		<b>1,870,875.00</b>
Less : Devaluation In Stock (as per Market Price)		<b>302,301.90</b>		-
		<b>1,696,251.27</b>		<b>1,870,875.00</b>
<b>Market Value of Quoted Equity Shares</b>		<b>1,696,802.50</b>		<b>1,870,875.00</b>

12 **Trade receivables**

	<b>31 March 2012</b>	<b>31 March 2011</b>
Other debts		
Unsecured considered good	118,273.99	876,801.79
<b>Total Trade Receivables</b>	<b>118,273.99</b>	<b>876,801.79</b>

13 **Cash and bank balances**

	<b>31 March 2012</b>	<b>31 March 2011</b>
<b>Cash and cash equivalents</b>		
Cash in hand (As Certified by the Management)	97,933.60	132,347.60
Balances with Scheduled banks		
- in current accounts	2,711,389.56	2,365,153.12
FDR With Scheduled Bank	10,000,000.00	10,000,000.00
Interest accrued on FDR	158,401.00	132,125.55
<b>Total</b>	<b>12,967,724.16</b>	<b>12,629,626.27</b>

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.

*MK*

**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2012

	<u>31 March 2012</u>	<u>31 March 2011</u>
<b>14 Revenue</b>		
<b>Revenue from operations</b>		
Interest	24,675,165.74	11,419,507.60
Sale of Shares	8,315,988.68	3,413,045.00
Profit from trading in F & O	144,905.17	969,868.16
Profit from Investment	-	353,532.69
	<u>33,136,059.59</u>	<u>16,155,953.45</u>
Other operating revenues	-	-
	<u><b>33,136,059.59</b></u>	<u><b>16,155,953.45</b></u>
<b>15 Other income</b>		
Dividend	387,253.76	1,414,132.05
Short and excess recovery	0.98	17,661.11
Profit on sale of fixed assets	162,220.00	-
	<u>549,474.74</u>	<u>1,431,793.16</u>
<b>16 Purchases</b>		
Purchase of shares	11,543,225.41	6,076,436.43
	<u>11,543,225.41</u>	<u>6,076,436.43</u>
<b>17 Changes in inventories</b>		
Opening stock	1,870,875.00	2,323,250.00
	<u>1,870,875.00</u>	<u>2,323,250.00</u>
Closing stock	1,696,802.50	1,870,875.00
	<u>1,696,802.50</u>	<u>1,870,875.00</u>
	<u><b>174,072.50</b></u>	<u><b>452,375.00</b></u>
<b>18 Employee benefit expense</b>		
Salaries, wages and bonus	73,000.00	48,000.00
	<u>73,000.00</u>	<u>48,000.00</u>
<b>19 Finance costs</b>		
Interest expenses	12,650,057.00	1,227,414.00
Bank charges	518.00	5,051.98
Financial Charges	18,888.00	197,211.24
	<u>12,669,463.00</u>	<u>1,429,677.22</u>

**20 Depreciation and amortisation expense**

Depreciation of tangible assets (Also, refer note 9)

54,077.00	138,569.00
<u>54,077.00</u>	<u>138,569.00</u>

**21 Other expenses**

Director's remuneration	600,000.00	600,000.00
Listing Fees	38,605.00	38,605.00
Filing Fees	4,000.00	1,500.00
Travelling & Conveyance Charges	14,977.00	-
Advertisement	1,681.00	1,601.00
Depository Charges	66,180.00	66,180.00
Demate Charges	2,213.91	1,866.00
General Charges	219.00	5,075.00
Income Tax	237,772.00	-
Insurance	12,736.00	29,223.00
Payments to auditors	71,695.00	71,695.00
Rent	108,000.00	108,000.00
Legal & Professional Charges	87,108.00	254,796.10
Keyman Insurance Premium	563,056.00	563,056.00
Postage	14,240.00	12,600.00
Printing and stationery	9,170.00	14,900.00
STT Charges	8,384.00	51,672.87
Vehicle running and maintenance	8,750.00	48,528.00
RTA Fees	11,032.00	11,032.00
	<u>1,859,818.91</u>	<u>1,880,329.97</u>

**22 Prior period items**

A brief write up on the reason for prior period items

Prior period items consists of

Provision of expenses not made earlier

170.00	144,068.00
<u>170.00</u>	<u>144,068.00</u>

## NOTES - 1

### SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS:

#### A. SIGNIFICANT ACCOUNTING POLICIES:

1. General: The Company follows the Mercantile System of Accounting and recognizes income & expenditure on Accrual Basis.
2. Valuation of Stock:
  1. Stock of shares in quoted companies are valued at Cost or Market Price, whichever is lower.
  2. Stock of Shares in Unquoted Companies are valued at Cost or Break – up Value, whichever is lower.
3. Sales are recognized on passing of ownership in Shares.

#### B. NOTES ON ACCOUNTS:

1. Income from Capital Market Operations is the net result of Purchase, Sale and Shares difference.
2. 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.
3. (a) The Company has granted loans to related three parties amounting to Rs. 17,86,58,955.00 , as per AS – 18. Details are as under:-

<b>Name of the Party</b>	<b>Amount (Rs.)</b>
Advance Steel Tubes Ltd.	7,27,01,627.00
Tirupati Structural Limited	9,40,67,872.00
Advance Infra Solution (P) Ltd.	1,18,89,456.00

- (b) The Company has received loan from related party amounting to Rs. 97,553,678.00 , as per AS – 18. Details are as under:-

<b>Name of the Party</b>	<b>Amount (Rs.)</b>
Vishal Equity Services Pvt. Ltd.	5,44,47,020.00
Advance Enterprises Pvt. Ltd.	4,31,06,658.00


(c) Director Remuneration amounting to Rs. 6,00,000.00 is paid to Sh. Daulat Ram Agarwal, Managing Director of the company.

4. Deferred tax asset amounting to Rs. 4,500.00 has been created and provision is made accordingly as per AS- 22.
5. Special Reserve which is required to be created as per RBI Guidelines is created.
6. As required in terms of paragraph 13 of Non – Banking Financial Companies Prudential Norms (Reserve Bank ) Directions, 2007, issued by RBI, We enclose in the annexure the required Schedule to the Balance Sheet of a Non – Banking Finance Company.
7. Till the year ended 31<sup>st</sup> March 2011, the Company was using pre-revised Schedule VI Of the Companies Act 1956, for preparation of its financial statements. During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company. The Company has reclassified previous year figures to conform to this year's classification. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it significantly impacts presentation and disclosures made in the financial statements, particularly presentation of balance sheet.
8. 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



  
Managing Director

  
Director

  
Company Secretary

Place : Kolkata  
Date : 30.06.2012

**MARDA COMMERCIAL & HOLDINGS PRIVATE LIMITED**

**SCHEDULE TO THE BALANCE SHEET OF A NON BANKING FINANCIAL COMPANY AS ON 31.03.2012 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**

**(RS IN LACS)**

**LIABILITIES SIDE**

1

<b>LOANS AND ADVANCES AVAILED BY THE NBFCS INCLUSIVE OF INTEREST ACCRUED THEREON BUT NOT PAID</b>		<b><u>AMOUNT OUTSTANDING</u></b>	<b><u>AMOUNT OVERDUE</u></b>
a	<b>DEBENTURES</b>		
	• SECURED	NIL	NIL
	• UNSECURED ( OTHER THAN FALLING WITHIN THE MEANING OF PUBLIC DEPOSIT )	NIL	NIL
b	<b>DEFERRED CREDITS</b>	NIL	NIL
c	<b>TERM LOANS</b>	NIL	NIL
d	<b>INTER – CORPORATE LOANS AND BORROWINGS</b>	NIL	NIL
e	<b>COMMERCIAL PAPER</b>	NIL	NIL
f	<b>PUBLIC DEPOSIT</b>	NIL	NIL
g	<b>OTHER LOANS ( SPECIFY NATURE )</b>	1087.04	NIL
	• please see note -1 below		

**ASSET SIDE**

2

<b>BREAK UP OF LOANS AND ADVANCES INCLUDING BILLS RECEIVABLES OTHER THAN THOSE INCLUDED IN ( 4 ) BELOW</b>		<b><u>AMOUNT OUTSTANDING</u></b>
	• SECURED	NIL
	• UNSECURED	2668.48

3

<b>BREAK UP OF LEASED ASSETS AND STOCK ON HIRE AND HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES</b>		<b><u>AMOUNT OUTSTANDING</u></b>
		NIL
1	<b>LEASE ASSETS INCLUDING LEASE RENTALS UNDER SUNDRY DEBTORS</b>	
	• FINANCIAL LEASE	NIL
	• OPERATING LEASE	NIL
2	<b>STOCK ON HIRE INCLUDING HIRE CHARGES UNDER SUNDRY DEBTORS</b>	
	• ASSETS ON HIRE	NIL
	• REPOSSESSED ASSETS	NIL
3	<b>HYPOTHECATION LOANS COUNTING TOWARDS EL / HP ACTIVITIES</b>	
	• 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		NIL
	EQUITY		16.96
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		NIL
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL
2	UNQUOTED		NIL
	• SHARES		NIL
	EQUITY		NIL
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		NIL
	• GOVERNMENT SECURITIES		NIL
	• OTHERS		NIL

	• LONG TERM INVESTMENTS		NIL
1	QUOTED		
	• SHARES		
	EQUITY		NIL
	PREFERENCE		NIL
	• DEBENTURES AND BONDS		NIL
	• UNITS OF MUTUAL FUNDS		155.40
	• 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 P[ROVISIONS		
1		SECURED	UNSECURED	TOTAL
	a	NIL	NIL	NIL
	b	NIL	1786.59	1786.59
	c	NIL	NIL	NIL
2		NIL	881.89	881.89
	TOTAL	NIL	2668.48	2668.48



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	337.20	8.99
	c OTHER RELATED PARTIES	NIL	NIL
2	OTHER THAN RELATED PARTIES	155.88	187.35
	TOTAL	493.08	196.34

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

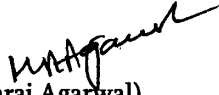
7.

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)  
M.No. 84944

Place: Kolkata  
Date: 30.06.2012

  
Managing Director

Director


  
Company Secretary

**MARDA COMMERCIAL & HOLDINGS LIMITED**

<b>CASH FLOW STATEMENT</b>	<b>31.03.2012 AMOUNT (RS.)</b>	<b>31.03.2011 AMOUNT (RS.)</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax and Extraordinary Items	7,311,707.51	7,418,290.99
Adjustment for :		
Depreciation	54,077.00	138,569.00
Interest Paid	12,650,057.00	1,227,414.00
	<u>20,015,841.51</u>	<u>8,784,273.99</u>
Adjustment for :		
Interest Received	(24,675,165.74)	(11,419,507.60)
Profit on sale of Fixed Assets	(162,220.00)	-
Dividend Received	(387,253.76)	(1,414,132.05)
Operating Profit before Working Capital changes	<u>(5,208,797.99)</u>	<u>(4,049,365.66)</u>
Adjustment for :		
Current Assets	(56,567,394.03)	(62,198,137.30)
Current Liabilities	(971,524.59)	2,644,189.08
(Increase)/ Decrease in Net Current Assets	<u>(62,747,716.61)</u>	<u>(63,603,313.88)</u>
Cash generated from Operations	(62,747,716.61)	(63,603,313.88)
Interest paid	(12,650,057.00)	(1,227,414.00)
Deferred Tax Asset	(4,500.00)	(1,100.00)
Taxation	(2,400,000.00)	(2,000,000.00)
Cash Flow before Extraordinary items	<u>(77,802,273.61)</u>	<u>(66,831,827.88)</u>
Extraordinary Items/Other Provisions	(521,650.00)	(322,900.00)
<b>Net Cash from operating activities (A)</b>	<b><u>(78,323,923.61)</u></b>	<b><u>(67,154,727.88)</u></b>
<b>B. CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale / (Purchase) of Investments	(1,500,000.00)	6,944,191.85
Sale / (Purchase) of Fixed Assets	350,000.00	-
Interest Received	24,675,165.74	11,419,507.60
Dividend Received	387,253.76	1,414,132.05
<b>Net Cash used in investing activities (B)</b>	<b><u>23,912,419.50</u></b>	<b><u>19,777,831.50</u></b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowing	54,749,602.00	49,376,098.00
<b>Net Cash from Financing activities (C)</b>	<b><u>54,749,602.00</u></b>	<b><u>49,376,098.00</u></b>
<b>Net increase in Cash and Cash equivalents (A+B+C)</b>	<b><u>338,097.89</u></b>	<b><u>1,999,201.62</u></b>
Cash and Cash equivalents at the beginning of the year	12,629,626.27	10,630,424.65
Cash and Cash equivalents at the close of the year	<u>12,967,724.16</u>	<u>12,629,626.27</u>
	338,097.89	1,999,201.62

For MAMRAJ & CO.  
Chartered Accountants  
F.R. NO. 006396N  
  
(Mamraj Agarwal)  
Partner  
Membership No. 84944

Place: Kolkata  
Dated : 30.06.2012

  
Managing Director

  
Director

  
Company Secretary