

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MARDA COMMERCIAL & HOLDINGS LTD.

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of M/S Marda Commercial & Holdings Ltd. ("the Company"), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss for the year then ended, Cash Flow Statement and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditors' Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditors' Response
Identification of non-performing assets (Loans) in accordance with the Reserve Bank of India ("the RBI") guidelines (Refer Note 1.14 and 10 to the financial statements)	Our audit approach included testing the design, operating effectiveness of internal controls and substantive audit procedures in respect of asset classification pertaining to loans and advances. In particular:
The Company has given loans and advances amounting to Rs.18,29,09,375/- as at 31st March 2019. Identification of non-performing	we have evaluated the Company's internal control system in adhering to the Relevant





<p>assets (loans and advances) in accordance with relevant Prudential Regulations issued by the RBI in respect of asset classification pertaining to loans and advances (herein after referred as "Relevant RBI guide lines") is a key audit matter due to the current processes at the Company which requires manual interventions, management estimates and judgment and level of regulatory and other stakeholders focus.</p> <p>Accordingly, our audit was focused on asset classification pertaining to advances due to the materiality of the balances</p>	<p>RBI guidelines regarding asset classification pertaining to loans and advances; we have identified and tested the design and implementation as well as operational effectiveness of key control pertaining to monthly monitoring of overdue positions by business and finance team;</p> <p>we have test checked loans and advances to examine the validity of the recorded amounts, loan documentations, examined the manual statement of accounts, indicators of impairment and compliance with asset classification pertaining to loans and advances; and evaluated the management judgement, governance process and review controls over asset classification and discussed the asset classifications with senior management including the Chief Executive Officer, Chief Financial Officer and Head of Credit and Risk.</p>
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**Information Other than the Financial Statements and Auditors’ Report Thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the Board’s Report, but does not include the financial statements and our auditors’ report thereon.

Our opinion on the financial statements does not cover the other information, and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibility of Management for Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.





In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure (A)" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- a. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- b. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- c. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
- e. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. On the basis of the written representations received from the Directors as on 31 March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- h. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197 (16) of the Act, as amended.  
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.





- i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company does not have any pending litigations, which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Nagar Goel & Chawla**

*Chartered Accountants*

ICAI Firm Registration No. : 009933N



**Dharmender Singhal**

Partner

Membership No.: 515984

Place: New Delhi

Date: 30 May 2019



**ANNEXURE (A) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MARDA COMMERCIAL & HOLDING LTD**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

**(i) In respect of its fixed assets:**

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets;

(b) The Company has a regular programme of physical verification of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets;

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no immovable property held in the name of the Company;

(ii) As per the information and explanations provided to us, the Company is in the business of asset management company and does not hold any physical inventories; hence the paragraph 3(ii) of the Order is not applicable to the Company;

(iii) According to the information and explanations given to us, the Company has granted loans parties covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) The Principal and interest are not overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013;

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) According to the information and explanations provided to us, the Company has not accepted any deposits from the public. Accordingly, the directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and rules framed thereunder, are not applicable.

(vi) According to the information and explanations provided to us, the Central Government has not specified for maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the activities carried on by the Company. Hence, the provisions of paragraph 3(vi) of the Order is not applicable to the Company.





(vii) According to the information and explanations given to us in respect of statutory dues;

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as at March 31, 2019 on account of disputes are given below:

Forum where dispute is pending	Amount involved (Rs.)	Amount deposited (Rs.)	PERIOD (A.Y)
<b>Income Tax :-</b>			
CIT(A) 4 Kolkata	18,23,300	3,64,660	2011-12

- (viii) In our opinion and according to the information and explanations given to us, the Company has not raised loan or borrowings from banks, financial institutions, Government or debenture holders during the year under audit and therefore paragraph 3(viii) of the Order is not applicable;
- (ix) According to the information and explanations provided to us, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and not availed the facility of term loans during the year under audit and therefore paragraph 3(ix) of the Order is not applicable;
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year;
- (xi) To the best of our knowledge and according to the information and explanations given to us managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable;
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards;
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit;



- (xv) According to the information and explanations given to us and based on our examination of the records of the Company the Company has not entered into any noncash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) To the best of our knowledge and according to the information and explanations given to us, the Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Nagar Goel & Chawla**

*Chartered Accountants*

ICAI Firm Registration No. : 009933N



**Dharmender Singhal**

Partner

Membership No.: 515984

Place: New Delhi

Date: 30 May 2019





## **ANNEXURE (B) TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MARDA COMMERCIAL & HOLDINGS LTD**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of MARDA COMMERCIAL & HOLDINGS LTD ("the Company") as of 31 March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI')". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

**For Nagar Goel & Chawla**

*Chartered Accountants*

ICAI Firm Registration No. : 009933N



**Dharmender Singhal**

Partner

Membership No.: 515984



Place: New Delhi

Date: 30 May 2019



**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Balance sheet as at 31 March 2019**  
**(All figures are in rupees, except otherwise stated)**

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	2	100,006,000	100,006,000
Reserves and surplus	3	134,109,230	126,298,177
		<u>234,115,230</u>	<u>226,304,177</u>
<b>Current liabilities</b>			
Short-term borrowings	4	91,545,682	83,783,651
Other current liabilities	5	1,799,943	1,586,777
Short-term provisions	6	2,119,867	2,513,931
		<u>95,465,492</u>	<u>87,884,359</u>
<b>Total</b>		<b><u>329,580,722</u></b>	<b><u>314,188,536</u></b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	7	53,037	53,037
Non-current investments	8	127,357,767	127,585,866
Deferred tax assets (net)	9	78,016	84,765
Long-term loans and advances	10	103,789,310	93,672,662
		<u>231,278,130</u>	<u>221,396,330</u>
<b>Current assets</b>			
Inventories	11	2,494,743	2,660,768
Trade receivables	12	45,801	430
Cash and bank balances	13	13,569,355	15,689,078
Short-term loans and advances	10	82,192,693	74,441,930
		<u>98,302,592</u>	<u>92,792,206</u>
<b>Total</b>		<b><u>329,580,722</u></b>	<b><u>314,188,536</u></b>

Notes 1 to 21 form an integral part of these financial statements

As per our report of even date

**For Nagar Goel & Chawla**  
Chartered Accountants  
Firm Regn No - 009933N

**Dharmender Singh**  
(Partner)  
Mem No. 515984  
Date : 30.05.2019  
Place : New Delhi



**For and on behalf of the Board**

*Daulat Ram*

**Daulat Ram Agarwala**  
(Managing Director)  
(DIN:- 00586956)

**Lalit Agarwal**  
(Director)  
(DIN:-00109920)

*Aashish*

**Aashish Agarwal**  
Chief Financial Officer  
PAN No. AEJPA0655G

*Puja Mantri*

**Puja Mantri**  
Company Secretary  
PAN No. DGUMP5770C

**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Statement of profit and loss for the year ended 31 March 2019**  
**(All figures are in rupees, except otherwise stated)**

Particulars	Notes	Year Ended 31 March 2019	Year Ended 31 March 2018
<b>Revenue</b>			
Revenue from operations	14	19,611,372	38,093,065
Other income	15	3,507,937	8,857,301
<b>Total revenue</b>		<b>23,119,309</b>	<b>46,950,366</b>
<b>Expenses</b>			
Purchases of traded goods	16	1,261,728	21,415,144
Changes in inventories of shares	17	166,025	(436,765)
Employee benefit expenses	18	1,284,000	1,703,581
Finance costs	19	9,185,328	8,660,581
Depreciation and amortisation expense	20	-	-
Other expenses	21	1,750,699	1,754,546
<b>Total expenses</b>		<b>13,647,780</b>	<b>33,097,087</b>
<b>Profit before tax</b>		<b>9,471,529</b>	<b>13,853,279</b>
<b>Tax expense</b>			
Current tax		1,662,594	2,100,000
Excess/ (Short) provision of Income tax for earlier years		(8,867)	1,605
Deferred tax		6,749	7,940
<b>Profit for the year</b>		<b>7,811,053</b>	<b>11,743,734</b>
<b>Less: Transferred to Statutory reserve</b>		<b>1,562,211</b>	<b>2,312,856</b>
		<b>6,248,842</b>	<b>9,430,878</b>

**Earnings per equity share of Face Value (Rs 10 each)**

Basic & Diluted	0.78	1.16
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As per our report of even date

**For Nagar Goel & Chawla**

**Chartered Accountants**

**Firm Regn No - 009933N**

Dharmender Singhal  
(Partner)

Mem No. 515984

Date : 30.05.2019

Place : New Delhi



**For and on behalf of the Board**

*Daulat Ram*

**Daulat Ram Agarwala**  
(Managing Director)  
(DIN:- 00586956)

**Lalit Agarwal**  
(Director)  
(DIN:-00109920)

*Aashish*

**Aashish Agarwal**  
Chief Financial Officer  
PAN No. AEJPA0655G

*Puja Mantri*

**Puja Mantri**  
Company Secretary  
PAN No. DGUMP5770C



**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Cash Flow Statement For The Year Ended 31st March 2019**  
**(All figures are in rupees, except otherwise stated)**

PARTICULARS	As at 31st March, 2019	As at 31st March, 2018
<b>A. Cash Flow from Operating Activities</b>		
Net Profit /(Loss) before Tax	9,471,529	13,853,279
<b>Adjustments for</b>		
Provision for standard assets	43,342	(179,452)
<b>Operating profit before Working Capital Changes</b>	<b>9,514,871</b>	<b>13,673,827</b>
<b>Adjustments for Working capital Changes:</b>		
Current Assets		
(Increase)/Decrease in Short term loan & Advances	(7,750,763)	81,606,441
(Increase)/Decrease in Inventory	166,025	(436,765)
(Increase)/Decrease in Trade receivables	(45,370)	22,576
Increase/(Decrease) in Current Liabilities	213,166	(1,532,739)
<b>Cash used in operations</b>	<b>2,097,929</b>	<b>93,333,340</b>
Income tax paid	(2,091,133)	(3,023,358)
<b>Net cash from operating activities (A)</b>	<b>6,796</b>	<b>90,309,982</b>
<b>B. Cash flow from Investing Activities</b>		
Sale/(Purchase) of investments (Net)	228,099	(72,707,969)
(Increase)/Decrease in Long term loan & Advances	(10,116,648)	(9,130,547)
<b>Net Cash used in investing activities (B)</b>	<b>(9,888,549)</b>	<b>(81,838,516)</b>
<b>C. Cash flow from Financing Activities</b>		
Proceeds from Short term Borrowings	7,762,031	-
Repayment of Short term Borrowings		(25,846,290)
<b>Net Cash from Financing Activities (C)</b>	<b>7,762,031</b>	<b>(25,846,290)</b>
Net Increase/(Decrease) in cash & cash equivalents (A+B+C)	(2,119,722)	(17,374,824)
Cash and Cash Equivalent at the beginning	15,689,078	33,063,902
<b>Cash and Cash Equivalent at the end of the year</b>	<b>13,569,355</b>	<b>15,689,078</b>

**For Nagar Goel & Chawla**  
**CHARTERED ACCOUNTANTS**  
Firm Regn No - 009933N

**Dharmender Singhal**  
(Partner)

Mem No. 515984  
Date : 30.05.2019  
Place : New Delhi



**For and on behalf of the Board of Directors**

*Daulat Ram Agarwala*  
**Daulat Ram Agarwala**  
(Managing Director)  
(DIN:- 00586956)

*Lalit Agarwal*  
**Lalit Agarwal**  
(Director)  
(DIN:-00109920)

*Aashish Agarwal*  
**Aashish Agarwal**  
Chief Financial Officer  
PAN No. AEJPA0655G

*Puja Mantri*  
**Puja Mantri**  
Company Secretary  
PAN No. DGUMP5770C

## MARDA COMMERCIAL & HOLDING LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2019

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1. **CORPORATE INFORMATION, SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**  
MARDA COMMERCIAL & HOLDING LIMITED. ("The Company") was incorporated on 29th January, 1990 under Registrar of Companies under the provision of the Companies Act, 1956. The main objects of the company are to provide the fund based financial services etc.

1.1 **BASIS OF ACCOUNTING**

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The financial statements are prepared in accordance with the accounting standards notified by the Central Government, in terms of section 133 of the Companies Act, 2013 read with Rule 7 and the guidelines issued by the Reserve Bank of India ('RBI') as applicable to a Non-Banking Finance Company ('NBFC'). The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

1.2 **USE OF ESTIMATES**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statement and the reported amount of revenues and expenses during the reporting periods. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

**CURRENT-NON-CURRENT CLASSIFICATION**

All assets and liabilities are classified into current and non-current as per instruction given in schedule III of the Companies Act, 2013 preparation of balance sheet and statement of profit and loss of a company

**i) Assets:**

An asset is classified as **current asset** when it satisfies any of the following criteria:

- (1) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is expected to be realized within 12 months after the reporting date; or
- (4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

**ii) Liabilities:**

A liability is classified as **current liabilities** when it satisfies any of the following criteria:

- (1) It is expected to be settled in the Company's normal operating cycle;
- (2) It is held primarily for the purpose of being traded;
- (3) It is due to be settled within 12 months after the reporting date; or
- (4) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.





## MARDA COMMERCIAL & HOLDING LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2019

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#### *Operating cycle*

Operating cycle is the time between the acquisition of assets and their realization in cash or cash equivalents. The Company has ascertained its operating cycle being a period within 12 months for the purpose of classification of assets and liabilities as current and non-current.

#### **1.3 REVENUE RECOGNITION**

- a) Interest income is recognized on accrual basis except in case of non-performing assets where it is recognized upon realization as per RBI Guidelines.
- b) Penal interest is recognized as income on realization.
- c) Dividend income is accounted on an accrual basis when the company's right to receive the dividend is established.

#### **1.4 INVESTMENTS**

Current investments are carried at lower of cost and quoted/fair value, computed category-wise. Non Current investments are stated at cost. Provision for diminution in the value of Non Current investments is made only if such a decline is other than temporary.

#### **1.5 FIXED ASSETS**

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred upto the date of commissioning of the assets. Fixed assets under construction, and cost of asset not ready to use before the reporting date are disclosed as capital work in progress. Assets held for disposal are stated at their estimated residual values as at the balance sheet date.

Assets individually costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Capital work-in-progress is carried at Cost including direct and indirect cost, incidental expenditure related to assets, and on completion, such costs are allocated to respective fixed assets.

Depreciation on Fixed Assets is provided on Written down Value (WDV) method over period of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

#### **1.6 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits with banks with original maturity of three months or less.

#### **1.7 BORROWING COST**

Borrowing cost attributable to the acquisition or construction of qualifying assets is capitalized as a part of those assets. Other Borrowing Costs are recognized as an expense in the period to which they relate.



## **MARDA COMMERCIAL & HOLDING LIMITED**

### **Notes Forming Part of the Financial Statements for the Year Ended March 31, 2019**

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#### **1.8 CASH FLOW STATEMENT**

Cash flows are reported using indirect method whereby a profit before tax is adjusted for the effects of transaction of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from operating, investing and financing activities of the Company are segregated.

#### **1.9 EARNING PER SHARE**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **1.10 TAXATION**

- i) **Current Tax:** Provision for current tax is made on the estimated taxable income at the rate applicable to the relevant assessment year.
- ii) **Minimum Alternative Tax :** The income tax liability as per normal provisions of the Income Tax Act, 1961 is higher than the tax payable as per section 115JB ( Minimum Alternative Tax ), therefore, tax is provided as per normal provisions of the Income Tax Act, 1961.
- iii) **Deferred Tax:** In accordance with the Accounting Standard, the deferred tax for the timing difference is measured using the tax rates and tax laws that have been enacted or substantially enacted by the Balance Sheet date.

Deferred tax assets arising from timing difference are recognized only on the consideration of prudence.

#### **1.11 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company recognises Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Liabilities which are material, and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent, and disclosed by way of notes to the accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.

- 1.12 Accounting policies not specifically referred to otherwise are consistent and in accordance with generally accepted accounting principles.





## MARDA COMMERCIAL & HOLDING LIMITED

### Notes Forming Part of the Financial Statements for the Year Ended March 31, 2019

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#### 1.13 Prudential Norms of the Reserve bank of India (RBI)

The Prudential Norms of the RBI require the company to derecognize certain income and make provisions for non-performing assets.

In compliance with Guidelines prescribed by Reserve Bank of India for NBFCs, the Company has

- a) Provision on Standard Assets has been made @ 0.25% Amounting to Rs. 43,342/- (Previous year Reversal of provision of Rs. 179,542/-)
- b) Appropriated 20% of the Net Profit Rs. 1,562,211/- (Previous year Rs. 2,312,856/-) to Special Reserve fund.

**1.14** The company has no amounts due to suppliers under The Micro Small and Medium Enterprises Development Act, 2006, [MSMED Act] as at 31st March, 2019.

**1.15** There are no amounts due and outstanding to be credited to Investor Education & Protection Fund as at 31st March, 2019.







**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All figures are in rupees, except otherwise stated)**

<b>3 Reserves and surplus</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>Surplus in the statement of profit and loss</b>		
Balance as per last financial statements	100,769,805	91,338,927
Add : Profit for the year	6,248,842	9,430,878
<b>Net Surplus in the statement of profit and loss</b>	<b>107,018,647</b>	<b>100,769,805</b>
<b>Statutory Reserve</b>		
Balance as per last financial statements	25,528,372	23,215,516
Add: During the year	1,562,211	2,312,856
	27,090,583	25,528,372
<b>Total Reserves and surplus</b>	<b>134,109,230</b>	<b>126,298,177</b>
	<b>31 March 2019</b>	<b>31 March 2018</b>
<b>4 Short Term Borrowings</b>		
<b>Unsecured</b>		
- From Related Party	91,545,682	83,783,651
- From Others	-	-
<b>Total borrowings</b>	<b>91,545,682</b>	<b>83,783,651</b>
<b>5 Other current liabilities</b>		
Expenses payable	1,799,943	1,586,777
	<b>1,799,943</b>	<b>1,586,777</b>
<b>6 Short Term Provisions</b>		
<b>Statutory Provision</b>	413,931	593,383
Opening Balance		
Add : Transfer from/(to) Profit & Loss A/c	43,342	(179,452)
	457,273	413,931
Provision for taxation	1,662,594	2,100,000
	<b>2,119,867</b>	<b>2,513,931</b>



**MARDA COMMERCIAL & HOLDINGS LIMITED**  
 Notes to the financial statements for the year ended 31 March 2019  
 (All figures are in rupees, except otherwise stated)

**7 Tangible assets**

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01st APRIL, 2018	ADDITIONS DURING THE YEAR	DELETIONS DURING THE YEAR	AS AT 31st MARCH, 2019	UP TO 31st MARCH, 2018	FOR THE YEAR	ADJUSTMENTS FOR DELETIONS DURING THE YEAR	OTHER ADJUST MENTS	TOTAL UP TO 31st MARCH, 2019	AS AT 31st MARCH, 2019	AS AT 31st MARCH, 2018
Car	1,060,735.00	-	-	1,060,735.00	1,007,698.00	-	-	-	1,007,698.00	53,037.00	53,037.00
Total	1,060,735.00	-	-	1,060,735.00	1,007,698.00	-	-	-	1,007,698.00	53,037.00	53,037.00
Previous Year	1,060,735.00	-	-	1,060,735.00	1,007,698.00	-	-	-	1,007,698.00	53,037.00	53,037.00





**MARDA COMMERCIAL & HOLDINGS LIMITED**  
**Notes to the financial statements for the year ended 31 March 2019**  
**(All figures are in rupees, except otherwise stated)**

**8 Non Current Investments**

	<u>31 March 2019</u>		<u>31 March 2018</u>	
Flats in Jaypee Green		66,108,691		66,108,691
<b>Other investments</b>	<b>Quantity</b>	<b>Trade</b>		<b>Trade</b>
<b>Investment in Unquoted equity shares</b>				
Advance Hightech Agro Products Limited (Face Value Rs. 10/-)	50,000	150,000	50,000	150,000
Tirupati Structural Limited (Face Value Rs. 10/- each)	1,447,900	748,600	1,447,900	748,600
Farsight Securities Limited (Face value Rs. 10/- each)	45,000	450,000	45,000	450,000
		<u>1,348,600</u>		<u>1,348,600</u>
<b>Investment in Mutual Fund (Units)</b>				
Reliance Mutual Fund.	5,370,761	56,500,000	5,370,761	56,500,000
Aditya Birla Mutual fund	15,171	3,400,476	16,189	3,628,575
		<u>59,900,476</u>		<u>60,128,575</u>
<b>Aggregate amount of Investment</b>		<u>127,357,767</u>		<u>127,585,866</u>
Break Up Value of Unquoted equity shares		1,348,600		1,348,600
NAV of Units of Mutual Fund		59,900,476		60,128,575
		<u>61,249,076</u>		<u>61,477,175</u>
<b>9 Deferred tax Assets (Net)</b>		<u>31 March 2019</u>		<u>31 March 2018</u>
Timing difference on tangible assets depreciation and impairment		78,016		84,765
<b>Total</b>		<u>78,016</u>		<u>84,765</u>
<b>Net deferred tax asset / (liability)</b>		<u>78,016</u>		<u>84,765</u>
<b>10 Loans and advances</b>		<u>31 March 2019</u>		<u>31 March 2018</u>
<b>Long Term</b>				
- Unsecured, considered good				
- To Related Party		103,789,310		93,672,662
		<u>103,789,310</u>		<u>93,672,662</u>
<b>Short Term</b>				
<b>Other loans and advances</b>				
- Unsecured, considered good				
- To Related Party		52,147,628		47,017,745
- To Others		26,972,437		24,882,190
Income Tax & TDS		3,072,628		2,541,995
		<u>82,192,693</u>		<u>74,441,930</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.



**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2019

(All figures are in rupees, except otherwise stated)

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

	No of Shares	31 March 2019	No of Shares	31 March 2018
<b>Mutual Funds</b>				
<b>ETF LIQUIDBEES</b>				
R Shares Liquid Bees	1,265.84	1,265,839	2,454	2,453,608
<b>Quoted Shares</b>				
Bharti Airtel	345	114,919	345	137,552
DIVI'a Laboratories	60.00	102,186		
MARUTI SUZUKI INDIA LTD.	31.00	206,849		
MOTILAL OSWAL FINANCIAL SERVICES LTI	195.00	117,409		
NESTLE INDIA	9.00	98,648		
SOLAR INDUATRIES	225.00	244,035		
Indian Oil Corporation	800	130,280	800	69,608
YES BANK	780.00	214,578		
		<b>2,494,743</b>		<b>2,660,768</b>
Less: Devaluation In Stock( as per Market Price)		-		-
		<b>2,494,743</b>		<b>2,660,768</b>
<b>Market Value of Quoted Equity Shares</b>		<b>1,228,904</b>		<b>207,160</b>
<b>Market Value of Units of Mutual Fund</b>		<b>1,265,839</b>		<b>2,453,608</b>

**12 Trade receivables**

	31 March 2019	31 March 2018
Other debts		
Unsecured considered good	45,801	430
		430
<b>Total Trade Receivables</b>	<b>45,801</b>	<b>430</b>

**13 Cash and bank balances**

	31 March 2019	31 March 2018
<b>Cash and cash equivalents</b>		
Cash in hand (As Certified By Management)	23,189	5,689
Balances with banks		
- in current accounts	895,989	3,715,785
FDR With Scheduled Bank	10,740,456	10,740,456
Interest accrued on FDR	1,909,722	1,227,148
<b>Total</b>	<b>13,569,355</b>	<b>15,689,078</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.





**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2019

(All figures are in rupees, except otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
<b>14 Revenue</b>		
<b>Revenue from operations</b>		
Interest	18,308,556	16,711,320
Sale of Shares	1,302,816	21,381,745
	<u>19,611,372</u>	<u>38,093,065</u>
<b>Revenue from operations (Net)</b>	<u>19,611,372</u>	<u>38,093,065</u>
<b>15 Other income</b>		
Dividend	2,922,937	3,956,097
Profit from sale of Listed Equity Shares	-	4,716,700
Rental Income	585,000	
Misc income	-	5,052
Reversal of Provision for standard assets		179,452
	<u>3,507,937</u>	<u>8,857,301</u>
<b>16 Purchases</b>		
Purchase of shares	1,261,728	21,415,144
Purchase of MF units	-	-
	<u>1,261,728</u>	<u>21,415,144</u>
<b>17 Changes in inventories</b>		
<b>Opening stock</b>		
Shares & Securities (A)	2,660,768	2,224,003
<b>Closing stock</b>		
Shares & Securities (B)	2,494,743	2,660,768
	<u>166,025</u>	<u>(436,765)</u>
<b>18 Employee benefit expense</b>		
Salaries, wages and bonus	684,000	1,103,581
Director's Remuneration	600,000	600,000
	<u>1,284,000</u>	<u>1,703,581</u>
<b>19 Finance costs</b>		
Interest expenses	9,182,334	8,652,742
Bank charges	2,994	7,839
	<u>9,185,328</u>	<u>8,660,581</u>



**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2019

(All figures are in rupees, except otherwise stated)

	<u>31 March 2019</u>	<u>31 March 2018</u>
<b>20 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also, refer note 7)	-	-
	<u>-</u>	<u>-</u>
<b>21 Other expenses</b>		
Payments to auditors		
- Audit Fees	59,000	59,000
- Tax Audit Fees	17,700	17,700
Internal Audit Fees	25,000	25,000
Advertisement	-	11,647
Demat Charges	-	12,078
Depository Charges	106,200	104,076
Filing Fees	1,350	-
Loss on conversion of investment	-	1,050,000
General & Other Charges	44,375	83,726
Legal & Professional Charges	38,400	116,004
Listing Fees	29,500	40,250
Postage	7,500	7,885
Profession Tax	-	2,500
Profession Tax For Employees	-	142
Printing and stationery	20,581	23,950
Loss on sale of Mutual Fund	-	-
GST on trading of shars	844	10,601
Loss on sale on Unlisted Shares	33,530	-
Rent	108,000	108,000
Rates & Taxes	20,800	-
RTA Fees	19,175	23,488
STT Charges	1,879	32,515
Travelling & Conveyance Charges	2,000	13,420
Building maintenance	1,171,522	-
Veichle Running and Main	-	12,565
Provision for standerd assets	43,342	-
	<u>1,750,699</u>	<u>1,754,546</u>





**MARDA COMMERCIAL & HOLDINGS LIMITED**

Notes to the financial statements for the year ended 31 March 2019

(All figures are in rupees, except otherwise stated)

22	<b>Earning per share</b>	<b>31 March 2019</b>	<b>31 March 2018</b>
	Profit attributable to equity shareholders	7,811,053	11,743,734
	Weighted average number of equity shares outstanding at the end of the year	10,000,600	10,000,600
	Basic and Diluted earning per share (Face value of Rs. 10/- each)	0.78	1.17

**23 Related Party Disclosures**

**a. Name of related parties and relationship**

**i) Key Managerial Personnels**

DAULAT RAM AGARWALA

AASHISH AGARWAL

PUJA MANTRI

**ii) Others**

Tak Buildtech Pvt Ltd

Advance Steel Tubes Ltd.

Tirupati Structurals Ltd.

Kaveri Pipes

**b. Transaction with related parties**

Particulars	31 March 2019		31 March 2018	
	Key Management personal	Others	Key Management personal	Others
Loan Repaid	-	-	-	33,000,000
Interest received	-	16,885,035	-	15,593,863
Interest paid	-	9,162,898	-	8,652,742
Salary Paid	684,000	-	780,000	-
Remuneration Paid	600,000	-	600,000	-
Rent paid	108,000	-	108,000	-
Advance Given received back	-	-	-	22,404,900

**C. Closing balance with related parties**

Particulars	31 March 2019		31 March 2018	
	Key Management personal	Others	Key Management personal	Others
Short Term Borrowings	-	91,545,682	-	83,299,074
Salary Payable	285,000	-	240,000	-
Loans and advances	-	155,936,938	-	140,690,407

**24 Payment to Auditors (Inclusive of GST)**

	<b>31 March 2019</b>	<b>31 March 2018</b>
Statutory audit fee	59,000	59,000
Tax audit fee	17,700	17,700
	<b>76,700</b>	<b>76,700</b>

25 During the FY 2018-19, the company has paid managerial remuneration of Rs. 6,00,000/- to director.



**MARDA COMMERCIAL & HOLDINGS LIMITED**

**Notes to the financial statements for the year ended 31 March 2019**

**(All figures are in rupees, except otherwise stated)**

**26 Defined Benefit Plans**

The provisions of the Payment of Gratuity Act, 1972, are not applicable to the company as the number of employees employed in the company is less than 10.

**27 Foreign Currency Transactions**

No foreign currency transaction was entered into by the company during the FY 2018-19 and 2017-18.

**28 Segment Reporting**

The company is engaged in only one segment i.e. Advancing of loans. Therefore, no separate disclosure for segment reporting is required.

**29 CSR Expenditure**

The company is not required to spend any amount on account of Corporate Social Responsibilities activities as per the provisions of Section 135 of the Companies Act, 2013.

**30 Contingent Liabilities**

There were no contingent liabilities outstanding as on 31.03.2019 and 31.03.2018.

**31 Previous year comparatives**

Previous year figures have been regrouped/ rearranged, wherever necessary to conform with the current year classifications.

**As per our report of even date**

**For and on behalf of the Board**

**For Nagar Goel & Chawla**

Chartered Accountants

Firm Regn No - 009933N

**Dharmender Singhal**

(Partner)

Membership No. 515984

Date : 30.05.2019

Place : New Delhi



*Daulat Ram*  
**Daulat Ram Agarwala**  
(Managing Director)  
(DIN:- 00586956)

*Aashish*  
**Aashish Agarwal**  
Chief Financial Officer  
PAN No. AEJPA0655G

*Lalit Agarwal*  
**Lalit Agarwal**  
(Director)  
(DIN:-00109920)

*Puja Mantri*  
**Puja Mantri**  
Company Secretary  
PAN No. DGUMP5770C