

AUDITOR'S REPORT

To the members of **MARG TECHNO PROJECT LIMITED**

We have audited the attached Balance Sheet of MARG TECHNO PROJECT LIMITED as at 31st MARCH 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on this Financial Statement based on our audit.

We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statement. 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.

1. As required by the Companies (Auditor's Report) Order 2003 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
2. Further to our comments in the Annexure referred to in paragraph 1 above, we report that :
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) In our opinion, proper books of accounts as required by Law have been kept by the Company so far as it appears from our examination of those books, and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
 - (c) The Balance Sheet and the Profit and Loss Account dealt with by this report are in agreement with the books of accounts.

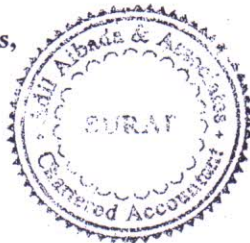


- (d) In our opinion, the Profit and Loss Account and Balance Sheet mentioned above complied with the mandatory accounting standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
- (e) Since we have not received any representation from directors. We are not in a position to comments regarding to their disqualification under clause (g) of sub section (I) of section 274 of Companies Act, 1956 as on **31.03.2010**.
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with required by the Companies Act, 1956 in the manner so required and give a true and fair view : Subject to accounts Notes given.
- (i) In the case of the Balance Sheet, of the state of affairs of the Company as at **March 31,2010** and
- (ii) In the case of the Profit and Loss Account, of the Loss of the Company for the year ended on that date.

As per Our Report of Even Date,

**For Adil Aibada & Associates,
Chartered Accountants,**


Proprietor.
Membership No.045310.



SURAT, 01.09.2010.

ANNEXURE TO THE ADITORS REPORT FOR
THE YEAR ENDED ON 31-03-2010.

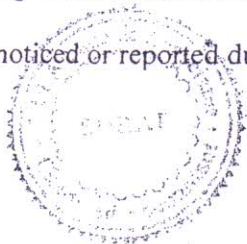
- [1] In respect of Fixed Assets
- (a) The Company is maintaining proper record to show full particulars including quantitative details and situation of fixed assets. These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification.
- (b) The fixed assets have not been revalued during the year.
- [2] The physically verification of Stock is not applicable to the company. The Company has in many cases not maintained proper records showing full particulars of loan granted and interest received/receivable from them.
- [3] The Company has not taken any loan from Companies, firms or other parties listed in the register maintained U/s. 301 of the Companies Act, 1956. We are informed that there are companies under the same management within the meaning of Section 370 (1B) of the Companies Act, 1956.
- [4] The Company has granted loans, secured and unsecured to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. We are informed that there are companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956.



- [5] Loans and advances in the nature of loans given by the Company are generally being not repaid as stipulated.
- [6] In our opinion and according to the information and explanations given to us, there are no internal control procedures commensurate with the size of the company and the nature of its business in respect of the purchase of equipment and other assets.
- [7] The Company has not accepted deposits from the public.
- [8] In our opinion, the Company has no internal audit system commensurate with the size and the nature of its business.
- [9] As per information given to us, the Central Government has not prescribed the maintenance of cost records under section 209(i)(d) of the Companies Act.
- [10] According to the records of the Company examined by us, there were disputed amount of Rs. 27,06,104/- for A.Y. 2003-2004 and the same will become NIL as per CIT(Appeal)'s order date 12/04/2006 payable in respect of income tax outstanding as at 31st March'2006 for a period of more than six months from the date they became payable.
- [11] The Company has loss during the financial year covered by our audit.
- [12] Based on our audit procedures and according to the information and explanation given to us, the Company taken loan from Diamond Jubilee Co-operative Bank Ltd. Surat. The Bank is presently under liquidation. The matter is under subjudice.



- [13] In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- [14] In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund society. Therefore clause 4(xii) of the Companies (Auditors Report) order 2003 is not applicable to the company.
- [15] The Company has transactions and contracts in respect of trading in securities, debentures and other investments. As inform to us Company has not yet open a demat account.
- [16] The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- [17] The Company has not raised any new term loans during the year.
- [18] According to the information and explanations given to us, no short term funds utilized for the long term borrowing during the year under audit.
- [19] During the year, the company has not made any preferential allotment of Shares.
- [20] The Company has no debenture, issue and hence creation of securities is not applicable.
- [21] The Company has not raised any money by public issue during the year and hence clause (xx) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
- [22] In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.



[23] The Company obtained Registration Certificate from RBI as running the business as non banking financial Company.

[24] As the Company is not accepting public deposits; the Board of Directors has passed a resolution for non-acceptance of any public deposits. Thus, the company has not accepted the deposits from the public.

[25] As the company is not transfer to Special Reserve of 20% during the year under audit as company has loss during the period under audit.

For ADIL AIBADA & ASSOCIATES,
Chartered Accountants,



(Adil Aibada)
Proprietor.

Membership No. 045310.

SURAT, 01.09.2010.



M/S. MARG TECHNO PROJECTS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2010

Particulars	Sch.	As at 31.3.2010	As at 31.3.2009
SOURCE OF FUNDS			
[1] SHARE HOLDERS' FUNDS			
[A] SHARE CAPITAL	1	60,000,000	60,000,000
[B] RESERVES & SURPLUS	2	(1,976,733)	(1,766,295)
Total (a) ...		58,023,267	58,233,705
[2] LOAN FUNDS			
[A] SECURED LOANS	3	43,853,968	43,853,968
Total (b) ...		43,853,968	43,853,968
Total (a+b) ...		101,877,235	102,087,673
APPLICATION OF FUNDS			
[1] FIXED ASSETS : GROSS BLOCK			
LESS : DEPRECIATION	4	1,585,617	1,581,717
Total (c) ...		1,119,524	1,068,062
[2] INVESTMENTS A/C			
Total (d) ...	5	16,893,457	16,993,457
[3] CURRENT ASSETS, LOANS & ADVANCES			
[A] LOANS & ADVANCES & SUNDRY DEBTORS		84,985,680	84,981,480
[B] CASH & BANK BALANCE	6	42,945	49,753
		85,028,625	85,031,233
LESS : CURRENT LIABILITIES & PROVISIONS			
[A] CURRENT LIABILITIES	7	510,940	450,672
Total (e) ...		84,517,685	84,580,561
Total (c+d+e+f) ...		101,877,235	102,087,673

As per our report of even date,
For Adil Aibada & Associates,
Chartered Accountants



Proprietor.
Membership No. 045310



SURAT, 01.09.2010.

For MARG TECHNO PROJECTS LIMITED.




DIRECTORS.

M/S. MARG TECHNO PROJECTS LIMITED

**Profit & Loss Account
For the year ended on 31st March, 2010**

Particulars	Sch.	As at 31.03.2010	As at 31.03.2009
<u>INCOME</u>			
INTEREST INCOME		407,900	1,158,757
		407,900	1,158,757
<u>EXPENDITURE</u>			
ADMINISTRATIVE EXPENSES	8	566,876	1,547,097
DEPRECIATION		51,462	57,073
OPERATING PROFIT		618,338	1,604,170
PROFIT BEFORE TAX		(210,438)	(445,413)
LESS : INCOME-TAX PROVISION		(210,438)	(445,413)
PROFIT AFTER TAX		-	-
LESS : TRANSFERRED TO SPECIAL RESERVE		(210,438)	(445,413)
		(210,438)	(445,413)

As per our report of even date,
For Adil Aibada & Associates,
Chartered Accountants



Proprietor.
Membership No. 045310

SURAT, 01.09.2010.



For MARG TECHNO PROJECTS LIMITED.




DIRECTORS.

MARG TECHNO PROJECTS LTD.

SCHEDULE FORMING PART OF THE BALANCE-SHEET AS ON 31ST MARCH, 2010

Particulars	As at 31.3.2010	As at 31.3.2009
SCHEDULE- 1 : SHARE CAPITAL		
<u>AUTHORISED SHARE CAPITAL</u> 7510000 EQUITY SHARES OF RS.10/- EACH.	75,100,000	75,100,000
<u>ISSUED, SUBSCRIBED & PAID UP</u> 6000000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP.	60,000,000	60,000,000
	60,000,000	60,000,000
SCHEDULE- 2 : RESERVES & SURPLUS		
SPECIAL RESERVES	451,948	451,948
GENERAL RESERVES : PROFIT & LOSS ACCOUNT	1,461,334	1,461,334
ADD: PROFIT FOR THE YEAR	(7,474,800)	(7,264,362)
RESERVES FOR BAD DEBTS	3,584,785	3,584,785
	(1,976,733)	(1,766,295)
SCHEDULE- 3 : SECURED LOANS		
SECURED LOAN FROM BANK	43,853,968	43,853,968
	43,853,968	43,853,968
SCHEDULE- 5 : INVESTMENTS		
<u>[A] QUOTED SHARES</u>		
AMI URJA VIKALP LTD (Market value no available)	3,448,000	3,448,000
OCTOGAN INDUSTRIES LTD (Market value Rs. 3/- per shares of face value of Rs. 10/-)	2,435,000	2,435,000
<u>[B] UNQUATED SHARES : PRIME HEALTH CARE LTD.</u>	150,000	150,000
<u>[C] SHARE INVESTMENT & APPLICATION MONEY</u>		
INARA FINANCIAL SERVICES LTD	5,135,000	5,235,000
DIAMOND JUBILEE BAN LTD	375,000	375,000
BHIKSHU PRINTS PRIVATE LTD.	1,582,361	1,582,361
MINAXI FASHION	630,000	630,000
AGRAWAL TRANS. CO.	2,160,000	2,160,000
JBFS LTD	978,096	978,096
	16,893,457	16,993,457



SCHEDULE : 4 : FIXED ASSETS

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.09	ADDITION (DEDUCTION)	TOTAL	TOTAL UP TO 31.03.10	FOR THE YEAR	TOTAL UP TO 31.03.10	AS AT 31.03.10	AS AT 31.03.09
OFFICE EQUIPMENT	165,415	-	165,415	114,882	5,053	119,935	45,480	50,533
FURNITURE & DEAD STOCK	1,052,050	-	1,052,050	742,244	30,981	773,225	278,825	309,806
CYCLE	7,000	-	7,000	4,975	202	5,177	1,823	2,025
COMPUTER	357,252	3,900	361,152	205,961	15,226	221,187	139,965	151,291
THIS YEAR...	1,581,717	3,900	1,585,617	1,068,062	51,462	1,119,524	466,093	513,655
PREVIOUS YEAR	1,574,517	-	1,581,717	1,010,989	57,073	1,068,062	513,655	570,728



SCHEDULE- 6 : CASH 7 BANK BALANCE

CASH BALANCE	31,322	25,731
STATE BANK OF INDIA	7,242	-
CANARA BANK	545	545
SARDAR VALLABHBHAI SAHKARI BANK	930	930
GUJARAT MERCANTILE CO OP BANK-A'BAD	(5,623)	(5,623)
THE BHOOJ MERCANTILE CO OP BANK-A'BAD	6,200	6,200
THE SURVIKAS PEOPLES CO OP BANK-A'BAD	965	965
THE SURAT DISTRICT CO-OP. BANK-SURAT	1,364	21,005
	42,945	49,753

SCHEDULE- 7 : CURRENT LIABILITIES & PROVISIONS

AUDIT FEES PAYABLE	77,100	72,900
D K NAIR	246,340	147,340
PRIME SERVICES - KUNJAL DALAL	-	40,432
A. K. RAMAKRISHNAN	187,500	190,000
	510,940	450,672

SCHEDULE- 8 : ADMINISTRATIVE EXPS

AUDIT FEES	19,200	19,200
INCOME TAX	480	-
BANK CHARGES	3,590	593
COMPUTER REPAIRS & MAINTANANCE	11,011	7,760
CONVEYANCE/VEHICLE EXPS	4,060	-
DIRECTORS' REMUNERATION	120,000	120,000
ELECTRICITY EXPS	3,610	10,267
LEGAL/PROFESSIONAL AND CONSULTANCY FEES	5,600	23,112
OFFICE/MISC. EXPS	136	11,745
OFFICE REPAIRS & MAINTANANCE EXPS	250	13,351
OFFICE RENT	36,000	36,000
POSTAGE & TELEGRAMS EXPS	60	534
PROFESSIONAL TAX	7,696	-
MUNICIPAL TAX	20,595	-
SALARIES	288,000	780,000
STAFF BONUS	24,000	70,993
STATIONERY & PRINTING	15,567	3,542
SHARE SOLD LOSS	-	450,000
TELEPHONE EXPENSES	3,921	-
TRAVELLING EXPENSES	3,100	-
	566,876	1,547,097



M/S. MARG TECHNO PROJECT LIMITED
FOR THE YEAR ENDED ON 31st March 2010.

1. Previous figures have been regrouped and rearranged in order to make them comparable with current year figures.
2. All Balance of Creditors, Loans Advances, Sundry Creditors and Receivables etc are subject to confirmation of the parties concerned.
3. Details of employees who are in receipt of remuneration of Rs. 12,00,000/ and above or employed for part of the year of Rs. 1,00,000/ per month: NIL
4. The company has given finance to various firms/parties with out documents and securities. We recommend to obtain adequate securities on high value finance and to collect loan documents and letter of confirmations from these parties. We have been informed that the interest is not charges on the said accounts.
5. There is Loss during the year under audit and hence the Company has not required to make 20% Provision of Special Reserves as per RBI norms.
6. In some cases, the loan documents were not obtained. We recommend following rules and regulations strictly by appointing a qualified/suitable person to handle the said works. An internal auditor may also be appointed to review adherence of rules and regulations then and there to maintain proper control over all systems and procedures.
7. Investments in different Private and Public companies are not generating any income, we recommend reinvesting the above funds in shares of good companies to generate attractive rate of returns.
8. During the year under audit the Company is not provided interest on working Capital limit of Rs. 4,38,53,968/- availed from Diamond Jubilee Co-operative Bank. The Bank is presently under liquidation. The matter is under subjudice.
9. During the year under audit company received interest from some of the parties. The company credited the interest received as Income. In many cases of Loans given, parties are not located or not repaid interest or principal. The effect of the same parties are not entered in books, so the company is not followed the NBFC norms. The Company has initiated legal action for recovering and matter is under subjudice.

The company informed us in many cases they filed a suit in court for collecting money. The total number of the suit filed is one hundred and thirty parties. We strongly recommend to collect the money from such parties.



- (L) Managerial Remuneration paid to Managing Director and other Directors Rs. 240000/- (Previous year 240000/-)
- (M) PAYMENT TO AUDITOR : A/C. YEAR 2009-2010 A/C. YEAR 2008-2009
- | | | |
|----------------------|-----------|-----------|
| | Rs. 19200 | Rs. 19200 |
| | ----- | ----- |
| Auditor Remuneration | Rs. 19200 | Rs. 19200 |
| | ===== | ===== |
- (N) Additional information pursuant to schedule VI of the companies Act, 1956 is disclosed to the extent applicable to the company.
- (O) The company has during the year adopted Accounting standard (AS-22) "Accounting for taxes on income" issued by the Institute of C.A. of India. As there are no profit no tax is provided.
- (P) Earning per Share (0.89)
- (Q) Segment Reporting – Company operates for giving finance to different parties.
- (R) Related party disclosures are required by AS-18. As informed to us M/s Shankar Publication Pvt. Ltd., Marg Express Media Services Ltd. and Marg Finstock Ltd. are related Company.

For ADIL AIBADA & ASSOCIATES,
Chartered Accountants,



Proprietor.
(Adil Aibada)
Membership No. 045310.

SURAT, 01.09.2010.



For MARG TECHNO PROJECT LTD.



BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.	19764
State Code	04
Balance Sheet Date	13th September'2009

2 CAPITAL RAISED DURING THE YEAR (RS. IN THOUSANDS)

Public Issue	Nil	Right issue	Nil
Bonus Issue	Nil	Private Placement	Nil

3 POSITION OF MOBILISATION AND EMPLOYMENT OF FUNDS (RS. IN THOUSANDS)

Total Liabilities	101877.235	Total Assets	101877.235
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SOURCES OF FUNDS

Capital	60000.000	Reserves & Surplus	2157.326
Secured Loans	43853.968	Unsecured Loans	0.00

APPLICATION OF FUNDS

Net fixed Assets	466.093	Investments	16893.457
Net Current Assets	84517.685	Misc. Expenditure	Nil
Accumulated Losses	Nil		

4 PERFORMANCE OF THE COMPANY (RS. IN THOUSANDS)

Turnover/Income	407.9	Total Expenditure	618.338
Profit/(Loss) before tax	(210.44)	Profit/(Loss) after tax	(210.44)
Earnings per share	(0.03)	Dividend	Nil

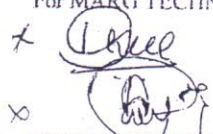
5 GENERIC NAMES OF PRINCIPAL PRODUCT OF THE COMPANY

Item Code No. (ITC Code)	
Product description	FINANCE

AS PER REPORT OF EVEN DATE
For Adil Aibada & Associates
Chartered Accountant

For MARG TECHNO PROJECTS LTD.


Proprietor.


DIRECTOR

Membership No. 45310.
Surat. 1st September, 2010

