

AUDITOR'S REPORTTo the members of **MARG TECHNO PROJECT LIMITED**

We have audited the attached Balance Sheet of MARG TECHNO PROJECT LIMITED as at 31st MARCH 2011 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;



BALANCE SHEET ABSRACT & COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.	19764
State Code	04
Balance Sheet Date	31st March,2011

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	101902.442	Total Assets	101902.442
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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	419.485	Investments	16893.457
Net Current Assets	84589.500	Misc. Expenditure	Nil
Accumulated Losses	Nil		

4 PERFORMANCE OF THE COMPANY (RS. IN THOUSANDS)

Turnover/Income	666.27	Total Expenditure	641.063
Profit/(Loss) before tax	25.21	Profit/(Loss) after tax	25.21
Earnings per share	0.0042	Dividend	Nil

5 GENERIC NAMES OF PRINCIPAL PRODUCT OF THE COMPANY

Item Code No.(ITC Code)	-
Product description	FINANCE

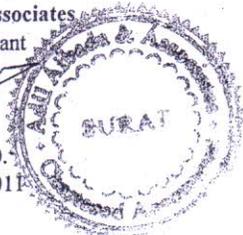
AS PER REPORT OF EVEN DATE

For Adil Aibada & Associates

Chartered Accountant

Proprietor.

Membership No. 45310.
Surat. 1st September,2011



For MARG TECHNO PROJECTS LTD.

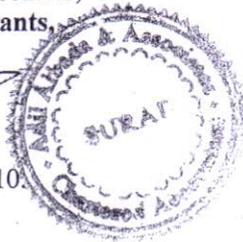
[Signature]
DIRECTOR

- (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 **31.03.2011**.
- (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 31,2011** and
- (ii) In the case of the Profit and Loss Account, of the Profi 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, 01.09.2011.

ANNEXURE TO THE ADITORS REPORT FOR
THE YEAR ENDED ON 31-03-2011.

- [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.



- [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 no 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.



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 for A.Y. 2003-2004 and A.Y. 2004-2005 regarding disallowance of bad debts. The same will become NIL as per CIT (Appeal)'s orders and Tribunal orders.
- [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.

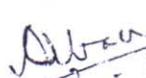


[23] The Company obtained Registration Certificate form RBI as running the business as non banking financial Company.

[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 even though the company has profit during the period under audit.

For ADIL AIBADA & ASSOCIATES
Chartered Accountants,


(Adil Aibada)
Proprietor.

Membership No. 045310.



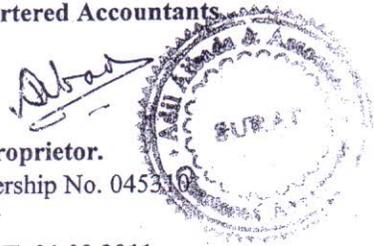
SURAT, 01.09.2011.

M/S. MARG TECHNO PROJECTS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2011

Particulars	Sch.	As at 31.3.2011	As at 31.3.2010
<u>SOURCE OF FUNDS</u>			
[1] SHARE HOLDERS' FUNDS			
[A] SHARE CAPITAL	1	60,000,000	60,000,000
[B] RESERVES & SURPLUS	2	(1,951,526)	(1,976,733)
Total (a) ...		58,048,474	58,023,267
[2] LOAN FUNDS			
[A] SECURED LOANS	3	43,853,968	43,853,968
Total (b) ...		43,853,968	43,853,968
Total (a+b) ...		101,902,442	101,877,235
<u>APPLICATION OF FUNDS</u>			
[1] FIXED ASSETS : GROSS BLOCK			
LESS : DEPRECIATION	4	1,585,617	1,585,617
Total (c) ...		1,166,132	1,119,524
Total (c) ...		419,485	466,093
[2] INVESTMENTS A/C			
Total (d) ...	5	16,893,457	16,893,457
Total (d) ...		16,893,457	16,893,457
<u>[3] CURRENT ASSETS, LOANS & ADVANCES</u>			
[A] LOANS & ADVANCES & SUNDRY DEBTORS			
		85,056,250	84,985,680
[B] CASH & BANK BALANCE			
	6	24,278	42,945
		85,080,528	85,028,625
LESS : CURRENT LIABILITIES & PROVISIONS			
[A] CURRENT LIABILITIES			
	7	491,028	510,940
Total (e) ...		84,589,500	84,517,685
Total (c+d+e+f) ...		101,902,442	101,877,235
		-	-

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



Proprietor.
Membership No. 0453310

SURAT, 01.09.2011.

For MARG TECHNO PROJECTS LIMITED.



DIRECTORS.

M/S. MARG TECHNO PROJECTS LIMITED

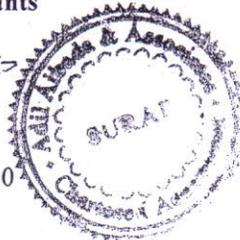
**Profit & Loss Account
For the year ended on 31st March, 2011**

Particulars	Sch.	As at 31.03.2011	As at 31.03.2010
<u>INCOME</u>			
INTEREST INCOME		666,270	407,900
		666,270	407,900
<u>EXPENDITURE</u>			
ADMINISTRATIVE EXPENSES	8	594,455	566,876
DEPRECIATION		46,608	51,462
		641,063	618,338
OPERATING PROFIT		25,207	(210,438)
PROFIT BEFORE TAX		25,207	(210,438)
LESS : INCOME-TAX PROVISION		-	-
PROFIT AFTER TAX		25,207	(210,438)
LESS : TRANSFERRED TO SPECIAL RESERVE		-	-
		25,207	(210,438)

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

For MARG TECHNO PROJECTS LIMITED.

Proprietor.
Membership No. 045310



SURAT, 01.09.2011.

[Signature]
[Signature]
DIRECTORS.

MARG TECHNO PROJECTS LTD.

SCHEDULE FORMING PART OF THE BALANCE-SHEET AS ON 31ST MARCH, 2011

Particulars	As at 31.3.2011	As at 31.3.2010
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	(7,449,593)	(7,474,800)
RESERVES FOR BAD DEBTS	3,584,785	3,584,785
	(1,951,526)	(1,976,733)
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	5,135,000
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	16,893,457



SCHEDULE : 4 : FIXED ASSETS

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.10	ADDITION (DEDUCTION)	TOTAL	TOTAL UP TO 31.03.11	FOR THE YEAR	TOTAL UP TO 31.03.11	AS AT 31.03.11	AS AT 31.03.10
OFFICE EQUIPMENT	165,415	-	165,415	119,935	4,548	124,483	40,932	45,480
FURNITURE & DEAD STOCK	1,052,050	-	1,052,050	773,225	27,882	801,107	250,943	278,825
CYCLE	7,000	-	7,000	5,177	182	5,359	1,641	1,823
COMPUTER	361,152	-	361,152	221,187	13,996	235,183	125,969	139,965
THIS YEAR...	1,585,617	-	1,585,617	1,119,524	46,608	1,166,132	419,485	466,093
PREVIOUS YEAR	1,581,717	3,900	1,585,617	1,068,062	51,462	1,119,524	466,093	513,655



ALL
 DUES
 BANK
 STAMP
 CONVEYANCE
 TRAVELLING
 ELECTRICITY EXPN
 LEGAL PROFESSIONAL AND CONSULTANCY ST...
 OFFICE RENT
 PORTAGE & TELEPHONE EXPN
 PROFESSIONAL TAX
 MUNICIPAL TAX
 SALARIES
 STAFF WELFARE EXPENSES
 STAFF BONDS
 STATIONERY & PRINTING
 TELEPHONE EXPENSES
 TRAVELLING EXPENSES

SCHEDULE- 6 : CASH AND BANK BALANCE		
CASH BALANCE	15,538	31,322
STATE BANK OF INDIA	4,359	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	1,364
	24,278	42,945
SCHEDULE- 7 : CURRENT LIABILITIES & PROVISIONS		
AUDIT FEES PAYABLE	50,300	77,100
D K NAIR	253,228	246,340
A. K. RAMAKRISHNAN	187,500	187,500
	491,028	510,940
SCHEDULE- 8 : ADMINISTRATIVE EXPS		
AUDIT FEES	16,500	19,200
INCOME TAX	-	480
BANK CHARGES	2,986	3,590
COMPUTER REPAIRS & MAINTANANCE	5,945	11,011
CONVEYANCE/VEHICLE EXPS	24,000	4,060
DIRECTORS' REMUNERATION	120,000	120,000
INSURANCE	3,245	-
ELECTRICITY EXPS	7,379	3,610
LEGAL/PROFESSIONAL AND CONSULTANCY FEES	4,000	5,600
OFFICE/MISC. EXPS	20,576	136
OFFICE REPAIRS & MAINTANANCE EXPS	7,226	250
OFFICE RENT	36,000	36,000
POSTAGE & TELEGRAMS EXPS	275	60
PROFESSIONAL TAX	4,856	7,696
MUNICIPAL TAX	-	20,595
SALARIES	288,000	288,000
STAFF WELFARE EXPENSES	7,144	-
STAFF BONUS	24,000	24,000
STATIONERY & PRINTING	3,520	15,567
TELEPHONE EXPENSES	12,366	3,921
TRAVELLING EXPENSES	6,437	3,100
	594,455	566,876



NOTES ATTACHED TO BALANCE SHEET AND PROFIT & LOSS ACCOUNT OF

M/S. MARG TECHNO PROJECT LIMITED
FOR THE YEAR ENDED ON 31st March 2011.

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 Profit during the year under audit even thought the Company has not provided 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 Co-operative sector Financial 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.



1. ACCOUNTING POLICIES :

The Accounting policies adopted by the company are as under :

(A) INCOME

Accrual basis of Accounting has not been adopted in respect of income from:

[1] Interest charges on all advances by way of loans to the period extent such income earned during the year.

[2] In many loans accounts when interest not earned the same was not charged to the account.

(B) EXPENSES :

All major expenses are entered on accrual basis.

(C) FIXED ASSETS :

Fixed Assets are valued at cost.

(D) DEPRECIATION :

Depreciation is provided on the straight line method at the rates prescribed under Schedule XVI of the Companies Act., 1956.

(E) PRELIMINARY EXPENSES :

Preliminary expenses is Nil

(F) ACCOUNTING CONVERSION :

The Accounts are prepared under the historical cost convention and confirm to the statutory provisions and practices prevailing in the country.

(G) APPROPRIATION :

The appropriation of the balance in the profit and loss account is given effect in the accounts after approval by the Share holders.

(H) Income-tax provision made in books is NIL; as there is small profit. As per the Provisions of Income tax Act 1961 only MAT is applicable .The same will be paid at the time of filing return.

(I) GRATUITY :

No provision for retirement gratuity has been made in the account and the same shall be accounted for as and when it is paid. The company dose not expected any liability in respect of gratuity as none of the employee have put in the eligible period of service as required under payment if gratuity act, 1972

(J) Value of Imports on C.I.F. basis : NIL (Previous year : NIL)

(K) Earning in foreign currency : NIL (Previous year : NIL)



(L) Managerial Remuneration paid to Managing Director and other Directors Rs. 120000/- (Previous year 120000/-)

(M) PAYMENT TO AUDITOR :	<u>A/C. YEAR 2010-2011</u>	<u>A/C. YEAR 2009-2010</u>
	Rs. 16500	Rs. 19200
	-----	-----
Auditor Remuneration	Rs. 16500	Rs. 19200
	=====	=====

(N) Additional information pursuant to schedule VI of the companies Act, 1956 is disclosed to the extent applicable to the company.

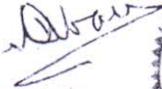
(O) The company has during the year adopted Accounting standard (AS-22) "Accounting for taxes on income" issued by the Institute of C.A. of India. As there are no profit no tax is provided.

(P) Earning per Share 0.0042

(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. and Marg Express Media Services Ltd are related Company.

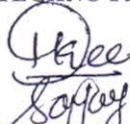
For ADIL AIBADA & ASSOCIATES,
Chartered Accountants,


Proprietor.
(Adil Aibada)
Membership No. 045310.



SURAT, 01.09.2011.

For MARG TECHNO PROJECT LTD.


DIRECTOR.

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1 REGISTRATION DETAILS

Registration No.	19764
State Code	04
Balance Sheet Date	31st March,2011

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	101902.442	Total Assets	101902.442
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Accumulated Losses	Nil		

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Turnover/Income	666.27	Total Expenditure	641.063
Profit/(Loss) before tax	25.21	Profit/(Loss) after tax	25.21
Earnings per share	0.0042	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

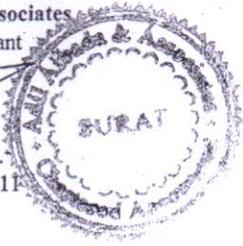
For Adil Aibada & Associates

Chartered Accountant

Proprietor

Membership No. 45310.

Surat. 1st September,2011



For MARG TECHNO PROJECTS LTD.

[Signature]
DIRECTOR