



TAK *Machinery and Leasing Ltd*

**50th
Annual Report
2011-2012**

TAK *Machinery and Leasing Ltd*

| | | |
|---|---|--|
| DIRECTORS | MRS. NEETA MALOO SHRI SANDEEP MALOO SHRI LABH CHAND MALOO SHRI ATUL JAIN SHRI SUNIL NAIR SHRI DEEPAK ARORA | <i>Chairperson & Managing Director</i> |
| BANKERS | UCO BANK CORPORATION BANK AXIS BANK | |
| AUDITORS | MESSRS PATKAR & PENDSE Chartered Accountants | |
| COMPANY SECRETARIES | SHIRISH SHETYE & ASSOCIATES | |
| REGISTERED OFFICE | 308, MAKER BHAVAN - III, 21, NEW MARINE LINES, MUMBAI 400 020 (INDIA) | |
| REGISTRARS AND SHARE TRANSFER AGENTS | LINK INTIME INDIA PVT. LTD. C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), MUMBAI - 400 078. | |

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NOTICE

NOTICE is hereby given that the Fiftieth Annual General Meeting of the Members of TAK Machinery and Leasing Limited will be held at Kilachand Conference Room, Indian Merchants Chamber, Indian Merchants Chamber Marg, Churchgate, Mumbai - 400 020 on Thursday, 20th September, 2012 at 11.30 a.m. to transact the following business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31.03.2012 and the Profit & Loss Account for the year ended 31.03.2012 together with the Directors' Report and Auditors' Report thereon.
2. To declare dividend.
3. To appoint the Auditors and fix their remuneration.
4. To appoint a Director in place of Shri Atul Jain who retire by rotation and being eligible, offer himself for re-appointment.
5. To appoint a Director in place of Shri Sunil Nair who retire by rotation and being eligible, offer himself for re-appointment.

REGISTERED OFFICE:

308, Maker Bhavan - III,
21, New Marine Lines,
Mumbai 400 020.

By Order of the Board

Neeta Maloo
Chairperson

Dated: 23rd July, 2012

NOTES;

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. The Register of Members and Share Transfer Books of the Company will be closed from 13th September, 2012 to 20th September, 2012 (both days inclusive).
3. Members are requested to intimate immediately any change in their address to Company's Registrars and Share Transfer Agents, M/s. Link Intime India Pvt Ltd., C-13, Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai - 400 078.
4. If the dividend on shares is passed at the Meeting, payment of such dividend will be made on or before 19th October, 2012 to those members whose names appears on the Company's Register of Members as on 20th September, 2012.
5. Unclaimed dividends for the years 1994-95 to 2003-04 (22nd to 31st Equity Dividends) have been transferred to the Investor Education & Protection Fund and for earlier years to the 'General Revenue Account' of the Central Government in terms of Section 205C and 205A of the Companies Act, 1956.

DIRECTORS' REPORT

To
The Members,

Your Directors have pleasure in presenting the Fiftieth Annual Report on the working of the Company along with the audited Balance Sheet and the Profit & Loss Account for the year ended 31st March, 2012.

| | Year ended 31.03.2012 | Year ended 31.03.2011 |
|--|--------------------------|--------------------------|
| | <u>Rupees</u> | <u>Rupees</u> |
| Gross Profit for the year | 12,648,214 | 57,412,140 |
| Less : Depreciation | <u>92,703</u> | <u>1,066,170</u> |
| Profit after depreciation | 12,555,511 | 56,345,970 |
| Less : Provision for taxation | 2,694,181 | 10,700,000 |
| Add : Deferred tax Assets / (Liability) | - | <u>(1,096,302)</u> |
| Profit after depreciation and taxation | 9,861,330 | 44,549,668 |
| Add : Balance of Profit and Loss Account brought forward from previous year | <u>67,809,436</u> | <u>38,313,121</u> |
| Surplus available for appropriation | 77,670,766 | 82,862,789 |
| Appropriations | | |
| 1. Proposed Dividend (including tax on distributed profits) | 2,052,460 | 1,641,968 |
| 2. Statutory Reserve Fund | 1,975,000 | 8,910,000 |
| 3. General Reserve Fund | 1,000,000 | 4,501,385 |
| BALANCE CARRIED TO BALANCE SHEET | <u><u>72,643,306</u></u> | <u><u>67,809,436</u></u> |

As can be seen from the annual accounts, the Finance division has performed satisfactorily. During second half of the year under review, we have started trading in Jewellery which started off well, but due to initial promotional and other related expenses, the margin of profitability was lower. During the current year so far, the overall performance has been maintained in the operation of Investment and Financing activities as also of trading.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.2.50 per Equity Share (i.e.20% and 5% on account of Golden Jubilee year) for the year ended, 31st March,2012. There will be no deduction of tax at source.

FIXED DEPOSIT

The Company is not accepting any fixed deposits and is not holding any fixed deposits at the close of the financial year under review.

DIRECTORS

Shri Atul Jain and Shri Sunil Nair retire by rotation at this Annual General Meeting and being eligible, offer themselves for re-appointment.

REMUNERATION COMMITTEE :

The Company has appointed a remuneration committee consisting of Shri Sunil Nair as Chairman and Shri Atul Jain and Shri Deepak Arora as members, who are independent Directors.

**AUDITORS**

M/s Patkar & Pendse, Chartered Accountants, Mumbai, the Auditors of the Company are holding office till the conclusion of the 50th Annual General Meeting of the Company, and being eligible, confirm their availability for re-appointment. If re-appointed, they will hold office until the conclusion of the next Annual General Meeting.

The observations of the Statutory Auditors, if any, are properly dealt with in the Notes to Accounts.

PARTICULARS OF EMPLOYEES

The particulars of employees in accordance with the provisions of section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, are not given as none of the employees qualifies for such disclosure.

PARTICULARS REQUIRED TO BE FURNISHED BY THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 :**(1) A. CONSERVATION OF ENERGY**

The relevant data on energy conservation is as follows :

| | |
|--|----------------|
| (i) No. of Electric & Pneumatic Hoists manufactured | 0 (44 Nos.) |
| (ii) No. of Cranes manufactured | NIL (NIL.) |
| (iii) Total units of Electricity consumed. | 0 (4515 units) |
| (iv) Average units of Electricity consumed per Hoist. | 0 (92 units) |
| (v) Average units of Electricity consumed per Crane. | Not Applicable |
| (vi) Cost per unit of Electricity consumed per Hoist. | 0 (Rs.808) |
| (vii) Cost per unit of Electricity consumed per Crane. | Not Applicable |

Note : Figures for previous year are given in brackets.

B. TECHNOLOGY ABSORPTION

The Company is not carrying out any manufacturing activity. Accordingly, there is nothing to report on technology absorption.

(2) Foreign Exchange earnings and outgo : Earnings : NIL ; Outgo : NIL.

NOTE: Company has discontinued manufacturing activities w.e.f. 12th October, 2010.

LISTING OF SHARES

Equity shares of the Company are listed on Stock Exchanges at Mumbai and Ahmedabad. The Company has paid the listing fees for both the Stock Exchanges for the year 2012-13.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently, and have made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31st, 2012 and of the profit of the Company for the year ended March 31st, 2012.
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis;

COMPLIANCE CERTIFICATE

Pursuant to Section 383 A of the Companies Act, 1956 a Compliance Certificate issued by M/s. Shirish Shetye & Associates Company Secretaries, Mumbai is attached to this report.

On behalf of the Board

Place : Mumbai
Dated : 30th May, 2012

Neeta Maloo
Chairperson

CIN.: L29150MH1961PLC012227
Nominal Capital: Rs.2,00,00,000/-

COMPLIANCE CERTIFICATE

To,
The Members,
TAK Machinery & Leasing Ltd.,
308, Maker Bhavan No. III,
21, New Marine Lines,
Above Balwas Restaurant,
MUMBAI - 400 020.

We have examined the registers, records, books and papers of **TAK MACHINERY & LEASING LIMITED** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31st March, 2012**. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers, as stated in *Annexure 'A'* to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns, as stated in *Annexure 'B'* to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made thereunder.
3. The Company, being a public limited company, comments pertaining to 'private company' are not required.
4. The Board of Directors duly met 5 (five) times on 28th April, 2011, 26th July, 2011, 22nd October, 2011, 31st January, 2012 and 14th March, 2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. During the year under review, the Company has not passed any circular resolution.
5. The Company has closed its Register of Members from 8th September, 2011 to 15th September, 2011 and necessary compliance of section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2011 was held on 15th September, 2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded and signed, including the circular resolutions passed, in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year under review.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of section 297 of the Act.
10. The Company was not required to make any entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or Central Government.
12. The duly constituted Committee of Directors has approved the issue of duplicate share certificates.
13. (i) The Company has delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act. There was no allotment of securities during the financial year under review.
(ii) The Company has deposited the amount of dividend declared in a separate bank account on 17th September, 2011, which is within five days from the date of declaration of such dividend.
(iii) The Company has paid/posted warrants for dividends to all the members within a period of 30 (thirty) days from the date of declaration and that all unclaimed/unpaid dividend has been transferred to the Unpaid Dividend Account of the Company with Corporation Bank, Nariman Point Branch, Mumbai within the stipulated time limit.
(iv) The Company has transferred the amount in unpaid dividend account, which has remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund. During the year under review there is no application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
(v) The Company has duly complied with the requirements of section 217 of the Act.



14. The Board of Directors of the Company is duly constituted and the appointments of directors have been duly made. There was no appointment of additional director, alternate directors or directors to fill casual vacancy during the financial year under review.
15. The appointment of Managing Director has been made in compliance with the provisions of section 269 read with schedule XIII to the Act and approval of the Central Government was not required to be obtained in respect of any such appointment. During the year under review there was no appointment of Whole-time Director/Manager.
16. The Company has not appointed any sole selling agent during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such authorities prescribed under the various provisions of the Act during the financial year under review.
18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
19. The Company has not issued any shares, debentures or other securities during the financial year under review.
20. The Company has not bought back any shares during the financial year under review.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transaction necessitating the Company to keep in abeyance the rights to dividend, right shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of section 58A during the financial year.
24. The Company has not made any borrowings during the financial year ended 31st March, 2012.
25. The Company has made investments in other bodies corporate in compliance with the provisions of the Act and has made necessary entries in the register kept for the purpose. The Company has not made any loans or advances or given guarantees or provided securities to other bodies corporate and consequently no entries have been made in the register kept for the purpose.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year under scrutiny.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has not deducted any contribution towards Provident Fund during the financial year under review.

M/s. SHIRISH SHETYE & ASSOCIATES
Company Secretaries

Place: Mumbai.
Date: 30th May, 2012

SHIRISH SHETYE
PROPRIETOR
C.P. No. 825

ANNEXURE - A

Registers as maintained by the Company

1. Register of Charges (section 143).
2. Register of Members and Index of Members (sections 150 & 151).
3. Minutes Books for Minutes of Meetings of the Board and Shareholders.
4. Books of Account (section 209).
5. Register of Contracts in which Directors are Interested (section 301).
6. Register of Directors, Managing Directors etc. (section 303).
7. Register of Directors' Shareholding (section 307).
8. Register of Fixed Assets [the Manufacturing and Other Companies (Auditors' Report) Order, 1988].
9. Register of Investments (section 372A).
10. Register of Transfer/Transmission of Shares.
11. Register of Duplicate Share Certificates.
12. Register of Directors' Attendance.
13. Register of Directors' Attendance for Share Transfer Committee.
14. Register of Members' Attendance.
15. Register of Proxies.

ANNEXURE - B

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending on 31st March, 2012.

1. Form No. 20B alongwith Annual Return made as on 15th September, 2011 filed u/s 161.
2. Form No. 23AC and 23ACA alongwith Balance Sheet etc. for the year ended 31st March, 2011, filed u/s 220.
3. Form No. 66 alongwith Compliance Certificate for the year ended 31st March, 2011, filed u/s 383A.
4. Form No. 1 dated 21st December, 2011 being statement of amounts credited to Investor Education and Protection Fund.
5. Form No. 62 alongwith quarterly Certificates of Amounts Due and Credited to Investor Education and Protection Fund.
6. Quarterly unaudited results with half yearly review submitted to Stock Exchanges.
7. Half yearly certificates under clause 47 of the Listing Agreement submitted to Stock Exchanges.
8. Quarterly information regarding Distribution of Shareholding Pattern, under clause 35 of the Listing Agreement submitted to Stock Exchanges.
9. Statement of Holding, pursuant to Rule 8 of SEBI (SAST) Regulations, 1997 submitted to Stock Exchanges.
10. Quarterly Certificates issued under SEBI circular No. D&CC/FITTC/CIR – 16/2002 dated 31st December, 2002, submitted to Stock Exchanges.



11. Quarterly Certificates issued under circular No. NSDL/JS/003/2004 dated 11th February, 2004 issued by NSDL in response to SEBI letter No. SEBI/MRD/Cir – 10/2004 dated 10th February, 2004, submitted to Stock Exchanges.
12. Statutory Auditors' Certificate for the year ended 31st March, 2011 confirming that the Company continues to undertake the business of NBFC, Board Resolution confirming that the Company was not accepting fixed deposits from public and Statements of Foreign Direct Investment for half year ended 31st March, 2009 and 30th September, 2009 filed with Reserve Bank of India.
13. Form No. 25C dated 28th April, 2011, being return of appointment of Mrs. Neeta Maloo, Chairperson & Managing Director filed u/s 269(2) & Schedule XIII.
14. Form No. 32 dated 15th September, 2011 for appointment of Mr. Sandeep Maloo, Mrs. Neeta Maloo, Mr. Labh Chand Maloo, Mr. Deepak Arora, Mr. Atul Jain and Mr. Sunil Nair as Directors/Managing Director filed u/s 303(2).
15. Form No. 23 dated 22nd March, 2011 for filing Board Resolution for appointment of Mrs. Neeta Maloo as Chairperson & Managing Director filed u/s 192.
16. Form No. 23 dated 28th April, 2011 for filing Board Resolution for appointment of and remuneration payable to Mrs. Neeta Maloo as Chairperson & Managing Director filed u/s 192.
17. Form No. 23 dated 15th September, 2011 for filing Special Resolution as consent of the members for appointment of and remuneration payable to Mrs. Neeta Maloo as Chairperson & Managing Director for a period of 5 years w.e.f. 1st April, 2011, filed u/s 192.

AUDITORS' REPORT

To,

**The Members,
TAK Machinery and Leasing Limited**

We have audited the attached Balance Sheet of **TAK MACHINERY AND LEASING LIMITED** as at 31st March, 2012 and also the Profit & Loss Account and Cash Flow Statement for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. 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 statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order to the extent applicable.
3. Further to our comments in the Annexure referred to in paragraph 2 above we report that :
 - (a) We have obtained all the information & explanations which to the best of our knowledge & belief were necessary for the purposes of our audit.
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of these books.
 - (c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the Balance sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - (e) On the basis of written representations received from the Directors and taken on record by the Board of Directors we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (f) In our opinion and to the best of our information and according to the explanations given to us and read together with the significant accounting policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view, in conformity with the accounting principles generally accepted in India :
 - i in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2012;
 - ii in the case of the Profit & Loss Account of the profit of the Company for the year ended on that date.and
 - iii in the case of the Cash Flow Statement of the cash flows of the Company for the year ended on that date.

**For Patkar & Pendse
Chartered Accountants**

**B.M. Pendse
Partner.
M.No. 032625
F. Reg. No. 107824W**

**Place : Mumbai
Date : 30th May, 2012**



**ANNEXURE TO AUDITORS' REPORT
REFERRED TO IN OUR REPORT OF EVEN DATE
FOR THE YEAR ENDED ON 31ST MARCH, 2012**

1. (a) The Company had maintained proper records showing full particulars including quantitative details and situation of the fixed assets except for furniture and fixtures.
(b) As explained to us the fixed assets had been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) In our opinion, the Company had not disposed off a substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of inventory :
(a) as explained to us, inventories had been physically verified by the management at the end of the year.
(b) in our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) the Company had maintained proper records of inventories. As explained to us, there were no material discrepancies noticed on physical verification of inventories as compared to book records.
3. (a) The Company had granted seven unsecured loans to companies listed in the register maintained under section 301 of the Companies Act, 1956 and the maximum amount outstanding during the year was Rs.11,28,63,287
(b) The unsecured loans were interest bearing and in our opinion and according to the information given to us the terms and conditions of these loans are not prima facie prejudicial to the interest of the Company.
(c) In our opinion the receipt of principal amount and interest were regular.
(d) None of the loans were overdue.
(e) The Company had not taken any loans from companies, firms or other parties covered in the register maintained under section 301 of the Act.
4. In our opinion and on the basis of information and explanations given to us, the Company had adequate internal control system commensurate with its size and the nature of its business for the purchase of finished goods, spares, plant and machinery, equipment and other assets and for the sale of goods and services. During the course of the audit we have not observed any major weakness in internal controls.
5. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements were entered in the register maintained under Section 301 of the Companies Act, 1956 and had been made at prices which were reasonable having regard to the market prices prevailing at the relevant time.
6. The Company had not accepted any deposits from the public, hence the question of compliance to the necessary guidelines issued by the Reserve Bank Of India and the provisions of section 58A and 58AA of the Companies Act, 1956 and Rules framed thereunder does not arise.
7. In our opinion the Company had an internal audit system commensurate with its size and nature of its business.
8. The maintenance of Cost Records for the Company, had not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956 for the year under review.
9. In respect of statutory dues :
(a) according to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Cess, Excise duty, Custom duty and any other statutory dues have been generally, regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2012 for a period of more than six months from the date they became payable.

(b) the disputed statutory dues aggregating to Rs. 12,85,940 that have not been deposited on account of matters pending before appropriate authorities are as under :

| Sr. No. | Particulars | Financial years to which matter pertains | Forum where dispute is pending | Amount (Rupees) |
|---------|-------------|--|--------------------------------|-----------------|
| 1. | Income Tax | 1979-80 | Appellate Tribunal | 1,59,896 |
| | | 1983-84 | High Court | 3,39,224 |
| | | 1984-85 | High Court | 7,86,820 |

10. The Company did not have accumulated losses. The company had not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us the Company had not defaulted in repayment of dues to a financial institution, bank or debenture holder.
12. In our opinion and according to the information and explanations given to us the Company had maintained adequate records where the Company had granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. As the Company is dealing / trading in shares, securities, debentures and other investments; in our opinion proper records had been maintained of the transactions and contracts and timely entries have been made therein. All shares, securities, debentures and other investments are held by the Company in its own name.
15. According to the information and explanations given to us and the records examined by us the Company had not given any guarantees for loans taken by others from banks or financial institutions.
16. The Company had not raised any term loans.
17. In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment and vice versa.
18. According to the information and explanations given to us, the Company had not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. The Company had not issued debentures.
20. The Company had not raised any money through public issues during the year.
21. To the best of our knowledge and belief 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.

**For Patkar & Pendse
Chartered Accountants**

**B.M. Pendse
Partner.
F. Reg. No. 107824W**

Place : Mumbai
Date : 30th May, 2012

**BALANCE SHEET AS AT MARCH 31, 2012**

| Particulars | Notes | As at 31.03.2012 Rupees | As at 31.03.2011 Rupees |
|-------------------------------------|--------------|--|--|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 7,050,925 | 7,050,925 |
| Reserves and Surplus | 3 | <u>135,739,356</u> | <u>127,930,486</u> |
| | | 142,790,281 | 134,981,411 |
| Current Liabilities | | | |
| Trade Payables | 4 | 16,927,057 | 2,291,397 |
| Other Current Liabilities | 5 | 1,424,301 | 2,382,749 |
| Short-Term Provisions | 6 | <u>2,194,147</u> | <u>1,762,868</u> |
| | | 20,545,504 | 6,437,014 |
| TOTAL | | <u>163,335,786</u> | <u>141,418,424</u> |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 7 | | |
| Tangible Assets | | 975,688 | 6,234 |
| Non-Current Investments | 8 | 21,575,569 | 110,600,319 |
| Long-Term Loans and Advances | 9 | <u>113,176,220</u> | <u>1,726,281</u> |
| | | 135,727,476 | 112,332,833 |
| Current Assets | | | |
| Inventories | 10 | 14,500,001 | - |
| Trade Receivables | 11 | - | 2,942,752 |
| Cash and Cash Equivalent | 12 | 12,994,171 | 26,138,839 |
| Short-Term Loans and Advances | 13 | <u>114,137</u> | <u>4,000</u> |
| | | 27,608,310 | 29,085,591 |
| TOTAL | | <u>163,335,786</u> | <u>141,418,424</u> |
| Significant Accounting Policies | 1 | | |
| Other Notes on Accounts | 2 to 35 | | |

As per our report of even date annexed herewith

FOR PATKAR & PENDSEChartered Accountants
FRN 107824W**B.M. PENDSE**Partner
M.No.032625
Place : Mumbai
Dated : 30th May, 2012For and on behalf of the board
TAK MACHINERY AND LEASING LTD**NEETA MALOO**

Chairperson & Managing Director

LABH CHAND MALOO

Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

| Particulars | Notes | Current Year Ended 31.03.2012 Rupees | Previous Year Ended 31.03.2011 Rupees |
|--|-------|---|--|
| Revenue from Operations | 14 | 27,679,124 | 16,975,951 |
| Other Income | 15 | 492,103 | 24,578,826 |
| Total Revenue | | 28,171,227 | 41,554,777 |
| Expenses: | | | |
| Cost of Materials Consumed | 16 | - | 11,643,599 |
| Purchases of Stock-in-Trade | | 22,318,420 | - |
| Changes in Inventories | 17 | (14,500,001) | 397,430 |
| Employee Benefit Expenses | 18 | 1,676,782 | 3,885,073 |
| Finance Costs | 19 | 3,208,820 | 5,072 |
| Depreciation and Amortization | | 92,703 | 1,066,170 |
| Other Expenses | 20 | 2,818,993 | 5,858,809 |
| Total Expenses | | 15,615,717 | 22,856,153 |
| Profit / (Loss) before extraordinary items and tax | | 12,555,510 | 18,698,624 |
| Extraordinary items/ Income | | - | 37,647,346 |
| Profit before Tax | | 12,555,510 | 56,345,970 |
| Tax Expense: | | | |
| (a) Current tax expense for current year (Net of MAT credit) | | 2,650,000 | 10,700,000 |
| Taxes for previous year | | 44,181 | - |
| Total tax expense | | 2,694,181 | 10,700,000 |
| (b) Deferred tax | | - | 1,096,302 |
| Profit for the Period | | 9,861,329 | 44,549,668 |
| Earnings per ordinary share: | | | |
| Basic | | 14.01 | 63.28 |
| Diluted | | 14.01 | 63.28 |

Nominal Value of each ordinary share is Rs.10/-

Significant Accounting Policies 1
Other Notes on Accounts 2 to 35

As per our report of even date annexed herewith

For and on behalf of the board
TAK MACHINERY AND LEASING LTD

FOR PATKAR & PENDSE

Chartered Accountants
FRN 107824W

NEETA MALOO
Chairperson & Managing Director

B.M. PENDSE

Partner
M.No.032625
Place : Mumbai
Dated : 30th May, 2012

LABH CHAND MALOO
Director

**2. SHARE CAPITAL****a) Share Capital**

| Share Capital | As at 31 March 2012 | | As at 31 March 2011 | |
|---------------------------------------|---------------------|------------------|---------------------|------------------|
| | Number of Shares | Rs | Number of Shares | Rs |
| Authorised | | | | |
| Equity Shares of Rs.10/- each | 2,000,000 | 20,000,000 | 2,000,000 | 20,000,000 |
| Issued, Subscribed and Paid up | | | | |
| Equity Shares of Rs.10/- each | 704,050 | 7,040,500 | 704,050 | 7,040,500 |
| Add: Forfeited amount (Partly paid) | | 10,425 | | 10,425 |
| Total | 704,050 | 7,050,925 | 704,050 | 7,050,925 |

b) Reconciliation of the number of shares outstanding at the beginning and at the end of March 31, 2012

| Particulars | As at 31 March 2012 | | As at 31 March 2011 | |
|--|---------------------|-----------|---------------------|-----------|
| | Number of Shares | Rs | Number of Shares | Rs |
| Equity Shares outstanding at the beginning of the year | 704,050 | 7,040,500 | 704,050 | 7,040,500 |
| Equity Shares outstanding at the end of the year | 704,050 | 7,040,500 | 704,050 | 7,040,500 |

c) Rights attached to equity Shares

The Company has only one class of equity shares having face value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share.

Every share is entitled to dividends in rupees, if declared.

In the event of liquidation of the Company, the shareholders of equity shares will be entitled to receive remaining assets of the company after distribution of the preferential amounts.

The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shares held by each shareholder holding more than 5% equity shares

| Name of Shareholder | As at 31 March 2012 | | As at 31 March 2011 | |
|---|---------------------|---------------------|---------------------|---------------------|
| | Number of | % of Holding Shares | Number of | % of Holding Shares |
| Equity Shares With Voting Rights | | | | |
| M/s.E-ally Consulting (I) Pvt.Ltd | 279,950 | 39.76 | - | - |
| M/s.Shree Jaisal Electronics and Inds.Ltd | 154,900 | 22.00 | - | - |
| Dr.Dasharath S. Mahadevia + HUF | - | - | 130,610 | 18.55 |
| Shri Aditya D. Mahadevia + HUF | - | - | 61,180 | 8.70 |
| Shri Tushar D. Mahadevia + HUF | | | 51,490 | 7.31 |
| Mrs. Kasturi K.Mahadevia + HUF | | | 76,770 | 10.90 |

3. RESERVES AND SURPLUS

| <u>Particulars</u> | <u>As at 31.03.2012 Rupees</u> | <u>As at 31.03.2011 Rupees</u> |
|--|--|--|
| Share Premium | 1,031,050 | 1,031,050 |
| General Reserve | | |
| Opening Balance | 34,500,000 | 29,998,615 |
| Add: Transferred from surplus in Statement of Profit and Loss | 1,000,000 | 4,501,385 |
| Closing Balance | <u>35,500,000</u> | <u>34,500,000</u> |
| Contingency Reserve | 2,500,000 | 2,500,000 |
| Investment Reserve | 700,000 | 700,000 |
| Statutory Reserve Fund | | |
| Opening Balance | 21,390,000 | 12,480,000 |
| Add: Transferred from Statement of Profit and Loss | 1,975,000 | 8,910,000 |
| Closing Balance | <u>23,365,000</u> | <u>21,390,000</u> |
| Surplus / (Deficit) in Statement of Profit and Loss | | |
| Opening Balance | 67,809,436 | 38,313,121 |
| Add: Profit for the year | 9,861,330 | 44,549,668 |
| Less: Dividends proposed to be distributed to equity shareholders (Rs. 2.5 per share) | 1,760,125 | 1,408,100 |
| Tax on Dividend | 292,335 | 233,868 |
| Transferred To : Statutory Reserve Fund | 1,975,000 | 8,910,000 |
| : General Reserve | 1,000,000 | 4,501,385 |
| Closing Balance | <u>72,643,306</u> | <u>67,809,436</u> |
| Total | <u><u>135,739,356</u></u> | <u><u>127,930,486</u></u> |

**4. TRADE PAYABLES**

| <u>Particulars</u> | <u>As at 31.03.2012 Rupees</u> | <u>As at 31.03.2011 Rupees</u> |
|--|--|--|
| Trade Payables | | |
| - Total outstanding dues of Micro Enterprises and Small Enterprises | - | 164,588 |
| - Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises | 16,927,057 | 2,126,809 |
| Total | 16,927,057 | 2,291,397 |

5. OTHER CURRENT LIABILITIES

| | | |
|---------------------|------------------|------------------|
| Unclaimed Dividends | 940,320 | 874,072 |
| Other Payables | 125,989 | 1,508,677 |
| Statutory Dues | 357,992 | - |
| Total | 1,424,301 | 2,382,749 |

6 SHORT TERM PROVISIONS

| | | |
|---|------------------|------------------|
| Other Provisions | | |
| For Taxation (Net of advance tax Rs. 2508313 (As at 31st March 2011 Rs.10582195) | 141,687 | 120,900 |
| For Proposed Dividend on Equity Shares | 1,760,125 | 1,408,100 |
| For Corporate Dividend Tax on Proposed Dividend | 292,335 | 233,868 |
| Total | 2,194,147 | 1,762,868 |

7. FIXED ASSETS

| A. Tangible assets | Gross block | | | Accumulated depreciation and impairment | | | | Net Block | | |
|----------------------------|--------------------------|------------------|------------|---|-----------------------------------|---|--|----------------------------------|----------------------------------|-----------------------------------|
| | Balance 1 April, 2011 | Additions | Disposals | Balance as at 31 March, 12 | Balance as at 1 April, 2011 | Depreciation /amortisation for the year | Eliminated on disposal of assets | Balance as at 31 March, 12 | Balance as at 31 March, 12 | Balance as at 1 April, 2011 |
| | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. |
| (a) Plant and Equipment | - | 278,312 | - | 278,312 | - | 12,709 | - | 12,709 | 265,603 | - |
| (b) Furniture and Fixtures | - | 661,945 | - | 661,945 | - | 58,896 | - | 58,896 | 603,049 | - |
| (c) Vehicles | - | 30,000 | - | 30,000 | - | 276 | - | 276 | 29,724 | - |
| (d) Office equipment | 93,962 | 91,900 | - | 185,862 | 87,728 | 20,822 | - | 108,550 | 77,312 | 6,234 |
| Total | 93,962 | 1,062,157 | - | 1,156,119 | 87,728 | 92,703 | - | 180,431 | 975,688 | 6,234 |
| Previous year | 12,766,412 | 90,860 | 12,763,310 | 93,962 | 5,286,683 | 1,066,170 | 6,265,125 | 87,728 | 6,234 | 7,479,729 |

8. NON CURRENT INVESTMENT

| Particulars | As At 31.03.2012 | | | As At 31.03.2011 | | |
|--|------------------|----------|-------------------|------------------|----------|--------------------|
| | Quoted | Unquoted | Total | Quoted | Unquoted | Total |
| Investments (At Cost) | | | | | | |
| Non Trade Investments | Rupees | Rupees | Rupees | Rupees | Rupees | Rupees |
| a) Investment in Land | | | 6,957,130 | | | - |
| b) Investment in Equity Instruments of Other Companies | | | | | | |
| 11,64,957 (As at 31 March, 2011: Nil) shares of Rs.10 each fully paid up in Gujarat Sidhee Cement | 11,307,458 | - | 11,307,458 | - | - | - |
| 51,100 (As at 31 March, 2011: Nil) shares of Rs. 10 each fully paid up in DJS Stock Shares | 3,310,981 | - | 3,310,981 | - | - | - |
| Nil (As at 31 March, 2011 - 1044) NCDs of Rs. 1000 each fully paid up in Shriram Transport Finance Co.Ltd. | - | - | - | 1,044,000 | - | 1,044,000 |
| c) Investment in Mutual Funds | | | | | | |
| Birla Sunlife Short Term Fund | | | - | | | 1,398,437 |
| Birla Sunlife Saving Fund | | | - | | | 108,157,882 |
| Total - Non Trade Investment | | | 21,575,569 | | | 110,600,319 |
| Aggregate amount of quoted investments | | | 14,618,439 | | | 1,044,000 |
| Aggregate market value of listed and quoted investments | | | 13,365,802 | | | |

**9. LONG TERM LOANS AND ADVANCES**

| Particulars | As at 31.03.2012 Rupees | As at 31.03.2011 Rupees |
|---|--|--|
| Unsecured, considered good unless otherwise stated | | |
| Security Deposits | 32,320 | 32,320 |
| Loans and Advances to Related Parties | 36,250,000 | - |
| Other Loans | 76,893,900 | 1,693,961 |
| Total | 113,176,220 | 1,726,281 |

10. INVENTORIES

| | | |
|-----------------------------------|-------------------|----------|
| - Stock in Trade - Gold Jewellery | 14,500,001 | - |
| Total | 14,500,001 | - |

11. TRADE RECEIVABLES

| | | |
|---|----------|------------------|
| Unsecured | | |
| Trade receivables outstanding for a period exceeding six months | - | - |
| Other Debts | - | 2,942,752 |
| Total | - | 2,942,752 |

12. CASH AND CASH EQUIVALENT

| | | |
|---|-------------------|-------------------|
| (a) Cash on hand | 234,327 | 630 |
| (b) Balances with banks | | |
| (i) In current accounts | | |
| - Axis Bank Ltd / UCO Bank | 1,794,029 | 3,299,542 |
| (ii) In deposit accounts (Refer Note (I) below) | 10,025,495 | 21,964,595 |
| (iii) In earmarked accounts | | |
| - Unpaid dividend accounts | 940,320 | 874,072 |
| Total | 12,994,171 | 26,138,839 |

13. SHORT TERM LOANS AND ADVANCES

| | | |
|---|----------------|--------------|
| Unsecured, considered good unless otherwise stated | | |
| Prepaid expenses | 106,712 | 4,000 |
| Other Loans and Advances (Includes Advances to vendors and other advances) | 7,425 | - |
| Total | 114,137 | 4,000 |

14. REVENUE FROM OPERATIONS

| Particulars | Current Year ended 31.03.2012 Rupees | Previous Year ended 31.03.2011 Rupees |
|---|---|--|
| Sale of Products (Refer Note (I) below) | 9,195,533 | 15,052,659 |
| Other Operating Income (Refer Note (ii) below) | 18,483,591 | 1,923,292 |
| Total Revenue From Operation | 27,679,124 | 16,975,951 |
| Notes : | | |
| (I) Sale of products comprises | | |
| Traded goods :- | | |
| Gold Jewellery (Previous year cranes/hoists etc. manufactured/traded) | 9,195,533 | 15,052,659 |
| Total - Sale of Products | 9,195,533 | 15,052,659 |
| (ii) Other operating revenues comprise: | | |
| Interest Income from Financing activity | 18,483,591 | 1,923,292 |
| Total - Other operating revenues | 18,483,591 | 1,923,292 |

15. OTHER INCOME

| Particulars | Current Year ended 31.03.2012 | Previous Year ended 31.03.2011 |
|--|-------------------------------------|--------------------------------------|
| Interest income (Refer Note (i) below) | 55,834 | 2,053,144 |
| Dividend income: from long-term investments others | 134,002 | 2,772,590 |
| Net gain on sale of: long-term investments | 216,135 | 17,184,432 |
| Other non-operating income (Refer Note (ii) below) | 86,132 | 2,568,660 |
| Total Other Income | 492,103 | 24,578,826 |
| Note : | | |
| (I) Interest income comprises: | | |
| Interest from banks on: deposits | 55,834 | 2,053,144 |
| Total - Interest income | 55,834 | 2,053,144 |
| (ii) Other non-operating income comprises: | | |
| Liabilities / provisions no longer required written back | 34,057 | 84,639 |
| Miscellaneous income | 52,075 | 2,484,021 |
| Total - Other non-operating income | 86,132 | 2,568,660 |

**16. COST OF MATERIALS CONSUMED**

| Particulars | Current Year ended 31.03.2012 Rupees | Previous Year ended 31.03.2011 Rupees |
|------------------------|---|--|
| Raw Materials Consumed | - | 11,643,599 |
| Total | - | 11,643,599 |

17. CHANGES IN INVENTORIES

| | | |
|--|----------------------------|-----------------------|
| Inventory at the end of year | | |
| Finished Goods | - | - |
| Work-in-Progress | - | - |
| Stock-in-Trade | 14,500,001 | - |
| | <u>14,500,001</u> | <u>-</u> |
| Inventory at the beginning of the year | | |
| Finished Goods | - | 357,092 |
| Work-in-Process | - | 40,338 |
| Stock-in-Trade | - | - |
| | <u>-</u> | <u>397,430</u> |
| Net (increase) / decrease | <u>(14,500,001)</u> | <u>397,430</u> |

18. EMPLOYEE BENEFITS EXPENSE

| | | |
|---|-------------------------|-------------------------|
| Salaries and Wages | 1,633,350 | 3,551,598 |
| Contribution to Provident and Other Funds | - | 250,765 |
| Staff Welfare Expenses | 43,432 | 82,710 |
| Total | <u>1,676,782</u> | <u>3,885,073</u> |

19. FINANCE COSTS

| Particulars | Current Year ended 31.03.2012 Rupees | Previous Year ended 31.03.2011 Rupees |
|------------------------------------|---|--|
| Interest expense on: Borrowings | 3,208,820 | 5,072 |
| Total | 3,208,820 | 5,072 |

20. OTHER EXPENSES

| | | |
|--|------------------|------------------|
| Repairs and Maintenance : | | |
| - Others | 50,312 | 72,588 |
| Rent, Rates and taxes | 253,124 | 207,465 |
| Insurance | 19,538 | 96,537 |
| Power and Fuel | - | 39,494 |
| Selling and Promotion Expenses | 172,841 | - |
| Printing, Postage and Telephone Expenses | 245,649 | 338,956 |
| Travelling and Conveyance | 157,438 | 122,545 |
| Legal and Professional Charges | 340,422 | 609,614 |
| Donations | 500,000 | 420,000 |
| Loss on Sale / Discard of Fixed Assets (net) | - | 1,380,869 |
| Directors Sitting Fees | 11,000 | 11,000 |
| Advertisement expenses | 315,723 | 113,581 |
| Auditors - Audit Fees | 60,000 | 40,000 |
| Show Room expenses | 115,244 | - |
| Sundry expenses | 219,214 | 191,470 |
| VAT paid | 86,566 | - |
| Miscellaneous Expenses | 271,922 | 2,214,691 |
| | 2,818,993 | 5,858,809 |



Notes on Financial Statements for the year ended 31st March, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention / Basis of Accounts

- ❖ The financial statements have been prepared under historical cost conventions in according with the generally accepted accounting principles and in compliance with the Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 as the Companies (Accounting Standards) Rules, 2006, and in accordance with the other relevant provisions of the Companies Act, 1956.
- ❖ The financial statements for the year ended March 31, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended March 31, 2012 are prepared as per Revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements

b. Use of Estimates

The preparation of the financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting year, the reported amounts of assets and liabilities and the disclosures of contingent liabilities as on the date of the financial statements.

c. Fixed-Assets :

- ❖ Fixed assets are stated at cost less accumulated depreciation and impairment loss, if any.
- ❖ Cost for the purpose of valuing fixed assets & capital work in progress comprises of the purchase price and any attributable cost of bringing the asset to working condition for it's intended use.
- ❖ Pre-operative Expenditure and cost relating to borrowed funds attributable to the construction or acquisition upto the date asset is ready for use is included under Capital Work-in-Progress and the same is allocated to the respective fixed assets on its completion for satisfactory commercial commencement.

d. Method Of Depreciation :

Depreciation on fixed assets has been provided on written down values as per the rates mentioned in Schedule XIV to The Companies Act 1956.

e. Investment :

- ❖ Investments that are intended to be held for more than a year from the date of acquisition are classified as long-term investments and are stated at its cost of acquisition. Diminution, if any, other than temporary, in the value of such investments is provided.
- ❖ Investments other than long-term investments, being current investments, are valued at the lower of cost and fair value, determined on an individual basis, including held by the Subsidiaries for long-term purposes is provided. Diminution in the value of other investments is provided.

f. Revenue Recognition :

Revenue is recognized on accrual basis to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

- Sale of Goods :-

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer and is stated net of sales tax and sales returns. Export sales are stated at FOB value.

- Service, Maintenance Charges & installation :-

Revenue from these activities is booked, based on agreements/arrangements with concerned parties.

- Interest :-

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

- Insurance Claims :-

Insurance claims are accounted for when settled/received. Brokerage & Charges are recognized on completed settlement basis and banks interest on accrual basis.

g Taxes on Income :

Provision for Current Tax is made after taking into consideration benefits admissible under the provision of The Income Tax Act 1961. Deferred Tax resulting from "timing difference"& "rate difference" between book Profit and taxable profit is accounted for using the tax rate and laws that have been enacted or substantively enacted as on the Balance sheet date. The deferred tax asset is recognize and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future.

h Valuation of Stock :

Stock is valued at weighted average cost. Cost of inventory comprises of all cost of conversion and other cost incurred in bringing them to their respective present location and condition and valued on the basis of weighted average method.

i Foreign Currency Transaction :

- ❖ All monetary assets & liability in foreign currencies are translated in Indian rupee at exchange rates prevailing at the balance sheet date as notified by the Foreign Exchange Dealers Association of India (FEDAI).
- ❖ All non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
- ❖ Items of income and expenditure relating to foreign exchange transaction are recorded at exchange rate prevailing on the date of transaction.
- ❖ Exchange differences arising on the settlement of monetary items or on reporting at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or expenses in the year in which they arise.

j Accounting of CENVAT/VAT benefits :

Cenvat/VAT credit availed under the relevant provisions in respect of Raw materials, Packing materials, capital goods, etc. is reduced from the relevant cost of purchases.

k Employee Benefits :

- ❖ Defined contribution plan: The Company's superannuation scheme and state governed provident fund scheme are defined contribution plans. The contribution paid/payable under the schemes is recognized during the year in which the employees renders the related service.
- ❖ Defined benefit plan - Gratuity: In accordance with applicable Indian Laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employees last drawn salary and the years of employment with the Company. Liability with regard to Gratuity Plan is accrued based on actuarial valuation at the Balance Sheet date, carried out by an independent Actuary. Actuarial gain or loss is recognised immediately in the statement of Profit and Loss as Income or Expense
- ❖ Compensated Absences: As per policy of the Company, it allows for the encashment of absence or absence with pay to its employees. The employees are entitled to accumulate such absences subject to certain limits, for the future encashment or absence. The Company records an obligation for Compensated absences in the year in which the employees renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the Balance Sheet date on the basis of an independent Actuarial valuation.

l Borrowing Costs:

- ❖ Borrowing costs that are attributable to the acquisition / construction of qualifying assets, are capitalized, net of income / income earned on temporary investments from such borrowings. Other borrowing costs are charged to the Statement of Profit and Loss as expense in the year in which the same are incurred.
- ❖ Redemption Premium payable on borrowings are included as part of borrowing costs on a periodic cost basis.

m Provisions, Contingent Liabilities And Contingent Assets :

- ❖ Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if the Company has a present obligation as a result of a past event, a probable outflow of resources is expected to settle the obligation and the amount of the obligation can be reliably estimated.
- ❖ Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.
- ❖ Contingent liability is stated in the case of a present obligation arising from a past event, when it is not Probable that an outflow of resources will be required to settle the obligation, a possible obligation, unless the probability of outflow of resources is remote.
- ❖ Contingent assets are neither recognized, nor disclosed.
- ❖ Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

n Cash Flow Statement :

The statement of cash flow has been prepared under the indirect method as set out in Accounting Standard - 3 issued under the Companies (Accounting Standard) Rules, 2006.

| | As at 31.03.2012 <u>Rupees</u> | As at 31.03.2011 <u>Rupees</u> |
|---|--------------------------------------|--------------------------------------|
| 21. Estimated amount of capital contracts remaining to be executed and not provided for. | NIL | NIL |
| 22. Contingent liability on partly paid debentures and shares. | NIL | NIL |
| 23. Guarantees given by a bank. | 24,500 | 224,000 |
| 24. (a) Appeals filed by the Income Tax Department against appellate decisions favourable to the Company involving tax amount to (b) Necessary provision in respect of above liabilities, including interest if any, will be made in the accounts on final outcome of appeals. | 1,285,940 | 1,285,940 |
| 25. Payment to Auditors Audit fees | 60,000 | 40,000 |
| 26. Claim of material amount on account of disputes raised by a customer against the Company which has not been accepted and has been referred to the Arbitrator. The matter is under litigation and the liability, if any, cannot be ascertained and hence not provided in the accounts. | | |
| 27. There are no doubtful debts or doubtful advances during the year (Previous year, Rs. NIL) | | |
| 28. As of 31st March, 2012 the Company had no outstanding dues to small scale industrial undertakings for sum of of Rs. 1 lac or more for more than 30 days. | | |
| 29. No loan or advances given to employees during year (Previous year Rs. NIL). | | |
| 30. Confirmation for debit and credit balances have been received from most of the parties. | | |
| 31. TRANSACTION WITH RELATED PARTY : | | |
| A) <u>Key Management Personnel</u> | <u>Description of transaction</u> | <u>Amount in Rs.</u> |
| 1. Mrs. Neeta Maloo Chairperson & Mg. Director | Remuneration | } Refer note no. 15 |
| B) <u>Other related parties</u> | | |
| Directors | Fees | 11,000 |



32. (a) Managerial Remuneration u/s 198 of the Companies Act, 1956

| | 2011-12 | | 2010-11 | |
|--|--|-----------------|--|--------------------------|
| | Chairperson & Managing Director Rupees | Chairman Rupees | Vice-Chairman and Managing Director Rupees | Managing Director Rupees |
| 1. Salary | 720,000 | 234,194 | 234,194 | 292,742 |
| 2. Commission | - | - | - | - |
| 3. Contribution to Provident Fund /Superannuation Fund | - | 23,419 | 43,419 | 54,274 |
| 4. Provision for Gratuity ** | - | 10,000 | 10,000 | 12,500 |
| 5. Other perquisites in cash or kind | 432,000 | 78,293 | 198,270 | 246,776 |
| TOTAL | 1,152,000 | 345,906 | 485,883 | 606,292 |

b) The computation of net profit under Section 198 of the Companies Act, 1956 has not been given since, due to the inadequacy of net profit as per section 309(5), no commission is payable for the year ended 31st March, 2012.

33. a) Information regarding goods manufactured :

| Class of Goods | Opening Stock | | Purchases / Production | | Closing Stock | | Sales | |
|---|---------------|-------------------|------------------------|-------------------|---------------|-------------------|---------|-------------------|
| | Qty Nos | Value Rs. in Lacs | Qty Nos | Value Rs. in Lacs | Qty Nos | Value Rs. in Lacs | Qty Nos | Value Rs. in Lacs |
| 1. Electric and Pneumatic Hoists | - | - | - | - | - | - | - | - |
| | (5) | (3.57) | (39) | (38.75) | - | - | (44) | (54.36) |
| 2. Cranes @ | - | - | - | - | - | - | - | - |
| | - | - | (8) | (58.05) | - | - | (8) | (65.49) |
| 3. Raw materials, Components & Store etc. | - | - | - | - | - | - | - | - |
| | - | (20.04) | - | - | - | - | - | (30.68) |
| | (5) | (23.61) | (47) | (96.80) | - | - | (52) | (150.53) |

33. b) Information regarding goods traded:

GOLD JEWELLERY:

| | | | | | | | |
|-----------------|-----|-----------------|--------|---------------|---------------|-------------|--------------|
| 1. Pendant Sets | NIL | 12,740.615 gms. | 219.67 | 8,286.261gms. | 143.10 | 4,454.354 | 90.00 |
| 2. Malas | NIL | 9,095.65 ct. | 3.46 | 5,125.000 ct. | 1.90 | 3,970.65ct. | 1.95 |
| | | | | | 145.00 | | 91.95 |

34. SEGMENT INFORMATION :

(Rupees in lacs)

A) Information about Business Segment - Primary

| S.No. | Particulars | Finance | Trading | Total |
|-------|--|----------|---------|----------|
| 1. | Segment Revenue | 189.51 | 92.20 | 281.71 |
| 2. | Segment Result: | | | |
| | Profit/(Loss) Before Taxation | 156.30 | 1.35 | 157.65 |
| | Less: | | | |
| | 1) Interest | | | 32.09 |
| | 2) Other unallocated corporate expenses (Net of income) | | | - |
| | Profit/(Loss) Before Tax | | | 125.56 |
| 3. | Other Information: | | | |
| | Segment Assets | 1,135.25 | 523.19 | 1,658.44 |
| | Add: Unallocated common assets | | | - |
| | Total Assets | | | 1,658.44 |
| | Segment Liabilities | 63.80 | 166.74 | 230.54 |
| | Add: Unallocated common liabilities | | | - |
| | Total Liabilities | | | 230.54 |
| 4. | Capital Expenditure during the year : | 0.06 | 10.56 | 10.62 |
| 5. | Depreciation and amortisation : | 0.04 | 0.88 | 0.92 |
| | Add: Unallocated Depreciation | | | - |
| | | | | 0.92 |
| 6. | Non - Cash Expenditure : | | | NIL |

B) Secondary Segment

The Company has no secondary segment.

| | 2011-12 Rupees | 2010-11 Rupees |
|--|-------------------|-------------------|
| 35. Earning Per Share (EPS): | | |
| (i) Net profit available for Equity shareholders (Rupees) | 9,861,330 | 44,549,668 |
| (ii) Weighted average number of shares at the beginning and end of the year. | 704,050 | 704,050 |
| (iii) a) Basic and Diluted Earnings per share (Before extra-ordinary income)(Rupees) | 14.01 | 20.46 |
| b) Basic and Diluted Earnings per share including extra-ordinary income(Rupees) | 14.01 | 63.28 |

As per our report of even date annexed herewith

For and on behalf of the board
TAK MACHINERY AND LEASING LTD

FOR PATKAR & PENDSE

Chartered Accountants
FRN 107824W

NEETA MALOO

Chairperson & Managing Director

B.M. PENDSE

Partner
M.No.032625
Place :Mumbai
Dated : 30th May, 2012

LABH CHAND MALOO

Director

**CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2012**

(Rs. In Lacs)

| A) CASH FLOW FROM OPERATING ACTIVITIES | Current Year | Previous Year |
|--|-------------------|-----------------|
| Net Profit before tax and extraordinary items | 125.55 | 563.46 |
| Adjustments for : | | |
| Depreciation | 0.93 | 10.66 |
| Sundry balances written-back | 0.09 | |
| Loss on Fixed Deposits | 2.96 | - |
| Profit on sale of Fixed Assets | (2.16) | (284.83) |
| Interest Expenses | 32.09 | 0.05 |
| Interest Income | (185.39) | (39.76) |
| Dividend on Investments | (1.34) | (27.73) |
| | (152.82) | (341.61) |
| Operating profit before working capital changes | (27.27) | 221.85 |
| Adjustments for : | | |
| Trade and other receivables | 29.43 | (21.97) |
| Inventories | (145.00) | 23.61 |
| Trade payables and Other Liabilities | (980.84) | 306.10 |
| | (1,096.41) | 307.74 |
| Cash generated from Operations | (1,123.68) | 529.59 |
| Income Tax Paid (Net of Refund) | (30.14) | (107.72) |
| Deferred Tax | - | (10.96) |
| Net cash from operating activities -A. | (1,153.82) | 410.91 |
| B) CASH FLOW FROM INVESTING ACTIVITIES | | |
| Payment towards Capital Expenditure | (10.62) | (0.91) |
| Sale of Fixed Assets | - | 177.9 |
| Purchase of Investments | (409.85) | (1,264.91) |
| Sale of Investments | 1,302.28 | 599.84 |
| Dividend Received on Investments | 1.34 | 27.73 |
| Interest Received | 185.39 | 39.76 |
| | 1,068.54 | (420.52) |
| Net cash generated/(used) in investing activities -B. | 1,068.54 | (420.52) |
| C) CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (32.09) | (0.05) |
| Dividend Paid | (14.08) | (14.08) |
| Net cash used in financing activities | (46.17) | (14.13) |
| NET INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS | (131.45) | (23.74) |
| Cash and cash equivalents: | | |
| Opening balance | 261.39 | 285.13 |
| Closing balance | 129.94 | 261.39 |

- Notes: 1. The above cash flow statement has been prepared under "Indirect Method" set out in AS-3, issued by Institute of Chartered Accountants of India.
 2. Figures in brackets indicates cash outgo.
 3. Previous year's figures have been re-grouped and reclassified wherever necessary.

As per our report of even date annexed herewith

For and on behalf of the board
TAK MACHINERY AND LEASING LTD**FOR PATKAR & PENDSE**Chartered Accountants
FRN 107824W**NEETA MALOO**

Chairperson & Managing Director

LABH CHAND MALOO

Director

B.M. PENDSE

Partner

M.No.032625

Place : Mumbai

Dated : 30th May, 2012

TAK Machinery and Leasing Ltd

Regd. Office : 308, Maker Bhavan - III, 21, New Marine Lines, Mumbai 400 020.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

I hereby record my presence at the 50th Annual General Meeting of the Company at Kilachand Conference Room, Indian Merchants Chamber, Indian Merchants Chamber Marg, Churchgate, Mumbai 400 020 on Thursday the 20th Sept, 2012 at 11.30 a.m.

Full Name of the Shareholder (in block letters) Signature

Folio No. _____

Full Name of the Proxy (in block letters) Signature

TAK Machinery and Leasing Ltd

Regd. Office : 308, Maker Bhavan - III, 21, New Marine Lines, Mumbai 400 020.

PROXY

I / We of
being a member / Members of the above named Company hereby appoint
..... of or failing him
..... of

as my / our proxy to attend and vote for me / us, on my / our behalf at the Fiftieth Annual General Meeting of the Company to be held on Thursday the 20th Sept, 2012 at 11.30 a.m. and at any adjournment thereof.

Signed this day of 2012

Signature

Address

.....

.....

Affix
15 Paise
Revenue
Stamp

IMPORTANT:

- a) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than FORTY-EIGHT HOUR before the time fixed for holding the meeting.
- b) A proxy need not be a member.

If undelivered, please return to:
TAK Machinery & Leasing Ltd.,
308, Maker Bhavan - III, 21,
New Marine Lines, Mumbai - 400 020 (INDIA).