

AADIL AIBADA & ASSOCIATES

Chartered Accountant

B. Comm., FCA

Mobile No. 98253 13513

510-511-512, Jolly Plaza, Athwagate, Surat-395001.

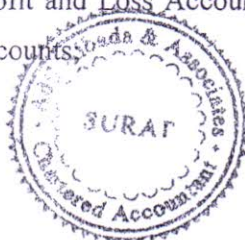
AUDITOR'S REPORT

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

We have audited the attached Balance Sheet of MARG TECHNO PROJECT LIMITED as at 31st MARCH 2012 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.



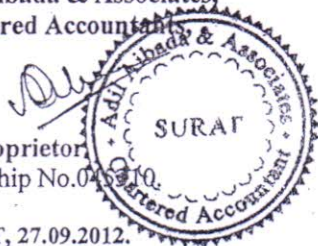
- (d) In our opinion, the Profit and Loss Account and Balance Sheet mentioned above complied with the mandatory accounting standards referred to in Sub-section (3c) of Section 211 of the Companies Act, 1956.
- (e) Since we have not received any representation from directors. We are not in a position to comments regarding to their disqualification under clause (g) of sub section (I) of section 274 of Companies Act, 1956 as on 31.03.2012.
- (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 31,2012 and
- (ii) In the case of the Profit and Loss Account, of the Profit 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. 046310.

SURAT, 27.09.2012.



AADIL AIBADA & ASSOCIATES

Chartered Accountant
B. Comm., FCA

Mobile No. 98253 13513

510-511-512, Jolly Plaza, Athwagate, Surat-395001.

ANNEXURE TO THE ADITORS REPORT FOR THE YEAR ENDED ON 31-03-2012.

[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.

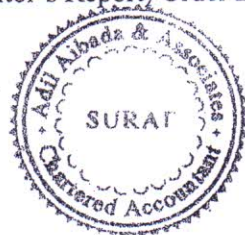
[4] The Company has granted loans, secured and unsecured to Companies, firms and other parties listed in the register maintained under section 301 of the Companies Act, 1956. The rate of interest and other terms and conditions are prima facie not prejudicial to the interest of the Company. We are informed 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 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.




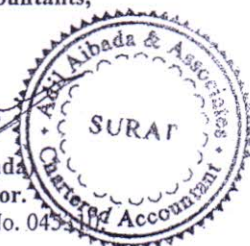
- [13] In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
- [14] In our opinion, the Company is not a chit fund or a nidhi/mutual benefit 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.
- [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 even though the company has profit during the period under Audit.

For ADIL AIBADA & ASSOCIATES,
Chartered Accountants,


(Adil Aibada)
Proprietor.
Membership No. 045416



SURAT, 27.09.2012.

M/S. MARG TECHNO PROJECTS LIMITED

BALANCE SHEET AS ON 31ST MARCH, 2012.

Particulars	Sch.	As at 31.03.12	As at 31.03.11
<u>EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' FUNDS</u>			
(a) Share Capital	1	60,000,000	60,000,000
(b) Reserves and surplus	2	5,498,067	5,498,067
Total (a) ...		65,498,067	65,498,067
<u>NON-CURRENT LIABILITIES</u>			
(a) Long Term Borrowings	3	43,853,968	43,853,968
(b) Deferred Tax Liabilities (Net)		-	-
Total (b) ...		43,853,968	43,853,968
<u>CURRENT LIABILITIES</u>			
(a) Short Term Borrowings		-	-
(b) Trade Payables		-	-
(c) Other Current Liabilities	4	369,803	491,028
Total (c) ...		369,803	491,028
Total (a+b+c) ...		109,721,838	109,843,063
<u>ASSETS</u>			
(a) Fixed Assets			
Tangible Assets	5	377,537	419,485
(b) Non-current Investments		-	-
(c) Long Term Loans & Advances		-	-
(d) Deferred Tax Assets		-	-
Total (d) ...		377,537	419,485
<u>CURRENT ASSETS</u>			
(a) Current Investments	6	17,033,457	17,033,457
(b) Trade Receivable	7	84,851,614	84,916,250
(c) Cash and Cash Equivalents	8	35,457	24,278
(d) Short Term Loans and Advances	9	-	-
Total (e) ...		101,920,528	101,973,985
<u>MISC EXPENDITURE</u>			
(a) Profit & Loss Account	13	7,423,773	7,449,593
Total (f) ...		7,423,773	7,449,593
Total (d+e+f) ...		109,721,838	109,843,063
		-	-

Signatures to Schedule 1 to 19 forming part of Balance Sheet and Profit & Loss Accounts.

For Adil Aibada & Associates.

Chartered Accountants & Associates

(Adil S. Aibada)

Proprietor

Membership No.0455



FOR MARG TECHNO PROJECTS LIMITED

Usee
DIRECTORS

SURAT, 27.09.2012.

M/S. MARG TECHNO PROJECTS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED ON 31ST MARCH, 2012.

Particulars	Sch.	As at 31.03.12	As at 31.03.11
1. Revenue from Operations (Gross)		649,242	666,270
Less: Excise duty		-	-
Revenue from Operations (Net)		649,242	666,270
2. Other Income		-	-
4. TOTAL REVENUE		649,242	666,270
5. Expenses			
(a) Cost of Electric Power		1,715	7,379
(b) Employee benefits Expenses	16	434,276	439,144
(c) Financial Expenses	17	3,225	2,986
(d) Depreciation		41,948	46,608
(e) Administration & Other Expenses	18	137,398	144,946
TOTAL EXPENSES		618,562	641,063
6. Profit / (Loss) before exceptional and extraordinary items and tax (3-4)		30,680	25,207
7. Exceptional Items		-	-
8. Profit / (Loss) before Extraordinary items and Tax (6 + 7)		30,680	25,207
9. Extraordinary Items		-	-
10. Profit / (Loss) before Tax (8+9)		30,680	25,207
11. Tax Expenses :			
(a) Income Tax Expenses for previous year		4,860	-
(b) Taxation for previous year		-	-
(c) Deferred Tax		-	-
12. Profit / (Loss) from continuing operations		25,820	25,207
13.i Profit / (Loss) from discontinuing operations		25,820	25,207
13.ii Add / (Less) : Tax Exp of discontinuing operations		-	-
14. Profit / (Loss) from discontinuing operations		-	-
15. Profit / (Loss) for the year		25,820	25,207
16. Earning per share (of Rs. 10/- each)		0.004	0.004

Signatures to Schedule 1 to 19 forming part of Balance Sheet and Profit & Loss Accounts.

For Adil Aibada & Associates,

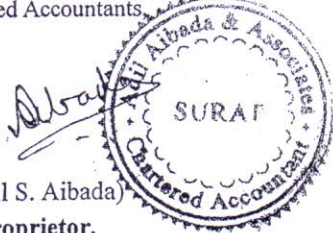
Chartered Accountants

(Aadil S. Aibada)

Proprietor.

Membership No.045310..

SURAT, 27.09.2012.



FOR MARG TECHNO PROJECTS LIMITED

1

[Signature]

2

[Signature]
DIRECTORS

SCHEDULE FORMING PART OF THE BALANCE-SHEET AS ON 31ST MARCH, 2012

Particulars	As at 31.3.2012	As at 31.3.2011
SCHEDULE- 1 : SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
7510000 EQUITY SHARES OF RS.10/- EACH.	75,100,000	75,100,000
ISSUED, SUBSCRIBED & PAID UP		
6000000 EQUITY SHARES OF RS.10/- EACH FULLY PAID UP	60,000,000	60,000,000
	60,000,000	60,000,000
(A) Details of Shareholders holding more than 5% of the aggregate Shares in the Company		
	No. of Shares	No. of Shares
	% of Holding	% of Holding
No Share holders holding more than 5% of the aggregate Shares in the Company.	-----Nil-----	-----Nil-----
SCHEDULE- 2 : RESERVES & SURPLUS		
SPECIAL RESERVES	451,948	451,948
GENERAL RESERVES	1,461,334	1,461,334
RESERVES FOR BAD DEBTS	3,584,785	3,584,785
	5,498,067	5,498,067
SCHEDULE- 3 : LONG TERM BORROWINGS		
SECURED LOAN FROM BANK	43,853,968	43,853,968
	43,853,968	43,853,968
SCHEDULE- 4 : OTHER CURRENT LIABILITIES & PROVI.		
AUDIT FEES PAYABLE	46,000	50,300
D K NAIR	136,303	253,228
A. K. RAMAKRISHNAN	187,500	187,500
	369,803	491,028



SCHEDULE : 5 : TANGIBLE FIXED ASSETS

	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	AS AT 31.03.11	ADDITION (DEDUCTION)	TOTAL	TOTAL UP TO 31.03.12	FOR THE YEAR	TOTAL UP TO 31.03.12	AS AT 31.03.12	AS AT 31.03.11
OFFICE EQUIPMENT	165,415	-	165,415	124,483	4,093	128,576	36,839	40,932
FURNITURE & DEAD STOCK	1,052,050	-	1,052,050	801,107	25,094	826,201	225,849	250,943
CYCLE	7,000	-	7,000	5,359	164	5,523	1,477	1,641
COMPUTER	361,152	-	361,152	235,183	12,597	247,780	113,372	125,969
THIS YEAR...	1,585,617	-	1,585,617	1,166,132	41,948	1,208,080	377,537	419,485
PREVIOUS YEAR	1,581,717	-	1,585,617	1,119,524	46,608	1,166,132	419,485	466,093



SCHEDULE- 6 : CURRENT INVESTMENTS**[A] QUOTED SHARES**

AMI URJA VIKALP LTD (Market value no available)
 OCTOGAN INDUSTRIES LTD (Market value Rs. 3/- per shares
 of face value of Rs. 10/-)

3,448,000
 2,435,000

3,448,000
 2,435,000

[B] UNQUATED SHARES : PRIME HEALTH CARE LTD.

150,000

150,000

[C] SHARE INVESTMENT & APPLICATION MONEY

INARA FINANCIAL SERVICES LTD
 DIAMOND JUBILEE BAN LTD
 BHIKSHU PRINTS PRIVATE LTD.
 MINAXI FASHION
 AGRAWAL TRANS. CO.
 JBFS LTD

5,135,000
 375,000
 1,582,361
 630,000
 2,160,000
 978,096

5,135,000
 375,000
 1,582,361
 630,000
 2,160,000
 978,096

140,000

140,000

[D] DEPOSIT - OFFICE

17,033,457

17,033,457

SCHEDULE - 7 : TRADE RECEIVABLE (Sundry Debtors)

As per List Attached

84,851,614

84,916,250

84,851,614

84,916,250

SCHEDULE- 8 : CASH AND CASH EQUIVALENTS

CASH BALANCE
 STATE BANK OF INDIA
 CANARA BANK
 SARDAR VALLABHBHAI SAHKARI BANK
 GUJARAT MERCANTILE CO OP BANK-A'BAD
 THE BHOOJ MERCANTILE CO OP BANK-A'BAD
 THE SURVIKAS PEOPLES CO OP BANK-A'BAD
 THE SURAT DISTRICT CO-OP. BANK-SURAT

21,040
 10,036
 545
 930
 (5,623)
 6,200
 965
 1,364

15,538
 4,359
 545
 930
 (5,623)
 6,200
 965
 1,364

35,457

24,278

SCHEDULE-: 9 : PROFIT AND LOSS ACCOUNT

PROFIT & LOSS ACCOUNT-OPENING BALANCE
 ADD/LESS : LOSS/PROFIT DURING THE YEAR

7,449,593
 25,820
 7,423,773

7,474,800
 25,207
 7,449,593

SCHEDULE - 10 : EMPLOYEE BENEFIT EXPENSES

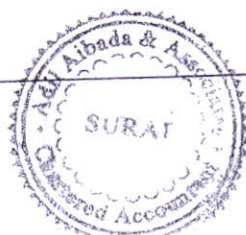
DIRECTORS' REMUNERATION
 SALARIES
 STAFF WELFARE EXPENSES
 STAFF BONUS

120,000
 288,000
 2,276
 24,000

120,000
 288,000
 7,144
 24,000

434,276

439,144



SCHEDULE - 11 : FINANCIAL EXPENSES		
BANK CHARGES	3,225	2,986
	3,225	2,986
SCHEDULE- 12 : ADMINISTRATIVE & OTHER EXPS		
AUDIT FEES	-	16,500
COMPUTER REPAIRS & MAINTANANCE	2,160	5,945
CONVEYANCE/VEHICLE EXPS	28,800	24,000
INSURANCE	-	3,245
LEGAL/PROFESSIONAL AND CONSULTANCY FEES	17,000	4,000
OFFICE/MISC. EXPS	9,296	20,576
OFFICE REPAIRS & MAINTANANCE EXPS	1,450	7,226
OFFICE RENT	36,000	36,000
POSTAGE & TELEGRAMS EXPS	-	275
PROFESSIONAL TAX	-	4,856
STATIONERY & PRINTING	6,223	3,520
TELEPHONE EXPENSES	6,619	12,366
TRAVELLING EXPENSES	29,850	6,437
	137,398	144,946



**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 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 2011-2012</u>	<u>A/C. YEAR 2010-2011</u>
	Rs. 16500	Rs. 16500
	-----	-----
	Auditor Remuneration	Rs. 16500
	=====	=====

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

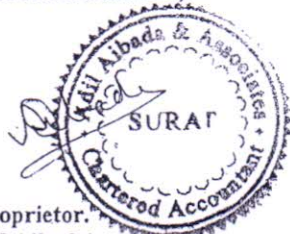
(O) The company has during the year adopted Accounting standard (AS-22) "Accounting for taxes on income" issued by the Institute of C.A. of India. As there are no profit no tax is provided.

(P) Earning per Share 0.004

(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.

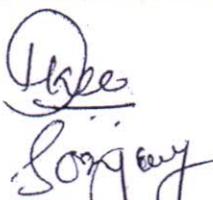
For ADIL AIBADA & ASSOCIATES,
Chartered Accountants,



Proprietor,
(Adil Aibada)
Membership No. 045310.

SURAT, 27.09.2012.

For MARG TECHNO PROJECT LTD.


DIRECTOR.