

MALABAR TRADING COMPANY LIMITED

AUDITED FINANCIAL REPORT

2009-2010

AUDITORS

LKM & COMPANY

CHARTERED ACCOUNTANTS

MUMBAI

NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the members of the Company will be held on Thursday, the 30th day of September, 2010 at 9.30 a.m. at the Registered Office of the Company at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Balance Sheet of the Company as at 31st March, 2010 and the Profit and Loss Account of the Company for the year ended on that date together with the report of the Auditors and the Directors thereon.
2. To recommend dividend @5% on equity shares, i.e., Rs. 0.50 per share of the face value of Rs. 10/- each.
3. To appoint a Director in place of Mr. Vishnu G Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

Registered Office:

C-1, 1st Floor, Everest Building
Opp. BMC School, Dattapada Road
Borivali (E), Mumbai- 400 066

By order of the Board

Director

Date: 3rd September, 2010

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of special business mentioned in the above notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 28th day of September, 2010 to 30th day of September, 2010 (both days inclusive).
4. Members are requested to intimate to the company, quoting Registered Folio, change in address, if any, with the Pin Code number.
5. In all correspondence with the company, members are requested to quote their account/folio number.
6. Members desirous of obtaining and information concerning the accounts and operations are requested to send their queries to the company at least seven days before the date of the meeting so that the information required by the members may be made available at the meeting.
7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.

DIRECTORS' REPORT

To,
The Members,
Malabar Trading Company Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the accounting period ended on 31st March, 2010.

FINANCIAL RESULTS

Description	(Rs. In Lacs)	
	For the Year ended 31.03.2010	For the Year ended 31.03.2009
Total Income	5.98	6.05
Total Expenditure	3.76	4.03
Operating Profit(PBDT)	2.22	2.02
Depreciation	0.76	0.96
Profit before Taxation	1.46	1.06
Provision for Taxation Incl. F.B.T.	-	0.15
Provisions for Deferred Tax	0.19	0.01
Interest Paid on Income Tax & F.B.T.	-	0.01
Profit after Taxation	1.35	0.89
Proposed Dividend	0.25	0.35
Provision for Dividend Tax	0.04	0.06
Net Profit after Tax and Dividend	1.05	0.48
Amount B/F from Last year	29.31	28.84
Amount available for appropriation	30.37	29.32
Balance C/F to Balance Sheet	30.37	29.32

During the year under review the company's Profit after Tax stood at Rs.1.35 Lacs.

The Directors expects a further growth in the current year due to the new activities taken up in the current year.

DIVIDEND

The Board has recommended 5% dividend on equity shares, i.e., Rs. 0.50 per share of the face value of Rs. 10/- each.

AUDITORS

M/s LKM & Co., Chartered Accountants, retire as the auditors of the Company and have confirmed that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment.

DIRECTOR'S

Mr. Vishnu G Sharma retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

AUDITORS' REPORT

Observations made in the Auditors' Report are self explanatory, and therefore, do not call for comments under section 217(3) of the Companies Act, 1956.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is not manufacturing unit hence, information pertaining to conservation of energy and technology absorption is not applicable to the Company.

There are no transactions pertaining to Foreign exchange earning and outgo during the year under review.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of the section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA), which were introduced by the Companies (amendment) Act, 2000 your Directors confirm that:-

- I. In the preparation of the annual accounts, the applicable accounting standards have been followed.
- II. The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as its give a true & fair view of the state of affairs of the Company as on 31st March, 2010 and the profit & loss of the company for the year ended on 31st March, 2010.
- III. The Directors have taken proper and sufficient care 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.
- IV. The Directors have prepared the Annual Accounts on going concern basis.

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their sincere appreciation and acknowledge with gratitude to the Company's valued clients and Bankers for their continued support. The Directors also record their appreciation of the Company's Employees at all their appreciation, commitment and hardwork, without which the results achieved by your company would not have been possible and look forward to their continued support.

For and on behalf of the Board,

**Sd/-
Director**

**Sd/-
Director**

Place: Mumbai

Date: 3rd September, 2010

LKM & Co.
Chartered Accountants

To,

The Members,
M/S MALABAR TRADING COMPANY LIMITED

We have audited the attached Balance Sheet of **M/S MALABAR TRADING COMPANY LIMITED** As at 31st March 2010 and also the Profit and Loss Account for the year ended on that date annexed hereto. These Financial Statement 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 the Auditing Standards generally accepted in India. The Standards required that we planned and performed the audit to obtain reasonable assurance about whether the financial statements are free of any 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 the management as well as evaluating the overall presentation of the financial statements. We believe that our Audit provides a reasonable basis for our opinion.
- 2 As required by the Companies (Auditor's Report) Order, 2003 as amended by the companies (Auditor's Report) Amendment Order 2004 (together the 'Order'), issued by the Central Government in terms of Sub-Section (4A) of the Section 227 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
- 3 Further to our comments in the Annexure referred to above, we report that :-
 - i. 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 ;
 - ii. In our opinion, proper books of accounts as required by Law have been kept by the Company so far as appears from our examination of those books of the company ;
 - iii. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts of the company;
 - iv. In our opinion, the Balance sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act 1956.

- v. Based on the representation made by the Directors of the company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the Directors is, as at 31st March 2010, Prima Facie disqualified from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the companies act, 1956;
- vi. In our opinion and to the best of information and according to the explanations given to us, the said accounts read with significant accounting policies and other notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India :
- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2010 ; and
- (b) in the case of the Profit & Loss Account ,of the profit of the Company for the year ended on that date.
- (c) in the case of the Cash flow of the Company for the year ended on that date.

FOR LKM & CO.
Chartered Accountants

Sd/-
L.K.MALPANI
Proprietor

Membership No. : 106989
Firm Reg. No. : 126823W

PLACE: MUMBAI
DATED: 31.05.2010

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Para (2) of our report of even date

We report that:-

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.

(b) According to the information and explanation given to us and the records produce to us, fixed assets have been physically verified by the management at reasonable intervals and no any material discrepancies were noticed on such verification.

(c) Substantial part of the Fixed Assets has not been disposed off during the year which effect the Going Concern.
2. (a) The Management has conducted physical verification of inventory at reasonable intervals.

(b) In our opinion, the procedure followed by the management for such physically verification are reasonable and adequate in relation to the size of the Company and nature of its business.

(c) The Company is maintaining proper records of inventory. As explained to us, no material discrepancies were noticed on verification between inventories and the books records.
3. (a) According to the information and explanations given to us and the record produce to us for our verification, the company has not taken or granted any loan from / to any Parties/Firm/Companies listed in the register maintained under Section 301 of the Company Act, 1956. Accordingly Clause No. 3(b), (c),(d), (e), (f) and (g) of the said Order are not applicable to the company.
4. In our opinion and according to the information and explanation given to us, there is exists a reasonable internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods.
5. (a) On the basis of information and explanations given to us and records produced to us for our verification there are no contract / arrangements, the particulars of which needed to be entered into the register maintained under section 301 of the Act.

(b) Based on the information and explanations provided by the management to us, no transaction have been made / executed in pursuance of contract / arrangements entered in the register maintained under section 301 of the Companies Act 1956 exceeding the value of Rs. 5 lacs in respect of any party during the year.

6. As per Information & Explanations given to us, the company has not accepted any deposits during the year from the public under section 58 of the Companies Act-1956. Accordingly the said clause of the Order is not applicable to the company.

As per Information & explanations given to us and record produce to us, the company has an internal audit system commensurate with its size of the company and the nature of its business.

The Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Act, hence the said clause of the Order is not applicable to the company.

- (a) According to the records of the company, the company has been regular in depositing undisputed statutory dues of the Income Tax and any other statutory dues with the appropriate authorities
 - (b) According to the records of the company and information and explanations given to us, there are no undisputed amount payable in respect of Income tax and other Statutory Dues at the last date of the financial year concerned for a period for more than six months from the date they become payable.
 - (c) The provisions of Employees State Insurance and Employees Provident Fund, Investor Education and Protection Fund, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Leave Encashment, Gratuity Act and others Retirement Benefits Clauses are not applicable to the company.
 - (d) According to the records of the company and as per information and explanations given to us, there are no statutory dues outstanding on account of any dispute.
- 10 According to the records of the company and information & explanations given to us the company has not given any guarantees for loans taken by other from banks or financial institutions.
11. The Company does not have any accumulated losses at the end of the financial year and has not incurred any cash losses in the current year and in the preceding financial year.
12. According to the records of the company and information & explanations given to us the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
13. According to the records of the company and information & explanations given to us the company has not granted loans on the basis of security by way of pledge of shares.
14. According to the records of the company and information & explanations given to us, the company is not a chit fund or nidhi/mutual benefit fund / societies, Accordingly the said clause of the Order is not applicable to the company.

15. In our opinion and record produce to us, the Company does not have any Investments.
16. According to the records of the company and information & explanations given to us the company has not taken any term loan facility from any bank or financial institutions.
17. On the basis of an overall examination of the balance sheet and cash flows of the company and as per the information and explanations given to us, we report that the company has not utilized any fund raised on short term basis for long term investment and vice versa.
18. The Company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Act. Accordingly the said clause of the Order is not applicable to the company.
19. The company has not issued any debentures during the year. Accordingly the said clause of the Order is not applicable to the company.
20. The Company has not raised any money through a public issue during the year. Accordingly the said clause of the Order is not applicable to the company.
21. Based on our audit procedures performed and the information and explanation given to us by the management we report that no fraud on or by the company has been noticed or reported during the year that caused the financial statement to be materially misstated.

FOR LKM & CO.
Chartered Accountants

Sd/-
L.K.MALPANI
Proprietor

Membership No. : 106989
Firm Reg. No. : 126823W

PLACE: MUMBAI
DATED: 31.05.2010

MALABAR TRADING COMPANY LIMITED
BALANCE SHEET AS AT 31 ST MARCH, 2010

	SCH.	AS AT 31.03.2010	AS AT 31.03.2009
<u>SOURCES OF FUNDS :-</u>			
SHAREHOLDERS FUND			
Share Capital	1	500000	500000
Reserve & Surplus	2	3037255	2931941
LOAN FUNDS			
Unsecured Loans	3	64750	64750
Deferred Tax Liabilities.	4	10131	17404
TOTAL FUND EMPLOYED		3612136	3514095
<u>APPLICATION OF FUNDS</u>			
FIXED ASSETS :			
Gross Block	5	1290483	1290483
Less : Depreciation		653787	577932
Net Block		636696	712551
CURRENT ASSETS, LOANS & ADVANCES			
Closing Stock	6	808288	1391009
Sundry Debtors		933214	47739
Cash on Hand & Balances with Scheduled Banks		320252	243489
Loans, Advances & Deposits		2136383	2628213
		4198137	4310450
Less : CURRENT LIABILITIES & PROVISIONS	7	1222697	1508906
NET CURRENT ASSETS		2975440	2801544
TOTAL FUND APPLIED		3612136	3514095

Notes to the Account & Significant Accounting Policies 12

AS PER OUR REPORT OF EVEN DATE

For LKM & Co.
Chartered Accountants
Sd/-
L.K.Malpani
(Proprietor)

For and on behalf of the Board

Sd/-
Director

Sd/-
Director

Membership No. :106989
Firm Reg No. :126823W
Place : **Mumbai**
Date : **31.05.2010**

MALABAR TRADING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31/03/2010

	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
INCOME :			
Net Income from Trading Activity		1147731	1129242
Increase / (Decrease) in Stock	8	(582721)	(560914)
Other Income	9	32780	36819
		597790	605147
EXPENDITURE :			
Administrative and Other Expenses	10	370723	401860
Interest & financial charges	11	5268	1497
Depreciation	5	75854	95787
		451845	499144
Profit Before Tax		145945	106003
Less / (Add) : Deferred Tax Liabilities Made / (Reversed)	4	(7273)	1055
Less : Interest paid on Income Tax & F.B.T.		0	957
Less Provision for Tax		18655	7625
Less : Provision for F.B.T.		0	7185
Profit After Tax		134563	89181
Less : Proposed Dividend		25000	35000
Less : Provision for Dividend Tax		4249	5948
Net Profit After Tax and Dividend		105314	48233
Last Year Balance Brought Down		2931941	2883708
CARRIED TO BALANCE SHEET		3037255	2931941
Earning Per Share		2.69	1.78

Notes to the Account & Significant Accounting Policies 12

AS PER OUR REPORT OF EVEN DATE

For LKM & Co.
Chartered Accountants

Sd/-
L.K.Malpani
(Proprietor)

For and on behalf of the
Board

Sd/- **Sd/**
Director **Director**

Membership No. :106989
Firm Reg. No. :126823W

Place : Mumbai
Dated : 31.05.2010

MALABAR TRADING COMPANY LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

A. Cash Flow From Operating Activities:

Net Profit after Tax & Extra Ordinary Items	105314	48233
Adjustment for :-		
Provision for Income Tax	18655	7625
Provision for Fringe Benefit Tax	0	7185
Transfer for Deferred Tax Liability	(7273)	1055
Provision ofr Dividend	25000	35000
Provision for Dividend Tax	4249	5948
Depreciation	75854	95787
Investment & Other Income	(32780)	(36819)
Profit On Sale of Investment	0	0
Interest Paid	0	0
Miscellaneous Expenditure Written Off	0	0
Operating Profit before Working Capital Changes	189019	164014
Adjustment for Changes in Working Capital	(89278)	(892161)
Cash Generated from Operation	99741	(728147)
Interest Paid	0	0
Direct Tax Paid	(20758)	(52783)
Cash Flow before Extra Ordinary Items	78983	(780930)
Extra-Ordinary Items	0	0
Net Cash Flow From Operating Activities(A)	78983	(780930)

B. Cash Flow from Investing Activities :-

Purchase of Fixed Assets	0	0
Sales Of Fixed Assets	0	0
Acquisition of Companies	0	0
Purchase of Investment	0	0
Sale of Investment	0	0
Interest & Other Income	32780	36819
Preliminary, Public Issue & Prop Exp.	0	0
Net Cash Flow From Investing Activities (B)	32780	36819

C. Cash Flow From Financing Activities :

Proceeds from Issue of Shares	0	0
Proceeds from Loan Fund	0	0
Dividend Paid	(35000)	(75000)
Payment of Unsecured Loan	0	0
Creditors for Capital Items, Expenses & Others	0	0
Net Cash Flow From Financing Activities (C)	(35000)	(75000)
Net Increase in Cash & Cash Equivalent (A+B+C)	76763	(819111)
Cash & Cash Equivalent As At 31-03-2009 & 08	243489	1062600
Cash & Cash Equivalent As At 31-03-2010 & 09	320252	243489

FOR AND ON BEHALF OF THE BOARD

**Sd/-
(DIRECTOR)**

**Place : Mumbai
Dated : 31.05.2010**

AUDITORS CERTIFICATE

We have examined the attached Cash Flow Statement of **MALABAR TRADING COMPANY LIMITED** derived from the Audited Financial Statement and the books and the records maintained by the company for the year ended 31st March 2010 and found the same to be drawn in accordance's therewith and also with the requirements of Clause 32 of the Listing agreements with the Stock Exchanges.

For LKM & Co
Chartered Accountants

Sd/

L.K.Malpani
Proprietor
Place : Mumbai
Dated : 31.05.2010

MALABAR TRADING COMPANY LIMITED

	31.03.2010	31.03.2009
	Rupees	Rupees
SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 ST MARCH, 2010.		
<u>SCHEDULE -1</u>		
SHARE CAPITAL		
<u>Authorised :-</u>		
11000000 Equity Shares of Rs. 10/- each	110000000	110000000
<u>Issued :-</u>		
50000 Equity Shares of Rs. 10/- each	500000	500000
<u>Subscribed and Paid up :-</u>		
50000 Equity shares of Rs. 10/- each	500000	500000
	500000	500000
<u>SCHEDULE -2</u>		
<u>RESERVE & SURPLUS</u>		
Opening Balance	2931941	2883708
Add : Profit / (Loss) During the year	105314	48233
	3037255	2931941
<u>SCHEDULE - 3</u>		
<u>UNSECURED LOANS</u>		
B.R.Laboratories Pvt. Ltd.	64750	64750
	64750	64750
<u>SCHEDULE- 4</u>		
<u>DEFERRED TAX LIABILITY</u>		
Opening Balance	17404	16349
Less / (Add) : Deferred Tax Liabilities Made / (Reversed)	(7273)	1055
	10131	17404

SCHEDULE- 5**FIXED ASSETS**

S.No.	Particular	Rate of Dep.	GROSS BLOCK				DEPPRECIATION			NET BLOCK	
			Cost as on 01/04/09	Addition	Deduction	Total	Opening	For the Year	Total	AS ON 3/31/2010	AS ON 3/31/2009
1	Vehicle	25.89%	564274	-	-	564274	404796	41289	446085	118189	159478
2	Computer	40.00%	71500	-	-	71500	58276	5290	63566	7934	13224
3	Furniture	18.10%	13200	-	-	13200	6642	1187	7829	5371	6558
4	Office Property	5.00%	620010	-	-	620010	102702	25865	128567	491443	517308
5	Air Conditioner	13.91%	21499	-	-	21499	5516	2223	7739	13760	15983
Total Rs.			1290483	-	-	1290483	577933	75854	653786	636697	712551

SCHEDULE - 6**CURRENT ASSETS, LOANS & ADVANCES****a) Inventory :-**

(As taken valued & certified by the management of the company)

Equity Shares	808288	1391009
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b) Sundry Debtors for Goods

(Unsecured, considered good)

Outstanding exceeding six months	0	0
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Others	933214	47739
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c) Cash & Bank Balance :

a. Cash on hand	49377	8035
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b. Balance with Scheduled Banks In Current Account	270875	235454
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d) Loans & Advances :-

(Unsecured considered good)

Other Advances (Recoverable in cash or Kind, for value to be recd)	2136383	2628213
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Total (a+b+c+d)

4198137	4310450
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SCHEDULE -7**CURRENT LIABILITIES AND PROVISIONS**

Provision for Taxation	18655	7625
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Provision for Fringe Benefit Tax	0	7185
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Sundry Creditors	1107927	1418613
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Provision for Dividend	25000	35000
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Provision of Dividend Tax	4249	5948
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Outstanding Liabilities	66866	34535
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1222697	1508906
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SCHEDULE -8**INCREASE / (DECREASE) IN STOCK**

Closing Stock	808288	1391009
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Less : Opening Stock	(1391009)	(1951923)
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(582721)	(560914)
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SCHEDULE -9**OTHER INCOME**

Interest Recd. (T.D.S. of Rs. NIL P.Y. 8944/-)	0	5443
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Dividend & Other Income	8780	19376
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Rent Recd.	24000	12000
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32780	36819
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SCHEDULE -10

ADMINISTRATIVE & OTHER EXPENSES

Audit fees	25000	15000
Books & Periodicals	3508	3038
Repair & Maintanance	8484	10867
Electric charges	14990	13496
Legal & Professional Charges	21500	9000
Listing fees	11830	10000
Miscellaneous expenses	4090	4008
D-Mat N.S.D.L. & C.D.S.L Charges	33427	11823
Postage & Telegrams	550	413
Printing & stationary	6199	2960
Rent	48000	48000
Subsription, Fees & Donation	0	100000
Results Publication Charges	16888	11058
Salary Expenses	108500	108000
Telephone charges	19262	22325
Travelling expenses	7808	6995
Vehical Upkeep	28530	15475
Insurance Exp.	4561	4670
Staff Welfare	7596	4732
	370723	401860

SCHEDULE -11

INTEREST & FINANCIAL CHARGES

Interest	0	0
Bank charges	5268	1497
	5268	1497

MALABAR TRADING COMPANY LIMITED

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2010.

SCHEDULE: 12

NOTES ON ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES :

A. SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Accounting policies, if not specifically referred to otherwise, are consistent with and in consonance with generally accepted accounting principles.

In Profit & Loss Account, we have taken the income as the difference between the value of sale and purchase of shares. However figure of sale and purchase has been given in the notes on accounts forming part of Balance Sheet.

FIXED ASSETS:

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes & all other incidental expenses.

DEPRECIATION

The company has provided depreciation on assets, which have been used for trading activity on WDV method at the rates and in the manner specified in schedule XIV of the Companies Act, 1956.

ACCOUNTING FOR TAXES ON INCOME :

Tax Liability of the company is estimated considering the Provision of the Income Tax Act-1961. Deferred Tax is recognized subject to the consideration of Prudence, on timing difference being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent year.

REVENUE RECOGNITION :

Sales of Shares are recognized in accordance with the settlement cycle of stock exchange. The revenue in respect of Interest Income is recognized on accrual basis.

INVENTORY

Value in case of quoted shares has been taken at Cost OR Market Price which ever is less and in case of un-quoted shares, has been taken at cost, in accordance with AS-2 issued by the I.C.A.I.

B. NOTES ON ACCOUNTS

1. The figures of the previous year have been re-groped and re-arranged as & where required.

Balance of Unsecured Loans, Sundry Creditors and Loans & Advances etc. are subject to confirmation, reconciliation, and adjustment, if any.

3. In opinion of the Board of Directors and best of our knowledge and belief, the value on realization of Loans & Advances, Sundry Debtors and other current assets, in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet.

4. Traveling Exp., included exp. incurred by the Director of the company for the purpose of the business of the company

5. Segment Report: The Company is engaged in only one type of business hence segmental report is not required to be prepared.

6. Related Party Disclosure: Director has certify that there were no transaction 'with Related Parties, As per Accounting Standard 18 on "Related Party Disclosure" issued by the Institute of Chartered Accountants Of India except the followings,

Smt. Anju Khandelwal Director Relatives Rent Paid Rs. 48000/-

7. The Provision for Income Tax has been made as per Income Tax Act. Deferred Tax Liability calculated as per AS-22 issued by ICAI.

8. Transaction related to MSME's : No Information has been recd. From suppliers towards their status being small scale/ancillary undertaking / MSME's.

9. Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. Nil (Previous Yeas Nil.)

10. Cash balance has not been verified at the end of accounting year and taken as certified by the management.

11. Earning per Share (AS-20)

Sr. No.	Particulars	2009-2010	2008-2009
a.	Net Profit after Tax (In Rs.)	134563	89181
b.	Number of fully paid up Equity Share of Rs.10/- each	50000	50000
c.	Weighted average number of Equity Share Outstanding	50000	50000
d.	Earning per share (Basic) (In Rs.)	2.69	1.78

11 Additional information pursuant to part II of schedule VI of the Companies Act 1956 to the extent applicable to the companies as certified by the Director of the company is furnished below :-

Quantitative Details of Opening Stock, Purchases, Closing Stock of Goods traded during the year :-

i) Opening Stock	26,97,143
ii) Purchases & Other	13,301
iii) Sales & Transfer	2,36,730
iv) Closing Stock	24,73,714

9A. Value analysis of Sales / Transfer Turnover:

	Nos.	2009-2010	Nos.	2008-2009
a) Chemicals	Nil	-nil-	Nil	-nil-
b) Equity Shares & Commodity (Net)	236730	1477051	25790	1616776
		-----		-----
		1477051		1616776
		-----		-----

8B. Purchase/Allotment/Conversion/Bonus for Resale:

	Nos.	2009-2010	Nos.	2008-2009
a) Chemicals	Nil	-nil-	Nil	-nil-
b) Equity Shares & Commodity (Net)	13301	329321	30975	487533
		-----		-----
		329321		487533
		-----		-----

8C. Closing Stock of Equity Shares : -

Company Name	2008-2009		2007-2008	
	Nos.	Amount	Nos.	Amount
Netlink Solutions Limited	24728	33877	164529	171110
Netlink Solutions Limited (Bonus)	198620	0	198620	0
Media Metrix Worldwide Limited	8000	43280	20000	111600
Reliance Capital Limited	0	0	500	176775
Satyam Computer Services Limited	0	0	100	3835
Dazzel Confindiv Limited	500	3000	5983	23274
Prism Cement Limited	0	0	2000	45500
Sunitee Chemicals Limited	2228444	690818	2278444	706318
Mobile Telecommunication Limited	0	0	9900	9504
Enoor Coke Limited	0	0	100	1339
Praj Industries Limited	0	0	200	11660
Rock Hard Petrochemicals Limited	13422	37313	14492	43331
Unitech Limited	0	0	300	10485
Vertax Spinning Mill Ltd.	0	0	375	3143
Sita Shree Foods Limited	0	0	1100	6060
Kiri Dyes Limited	0	0	500	67075
TOTAL	2473714	808288	2697143	1391009

	As on 31.03.2010	As on 31.03.2009
<u>Licensed Capacity</u>	N.A.	N.A.
<u>Installed Capacity</u>	N.A.	N.A.
<u>Value of Import on CIF Basis</u>		
Capital Goods	N.A.	N.A.
Expenses	N.A.	N.A.
<u>Remuneration to Auditors</u>		
Audit Fees	25000	15000
Company Law & Other	NIL	NIL

Remuneration to Director

Salary & Other Perquisite	NIL	NIL
Expenditure/Earning <u>in Foreign Currency</u>	NIL	NIL

Signature on Schedule 1 to 12

AS PER OUR REPORT OF EVEN DATE

**For LKM & Co.
Chartered Accountants**

FOR AND ON BEHALF OF THE BOARD

**Sd/-
L.K.MALPANI
(Proprietor)**

**Sd/-
Director**

**Sd/-
Director**

**Place: Mumbai
Dated: 31.05.2010**

MALABAR TRADING COMPANY LIMITED

BALANCE SHEET ABSTRACTS AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration details

Registration No. State Code

Balance Sheet Date

II. Capital Raised during the Year (Amount in Rs.)

Public Issue Right Issue

Bonus Issue Private Placement

III. Position of Mobilization and Development of Funds (Amount in Rs.)

Total Liabilities : Total Assets :

Sources of funds :

Paid Up Capital						Reserves & Surplus						
5	0	0	0	0	0	3	0	3	7	2	5	5

Secured Loans					Unsecured Loans				
-	N	I	L	-	6	4	7	5	0

Advance against shares

Deferred Tax Liability

Application of Funds

Net Fixed Assets

Investments

6	3	6	6	9	6		-	N	I	L	-
---	---	---	---	---	---	--	---	---	---	---	---

Net Current Assets

Misc. Expenditure

2	9	7	5	4	4	0		-	N	I	L	-
---	---	---	---	---	---	---	--	---	---	---	---	---

Accumulated Losses

-	N	I	L	-
---	---	---	---	---

IV. Performance of Company (Amount in Rs.)

Income

Expenditure

5	9	7	7	9	0		4	5	1	8	4	5
---	---	---	---	---	---	--	---	---	---	---	---	---

Profit /(Loss) Before tax

Proposed Dividend

1	4	5	9	4	5			2	5	0	0	0
---	---	---	---	---	---	--	--	---	---	---	---	---

Profit after Dividend & Tax

1	0	5	3	1	4
---	---	---	---	---	---

Earning Per Share

2	.	6	9
---	---	---	---

Dividend Rate

5	%
---	---

**V. Generic Names of Three principal products / Service of the company
(As per monetary terms)**

Item Code No. N.A.

Product Description

N	O	T		A	V	A	I	L	A	B	L	E
---	---	---	--	---	---	---	---	---	---	---	---	---

**For LKM & Company
Chartered Accountants**

For and on Behalf of the Board

Sd/-
**L.K.Malpani
Proprietor**

Sd/-
Director

Sd/-
Director

Place : Mumbai
Dated : 31.05.2010

Malabar Trading Company Limited

Regd. Office : C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East),
Mumbai – 400 066

Attendance Slip

(Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall)

I, hereby, record my presence at the 13th Annual General Meeting of the company to be held on Thursday, 30th September, 2010 at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066 at 09.30 a.m.

Folio No : _____

No. of shares held _____

Full name of the member / proxy : _____

Signature

----- Please cut here and bring the above attendance slip at the meeting -----

Malabar Trading Company Limited

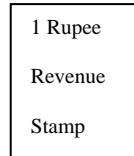
Regd. Office : C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East),
Mumbai – 400 066

Proxy Form

I / We _____ of
_____ in the district of _____ being a
member/members of the above named company, hereby appoint _____ of
or failing him _____ of _____ in the
district of _____ as my/our Proxy to vote for me/us on my/our behalf at the 13th
Annual General Meeting of the company to be held on Thursday, 30th September, 2010 at C-1,
1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East),
Mumbai – 400 066 at 09.30 a.m.

Signed this _____ day of _____ 2010

Signature _____



Note : This form duly completed and signed should be deposited at the Registered Office of the company not later than 48 hours before the time of the meeting