

MALABAR TRADING COMPANY LIMITED

C-1, FIRST FLOOR, EVEREST BUILDING,
OPP. B.M.C. SCHOOL, DATTAPADA ROAD,
BORIVALI (E), MUMBAI – 400001

ANNUAL REPORT

FOR THE YEAR ENDED
31ST MARCH 2013

AUDITORS

KATARIYA & CO.
CHARTERED ACCOUNTANTS

BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Viral Kapadia	Chairman & Managing Director
	Mr. Vivek Agrawal	Additional Director (Independent)
	Mr. Manish Kumar Pokherna	Director (Independent)
	Mr. Keval Shah	Director (Independent)
STATUTORY AUDITORS	M/S. KATARIYA & CO. Chartered Accountants	
BANKERS	Axis Bank	
REGISTERED OFFICE	C-1, 1st Floor, Everest Building Opp. BMC School, Dattapada Road, Borivali-(E), Mumbai-400066, Maharashtra, India. Tel:022-28706523 E-mail: malabartrading@rediffmail.com	
REGISTRAR AND SHARE TRANSFER AGENTS	Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind.Estt. J.R.Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011. Tel: 91-22-2301 6761/ 8261 Fax: 91-22-2301 2517 Email: busicomp@vsnl.com	

33RD ANNUAL GENERAL MEETING

Monday, the 26th day of August, 2013 at 9.30 a.m.

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

Shareholders are requested to kindly bring copy of Annual Report in the Meeting.

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NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of the Company will be held on 26th August, 2013 at 09.30 AM 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 businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended as on that date together with the report of the Auditors and the Directors thereon.
2. To declare dividend @ 1% on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.
3. To appoint a Director in place of Mr. Vivek Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

Appointment of Mr. Keval Shah as a Director of the Company

“**RESOLVED THAT** Mr. Keval Shah who was appointed by the Board of directors as an Additional Director of the Company with effect from 19th March, 2013 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed as a Director of the Company and who shall be liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

Appointment of Mr. Viralo Kapadia as a Director of the Company

“**RESOLVED THAT** Mr. Viral kapadia who was appointed by the Board of directors as an Additional Director of the Company with effect from May 7, 2013 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed as a Director of the Company and who shall be liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

Appointment of Mr. Viral Kapadia, as Managing Director of the Company

“**RESOLVED** that pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other, approval, permissions and sanctions, as

may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. Viral Kapadia as Managing Director of the Company for a period of 3 (Three) years with effect from 7th May, 2013 without any remuneration.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to pay, vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

RESOLVED FURTHER that where in any Financial Year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company may, with the approval of the Board of Directors, pay to the MD the remuneration within the permissible limits in accordance with Section 198 read with Schedule XIII as the minimum remuneration by way of salary subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

By order of the Board

Registered Office:

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

VIRAL KAPADIA
Managing Director

Date: July 26, 2013

Place: Mumbai

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 22nd August, 2013 to 26th August 2013 (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.

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

In conformity with the provisions of section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to the Business mentioned under Item Nos. 5 to 6 of the accompanying Notice.

Item No. 5

Mr. Keval Shah was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 19th March, 2013. Mr. Shah aged about 23 years, is a young and enthusiastic person being commerce graduate.

The Board of directors recommends as a Special resolution for your approval.

None of the Directors are concerned or interested in the aforesaid resolution

Item No. 6 & 7

The Board of Directors has appointed Mr. Viral Kapadia as an Additional Director of the Company with effect from 7th May, 2013. Mr. Kapadia has rich and extensive experience in the field of business management, finance, accounts and taxation. He is aged about 43 years and is a post graduate with a rich experience of about 13 years in the field of finance. Briefly, the terms and conditions of the appointment and remuneration of Mr. Kapadia are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. Remuneration : No remuneration is payable to Mr. Kapadia as MD of the Company for a period of 3 years with effect from 7th May, 2013 to 6th May, 2016.
3. However, he shall be entitled to reimbursement of out of pocket expenses including travelling expenses actually and properly incurred by him for the business of the company. The Director will also be entitled to expenses incurred for meeting business expenditure on behalf of the Company.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of the Annual General Meeting

The relevant abstract, as required under Section 302 of the Companies, 1956 has already been circulated to the members within 21 days of his appointment.

The Board therefore recommends the Ordinary Resolution at item no. 6 for his appointment as a Director and the Special Resolution at item no. 7 for his appointment as Managing Director for your approval.

The above information be considered as a relevant abstract, as required under Section 302 of the Companies, 1956.

The Board therefore recommends this resolution as Special Resolution for your approval.

None of the directors of the Company, except Mr. Viral Kapadia, is interested or concerned in passing of the proposed resolution.

By order of the Board

VIRAL KAPADIA
Managing Director

Registered Office:

C-1, 1st Floor, Everest Building,
Opp. BMC School, Dattapada Road,
Borivali (East), Mumbai – 400 066.
Phone : 022 28706523

Date: July 26, 2013

Place: Mumbai

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, 2013.

FINANCIAL RESULTS

(Rs. In Lacs)

Description	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Total Income	33.99	40.24
Total Expenditure	13.82	13.44
Operating Profit(PBDT)	20.17	26.8
Depreciation	0.25	0.49
Profit before Taxation	19.92	26.31
Add: Net Deferred Tax Assets/Reversal of DTL	0.00	0.00
Add: MAT Credit Entitlement	0.00	0.79
Less: Interest paid on Income Tax	0.00	0.00
Less: Provision for MAT	0.00	0.00
Less: Current Tax	6.41	5.02
Less: Deferred tax made/(reversed)	0.03	3.99
Profit after Taxation	13.48	18.09
Proposed Dividend	10.85	10.85
Provision for Dividend Tax	1.84	1.76
Net Profit after Tax and Dividend	0.79	5.48
Amount B/F from Last year	42.03	36.55
Balance C/F to Balance Sheet	42.82	42.03

During the year under review the company's Profit after Tax stood at Rs. 13.48 Lacs.

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

DIVIDEND

The Board has recommended 1% dividend on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.

AUDITORS

M/s Katariya & 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.

The comments by the Auditors in their Report are self explanatory and in the opinion of the Board, do not require any further clarifications.

DIRECTORS

Mr. Rajnath Shukla retired under Section 255 as a Director of the Company with effect from 20th November, 2012. Your Board places on record his sincere appreciation of the services rendered by him.

The Board has, with effect from 30th January, 2013, appointed Mr. Rajeev Agnihotri as Managing Director of the Company for a period of 3 years. However he ceased from Directorship w.e.f 7th May, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Motilal Laxkar ceased to be the Managing Director of the Company with effect from 30th January, 2013 & continued to be the Director of the Company and he resigned from directorship with effect from 19th March, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Keval Shah was appointed as an Additional Director w.e.f. 19th March, 2013. Notice in writing under section 257 of the Companies Act, 1956 have been received from members of the Company proposing the candidature of Mr. Shah.

The Board has appointed Mr. Viral Kapadia as an Additional Director designated as Managing Director of the Company w.e.f. 7th May, 2013 for a period of 3 years.

Mr. Vivek Agarwal retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. Directors commend their 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.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, management Discussion & Analysis Report is appended to this Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

INCREASE IN AUTHORISE SHARE CAPITAL

During the year under review, the Company had increased Authorised Share Capital of the Company from Rs. 11,00,00,000 to Rs. 31,00,00,000 by creation of 2,00,00,000 equity shares of INR 10 each aggregating to INR 20,00,00,000

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 was introduced by the Companies (amendment) Act, 2000 you're 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 it gives a true & fair view of the state of affairs of the Company as on 31st March, 2013 and the profit & loss of the company for the year ended on 31st March, 2013.**
- 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,

Managing Director

Director

Place: Mumbai

Date: July 26, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**1. Industrial Structure and Developments**

During the financial year 2012-2013 the overall economic scenario has not been encouraging and the economy is facing several policy paralysis at the highest level. The Company is engaged in the business of trading.

2. Outlook on Opportunities, Threats, Risk and Concerns**Opportunities**

The management sees huge opportunities in the field of food testing, agro food produce and related activities, being carried on through subsidiaries.

Threats, Risk and Concerns:

ILPL and PNPL, subsidiaries are engaged in lab testing of Dairy and Food Products; and agro food produce, production and process including forward and backward integration including manufacturing of fertilizers has certain external threats, risk and concerns:

- ☛ Availability of suitable lands for respective business.
- ☛ Government policies
- ☛ General economic conditions and financial sector conditions.
- ☛ Availability of suitable raw material which is required for production of food and fertilizers.
- ☛ Mobilization of requisite resources to implement the project, including, internal resources, Bank financing, raising of funds from the shareholders, associating any strategic stakeholder(s), etc. to meet the future financial requirements.

Therefore, the success of the Projects is dependent, inter-alia, on the above factors.

3. Internal Control Systems and their Adequacy

The Company has adequate internal control systems and procedures to ensure that all assets are safeguarded and protected against any loss from unauthorized use and that all transactions are authorized and reported correctly.

The processes and systems followed by the company at operational level have been integrated with the equipments and people associated therewith. The management is happy to state that the emphasis on the processes and systems is paying rich dividends in terms of quality performance and customer satisfaction.

4. Financial Performance

The Company's total turnover for the financial year 2012-2013 is 33.99 Lacs (Previous Year Rs. 40.24 Lacs). The top-line and bottom-line has declined mainly due to adverse market conditions. The Net Profit before tax was Rs. 19.92 Lacs as compared to Previous Year's Rs. 26.31 Lacs. The Company is optimistic about its proposed business ventures which are highly profitable.

5. Development of Human Resources

The company has been proactive to build the requisite skill-sets in the organization for its new project initiatives. The relevant industry experience of the team coupled with commitment towards adherence to the operating processes adopted by the company is a unique feature demonstrated by the company. Employees are encouraged to upgrade their skills and knowledge through various training programs.

Note:

This report contains forward-looking statements based on beliefs of the company's management. The words anticipate, believe, estimate, forecast, expect, intend, plan, should and project are used to identify forward-looking statements. Such statements reflect the company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different, including amongst others, changes in the general economic and business conditions, changes in the currency exchange rates and interest rates, introduction of competing products, lack of acceptance of new products or services, and changes in business strategy. Actual results may vary materially from those projected here. The company does not intend to assume any obligation to update these forward-looking statements.

CORPORATE GOVERNANCE REPORT

1. **COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders. Good corporate governance, therefore, embodies both enterprise (performance) and accountability (conformance).

The company strives to adopt the best governance and disclosure practices with the following principles in mind:

- (a) Satisfaction of the spirit of the law through ethical business conduct.
- (b) Transparency and a high degree of disclosure levels.
- (c) Truthful communication about how the company is run internally.
- (d) A simple and transparent corporate structure driven solely by the business needs.
- (e) Strict compliance with Clause 49 of the Listing Agreement as amended from time to time.
- (f) Establishment of an efficient Corporate Structure for the management of the Company's affairs.
- (g) Management is the trustee of the shareholders' capital and not the owner.

2. **COMPOSITION OF BOARD OF DIRECTORS**

The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberations and decisions of the Board.

The composition of the Board is in accordance with the requirements of the Corporate Governance code of Listing Agreement with the stock exchanges. The Board is headed by the Executive Chairman. The Board of Directors presently comprises of 4 members.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in clause 49 of the Listing Agreement), across all the Companies in which he is a Director. The composition of the Board in detail is as follows:

Sr. No.	Name Of The Directors	Category	*No. of Other Directorships	Membership of committees
1.	Mr. Vivek Agrawal (Director)	Non Executive & Independent	None	None
2.	Mr. Manish Kumar Pokherna (Director)	Non Executive & Independent	2	-
3.	# Mr. Keval Shah (Additional Director)	Non Executive & Independent	None	None
4.	@ Mr. Rajnath Shukla	Non-executive & Professional	None	None
5.	\$ Mr. Motilal Laxkar (Chairman & Managing Director)		None	None
6.	^Mr. Rajeev Agnihotri	Professional & Executive	2	4
7.	**Mr. Viral Kapadia (Managing Director)	Professional & Executive	3	5

* Includes Directorships of Public Limited Companies only

Appointed w.e.f. 19th March, 2013

@ Retired u/s. 255 of the Companies Act, 1956 w.e.f. 20th November, 2012 respectively

\$ Ceased to be the Managing Director and Director w.e.f. May 7, 2013.

The Directors furnish Notice of Disclosure of Interest as specified in Section 299(3) of the Company Act 1956.

Responsibilities of the Boards:

The Board discharges the duties responsibilities as required under the applicable statute (s) including the Companies Act, 1956, Guidelines issued by SEBI and other regularities bodies from time to time. The Board of Directors ensures that other responsibilities do not have any material impact on their responsibilities as Directors of the company

Role of the Independent Directors:

The independent directors play an important role & participate in all the deliberation of the Board and contribute to the decision making process with their rich knowledge and expertise in the areas of Account, Financial, Law, & other professional areas.

Meetings of the Board:

Normally the meetings of the Board are held at Mumbai, dates of which are informed in advance. The members of the Boards have access to all information and records of the Company. Senior officials are invited to attend the meeting and provide clarification as and when required. The Board met 10 times during the year.

Sr. No.	Name Of The Directors	Meetings held during the tenure of the Director from 01/04/2012 to 31/03/2013	No. of Meetings attended	Attendance at the last AGM
1	Mr. Rajeev Agnihotri	2	2	NA
2	Mr. Vivek Agrawal	10	10	Yes
3	Mr. Manish Kumar Pokherna	10	10	Yes
4	Mr. Keval Shah	0	0	NA
5	Mr. Rajnath shukla	4	4	NA
6	Mr. Motilal Laxkar	10	10	Yes

Changes in Directors

During the year under review, following were changes in the Composition of Board of Directors:

Mr. Rajnath Shukla retired under Section 255 as a Director of the Company with effect from 20th November, 2012. Your Board places on record his sincere appreciation of the services rendered by him.

The Board has, with effect from 30th January, 2013, appointed Mr. Rajeev Agnihotri as Managing Director of the Company for a period of 3 years. However he ceased from Directorship w.e.f 7th May, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Motilal Laxkar ceased to be the Managing Director of the Company with effect from 30th January, 2013 & continued to be the Director of the Company and he resigned from directorship with effect from 19th March, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Keval Shah was appointed as an Additional Director w.e.f. 19th March, 2013. Notice in writing under section 257 of the Companies Act, 1956 have been received from members of the Company proposing the candidature of Mr. Shah.

The Board has appointed Mr. Viral Kapadia as an Additional Director designated as Managing Director of the Company w.e.f. 7th May, 2013 for a period of 3 years.

Mr. Vivek Agarwal retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. Directors commend their re-appointment.

3. COMMITTEES OF THE BOARD

With a view to enable more focused and timely attention on the affairs of the company, the Board has constituted the following committees with delegation in particular areas.

Audit Committee:

Audit Committee of the Board was constituted in compliance with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The Composition of the Audit Committee and the details of meetings attended by the members of the Audit Committee are given below:-

Name	Designation	Status	No. of Meetings during the year 2012-13	
			Held	Attended
Mr. Rajnath Shukla (Retired w.e.f. 20 th November, 2012)	Chairman	Independent Director	3	3
Mr. Motilal Laxkar (Ceased to be the Director w.e.f. 19 th March, 2013)	Member	*Director	5	5
Mr. Vivek Agrawal	Member	Independent Director	5	5
Mr. Manish Pokherna (appointed w.e.f. 20 th November, 2012)	#Member	Independent Director	2	2
^Mr. Keval Shah	Member	Independent Director	0	0

Mr. Manish Pokherna was appointed as a member of the Audit Committee on 20th November, 2012 in place of Mr. Rajnath Shukla who resigned as a director w.e.f. 20th November, 2012.

*Mr. Motilal Laxkar, attended a meeting of Audit committee held on 14th February, 2013 in the capacity of director of the Company and Ceased to be the Director w.e.f. 19th March, 2013.

Mr. Manish Pokherna appointed as a Chairman of the Audit committee w.e.f. 20th November, 2012.

^ Mr. Keval Shah was appointed as a member of the Committee w.e.f. March 19, 2013.

The Committee consists of experienced Directors having knowledge in accounts, law and other related subjects. The Quorum of the meeting is two independent Directors.

The following areas are referred to the Audit Committee

- a) Overall assessment of the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

- b) Recommending the appointment of external auditor, fixation of audit fees and also approval for payment for any other services.
- c) Reviewing with management the annual financial statements before submission to the board, focusing primarily on:
 - (i) Changes, if any, in accounting policies and practices.
 - (ii) Major accounting entries based on exercise of judgment by management.
 - (iii) Observations, if any, in draft audit report.
 - (iv) Significant changes/amendments, if any, arising out of audit.
 - (v) The going concern assumption.
 - (vi) Compliance with accounting standards.
 - (vii) Compliance with Stock Exchanges and Legal requirements concerning financial statements.
 - (viii) Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests of company at large.
- d) Reviewing with the management, external and internal auditors and adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function, coverage and frequency of internal audit.
- f) Discussion with internal auditors any significant findings and follow up there on.
- g) Reviewing the findings, if any, of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- h) Discussions with external auditors before the audit commencement nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- i) Reviewing the company's financial and risk management policies.
- j) To look into the reasons for substantial defaults, if any, in the payments to the creditors etc.

The Audit Committee shall exercise the following additional powers;

- (a) To investigate any activity within its terms of reference;
- (b) To seek information from any employee;
- (c) To obtain outside legal or other professional advice; and
- (d) To secure attendance of outsiders with relevant expertise, if any, if it considers necessary.

Shareholders and Investor Grievances Committee:

The Composition of the Shareholders/Investors Grievance Committee and details of Meetings attended by the Directors are given below:

Name	Designation	Status	No. of Meetings during the year 2012-13	
			Held	Attended
Mr. Rajnath Shukla	Chairman	Independent Director	-	-
Mr. Vivek Agrawal	Member / Chairman	Independent Director	2	2
Mr. Manish Pokherna	Member	Independent Director	2	2

Mr. Manish Pokherna was appointed as a member of the Shareholders and Investor Grievances Committee on 20th November, 2012 in place of Mr. Rajnath Shukla who resigned as a director w.e.f. 20th November, 2012.

The Committee has been delegated authority by the Board to approve transfers/transmission of shares, issue of share certificates etc. The committee meets as and when transfers/transmission of shares, or any complaints/ queries of the shareholders need to be attended.

The committee also reviews the queries and complaints received from the shareholders and the steps taken for their redressal. There were no complaints pending as on 31st March 2013.

Remuneration committee

No Remuneration Committee meeting was held during the year under review and further no remuneration was paid to the Managing Director.

The Composition of the Remuneration committee and details of Meetings attended by the Directors are given below:

Name	Designation	Status	No. of Meetings during the year 2012-13	
			Held	Attended
Mr. Rajnath Shukla	Chairman	Independent Director	Nil	Nil
Mr. Vivek Agrawal	Member	Independent Director	Nil	Nil
Mr. Manish Pokherna	Member	Independent Director	Nil	Nil

Mr. Manish Pokherna was appointed as a member of the Shareholders and Investor Grievances Committee on 20th November, 2012 in place of Mr. Rajnath Shukla who resigned as a director w.e.f. 20th November, 2012

The Remuneration Committee is authorized to determine on their behalf and on behalf of the shareholders with agreed terms of reference, the company's policy on specific remuneration packages for executive Directors including pension rights and any compensation payment.

Directors Remuneration:

Sr. No	Name of the Director	Designation	Salary per month (in Rs)	Bonus
1	Motilal Laxkar (Ceased to be the Managing Director w.e.f 30 th January, 2013 & Director w.e.f. 19 th March, 2013)	Managing Director	Nil	Nil
2	Rajeev Agnihotri (For the period 30 th January, 2013 to 7 th May, 2013)	Managing Director	Nil	Nil
3	Mr. Mr. Viral Kapadia	Managing Director	Nil	Nil

Bonus Issue Committee (“Adhok Committee”)

(i) Terms of reference

For the purpose of giving effect to the issue of Bonus Shares, the Board constituted an adhok committee of Directors called as “Bonus Issue Committee”.

The terms of reference of the Committee are:

- i) finalise, approve, execute and deliver the necessary documents, Agreement(s), deeds and instrument as may be necessary for the purpose of giving effect to this Resolution;
- ii) do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary including without limitation the issue and allotment of shares and take necessary steps for dematerialization and credit of equity shares to the allottees, etc.;
- iii) to finalise the terms and conditions with the Depositories and to execute and deliver necessary documents to the concerned depositories;
- iv) make application for listing and trading permission of the bonus equity shares to Bombay Stock Exchange Limited and to execute and deliver the necessary documents and

agreements to the Stock Exchange; and settle all questions, difficulties or doubts that may arise with regard to such issue or allotment as it may, in its absolute discretion deem fit.

(ii) Composition:

The Composition of the Committee and details of Meetings attended by the Directors are given below:

Name	Designation	Status	No. of Meetings during the year 2012-13	
			Held	Attended
Mr. M L Laxkar	Managing Director	Chairman	1	1
Mr. Rajnath Shukla	Independent Director	Member	1	1

4. ANNUAL GENERAL MEETING (AGMs):

The particulars of annual general meeting held during the last three years are as follows:

Year	Date	Time	Venue
2011-2012	November 20, 2012	01.00 a.m.	Registered Office
2010-2011	June 16, 2011	09.30 a.m.	Registered Office
2009-2010	September 30, 2010	09.30 a.m.	Registered Office

Special resolution(s): Following special resolutions were passed in the last Annual General Meeting of the Company.

- ❖ Alteration of Articles of Association (AOA) of the Company under section 31 of the Companies Act, 1956 by inserted after the existing Article 57 as Article 57A, Article 107 as Article 107 A & Article 60 as Article 60(A)
- ❖ Registers and returns to be kept at a place other than where registered office is situated

5. DISCLOSURES OF RELATED PARTY

The disclosure of related party transactions has been made in the Point No. 24.12 of Notes to Accounts forming part of the Balance sheet as on 31st March 2013.

No penalties or strictures have been imposed on the company on any matter relating to the capital market by any regulatory authority for non-compliance for any laws during the last three years.

6. OTHER DISCLOSURES**❖ INCREASE IN AUTHORISED SHARE CAPITAL**

During the year under review, the Company had increased Authorised Share Capital of the Company from Rs. 11,00,00,000 to Rs. 31,00,00,000 by creation of 2,00,00,000 equity shares of INR 10 each aggregating to INR 20,00,00,000 w.e.f. 8th May, 2013

7. COMMUNICATION TO SHAREHOLDERS

The main source of the information to the Shareholder is the Annual Reports, which include, inter alia, the Director's Report, the report of Board of Directors on Corporate Governance, Management Discussion and analysis Report and the audited financial results. The unaudited quarterly/Audited results, notices of general meetings are published for the information of the shareholders in leading national and regional daily newspapers and under due intimation to the Stock Exchanges as required under the Listing Agreements as per details/information given below:

Quarterly and half yearly results	Published in English & Regional Newspaper
Email Id	malabartrading@rediffmail.com
Any website, where displayed	www.malabartradingcomltd.com
Whether it also displays official news releases; and the presentations made to institutional investors or to the analysts	Yes.

8. MANAGEMENT DISCUSSION ANALYSIS REPORT

The Management Discussion Analysis report forms a part of the Annual Report.

9. CODE OF CONDUCT

The Board members have confirmed compliance with code of conduct and ethics for the period ended March 31st, 2013 as provided under clause 49 of the listing agreement with the stock exchange.

Declaration

I, Mr. Viral Kapadia- Managing Director of Malabar Trading Company Limited hereby declare that all the members of the Board of Directors of the Company and the Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 49 (1) (D) (ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2013.

For MALABAR TRADING COMPANY LIMITED

Sd./-

Viral Kapadia

Chairman & Managing Director

Date:

Place: Mumbai

10. SHAREHOLDERS INFORMATION:**i. Annual General Meeting**

The Annual General Meeting of the company for the year ended 31st March 2013 will be held at its Registered Office situated at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066 on August 26, 2013 at 09.30 a.m.

ii. Financial Calendar for 2013-2014 (Provisional)

1	Results for the Quarter ended 30 th September 2013	By 15 th November 2013
2	Results for the Quarter ended 31 st December 2013	By 14 th February 2014
3	Results for the Quarter ended 31 st March 2014	By 15 th May 2015
4	Results for the Quarter ended 31 st June 2014	By 14 th August 2014
5	Results for the Year ended 31 st March 2014	By end of August 2014
6	Annual general Meeting for the year ended 31 st March 2014	By end of September 2014

iii. Book Closure

The Register of members and Share Transfer books are closed keeping in view the proposed dates of Annual General Meeting and dividend declaration. For the year under reference the above registers/ books would be closed from Thursday, the August 22, 2013 to Monday, the August 26, 2013, (both days inclusive) and was notified accordingly.

iv. Listing of Shares:

The equity shares issued by the company are listed on the following Stock Exchange,
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

v. Dematerialization of Shares:

The Equity Shares of the Company are to be traded compulsorily in Dematerialized form. About 75.08% of paid-up Equity Capital has been dematerialized as on March 31, 2013.

The Company has entered into agreements with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for the purpose.

ISIN number for NSDL & CDSL: INE438D01018

vi. Dividend Payment:

The Company has declared dividend @1% on Equity Shares i.e. Rs. 0.10 per share of the face value of Rs. 10 each for the Financial year 2012-2013.

vii. Listing of shares on stock exchanges and Stock Code

Sl. NO.	Name of the Stock Exchange	Stock code
1	The Bombay Stock Exchange Limited	501473

Viii . Stock Market Price data

Month	High	Low
	BSE PRICE	BSE PRICE
April 2012	11.27	11.27
May 2012	15.97	11.49
June 2012	16.55	16.25
July 2012	20.20	16.85
August 2012	Not Traded	Not Traded
September 2012	Not Traded	Not Traded
October 2012	Not Traded	Not Traded
November 2012	Not Traded	Not Traded
December 2012	Not Traded	Not Traded
January 2013	21.40	20.60
February 2013	30.60	21.80
March 2013	33.00	31.20

ix. Registrar & Transfer Agent

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Purva Sharegistry (India) Private Limited, Registrar & Transfer Agents registered with SEBI.

Address:

Unit No. 9, Shiv Shakti Industrial Estate, J.R. Barucha Marg, Opp. Kasturba Hospital, Lower Parel (East), Mumbai – 400 011 Email: busicomp@vsnl.com	Contact Person: Mr. V B Shah Contact Details: Tel: 02223016761/0222301 8261 Fax : 022- 2301 2517
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x. Share Transfer System

With a view to provide prompt and efficient services to the investors the company has entered into an agreement with M/s. Purva Sharegistry (India) Private Ltd, Registrar & Transfer Agents registered with SEBI.

To supplement to the prompt services given by the Registrar & Transfer Agent the Board of Directors have delegated the powers relating to transfers/transmission of shares/Dematerialisation/Rematerialisation/issue of share certificates/splitting of shares etc. to the Transfer Agent.

All requests for dematerialization of shares are processed and confirmation thereof is sent to the shareholders within 7 to 15 days of the receipt thereof.

xi. (A) Distribution schedule of the Shareholding as on 31st March 2013:

No. of Equity shares held	No. of shareholders	No. of shares held	Percentage of shareholding
Up to 5000	27	1435	0.01
5001 to 10000	1	549	0.01
10001 to 20,000	3	4796	0.04
20001 to 30,000	1	2500	0.02
30001 to 40000	1	3850	0.04
40001 to 50000	3	12975	0.12
50001 to 100000	13	94896	0.87
100001 and above	43	10728999	98.88
TOTAL	92	10850000	100.00

xii. (B) Shareholding Pattern as on 31st March 2013

Category	As on March 31, 2013	
	No. of Shares	%
Individuals	4343374	40.03
Companies, Mutual Funds & Trusts	229260	2.11
HUF	588841	5.43
Directors and relatives	0	0
NRIs & Foreign Companies	0	0
Government & Public Financial Institutions	0	0
Clearing Members	0	0
Promoters	5688525	52.43

xiii. Address for Correspondence

C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066, Phone No. 022 28706523.

By and on behalf of the Board
For **MALABAR TRADING COMPANY LIMITED**

Mr. Viral Kapadia
Managing Director

Registered Office:

C-1, 1st Floor, Everest Building,
Opp. BMC School, Dattapada Road,
Borivali (East), Mumbai – 400 066.
Phone No. 022 28706523

Place: Mumbai

Date: July 26, 2013

MANAGING DIRECTORS CERTIFICATION

To
The Board of Directors
Malabar Trading Company Limited
Mumbai

I, Viral Kapadia, Managing Director of Malabar Trading Company Limited to the best of my knowledge and belief, certify that :

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls and have evaluated the effectiveness of internal control systems of the company and the auditors, the Audit Committee, and I have not come across any deficiencies in the design or operation of internal controls during the financial year;
- d) There were no instances of any fraud involving management or employees having a significant role in the Company's internal systems;
- e) There were no significant changes in internal control and/or of accounting policies during the year;
- f) I have not denied any personnel access to the audit committee of the Company (in respect of matters involving alleged misconduct);
- g) I further declare that all board members and senior managerial personnel have affirmed compliances with the code of conduct for the current year.

For **MALABAR TRADING COMPANY LIMITED**

Place: Mumbai
Date : 26.07.2013

VIRAL KAPADIA
Managing Director

Katariya & Co.

Chartered Accountants

13-A, Saket Nagar, Indore Road

Ujjain (M.P.) – 456010

E-Mail :- RiteshKatariyaca@yahoo.com

KatariyaAndCompany@gmail.com

CERTIFICATE

TO THE MEMBERS OF MALABAR TRADING COMPANY LIMITED

WE HAVE EXAMINED THE COMPLIANCE OF THE CONDITIONS OF Corporate Governance by Malabar Trading Company Limited, for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrar of the company to the Grievance committee, as on March 31, 2013 there were no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Katariya & Company
Chartered Accountants
FRN No. 015139C**

**Place : Ujjain
Dated : 26.07.2013**

**Ritesh Katariya
Proprietor
M No.409953**

Katariya & Co.

Chartered Accountants
13-A, Saket Nagar, Indore Road
Ujjain (M.P.) - 456010

E-Mail :- RiteshKatariyaca@yahoo.com
KatariyaAndCompany@gmail.com

Independent Auditor's Report

To,
The Members,
Malabar Trading Company Limited,
Mumbai M.H.

Report on the Financial Statements

We have audited the accompanying financial statements of **M/s Malabar Trading Company Limited** which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow statement for the year ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("The Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Katariya & Company
Chartered Accountants
FRN No. 015139C

Place : Ujjain
Dated : 30.05.2013

Ritesh Katariya
Proprietor
M No.409953

ANNEXURE TO THE AUDITORS' REPORT

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

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Malabar Trading Company Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit,

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 affects 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 any loan from any companies / firms / parties listed in the register maintained under Section 301 of the Companies Act, 1956, accordingly other points of the said clause is not applicable to the company.

However, according to the information and explanations given to us and the record produce to us for our verification, the company has granted loan to its subsidiary company listed in the register maintained under Section 301 of the Company Act, 1956,

- (b) In our opinion terms and conditions on which loans have been granted to its subsidiary company, listed in the registers maintained under Section 301 is not, *prima facie*, prejudicial to the interest of the company.
- (c) The parties is regular in reaping of principal amount along with payment of interest, if any.
- (d) There is no overdue amount of loans granted to subsidiary company listed in the registers maintained under section 301 of the Companies Act, 1956.

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, all the contract / arrangements, the particulars of which needed to be entered into the register maintained under section 301 of the Act, have been recorded.

(b) Based on the information and explanations provided by the management to us, all transaction entered under section 301 of the Companies Act, 1956, 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.
7. 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.
8. 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.
9. (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, Company had acquired 789000 unquoted equity shares at a total consideration of Rs. 201.00 Lacs of M/s IADFAC Laboratories Private Limited ("ILPL") (99.87% Holding of "ILPL") and 900000 unquoted equity shares at a total consideration of Rs. 360.00 Lacs of M/s Protect Nature Private Limited ("PNPL") (97.26% Holding of "PNPL") in the preceding financial year i.e. 2011-2012. Pursuant to the said acquisitions, ILPL and PNPL became subsidiaries of the Company. Investments are valued at Cost.
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 Except unutilized Preference Equity Share Issue Proceeds which have been temporarily held in short term interest bearing liquid loans.
18. During the year, company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Act.
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. According to the information and explanations given to us, during the year covered by our audit report, the Company has not raised any money by public issue.
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 Katariya & Company
Chartered Accountants
FRN No. 015139C

Place : Ujjain
Dated : 30.05.2013

Ritesh Katariya
Proprietor
M No.409953

BALANCE SHEET AS AT 31.03.2013

Particulars	Note No	Amount (in Rs.)	
		As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	1	108,500,000	108,500,000
(b) Reserves and Surplus	2	4,281,257	4,203,016
(2) Non-Current Liabilities			
(a) Long-term borrowings	3	64,750	64,750
(b) Deferred tax liabilities (Net)	4	37,763	34,606
(3) Current Liabilities			
(a) Other current liabilities	5	215,517	78,288
(b) Short-term provisions	6	1,773,991	1,762,565
Total		114,873,278	114,643,224
II.Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	7	10,450,545	10,475,935
(b) Non-current investments	8	56,100,000	56,100,000
(c) Other non current assets	9	120,600	160,800
(2) Current assets			
(a) Inventories	10	175,588	626,897
(b) Trade receivables	11	-	18,904
(c) Cash and Bank Balance	12	260,642	4,742,976
(d) Short-term loans and advances	13	47,527,688	41,895,550
(e) Other current assets	14	238,215	622,162
Total		114,873,278	114,643,224

Notes on Financial Statements (1 to 22)

As per our Report of even date
For Katariya & Company
Chartered Accountants
F.R.N. 015139C

For and on Behalf of Board
Malabar Trading Company Limited

Ritesh Katariya
Proprietor
M. No. 409953

Director

Director

Place : Ujjain
Dated : 30.05.2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Amount (in Rs.)

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
I. Revenue from Operations	15	(509,566)	(4,284,421)
II. Other Income	16	3,908,794	8,308,167
III. Total Revenue (I +II)		3,399,228	4,023,746
IV. Expenses:			
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	17	451,309	314,705
Employee Benefit Expense	18	371,134	366,659
Financial Costs	19	2,851	101,840
Depreciation		25,389	48,820
Other expenses	20	556,886	560,538
Total Expenses		1,407,569	1,392,562
V. Profit before tax (III - IV)		1,991,658	2,631,184
VI. Tax expense:			
(1) Current tax		640,865	501,578
(2) Deferred tax made / (reversed)		3,157	398,792
(3) MAT Credit entitlement		-	(78,482)
VII. Profit/(Loss) for the period (V-VI)		1,347,637	1,809,296
VIII. Earning per equity share:			
(1) Basic & Diluted	21	0.12	0.25

Notes on Financial Statements [1 to 22]

As per our Report of even date
For Katariya & Company
Chartered Accountants
F.R.N. 015139C

For and on Behalf of Board
Malabar Trading Company Limited

CA Ritesh Katariya
Proprietor
M. No. 409953

Director

Director

Place : Ujjain
Dated : 30.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	For the Year 2012-2013	For the Year 2011-2012
A. Cash Flow From Operating Activities :		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEMS	1991658	2631184
ADJUSTMENT FOR :-		
Depreciation	25389	48820
Deferred Revenue Exp. W/off	40200	40200
Profit on sale of Assets	0	(84142)
Interest Received	(3852276)	(8179757)
Interest Paid	2851	96230
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1792178)	(5447465)
ADJUSTMENT FOR :-		
Trade & Other Receivables	18904	20274
Inventories	451309	314705
Other Loans & Advances	(5632138)	45987553
Other Current Liabilities	(40053)	(238595)
CASH GENERATED FROM OPERATION	(6994156)	40636472
Direct Taxes Paid	(18047)	(34676)
Cash Flow before Extra Ordinary Items	(7012203)	40601796
NET CASH FROM OPERATING ACTIVITIES (A)	(7012203)	40601796
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchase of Assets	0	0
Sale of Fixed Assets	0	150000
Purchase of Investment/ Share Application Made	0	(56100000)
Interest Received	3852276	8179757
Tax Deducted at Source	(236002)	(483679)
NET CASH USED IN INVESTING ACTIVITIES (B)	3616274	(48253922)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :-		
Proceeds received from Issue of Shares	0	0
Proceed received from Share Application Money	0	0
Expenses incurred for Preferential Allotment & Bonus issue	0	(201000)
Proceeds from Loan Fund	0	(13592245)
Interest Paid	(2851)	(96230)
Dividend Paid	(907567)	(154850)
Income Tax on Dividend	(175987)	(26342)
NET CASH USED IN FINANCING ACTIVITIES (C)	(1086405)	(14070667)
Net Increase in Cash & Cash Equivalent (A + B + C)	(4482334)	(21722793)
Cash & Cash Equivalent As At 31-03-2012 & 31.03.2011	4742976	26465769
Cash & Cash Equivalent As At 31-03-2013 & 31.03.2012	260642	4742976

As per our report of even date

For Katariya & Company
Chartered Accountants
F.R.N. 015139C

Ritesh Katariya
Proprietor
M. No. 409953

Place : Ujjain
Dated : 30/05/2013

SIGNIFICANT ACCOUNTING POLICIES

Sr. No.	Sub Sr. No.	Particulars
1		<p><u>COMPANY INFORMATIONS</u></p> <p>The Malabar Trading Company Limited (“The Company”) was incorporated on 18th April, 1980 under the Companies Act, 1956. The company made its maiden public issue during June 1980 aggregating Rs. 3.00 lacs for raising working capital and meeting issue expenses. The paid-up capital of the Company post listing in 1980 was Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each. The Company was incorporated with the main object of trading, acting as distributors, commission agents etc. Presently the registered office of the Company is situated at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (E), Mumbai – 400066.</p> <p>In February, 2011, the Company altered its objects clause by inserting objects relating to (i) Hospitality Entertainment and related activities (ii) Healthcare related activities (iii) Agro food produce, production and process including forward and back integration and (iv) Infrastructure and construction activities, to be carried on either directly or indirectly through joint venture/wholly owned subsidiaries/acquisition of strategic stake in such entities in the respective fields or otherwise and also obtained the approval of members u/s 149(2A) of the Companies Act, 1956 to carry on these newly inserted objects.</p> <p>In March, 2011, the Company issued 15,00,000 equity shares of Rs. 10 each at a premium of Rs. 62 per share upon conversion of warrants. In August, 2011, the Company announced issue of Bonus Shares in the ratio of 6 equity shares as bonus shares against every 1 share held. Post bonus, the present paid-up share capital of the Company is Rs. 10,85,00,000 divided into 1,08,50,000 equity shares of Rs. 10 each.</p> <p>The Company had acquired 99.87% stake in M/s IADFAC Laboratories Private Limited (“ILPL”) a Company engaged in lab testing of Dairy, Food and other products. ILPL has ISO 17025 Certification, BIS, Egmark & more. Further, the Company had also acquired 97.26% stake in M/s Protect Nature Private Limited (“PNPL”), a Company engaged in the business of agro food produce, production and process including forward and backward integration including manufacturing of fertilizers. Pursuant to the said acquisitions, ILPL and PNPL became subsidiaries of the Company.</p>
2.	2.a	<p><u>NOTES</u></p> <p><u>Basis of Preparation</u></p> <p>These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual</p>

Sr. No.	Sub Sr. No.	Particulars
		<p>basis. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).</p>
	2.b	<p><u>Use of Estimates</u></p> <p>The preparation of the financial statements in conformity with GAAP requires estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.</p> <p>Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.</p>
	2.c	<p><u>Own Fixed Assets</u></p> <p>Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use.</p>
	2.d	<p><u>Depreciation and Amortisation</u></p> <p>Depreciation on Tangible Assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956 of their useful lives of assets estimated by the Management.</p>
	2.e	<p><u>Impairment of Assets</u></p> <p>The assets is treated as impaired when the carrying cost of the assets exceeds its recoverable value. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.</p>

Sr. No.	Sub Sr. No.	Particulars
	2.f	<p><u>Investments</u></p> <p>Investments are classified as long-term based on Management's intention at the time of purchase. Long term investments are carried at cost.</p>
	2.g	<p><u>Inventories</u></p> <p>Inventories includes the Traded Goods available for Sale i.e. quoted equity shares. Value of Inventories includes the Cost of Procuring Goods and Services, Borrowing Cost (if permitted by AS-16 - "Borrowing Cost") and any other expenditure incurred in relation to the inventory necessary to bring that in the Present and Saleable Condition.</p> <p>Inventory are managed using First in First Out basis as suggested by Accounting Standard - 2 and valued at Cost or Market Price which ever is lower.</p>
	2.h	<p><u>Cash & Cash Equivalents.</u></p> <p>Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.</p>
	2.i	<p><u>Provision for Contingent Liabilities</u></p> <p>A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.</p>
	2.j	<p><u>Revenue Recognition</u></p> <p>The company derives its revenue from Interest and Trading of Shares.</p> <p>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. Rentals are recognized ratably on a straight line basis over the balance sheet period.</p> <p>In Statement of Profit & Loss, company has taken the income as the difference between the value of sale and purchase of shares.</p>

Sr. No.	Sub Sr. No.	Particulars
	2.k	<p><u>Employee Benefit</u></p> <p>Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.</p>
	2.l	<p><u>Provision for Current & Deferred Tax</u></p> <p>Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably.</p> <p>Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the date of balance sheet date.</p>
	2.m	<p><u>Earning per share</u></p> <p>Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.</p>

Amount (in Rs.)

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
NOTE		
<u>1. SHARE CAPITAL</u>		
AUTHORIZED SHARE CAPITAL		
11,000,000 Equity Shares of Rs. 10/- each (11,000,000 Equity Shares of Rs. 10/- each)	110,000,000	110,000,000
ISSUED, SUBSCRIBED AND PAID UP		
10,850,000 Equity Shares of Rs. 10/- each (10,850,000 Equity Shares of Rs. 10/- each)	108,500,000	108,500,000
	108,500,000	108,500,000

FOOTNOTES:-

The reconciliation of the number of shares outstanding is set out below :

PARTICULARS	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Shares outstanding at the commencement of the year	10,850,000	1,550,000
Issued during the year	-	9,300,000
Shares outstanding at the close of the year	10,850,000	10,850,000

Terms / Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

9,300,000 Equity Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium Account and Reserves.

9,300,000 Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five year pursuant to the various schemes without payment being received in cash.

During the last five years, the company has allotted 1,500,000 Equity Shares at Rs. 10/- each with a premium of Rs. 62/- each pursuant to the preferential issue of equity shares.

List of shareholders holding more than 5%	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares & % of Holding		No. of Shares & % of Holding	
Moti Lal Laxkar	2125000	19.59%	2177000	20.06%
Ranjita Infrastructure Private Limited	3500000	32.26%	3500000	32.26%
Supreme Industries	1225000	11.29%	1225000	11.29%

2. Reserve & Surplus**A. Security Premium Account**

Opening Balance	-	93,000,000
Add : Securities premium credited on Share issue	-	-
Less : Utilised for issue of Bonus Share	-	93,000,000
Closing Balance	-	-

B. Surplus in Statement of Profit & Loss Account

Opening Balance	4,203,016	3,654,707
Add : Profit during the year	1,347,637	1,809,296
Less :		
Proposed Dividend	1,085,000	1,085,000
{Dividend per Shares of Rs. 0.10/- (P.Y. Rs.0.10/-)}		
Tax on Dividend	184,396	175,987
Balance in Surplus	4,281,257	4,203,016

Total (A+B)	4,281,257	4,203,016
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3. Long Term Borrowings**A. Unsecured Loan**

Inter Corporate Deposits	64,750	64,750
Total	64,750	64,750

4. Deferred Tax (Net)**Deferred Tax Liabilities**

Opening Balance	34,606	4,043
Add : On Account of Depreciation	3,157	30,563
Less : Reversal on account of timing difference	-	-
Closing Balance of Deferred Tax Liability	37,763	34,606

Deferred Tax Assets		
Opening Balance	-	368,229
Add : On Account of timing difference	-	-
Less : Reversal on account of timing difference	-	368,229
Closing Balance of Deferred Tax Assets	-	-
Total of Deferred Tax Liability (Net)	37,763	34,606
5. Other Current Liabilities		
(a) Outstanding Expenses	38,084	78,137
(b) Declared & Unclaimed Dividends	177,433	151
Total	215,517	78,288
6. Short Term Provisions		
(a) Provision of Income Tax (Net of MAT Credit)	504,595	501,578
(b) Proposed Dividend	1,085,000	1,085,000
(c) Provision for Dividend Tax	184,396	175,987
Total	1,773,991	1,762,565
8. Non Current Investments		
(Long Term Investments)		
In Equity Share of Subsidiary Company		
Unquoted, fully paid up		
789000 Shares of M/s IADFAC		
Laboratories Private Limited of Rs. 10/- each	20,100,000	20,100,000
900000 Shares of M/s Protect Nature		
Private Limited of Rs. 10/- each	36,000,000	36,000,000
Total	56,100,000	56,100,000
<p>Company had acquired 789000 unquoted equity shares at a total consideration of Rs. 201.00 Lacs of M/s IADFAC Laboratories Private Limited ("ILPL") (99.87% Holding of "ILPL") and 900000 unquoted equity shares at a total consideration of Rs. 360.00 Lacs of M/s Protect Nature Private Limited ("PNPL") (97.26% Holding of "PNPL"). Pursuant to the said acquisitions, ILPL and PNPL became subsidiaries of the Company.</p>		
9. Other Non Current Assets		
Deferred Revenue Expenditure(to be written off)		
Opening Balance	160,800	-
Add : Deferred Revenue Exp. Incurred for Preferential & Bonus issue	-	201,000
Less : W/off 1/5th during the year	40,200	40,200
Total	120,600	160,800
<p>As per policy of company management, Deferred Revenue Expenditure incurred for Preferential & Bonus Issue, would be written off in five financial year commencing from financial year 2011-2012.</p>		

Note 7 Disclosure pursuant to Note no. 7 Part I of Schedule VI to the Companies Act, 1956

	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012
Fixed Assets									
a									
Tangible Assets									
Own Assets									
Freehold Land	10,015,750	-	-	10,015,750	-	-	-	10,015,750	10,015,750
Air Conditioner	21,499	-	-	21,499	11,301	1,419	-	8,779	10,198
Office Property	620,010	-	-	620,010	176,483	22,176	-	421,351	443,527
Furniture & Fixtures	13,200	-	-	13,200	9,597	652	-	2,951	3,603
Computer	71,500	-	-	71,500	68,644	1,142	-	1,714	2,856
Total	10,741,959	-	-	10,741,959	266,025	25,389	-	10,450,545	10,475,935
b									
Intangible Assets									
Others (specify nature)	0	0	0	0	0	0	0	0	0
Total	-	-	-	-	-	-	-	-	-
c									
Capital Work In Progress	0	-	-	-	0	0	0	0	0
Total	-	-	-	-	-	-	-	-	-
d									
Intangible assets under Development	0	0	0	0	0	0	0	0	0
Total	10,741,959	-	-	10,741,959	266,025	25,389	-	10,450,545	10,475,935

10. Inventories		
(a) Traded Goods (Quoted Equity Shares)	175,588	626,897
Total	175,588	626,897
(Valuation of inventories made on lower of cost or market price as at 31.03.2013)		
11. Trade Receivables		
Trade Receivables (Unsecured)		
(a) Considered good	-	18,904
(b) Outstanding For a Period Exceeding 6 Months	-	-
Total	-	18,904
12. Cash & Bank Balance		
(a) Balance with Banks		
on Current Account	57,486	4,449,655
on Earmarked Balance with Bank (For Unclaimed Dividend)	177,433	-
(b) Cash on hand	25,723	293,321
(c) In Fixed Deposit Account	-	-
Total	260,642	4,742,976
13. Short Term Loans & Advances		
(Unsecured & considered good)		
(a) Other Advances (Recoverable in cash or Kind, for value to be received)	47,527,688	41,895,550
Total	47,527,688	41,895,550
14. Other Current Assets		
(a) MAT Credit Entitlement	-	136,270
(b) Tax Deducted at source	238,215	485,892
Total	238,215	622,162
15. Revenue from Operations		
Net income from Share Trading Activities	(509,566)	(4,284,421)
Total	(509,566)	(4,284,421)
(Company has taken the income as the difference between the value of sale and purchase of shares.)		

16. Other Income

Interest income ((T.D.S. 236602/- P.Y.483679/-)	3,852,276	8,179,757
Dividend Income	16,018	8,268
Rent Income	40,500	36,000
Other non-operating income	-	84,142
Total	3,908,794	8,308,167

17. Change in Inventories**17.1 Opening Stock**

Traded Goods (Quoted Shares)	626,897	941,602
	626,897	941,602

17.2 Closing Stock

Traded Goods (Quoted Shares)	175,588	626,897
	175,588	626,897

Increase/(Decrease) in stock (17.1 - 17.2)	451,309	314,705
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18. Employees Benefit Expenses

Salaries & Wages with Allowances	340,533	342,099
Staff Welfare Expenses	30,601	24,560
Total	371,134	366,659

19. Financial Cost

Interest Expenses	895	96,230
Bank Commission & Charges	1,956	5,610
Total	2,851	101,840

20. Other Expenses

Auditor's Fees	25000	27575
BSE Listing Fees & Preferential Issue Expenses	45119	47401
D-Mat N.S.D.L. & C.D.S.L Charges	95571	65005
Books & Periodicals	9629	7463
Electric Charges	30428	15368
Repairs & Maintenance	22218	23493
Insurance Charges	0	4738
Result Publication Charges	41933	24566
Other Miscellaneous Expenses	44062	48325
Stationery & Printing	19780	18180
Postage, Telegram and Telephones	36005	43649
Legal & Professional Charges	25854	68414
1/5 Deferred Revenue Exps Written Off	40200	40200
Sundry Balances Written off	18904	19432
Travelling Expenses	46648	57819
Vehicle Running & Conveyance Exp.	45035	48910
Website Designing Expenses	10500	0
Total	556886	560538

21. Earning Per Share

(i) Net Profit after tax as per Statemnet of Profit & Loss attributable to Equity Shareholder	1347637	1809296
(ii) Weighted Average number of equity shares used in denominator for calculating Earnings per Share	10850000	7114754
(iii) Basic & Diluted Earnings per Share	0.12	0.25
(iv) Face Value per Equity Shares	10	10

22.8 A. Value analysis of Sales / Transfer Turnover:

	NOS.	2012-2013	NOS.	2011-2012
A. Chemicals	Nil	0	Nil	0
B. Equity Shares	9823	9599467	2385542	4600156
TOTAL	9823	9599467	2385542	4600156

22.8 B. Purchase/Allotment/Conversion/Bonus for Resale

	NOS.	2012-2013	NOS.	2011-2012
A. Chemicals	Nil		- Nil	-
B. Equity Shares	11900	10109033	193413	8884577
TOTAL	11900	10109033	193413	8884577

22.8 C. Closing Stock of Quoted Equity Shares

Company Name	2012-2013		2011-2012	
	Nos.	Amount	Nos.	Amount
Netlink Solutions Limited	50000	24000	50000	51500
Netlink Solutions Ltd (Bonus)	292	0	292	0
Signet Overseas Limited	0	0	352	30976
Goplee Infotech Limited	950	7515	950	4988
Suntee Chemicals Limited	28444	4835	28444	5689
Rock Hard Petrochemicals Limited	13422	6443	13422	52614
Bajaj Hindustan Limited	2000	38000	2000	62100
Coal India Limited	0	0	421	144445
EIH Hotels Limited	150	8295	150	23100
Nagarjun Construction	500	14025	500	28100
Renuka Sugars Limited	2000	44600	2000	63200
Satyam Limited	0	0	50	4010
Trendy Knittware Limited	0	0	2000	133000
Triveni Engineering Limited	1400	21975	1500	23175
Socrus Bioscience Limited	5000	5900	0	0
TOTAL	104158	175588	102081	626897

22.9	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 :-			
Sr. No.	Name of the Related Parties	Relation		Remarks
1	M. L. Laxkar	Director & Promoter	211700 (Rs.)	Dividend paid pertaining for financial year 2011-2012
2	IADFAC Laboratories Private Limited	Associate Concern	300000 (Rs.)	Balance of O/s Loans & Advances
3	Ranjeeta Infrastructure Pvt. Ltd.	Promoter	350000 (Rs.)	Dividend paid pertaining for financial year 2011-2012
22.10	Income tax provision had been made according to the Income Tax Act and during the year, company had utilised MAT Credit of Rs. 136270/- to pay the Income Tax Liability for F.Y. 2012-2013 as difference between Income Tax at Normal Rate and Income TAX under MAT (Section 115JB).			
	In terms of our report attached.			
	For Katariya & Company	For and on behalf of the Board of Directors		
	Chartered Accountants	Malabar Trading Company Limited		
	(FRN : 015139C)			
	(Ritesh Katariya)	Director	Director	
	Proprietor			
	M. No 409953			
	Place : Ujjain			
	Date : 30.05.2013			

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES FOR
FINANCIAL YEAR 2012-13

(Amount in Rs.)

Particulars	Name of Subsidiaries	
	IADFAC Laboratories Private Limited	Protect Nature Private Limited
Share Capital	7900000	9254000
Reserves	6244886	27000000
Total Assets	25852024	38732873
Total Liabilities	25852024	38732873
Investment other than Investment in Subsidiary	0	0
Turnover	8979293	0
Profit (Loss) before Taxation	(5065269)	0
Provision for Taxation		
- Current Tax	0	0
- Deferred Tax	22257	0
Profit (Loss) after Taxation	(5087526)	0
Proposed Dividend	0	0

For and on behalf of the Board

Place : Mumbai

Dated : 30/05/2013

Director

Director

Katariya & Co.

Chartered Accountants
13-A, Saket Nagar, Indore Road
Ujjain (M.P.) - 456010

E-Mail :- RiteshKatariyaca@yahoo.com
KatariyaAndCompany@gmail.com

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,
The Board of Directors,
Malabar Trading Company Limited

We have audited the accompanying Consolidated Financial Statements of '**Malabar Trading Company Limited**' (the "Company") which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We did not audit the Financial Statements of subsidiaries included in the Consolidated Financial Statements. These financial statements and other financial information of the 2 subsidiaries have been audited by other auditor whose reports have been furnished to us, and our opinion on the Consolidated Financial Statements to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Details of the Subsidiary are as follows:

Particulars	IADFAC Laboratories Private Limited (Amount in INR)	Protect Nature Private Limited (Amount in INR)
Country of Incorporation	India	India
Total Capital Employed	2,58,52,024	3,87,32,873
Total Assets	2,58,52,024	3,87,32,873
Profit after Tax for the Year	(50,87,526)	NA
Interest of Holding Company (in %)	99.87%	97.26%
Interest of Minority (in %)	0.13%	2.74
Minority Share (in Currency)	17,903	995267

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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 Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the group for the year ended on that date;
- c) In case of the Consolidated Cash Flow Statement, of the cash flow of the Group for the year ended on that date.

For Katariya & Co.
Chartered Accountants
Firm Registration Number 015139C

Ritesh Katariya
Proprietor
M. No. 409953
Place: Ujjain

Consolidated Balance Sheet as at 31.03.2013

Amount (in Rs.)

Particulars	Note No	As at 31st March, 2013	As at 31st March, 2012
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
(a) Share Capital	1	108,500,000	108,500,000
(b) Reserves and Surplus	2	(799,619)	4,203,226
Share Capital Pending for Allotment		200,000	200,000
Minority Interest		1,013,170	1,019,610
Non-Current Liabilities			
(a) Long-term borrowings	3	1,785,514	1,785,514
Current Liabilities			
(a) Trade Paybles	4	2,372,013	1,360,039
(b) Short-term borrowings	5	4,870,867	1,890,533
(c) Other current liabilities	6	4,158,995	3,261,510
(d) Short-term provisions	7	2,552,880	2,672,733
Total		124,653,820	124,893,165
II. Assets			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	8	21,081,887	20,676,992
(ii) Goodwill (On Consideration of Subsidiary)		1,633,409	1,633,409
(b) Deferred Tax Assets (Net)	9	225,927	251,342
(c) Long Term Loans & Advances	10	35,387,800	35,287,800
(d) Other non current assets	11	1,392,131	1,340,005
(2) Current assets			
(a) Inventories	12	752,970	1,091,464
(b) Trade receivables	13	10,031,243	10,780,590
(c) Cash and Bank Balance	14	1,511,754	5,911,571
(d) Short-term loans and advances	15	50,468,229	44,402,448
(e) Other current assets	16	2,168,470	3,517,544
Total		124,653,820	124,893,165

Notes on Financial Statements (1 to 24)

As per our Report of even date
For Katariya & Company
Chartered Accountants
F.R.N. 015139C

For and on Behalf of Board
Malabar Trading Company Limited

Ritesh Katariya
Proprietor
M. No. 409953

Director

Director

Place : Ujjain
Dated : 30/05/2012

Consolidated Statement of Profit and Loss For the Year Ended March 31, 2013

(Amt in INR)

Particulars	Note No	31st March, 2013	31st March, 2012
I. Revenue from Operations	17	8,469,727	4,940,256
II. Other Income	18	4,299,933	10,484,539
III. Total Revenue (I+II)		12,769,660	15,424,795
IV. Expenses:			
Cost of Material Consumed		1,768,586	1,276,301
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	19	451,309	314,705
Employee Benefit Expense	20	7,274,551	5,785,684
Financial Costs	21	115,125	454,054
Depreciation		607,554	48,820
Other expenses	22	5,591,145	4,770,690
Total Expenses		15,808,269	12,650,254
V. Profit before tax (III - IV)		(3,038,611)	2,774,541
VI. Less : Prior Period Expenses		35,000	-
VII. Profit before tax		(3,073,611)	2,774,541
VI. Tax expense:			
(1) Current tax (MAT)		640865	501,578
(2) Deferred tax made / (reversed)		25414	398,792
(3) Earlier year Tax Paid		-	-
(4) MAT Credit entitlement		-	(78,482)
VII. Profit / (Loss) for the period from continuing operations (V-VI)		(3,739,889)	1,952,653
VIII. Share of Profit/(Loss) transferred to Minority Interest		(6440)	182
IX. Pre-acquisition Profit / (Loss) on Acquisition of Subsidiary		0	142965
X. Profit/(Loss) for the year carried to Balance Sheet		(3733449)	1809506
XI. Net Profit considered for Calculation of Earning per Share		(3739889)	1952653
XII. Earning per equity share:			
(1) Basic & Diluted	23	(0.34)	0.27

Notes on Financial Statements [1 to 24]

As per our Report of even date
For Kataria & Company
Chartered Accountants
F.R.N. 015139C

Ritesh Katariya
Proprietor
M. No. 409953

Place : Ujjain
Dated : 30/05/2013

For and on Behalf of Board

Director Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	For the Year 2011-2013	For the Year 2010-2012
A. Cash Flow From Operating Activities :-		
NET PROFIT BEFORE TAX & EXTRA ORDINARY ITEMS	1991658	2631184
ADJUSTMENT FOR :-		
Depreciation	25389	48820
Deferred Revenue Exp. W/off	40200	40200
Profit on sale of Assets	0	(84142)
Interest Received	(3852276)	(8179757)
Interest Paid	2851	96230
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1792178)	(5447465)
ADJUSTMENT FOR :-		
Trade & Other Receivables	18904	20274
Inventories	451309	314705
Other Loans & Advances	(5632138)	45987553
Other Current Liabilities	(40053)	(238595)
CASH GENERATED FROM OPERATION	(6994156)	40636472
Direct Taxes Paid	(18047)	(34676)
Cash Flow before Extra Ordinary Items	(7012203)	40601796
NET CASH FROM OPERATING ACTIVITIES (A)	(7012203)	40601796
B. CASH FLOW FROM INVESTING ACTIVITIES :-		
Purchase of Assets	0	0
Sale of Fixed Assets	0	150000
Purchase of Investment/ Share Application Made	0	(56100000)
Interest Received	3852276	8179757
Tax Deducted at Source	(236002)	(483679)
NET CASH USED IN INVESTING ACTIVITIES (B)	3616274	(48253922)
C. CASH FLOW FROM FINANCIAL ACTIVITIES :-		
Proceeds received from Issue of Shares	0	0
Proceed received from Share Application Money	0	0
Expenses incurred for Preferential Allotment & Bonus issue	0	(201000)
Proceeds from Loan Fund	0	(13592245)
Interest Paid	(2851)	(96230)
Dividend Paid	(907567)	(154850)
Income Tax on Dividend	(175987)	(26342)
NET CASH USED IN FINANCING ACTIVITIES (C)	(1086405)	(14070667)
Net Increase in Cash & Cash Equivalent (A + B + C)	(4482334)	(21722793)
Cash & Cash Equivalent As At 31-03-2012 & 31.03.2011	4742976	26465769
Cash & Cash Equivalent As At 31-03-2013 & 31.03.2012	260642	4742976

As per our report of even date

For Katariya & Company
Chartered Accountants
F.R.N. 015139C

Ritesh Katariya
Proprietor
M. No. 409953

Place : Ujjain
Dated : 30/05/2013

CONSOLIDATED FINANCIAL STATEMENT

PARTICULARS	AS AT 31.03.2013	AS AT 31.03.2012
1. SHARE CAPITAL		
AUTHORIZED SHARE CAPITAL		
11,000,000 Equity Shares of Rs. 10/- each (11,000,000 Equity Shares of Rs. 10/- each)	110,000,000	110,000,000
ISSUED, SUBSCRIBED AND PAID UP		
10,850,000 Equity Shares of Rs. 10/- each (1,550,000 Equity Shares of Rs. 10/- each) (9300000 Number of shares issued as fully paid-up by way of bonus shares in the ratio of 1:6 from Securities Premium Account)	108,500,000	108,500,000
	108,500,000	108,500,000

FOOTNOTES :-

The reconciliation of the number of shares outstanding is set out below :

PARTICULARS	As at 31st March, 2013 No. of Shares	As at 31st March, 2012 No. of Shares
Shares outstanding at the commencement of the year	10,850,000	1,550,000
Issued during the year (Bonus Allotment)	-	9,300,000
Shares outstanding at the close of the year	10,850,000	10,850,000

Terms / Rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

9,300,000 Equity Shares out of the issued, subscribed and paid up share capital were allotted as Bonus Shares in the last five years by capitalisation of Securities Premium Account and Reserves.

9,300,000 Equity Shares out of the issued, subscribed and paid up share capital were allotted in the last five year pursuant to the various schemes without payment being received in cash.

During the last five years, the company has allotted 1,500,000 Equity Shares at Rs. 10/- each with a premium of Rs. 62/- each pursuant to the preferential issue of equity shares.

List of shareholders holding more than 5%	As at		As at	
	31st March, 2013		31st March, 2012	
Name of the Share Holder :-	No. of Shares &	% of Holding	No. of Shares &	% of Holding
Moti Lal Laxkar	2125000	19.59%	2177000	20.06%
Ranjita Infrastructure Private Limited	3500000	32.26%	3500000	32.26%
Supreme Industries	1225000	11.29%	1225000	11.29%

2. Reserve & Surplus**A. Security Premium Account**

Opening Balance	-	93,000,000
Add : Securities premium credited on Share issue	-	-
Less : Utilised for issue of Bonus Share	-	93,000,000
Closing Balance	-	-

B. Surplus in Statement of Profit & Loss Account

Opening Balance	4,203,226	3,654,707
Add : Profit during the year	(3,733,449)	1,809,506
Less :		
Proposed Dividend	1,085,000	1,085,000
{Dividend per Shares of Rs. 0.10/- (P.Y. Rs.0.10/-)}.		
Tax on Dividend	184,396	175,987
Balance in Surplus	(799,619)	4,203,226

Total (A+B)	(799,619)	4,203,226
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3. Long Term Borrowings**A. Unsecured Loan**

Inter Corporate Deposits	64,750	64,750
Loans and advances from related parties	1,720,764	1,720,764

Total	1,785,514	1,785,514
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4. Trade Payables

(a) Sundry Creditors	2,372,013	1,360,039
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Total	2,372,013	1,360,039
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5. Short Term Borrowings**From Others****Secured Loans**

(a) Loans repayable on demand from other Parties	4,220,867	1,240,533
(b) Loans and Advances from Directors	650,000	650,000

Total	4,870,867	1,890,533
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6. Other Current Liabilities

(a) Outstanding Expenses	272,693	279,543
(b) Declared & Unclaimed Dividends	177,433	151
(c) Statutory Liabilities	3,708,869	2,981,816
(d) Creditor for Expenses		-
Total	4,158,995	3,261,510

7. Short Term Provisions

(a) Provision of Income Tax (Net of MAT Credit)	504,595	501,578
(b) Proposed Dividend	1,085,000	1,085,000
(c) Provision for Dividend Tax	184,396	175,987
(d) Salary Payable	501,311	819,585
(e) Contribution to PPF	30,929	31,203
(f) Contribution to ESIC	10,683	10,029
(g) Creditor for Expenses	222,029	49,351
(h) Leave Encashment Payable	13,937	-
Total	2,552,880	2,672,733

8. Deferred Tax (Net)**Deferred Tax Liabilities**

Opening Balance	34,606	4,043
Add : On Account of Depreciation	3,157	30,563
Less : Reversal on account of timing difference		-
Closing Balance of Deferred Tax Liability	37,763	34,606

Deferred Tax Assets

Opening Balance	285,948	654,177
Add : On Account of timing difference	-	-
Less : Reversal on account of timing difference	22,257	368,229
Closing Balance of Deferred Tax Assets	263,690	285,948

Total of Deferred Tax Assets (Net)

225,927	251,342
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9. Long Term Loans & Advances

Unsecured, considered good	387,800	287,800
Capital Advance	35,000,000	35,000,000
Total	35,387,800	35,287,800

Note 10 Disclosure pursuant to Note no. 8 Part I of Schedule VI to the Companies Act, 1956

	Gross Block				Accumulated Depreciation			Net Block	
	Balance as at 1 April 2012	Additions	Disposals	Balance as at 31 March 2013	Balance as at 1 April 2012	Depreciation charge for the year	On disposals	Balance as at 31 March 2013	Balance as at 31 March 2012
Fixed Assets									
a									
Tangible Assets									
Own Assets									
Freehold Land	10,015,750	-	-	10,015,750	-	-	-	10,015,750	10,015,750
Land (Leasehold)	39,900	-	-	39,900	-	-	-	39,900	39,900
Factory Building	1,411,850	-	-	1,411,850	-	-	-	1,411,850	1,411,850
Air Conditioner	21,499	-	-	21,499	11,301	1,419	-	8,779	10,198
Office Property	620,010	-	-	620,010	176,483	22,176	-	421,351	443,527
Furniture & Fixtures	856,268	-	-	856,268	247,306	52,119	-	556,843	608,962
Computer	352,615	-	-	352,615	248,667	46,711	-	57,237	103,948
Plant & Equipments	9,139,716	848,247	-	9,987,963	1,422,395	456,056	-	8,109,512	7,717,321
Office Equipments	446,969	164,203	-	611,172	121,434	29,073	-	460,665	325,535
Total	22,904,577	1,012,450	-	23,917,027	2,227,585	607,554	-	21,081,887	20,676,992
b									
Intangible Assets									
Others (specify nature)	0	0	0	0	0	0	0	0	0
Total	-	-	-	-	-	-	-	-	-
c									
Capital Work In Progress									
	0	-	-	-	0	0	0	0	0
Total	-	-	-	-	-	-	-	-	-
d									
Intangible assets under Development									
	0	0	0	0	0	0	0	0	0
Total	22,904,577	1,012,450	-	23,917,027	2,227,585	607,554	-	21,081,887	20,676,992

11. Other Non Current Assets

Deferred Revenue Expenditure (to be written off)

Opening Balance	1,340,005	915,525
Add : Deferred Revenue Exp.Incurred for Preferential & Bonus issue	-	201,000
Add : Expenditure incurred in current year	92,326	263,680
Less : W/off 1/5th during the year	40,200	40,200

Total	1,392,131	1,340,005
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As per policy of company management, Deferred Revenue Expenditure incurred for Preferential & Bonus Issue, would be written off in five financial year commencing from financial year 2011-2012.

12. Inventories

(a) Traded Goods (Quoted Equity Shares)	175,588	626,897
(b) Stores and Spares	577,382	464,567

Total	752,970	1,091,464
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(Valuation of inventories made on lower of cost or market price as at 31.03.2013)

13. Trade Receivables**Trade Receivables (Unsecured)**

(a) Considered good	8,181,243	3,551,530
(b) Outstanding For a Period Exceeding 6 Months (Net)	1,850,000	7,229,060

Total	10,031,243	10,780,590
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14. Cash & Bank Balance**(a) Balance with Banks**

on Current Account	540,393	5,219,516
on Earmarked Balance with Bank (For Unclaimed Dividend)	177,433	

(b) Cash on hand	793,928	692,055
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Total	1,511,754	5,911,571
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15. Short Term Loans & Advances

(Unsecured & considered good)

(a) Other Advances (Recoverable in cash or Kind, for value to be received)	50,468,229	44,402,448
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Total	50,468,229	44,402,448
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16. Other Current Assets

(a) MAT Credit Entitlement	-	136,270
(b) Expenses Capitalised related to discontinue Operation	1,930,255	2,895,382
(c) Tax Deducted at source	238,215	485,892
Total	2,168,470	3,517,544

17. Revenue from Operations

Net income from Share Trading Activities	(509,566)	(4,284,421)
Sale of Services	8,979,293	9,224,677
Total	8,469,727	4,940,256

(Company has taken the income as the difference between the value of sale and purchase of shares.)

18. Other Income

Interest income	3,852,276	8,210,489
Dividend Income	16,018	8,268
Rent Income	40,500	36,000
Discount Received	54,684	-
Miscellaneous income	25,956	-
Round off	498	-
Other non-operating income	310,000	2,229,782
Total	4,299,933	10,484,539

19. Change in Inventories**19.1 Opening Stock**

Traded Goods (Quoted Shares)	626,897	941,602
	626,897	941,602

19.2 Closing Stock

Traded Goods (Quoted Shares)	175,588	626,897
	175,588	626,897

Increase/(Decrease) in stock (19.1 - 19.2)	451,309	314,705
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20. Employees Benefit Expenses

Salaries & Wages with Allowances & Incentives	6,685,221	5,227,666
Staff Welfare Expenses	69,247	73,241
Contribution to ESIC	98,664	98,773
Contribution to Provident Fund	212,987	386,004
Bonus	194,495	-
Leave Encashment	13,937	-
Total	7,274,551	5,785,684

21. Financial Cost

Interest Expenses	113169	290,436
Other Borrowing Cost	-	158,008
Bank Commission & Charges	1956	5,610
Total	115,125	454,054

22. Other Expenses

Auditor's Fees	70,000	72,575
Analytical Charges	362,903	345,982
Business Promotion Expenses	36,736	24,936
Bank Charges	28,734	7,235
Laboratory Maintenance	676,227	965,810
BSE Listing Fees & Preferential Issue Expenses	45,119	47,401
D-Mat N.S.D.L. & C.D.S.L Charges	95,571	65,005
Power & Fuel	330,875	313,995
Books & Periodicals	9,629	7,463
Electric Charges	30,428	15,368
Repairs & Maintenance	599,776	796,358
Insurance Charges	-	4,738
Rates & Taxes	-	20,750
Rent	452,500	732,665
Result Publication Charges	41,933	24,566
Security Charges	-	17,087
Transportation Charges	5,580	69,120
Other Miscellaneous Expenses	251,971	122,103
Stationery & Printing	114,865	184,072
Postage, Telegram and Telephones	164,875	190,280
Legal & Professional Charges	135,980	241,521
1/5 Deferred Revenue Exps Written Off	40,200	40,200
Sundry Balances Written off	18,904	19,432
Travelling Expenses	242,788	366,039
Vehicle Running Exp.	45,035	48,910
Water Charges	9,366	27,079
Website Designing Expenses	10,500	-
Discontinue operation Exp. w/off	965,127	-
Technical Audit Expenses (BIS & NABL)	142,074	-
Conveyance charges	224,973	-
Drug Control Expenses	23,530	-
House Keeping Charges	225,207	-
Registration & Filling Fees	189,739	-
Total	5,591,145	4,770,690

23. Earning Per Share

(i)	Net Profit after tax as per Statement of Profit & Loss attributable to Equity Shareholder	(3739889)	1952653
(ii)	Weighted Average number of equity shares used in denominator for calculating Earnings per Share	10850000	7114754
(iii)	Basic & Diluted Earnings per Share	(0.34)	0.27
(iv)	Face Value per Equity Shares	10.00	10

Note - 24 “ Notes forming part of the consolidated financial statements for the year ended 31.03.2013”

Note	Particulars		
24.1	Previous year figures has been re-grouped / re-arranged as and wherever necessary.		
24.2	Information of Subsidiary companies		
	Name of Subsidiaries	% of Holding	Country of incorporation and other particulars
	Protect Nature Private Limited	97.26%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since 31st March 2012.
	IADFAC Laboratories Private Limited	99.87%	A company registered under the Companies Act, 1956 of India and subsidiary of the Company since 31st March 2012.
24.3	None of the employees of the company were in receipt of remuneration in excess of limits specified under section 217(2A) of the Companies Act, 1956.		
24.4	In the opinion of the Board, all the items of current assets, long term loans and advances and other non current assets have a value on realisation in the ordinary course of the business at least equal to the amount at which they are stated.		
24.5	The various balances of long term loans and advances, other non current assets, trade payables, trade receivables and other items of current assets, as well as current and non current liabilities are unconfirmed from the parties concerned.		
24.6	In absence of proper information in respect of trade payables as to their status as Micro, Small and Medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006, Company is not in a position to state information required		
24.7	In terms of AS-22, company has recognised deferred tax liability/(asset) for the year as follows:		
	Particulars	As at 31 March, 2013	As at 31 March, 2012
	<u>Tax effect of items constituting deferred tax liability</u> On difference between book balance and tax balance of fixed assets	37763	34606
		37763	34606
	<u>Tax effect of items constituting deferred tax assets</u> Due to carry forward losses & others	263690	285948
		263690	285948
	Net deferred tax liability / (Assets)	(225927)	(251342)
	Particulars	As at 31 March, 2013	As at 31 March, 2012
24.8	Payment to Auditors	70000	72575

24.9	Depreciation on Tangible Assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV of the Companies Act 1956 over their useful lives of assets estimated by the Management except in case of M/s IADFAC Laboratories Private Limited (Subsidiary Company), where depreciation has been provided with Straight Line Method and expenses related to discontinued period of operation had been written off in 3 years.				
24.10	<p>Business Segment</p> <p>(a) Primary (Business) Segment The Company is mainly engaged in the business of trading of A. Shares and B. Laboratory & C. Food testing with its subsidiary and there is three separate reportable segment as per Accounting Standard (AS) 17 on segment reporting. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.</p>				
		Agro food produce and mfg. of bio fertilisers	Securitates Trading	Dairy, Food, Other Products testing	Other unallocable
	Segment Revenue				
	Revenue	-	(509566)	8,979,293	-
	Other Income	-	3,908,794	391,139	
	Total Revenue				
	Segment Results				
	Profit / (Loss) before Tax and Interest from segment				
	-	-	1,994,509	(4952995)	-
	Less : Finance Cost				
	-	-	2,851	112274	-
	Total Profit of Segment before Tax				
	-	-	1,991,658	(5065269)	-
	Less : Provision for Tax (Incl of Deferred Tax)				
	-	-	644,022	22257	-
	Total Profit of Segment after Tax				
	-	-	1,347,637	(5087526)	-
	Capital Employed				
	Segment Assets				
	38,732,873		58,773,278	25,852,024	1,633,409
	Segment Liabilities				
	2,278,873		2,092,020	11,707,138	1,013,170
	Net Assets				
	36,454,000		56,681,258	14,144,886	620,239
24.11	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 :				
	<p><u>Quantitative Details of Opening Stock, Purchases, Closing Stock of Goods traded during the year</u></p> <p>i) Opening Stock 102081</p> <p>ii) Purchases 11900</p> <p>(iii) Sales 9823</p> <p>(iv) Closing Stock 104158</p>				
	<p>24.11 (A) The Subsidiary Company i.e. M/s IADFAC Laboratories Private Limited is engaged in food analysis and testing. The production and sale of such analysis and testing can not be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under part ii of schedule VI of the companies act, 1956.</p>				

24.11 B. Value analysis of Sales / Transfer Turnover:		2012-2013		2011-2012	
	NOS.	Amount	NOS.	Amount	
A. Agro food produce and mfg. of bio fertilisers	Nil	Nil	Nil	Nil	
B. Equity Shares	9823	9,599,467	2385542	4,600,156	
C. Laboratories Charges Received	Nil	8,979,293	Nil	9,224,677	
TOTAL	9823	18578760	2385542	13824833	
24.11 C. Purchase/Allotment/Conversion/Bonus for Resale					A.
Agro food produce and mfg. of bio fertilisers	Nil	Nil	Nil	Nil	
B. Equity Shares	11900	10,109,033	193413	8,884,577	
C. Laboratories Charges paid / related purchase	Nil	1,768,586	Nil	1,276,301	
TOTAL	11900	11877619	193413	10160878	
24.11 D. Closing Stock of Quoted Equity Shares					
	2012-2013		2011-2012		
Company Name	Nos.	Amount	Nos.	Amount	
Netlink Solutions Limited	50000	24000	50000	51500	
Netlink Solutions Ltd (Bonus)	292	0	292	0	
Signet Overseas Limited	0	0	352	30976	
Goplee Infotech Limited	950	7515	950	4988	
Sunitee Chemicals Limited	28444	4835	28444	5689	
Rock Hard Petrochemicals Limited	13422	6443	13422	52614	
Bajaj Hindustan Limited	2000	38000	2000	62100	
Coal India Limited	0	0	421	144445	
EIH Hotels Limited	150	8295	150	23100	
Nagarjun Construction	500	14025	500	28100	
Renuka Sugars Limited	2000	44600	2000	63200	
Satyam Limited	0	0	50	4010	
Trendy Knittware Limited	0	0	2000	133000	
Triveni Engineering Limited	1400	21975	1500	23175	
Socrus Bioscience Limited	5000	5900	0	0	
TOTAL	104158	175588	102081	626897	
24.12	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 :-				
	Name of the Related Parties	Relation	Amount	Remarks	
	M. L. Laxkar	Director & Promoter	211700 (Rs.)	Dividend paid pertaining for financial year 2011-2012	
	Ranjeeta Infrastructure Pvt. Ltd.	Promoter	350000 (Rs.)	Dividend paid pertaining for financial year 2011-2012	
	Mr. Ramesh Bassapa	Director of Subsidiary Company	1440000 (Rs.)	Director Remuneration Paid	
	NJ Investment Private Limited	Related Concern of director of subsidiary company	650000 (Rs.)	Loan outstanding at the end of the year	

	Mr. Dilip Bhamawat	Director of Subsidiary Company	420764 (Rs.)	Loan outstanding at the end of the year
	Mr. Deepak Bhamawat	Director of Subsidiary Company	1300000 (Rs.)	Loan outstanding at the end of the year
	IADFAC Laboratories Private Limited	Subsidiary Company	300000 (Rs.)	Loan outstanding at the end of the year
24.13	Contingent liability and other commitments (to the extend not provided for) contingent liability.			
	The Group do not have any material undisclosed contingent liability, hence no disclosure is required in this matter.			
24.14	Employee Benefits :			
	In case of parent company, provision of employee benefits like provident fund / ESIC / Gratuity / Leave Encashment is not applicable, however in the case of its subsidiary, Provision of Provident Fund and ESIC are applicable and same is deducted and deposited to the concern Authorities except in the case of Gratuity payable to employees, same is accounted for on cash basis which is contrary to the Accounting Standard 15 issued by the institute of Chartered Accountants of India and the effect of the same in statement of profit & loss is not quantified as the required information is not available.			
	In terms of our report attached.			
	For Katariya & Co. Chartered Accountants (F.R.N. 015139C)		For and on behalf of the Board of Directors Malabar Trading Company Limited	
	(Ritesh Katariya) Proprietor M. No 409953 Place : Ujjain Date : 30/05/2013		Director	Director

Notes forming part of the Consolidated Balance Sheet & Statement of Profit and Loss for the Year Ended 31 March, 2013.**1 COMPANY OVERVIEW**

The Malabar Trading Company Limited ("The Company") was incorporated on 18th April, 1980 under the Companies Act, 1956. The company made its maiden public issue during June 1980 aggregating Rs. 3.00 lacs for raising working capital and meeting issue expenses. The paid-up capital of the Company post listing in 1980 was Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each. The Company was incorporated with the main object of trading, acting as distributors, commission agents etc. Presently the registered office of the Company is situated at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (E), Mumbai – 400066.

In February, 2011, the Company altered its objects clause by inserting objects relating to (i) Hospitality Entertainment and related activities (ii) Healthcare related activities (iii) Agro food produce, production and process including forward and back integration and (iv) Infrastructure and construction activities, to be carried on either directly or indirectly through joint venture/wholly owned subsidiaries/acquisition of strategic stake in such entities in the respective fields or otherwise and also obtained the approval of members u/s 149(2A) of the Companies Act, 1956 to carry on these newly inserted objects.

In March, 2011, the Company issued 15,00,000 equity shares of Rs. 10 each at a premium of Rs. 62 per share upon conversion of warrants. In August, 2011, the Company announced issue of Bonus Shares in the ratio of 6 equity shares as bonus shares against every 1 share held. Post bonus, the present paid-up share capital of the Company is Rs. 10,85,00,000 divided into 1,08,50,000 equity shares of Rs. 10 each.

The Company had acquired 99.87% stake in M/s IADFAC Laboratories Private Limited ("ILPL") a Company engaged in lab testing of Dairy, Food and other Products. ILPL has ISO 17025 Certification, BIS, Egmark & more. Further, the Company had also acquired 97.26% stake in M/s Protect Nature Private Limited ("PNPL"), a Company engaged in the business of agro food produce, production and process including forward and backward integration including manufacturing of fertilizers. Pursuant to the said acquisitions, ILPL and PNPL became subsidiaries of the Company.

2 2.a Significant Accounting Policies**a. Basis of Preparation**

The preparation of the Financial Statements of Parent Company and Subsidiaries are in conformity with Indian Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets.

b. Use of Estimates

The preparation of the Financial Statements of Parent Company and Subsidiaries are in conformity with Indian Generally Accepted Accounting Principles (GAAP), requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Examples of such estimates include computation of provisions for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful lives of fixed assets and intangible assets. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c. Revenue Recognition

The parent company derives its revenue from trading of securities and interest. 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. Rentals are recognized ratably on a straight line basis over the balance sheet period. In Statement of Profit & Loss, company has taken the income as the difference between the value of sale and purchase of shares. In its subsidiary company namely IADFAC Laboratories Private Limited, revenue is recognised from lab testing of Dairy and Food Products.

d. Provision and Contingent Liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

e. Fixed Assets - Tangible and Intangible Assets and Capital Work-in-Progress

Fixed assets are stated at cost, less accumulated depreciation. Direct costs are capitalized until fixed assets are ready for use. Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

f. Depreciation and Amortization

Depreciation on Tangible Assets is provided on the Written down Value Method over the useful lives of assets estimated by the Management.

g. Impairment of Assets

The assets is treated as impaired when the carrying cost of the assets exceeds its recoverable value. The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h. Inventories

Inventories includes the Traded Goods available for Sale i.e. quoted equity shares. Value of Inventories includes the Cost of Procuring Goods and Services, Borrowing Cost (if permitted by AS-16 - "Borrowing Cost") and any other expenditure incurred in relation to the inventory necessary to bring that in the Present and Saleable Condition. Inventory are valued using First in First Out basis as suggested by Accounting Standard - 2.

i Employee Benefits

- i. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii. Post employment and other long term employee benefits are recognised as an expense in the Statement of Profit and Loss for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit and Loss.

j Provision for Current and Deferred Tax

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax annually, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. Minimum alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT Credit Entitlement paid in accordance with the tax laws, which gives rise to future economic benefits in the form of tax credit against future income tax liability, is recognized as an asset in the Balance Sheet if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably.

Deferred Tax resulting from timing difference between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the date of balance sheet date.

k Earnings per share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

l. Investments

Investments are classified as long-term based on Management's intention at the time of purchase. Long term investments are carried at cost.

m. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

n. Segment Reporting

Segments are identified in line with the Accounting Standard on Segment Reporting (AS-17) taking into account the organization structure as well as the differential risk and returns of the segments. The unallocable items include income and expenses items which are not directly identifiable to any segment and therefore not allocated to any business segment.

o. Foreign Currency Transactions

Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction and the liability is translated to the Exchange Rate in effect on the Balance Sheet Date and any gain or loss on such translation is charge to Statement of Profit and Loss. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled.

p. Borrowing Cost

Borrowing Cost is generally and ordinarily charged to the Statement of Profit and Loss for the respective year of which that Cost belongs except the Borrowing Cost incurred in relation to acquisition and Construction of Fixed Assets and Inventory which take substantial period of time to get ready for its intended use.

3 Principles of Consolidation

- i. Consolidated Financial Statements relate to Malabar Trading Company Limited (MTCL, the Parent Company) and its subsidiary companies has been prepared in accordance with the Accounting Standard (AS) 21 'Consolidated Financial Statements', and have been combined on a Line - by - Line basis by adding together the Book Value of like items of Assets, Liabilities, Income and Expenses, after Fully Eliminating Intra- Group Balances, Intra Group Transactions and the Unrealized Gains and / or Losses.
- ii. The Financial Statements have been Consolidated using Uniform Accounting Policies except in case of Depreciation for like transactions and other events in Similar Circumstances.
- iii. Minority Interest is Presented Separately from Liabilities or Assets and Equity of Parent Shareholders in the Consolidated Balance Sheet. Minority Interest in the Statement of Profit and Loss Account is Separately Presented.
- iv. The difference between the cost to the Company of investment in Subsidiaries and the proportionate share in the equity of the subsidiaries as at the date of acquisition of stake is recognized in the consolidated financial statements as Goodwill or Capital Reserve, as the case may be. Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the book value of net assets in each acquired company.
- v. A per Accounting Standard Interpretation (ASI)-15 on Notes to the Consolidated Financial Statements, only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the consolidated financial statements need not be disclosed in the consolidated financial statements.

MALABAR TRADING COMPANY LIMITED

Regd. Office : C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road,
Borivali (E), 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 33rd Annual General Meeting of the company to be held on Monday, 26th August, 2013 at 09.30 AM at the Registered Office of the Company at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066.

Folio No/ Client ID : _____

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 (E), 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 33rd Annual General Meeting of the company to be held on Monday, 26th August, 2013 at 09.30 AM at the Registered Office _____ of the Company at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066.

Signed this _____ day of _____ 2013

Signature _____

15 Paise
Revenue
Stamp

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.

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MALABAR TRADING COMPANY LIMITED

Regd. Off.: C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (E), Mumbai- 400 066.
Telefax.: 022 28706523; **Email:** malabartrading@rediffmail.com; **Web:** www.malabartradingcomltd.com

October 1, 2013

The Department of Corporate Services
 Bombay Stock Exchange Limited
 Fort,
 Mumbai - 400 001

Sub : Submission of Form - A and 6 copies of Annual Report for the Financial Year Ended March 31, 2013 pursuant to Clause 31 of Listing Agreement

Dear Sir,

With reference to captioned subject, we enclosed herewith Form-A and 6 copies of Annual report as per Clause 31 of the Listing Agreement.

Form-A

Sr. No	Description	Particulars
1	Name of the Company	Malabar Trading Company Limited
2	Annual financial statements for the year Ended	31 st March, 2013
3	Type of Audit observation	Unqualified
4	Frequency of observation	N.A

IPD	PRO	FURT LIST	MF LIST
CORP		BSE LTD.	LISTING
MD & CEO	MKT PLACE	SECRET	SP&P
RCD			
LEGAL		BSE LTD.	
MS&E		25 OCT 2013	
BD&M		NO.....188223	
IPF			
INTER'L RELA			
BTI	INTER CONT'L	INF. PROD	SME
BSE/BOOK	DIS	CSD & ICCL	ADMIN.
			ESTATE
			SECUR
			LISTING
			INVEST & A/C
			DOT/DIT
			DOT 3RD FLR
			DOSS
			DCS
			U.S.E.
			CORP. COMM



MALABAR TRADING COMPANY LIMITED

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

Telefax.: 022 28706523; Email: malabartrading@rediffmail.com; Web: www.malabartradingcomltd.com

5	To be signed by		
	<u>Sr. No</u>	<u>Name</u>	<u>Designation</u>
	1	Mr. Viral Kapadia	Managing Director
	2	N.A	CFO
	3	Katariya & Company	Auditor of the company
4	Mr. Manish Pokherna	Audit Committee Chairman	

① V. G. Kapadia.

R. K. Katariya



Manish Jan

Kindly take the above documents on records and do the needful.

For Malabar Trading Company limited

Authorised Signatory

Encl: A/a.

