

ANNUAL REPORT

2012-13

MADHUR CAPITAL AND FINANCE LIMITED

REGISTERED OFFICE: MADHUR COMPLEX, STADIUM CROSS ROAD,
SANGRAMPURA, AHMEDABAD-380009.



MADHUR CAPITAL AND FINANCE LIMITED

Board of Directors : Mr. Hitesh Gandhi - Managing Director
Mr. Bhopalsing Sakhtavat - Director
Mr. Narendra I. Chavda - Director

Compliance Officer : Mr. Shalin Parikh

Auditors : M/s Purushottam Khandelwal & Co.,
Chartered Accountants
216, Madhupura VyaparBhavan,
Nr. Gunj Bazar, Madhupura,
Ahmedabad-380004

Registrar : M/s. Link Intime India Pvt. Ltd.
& Share Transfer Agent Unit No 303, 3rd Floor,
Shoppers Plaza, Opp. Municipal Market,
Behind Shoppers Plaza II,
Off C G Road,
Ahmedabad- 380009

Stock Exchanges wherein the : (1) The Bombay Stock Exchange Limited
Shares of the Company 25th Floor, P.J.Towers,
are listed Dalal Street, Fort,
Mumbai - 400001.

FOR MADHUR CAPITAL AND FINANCE LTD

N. I. Chavda

Director

(2) The Ahmedabad Stock Exchange Limited
Kamdheni Complex, Opp. Sahjanand College,
Panjarapole, Ambawadi,

MADHUR CAPITAL AND FINANCE LIMITED

Ahmedabad- 380015.

NOTICE

Notice is hereby given that the Annual General Meeting of Madhur Capital & Finance Limited will be held at Regd. Office at Madhur Complex, Stadium Cross Road, Navrangpura, Ahmedabad on 30th September, 2013 at 9:45 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive consider and adopt the Audited Accounts of the company for the year ended 31st March 2013 and the Report of the Directors and auditors thereon.
2. To appoint Director in place of Mr. Bhopal Singh Shakhtavat, who retires by rotation and eligible for re-appointment.
3. To appoint Auditors, and to fix their remuneration.

Place: Ahmedabad
Date: 30/05/2013

By order of the Board of Directors,
FOR MADHUR CAPITAL & FINANCE LTD.
SD/-

CHAIRMAN

NOTES: -

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th Sept. 2013 to 30th Sept. 2013 (both days inclusive).

MADHUR CAPITAL AND FINANCE LIMITED

3. As a measure of economy, Annual Report will not be distributed at the Meeting. So, members are requested to bring their copy of Annual Report with them to the Annual General Meeting.

DIRECTORS' REPORT

To,

The Members of,

M/s Madhur Capital & Finance Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Accounts for the financial year ended on 31st March 2013.

1. Financial Results

Particulars	(Amt in Lacs)	
	2012-13	2011-12
Sales	--	--
Other income	00.90	13.83
Depreciation	0.25	0.42
Extra Ordinary Items	0.00	1.56
Other Expenditure	2.66	11.10
Profit/ Loss before Tax	(2.02)	0.75
Profit/Loss after Tax	(2.02)	0.51

During the current year your company has not achieved a reasonable level of growth. Because of various reasons like recession in market and lower economic growth, the company could not achieved predetermined goal in terms of turnover and profit of the company. We are hoping that the phenomenal growth shall be achieved during the next coming years.

2. Directors

MADHUR CAPITAL AND FINANCE LIMITED

Mr. Bhpoal Singh Shakhtavat, Director of the company retires at the ensuring Annual General meeting and eligible for re-appointment.

3. Personnel

Your directors' wish to place on record their appreciation for the contribution to growth of the business made by employees at all levels. Information as required pursuant to section 217(2A) of the companies Act, 1956 has not been given, as it is not applicable.

4. Auditors

M/s Purushottam Khandelwal & Co., Chartered Accountants, Ahmedabad, Auditor of the Company retire at the conclusion of ensuing Annual General Meeting and being eligible, offer themselves for Re-appointment.

5. Deposits

During the year, Company has not accepted inter corporate Deposits, which falls under Section 58A of Companies Act, 1956.

6. Energy, Technology And Foreign Exchange

The additional information required to be disclosed in terms of notification No.1029 dated 31st December, 1998 issued by the Department of Company Affairs, Ministry of Finance is not applicable.

7. Directors' Responsibility Statement

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

- i. In the preparation of Annual Accounts, appropriate accounting standard have been followed.
- ii. Appropriate accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give true and fair view of state of affairs of the company at the end of financial year ended 31st March, 2013.
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for

MADHUR CAPITAL AND FINANCE LIMITED

safe guarding the assets of the company and for preventing and detecting fraud and other irregularities.

iv. The Annual Accounts have been prepared on going concern basis.

8. Auditor's Qualification

Auditors have qualified their report to the members of the Company with regard to various matters like non-provision for retirement benefits, non-provision for diminution in value of investment made in group concern, etc. In this connection directors of the Company have discussed the same at arm's length on the recommendation of audit committee and have imitated to take necessary action so as to show fair view of state of affairs of the company in the coming financial year.

9. Report on Corporate Governance

Compliance Report on Corporate Governance is a part of Annual Report is annexed herewith.

10. Acknowledgements

Your Directors wish to please on record their appreciation of the whole hearted co-operation extended to company from various departments of the central and state governments, company' bankers and financial institutions and employees of the company and look forward for the same cordial relationship in coming years.

PLACE: AHMEDABAD

FOR AND ON BEHALF OF THE BOARD

DATE:30/05/2013

SD/-

CHAIRMAN

REPORT OF THE DIRECTORS ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India (SEBI) constituted the Committee on Corporate Governance to promote and raise the standard of Corporate Governance of listed companies. The Committee has made recommendation on the composition of the board of directors, audit committee, board procedure etc.

The company has taken necessary steps to comply with the clause of 49 of the revised Listing Agreement given below is the report of the Directors on the Corporate Governance.

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company believes in functioning in a transparent manner with the basic philosophy being to enhance the Shareholder value, keeping in mind the needs and interest of other stakeholders, in compliance thereof. The following information is placed before the shareholders.

BOARD OF DIRECTORS

Name of Director	Category	No. of Board Meeting	Attended	Last AGM Attendance
Mr. Hitesh Gandhi	Managing Director	4	4	Yes
Mr. Bhopal Singh Shaktawat	Non executive Independent director	4	4	Yes
Mr. Narendra Chavda	Non executive Independent Director	4	4	Yes

No Directors are having Chairmanship of more than five companies where they are director.

Name of Director	Other Directorship (No. of Company)
Mr. Hitesh Gandhi	-2-
Mr. Bhopal Singh Shaktawat	-2-
Mr. Narendra Chavda	-4-

In line with the requirements of the code of the corporate governance, the board of directors comprises of three members. However, Your Company is trying its level best to accomplish the revised clause-49 of listing agreement.

Company does not have any system of payment of remuneration to independent Directors.

Further during the year, meeting of Board of Directors was held Six times.

MADHUR CAPITAL AND FINANCE LIMITED

A declaration signed by Mr. Hitesh Gandhi, Managing Director of the company according compliance of sub-Clause (1D) of Clause 49 of the listing Agreement is attached herewith forming part of his Annual Report.

2. AUDIT COMMITTEE

Presently the company has three Directors. The company has independent audit committee which submits the report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis. However, Company is trying its level best to comply with the provisions of audit committee.

Pursuant to the revised clause 49 of the listing agreement, the company has appointed Audit committee consisting of followings:

- | | |
|---------------------------------|------------|
| (i) Mr. Narendra Chavda | - Chairman |
| (ii) Mr. Bhopal singh Shaktawat | - Member |
| (ii) Mr. Hitesh Gandhi | - Member |

The scope of committee includes.

- Review of company's financial reporting process and the financial statement.
- Review internal control systems and functioning of internal audit process.
- Post audit review with statutory auditors.

During the year under review, Audit committee met four times where all the members attended meetings.

3. REMUNERATION COMMITTEE

No remuneration was paid to directors during the year and they have waived their part of remuneration looking to weak financial health of the company. No sitting fees are payable to any Director.

However, Remuneration committee consists of following members:

- | | |
|---------------------------------|------------|
| (i) Mr. Hitesh Gandhi | - Chairman |
| (ii) Mr. Bhopal Singh Shaktawat | - Member |
| (iii) Mr. Narendra Chavda | - Member |

4. SHAREHOLDERS' COMMITTEE

The company has complied the requirement of the sub clause VI (A), (B) of the clause 49 of the Listing agreement.

The composition of shareholders cum investors' grievance committee was as follows:

- | | |
|---------------------------------|------------|
| (i) Mr. Narendra Chavda | - Chairman |
| (ii) Mr. Bhopal Singh Shaktawat | - Member |

MADHUR CAPITAL AND FINANCE LIMITED

During the year, the company and their Registrar and Share Transfer Agents M/s Link Intime India Pvt. Ltd. has resolved complaints. It is policy of the company to give reply of shareholders complaint within the time frame prescribed by the SEBI/Stock Exchanges.

The Share received for transfer is approved on 15th and 30th of the each month and are given effect by the Registrar and Share Transfer Agent.

M/s. Link Intime India Pvt. Ltd. is continued as common Agent for electronic as well as physical share transfer work.

5. GENERAL BODY MEETING:

Date	Type	Time	Location
30/09/2010	AGM	10.30 AM	Madhur Complex, Stadium Cross Road, Navarangpura, Ahmedabad
30/09/2011	AGM	09:45 AM	
28/09/2012	AGM	09:30 AM	

There are no special resolutions passed by the company through postal ballot at any of the above annual general meeting.

6. DISCLOSURES:

- (A) During the year under review, the quarterly unaudited results were taken on record by the Board of Directors at the end of month of respective quarter. However in terms of clause 41 of Listing Agreement, the same were furnished to the concerned stock exchanges were also circulated in the newspaper within the stipulated time.
- (B) Company has followed accounting standards diligently.
- (C) Further, company is in the process of lying down risk assessment system.
- (D) Further, company has not received any funds through capital market during the year.
- (E) No transactions with related parties have been done by the company during the year hence no disclosure is needed to be entered in the register.
- (F) Management discussion and analysis report is attached to and forms part of this report.
- (G) Further, Shri Hitesh Gandhi, Managing Director of the company as certified to board of directors of the company regarding compliance of sub-clause (v) of clause 49 of listing agreement.

MADHUR CAPITAL AND FINANCE LIMITED

11. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH, 2013:

No. of Equity shares held	No. of shareholders	% of total s. holders	No. of shares held	% of shareholding
1 to 500	13442	92.88	1786065	18.62
501 to 1000	512	3.54	428980	4.47
1001 to 2000	185	1.28	284539	2.96
2001 to 3000	79	0.55	205687	2.14
3001 to 4000	35	0.24	125678	1.31
4001 to 5000	39	0.27	186880	1.95
5001 to 10000	72	0.49	535063	5.57
10001 to above	107	0.74	6038108	62.98
TOTAL	14471	100.00	9591000	100.00

11. DISTRIBUTION PATTERN AS ON THE 31ST MARCH, 2013:

Category	No. of shares held	% of shareholding
Promoters & relatives	2807634	29.27
Banks/FII/ FI	0	0
Public	5889988	61.41
Body Corporate	420897	4.39
NRI	324731	3.39
Clearing Members	147750	1.54
Hindu Undivided Family	0.00	0.00
Total	9591000	100.00

12. REGISTRAR AND SHARE TRANSFER AGENT:

M/s. Link Intime India Pvt. Ltd.
Unit No 303, 3rd Floor, Shoppers Plaza,
Opp. Municipal Market, Behind Shoppers Plaza II,
Off C G Road,
Ahmedabad- 380009.

13. SHARE TRANSFER SYSTEM:

The share transfer work is handled by registrar and transfer agent for the company.

Share Transfers are registered and dispatched within a period of thirty days from the date of the lodgments if the transfer documents are correct and valid in all respects.

14. DEMATIRIALISATION OF SHARES:

Outstanding GDRs/ADRs/Warrants or any Convertibles : N.A.
Instruments and conversion date and likely impact on Equity

MADHUR CAPITAL AND FINANCE LIMITED

Address for Correspondence

: Madhur Complex,
Stadium Cross Road,
Navrangpura,
Ahmedabad-380009

6060300 shares out of 95,91,000 Equity shares of the company have been dematerialized as at 31st March, 2013 representing 63.19% of total paid-up capital of the company.

For and On behalf of the Board of Directors

Date : 30/05/2013
Place : Ahmedabad

SD/-

Mr. HITESH GANDHI
Managing Director

MADHUR CAPITAL AND FINANCE LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

1. Overall Review:

The overall performance during the financial year 2012-13 has been satisfactory.

2. Financial Review:

Total turnover for the year ended 31st March, 2013 was Rs. 90,000/-. This decrease was mainly on account of various reasons such as recession in market and lesser economic growth.

3. Internal Control System and their adequacy:

Considering the size of the company, your company has adequate system of internal control to provide reasonable assurance that assets are safeguarded and protected from unauthorized use or deposition.

4. Business Environment:

The Performance of the company for the year under review was satisfactory.

5. Risk and Concern:

The building, plant and machinery, vehicle and stocks of the company are adequately insured.

6. Cautionary Statement:

Statements in this report on management Discussion and analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially from those expressed or implied. Important factors that could make a different to the Company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations. The Company assumes no responsibilities in respect of forward looking statements which may be amended or modified in future on the basis of subsequent developments, information of event

BY ORDER OF THE BOARD OF DIRECTORS

Place: Ahmedabad

For Madhur Capital & Finance Limited

Date: 30/05/2013

SD/-

Mr. Hitesh Gandhi

Chairman

MADHUR CAPITAL AND FINANCE LIMITED

CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD

I, Mr. Hitesh Gandhi, Managing Director of the **MADHUR CAPITAL & FINANCE LTD** certify that :

1. I have reviewed the financial statements for the year and that to the best of my knowledge and belief :
 - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - b. These statements give a true and fair view of the state of affairs of the company and of the results of operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including Accounting Standards, applicable laws and regulations.
2. These are, to the best of our 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.
3. I accept overall responsibility for the company's internal control system and financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal audit works with all the levels of management and statutory auditors and reports significant issues to the Audit Committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies and material weakness.
4. I indicate to the auditors and to the audit committee :
 - a. Significant changes in internal control over financial reporting during the year.
 - b. Significant changes in accounting policies during the year;
 - c. Instances of significant fraud of which we have become aware of and which involve management or other employees who have significant role in the company's internal control system over financial reporting.

However, during the year there were no such changes or instances.

Date : 30/05/2013

SD/-

Place : AHMEDABAD

Managing Director

MADHUR CAPITAL AND FINANCE LIMITED

**DECLARATION BY THE CHAIRMAN & MANAGING DIRECTOR
ABOUT CORPORATE GOVERNANCE**

I, Mr. Hitesh Gandhi, Chairman & Managing Director of Madhur Capital & Finance Limited hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:

1. The board of directors of Madhur Capital & Finance Limited has laid down a code of conduct has been placed on the company's website.
2. All the members of the board as well as senior management personal have complied with the said code of conduct for the year ended 31st March 2013.

Place: Ahmedabad

Date: 30/05/2013

SD/-

Mr. Hitesh Gandhi
Chairman & Managing Director

MADHUR CAPITAL AND FINANCE LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
M/s Madhur Capital & Finance Limited

We have examined the compliance of the conditions of corporate Governance by Madhur Capital & Finance Limited for the year ended on March 31, 2013, as stipulated in Clause 49 of the listing Agreements of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of the opinion on 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 based on the representations made by the Directors and the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We 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.

Place : Ahmedabad
Date : 30/05/2013

**For, Purushottam Khandelwal & Co.
Chartered Accountants**

SD/-

**Mr. Purushottam Khandelwal
Proprietor**

Membership No.: 100601

Auditor's Report

To the Members of

MADHUR CAPITAL & FINANCE LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of "MADHUR CAPITAL & FINANCE LTD.", which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

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. 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.

Auditor's 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 Profit and Loss Account, of the loss for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
1. As required by the Companies (Auditor's Report) Order, 2003 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 the available 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 , the Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet ,Profit & Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;
Except Accounting Standard -15 on Retirement benefits as no provision has been made for retirement benefits , The effect of the same can not be quantified, to that extent Profit for the year and balance of Profit & Loss account and balance of current liabilities is understated.
 - e. **Accounting Standard -13 on Accounting for investments as no provision is made for diminution in the value of investment of group concern amounting to Rs. 24.81 lacs.**
 - f. On the basis of written representations received from the directors as at 31 March, 2013 and taken on record by the Board of Directors and in accordance with the information and explanations as made available, the directors of the company do not have prima – facie have any disqualification as at 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956. It has been explained that one of the Company in which the director of the Company is also director, has issued Cheques for repayment of the

fixed deposits received by it but due to frizzling of the said bank accounts by CBI BS & FC, Mumbai, the said amount have not been encashed, therefore it is construed that the said Company has not defaulted in repayment of interest/principal of fixed deposits.

- g. The Bank accounts of the Company was frizzed by the CBI BS & FC, Mumbai in the financial year 2001-02, therefore no provision has been made for bank balance of Rs. 495.53 lacs, cheques on hand of Rs. 132 lacs which are also time barred under time limit prescribed under Negotiable Instrument Act, 1881 and for no provision is made for diminution in the value of investment of group concern amounting to Rs. 24.81 lacs.
- h. The Company has not carried out any business activity during the year as non banking financial company & consequently not entitled to hold certificate of registration in term of assets/income pattern notified by RBI.
- i. Subject to the above ,In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act,1956, in the manner so required and given a true and fair view in conformity with the accounting principles generally accepted in India:
- i In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013.
 - ii In the case of the Profit and Loss Account, of the loss of the Company for the period ended on that date.
 - iii In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

Date:- 30/05/2013
Place: - Ahmedabad

For, Purushottam Khandelwal & Co.
Chartered Accountants

SD/-

(P.H. Khandelwal)
Proprietor

M.No.100601

FRN: 123825W

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of MADHUR CAPITAL & FINANCE LTD. 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 not maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification. However the details regarding the same are not available for our verification.

(c) In our opinion and according to the information and explanations given to us, no fixed asset has been disposed during the year and therefore does not affect the going concern assumption.

2. (a) As per the information and explanations given to us , the Company does not have and stock of goods or shares

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has granted loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The Maximum balance outstanding during the year was Rs 2206.

(b) In our opinion, the rate of interest and other terms and conditions of such loan are not, prime facie, prejudicial to the interest of the Company.

(c) The company is neither regular in making repayment of the principal amount nor its interest.

(d) There is no overdue amount of loans granted to the Parties covered in the register maintained under section 301 of the Companies Act,1956.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has taken Unsecured loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding during the year was Rs 1500180

(f) The terms and conditions of the above loans are prima facie not prejudicial to the interest of the company.

(g) The company is neither regular in making repayment of the principal amount nor its interest

4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) In our opinion and according to the information and explanations given to us, there is no transaction during the year as referred to in Section 301 of the Companies Act, 1956.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. The Company does not have formal internal Audit system
8. In our opinion and according to the information and explanations given to us, the central government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. In our opinion and according to the information and explanations given to us, the company has been registered for a period more than five years and its accumulated losses at the end of the financial year is not exceeding fifty percent of its net worth however the company has not incurred cash Loss during the year.

11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is not trading in Shares, Mutual funds & other Investments. Accordingly, the provision of clause 4(xiv) of the companies (Auditors' Report) Order, 2003 are not applicable to company.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.
16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

Date: 30/05/2013
Place: - Ahmedabad

For, Purushottam Khandelwal & Co.
Chartered Accountants

SD/-

(P.H. Khandelwal)
Proprietor
M.No.100601
FRN: 123825W

MADHUR CAPITAL & FINANCE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2013

Particulars	Note	31.03.2013	31.03.2012
INCOME			
Revenue from operations		-	-
Other income	13	90,000	1,383,455
Total Revenue		90,000	1,383,455
EXPENDITURE			
Administrative & Other Expenses	14	236,830	990,608
Employee benefits expense	15	30,000	120,000
Finance costs			-
Depreciation and amortisation expense	16	25,486	41,928
Total Expenses		292,316	1,152,536
Extraordinary Items(Prior period)			156,339
Profit Before Tax		(202,316)	74,580
Tax Expenses			
Current Tax			23,400
Deferred Tax			-
Profit for the year		(202,316)	51,180
Earnings per Equity Shares of Face value of Rs.10 each		(0.0211)	0.0053

NOTES TO ACCOUNTS

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Schedules referred to above and notes attached there to form an Integral part of Balance Sheet
This is the Balance Sheet referred to in our Report of even date.

In terms of our report attached.

For Purushottam Khandelwal & Co
Chartered Accountants
SD/-

Purushottam Khandelwal & Co
Proprietor

For and on behalf of the Board of Directors
For MADHUR CAPITAL & FINANCE LIMITED
SD/-

Chairman Managing Director

Place : Ahmedabad
Date :30th May ,2013

Place : Ahmedabad
Date :30th May ,2013

NOTE 1 SHARE CAPITAL

Particulars	31.03.2013	31.03.2012
(a) Authorised 1,10,00,000 Equity shares of Rs. 10/- each	110,000,000	110,000,000
(b) Issued 95,91,000 Equity shares of Rs.10/- each (previous year 95,91,000 equity share of Rs 10 each)	95,910,000	95,910,000
(c) Subscribed and fully paid up 95,91,000 Equity shares of Rs.10/- each (previous year 95,91,000 equity share of Rs 10 each)	95,910,000	95,910,000
Total	95,910,000	95,910,000

More than 5% Shareholdings	31.03.2013	31.03.2012
	No of Shares	%
Pushpaben Parikh	1,466,600	15.29
Vinaetbhai Parikh	1,070,575	11.16
Madhur Industries Ltd.	927,500	9.67
Shalinbhai Parikh	804,050	8.38

NOTE 2 RESERVE AND SURPLUS

Particulars	31.03.2013	31.03.2012
General Reserve		
Balance at beginning	7,400,000	7,400,000
Transferred during the year	-	-
Closing Balance (a)	7,400,000	7,400,000
Statutory Reserve		
Balance at beginning	1,805,000	1,805,000
Transferred during the year	-	-
Closing Balance (a)	1,805,000	1,805,000
Profit & Loss A/c:		
Balance at beginning	(36,132,855)	(36,184,035)
Profit for the year	(202,316)	51,180
Closing Balance (b)	(36,335,171)	(36,132,855)
Total (a)+(b)	(27,130,171)	(26,927,855)

NOTES 3 LONG TERM BORROWINGS

Particulars	31.03.2013	31.03.2012
Unsecured Loans (from Madhur Industries Limited)	1,500,180	1,372,254
Total	1,500,180	1,372,254

NOTE 4 OTHER LIABILITIES .

Particulars	31.03.2013	31.03.2012
Other Liabilities	516,814	486,814
Advances From Debtors	749,383	449,383
Total	1,266,197	936,197

NOTE 5 TRADE PAYABLES

Particulars	31.03.2013	31.03.2012
Trade payables:		
Creditors for Expenses	25,407	25,407
Other Creditors	2,446,652	1,904,748
Total	2,472,059	1,930,155

NOTE 6 SHORT TERM PROVISIONS

Particulars	31.03.2013	31.03.2012
Provision		
(i) Provision for Income tax (net of advance tax)	24,573	24,573
Total	24,573	24,573

Note 7 FIXED ASSET

Note 7 (i) Tangible Fixed Assets

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.3.2012	Additions	Deductions	As on 31.3.2013	As on 31.3.2012	Additions	As on 31.3.2013	As on 31.3.2012	As on 31.3.2013	
Plant & Machinery	116100	0	0	116100	84421	5515	89936	31679	26164	
Computers	587667	0	0	587667	587667	0	587667	0	0	
Vehicles	1408503	0	0	1408503	1408503	0	1408503	0	0	
Equipments	132443	0	0	132443	99974	6291	106265	32469	26178	
Air Conditioner	288000	0	0	288000	236749	13680	250429	51251	37571	
Furniture and Fixture	993563	0	0	993563	993563	0	993563	0	0	
TOTAL (A)	3526276	0	0	3526276	3410877	25486	3436363	115399	89913	
Previous Year	3526276	0	0	3526276	3283041	85908	3368949	243235	157327	

NOTE 8 NON - CURRENT INVESTMENT (Long term investment)

Particulars	31.03.2013	31.03.2012
Trade Investment		
In Equity Shares - Unquoted , fully paid up Madhur Shares & Stock Private Limited 2,48,100 Equity Share of Rs 10 Each	2,481,000	2,481,000
Total investment (A+B)	2,481,000	2,481,000

NOTE 9 LONG TERM LOANS AND ADVANCES

Particulars	31.03.2013	31.03.2012
Loans	2,206	2,206
Deposits	123,260	123,260
Advance Tax and TDS	1,374,362	1,374,362
Advance rent	391,400	463,400
Total	1,891,228	1,963,228

NOTE 10. TRADE RECEIVABLES

Particulars	31.03.2013	31.03.2012
(a) Trade receivables outstanding for a period exceeding six months		
Secured, considered good		
Unsecured, considered good		
Unsecured Considered Doubtful	5,746,180	4,851,180
	5,746,180	4,851,180
(b) Other Trade receivables		
Secured, considered good		
Unsecured, considered good		
Doubtful		
Total	5,746,180	4,851,180

NOTE 11. CASH AND CASH EQUIVALENTS

Particulars	31.03.2013	31.03.2012
(a) Cash on hand	50,104	50,104
(b) Balances with banks		
Balance with Schedule Bank	50,475,413	50,475,413
Cheque in Hand	13,200,000	13,200,000
Fixed Deposit Account	24,000	24,000
Total	63,749,517	63,749,517

NOTE 12. SHORT TERM LOANS AND ADVANCES

Particulars	31.03.2013	31.03.2012
Advances to Creditors	70,000	70,000
Advance Rent	-	-
	70,000	70,000
Less: Provision for Doubtful	-	-
	70,000	70,000
Hire Purchase	80,000	80,000
Less: Provision for Doubtful	(65,000)	(65,000)
	15,000	15,000
Total	85,000	85,000

NOTE 13. OTHER INCOME

Particulars	31.03.2013	31.03.2012
Revenue other than finance activities (Trading Sales)	895,000	5,317,850
Less: Purchases	805,000	3,934,395
Net Income from other than finance activities	90,000	1,383,455

NOTE 14. ADMINISTRATIVE & OTHER EXPENSES

Particulars	31.03.2013	31.03.2012
Advertisement Expenses		-
Auditor Remuneration	14,607	14,607
Income Tax		-
Legal & Professional Fee	25,000	20,000
consultancy charges		15,000
Annual Custody Fee	34,580	65,951
Agent charges	62,403	25,000
Listing Exps	28,240	718,050
Municipal Tax		-
Rent, Rates and Taxes	72,000	72,000
Grinding charges		60,000
Total	236,830	990,608

NOTE 15.EMPLOYEES BENEFITS EXPENSE

Particulars	31.03.2013	31.03.2012
Salaries and wages	30,000	120,000
Total	30,000	120,000

NOTE 16. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Depreciation	25,486	41,928
Total	25,486	41,928

MADHUR CAPITAL & FINANCE LIMITED

NOTE - 17

1. Significant accounting Policies

(a) Basis of Accounting:

The financial statements are prepared under historical cost convention and to comply in all material respect with the notified accounting standards by the Companies Accounting standard Rules - 2006 and the relevant provision of Companies Act, 1956.

(b) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed asset comprise of its purchase price and any directly attributable cost of bringing the assets in an operational condition for its intended use.

(c) Depreciation:

Depreciation has been provided at the rates and in the manner prescribed in Schedule XIV of the Companies act, 1956 on SLM Method. Depreciation on addition or on sale/ disposal of assets is calculated pro-rata from the date of such addition or sale/ disposal as the case may be.

(d) Valuation of Inventories:

Inventories of Securities which are intend to trade, are valued at lower of cost and net realizable value.

(e) Investment:

Long term investments are stated at cost. Provision of diminution in the value of Long term investments is made only if such decline is other than temporary in nature in the opinion of the Management.

(f) Revenue Recognition:

All the items of Income and expenses are recognized on accrual basis, except dividend and interest on overdue installments/defaults and Municipal Tax is accounted on cash basis.

The company has followed prudential norms for income recognition for provisioning of non – performing assets as prescribed by RBI for Non-Banking Financial Companies to the extent applicable to it.

(g) Retirement/ Post retirement Benefits:

No Provision for has been made for liabilities for retirement benefits including gratuity and leave encashment in respect of employees as required by the Accounting Standards -15 on Retirement Benefits.

(h) Taxation:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets on timing differences, being the difference between the taxable incomes and accounting income that originate in, one period and are capable of reversal in one or more subsequent period.

Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(i) Provisions, Contingent Assets and Contingent Liabilities:

A provision involving substantial degree of estimation are recognized when there is a present obligation as a result of recognized when there is a present obligation as a result of past event and it is probable that there will be on outflow or resources.

2. NOTES FORMING PART OF ACCOUNTS

- (a) No provision is made for liabilities for retirement benefits. The effect of the same can not be quantified, to that extent Profit for the year and balance of Profit & Loss account is understated and balance of current liabilities is understated.
- (b) The Scheme for amalgamation Of Madhur Housing Finance Ltd. With the company has been approved by the Honorable high court of Gujarat vide its order dated 6th July, 1999, accordingly Madhur Housing Finance Ltd. Which was carrying on business of loans and advances and trading in shares has been amalgamated with the Company w.e.f. 01.04.1997.

The amount of consideration payable on amalgamation of Madhur Housing Finance Ltd. has been calculated on the basis of paid up capital of Madhur Housing Finance Ltd. This is subject to reconciliation regarding adjustment of allotment Money & the same has been shown under the head of Share Capital Suspense Account.

- (c) Cheques on hand amounting to Rs. 132.00 lacs belonging to the frizzed Bank accounts by CBI BS & FC, Mumbai, no action / provision has been taken in this respect.
- (d) The Company has invested an amount of Rs. 24.81 lacs in the shares of group concerns and no provision is made for diminution in the value of investment.
- (e) The Company has received a show cause notice no. DNBS (AH) No. 1676/R-321 2000-01 dated 7th April, 2001 mentioning various irregularities in the working of the Company and calling upon the company as to why the Certificate of Registration issued to the company u/s 45JA of the RBI act.1934 should not be cancelled and same was duly replied by the company but the matter is yet under Scrutiny with RBI. The company has also received letter no DNBS(AH)No.1316/1.10.032/2011-2012 dated 10th August,2011 from Reserve Bank of India for submission of document for cancellation of Certificate of registration.
- (f) The group concerns loan account contains frequent transactions. As per the explanation given by the company, many times the loan amount has not been repaid due to liquidity of the fund; the said transaction does not make the transaction/loan repayable on demand.
- (g) No provision has been made in respect of doubtful debtors amounting to Rs. 4401796.80 (Outstanding for more than six months Rs.4851179.80 lacs less provision made Rs. 449383) during the year. The Company is in the process of

initiating available recourse against the said debtors and the Company is hopeful of the recovery of the same.

- (h) Bank Account relating to refund or equity shares / dividend is pending for reconciliation with unclaimed amounts.
- (i) In view of non-availability of bank statements for bank account balance with banks are subject to confirmation and reconciliation will be made on receipt of the same.

(j) Related Party Disclosure :

1. Key Managerial Personnel

- i) Hitesh R.Gandhi
- ii) Narendra I.Chavda
- iii) Bhopal Singh M.Sakhavat

2. ASSOCIATES

- i) Madhur Shares & Stock Pvt. Ltd.

3. Transactions with related parties

There is no transaction with related parties.

(k) Earnings in Foreign Exchange is Rs. Nil.

(l) Particulars of payment made to Auditors :

Particulars	2012-2013 Amount (Rs.)	2011-12 Amount (Rs.)
Audit Fees	13000/-	13000

(m) Particulars of payment made to Directors :

Particulars	2012-2013 Amount (Rs.)	2011-12 Amount (Rs.)
Remuneration		
(1) Hitesh R.Gandhi	-	-
(2) Narendra I.Chavda	-	-
(3) Bhopal Singh M.Sakhavat	-	-

- (n) The balances shown in the Balance sheet under the head of unsecured loans, Creditors, Debtors and Loans and Advances are each subject to confirmation from respective parties and are subject to adjustment if any, on receipt of confirmation.
- (o) The Company has not received any intimation from Suppliers regarding their status under Micro and Medium Enterprises Development Act, 2006 and hence disclosure, if any, relating to amounts unpaid as at year end together with interest paid/payable as required under the said Act have not been given.
- (p) The Figures for the previous year have been rearranged and regrouped wherever considered necessary so as to confirm to the current year classification.

As per our attached report of even date

FOR PURUSHOTTAM KHANDELWAL & CO.
CHARTERED ACCOUNTANTS
SD/-

(P.H.KHANDELWAL)
PROPRIETOR
MEM.NO. 100601
FIRM Reg. No.123825W

DATE: 30-5-2013
PLACE: AHMEDABAD

FOR AND ON BEHALF OF BOARD

SD/-

DIRECTOR DIRECTOR

MADHUR CAPITAL AND FINANCE LIMITED

Madhur Complex,
Stadium Crossing Road,
Navarangpura, Ahmedabad

CASH FLOW STATEMENT FOR THE YEAR 2012-13

Particulars	(Rs in Lacs)	(Rs in Lacs)
	2012-13	2011-12
A. Cash Flow From Operating Activities		
Net Profit (Loss) before tax as per profit and loss account	(2.02)	0.75
Adjusted For :-		
Depreciation Net	0.25	0.42
Amortisation of Expenses	-	-
TOTAL	(2)	0.42
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE		
Movement In Working Capital		
Decrease/(increase) in sundry debtors	(8.95)	(27.46)
Decrease/(increase) in inventories	-	-
Decrease/(increase) in advance rent	0.72	0.72
Decrease/(increase) in creditors	5.42	13.48
Decrease/(increase) in other current asset	3.30	-
Decrease/(increase) in provision	-	-
Cash generated from operation	0.49	(13.26)
Direct Taxes paid (Net of refunds)		
NET CASH FROM OPERATING ACTIVITIES	(1.28)	(12.10)
B. Cash Flows From Investment Activities		
NET CASH FROM INVESTING ACTIVITIES		
C. Cash Flow From Financing Activity		
Proceeds from long-term borrowings	1.28	10.13
Government grant Received	-	-
Interest Paid	-	-
NET CASH FROM FINANCING ACTIVITIES	1.28	10.13
NET INCREASE IN CASH AND CASH EQUIVALENTS	(0.00)	(1.96)
Cash and Cash equivalents at the beginning of the year	637.49	639.45
Cash and Cash equivalents at the end of the year	637.49	637.49
FOR PURUSHOTTAM KHANDELWAL & CO	FOR MADHUR CAPITAL & FINANCE LIMITED	
CHARTERED ACCOUNTANTS		
SD/-	SD/-	
(CA. P.H. KHANDELWAL)	(DIRECTOR)	(DIRECTOR)
M. No. : 100601		PLACE: AHMEDABAD
F.R.N.: 123825W		DATED: 30/05/2013




Madhur Capital & Finance Ltd.

"Madhur Complex"
Stadium Cross Road, Navrangpura,
Ahmedabad - 380 009.
Phone : 6563422, 6563423, 6563152
Fax : (079) 6563861

M/s. MADHUR CAPITAL AND FINANCE LIMITED

FORM A

1	Name of the company	M/s. Madhur Capital And Finance Limited
2	Annual Financial statement for the year ended	31 st March 2013
3	Type of observations	Qualified
4	Frequency of observations	Occasionally
5	To be signed by- <ul style="list-style-type: none">• CEO/ MD• CFO• Auditor of the company• Audit committee chairman	FOR. MADHUR CAPITAL & FINANCE LTD.  MANAGING DIRECTOR/DIRECTOR