

# ANNUAL REPORT

2013

MADHUR CAPITAL AND FINANCE LIMITED

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



<p>REGD. OFFICE :</p> <p>MADHUR COMPLEX, STADIUM CROSS ROAD, NAVANGANJURA, AHMEDABAD-380009</p>	<p>BOARD OF DIRECTORS :</p> <p>Mr. Hitesh Gandhi - Managing Director Mr. Bhupalising Sakhtavart - Independent Director Mr. Narendra L. Chavda - Independent Director</p>	<p>AUDITORS :</p> <p>M/s Purushottam Khandelwal &amp; Co., Chartered Accountants 216, Madhupura VyaparBhavan, Mr. Gunj Bazar, Madhupura, Ahmedabad-380004</p>	<p>REGISTRAR &amp; SHARE TRANSFER AGENT :</p> <p>M/s. Link Intime India Pvt. Ltd, Unit No 303, 3<sup>rd</sup> Floor, Shoppers Plaza, Opp. Municipal Market, Behind Shoppers Plaza II, Off C Road, Ahmedabad-380009</p>	<p>STOCK EXCHANGES WHEREIN THE SHARES OF THE COMPANY ARE LISTED :</p> <p>(1) The Bombay Stock Exchange Limited 25<sup>th</sup> Floor, P.I.Towers, Dalal Street, Fort, Mumbai - 400001.</p> <p>(2) The Ahmedabad Stock Exchange Limited Kamdhenu Complex, Opp. Sahjand College, Faujdarpole, Ambarwadi, Ahmedabad-380015.</p>
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**MADHUR CAPITAL AND FINANCE LIMITED**

6. To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149(1) and other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, as amended from time to time, Mrs. Bhavna Mehta, in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Woman Director of the Company, who would be liable for retire by rotation."

7. To consider and if thought fit to pass with or without modification, the following resolution as a special resolution:

**"RESOLVED THAT** in supersession of all the earlier resolutions passed at the previous General Meetings of the Company, the consent of the members of the Company, be and is hereby accorded under the provisions of Section 180(1)(c) of the Companies Act, 2013 (previously being Section 293(1)(d) of the Companies Act, 1956), to the Board of Directors to borrow from time to time such sum or sums of money as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from cash credit arrangement, discounting of bills and other temporary loans obtained from Company's Bankers in the ordinary course of business) and remaining outstanding at any point of time will exceed the aggregate of the Paid-up Share Capital of the Company and its Free Reserves, i.e. reserves not set apart for any specific purpose; provided that the total amount up to which monies may be borrowed by the Board of Directors and which shall remain outstanding at any given point of time shall not exceed the sum of Rs. 100 crores (Rupees Hundred crores)."

8. To consider and if thought fit to pass with or without modification, the following resolution as a special resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 186 of the Companies Act, 2013 and the rules framed there under, as amended from time to time (previously being Section 372A of the Companies Act, 1956), the consent of the members of the Company, be and is hereby granted to the Board of Directors of the Company to give any loan to any Body Corporate(s)/Person(s), to give any guarantee or to provide any security in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) and to decide limit up to which such investments in securities/loans/guarantees, that may be given or made, notwithstanding that any loan given to any Body Corporate(s)/Person(s), any guarantee given or any security provided in connection with a loan to any Body Corporate(s)/Person(s) and to acquire by way of subscription, purchase or otherwise, securities of any Body Corporate(s) may exceed 60% of the aggregate of the paid-up Share Capital and Free Reserves and Securities Premium Account; or 100% of its Free Reserves, whichever is higher at any point of time however it shall not exceed beyond Rs. 50 crores at any point of time; on such terms and conditions, as the Board may think fit."

Place: Ahmedabad  
Date: 13/08/2014

By order of the Board of Directors,  
for, MADHUR CAPITAL AND FINANCE LIMITED

  
\_\_\_\_\_  
CHAIRMAN  
MR. NITESH GANDHI

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 26<sup>th</sup> Sept 2014 to 30<sup>th</sup> Sept 2014 (both days inclusive).

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.

4. Explanatory statement under section 102 of the companies Act, 2013 is attached with the notice.

5. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rule, 2014 and Clause 35B of Listing Agreement, the Company is providing e-voting facility to its members whose names appear in the Register of Members/Beneficial owners as on the cut-off date i.e. 29<sup>th</sup> August, 2014, who may cast their vote by electronic mode on all resolutions in respect of business set forth in the Notice through e-voting services provided by CDSL, through their portal <http://www.evotingindia.com>. In this regard, members are notified that (i) The Company has completed the dispatch of notice of AGM through Regd. Book-post to all the members of the Company individually to their registered address along with the Explanatory Statement and Annual Report and (ii) Voting through electronic means shall commence from 09:00 am. on 21<sup>st</sup> September, 2014 and ends at 06:00 pm. on 23<sup>rd</sup> September, 2014.

**Explanatory Statement**

[Pursuant to section 102(1) of the Companies Act, 2013]

As required by section 102(1) of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 9 of the accompanying Notice:

**Item No. 4&5:**

The Company had pursuant to the provisions of Clause 49 of the Listing Agreement, entered with the Stock Exchange, appointed Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda as Independent Directors in the past, in compliance with the requirements of the Clause. Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one-third of the total number of Directors as Independent Directors, who are not liable for retire by rotation.

The Board has recommended the appointment of Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda as Independent Directors from September 30, 2014 to September 29, 2019. Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Act. In opinion of the Board, Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda fulfill the conditions specified in the Act and the rules framed there under for appointment as Independent Director. In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda as an Independent Director is now being placed before the Members for their approval. The terms and conditions of appointment of Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mr. Bhopal Singh Shaktawat and Mr. Narendra Chavda is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect on April 1, 2014, every listed Company is required to have at least one-woman Director, who is liable for retire by rotation.

The Board has recommended the appointment of Mrs. Bhavnaben Mehta as a Woman Director under Section 164 of the Act and is being eligible for appointment as Director. In opinion of the Board, Mrs. Bhavnaben Mehta fulfills the conditions specified in the Act and the rules framed there under for appointment as a Director. In compliance with the provisions of Section 149 of the Act, the appointment of Mrs. Bhavnaben Mehta as a Director is now being placed before the Members for their approval. The terms and conditions of appointment of Mrs. Bhavnaben Mehta shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives except Mrs. Bhavnaben Mehta is concerned or interested, financially or otherwise, in the resolution set out at item No. 6.

Item No. 7:

In terms of the provisions of Section 180 of the Companies Act, 2013, the Board can exercise certain powers only with the consent of members in general meeting by passing special resolution. In relation to the said provisions and in view of the expected growth in the business of the Company, the Board of Directors on behalf of the Company may borrow monies from various sources consequent to which the amount outstanding could exceed the earlier limit decided by the members/Directors earlier to this resolution but shall not at anytime exceed the limit of RS. 100 crores. Further, under the Act, it is now required that such a resolution shall be passed by way of a special resolution.

Your Directors accordingly recommend increase in the borrowing powers to RS. 100 crores as set out in the enabling resolution at item No. 8 for the approval of the members.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at item No. 7

The Board of Directors of a Company has been permitted to make loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate to the extent of 60% of its paid-up capital and free reserves and securities premium account or 100% of its free reserves and securities premium account whichever is higher, in terms of Section 186 of the Companies Act, 2013, from time to time, for business purposes.

Where the aggregate of loans and investments made, guarantees given and securities provided exceed the aforesaid limits, prior approval of the Members by way of Special Resolution is required.

It may be noted that, in terms of erstwhile Section 372A of the Companies Act, 1956 any inter-corporate loan given / investment made / guarantee given / security provided to wholly owned subsidiaries are exempt while reckoning the overall limit permissible, as per the said provisions of the Act. However, in terms of Section 186 of the Companies Act, 2013 such exemption has been withdrawn and the same shall be included for arriving at the aggregate permissible limit and hence any loan given / investment made / guarantee given / security provided have to be included for the purpose of arriving at the aforesaid overall limit and therefore it is proposed that the shareholders may fix the limit at Rs. 50 crores.

The Board recommends the enabling Special Resolution for shareholders' approval.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Place: Ahmedabad  
Date: 13/08/2014

By order of the Board of Directors,  
for, MADHUR CAPITAL AND FINANCE LIMITED

CHAIRMAN  
Mr. HITESH GANDHI  
(DIN: 01898467)



## DIRECTORS' REPORT

To,

The Members of,

M/s MADHUR CAPITAL AND 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 31<sup>st</sup> March 2014.

1.

**Financial Results**

(in Rs.)

Particulars	FY 2013-14	FY 2012-13
Sales	----	----
Other income	----	90,000
Depreciation	----	----
Other expenses	25,486	25,486
Profit/(Loss) before Tax	{3,38,752}	{2,02,316}
Taxation	----	----
Profit/Loss after Tax	{3,38,752}	{2,02,316}

During the financial year your company has not carried any Commercial activities. Company has incurred Net Loss Tax of Rs. 3,38,752/- during the F.Y. 2013-14 as against Rs. 2,02,316/- during the previous financial year. The company will try to achieve the performance in next year by making more initiative in the activities of the company.

2.

**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.

3.

**Auditors**

M/s Parushottam Khandelwal & Co., Chartered Accountants, Ahmedabad, Auditor of the Company holds office until the conclusion of the ensuing Annual General Meeting. As per newly inserted Section 139 of the Companies Act, 2013, they are appointed for a term of five consecutive financial years, for which necessary resolution is put to vote in this AGM, as stated in the item no. 3 of the notice; they are eligible for appointment to conduct statutory audit. The company has received certificate from the auditor to the effect that their appointment if made, would be within the prescribed limits under the Companies Act. Notes to the accounts referred to in Auditor's report are self explanatory and therefore do not call for any further comments.

4.

**Deposits**

During the year under review, Company has not accepted any Deposits falling under Section 58A of Companies Act, 1956.

5. Energy, Technology And Foreign Exchange:

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

6.

Directors' Responsibility Statements

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 31<sup>st</sup> March, 2014.

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 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.

7.

Directors:

As per provisions of Section 152(6) of the Companies Act, 2013, Mr. Narendra Chavda, Director (able to retire by rotation), offers himself for re-appointment at the general meeting and if appointed as Director of the Company, be appointed as an Independent Director for consecutive five financial years as per provisions of Section 149 of the Companies Act, 2013. Mr. Narendra Chavda and Mr. Bhopalsingh Shaktawat are being appointed as an Independent Director for consecutive five years as per provisions of Section 149 of the Companies Act, 2013. Mrs. Bhavaben Mehta, is being appointed as a Woman Director as per provisions of Section 149 of the Companies Act, 2013. Necessary resolutions for the appointment/re-appointment of the aforesaid directors have been included in the notice convening the ensuing AGM and details of the proposal for appointment / re-appointment are mentioned in the explanatory statement of the notice. Four directors have confirmed their appointment / re-appointment. All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013 (Previously being Section 274(1) (g) of the Companies Act, 1956).

8.

Report on Corporate Governance:

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

**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  
Date: 13/08/2014

By order of the Board of Directors,  
For, MADHUR CAPITAL AND FINANCE LIMITED

**CHAIRMAN**  
**MR. HITESH GANDHI**

**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.

**1. BOARD OF DIRECTORS**

Name of Director	Category	No. of Board Meeting Attended	Last AGM Attendance
Mr. Hitesh Gandhi	Mg. Director	5	YES
Mr. Bhopal Singh Sakhtawat	Non executive Independent Director	5	YES
Mr. Narendra L. Chavda	Non Executive Director	5	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 Sakhtawat	2
Mr. Narendra L. Chavda	4

In line with the requirements of the code of the corporate governance, the board of directors comprises of five 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 5 times.

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 its report to the management on monthly basis and action is taken on the same by the Managing Director on regular basis.

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

1. Mr. Bhopal Singh Sakhtavat Chairman
2. Mr. Hitesh Gandhi Member
3. Mr. Narendra L. Chavda Member

The scope of committee includes:

- a. Review of company's financial reporting process and the financial statement.
- b. Review internal control systems and functioning of internal audit process.
- c. 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. No sitting fees are payable to any Director.

Remuneration committee consisting following:

1. Mr. Bhopal Singh Sakhtavat Chairman
2. Mr. Hitesh Gandhi Member
3. Mr. Narendra L. Chavda Member

**4. SHAREHOLDERS COMMITTEE:**

The company has complied with 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:

1. Mr. Bhopal Singh Sakhtavat Chairman
2. Mr. Hitesh Gandhi Member
3. Mr. Narendra L. Chavda Member

During the year, the company and their Registrar and Share Transfer Agents M/s Link Intime India Pvt. Ltd. has resolved all complaints received from investors. 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 15<sup>th</sup> and 30<sup>th</sup> of each month and are given effect by the Registrar and Share Transfer Agent.

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

**5. GENERAL BODY MEETING:**

Date	Type	Time	Location
30/09/2011	AGM	09:45 AM	MADHUR COMPLEX STADIUM, GROSS ROAD NAYRANGPURA, 380009
28/09/2012	AGM	09:30 AM	
30/09/2013	AGM	09:45 AM	

There were 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 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) Transaction with related parties have been properly disclosed in notes to accounts and discussed at length by audit committee.

(F) Management discussion and analysis report is attached to and forms part of this report.

(G) Further, Mr. 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.

**7. MEANS OF COMMUNICATION:**

The means of communication between the Shareholders and company are transparent and investor friendly. Steps are being taken to display the corporate results on the EDIFAR & Corporate website, which is being developed.

**3. GENERAL INFORMATION**

Annual General Meeting

Place, Date & Venue

Date: 30/09/2014

Time: 9:30 am

Venue: MAHUR COMPLEX

STADIUM CROSS ROAD,

WARRANDELA - 55009

In April 2013 to 31st March 2014

From 25th April 2014 to 30th September 2014

No dividend recommended

**4. LISTING OF STOCK EXCHANGES**

The Company's Shares are listed  
The Company's Shares Exchange Limited

**10. MARKET SHARE DATA AT MONTHLY STOCK EXCHANGE LISTING**

MONTH	HIGH (RS.)	LOW (RS.)
April 2013	2.65	2.01
May 2013	1.10	1.55
June 2013	0.88	1.16
July 2013	2.65	2.12
August 2013	2.70	2.36
September 2013	1.75	2.07
October 2013	3.28	2.84
November 2013	4.29	3.33
December 2013	5.40	3.76
January 2014	4.04	2.85
February 2014	4.88	2.12
March 2014	5.23	2.58

**11. DISTRIBUTION PATTERNS AS ON THE 31st MARCH 2014**

Category	No of Shares	Percentage
Freehold and Reserves	282073	11.97
Bank/FR/ET	0	0
Public	581893	20.47
Body Corporate	530958	18.88
NSI	436637	15.99
Clearing Members	4638	0.17
HVF	452100	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 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. DEMATRIALISATION OF SHARES:**

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

Address for Correspondence : Madhur Complex,  
Stadium Cross Road,  
Navrangpura,  
Ahmedabad-380009.

63781111 equity shares out of 9591000 Equity shares of the company have been dematerialized as at 31st March, 2014 representing 99.85% of total paid-up capital of the company.

Place: Ahmedabad  
Date: 13/08/2014

By order of the Board of Directors,  
For, MADHUR CAPITAL AND FINANCE LIMITED

CHAIRMAN  
MR. HITESH GANDHI

(DIN: 01898467)



**MANAGEMENT DISCUSSION AND ANALYSIS**

**1. Overall Review:**

The overall performance during the financial year 2013-14 has not been satisfactory.

**2. Financial Review:**

During the financial year your company has not carried any commercial activities. The company will work upon the same to get a reasonable level of growth in the imminent years.

**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 disposition.

**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 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 difference 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

Place: Ahmedabad  
Date: 13/08/2014

By order of the Board of Directors,  
For, MADHUR CAPITAL AND FINANCE LIMITED

CHAIRMAN  
MR. HITESH GANDHI  
(DIN: 01898467)

**MADHUR CAPITAL AND FINANCE LIMITED**  
**CERTIFICATION BY MANAGING DIRECTOR TO THE BOARD**

I, Mr. Hitesh Gandhi, Managing Director of the MADHUR CAPITAL AND FINANCE LIMITED 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 apprised 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.

Place: Ahmedabad  
Date: 13/08/2014

By order of the Board of Directors,  
For, MADHUR CAPITAL AND FINANCE LIMITED

**CHAIRMAN**  
**MR. HITESH GANDHI**  
(DIN: 01898467)

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

**GOVERNANCE**

1. Mr. Hitesh Gandhi, Chairman & Managing Director of MADHUR CAPITAL AND FINANCE LIMITED hereby confirm pursuant to clause 49(1)(d) of the listing agreement that:
  1. The board of directors of MADHUR CAPITAL AND 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 personnel have complied with the said code of conduct for the year ended 31<sup>st</sup> March 2014.

Place: Ahmedabad Date: 13/08/2014  
By order of the Board of Directors, For, MADHUR CAPITAL AND FINANCE LIMITED

CHAIRMAN  
MR. HITESH GANDHI  
(DIN: 01898467)

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, 2014, 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 : 13/08/2014

For, Purushottam Khandelwal & Co.  
Chartered Accountants

CA VAIBHAV DIXIT

(Partner)

Membership No. 154713

ATTENDANCE SLIP

Name of the attending Member (in Block Letters) \_\_\_\_\_

Folio No/ DPID / Client ID : \_\_\_\_\_

Name of the Proxy : \_\_\_\_\_

(To be filled in if the Proxy attends instead of the Member)

No. of Shares held: \_\_\_\_\_

(in words) \_\_\_\_\_

I hereby record my presence at the nineteenth Annual General Meeting of the Company at Madhur Complex, Stadium Cross Road, Navrangpura, Ahmedabad-380009 on Tuesday the 30<sup>th</sup> day of September, 2014 and at any adjournment thereof.

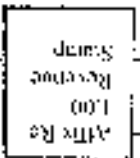
PROXY FORM

I/We \_\_\_\_\_ of \_\_\_\_\_ being Member/Members of the above named company, hereby appoint \_\_\_\_\_ or failing him \_\_\_\_\_ as my/out Proxy, to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Tuesday the 30<sup>th</sup> day of September, 2014 at 9:30 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Folio No/ Client ID: \_\_\_\_\_

No. of Shares: \_\_\_\_\_



Signature: \_\_\_\_\_

DP ID: \_\_\_\_\_

N.B.: This proxy must be deposited at the Registered Office of the Company.

Member's/Proxy's Signature \_\_\_\_\_

(To be signed at the time of handing over this slip)

(NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over the same at the entrance after the same has been duly signed)

**Independent Auditor's Report**

To the Members of

**MADHUR CAPITAL & FINANCE LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of "MADHUR CAPITAL & FINANCE LIMITED", which comprise the Balance Sheet as at March 31, 2014, 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 read with General Circular 15/2013 dated 13 September, 2013 of Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. 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 but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. 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:



216, Madhupura Vyapar Bhawan, Nr. Gunj Bazar, Madhupura, Ahmedabad-380 004  
Tel : 079-22164423 Cell : 98250 20844  
e-mail : phkhandelwal@rediffmail.com



### Report on Other Legal and Regulatory Requirements

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss Account, of the profit 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 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 read with General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. Except Accounting Standard 15 on retirement benefits as no provision has been made for retirement benefits, the effect of the same cannot be quantified, to that extent Profit for the year and balance of Profit & Loss account and balance of current liability is understated.
  - e) Accounting Standard -13 on Accounting for investment 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 on March 31, 2014, 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 on March 31, 2014, 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 freezing of the said bank accounts by CBI BS and 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 frozen 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 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 terms of assets/income pattern notified by RBI.

f) 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2014.
- b. In the case of the Profit and Loss Account, of the Profit of the Company for the period ended on that date.
- c. In the case of Cash Flow Statement, of the Cash Flow of the Company for the year ended on that date.

Date: -30<sup>th</sup> May, 2014  
Place: - Ahmedabad

For, Purushottam Khabdewal & Co.  
Chartered Accountants

*K. B. K.*  
(Vaidhyanathan)  
Partner



M.No.154713  
FRN: 123825W



The Annexure referred to in paragraph 1 of the Csr Report of even date to the members of MADHUR CAPITAL & FINANCE LTD. Limited on the accounts of the company for the year ended 31<sup>st</sup> March, 2014.

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.  
(d) As per the information and explanations given to us, the company does not have any 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 17,41,446.

- (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.





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.
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.
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.
13. The Company is not a Unit fund or a mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditors' Report) Order, 2003 (as amended) is not applicable to the Company.
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.
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.
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.
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 31<sup>st</sup> of March, 2014 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 amount 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.
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.
7. The Company does not have formal internal Audit system.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
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.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31<sup>st</sup> March, 2014, 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: 30/05/2014  
Place: - Ahmedabad

For, Purushottam Khandelwal & Co.  
Chartered Accountants



*(Signature)*  
(Vaibhav Dixit)  
Partner

M.No.154713  
F.R.N: 123825W

# MADHUR CAPITAL & FINANCE LIMITED

Balance sheet as on 31st March, 2014

Particulars	31st March 2014	31st March 2013
<b>EQUITY AND LIABILITIES</b>		
Share Holder's Fund		
Share Capital	95,910,000	55,910,000
Reserves and Surplus	(27,130,171)	(27,468,923)
Share Applications/ Equity Allotment		
<b>Non-current liabilities</b>		
Long Term Borrowings	1,500,180	1,741,446
Other liabilities	1,266,197	1,266,197
Deferred Tax Liability (net)		
<b>Current liabilities</b>		
Trade Payables	2,472,059	2,472,059
Short Term Provisions	24,573	24,573
<b>TOTAL</b>	<b>74,042,838</b>	<b>73,945,352</b>
<b>Non-current assets</b>		
Tangible assets	89,913	64,427
Non-current investments	2,481,000	2,481,000
Long-term loans and advances	1,891,228	1,819,228
<b>Current assets</b>		
Current investments	5,746,180	5,746,180
Trade receivables	63,749,517	63,749,517
Cash and cash equivalents	85,000	85,000
Short-term loans and advances		
<b>TOTAL</b>	<b>74,042,838</b>	<b>73,945,352</b>

## NOTES TO ACCOUNTS

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 Khandwal & Co

Chartered Accountants

*Purushottam Khandwal*

Membership No.: 154713

Place: Ahmedabad

Date: 30th May, 2014



Director

*N. I. Choudhary*

Director

*Glodhosh*

For and on behalf of the Board of Directors

For: Madhur Capital & Finance Limited

Place: Ahmedabad

Date: 30th May, 2014

# MADHUR CAPITAL & FINANCE LIMITED

Statement of Profit and Loss for the year ended 31 March, 2014

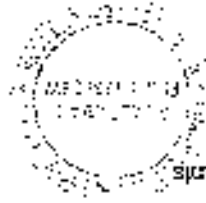
Particulars		Notes	
		13	14
Revenue from operations	90,000	-	-
Other income	90,000	-	-
<b>Total Revenue</b>	<b>180,000</b>		
<b>EXPENSES</b>			
Administrative & Other Expenses	236,830	313,266	
Employee benefits expense	30,000	-	
Finance costs	-	-	
Depreciation and amortisation expense	25,486	25,486	
<b>Total Expenses</b>	<b>292,316</b>	<b>338,752</b>	
Extraordinary Items (Prior period)			
Profit Before Tax	(202,316)	(338,752)	
Current Tax	-	-	
Deferred Tax	-	-	
<b>Profit for the year</b>	<b>(202,316)</b>	<b>(338,752)</b>	
Earnings per Equity Shares of Face value of Rs.10 each	(0.0211)	(0.0353)	

17

NOTES TO ACCOUNTS

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 Puneshottam Khadewal & Co  
Chartered Accountants

*Yashwan*  
Vaidhyan Dixit  
Partner

Membership No : 154713  
Place : Ahmedabad  
Date : 30th May, 2014

For and on behalf of the Board of Directors  
For MADHUR CAPITAL & FINANCE LIMITED  
Director *N.Z. Choudhary*  
Director *Dipak Kumar*

Place : Ahmedabad  
Date : 30th May, 2014



NOTE 1 SHARE CAPITAL

		31.03.2019	31.03.2018
(a) Authorized	1,10,00,000 Equity shares of Rs. 100/- each	110,00,000	110,00,000
(b) Issued	55,91,000 Equity shares of Rs. 100/- each	55,91,000	55,510,000
	(previous year: 55,91,000 equity share of Rs. 100/- each)		
(c) Subscribed and fully paid up	95,91,000 Equity shares of Rs. 100/- each	95,91,000	95,910,000
	(previous year: 85,81,000 equity share of Rs. 100/- each)		
<b>Total</b>		<b>95,910,000</b>	<b>95,910,000</b>

		31.03.2019	31.03.2018
Madhur Capital & Finance Limited	No. of Shares	917,175	911,582
Madhur Capital & Finance Limited	%	9.56	9.50

NOTE 2 RESERVE AND SURPLUS

		31.03.2019	31.03.2018
General Reserve	7,400,000	7,400,000	7,400,000
Balance at beginning	-	-	-
Transferred during the year	7,400,000	7,400,000	7,400,000
Closing Balance (a)	7,400,000	7,400,000	7,400,000
Statutory Reserve	1,805,000	1,805,000	1,805,000
Balance at beginning	-	-	-
Transferred during the year	1,805,000	1,805,000	1,805,000
Closing Balance (b)	1,805,000	1,805,000	1,805,000
Profit & Loss A/c:	(36,132,855)	(36,335,171)	(36,132,855)
Balance at beginning	(36,335,171)	(36,335,171)	(36,335,171)
Profit for the year	(202,318)	(398,752)	(202,318)
Closing Balance (c)	(36,335,171)	(36,335,171)	(36,335,171)
<b>Total (a+b+c)</b>	<b>(27,485,822)</b>	<b>(27,485,822)</b>	<b>(27,485,822)</b>

NOTE 3 LONG TERM BORROWINGS

		31.03.2019	31.03.2018
Unsecured Loans	1,741,445	1,741,445	1,500,180
(from Madhur Industries Limited)			
<b>Total</b>	<b>1,741,445</b>	<b>1,741,445</b>	<b>1,500,180</b>

NOTE 4 OTHER LIABILITIES		
Other liabilities	515,814	515,814
Advances from Debtors	749,052	749,052
<b>Total</b>	<b>1,264,866</b>	<b>1,264,866</b>
	31.3.2014	31.3.2013

NOTE 5 TRADE PAYABLES		
Trade payables:	25,407	25,407
Creditors for Expenses	2,466,652	2,466,652
Other Creditors	2,472,059	2,472,059
<b>Total</b>	<b>4,964,118</b>	<b>4,964,118</b>
	31.3.2014	31.3.2013

NOTE 6 SHORT TERM PROVISIONS		
Particulars	31.3.2014	31.3.2013
Provision for Income Tax (net of advance tax)	24,573	24,573
<b>Total</b>	<b>24,573</b>	<b>24,573</b>

Handwritten signature and stamp.

## MADHUR CAPITAL & FINANCE LIMITED

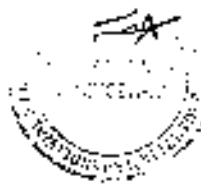
### Note 7 FIXED ASSET

#### Note 7 (i) Tangible Fixed Assets

	2013			2014			2015			2016	
	As on 31.3.2013	Additions	Deductions	As on 31.3.2014	As on 31.3.2013	Additions	As on 31.3.2014	As on 31.3.2013	As on 31.3.2014	As on 31.3.2014	As on 31.3.2014
Plant & Machinery	116100	0	0	116100	89936	5515	95451	26164	20649		
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	106265	6291	112556	20178	19887		
Air Conditioner	288000	0	0	288000	250429	13680	264109	37571	23891		
Furniture and Fixture	993563	0	0	993563	993563	0	993563	0	0		
<b>TOTAL (A)</b>	<b>3526276</b>	<b>0</b>	<b>0</b>	<b>3526276</b>	<b>3436363</b>	<b>25486</b>	<b>3461849</b>	<b>89913</b>	<b>64427</b>		
Previous Year	3526276	0	0	3526276	3410877	25486	3436363	115399	89913		







NOTE 8 - NON-CURRENT INVESTMENT (Long term investment)

Trade investment	2,481,000	2,481,000
Equity Shares - Unquoted, fully paid up Madhur Shares & Stock Private limited 2,48,100 Equity Share of Rs 10 each		
<b>Total investment (A+B)</b>	<b>2,481,000</b>	<b>2,481,000</b>

NOTE 9 (LONG TERM) LOANS AND ADVANCES

Loans	2,206	2,206
Deposits	123,260	123,260
Advance Tax and TDS	1,374,362	1,374,362
Advance rent	319,400	319,400
<b>Total</b>	<b>1,819,228</b>	<b>1,819,228</b>

NOTE 10 TRADE RECEIVABLES

(a) Trade receivables outstanding for a period exceeding six months	5,746,180	5,746,180
Secured, considered good		
Unsecured, considered good		
(b) Other Trade receivables	5,746,180	5,746,180
Secured, considered good		
Unsecured, considered good		
Unsecured Considered Doubtful		
<b>Total</b>	<b>5,746,180</b>	<b>5,746,180</b>

NOTE 11 CASH AND CASH EQUIVALENTS

(a) Cash on hand	50,104	50,104
(b) Balances with banks	50,475,413	50,475,413
Balance with Schedule Bank		
Cheque in hand	13,200,000	13,200,000
Fixed Deposit Account	24,000	24,000
<b>Total</b>	<b>53,749,517</b>	<b>53,749,517</b>

NOTE 12 SHORT TERM LOANS AND ADVANCES

Advances to Creditors	70,000	70,000
Less: Provision for Doubtful		
Hire Purchase	80,000	80,000
Less: Provision for Doubtful		
<b>Total</b>	<b>85,000</b>	<b>85,000</b>

NOTE 13 OTHER INCOME

	2014	2013
Revenue other than finance activities (Trading Sales)	895,000	895,000
Less: Purchases	50,000	50,000
Net Income from other than finance activities	845,000	845,000

NOTE 14 ADMINISTRATIVE & OTHER EXPENSES

	2014	2013
Advertisement Expenses	14,607	14,607
Author Remuneration	-	-
Income Tax	-	-
Legal & Professional Fee	35,000	35,000
Consultancy charges	-	-
Annual Custody Fee	33,202	33,202
Agent charges	82,403	82,403
Listing Exps	28,240	28,240
Municipal Tax	67,455	67,455
Rent, Rates and Taxes	72,000	72,000
Miscellaneous Expense	250	250
Total	313,256	313,256

NOTE 15 EMPLOYEES BENEFITS EXPENSE

	2014	2013
Salaries and wages	30,000	30,000
Total	30,000	30,000

NOTE 16 DEPRECIATION AND AMORTISATION EXPENSES

	2014	2013
Depreciation	25,486	25,486
Total	25,486	25,486

→ A



**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. However there is no inventory during the year.

**(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.



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 an outflow of resources.

**(i) Provisions, Contingent Assets and Contingent Liabilities:**

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.

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.

**(h) Taxation:**

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.

**(g) Retirement/ Post retirement Benefits:**

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.

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.

**(f) Revenue Recognition:**

## 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 6<sup>th</sup> 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 frozen 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 dated 7<sup>th</sup> 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 451A 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.1316/10.032/2011-2012 dated 10<sup>th</sup> 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. 5296796.80 (Outstanding for more than six months -Rs 5746179.80 less provision made Rs. 49383) 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 are Rs. Nil.

(l) Particulars of payment made to Auditors :

Particulars	2013-2014 Amount (Rs.)	2012-13 Amount (Rs.)
Statutory Audit Fees	13000	13000
Service Tax Reimbursement	1607	1607
Total	14607	14607

(m) Particulars of payment made to Directors :

Particulars	2013-2014	2012-13
	Amount (Rs.)	Amount (Rs.)
Remuneration	-	-
(1) Hitesh R. Gandhi	-	-
(2) Narendra I. Chavda	-	-
(3) Bhopal Singh M. Sakthavai	-	-

(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 conform to the current year classification.

As per our attached report of even date

FOR PURUSHOTAM KHANDEI WAL & CO.

CHARTERED ACCOUNTANTS

*K. Sakthavai*

(VAIBHAV DIXIT)

PARTNER

MEM. NO. 154713

FIRM Reg. No. 123825W

DATE: 30/05/2014

PLACE: AHMEDABAD


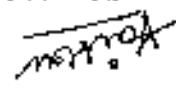


FOR AND ON BEHALF OF BOARD  
*N. I. Chavda*  
 DIRECTOR  
*Bho. Sg. / Smb. R.*  
 DIRECTOR

**MADHUR CAPITAL AND FINANCE LIMITED**

Madhur Complex,  
Stadium Crossing Road,  
Navrangpura, Ahmedabad

**CASH FLOW STATEMENT FOR THE YEAR 2013-14**

		Particulars	
	2013-14	2012-13	
	(Rs in Lacs)	(Rs in Lacs)	
<b>A. Cash Flow From Operating Activities</b>			
Net Profit (Loss) before tax as per profit and loss account	(3.38)	(2.02)	
Adjusted For :-			
Depreciation Net	0.25	0.25	
Amortisation of Expenses	-	-	
<b>TOTAL</b>	<b>(3.13)</b>	<b>(2)</b>	
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>			
Movement in Working Capital	-	(8.95)	
Decrease/(increase) in sundry debtors	-	-	
Decrease/(increase) in inventories	-	-	
Decrease/(increase) in advance rent	0.72	0.72	
Decrease/(increase) in creditors	-	-	
Decrease/(increase) in other current asset	-	-	
Decrease/(increase) in provision	-	-	
Cash generated from operation	0.72	0.49	
Direct Taxes paid (Net of refunds)	-	(1.28)	
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(2.41)</b>	<b>(1.28)</b>	
<b>B. Cash Flows From Investment Activities</b>			
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>	
<b>C. Cash Flow From Financing Activity</b>			
Proceeds from long-term borrowings	2.41	1.28	
Government Grant Received	-	-	
Interest Paid	-	-	
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>2.41</b>	<b>1.28</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-</b>	<b>0.00</b>	
Cash and Cash equivalents at the beginning of the year	637.49	637.49	
Cash and Cash equivalents at the end of the year	637.49	637.49	
<b>FOR PURUSHOTTAM KHANDLWAL &amp; CO</b>			
<b>CHARTERED ACCOUNTANTS</b>			
			
		(CA. Vaibhav Dixit) M. No. : 154713 F.R.N. : 123825W	
			
		N. I. Chavda - (DIRECTOR)	
		30/05/2014 (DIRECTOR)	
<b>FOR MADHUR CAPITAL &amp; FINANCE LIMITED</b>			
DATED: 30/05/2014 PLACE: AHMEDABAD			



**M/S.MADHUR CAPITAL & FINANCE LIMITED**

**FORM A**

1	Name of the company	M/s. MADHUR CAPITAL & FINANCE LIMITED
2	Annual Financial statements for the year ended	31 <sup>st</sup> March, 2014
3	Type of Audit observation	Qualified
4	Frequency of observation	Occasional
5	To be signed by- <ul style="list-style-type: none"><li>• CEO/ MD</li><li>• CFO</li><li>• Auditor of the company</li><li>• Audit committee chairman</li></ul>	