

# OJAS ASSET RECONSTRUCTION COMPANY LIMITED

Regd. Office: P- 7B (Basement), Green Park Extension, New Delhi- 110016

## NOTICE

NOTICE IS HEREBY GIVEN THAT 26<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF M/S OJAS ASSET RECONSTRUCTION COMPANY LIMITED WILL BE HELD AT ITS REGISTERED OFFICE, P- 7B (BASEMENT), GREEN PARK EXTENSION, NEW DELHI ON FRIDAY, THE 30<sup>TH</sup> DAY OF SEPTEMBER 2011 AT 1:30 P.M. TO TRANSACT THE FOLLOWING BUSINESS

### ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March, 2011 and Profit and Loss Account for the year ended on that date and reports of the Directors and Auditors thereon;
- 2 To appoint a Director in place of Mr Ashwani Dewan, who retires by rotation being eligible, offer himself for re- appointment.
- 3 To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s A M A A & ASSOCIATES, Chartered Accountants, New Delhi, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of the forthcoming Annual General Meeting until the conclusion of next Annual General Meeting, at the remuneration to be decided by the Board of Directors"

BY ORDER OF THE BOARD

FOR: OJAS ASSET RECONSTRUCTION COMPANY LIMITED

For Ojas Asset Reconstruction Company Ltd.

(ANUJ DEWAN) Managing Director

MANAGING DIRECTOR

DATE: 02.09.2011

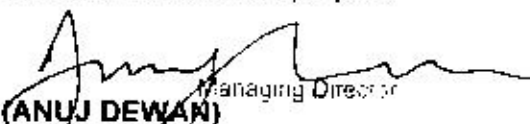
PLACE: NEW DELHI

**NOTE**

- ❖ A MEMBERS ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE THE MEMBER OF THE COMPANY, PROXY IN ORDER TO BE VALID, MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. A PROXY FORM IS ENCLOSED.
- ❖ The Register of Member and Share Transfer books will remain close from 26<sup>th</sup> September, 2011 to 30<sup>th</sup> September, 2011 (Both day Inclusive).
- ❖ Members are requested to bring there copies of Annual Report for the Annual General Meeting.
- ❖ Members are requested to notify change in there address to the company immediately.

**BY ORDER OF THE BOARD**

**FOR: OJAS ASSET RECONSTRUCTION COMPANY LIMITED**  
For Ojas Asset Reconstruction Company Ltd.

  
(ANUJ DEWAN) Managing Director

**MANAGING DIRECTOR**

**DATE: 02.09.2011**

**PLACE: NEW DELHI**

## DIRECTOR'S REPORT

To

The Shareholders,

Your Directors have pleasure in presenting their Annual Report together with audited Balance Sheet of the Company as on 31<sup>st</sup> March 2011 and Profit and Loss Account for that year annexed thereon

### FINANCIAL RESULTS

The Financial result of your Company for the year under review are summarized below:

PARTICULARS	For the year	For the year
	Ended as on 31.03.2011	Ended as on 31.03.2010
	(Amount in Rs.)	(Amount in Rs.)
Sales	10,05,18,190	25,06,97,931
Interest Received	2,917	3,66,262
Total Income	10,05,21,107	25,10,64,194
Profit/Loss before Depreciation	29,625	1,17,861
Depreciation	2,172	12,785
Profit/Loss after Depreciation		
& before Taxation	27,452	1,05,075
Provision before Taxation		
Income Tax	(8,482)	(35,650)
Fringe Benefit Tax	-	(202)
TDS W/Off	(5,266)	-
Profit/(Loss) after Taxation	13,704	69,223

### DIVIDEND

No Dividend is recommended for the year under review.

### DIRECTORS

Mr. Ashwani Dewan, Director is liable to retire by rotation at this Annual General Meeting and being eligible offer himself for Re- appointment and Mr. Neeraj Jain was appointed as a Director of the Company on dated 1<sup>st</sup> December, 2010.

### **AUDITORS REPORT**

The Auditors Report to the Shareholders does not contain any qualification. Observations made by the auditors along with notes on the accounts are self-explanatory.

### **AUDIT COMMITTEE**

The Audit Committee of the Company comprises of Mr. Anuj Dewan (Managing Director), Mr. Vijay Gupta (Non- Executive Director, Independent Director), & Mr. Neeraj Jain (Non Executive & Independent Director). The present Composition of Audit Committee meets the requirement of clause 49 of the Listing Agreement. The terms of reference of the Audit Committee are as per the guidelines mentioned in the Code of Corporate Governance which inter-alia includes the monitoring of the financial reporting process, ensuring adequate disclosure in the financial statements; reviewing of the Internal Control Mechanism.

### **AUDITORS**

M/s A M A A & ASSOCIATES, Chartered Accountants, New Delhi. Auditors of the Company retire at the forthcoming Annual General Meeting of the Company and being eligible, offer themselves for re-appointment. The company has obtained a certificate as per section 224 (1B) of the Companies Act, 1956 to the effect that their re- appointment, if made, would be within the limits prescribed therein.

### **DEPOSITS**

During the Year under review, your company has not accepted any deposits from the public within the meaning of Section 58a of the Companies Act, 1956.

### **LISTING FEE**

The Equity Share of the Company are Listed in Delhi Stock Exchange Association Limited, 3/1, DSE Building, Asaf Ali Road, New Delhi- 110002. The Company has not paid the Listing Fees to the Delhi Stock Exchange for the current financial year 2011-2012.

### **CORPORATE GOVERNANCE**

The company had made a conscious effort to institutionalize Corporate Governance practice and we believe that it shall go beyond adherence to the regulatory framework. Our company structure, business & disclosure practices have been aligned to our Corporate Governance policies that ensures enhancement of shareholders value, association of the customers, support from the suppliers and adherence to all the regulatory requirements.

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As required under the clause 49 of the Listing Agreement with Stock Exchanges, Management Discussion & Analysis Report forms part of the report and is annexed herewith

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE**

#### **EARNING OUTGO**

The said information is not furnished, as your company has not carried out any manufacturing activity during the year. Also there was neither any inflow nor outflow of foreign exchange.

### **PARTICULARS OF EMPLOYEES**

There is no employee covered under section 217(2A) of the Companies Act, 1956 and read with Companies (Particulars of employees) Rules, 1975.

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to section 217(2AA) of the Companies Act, 1956, the Board of Directors hereby states that

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March 2011; the applicable accounting standards have been followed along with proper explanation relating to material departure.
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at end of the financial year and of the profit/ losses of Company for the year under review;
- (iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(iv) That the Directors have prepared the annual accounts for the financial year ended 31<sup>st</sup> March 2011 on a going concern basis.

**ACKNOWLEDGEMENT**

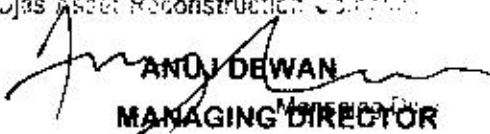
The Board of Directors place on record their sincere thanks to the various Central and State Government departments for their extended support and assistance to the Company. The Board also conveys their appreciation for the employees who had sincerely through their hard work contributed in the growth of the company. The Board of Directors would like to sincerely thank all the Shareholders and creditors for their continued support and confidence in the company.


**BY ORDER OF THE BOARD**

**FOR: OJAS ASSET RECONSTRUCTION COMPANY LIMITED**

For Ojas Asset Reconstruction Company Limited

For Ojas Asset Reconstruction Company Limited

  
**ANU DEWAN**  
MANAGING DIRECTOR

  
**ASHWANI DEWAN**  
DIRECTOR

**DATE: 02.09.2011**

**PLACE: NEW DELHI**

## **ANNEXURE TO THE DIRECTORS REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

#### **RISK AND CONCERNS**

An Integrated risk management process is being adopted by the company that works towards the evaluation of the association business risk and enables the company to survive in the competitive environment. As the company plans to enter into the asset reconstruction, a complete evaluation of the market in respect of these products will be carried out and calculations for the risk factor involved will be undertaken to enable the company to make a foray into the new market.

#### **INTERNAL CONTROL SYSTEM & ADEQUACY**

The Internal Control system of the company is commensurate to the size of its business. The system ensures compliance with the respective laws & regulations, proper and adequate financial reporting at all the levels of the organization.

The Audit Committee of the Company also reviews the internal control system prevalent at each level of the organization and passes on its recommendation to the management in respect of the areas, which requires the correction.

#### **HUMAN RESOURCE**

The Human Resource department of the Company continuously works on the development and training of the employees at various levels. The HR department makes sure that employees morale and dedication remains high and that they contribute their fullest and best to the organization. The recreational activities like seminars/ vacations are planned for the employees at regular intervals.

#### **CAUTIONARY STATEMENT**

Statement in the Management Discussion & Analysis and in the Directors Report, describing the company's objectives, projections and estimates, contain words or phrases such as "will", "plan" and similar expressions or variations of such expressions that are forward looking and progressive within the meaning of applicable laws and regulations. Actual result may vary materially from those expressed or implied by the forward looking statements due to risk and uncertainties associated therewith depending upon the economic conditions, Government policies and other incidental factors. Readers are cautioned not to place undue reliance on these forward- looking statements.

**M/S OJAS ASSET RECONSTRUCTION COMPANY LTD.  
BALANCE SHEET AS AT 31ST MARCH'2011**

S.N.	PARTICULARS	SCHEDULE	AS AT 31.03.11 AMOUNT (RS.)	AS AT 31.03.10 AMOUNT (RS.)
I	SHAREHOLDERS' FUND SHARE CAPITAL LOAN FUNDS	A	212,490,000.00	212,490,000.00
		TOTAL	212,490,000.00	212,490,000.00
II	<b>APPLICATION OF FUNDS</b>			
	<b>FIXED ASSETS</b>	B		
	GROSS BLOCK		140,100.00	797,027.00
	LESS: DEPRECIATION		121,080.80	775,835.00
	NET BLOCK		19,019.40	21,192.00
	<b>INVESTMENTS</b>	C	126,009,778.00	187,001,375.00
	<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	D		
	SUNDRY DEBTORS		70,097,776.77	38,828,625.68
	CASH & BANK BALANCES		1,651,181.67	7,386,509.68
	OTHER CURRENT ASSETS		-	79,819.00
	LOAN & ADVANCES		6,270,000.00	6,355,095.00
		sub-total(a)	78,018,958.44	52,650,249.36
	<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>	E		
	CURRENT LIABILITIES		3,946,024.00	38,574,220.64
	PROVISIONS		92,327.00	114,495.00
		sub-total(b)	4,038,351.00	38,688,715.64
	<b>NET CURRENT ASSETS</b>	(a)-(b)	73,980,607.44	13,961,533.72
	<b>MISCELLANEOUS EXPENSES</b>			
	PRELIMINARY EXPENSES	F	928,400.00	-
	(to the extent not written off or adjusted)			
	<b>PROFIT &amp; LOSS ACCOUNT(Dr.BALANCE)</b>	G	11,492,195.16	11,505,899.38
		TOTAL	212,490,000.00	212,490,000.00

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

The schedules referred to above and notes thereon form an integral part of the Balance Sheet.

**FOR AND ON BEHALF OF THE BOARD**

For Ojas Asset Reconstruction Company Ltd.

(ASHWANI DEWAN)  
DIRECTOR

Director

(AMIT DEWAN)  
MG.DIRECTOR

PLACE : NEW DELHI  
DATE : 02.08.2011

**AUDITORS REPORT**

Signed in terms of separate report of even date attached

For A M A & ASSOCIATES, ASS.

(Chartered Accountants)

FRN NO. 013068C

(AMIT AGRAWAL)

PARTNER

MNO. 404969



**M/S OJAS ASSET RECONSTRUCTION COMPANY LTD.  
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011**

PARTICULARS		SCHEDULE	Year ended 31.03.11 AMOUNT (RS.)	Year ended 31.03.10 AMOUNT (RS.)
<b>INCOME</b>				
Sales			100,516,180.00	250,697,931.88
Interest Received			2,917.00	366,262.00
		<b>TOTAL</b>	<b>100,521,107.00</b>	<b>251,064,193.88</b>
<b>EXPENDITURE</b>				
Purchases			99,085,480.48	246,954,163.89
Direct expenses-Freight Inward			-	341,750.00
Administration & Other Expenses		<b>H</b>	1,274,394.82	3,569,279.62
Financial Expenses		<b>I</b>	131,606.65	81,139.15
		<b>TOTAL</b>	<b>100,491,481.95</b>	<b>250,946,332.86</b>
Profit/(Loss) before Depreciation			29,626.05	117,861.02
Less: Depreciation			2,172.60	12,785.50
Profit/(Loss) after Depreciation before tax			27,452.45	105,075.52
Less: Provision for Income Tax			(8,482.19)	(35,660.00)
Less: FBT paid			-	(202.00)
Less: TDS w/off			(5,266.04)	-
Profit/(Loss) after tax for the year t/d to b/s			<b>13,704.22</b>	<b>69,223.52</b>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS**

The schedules referred to above and notes thereon form an integral part of the Balance Sheet.

For Ojas Asset Reconstruction Co. Ltd. BOARD

  
(ASHWANI DEWAN)  
DIRECTOR

  
(ASHWANI DEWAN)  
MG. DIRECTOR

**AUDITORS REPORT**

Signed in terms of separate report of even date attn

For A M A A & ASSOCIATES

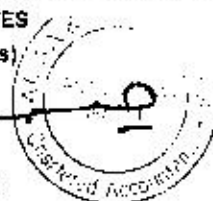
(Chartered Accountants)

FRN NO. 013066C

(AMIT AGRAWAL)

PARTNER

MNO. 404969



PLACE : NEW DELHI

DATE : 02.09.2011

**CASH FLOW STATEMENT FOR THE PERIOD 01.04.2010 TO 31.03.2011**

<b>PARTICULARS</b>	<b>As on 31.03.2011</b>	<b>As on 31.03.2010</b>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Prior Period & Extraordinary Items	27,452	105,076
Adjustments for :		
Add: Depreciation	2,173	12,786
Add: Preliminary expenses w/off	247,100	
Less: Profit & loss a/c debited on account of merger as per AS-14	-	-11,413,415
Operating profit before working capital changes	<u>276,725</u>	<u>-11,295,553</u>
Adjustments for :		
Trade & Other Receivables	-31,294,031	-38,828,827
Trade payables & Other current liabilities	-34,625,286	38,429,410
<b>CASH GENERATED FROM OPERATIONS</b>	<u>-65,642,591</u>	<u>-11,694,970</u>
Direct taxes paid	-13,748	-35,852
<b>CASH FLOW BEFORE EXTRAORDINARY ITEMS</b>	<u>-65,656,339</u>	<u>-11,730,822</u>
<b>EXTRAORDINARY ITEMS</b>	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>-65,656,339</u>	<u>-11,730,822</u>
<b>B. CASH FROM INVESTING ACTIVITIES</b>		
Sales/(Purchase) of Shares	60,991,597	-187,001,375
Changes in Loans & advances/other current assets	164,914	-5,049,259
Sales of Fixed asset	-	264,049
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>61,156,511</u>	<u>-191,786,586</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of equity share capital	-	210,000,000
Expenses incurred in increasing share cap	-1,235,500	-
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<u>-1,235,500</u>	<u>210,000,000</u>
Net Increase in cash & cash equivalents (A+B+C)	-5,735,328	6,482,592
Cash & cash equivalents as at 1st April 2010	7,386,510	903,917
Cash & cash equivalents as at 31st March 2011	1,651,182	7,386,510

In terms of our separate report of even date attached

for AMAA & ASSOCIATES

(Chartered Accountants)

FRN NO. 013066C

(AMT-AGRAWAL)

PARTNER

Membership No.404969

Place New Delhi

Date : 02.08.2011

FOR & ON BEHALF OF THE BOARD Reconstruction Company Ltd.

For Cash Asset Reconstruction Company Ltd.

(ANUJ DEWAN)

MD/DIRECTOR

Managing Director

(ASHWANI DEWAN)

DIRECTOR

Director

**M/S OJAS ASSET RECONSTRUCTION COMPANY LTD.**  
**SCHEDULE ANNEXED TO AND PART OF BALANCE SHEET**

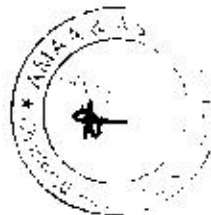
PARTICULARS	Sch. NO.	AS AT 31.03.11 AMOUNT (RS.)	AS AT 31.03.10 AMOUNT (RS.)
<b>SHARE CAPITAL</b>	<b>A</b>		
<b>AUTHORISED SHARE CAPITAL</b>			
21250000 Equity shares (Previous year 21250000 equity shares) of Rs.10/- each		212,500,000.00	212,500,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL</b>			
21249000 Equity shares (Previous year 21249000 equity shares) of Rs.10/- each fully paid up		212,490,000.00	212,490,000.00
		212,490,000.00	212,490,000.00
<b>INVESTMENTS</b>	<b>C</b>		
Long Term Investments (At cost)			
A. Trade (Unquoted)			
B. Other than trade		126,009,778.00	187,001,375.00
Equity Shares(unquoted) (as per annexure enclosed)		126,009,778.00	187,001,375.00
Aggregate amount of quoted investments Market value Rs.N.A.(previous year Rs.N.A.)		-	-
Aggregate amount of unquoted investments (Previous year NIL) (Market value of unquoted inv is not avbl)	126,009,778.00	-	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	<b>D</b>		
<b>CURRENT ASSETS</b>			
<b>SUNDRY DEBTORS</b>			
Debts outstanding for a period exceeding six months			
Secured, considered good		-	-
Unsecured, considered good		18,894,418.00	7,938,669.00
Considered doubtful		-	-
Other debts			
Secured, considered good		51,203,380.77	30,680,156.68
Unsecured, considered good		-	-
Included in Sundry Debtors are			
i. Dues from companies under the same management		79,097,776.77	38,628,825.68
<b>CASH &amp; BANK BALANCES</b>			
Cash in hand		498,164.14	154,807.14
Balance with Scheduled Bank in Current A/c		1,183,017.53	7,231,602.54
		1,681,181.67	7,386,509.68
<b>OTHER CURRENT ASSETS</b>			
Tax Deducted at source		-	79,819.00
		-	79,819.00
<b>LOANS &amp; ADVANCES</b>			
(Unsecured, considered good)			
Loans payable on demand		6,270,000.00	6,355,095.00
		6,270,000.00	6,355,095.00
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>	<b>E</b>		
<b>CURRENT LIABILITIES</b>			
Sundry creditors for goods other than SSI		3,948,024.00	37,521,074.14
Advances from customers		-	628,146.50
Due to directors		-	225,000.00
		3,948,024.00	38,574,220.64
<b>PROVISIONS</b>			
Audit Fees		83,845.00	53,845.00
Provision payable		-	25,000.00
Provision for Income Tax		8,482.00	35,650.00
		4,038,351.00	38,688,715.64
<b>PRELIMINARY EXPENSES</b>	<b>F</b>		
Op. Balance			
Add: expenses incurred in increasing the auth. share capital of the Company pursuant to and in compliance of merger order		1,235,500.00	-
Less: 1/5th written off		247,100.00	-
Balance t/d to B/L		988,400.00	-
<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>G</b>		
Profit & Loss Account			
Op. Balance		11,505,899.38	673,322.90
Amount t/d from P/L A/c		(13,704.22)	(89,223.52)
Balance t/d on a/c of amalgamation as per AS-14 (being diff between share cap issued and share cap of transferor company)		-	10,901,800.00
		11,492,195.16	11,505,899.38
<b>ADMINISTRATION &amp; OTHER EXPENSES</b>	<b>H</b>		
Advertising exp.		7,230.00	16,378.00
Accounting charges		36,000.00	88,000.00
Freight Outward		275,000.00	742,900.00
Salaries		516,160.00	2,330,014.00
Printing & Stationery		28,881.00	74,342.02
Postage & Telegram		5,620.00	10,578.00
Tea & coffee Expenses		-	4,724.00
Publication exp		16,725.00	15,252.00
Filing Fee		13,000.00	14,640.00

11/08/10  
A

Rent	38,000.00	104,000.00
Professional Fees	23,412.00	47,826.00
Car Repair & Maintenance	-	2,800.00
Rounded off	(3.18)	0.80
Bad debts	31,095.00	-
Listing Fee	5,516.00	68,180.00
Payment of Auditors	30,800.00	53,645.00
Office repair & maintenance	3,650.00	-
Preliminary expenses w/off	247,105.00	-
	<u>1,274,394.82</u>	<u>3,589,279.82</u>

**FINANCIAL EXPENSES**

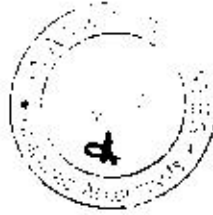
Bank Charges & Interest	131,806.65	81,139.15
	<u>131,806.65</u>	<u>81,139.15</u>



**M/S OJAS ASSET RECONSTRUCTION COMPANY LIMITED**  
**FIXED ASSETS AS ON 31ST, MARCH 2011**

ANNEXURE-B

Particulars	As on 31.03.10	GROSS BLOCK		Total As on 31.03.11	DEPRECIATION BLOCK		Total as on 31.03.2011	NET BLOCK	
		Additional During The Year	Sales/ Disposal During The Yr.		Up to 31.03.2010	Provided During The Year		W.D.V. As on 31.03.2011	W.D.V. As on 31.03.2010
Furniture & Fixtures	63,000	-	-	63,000	41,932	2,107	44,039	18,961	23,408
Office Equipments	2,450	-	-	2,450	2,429	4	2,433	17	25
Computer	74,650	-	-	74,650	74,547	62	74,609	41	257
<b>Total</b>	<b>140,100</b>	<b>-</b>	<b>-</b>	<b>140,100</b>	<b>118,808</b>	<b>2,173</b>	<b>121,061</b>	<b>19,019</b>	<b>23,690</b>



1. We have audited the attached Balance Sheet of **Ojas Asset Reconstruction Co. Limited** as at March 31, 2011 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto prepared incorporating the effect of the Scheme of Arrangement sanctioned by the Honorable High Court of Delhi vide its order dated 19<sup>th</sup> August, 2011 to be effective retrospectively from 1st April 2009, for the amalgamation of Adinath Trading Pvt Limited and Chitralkh Trading Pvt Ltd. with Ojas Asset Reconstruction Co Limited (Formerly known as **CHETRAM BALKRISHAN LIMITED**). These financial statements are the responsibility of the Company's management our responsibility is to express an opinion on these financial statements based on our audit

2. We conducted our audit in accordance with the auditing standards generally accepted in India those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, We give in the Annexure a statement on the matter specified in paragraph 4 and 5 of said order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that-

a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes 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, 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 and 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;



e) We had requested directors to give written representations regarding their eligibility for appointment as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 but no such representation was received by us and therefore we are unable to express our opinion on the subject;

(f) 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 give 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 March 31 2011-

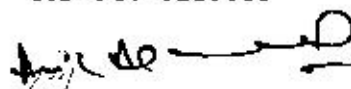
(ii) In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date; and

(iii) In the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For: AMAA & ASSOCIATES

(Chartered Accountants)

FRN NO. 013066C

  
(AMIT AGRAWAL)

PARTNER

MNO. 404969

PLACE: NEW DELHI

DATE: 02.09.2011

THE ANNEXURE REFERRED TO IN THE MAIN AUDITORS REPORT OF EVEN DATE

**Note:** The word Company has been used in the report as referring to the three Companies which have been amalgamated.

(i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) As explained to us, the Company has a system of physical verification of fixed assets which is designed to cover all assets over a period of three years and, in accordance therewith, physical verification of major portion of the fixed assets of the Company was carried out during the year. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In respect of the assets physically verified in the current year, reconciliation with the book records is in progress.

(c) In our opinion and according to the information and explanations given to us, the company has sold fixed asset though substantial in terms of amount yet as per the explanations given by the management it will not affect the going concern concept in future.

(ii) (a) During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventories, we are of the opinion that, the Company is maintaining proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and have either been properly dealt with in the books of account or as per policy being recovered from the person incharge of stock if there are material shortages.

(iii) According to the information and explanations given to us, the Company has, during the year, not granted or taken any loan, secured or unsecured to companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (b), (c) & (d) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories and fixed assets and with regard to the sale of goods and services during the year. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instances of major weaknesses in the aforesaid internal control systems.

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(v) (a) According to the information and explanations given to us and on the basis of such checks as we considered appropriate we are of the opinion that the Company has entered all the transactions required to be entered in the register maintained u/s 301 of the Companies Act, 1956.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 have been made at a price which is reasonable having regard to the prevailing market prices at that time.

(vi) The Company has not accepted any deposits from the public and hence directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under are not applicable for the year under audit.

(vii) In our opinion and according to the information and explanations given to us, the Company's internal audit system is commensurate with the size and nature of its business.

(viii) The provisions of this clause are not applicable to the company pertaining to maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 as the company is not a manufacturing entity.

(ix) According to the information and explanations given to us and the records of the Company examined by us, the Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, VAT, Service Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities and there were no arrears outstanding as at the year end for a period of more than six months from the date they became payable.

(x) According to the records of the Company and in our opinion, the accumulated losses at the end of the financial Year are not more than 50% of its net worth. Further, the Company has not incurred cash losses during the financial year ended March 31, 2011, as well as in the immediately preceding financial period ended March 31, 2010.

(xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to banks during the year. The Company has not taken any loans from financial institutions and has not issued debentures.

(xii) As the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, paragraphs 4(xii) of the Order are not applicable.

(xiii) The provisions of any special statute as specified under paragraph 4(xiii) of the Order is not applicable to the Company.

(xiv) As the Company is not dealing or trading in shares, securities, debentures and other investments, paragraph 4(xiv) of the Order is not applicable.

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(xv) According to the information and explanations given to us, in our opinion the company has not given any guarantee for loans taken by others from banks or financial institutions.

(xvi) According to the information and explanations given to us, the Company has not raised any term loan during the year.

(xvii) According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that during the year short term funds have not been used to finance long term investments.

(xviii) During the year, since the Company has not made any preferential allotment of shares, paragraph 4(xviii) of the Order is not applicable.

(xix) During the year, since the Company has not issued any debentures, paragraph 4(xix) of the Order is not applicable.

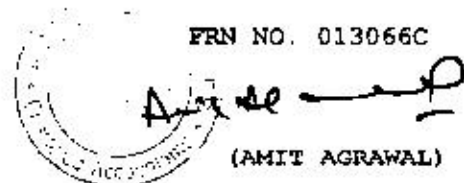
(xx) During the year, since the Company has not raised any money by way of public issue, paragraph 4(xx) of the Order is not applicable.

(xxi) In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For: AMAA & ASSOCIATES

(Chartered Accountants)

FRN NO. 013066C



(AMIT AGRAWAL)

PARTNER

MNO. 404969

PLACE: NEW DELHI

DATE: 02.09.2011

**SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS**

**1. ACCOUNTING POLICY**

**(A) Accounting Conventions**

The accounts have been prepared using historical cost convention and on the basis of a going concern with revenues recognized and expenses accounted for on accrual basis. Certain items, viz. Interest from/to shareholders and insurance claims where there is no reasonable certainty regarding the amount or its realisability are accounted for upon finalization.

**(B) Use of Estimates**

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Differences between actual results and estimates are recognized in the period in which they materialize.

**(C) Fixed Assets**

Fixed assets are taken at acquisition and installation cost including other direct/indirect attributable costs.

**(D) Depreciation**

Depreciation on fixed assets is provided as per the rates prescribed under the Income Tax Act, 1961.

**(E) Current Assets**

Debtors, loans and advances are valued on net realization basis.

**(F) Profit and Loss A/c**

Preliminary expenses have been written off over a period of 05 Years in accordance with the provisios of section 35-D of the Income Tax Act, 1961.

**(G) Investments** are valued at cost (inclusive of expenditure incurred exclusively in connection with such acquisition) and necessary provision for fluctuation in their market value (in case of permanent diminution) has been made in accordance with AS-13. "Accounting for Investments" issued by the ICAI.

**(H) Employee Benefits**

Provision for gratuity and leave encashment is made on the basis of actuarial valuation at the end of the Year. Contribution to Provident Fund and Employee State Insurance Fund is accounted on accrual basis.

**(I) Borrowing Costs**

Borrowing cost attributable to acquisition, construction or production of qualifying assets is capitalized as part of the cost of that asset till the asset is ready for use. Other borrowing costs are recognized as an expense in the period in which these are incurred.



**(J) Provision, Contingent Liabilities and contingent assets**

A provision is recognized when:

- the company has a present obligation as a result of a past event.
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation: and
- a reliable estimate can be made of the amount of obligation

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**(K) Inventories**

(a) FINISHED GOODS: are valued at cost or market price whichever less is.

**(L) Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer.

**Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

**(M) Income taxes**

Tax expense comprises both current and deferred taxes. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

**(N) Segment Reporting Policies**

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different

products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

The Company generally accounts for inter-segment sales and transfers as if the sales or transfers were to third parties at current market prices.

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

The Corporate and Other segment include general corporate income and expense items, which are not allocated to any business segment.

## **2. NOTES TO THE ACCOUNTS**

### **NOTES CONCERNING AMALGAMATION**

1.0 Scheme of Arrangement (Scheme) - The Scheme sanctioned by Honble High Court of Delhi is for the amalgamation of the ADINATH TRADING PVT LTD. (ATPL-Transferor Company No. 1) and Chitralekha Trading Pvt Ltd. (CTPL-Transferor Company No. 2) with the OJAS ASSET RECONSTRUCTION CO LTD. (CARCL- Transferee Company)

The proposed scheme will result in reduction in overheads and other expenses, reduction in administrative and procedural works, eliminate duplication of work, better and more productive utilisation of various resources and will enable the undertakings concerned to effect internal economies and optimize productivity.

The said scheme will enable the undertakings and business of the said companies to obtain greater facilities possessed and enjoyed by one large company compared to a small company for raising capital, securing and conducting trade and business on favorable terms and other related benefits. Thus there is synergy of business interest between the three Companies. Accordingly, their businesses are combined conveniently/ advantageously and would ensure for the benefit of the Shareholders, the employees and all the stakeholders of all the three Companies.

#### **2.0 Salient features of the Scheme are:**

2.1 The Scheme would be operative from the Appointed Date, i.e. 01.04.09 and would be effective from the date on which copies of the order of Honble High Court of Delhi sanctioning the Scheme has been filed with the Registrar of Companies, NCT of Delhi and Haryana.

2.2 Authorised Share Capital of the Transferee Company would be sum total of the Authorised Share Capital of all the three Companies.

2.3 Based on the business valuation of CARCL, ATPL and CTPL, Equity Shareholders of ATPL would get 21 Equity Shares for every 2 Equity Share held in ATPL and Equity Shareholders of CTPL would get 21 Equity Shares for every 2 Equity Shares held in CTPL of the Transferee Company after canceling the crossholdings.

Accordingly, Equity Share Capital of the Transferee Company would become Rs. 21,24,90,000.00 comprising of 2,12,49,000 Equity Shares.

Accordingly, Equity Shares would be allotted to the Shareholders of all the two Companies as on the Record Date as under:- 21 New Equity Shares of Rs 10/- each fully paid -up of Transferee Company for every 2 Equity Shares of Rs 10/- each

fully paid-up held in Transferor Company No.1, i.e. ATPL. 21 New Equity Shares of Rs 10/- each fully paid-up of Transferee Company for every 2 Equity Shares of Rs 10/-each fully paid-up held in Transferor Company No.2, i.e. UTPL.

2.4 The incidence of adopting uniform Accounting Policies, if any, has been quantified and adjusted in the Revenue Reserves.

2.5 All Assets, Liabilities, Rights and Obligations of Transferor Companies No. 1 and 2 would vest with the Transferee Company at Book Value as on the Appointed Date, i.e. 1.4.2009.

3.0 The Scheme of amalgamation has been sanctioned by Honable High Court of Delhi vide its Order dated 19.08.2011. The company has filed the requisite papers with ROC-Delhi & Haryana for its approval of scheme on 02.09.2011 and the same is awaited for its approval, the Appointed Date of the Scheme being 1st April 2009.

3.1 The accounts of the Company have been prepared following the principles and procedures of the Pooling of Interest Method of Accounting for Amalgamation as per Accounting Standard - 14.

3.2 The difference of Rs. 10901800.00 between the Equity Share Capital allotted to the Shareholders of both the Transferor Companies and their Equity Share Capital prior to Amalgamation has been adjusted in Profit & Loss A/c.

#### OTHER NOTES

4.0 This consolidated balance sheet has been prepared on the basis of scheme of arrangement consequent upon its approval by the Honble High court of Delhi vide its order dated 19.08.2011 by applying the principles laid down in AS-14 issued by the ICAI.

The company has during the period covered under audit allotted new equity shares as per the sanctioned scheme as has been approved by the ROC-New Delhi & Haryana on the date of this report. All the necessary proceedings pertaining to increase in authorised share capital and its subsequent allotment has already been completed.

#### 5.0 Provision for Income Tax

The amalgamated company OJAS ASSET RECONSTRUCTION CO LTD. (Formerly known as CHETRAM BALKRISHNAN LTD) intends to file its Income Tax Return based on amalgamated accounts. Accordingly the provision for taxation in the consolidated accounts has been made as per the current tax rates prescribed under the Income Tax Act, 1961.

#### 6. Remuneration paid to Auditor:

PARTICULARS	Current Year 31.03.2011	Previous Year 31.03.2010
Auditor's Fees	30,000/-	53,845/-



**7. Contingent Liabilities not provided for in respect of:**

There is no contingent liability against the Company.

8. Current assets, loans and advances have a value on realization which in the ordinary course of the business would not be less than the amount at which they are stated in the balance sheet and the provisions for all known and determined liabilities are adequate and not in excess of the amount reasonable required.

**9. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

There are no Micro and Small Scale Business Enterprises, to whom the company owes dues for more than 45 days as on 31.03.2011. This information is required to be given under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

**10. Additional information pursuant to provision of Paragraph 4D of Part II Schedule VI to the Companies Act, 1956:**

10.1 Value of Import NIL

Expenditure in Foreign Currency NIL

Earnings in Foreign Currency NIL

11. Estimated amount of contracts remaining to be executed on capital accounts and not provided for Rs. NIL Previous year NIL

12. None of the employee was in receipt of remuneration exceeding Rs. 24,00,000/ p.a. if employed throughout the year and Rs. 2,00,000/ p.m. or more if employed for a part of the year.

**13. Earning per Share-The eps has been calculated below as per AS 20:**

S. no.	Particulars	FY 10-11	FY09-10
1.	Net profit avbl to shareholders	13704.22	69224.74
2.	Weighted avg no. of shares	21249000	21249000
3.	Basic EPS	.0006	.003
4.	Diluted EPS	.0006	.003
5.	Nominal value of share	10/-	10/-

14 Previous Year Figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE ATTACHED

For AMAA & ASSOCIATES  
(Chartered Accountants)

FRN NO. 0130032

A-100

(AMIT AGRAWAL)

PARTNER

M.no:404969

Place: New Delhi

Date:02.09.2011



FOR AND ON BEHALF OF THE BOARD  
For Ojas Asset Reconstruction Company Ltd.

(ANUS DEWAN)

MG. DIRECTOR

Managing Director

(ASHWANI DEWAN)

DIRECTOR

Director

*[Handwritten signatures of Anus Dewan and Ashwani Dewan]*