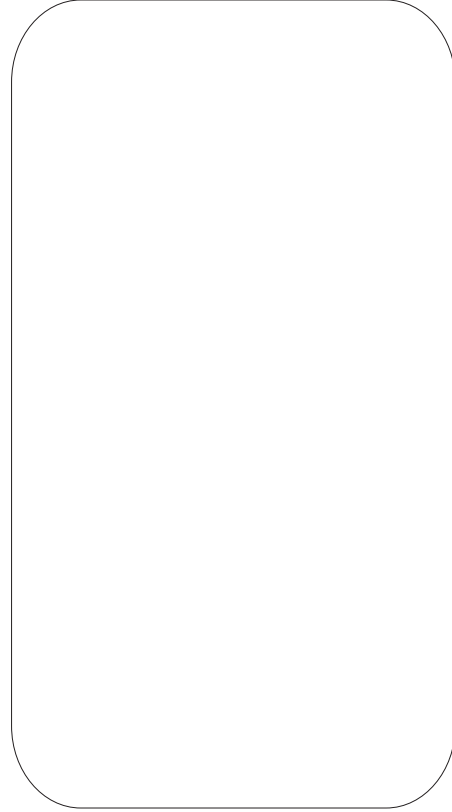


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**Maha Rashtra Apex  
Corporation Limited**

Admn. Off : Syndicate House, Manipal - 576 104



# 67<sup>th</sup> ANNUAL REPORT

2010 - 2011



**Maha Rashtra Apex  
Corporation Limited**

Registered Office : 3rd Floor, Front wing, North Block,  
Manipal Centre, # 47, Dickenson Road, Bangalore - 42

*Respectful Salutations...*



Late Sri T Ramesh U Pai

**BOARD OF DIRECTORS**

Executive Director	:	Sri G A REGO
Director	:	Sri S R GOWDA
Director	:	Sri K B SHETTY
Company Secretary	:	Sri J M PANDEY
Bankers	:	SYNDICATE BANK CORPORATION BANK ICICI BANK LTD. KARNATAKA BANK LTD.
Auditors	:	M/s RAO & SWAMI Chartered Accountants Vidyarathna Building UDUPI - 576 101
Registered Office	:	3rd Floor, Front wing, North Block, Manipal Centre, 47, Dickenson Road, Bangalore - 560 042
Administrative Office	:	Syndicate House Upendra Nagar MANIPAL 576104
Share Transfer Agents	:	M/s Purva Sharegistry (India) Pvt.Ltd. Unit Maha Rashtra Apex Corporation Ltd. 9 Shiv Shakti Industrial Estate, 7-B J R Boricha Marg Opp. Kasturba Hospital, Lower Parel (E), MUMBAI-400 011 Phone: (022) 2301 6761 E-mail:busicomp@vsnl.com

### NOTICE

NOTICE is hereby given that the 67th Annual General Meeting of the members of MAHA RASHTRA APEX CORPORATION LIMITED will be held as follows:

Date: Monday, September 26, 2011 Time: 11.00 a.m

Venue: Sri T. Ramesh Pai Memorial Hall, Kurlon Factory, Jalahalli Camp Road, Yashwantapur, Bangalore 560 022

The Agenda for the meeting is given below:

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as on that date and the Report of the Board of Directors and Auditors thereon.
2. To Appoint a Director in the place of Sri S R Gowda who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board,

Bangalore  
August 16, 2011

G A Rego  
Executive Director

### NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.
2. Duly completed instrument of proxy must be lodged with the Company's Registered Office not less than 48 hours before the meeting time.
3. The Register of Members and share transfer books of the Company shall remain closed from 22.9.2011 to 26.9.2011 (both days inclusive).
4. Members are requested to bring their copy of the Annual Report along with them to the meeting.

### INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE-APPOINTMENT OF DIRECTORS WHO IS PROPOSED TO BE RE-APPOINTED IS GIVEN HERE BELOW:

Sri S R Gowda, an Engineering Graduate from Mysore University having ample experience in the financial field. He also enjoys the position of Director of various Companies of Manipal Group and his sincere efforts for the development of each Company in this group are worth mentioning. He is associated with the group for several decades and he has contributed a lot to achieve the goals of the Manipal Group Companies. He is having good public relation and enjoying very good contacts with eminent personalities in various walks of life.

He is also director in the following Companies:

1. Canara Steel Ltd.
2. Maharashtra Apex Asst Management Co.Ltd.
3. Manipal Home Finance Ltd.
4. Canara Nidhi Ltd.
5. Manipal Gold Co.Ltd.
6. Manipal Infrastructure Ltd.
7. Dagny Investments (P) Ltd.
8. Anil Sunil Trade & Investment (P) Ltd.
9. Eldorado Share Services (P) Ltd.
10. Eldorado Investment Company (P) Ltd.
11. Jayamahar Trade & Investment (P) Ltd.
12. Manipal Chit Fund (P) Ltd.
13. Manipal Medi Records (P) Ltd.
14. Metropolis Builders (P) Ltd.
15. Crimson Estate & Properties (P) Ltd.
16. Rajmahar Trade & Investment (P) Ltd.
17. Rakshith Labour & Mgt Services (P) Ltd.

He is member of the Audit Committee and member of the Shareholder/Investor's Grievance Committee.

By Order of the Board,

Bangalore  
August 16, 2011

G A Rego  
Executive Director

### GREEN INITIATIVE IN CORPORATE GOVERNANCE

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliance by the Companies and has issued circulars stating that the service of notice/documents including Annual Report can be sent by email to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holding with Depository. Member who hold shares in physical form are requested to register their email addresses with RTA (Registrar and Share Transfer Agents) of the Company.

### DIRECTORS' REPORT

#### TO THE MEMBERS,

Your Directors have pleasure in presenting the 67th Annual Report and Audited Statements of Account for the year ended 31st March, 2011.

#### FINANCIAL RESULTS

(Rs. in lakhs)

	Year ended March 31, 2011	Previous Year March 31, 2010
Profit before Interest, Depreciation, Lease Equalisation and Provision for Taxation	515.51	919.01
Less: Interest	602.02	535.14
Lease Equalisation	(12.20)	(22.30)
Depreciation	42.92	70.97
	----- 632.74	----- 583.81
	----- (117.23)	----- 335.20
Less: Provision for Taxation	0.00	38.00
	----- (117.23)	----- 297.20
Net Profit after Tax	(117.23)	297.20
Prior Period Adjustment	0.00	1134.58
	----- (117.23)	----- 1431.78
Add: Previous year's surplus	(9947.55)	(11379.33)
	----- (10064.78)	----- (9947.55)
Amount available for disposal	(10064.78)	(9947.55)
	=====	=====

#### REVIEW OF OPERATION

Due to cancellation of the licence by the RBI the Company was constrained to discontinue fund based business activities. Our obligations towards depositors and bond holders under the Scheme of restructure sanctioned by the Hon'ble High Court of Karnataka could not be met since the recovery position was far from the expectation. Company is making sincere efforts to materialize the sale of immovable assets as well as investments in order to raise adequate funds to clear the liabilities as early as possible. The Company is also in the process of finding revenues by fee based activities with a view to augment additional funds. The Collection of dues under HP/LEASE/BILLS etc was to the tune of Rs. 277.06 lacs during the year under review.

The Company posted a net loss of Rs. 117.23 Lacs for the current year. In view of the loss the Board express its inability to declare dividend to Equity/Preference Shareholders.

#### SCHEME OF ARRANGEMENT

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has repaid Deposits/Bonds aggregating to Rs. 9759.09 lacs till 31.3.2011. The details are given below:

(Rs.in Lakhs)

Category	Payable	Paid till 31.03.11
Principal Amount Rs.5000/-& less	1258.70	1169.18
Principal Amount above Rs.5000/-Payable in instalments		
I	3448.10	3448.10
II	4503.00	4503.00
III	3791.77	636.91
IV	3045.22	1.90
V	5458.40	-
TOTAL	21505.19 =====	9759.09 =====

#### PERSONNEL

The Staff strength has been reduced considerably and the minimum staff members required for functioning of the Company are retained. The above austerity measures taken by the management helped a lot to reduce the over heads of the Company.

None of the employees of the Company is in receipt of remuneration exceeding the limits as specified in Section 217(2A) of the Companies Act, 1956.

#### SUBSIDIARY COMPANIES

As required under Section 212 of the Companies Act, 1956 the Audited Statement of Accounts along with reports of the Board of Directors and Auditors of Subsidiary Companies namely Maharashtra Apex Asset Management Company Ltd, Crimson Estates & Properties Pvt.Ltd., and El'Dorado Investments Pvt.Ltd. are annexed.

#### DIRECTORS

Sri S R Gowda, Director retires in the ensuing Annual General Meeting and being eligible offers himself for reappointment.

#### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures.
- Appropriate accounting policies have been selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the loss of the Company for the year ended as on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on a going concern basis.

#### REPLY TO AUDITORS' OBSERVATION

The Board is taking various steps to accelerate recovery. It has constituted an Asset Recovery Board with adequate powers to settle One time Settlement cases. Recovery Facilitators are also appointed at selected places. Special efforts are on to induce the loan defaulters and bring them forward for settlement. The Company has met fair success in this process.

Consequent to the closure of most of the branches and discontinuation of business activities, there has not been any Significant transactions which merit the continuance of Internal Audit system. Hence as a cost cutting measure the Internal Audit System has been discontinued with effect from the year 2003.

With regard to Auditors' observation in Paras 2(f)(g)(h)(i)(j)(k) and l) explanations given in the relevant notes B(1) to B(15), of Schedule 'N' of the Accounts are self-explanatory.

#### AUDITORS

M/s Rao & Swami, Chartered Accountants, Udupi, the present auditors of the Company retire at the forthcoming Annual General Meeting. A Certificate under Section 24(1B) of the Companies Act, 1956 has been received from the Auditors, confirming that the appointment if made will be within the prescribed limits.

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

As your Company is not engaged in manufacturing activities, there is no information to submit in respect of the above.

**CORPORATE GOVERNANCE**

As required under Clause 49 of the Listing Agreement a detailed Report on Corporate Governance is enclosed. A Certificate from the Auditors regarding compliance of the conditions of Corporate Governance is made as part of this Report.

**CASH FLOW STATEMENT**

In conformity with Clause 32 of the Listing Agreement with Stock Exchanges the Cash Flow Statement for the period ended 31st March, 2011 is Annexed herewith.

**ACKNOWLEDGMENTS**

Your Directors would like to express their gratitude to all the Bankers of the Company for their continued support and co-operation. The Directors also thank the customers, creditors and shareholders for their support and the staff members for their devoted services.

For and On behalf of the Board,

Bangalore  
 August 16, 2011

G A Rego                      K B Shetty  
 Executive Director          Director

**CORPORATE GOVERNANCE REPORT- 2011**
**COMPANY'S PHILOSOPHY:**

The primary motive of the Company is to uphold good Corporate Governance and the management did not spare any effort in implementing all possible measures by adopting adequate steps in order to achieve this objective.

**BOARD OF DIRECTORS:**
**Composition of Board:**

The Board of Directors of the Company consists of Executive Director and Non-Executive Directors as on 31st March, 2011. 66% of the Board Members consisted of Non-Executive & Independent Directors. Composition of the Board of Directors of the Company and their other Directorship(s)/Committee Membership(s)/Chairmanship(s) as on 31st March, 2011 was as under:

Six Board Meetings were held during the period 2010-11. These meetings were held on 29th April, 2010, 24th June, 2010, 29th July, 2010, 31st August 2010, 29th October, 2010 and 28th January, 2011.

The details are follows:

Sl.No.	Name of Director	Category of Directorship	No. of Meeting Attended	Attendance at last AGM	No. of other Directorship	No. of Membership Chairman(C)
1.	Sri G A Rego	Executive/Whole time Director	6	Yes	16	2
2.	Sri S R Gowda	Independent-Non-Executive- Director	6	Yes	17	2
3.	Sri K B Shetty	Independent-Non-Executive- Director	6	Yes	Nil	2

**AUDIT COMMITTEE:**

Composition of the Audit Committee meets all the criteria under the law. The Committee comprises of three Directors, majority being Non-Executive and independent. It met five times during the period 2010-2011 on 29th April, 2010, 29th July, 2010, 31st August, 2010, 29th October, 2010 and 28th January, 2011.

**The Audit Committee comprised of the following members:**

Sri K B Shetty                      Chairman  
 Sri G A Rego                      Member  
 Sri S R Gowda                      Member

The Company Secretary acts as the Secretary to the Audit Committee.

**Attendance of the Directors in the Audit Committee Meeting:**

Date of Meeting	No. of Members Present
29th April, 2010	3
29th July, 2010	3
31st August, 2010	3
29th October, 2010	3
28th January, 2011	3

**REMUNERATION COMMITTEE:**

The Non-Executive Directors stopped drawing any remuneration by way of sitting fees for attending Board/ Committee Meetings. Therefore remuneration committee has not been formed.

Details of remuneration paid to the Whole-Time Director during the period from 1.4.2010 to 31.3.2011 is given herebelow:

- i) Whole-Time Director - Rs.2.79 lakhs
- ii) Non-Executive Directors - Nil

**SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE:**

The Committee comprising three members of the Board, approves transfers, transmission issue of duplicate shares and review and redress Share holders grievances/complaint on matters relating to transfer of shares and non-receipt of Balance Sheet. The Committee met 27 times during the year under report.

The composition of Shareholders/Investors' Grievance Committee and attendance of members in the meeting are given below:

Sl.No	Name of Director	Category of Directorship	No.of Meeting Attended
1.	Sri G A Rego	Executive Director	27
2.	Sri S R Gowda	Independent-Non-Executive	27
3.	Sri K B Shetty	Independent-Non-Executive	-

**GENERAL MEETINGS:**

The 64th & 65TH Annual General Meetings were held at Manipal Junior College Auditorium, Manipal and 66th Annual General Meeting was held at Hotel Ajantha, M G Road, Bengaluru as given here below:

AGM No.	DATE	TIME	Special Resolution required for
64	29.9.2008	4.00 p.m	Nil
65	30.9.2009	4.00 p.m	1. Re-appointment of Executive Director 2. Shifting of Registered Office from 3rd Floor, Syndicate House, Manipal 576 104 to 3rd Floor, Front Wing, North Block, Manipal Centre, 47, Dickenson Road BANGALORE 560 042
66	29.9.2010	11.00 a m	Nil

All the resolutions as set out in the respective notices were passed by the Shareholders. No special resolution was required to be put through Ballot.

**POSTAL BALLOT:**

The Notice of 67th Annual General Meeting for the year 2011 does not contain any item which requires approval by Postal Ballot.

**DISCLOSURES:**

Consequent upon fulfilling all the requirements and complying with certain clauses of the Listing Agreement, BSE has revoked the suspension of the trading of the Equity Shares of the Company with effect from 12.08.2010.

The Company does not have any related party transactions that are material in nature either with its promoters and/or their subsidiary Companies, Directors, Management and relatives etc.

**MEANS OF COMMUNICATION:**

- a) Quarterly/Half/Yearly Financial Results of the Company are forwarded to Stock Exchanges in addition to getting the same published in the National & Regional Newspapers as per the Listing Agreement.
- b) Web site [www.maharashtraapex.com](http://www.maharashtraapex.com)
- c) Company has not made any presentations to any institutional Investors/Analyst during the year.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Consequent upon the cancellation of the NBFC license the Company desisted from accepting deposit and doing Hire Purchase/Lease/Loan Business. At present Company's activities are restricted to recovery of Hire Purchase instalments/Loans. The Company is also concentrating on repayment of Deposit/Bonds as per the Scheme of arrangement/ restructure sanctioned by the Hon'ble High Court of Karnataka.

**BUSINESS REVIEW:**

During the year the Company recovered a sum of Rs. 277.06 lakhs by way of Cash apart from Rs. 7.57 lakhs through Bond/Deposit adjustments.

**REPAYMENT OF DEPOSIT/BOND:**

In terms of Scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka, the Company has repaid public investments aggregating to Rs. 9,759.09 lacs till 31.3.2011.

The details are given below:

(Rs. in Lakhs)

Category	Payable	Paid till 31.03.11
Principal Amount Rs.5000/- & less	1258.70	1169.18
Principal Amount above Rs.5000/- Payable in instalments		
I	3448.10	3448.10
II	4503.00	4503.00
III	3791.77	636.91
IV	3045.22	1.90
V	5458.40	-
TOTAL	21505.19	9759.09
	=====	=====

**INTERNAL CONTROL SYSTEM:**

All payments are made from Head Office only and existing Branches are not permitted to disburse any amount without obtaining prior approval from Head Office.

**DISCUSSION ON FINANCIAL PERFORMANCE:**

This subject has been covered in the Directors' Report.

**HUMAN RESOURCE DEVELOPMENT:**

The Number of staff has been reduced to the minimum which is essential to run the organisation. There are only 63 Staff members working in the entire organisation as on 31.3.2011.

**GENERAL SHAREHOLDERS INFORMATION:**

- a) Annual General Meeting : 67th Annual General Meeting  
 Date : 26.09.2011  
 Time : 11.00 a.m.  
 Venue : Sri T. Ramesh Pai Memorial Hall, Kurlon Factory, Jalahaali Camp Road, Yeshwantpur, Bengaluru 560 022
- b) Financial Year : 1st April to 31st March.
- c) Date of Book-Closure : 22.9.2011 to 26.9.2011 (both days inclusive) for the purpose of Annual General Meeting of the Company
- d) Dividend : The Board of Directors have not recommended any dividend on Equity & Preference Shares for the period 2010-11.
- e) Registered Office : 3rd Floor, Front Wing, North Block, Manipal Centre, 47, Dickenson Road, BANGALORE 560 042
- f) Listing on Stock-Exchange : The Equity Shares are listed at the Bombay Stock Exchange Ltd. & National Stock Exchange Ltd. The Listing Fee for the year 2010-11 has been paid to both of the Stock Exchanges and custodial fees paid for the year 2010-11 to NSDL and CDSL.
- g) a) Stock Code BSE : 523384  
 NSE : MAHAPEXLTD  
 b) Demat ISIN Number of Equity Shares of the Company: INE843B01013 As on 31st March, 2011, 72,80,402 Equity Shares forming 51.45% Share Capital of the Company stands dematerialised.
- h) Share Price Data: Market price data of the Company's equity Shares in Bombay Stock Exchange for the period from August, 2010 to March 2011 is as below:

Month	High	Low
August, 2010	39.00	15.30
September, 2010	24.15	15.45
October, 2010	21.10	15.85
November, 2010	19.30	16.60
December, 2010	19.10	13.35
January, 2011	19.00	15.25
February, 2011	15.70	12.70
March, 2011	16.15	12.19



**Registrar and Share Transfer Agents:**

M/s Purva Sharegistry (India) Pvt.Ltd.  
 Unit: Maha Rashtra Apex Corporation Ltd.  
 9 Shiv Shakti Industrial Estate  
 7-B J R Boricha Marg  
 Opp. Kasturba Hospital, Lower Parel (E),  
 MUMBAI - 400 011  
 Tel: 022-23010771, 022-23016761  
 Email busicomp@vsnl.com

**Share Transfer Systems:**

Shares received for transfer by the Company or its Registrar and Transfer Agent in physical mode are processed and all valid transfers are approved. The Share Certificates are duly transferred and dispatched within stipulated time.

**i) DISTRIBUTION OF EQUITY SHAREHOLDING ON 31st MARCH, 2011:**

SHARE HOLDING OF NOMINAL VALUE OF	NUMBER	% TO TOTAL	IN Rs.	% TO TOTAL
UPTO 5,000	10094	84.67	25288430	17.87
5,001 - 10,000	1230	10.32	8696700	6.15
10,001 - 20,000	395	3.31	5438060	3.84
20,001 - 30,000	85	0.71	2138690	1.51
30,001 - 40,000	26	0.22	899010	0.64
40,001 - 50,000	14	0.12	629510	0.44
50,001 - 1,00,000	36	0.30	2678780	1.89
1,00,001 AND ABOVE	41	0.34	95731820	67.65
<b>TOTAL</b>	<b>11921</b>	<b>100.00</b>	<b>141501000</b>	<b>100.00</b>

**SHAREHOLDING PATTERN AS ON 31st MARCH, 2011:**

Category	No. of shares held	Percentage of Shareholding
A. Directors, Relatives/ Friends and associates	87,12,222	61.57
B. Institutional Investors	-	-
C. Mutual Funds and UTI	-	-
D. Banks	1,998	0.01
E. FIs	-	-
F. Private Corporate Bodies	1,32,144	0.94
G. Indian Public	52,92,691	37.40
H. NRIs/OCBs	11,045	0.08
I. Any other (Please specify)	-	-
<b>GRAND TOTAL ...</b>	<b>1,41,50,100</b>	<b>100.00</b>

j) Plant Locations : Nil

k) Address for Investors correspondence:  
 M/s Purva Sharegistry (India) Pvt.Ltd.  
 Unit Maha Rashtra Apex Corporation Ltd.  
 9 Shiv Shakti Industrial Estate, 7-B J R Boricha Marg  
 MUMBAI-400 011  
 Phone: (022) 2301 6761  
 E-mail: busicomp@vsnl.com  
 Website: www.purvashare.com

### DECLARATION

Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, all Board Members and Senior Management Personnel affirmed compliance with the respective provisions of code of Conduct of the Company for the year ended 31st March, 2011.

G A Rego  
Executive Director

### ED/CFO CERTIFICATION

To  
The Board of Directors  
MAHARASTRA APEX CORPORATION LTD.  
Bengaluru

We Executive Director appointed in terms of the Companies Act, 1956 and Chief Financial Officer of the Company certify to the Board that :

- (a) We have reviewed the financial statements and the cash flow statements for the year and that to the best of our knowledge and belief,
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions are entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) That we accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company.
- (d) We have indicated to the Auditors and the Audit Committee:
  - (i) No significant changes have taken place in internal control processes during the year.
  - (ii) No significant changes in accounting policies during the year

For Maha Rashtra Apex Corporation Ltd.

CHIEF FINANCIAL OFFICER      EXECUTIVE DIRECTOR

### AUDITORS' CERTIFICATE

We have examined the compliance of corporate governance by Maha Rashtra Apex Corporation Ltd (the Company) for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the Company with Stock Exchanges.

The Compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for the ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Based on such examination, to the best of our information and according to the explanations given to us, we certify that the Company has complied with the material conditions of Corporate Governance as stipulated in the above mentioned listing agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

for RAO & SWAMI,  
Chartered Accountants  
FRN. 003105S

Udupi  
August 16, 2011

P V SHENOY  
Partner  
Membership No. 020205

**AUDITORS' REPORT**

To the members of MAHA RASHTRA APEX CORPORATION LIMITED

We have audited the attached Balance Sheet of MAHA RASHTRA APEX CORPORATION LIMITED as at 31st March, 2011 and the annexed Profit & Loss Account for the year ended on that date. 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.

We conducted our audit in accordance with 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 the Management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

1. 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 in terms of Section 227 (4A) of the Companies Act, 1956, we give in the annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order, to the extent applicable to the Company.
2. Further to our comments in the Annexure referred to in Paragraph (1) 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 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 examination of those books.
  - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account.
  - d) On the basis of the written representations received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2011 from being appointed as Directors of this Company in terms of Clause (g) of Sub-section (1) of Section 274 of the Companies Act, 1956.
  - e) In our opinion, the Balance Sheet and Profit & Loss Account, dealt with by this report, have been prepared in compliance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, except Note Nos. B(15) and B(14) of Schedule-N regarding creation of Capital Redemption Reserve for redemption of 14% Cumulative Preference Shares, and creation of Deferred Tax Asset.
  - f) In terms of direction issued by RBI, we state that:
    - i) The Company has not obtained Credit Rating
    - ii) The Capital Adequacy Ratio is negative.
    - iii) There has been some delay in submission of Statements to RBI.
    - iv) In view of the negative networth, all lendings and investments are in excess of Credit Concentration Limit stipulated by the Reserve Bank of India.
    - v) The company has encashed all the approved securities and utilized for repayment of deposits.

- g) Though the networth of the Company is negative, it has prepared the accounts on "going concern" basis on the presumption that deficit in operations will be effectively monitored (refer Note No. B (3) of Schedule-N).
- h) By its order dated 13th June, 2002, RBI has cancelled the Certificate of Registration granted to the Company to act as Non-Banking Financial Company.
- i) Accrued interest on deposits and bonds were provided upto 31.3.2002 only as per the Scheme of Restructure of the debts of the Company as sanctioned by the Hon'ble High Court of Karnataka (refer Note B(1)(a) of Schedule-N).
- j) The company has stopped repayment of deposits/bonds on maturity dates, till the sanction of Scheme of Restructure by the Hon'ble High Court of Karnataka on 8th October, 2004. Now the company has started repayment under the sanctioned Scheme and the short fall in repayment amounted to Rs.117.46 crores (refer Note Nos. B(1) and (2) of Schedule-N). All the instalments of repayment of deposits/bonds are as per scheme sanctioned by High Court of Karnataka due for payment on 15th September 2009 and 15th June 2009 (refer Note no. 1 (e) and Note (1)(f)).
- k) Though the management is of the view that it will be able to monitor effectively the deficit in operation, we are unable to comment on the ultimate realisability of company's assets.
- l) Provision has not been made as required under RBI Prudential Norms since 1.4.2000. Had this been provided for, the net assets would have been less and the accumulated loss would have been more by the provision required (Refer Note No. B(6) of Schedule-N).
- m) Subject to the comments made in Para (e), (f), (g), (h), (i), (j), (k) and (l) above, in our opinion and to the best of our information and according to the explanations given to us the said accounts read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
  - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011 and,
  - (ii) in the case of the Profit & Loss Account, of the "Loss" for the year ended on that date.
  - (iii) in the case of Cash Flow statement, of the Cash Flow for the year ended on that date.

for RAO & SWAMI,  
Chartered Accountants  
FRN. 003105S

UDUPI  
August 16, 2011

P V Shenoy  
Partner  
Membership No. 020205

**ANNEXURE TO AUDITORS' REPORT**

Referred to in Paragraph 1 of our report of even date:

- i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. We are informed that these fixed assets have been physically verified by the Management once in a year and no serious discrepancies have been noticed on such verification. We are informed that assets on lease are not physically verified as most of the lease accounts are under legal proceedings and the value of these assets are not significant.
- ii) The Company has informed us that stock on hire could not be physically verified as most of the hire purchase accounts are irregular and legal proceeding are in progress for recovery of dues.
- iii) a) As per the explanations furnished by the Management, during the year the Company has not granted any loans, secured or unsecured to Companies, Firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956.
- b) We are informed that certain Companies to which loans were granted earlier are now having common directors with the lending company on account of change of directors subsequently. In the opinion of the management, section 297 and 299 are not applicable to these companies as per sub-section (6) of section 299 of the Companies Act, 1956.
- c) Though the Company is persuading the borrowers to repay the loans, we are of the opinion that more efforts are required to be put for the recovery of these loans.
- d) As per the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and the nature of its business for the purchase and sale of assets. During the course of Audit, no major weakness has been noticed in the internal controls.
- v) We are informed by the Management that Register required to be maintained u/s 301 is properly maintained and during the year Company has not entered into any transactions which are required to be entered in the Register maintained under section 301, as Section 297 and 299 are not applicable to transactions between two companies covered under sub-section 6 of section 299 of the Companies Act, 1956.
- vi) Though the company had stopped repayment of deposits/debentures matured after 15th April, 2002, in view of the Scheme of Restructure filed before the Hon'ble High Court of Karnataka, it has started the repayment of deposits/bonds as under the Scheme sanctioned by the Hon'ble High Court of Karnataka as referred in Note No. B(1) and B(2) of Schedule-N. All the instalment of repayment of Bonds/Deposits as per scheme sanctioned by High Court of Karnataka due for payment on 15th September and 15th June 2009 (refer Note B(1) B(2) of schedules). The case filed by depositors before National Consumer Forum, New Delhi, criminal cases filed at JMFC, Yellapur also are pending. We are informed by the management that there are no orders by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any other Court or Tribunal.
- vii) We are informed that the Company has discontinued the Internal Audit system on account of discontinuance of its regular business from 15th April, 2002.
- viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- ix) a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Wealth Tax, Service Tax and other statutory dues applicable to it and there are no arrears of outstanding statutory dues for a period of more than six months from the date they became payable.

- b) According to the records of the Company, disputed Income-Tax has been adjusted from the refund due and the Sales-Tax dues which has not been deposited on account of dispute are given below:

(Rs. in lakhs)

Name of the Statute	Nature of Period Arrears	Forum where dispute is pending	Amount
Andhra Pradesh Sales Tax Act	Sales Tax 95-96, 96-97	Sales Tax Appellate Tribunal	17.54

- x) The net worth of the Company is completely eroded. The Company has incurred cash loss of Rs.86.51 lakhs during the year (previous year the company has not incurred cash loss.).
- xi) As per the information given by the company, there are no defaults in repayment of dues to financial institutions or banks. In respect of matured debentures and interest accrued there on upto 31.3.2002, company is in the process of payment to debenture-holders as per the Scheme of Compromise and Arrangement sanctioned by the Hon'ble High Court of Karnataka on 8th October, 2004 (refer Note No.B(1) and 2 of Schedule-N).
- xii) In our opinion, the Company has maintained adequate records where the Company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) As the Company is not a Chit Fund, Clause 4(xiii) of the Companies (Auditor's Report) Order 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 is not applicable to the Company.
- xiv) The Company is not dealing or trading in shares, securities and other investments. The shares, debentures and other securities held by the Company as long term investments are held in its own name except to the extent of exemption granted under section 49 of the Companies Act, 1956.
- xv) As per the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) During the year the Company has not taken term loans from banks or financial institutions and there are no outstanding loans as on 31st March, 2011.
- xvii) During the year the Company has not raised any short term funds. The Company is in the process of repaying the overdue long term funds, (all are raised before 31.3.2002) as per the Scheme of Arrangement sanctioned by the High Court of Karnataka (Refer Note No.B(2)).
- xviii) The Company has not made any allotment of shares during the year.
- xix) As per the information and explanations given to us the Company has created charge in respect of debentures issued. As per the Scheme of Restructure sanctioned by the High Court, the unpaid deposits also are secured by charge on company's financial assets (Refer Note No.B(1)(i)).
- xx) The Company has not made any public issues of shares during the year.
- xxi) As per the explanations given to us and also on the basis of verification made by us, we report that no fraud on or by the Company has been noticed or reported during the course of audit.

for RAO & SWAMI,  
 Chartered Accountants  
 FRN. 003105S

UDUPI  
 August 16, 2011

P V Shenoy  
 Partner  
 Membership No. 020205

**BALANCE SHEET AS AT 31st MARCH, 2011**

(Rs.in lakhs)

	Schedule	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SOURCES OF FUNDS :</b>			
1. Shareholder's Funds :			
a) Share Capital	A	1442.70	1442.70
b) Reserves and Surplus	B	0.00	0.00
		<u>1442.70</u>	<u>1442.70</u>
2. Loan Funds :			
a) Secured Loans	C	12183.08	14024.70
b) Unsecured Loans	D	2.47	0.00
		<u>12185.55</u>	<u>14024.70</u>
<b>TOTAL ...</b>		<b><u>13628.25</u></b>	<b><u>15467.40</u></b>
<b>APPLICATION OF FUNDS :</b>			
1. Fixed Assets :			
Gross Block	E	1680.79	1971.28
Less: Depreciation		1208.07	1353.91
		<u>472.72</u>	<u>617.37</u>
Less: Lease Terminal Adjustment		82.28	165.86
		<u>390.44</u>	<u>451.51</u>
2. Investments	F	2619.50	2953.50
3. Current Assets, Loans and Advances :			
a) Current Assets	G	2804.44	3563.87
b) Loans and Advances	H	4095.90	4290.64
		<u>6900.34</u>	<u>7854.51</u>
Less: Current Liabilities & Provisions	I	4793.83	4186.69
		<u>2106.51</u>	<u>3667.82</u>
5. Profit & Loss Account		10064.78	9947.55
Less: Reserves as per Schedule B		1552.98	1552.98
		<u>8511.80</u>	<u>8394.57</u>
<b>TOTAL ...</b>		<b><u>13628.25</u></b>	<b><u>15467.40</u></b>

For Notes on Accounts - Schedule N

GAREGO  
Executive DirectorK B SHETTY  
DirectorSR GOWDA  
DirectorJ M PANDEY  
Company SecretaryAs per our attached Report of even date,  
for RAO & SWAMI  
Chartered Accountants  
FRN. 003105SP V SHENOY  
PartnerMembership No.020205  
Udupi  
August 16, 2011Bangalore  
August 16, 2011
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011**

(Rs.in lakhs)

	Schedule	Current Year March 31, 2011	Previous Year March 31, 2010
<b>INCOME :</b>			
Income from Operations	J	81.28	205.30
Other Income	K	1297.40	1259.74
		<u>1378.68</u>	<u>1465.04</u>
<b>TOTAL ...</b>		<b><u>1378.68</u></b>	<b><u>1465.04</u></b>
<b>EXPENDITURE :</b>			
Interest	L	602.02	535.14
Administration & Other Expenses	M	863.17	546.03
Depreciation		42.92	70.97
		<u>1508.11</u>	<u>1152.14</u>
<b>TOTAL ...</b>		<b><u>1508.11</u></b>	<b><u>1152.14</u></b>
Profit after Interest & Depreciation		(129.43)	312.90
Add/less: Lease Equalisation		12.20	(22.30)
		<u>(117.23)</u>	<u>335.20</u>
Profit/Loss before tax		(117.23)	335.20
Provision for Taxation -Current Tax		0.00	38.00
		<u>(117.23)</u>	<u>297.20</u>
Profit after Tax		(117.23)	297.20
Prior Period adjustment (refer note no. 4)		0.00	1134.58
		<u>(117.23)</u>	<u>1431.78</u>
Add: Balance of Profit from previous year		(9947.55)	(11379.33)
Balance carried to Balance Sheet		(10064.78)	(9947.55)
Earning per Share [Basic / Diluted]		(0.83)	10.12

For Notes on Accounts - Schedule N

GAREGO  
Executive DirectorK B SHETTY  
DirectorSR GOWDA  
DirectorJ M PANDEY  
Company SecretaryAs per our attached Report of even date,  
for RAO & SWAMI  
Chartered Accountants  
FRN. 003105SP V SHENOY  
PartnerMembership No.020205  
Udupi  
August 16, 2011Bangalore  
August 16, 2011

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - A: SHARE CAPITAL</b>		
Authorised :		
20000000 Equity Shares of Rs.10/- each,	2000.00	2000.00
20000000 Redeemable Cumulative Preference Shares of Rs.10/- each (P.Y. 2,00,00,000 Equity Shares of of Rs.10/- each and 2,00,00,000 Redeemable Cumulative Preference Shares of Rs.10/- each)	2000.00 ----- 4000.00 =====	2000.00 ----- 4000.00 =====
Issued :		
14150100 Equity Shares of Rs.10/- each,	1415.01	1415.01
1763500 17.5% Redeemable Cumulative Preference Shares of Rs.10/- each	176.35	176.35
6236500 14% Redeemable Cumulative Preference Shares of Rs.10/- each	623.65 ----- 2215.01 =====	623.65 ----- 2215.01 =====
Subscribed and Paid-up :		
(a)14150100 Equity Shares of Rs.10/- each, fully Called-up (P.Y. 1,41,50,100 Equity Shares of Rs.10/- each fully Called-up)	1415.01	1415.01
Less: Calls Unpaid [Dues from Directors: Nil]	3.93 ----- 1411.08	3.93 ----- 1411.08
Of the above :		
(i) 11,667 Equity Shares of Rs.10/- each were allotted as fully paid pursuant to terms of amalgamation without payment being received in cash		
(ii) 4,00,000 Equity Shares of Rs.10/- each allotted as fully paid bonus shares on capitalisation of Reserves		
(iii) 4,08,240 Equity Shares of Rs.10/- each allotted as fully paid bonus shares on capitalisation of Share Premium Account		
(b)316200 14% Redeemable Cumulative Preference shares of Rs.10/- each	31.62 ----- 1442.70 =====	31.62 ----- 1442.70 =====
<b>TOTAL ...</b>	<b>1442.70</b> =====	<b>1442.70</b> =====

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - B: RESERVES AND SURPLUS</b>		
(a) Capital Reserve		
i) Balance brought down	1.02	1135.60
ii) Transfer during the year	0.00 ----- 1.02	(1134.58) ----- 1.02
(b) Capital Redemption Reserve [Redemption of 17.5% RCP Shares]	176.35	176.35
(c) Share Premium	997.48	997.48
(d) General Reserve	218.61	218.61
(e) Special Reserve [Pursuant to RBI (Amendment) Act, 1997]	159.52	159.52
<b>TOTAL ...</b>	<b>1552.98</b> =====	<b>1552.98</b> =====
<b>SCHEDULE - C: SECURED LOANS</b>		
From OTHERS :		
Unpaid Creditors being outstanding Bonds/Deposits maturing after 31.03.2002 and inter corporate deposit	12183.08	14024.70
(Secured by first charge on Co's financial assets book debts, receivables and pledge of Shares)		
<b>TOTAL ...</b>	<b>12183.08</b> =====	<b>14024.70</b> =====
<b>SCHEDULE - D: UNSECURED LOANS</b>		
From Banks :		
(Overdrawn Balance in Current A/c)	2.47	0.00
<b>TOTAL ...</b>	<b>2.47</b> =====	<b>0.00</b> =====

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)

	GROSS BLOCK (at cost)			DEPRECIATION			NET BLOCK			
	As on 01-APR-2010	Additions	Deductions	As on 31-Mar-2011	Upto 31-Mar-2010	For the Year	On Assets Sold	Upto 31-Mar-2011	As on 31-Mar-2011	As on 31-Mar-2010
<b>COMPANY ASSETS :</b>										
Land	37.34	0.00	0.00	37.34	0.00	0.00	0.00	0.00	37.34	37.34
Buildings	433.00	0.00	47.63	385.37	99.06	6.25	9.36	95.95	289.42	333.94
Office Furniture & Equipments	382.64	1.07	8.91	374.80	333.64	8.36	6.96	335.04	39.76	49.02
Motor Cars & Other Vehicles	13.47	0.00	0.70	12.77	7.79	1.05	0.69	8.15	4.62	5.66
<b>TOTAL ...</b>	<b>866.45</b>	<b>1.07</b>	<b>57.24</b>	<b>810.28</b>	<b>440.49</b>	<b>15.66</b>	<b>17.01</b>	<b>439.14</b>	<b>371.14</b>	<b>425.96</b>
<b>ASSETS ON LEASE :</b>										
Plant & Machinery	1070.21	0.00	223.76	846.45	880.04	26.81	161.19	745.66	100.79	190.17
Motor Vehicles	15.67	0.00	10.56	5.11	15.66	0.00	10.56	5.10	0.01	0.01
Gas Cylinders	3.20	0.00	0.00	3.20	3.20	0.00	0.00	3.20	0.00	0.00
Furniture	15.75	0.00	0.00	15.75	14.52	0.45	0.00	14.97	0.78	1.23
<b>TOTAL ...</b>	<b>1104.83</b>	<b>0.00</b>	<b>234.32</b>	<b>870.51</b>	<b>913.42</b>	<b>27.26</b>	<b>171.75</b>	<b>768.93</b>	<b>101.58</b>	<b>191.41</b>
<b>GRAND TOTAL ...</b>	<b>1971.28</b>	<b>1.07</b>	<b>291.56</b>	<b>1680.79</b>	<b>1353.91</b>	<b>42.92</b>	<b>188.76</b>	<b>1208.07</b>	<b>472.72</b>	<b>617.37</b>

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011(Continued)

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - F: INVESTMENTS</b>		
LONG TERM INVESTMENTS - AT COST :		
A. GOVERNMENT SECURITIES :		
6 year National Savings Certificate at cost	0.14	0.14
B. TRUSTEE SECURITIES :		
83800 Units of UTI - Masterplus - 91 (Div), of Rs.10/- each	14.41	14.41
6500 Units of UTI - Mastershare,(Div) of Rs.10/- each	0.92	0.92
	<b>15.33</b>	<b>15.33</b>
C. OTHER INVESTMENTS :		
a) Quoted Equity Shares :		
20000 Voltas Limited shares of Rs.1/- each	2.92	2.92
2200 TATA Power Company Limited shares of Rs.10/- each	2.62	2.62
16000 Industrial Credit & Development Syndicate Limited shares of Rs.10/- each	6.59	6.59
1931 HDFC Bank Shares of Rs.10/- each	6.84	6.84
	<b>18.97</b>	<b>18.97</b>
b) Unquoted Equity Shares :		
3000 General Investment & Commercial Corporation Ltd. Shares of Rs.10/- each	0.30	0.30
2000 Shamrao Vitthal Co-operative Bank Ltd. Shares of Rs.25/- each	0.50	0.50
36368 Rajmahal Hotels Ltd. Shares of Rs.10/- each	0.76	0.76
58436 Mangala Investments Ltd. Shares of Rs.10/- each	1.50	1.50
200000 Manipal Motors (P) Ltd. Shares of Rs.10/- each	20.00	20.00
250000 Manipal Home Finance Ltd. Shares of Rs.10/- each	25.27	40.27
33990 Manipal Springs Ltd. Shares of Rs.100/- each	34.16	34.16
4000 MPL Finance & Leasing Ltd. Shares of Rs.10/- each	1.65	1.65
116102 Manipal Control Data Electronic Commerce Ltd. shares of Rs.10/- each	11.61	11.61
5692804 Kurlon Limited shares of Rs.10/- each	1714.44	1714.44
	<b>1810.19</b>	<b>1825.19</b>

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - F: INVESTMENTS [Continued]</b>		
c) Equity/Preference Shares of Subsidiaries		
5025100 Maharashtra Apex Asset Management Co. Ltd. shares of Rs.10/- each	502.51	502.51
100000 Reveira Steels Pvt. Ltd. shares of Rs.100/- each	0.00	119.00
760000 E'Dorado Investments (P) Ltd. shares of Rs.10/- each	76.13	76.13
1799950 Crimson Estates & Properties Pvt. Ltd. shares of Rs.10/- each	180.30	180.30
	<b>758.94</b>	877.94
13.50% Redeemable Non-Cumulative Preference Shares 200000 E'Dorado Investment Co.(P) Ltd. shares of Rs. 100/- each	0.00	200.00
d) Unquoted Debentures		
750 Jay Rapid Roller Limited Debentures of Rs.1000/- each	7.50	7.50
	<b>7.50</b>	7.50
D. MUTUAL FUNDS :		
54001.28 F T India - Balanced (Growth) @ 15.62 each  (Total Market Value of Shares, Trustee Securities & Mutual Funds Rs. 190.95 lakhs) (Previous Year Rs. 175.09 lakhs)	8.43	8.43
	<b>8.43</b>	8.43
<b>TOTAL</b> ...	<b>2619.50</b>	2953.50

**ANNEXURE TO SCHEDULE-F: EXPLANATIONS AS PER SECTION 372(10) OF THE COMPANIES ACT, 1956**

Sl. No.	Name of the Company	Quantity as at 01.04.2010	Sold/ Redeemed during the year	Quantity as at 31.03.2011
1	Manipal Home Finance Ltd.	400000	150000	250000
2	E'Dorado Investment Co.(P) Ltd	200000	200000	0
3	Reveira Steels Pvt. Ltd	100000	100000	0

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - G: CURRENT ASSETS</b>		
Considered Good :		
Interest accrued on Investments	2.29	1.60
Unsecured and Considered Good :		
Commission and Rent Receivable		
- Due for more than 6 months	159.35	398.40
- others	9.16	0.00
	<b>168.51</b>	398.40
Sundry Debtors		
- Due for more than 6 months	871.50	911.98
- others	44.25	158.30
	<b>915.75</b>	1070.28
Motor Vehicles/Machineries given on Hire Purchase contract [at agreement value less amount received, unexpired & unearned Finance Charges and Insurance & Taxes for the future period]	1289.08	1691.63
Repossessed vehicles at cost	0.00	4.59
Stamps in hand	0.13	0.16
Stock of Stationery on hand at cost	0.73	1.08
Cash in hand	2.88	5.77
With Scheduled Banks in Current accounts	28.71	98.56
With Scheduled Banks in Deposit accounts	396.36	291.80
	<b>2804.44</b>	3563.87
<b>TOTAL</b> ...	<b>2804.44</b>	3563.87
<b>SCHEDULE - H: LOANS AND ADVANCES</b>		
CONSIDERED GOOD		
A. Secured :		
Demand Loan	452.61	470.55
Bills Discounted	33.15	33.15
B. Unsecured :		
Bills Discounted	201.46	241.67
Advances for which the Company holds no other security than Debtors' personal Security	2821.68	2919.38
Other Deposits	20.11	21.52
Advance Recoverable in Cash or Kind	154.96	153.79
Advance Income-Tax and TDS - [Less provision]	411.30	449.74
Advance Fringe Benefit Tax	0.63	0.84
	<b>4095.90</b>	4290.64
<b>TOTAL</b> ...	<b>4095.90</b>	4290.64



**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011(Continued)**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - I CURRENT LIABILITIES AND PROVISIONS</b>		
A. Current Liabilities:		
Sundry Creditors	242.48	289.28
Matured Deposit/Bonds with Interest	124.83	127.63
Amount due to Subsidiaries	230.31	433.89
Delayed period interest on deposit	1715.27	1358.56
Collection and other Accounts	981.46	477.29
Liabilities for Expenses	16.14	15.57
B.Provisions:		
For Non-performing Assets	1262.28	1262.28
For Reduction in Value of Investments	215.55	215.55
For Gratuity	5.51	6.64
<b>TOTAL ...</b>	<b>4793.83</b>	<b>4186.69</b>
<b>SCHEDULE - J: INCOME FROM OPERATIONS</b>		
Income from Hire Purchase, Lease, Loans & Advances	59.27	169.76
Interest - Investments :		
(a) Short Term	14.46	31.45
[Tax Deducted at Source Rs. 1,83,270/-] (Previous Year Rs. 3,66,069/-)		
Lodging Business	7.55	4.09
[Tax Deducted at Source Rs.nil] (Previous Year Rs. 27,810/-)]		
<b>TOTAL ...</b>	<b>81.28</b>	<b>205.30</b>
<b>SCHEDULE - K: OTHER INCOME</b>		
Miscellaneous Receipts	4.34	3.69
[Tax Deducted at Source Rs. 15,375/-] (Previous Year Rs. nil)		
Service Charges	2.47	3.74
[Tax Deducted at Source Rs. 27,193/-] (Previous Year Rs. 23,301/-)		
Income from House Property	26.37	27.96
[Tax Deducted at Source Rs. 2,54,920/-] (Previous Year Rs. 4,51,968/-)		

**SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)**

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - K: OTHER INCOME(Continued)</b>		
Refund of Sales Tax	0.00	10.99
Dividend Income :		
Long Term:		
- Others	143.62	115.02
Bad Debts Recovered	42.54	67.31
Profit on Sale of Assets/Investments	21.50	71.84
Interest Remission & Income from Hardship Payment of Bonds/Deposit	1056.56	959.19
<b>TOTAL ...</b>	<b>1297.40</b>	<b>1259.74</b>
<b>SCHEDULE - L: INTEREST EXPENDITURE</b>		
Others	602.02	535.14
<b>TOTAL ...</b>	<b>602.02</b>	<b>535.14</b>
<b>SCHEDULE - M: ADMINISTRATION AND OTHER EXPENSES</b>		
Salaries & Bonus	63.61	72.24
Contribution to Provident and Other Funds	8.03	8.02
Gratuity	0.89	0.59
Printing and Stationery	2.86	3.14
Postage and Telephone Charges	6.00	7.27
Computers and Other Service Charges	12.34	16.61
Sitting Fees and Travelling Expenses-SNC Meeting	0.13	0.15
Filing Fees	0.14	0.12
General Charges	26.63	20.73
Fire and other Insurance Premium	0.44	0.37
Newspapers, Books and Periodicals	0.23	0.31
Staff Welfare Expenses	5.87	5.79
Remuneration to Auditors :		
- Audit Fees	1.75	1.75
- Certification Charges	0.25	0.25
- Out of Pocket Expenses & Service Tax	0.42	0.39
<b>TOTAL ...</b>	<b>2.42</b>	<b>2.39</b>

## SCHEDULES FORMING PART OF BALANCE SHEET AS ON 31st MARCH, 2011 (Continued)

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
<b>SCHEDULE - M: ADMINISTRATION AND OTHER EXPENSES (Continued)</b>		
Rent	8.33	10.49
Taxes and Licence fee	4.09	3.28
Travelling Expenses	6.61	5.90
Legal Expenses	10.93	13.55
Advertisement Charges	1.87	8.57
Bank Charges	0.41	0.66
Electricity Charges	2.83	2.98
Repairs to Buildings	7.88	6.25
Other Repairs	0.37	0.30
Vehicle Maintenance	4.82	4.81
Commission	12.66	20.44
Value Added Tax Paid	0.00	11.77
Loss from Investment in Subsidiary	21.92	0.00
Bad Debts	650.86	391.30
	-----	-----
TOTAL ...	<b>863.17</b>	<b>546.03</b>
	=====	=====

**SCHEDULE - N: ACCOUNTING POLICY AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2011:**
**A. SIGNIFICANT ACCOUNTING POLICIES:**

- Basis of Accounting:**  
 The Company maintains its account under historical cost convention in accordance with the accounting policies generally accepted in India, and is in compliance with the provisions of the Companies Act, 1956 and the Accounting Standards as prescribed by the Institute of Chartered Accountants of India.  
  
 Such a preparation of financial statements require that the management makes estimates and assumptions that affects the reported amounts of incomes and expenses for the period, the reported balances of assets and liabilities and disclosures regarding contingent liabilities as of the date of financial statements. Examples of such estimates include future obligations in respect of retirement benefit plans etc. Actual could differ from these estimates. Any revisions to accounting estimates are recognized prospectively in the current period and future periods. Wherever changes in presentation are made, comparative figures of previous periods are regrouped accordingly.
- Fixed Assets:**  
  
**Owned Assets:**  
 Assets held for own use are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation.  
  
**Leased Assets:**  
 Assets under operating lease are stated at Original Cost less accumulated depreciation, less Lease Terminal Adjustment wherever applicable.
- Impairment of Assets:**  
 At each Balance Sheet date the carrying amount of assets is tested for impairment so as to determine any required impairment loss or reversal of earlier recognized impairment loss. Recoverable amount is determined, in case of an individual asset, at the higher of the net selling price and the value in use. In case of a cash generating unit, at the higher of the cash generating unit's net selling price and the value in use.
- Investments:**  
 Long Term Investments are carried at cost, after providing for any diminution in value, if such diminution is of other than temporary in nature. Current Investments are carried at lower of cost and market value.
- Current Assets:**  
 Stock on Hire is valued at agreement value, less amount received, unrealized & unmatured finance charges and future taxes & insurance.
- Revenue Recognition:**  
 Income from Suit-filed Accounts and Non-Performing Assets, Overdue Compensation, Interest on Debentures are recognized on receipt basis.

Other revenues are recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

The income from one time settlement of Deposits/Bonds (under Hardship route) is credited to Profit and Loss Account as and when the option is availed by the Deposit/Bond holder.

7. **Employee Benefits:**  
Employee Benefits are recognised, measured and disclosed as per Accounting Standard -15 (Revised 2005) "Employee Benefits".

**Short-Term Employee Benefits:**

All benefits such as salaries, wages, short term compensated absences, etc which are payable within twelve months of rendering the service are classified as Short-Term Employee benefits.

They are recognized in the period in which the employee renders the related service.

**Post Employment Benefits:**

**Defined Contribution Plan:**

The company contributes to state governed Provident Fund Scheme. Under the said scheme, contributions are recognized during the period in which the employees render related service.

**Defined Benefit Plans:**

The company contributes to LIC Group Gratuity Fund. The company relies on the actuarial valuation made by LIC using Projected Unit Credit Method for measurement of obligation towards Post Employment Benefits under Defined Benefit Plans such as Gratuity. Actuarial gains or losses are recognised in the Profit & Loss Account.

**Other Long Term Benefits:**

Long term benefits such as earned leave are determined based on the actual leave accumulated at the end of the year.

8. **Borrowing Costs:**  
Interest costs are charged to revenue except the interest not accounted for as per Note B (1) (a). Interest costs has been provided for the year as per Note-B (1) (g).

9. **Depreciation:**  
In respect of Owned and Leased Assets acquired prior to 31st March 1991, depreciation is charged under Written Down Value Method at the rates specified in Notification No GSR 756(e), dated 16th December 1993, in Schedule XIV of the Companies Act, 1956.

In respect of owned assets acquired after 1st April 1991, depreciation is charged under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. In respect of assets given on lease, depreciation is charged under Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. In case of Financial Leases, Lease Equalisation method is followed as per Guidance Note on Accounting for Leases issued by Institute of Chartered Accountants of India.

10. **Taxes on Income:**  
Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on expected outcome of assessment/appeals.

Deferred Tax are not recognized in the absence of reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. **Contingent Liability:**  
Contingent Liabilities if any are disclosed by way of Notes on Accounts.

**B. NOTES FORMING PART OF ACCOUNTS:**

1. **Scheme of Compromise and Arrangement:**

The salient features of the scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka under sections 391 to 394 of the Companies Act, 1956 vide its Order dated 8th October, 2004 and filed with the Registrar of Companies, Karnataka on 15th December 2004 with its effective date is as under:

- No interest shall accrue or be payable on the bonds/deposits maturing on or after 1st April, 2002 and remaining unpaid/outstanding as on 31.3.2002
- Bonds/deposits matured prior to 31st March, 2002 and remaining unclaimed shall be repaid with interest upto the date of maturity and Bonds/deposits accepted/renewed in between 1st April, 2002 and 15th April, 2002 shall be repaid without any interest, on receipt of the claim from the holders thereof.
- Any loans/advances granted to any bond/deposit holders shall be set off/adjusted against the deposits/ bonds and the outstanding debts payable by the Company shall be reduced accordingly.
- All deposits and bonds of the face value of Rs.5,000/- and less shall be paid within six months from the date of order in one instalment with interest accrued upto 31st March, 2002
- Deposits/ bondholders receiving interest at monthly/quarterly rests shall be paid the face value in 20 equal quarterly instalments.
- Outstanding deposits/bonds other than those stated in para d & e above shall be paid as follows:
  - 15% of the face value on or before the expiry of 6th month of the Effective date
  - 20% of the face value on or before the expiry of the 18th month of the Effective date
  - 25% of the face value on or before the expiry of the 30th month of the Effective date
  - 20% of the face value on or before the expiry of the 42nd month of the Effective date
  - Balance 20% of the face value and interest payable upto 31st March 2002 on or before the expiry of the 54th month of the Effective date against the surrender of the bond/deposit certificates.

- g) For delay in payment of instalments interest shall be paid @ 6% p.a.
- h) The Board of Directors shall constitute a Hardship Committee to consider hardship cases on the request made by deposit/bond holders and subject to availability of funds they shall be paid a maximum of 75% of the face value of the outstanding bond/deposit as on the appointed date according to the formula as may be laid down by the Committee.
- i) Upon the Scheme becoming effective, all Trust Deeds executed between the Company and Trustees for Bond holders shall be and deemed to be cancelled.
- j) Upon the Scheme becoming effective, the General Investment and Commercial Corporation Limited shall act as trustees for unpaid creditors in respect of outstanding bonds/deposits and such outstanding bonds/deposits shall be secured by first charge on company's financial assets, book debts and receivables.
- k) The Company shall not carry on the business as a non-banking financial company without the prior permission of the RBI.
2. All the Instalments as per the scheme in respect of Note 1 (e) and Note 1 (f) have fallen due on 15th Sept., 2009 and 15th June, 2009 respectively. The shortfall in repayment as per the scheme upto 31st March, 2011 amounts to Rs.11746.10 lakhs.
3. There are no deposits matured and remaining unpaid for a period of 7 years during the year ended 31.03.2011. The transfer of unclaimed matured deposits to Investor Protection Fund does not arise in view of the entire deposit liability being covered under the scheme of arrangement.
4. The difference between the face value of bonds/deposits and the amount paid in full and final settlement of the same as per Note 1(h) is credited to Profit & Loss Account.
5. Though the Company is incurring losses since 2001 and its funds are blocked in non-performing assets, it has prepared the accounts on going concern basis as the management is of the view that the company will be able to recover the dues from most of the borrowers/ debtors and monitor effectively the deficit in operations.
6. The company has not made the provisions as required under the RBI Prudential Norms after 1st April, 2000. When compared to the previous year, the reduction in total provision required at the end of the year is :

Provision for Non Performing Assets	...	Rs.(-) 1048.96 lakhs
Provision for Diminution in the value of Investments	...	Rs.(-) 229.12 lakhs
De-recognition of Income on Non-Performing Assets	...	Rs.(-) 106.67 lakhs
Total Short Provision	...	Rs. 5230.25 lakhs

7. i) Land includes agricultural land of the book value of Rs.0.10 lakhs acquired in 1963 in satisfaction of debt. The Company has claimed compensation in respect of the said property. But as the compensation is not yet determined, the profit or loss is not adjusted in the accounts.
- ii) Buildings include Rs.109.14 lakhs (Previous Year Rs.109.14 lakhs) being the value of shares in Co-Operative Housing Societies.
8. Investments include;
- (i) NSC of Rs.0.14 lakhs given as security for Sales Tax.
- (ii) 5,00,000 equity shares of Kurlon Limited pledged as security for Inter-Corporate Deposit (the shares pledged are subject to confirmation).
- (iii) Term Deposits with Banks include Rs.2.20 lakhs given as security for Bank Guarantee in favour of RTO and Sales Tax Authorities.
- The company has sold investment aggregating 17,99,800 unquoted equity shares of two companies (except 8,49,800 shares which have been acquired and sold during the year) without the prior approval of the High Court of Karnataka as per the Scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka vide its order dated 8th October, 2004. (Also refer Note 9 (b)) during the financial year 2009-10. The Management is of the opinion that being the unquoted equity shares the price at which these shares were sold was the best price considering, its marketability and realisable value.
9. Current Assets and Loans & Advances :  
The Loans and Advances and Sundry Debtors are subject to confirmation.
- a) (i) Due from the Officers of the Company Rs.0.94 lakhs (P.Y. Rs.1.30 lakhs), Maximum balance at any time during the year Rs.1.58 lakhs (P.Y. Rs.1.70 lakhs)
- (ii) Due from Private Limited Companies in which Director is interested (Manipal Chit Fund Pvt.Ltd. Rs.2.08 lakhs (P.Y. Rs.2.08)
- (iii) Due from Subsidiaries Rs.Nil (P.Y. Nil)
- b) Sundry Debtors include an amount of Rs. 143.98 lakhs receivable on Sale of investments.
10. Sundry Creditors include Rs.153.39 lakhs, being unencashed DD/multi-city cheques issued for repayment of deposits/bonds in terms of the scheme.

**11. Disclosures of Related Party Transaction:**

- i) Name of the related parties with whom transactions were carried out during the year and description of relationship:

Maharashtra Apex Asset Management Co.Ltd.	Subsidiary
Crimson Estates & Properties Pvt.Ltd.	Subsidiary
El'Dorado Investments Pvt.Ltd.	Subsidiary
El'dorado Shares & Services Pvt.Ltd.	Fellow Subsidiary
Dagny Investments Pvt.Ltd.	Fellow Subsidiary
Kurlon Ltd.	Associate
Millicent Rego	Relative of Key Mngt Personnel

- ii) Details of Transactions :

A. Rent received:

From Associates:  
Kurlon Ltd. : Rs.23.84 lakhs

B. Dividend received:

From Associates:  
Kurlon Ltd. : Rs. 143.62 lakhs

C. Payments made:

To Key Management Personnel/their Relatives - Professional Charges:  
Mrs. Millicent Rego : Rs.0. 63 lakhs

D. Advances (given)/reimbursed during the year:

Maharashtra Apex Asset Management Co.Ltd. : Rs. 4.76 lakhs  
 Crimson Estates & Properties Pvt.Ltd. : Rs. 40.12 lakhs  
 El'Dorado Investments Pvt.Ltd. : Rs. (110.09) lakhs  
 Riviera Steels Pvt.Ltd. : Nil  
 El'dorado Shares & Services Pvt.Ltd. : Rs. 0.25 lakhs  
 Dagny Investments Pvt.Ltd. : Rs. 0.30 lakhs

E. Outstanding balance as at 31.03.2011

Associates:  
Kurlon Ltd. : Rs. 7.42 lakhs  
 Subsidiaries:  
 Maharashtra Apex Asset Management Co.Ltd. : Rs. 229.90 lakhs Cr.  
 Crimson Estates & Properties Pvt.Ltd. : Rs. 41.18 lakhs Dr..  
 El'Dorado Investments Pvt.Ltd. : Rs. 0.40 lakhs Cr.  
 El'dorado Shares & Services Pvt.Ltd. : Rs. 0.30 lakhs Dr.  
 Dagny Investments Pvt.Ltd. : Rs. 1.89 lakhs Dr.

**12. Contingent Liabilities:**

- Suits against the Company for damages not acknowledged as debt Rs.0.28 lakhs.
- No Provision is made in the books for disputed Income Tax Liability aggregating to Rs.126.58 lakhs for the Assessment years 1994-95 to 2008-09 as the appeals filed by the company are pending disposal. The same has been adjusted by the Department from refund due.
- No provision is made in the books for the disputed Sales tax liability amounting to Rs.17.54 lakhs for the Assessment years 1995-96 to 1996-97 as the appeals filed by the company are pending disposal.
- Arrears of Cumulative Fixed Dividend from 31.03.2001 to maturity date for redemption amounts to Rs.17.14 lakhs.

**13. Employee Benefits: AS 15**

- a) Overview of Employees Benefits:

The compensation to employees for services rendered are as follows:

- Salaries and Wages including compensated absences. Compensated absences such as eligibility towards earned leave are allowed to be accumulated as per company's rules. Such earned leave can be encashed.
- Bonus as per the Bonus Act, 1965 and ex-gratia in lieu of bonus to those employees who are not covered under the Bonus Act.
- Contributions under defined contribution plans such as Provident Fund as per Employees Provident and Miscellaneous Provisions Act, etc.
- Defined Benefit Plans such as Gratuity on cessation of employment. The Company has taken a Master Policy from LIC to fund this defined benefit obligation.
- Other employee benefits such as leave travel allowance.

The above benefits are subject to eligibility and other criteria as per company's rules.

- b) Recognition and Measurement:

- Employee benefits are recognised on accrual basis. Liability to compensated absence such as leave encashment are determined by multiplying the actual leave accumulated at the end of the year by the applicable component of salary.
- Liability to defined benefit plan viz. Gratuity are valued on actuarial basis under Projected Unit Credit Method by LIC.
- Liability under defined contribution schemes such as contribution to Provident Fund ESI etc are measured based on the contribution due for the year.
- Leave Travel Allowance is recognized based on claim. The unavailed allowance is not recognized as in the opinion of the management, the same will not be material.

## c) Disclosures pursuant to AS-15 (Revised 2005):

## i) Defined Benefit Schemes:

## 1. Principal Actuarial Assumptions at the Balance Sheet Date in respect of gratuity as per statement from LIC:

Particulars	As at 31.03.2011	As at 31.03.2010
Discount rate	8.00%	8.00%
Salary Escalation	3.50%	3.50%

## 2. Table showing changes in Present Value of Obligation.

Present Value of Obligation at the beginning of the year	Rs.26,20,924	Rs.24,16,934
Interest Cost	Rs. 2,09,674	Rs. 1,93,355
Current Service Costs	Rs. 1,01,163	Rs. 1,00,199
Benefits paid	Rs. (3,29,997)	Rs. (8,935)
Actuarial Gains	Rs. (57,315)	Rs. (80,639)
Present Value of the Obligation as at the end of the year	Rs.25,44,519	Rs. 26,20,924

## 3. Table showing changes in the fair value of plan assets:

Fair value of the plan assets at the beginning of the year	Rs.19,57,327	Rs.16,25,796
Expected Return on Plan Assets	Rs. 1,64,622	Rs. 1,61,137
Contribution	Rs. 2,01,058	Rs. 1,79,319
Benefits Paid	Rs. (3,29,927)	Rs. (8,935)
Actuarial gain/(loss) on Plan Assets	NIL	NIL
Fair Value of the plan assets at the end of the year	Rs.19,93,080	Rs.19,57,327

## 4. Table showing fair value of Plan Assets:

Fair value of Plan Assets at the beginning of Year	Rs.19,57,327	Rs.16,25,796
Actual Return on Plan Assets	Rs. 1,64,622	Rs. 1,61,137
Contributions	Rs. 2,01,058	Rs. 1,79,319
Benefits Paid	Rs. (3,29,927)	Rs. (8,935)
Fair Value of Plan Assets at the end of the year	Rs.19,93,080	Rs.19,57,327
Funded Status	Rs.(5,51,439)	Rs.(6,63,597)

## 5. Actuarial (Gain)/Loss recognized:

Actuarial (gain)/Loss on Obligation	Rs.(57,315)	Rs. (80,639)
Actuarial (gain)/Loss for the year on plan assets	NIL	NIL
Total (Gain)/Loss for the year	Rs.(57,315)	Rs. (80,639)
Actuarial (gain)/Loss recognized in the year	Rs.(57,315)	Rs. (80,639)

6. Amounts to be recognized in Balance Sheet:	As at 31.03.2011	As at 31.03.2010
Present Value of Obligation as at end of the year	Rs. 25,44,519	Rs. 26,20,924
Fair Value of Plan Assets as at the end of the year	Rs. 19,93,080	Rs.19,57,327
Funded Status	Rs. (5,51,439)	Rs. (6,63,597)
Net Assets / (Liability) recognized in balance sheet	Rs. (5,51,439)	Rs. (6,63,597)

## 7. Expenses recognized in statement of Profit and Loss Account:

Current Service Costs	Rs.1,01,163	Rs. 1,00,199
Interest Costs	Rs.2,09,674	Rs. 1,93,355
Expected return on plan assets	Rs.(1,64,622)	Rs.(1,61,137)
Net Actuarial (gain)/Loss recognized in the year	Rs.(57,315)	Rs. (80,639)
Expenses recognized in P & LA/c	Rs. 88,900	Rs. 51,778

The above figures are as furnished by LIC for purpose of disclosure under AS-15.

The estimates of salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors.

## 14. Deferred Tax :

Deferred Tax Assets as per AS 22 No 'Deferred Tax Assets' are recognized in the financial statements in the absence of virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

## 15. Cumulative Preference Shares amounting to Rs.31.62 lakhs are not redeemed and no redemption reserve is created as the Company is incurring losses since 2001.

## 16. Remuneration paid to the Whole-Time Director:

(Rs. in lakhs)

	Current Year March 31, 2011	Previous Year March 31, 2010
i) Salary	1.78	1.83
ii) Contribution to Provident Fund	0.21	0.21
iii) Monetary value of other benefits	0.80	0.86

19. Basic and Diluted Earning Per Share (EPS) computed in accordance with Accounting Standard (AS) 20 "Earnings Per Share".

	2011	2010
Basic :		
Profit after tax as per accounts (Rs. in lakhs)	(117.23)	1431.78
Weighted Average number of shares outstanding	14150100	14150100
Basic EPS	Rs.(0.83)	10.12
Diluted :		
Profit after tax as per accounts (Rs. in lakhs)	(117.23)	1431.78
Weighted Average number of shares outstanding	14150100	14150100
Diluted EPS	Rs.(0.83)	10.12
Face Value per share	Rs.10.00	Rs.10.00

18. Segment Reporting :

The Company is primarily engaged in the business of financial activities and managed as one entity for its various activities. There is only one 'business segment' and 'geographical segment' and, therefore, the segment information as required by AS 17 'Segment Reporting' is not provided by the Company.

19. The corresponding figures for the previous year have been regrouped/ rearranged wherever necessary.

20. There are no dues to Micro, Small and Medium Enterprises as of 31.03.2011.

21. During the year M/s Riviera Steels a subsidiary of the company has closed its business and the company is voluntarily winding up. The net investment of Rs.21.92 lakhs in respect of voluntary winding up proceedings is written off in the books of account.

22. The Company does not carry on manufacturing activities. Hence paragraph 4C of Part-II of Schedule VI of the Companies Act, 1956 is not applicable.

For Notes on Accounts - Schedule N

As per our attached Report of even date,  
for RAO & SWAMI  
Chartered Accountants  
FRN. 003105S

GAREGO  
Executive Director

KB SHETTY  
Director

SR GOWDA  
Director

JM PANDEY  
Company Secretary

PV SHENOY  
Partner  
Membership No.020205

Bangalore  
August 16, 2011

Udupi  
August 16, 2011

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**  
**INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

I. Registration Details

Registration No. 1177 State Code 08  
 Balance Sheet Date 31 03 2011

II. Capital raised during the year

Public Issue Rights Issue  
 NIL NIL

Bonus Issue Private Placement  
 NIL NIL

III. Position of Mobilisation and  
 Deployment of Funds  
 (Amount in Rs. Thousands)

Total Liabilities Total Assets  
 1362825 1362825

Sources of funds Paid-up Capital Reserves and Surplus  
 144270 NIL

Application of Funds Secured Loans Unsecured loans  
 1218308 247

Net Fixed Assets Investments  
 39044 261950

Net Current Assets Miscellaneous Expenditure  
 210651 NIL

Accumulated Loss  
 851180

IV. Performance of Company  
 (Amount in Rs. Thousands)

Turnover Total Expenditure  
 139088 150811

+/- Profit/Loss Before Tax +/- Profit/Loss After Tax  
 -11723 -11723

Earning per share in Rs. Dividend Rate %  
 -0.83 NIL

V. Generic Name of Three Principal  
 Products/Services of Company  
 (as per monetary terms)

Item Code No. NOT APPLICABLE  
 (ITC Code)

Product/Service Description The Company was in NBFC business which has been discontinued.

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANY**

1. Name of the Subsidiary Company	MAHARASHTRA APEX ASSET MANAGEMENT COMPANY LTD.	CRIMSON ESTATE PROPERTIES PVT.LTD.	EL'DORADO INVESTMENTS PVT.LTD.
2. The Financial period of the Subsidiary Company ended on	March 31, 2011	March 31, 2011	March 31, 2011
3. Year from which they became Subsidiary Company	2003	2001	2001
4. Number of Equity Shares held by MRAC Ltd. at the end of the financial year of the Subsidiary Company	50,25,100	17,99,950	7,60,000
5. Extent of interest of Holding Company at the end of the financial year of the subsidiary	99.99%	99.99%	76.00%
6 The net aggregate amount of the Subsidiary Company Profit/(Loss) so far as concerns the members of the Holding Company			
1. Not dealt with in the Holding Company's accounts			
a) For the financial years ended 31st March, 2011	3,99,678	6,06,882	(32,88,966)
b) For the previous financial years of the subsidiary Company since it became the Holding Company's Subsidiary	(1,85,74,616)	(23,56,871)	(16,06,859)
2. Dealt with in the Holding Company's accounts			
a) For the financial years ended 31st March, 2011	N.A.	N.A.	N.A.
b) For the previous financial years of the subsidiary Company since it became the Holding Company's Subsidiary	N.A.	N.A.	N.A.
7. Changes in the interest of Holding Company; between the end of the financial year of the subsidiary and 31st March, 2011			
a) Nos. of Shares	No	No	No
b) Extent of holding	N.A.	N.A.	N.A.
8. Material Changes between the end of the financial year of the Subsidiary Company and the Company's Financial Statement ended 31st March, 2011			
a) Fixed Assets	N.A.	N.A.	N.A.
b) Investments	N.A.	N.A.	N.A.
c) Money Lent	N.A.	N.A.	N.A.
d) Money borrowed other than those for meeting Current Liabilities	N.A.	N.A.	N.A.

 Bangalore  
 August 16, 2011

 G A REGO  
 Executive Director

 S R GOWDA  
 Director

 K B SHETTY  
 Director

 J M PANDEY  
 Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDING 31ST MARCH, 2011**

(Rs. in lakhs)

	Current Year 31.3.2011	Previous Year 31.3.2010
<b>A. Cash flow from Operating Activities :</b>		
Profit/(Loss) before Tax	(117.23)	335.20
Adjustments for :		
Depreciation	42.92	70.97
Lease Equalisation	(12.20)	(22.30)
Interest on Investments	(14.46)	(31.45)
Dividend Income	(143.62)	(115.02)
Profit on Sale of Assets	(21.50)	(71.83)
Loss on disposal of subsidiary	21.92	0.00
<b>Operating Profit Before Working Capital Changes</b>	<b>(244.17)</b>	<b>165.57</b>
(Increase)/Decrease in Loans and Advances	156.09	304.54
(Increase)/Decrease in Stock on Hire and Other Current Assets	791.93	290.48
Increase/(Decrease) in Current Liabilities and Provisions	253.24	7.60
<b>Cash Generated from Operations</b>	<b>957.09</b>	<b>768.18</b>
Direct Taxes Paid	38.65	(9.03)
<b>Net cash from Operating Activities</b>	<b>995.74</b>	<b>759.15</b>
<b>B. Cash flow from Investing Activities</b>		
Purchase/Sale of Fixed Assets	51.84	(12.09)
Sale Proceeds of Investments (Net)	207.54	256.14
Dividend Income	143.62	115.02
Interest Received	13.77	41.79
<b>Net Cash from Investing Activities</b>	<b>416.77</b>	<b>400.86</b>
<b>C. Cash Flow from Financing Activities</b>		
Outstanding Deposits Paid off	(1,487.72)	(1,144.13)
Proceeds from unsecured loans	2.47	0.00
<b>Net Cash From Financing Activities</b>	<b>(1,485.25)</b>	<b>(1,144.13)</b>
<b>Net Increase/(Decrease) in Cash and Equivalents (A+B+C)</b>	<b>(72.75)</b>	<b>15.89</b>
Opening Balance of Cash and Equivalents	104.34	88.45
Closing Balance of Cash and Equivalents	31.59	104.34

 Bangalore  
 August 16, 2011

 G A REGO  
 Executive Director

 S R GOWDA  
 Director

 K B SHETTY  
 Director

 J M PANDEY  
 Company Secretary



**SCHEDULE TO THE BALANCE SHEET OF A NON-BANKING FINANCIAL COMPANY**  
 (as required in terms of Paragraph 9BB of Non-banking Financial Companies Prudential Norms  
 (Reserve Bank) Directions, 1998)

Rs. in Lakhs

Liabilities side:	Particulars	Amount Outstanding	Amount Overdues
(1) Loans and advances availed by the NBFs inclusive of interest accrued thereon but not paid:			
(a) Debentures	: Secured	12183.08	124.83
	: Unsecured	....	....
	(other than falling within the meaning of public deposits*)		
(b) Deferred Credits		....	....
(c) Term Loans		....	....
(d) Inter-corporate loans and borrowing		....	....
(e) Commercial Paper		....	....
(f) Public Deposits*		....	....
(g) Other Loans (specify nature)		....	....
*Please see Note 1 below			
(2) Break-up of (1) (f) above (outstanding public deposits inclusive of interest accrued thereon but not paid):			
(a) In the form of Unsecured debentures		....	....
(b) In the form of partly secured debentures i.e debentures where there is a shortfall in the value of security		....	....
(c) Other public deposits		....	....
*Please see Note 1 below			
<b>Assets Side:</b>		<b>Amount outstanding</b>	
(3) Break-up of Loans and Advances including bills receivables [other than those included in(4) below]:			
(a) Secured			485.76
(b) Unsecured			3023.14
(4) Break-up of Leased Assets and stock on hire and hypothecation loans counting towards EL/HP activities:			
(i) Lease assets including lease rentals under sundry debtors:			
(a) Financial Lease			141.68
(b) Operating Lease			....
(ii) Stock on hire including hire charges under sundry debtors:			
(a) Assets on hire			1289.08
(b) Repossessed Assets			0.00
(iii) Hypothecation loans counting towards EL/HP activities:			
(a) Loans where assets have been repossessed			....
(b) Loans other than above			....

Rs. in Lakhs

Assets Side:	Amount outstanding		
(5) Break-up Investments:			
Current Investments:			
1. Quoted:			
(i) Shares :	(a) Equity		....
	(b) Preference		
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			
(v) Others (please specify)			
2. Unquoted:			
(i) Shares :	(a) Equity		....
	(b) Preference		
(ii) Debentures and Bonds			
(iii) Units of mutual funds			
(iv) Government Securities			....
(v) Others (please specify)			
Long term investments:			
1. Quoted:			
(i) Shares :	(a) Equity		18.97
	(b) Preference		....
(ii) Debentures and Bonds			....
(iii) Units of mutual funds			8.43
(iv) Government Securities			15.47
(v) Others (please specify)			
2. Unquoted			
(i) Shares :	(a) Equity		1810.19
	(b) Preference		0.00
(ii) Debentures and Bonds			7.50
(iii) Units of mutual funds			-
(iv) Government Securities			-
(v) Others (please specify)			758.94
(6) Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:			
	Amount net of provisions		
	Secured	Unsecured	Total
**			
1. Related Parties			
(a) Subsidiaries	...	....	....
(b) Companies in the same group	...	....	....
(c) Other related parties	...	....	....
2. Other than related parties	213.57	29.30	242.87
<b>Total</b>	<b>213.57</b>	<b>29.30</b>	<b>242.87</b>

(7) Investor group-wise classification of all investments(current and long term) in shares and securities(both quoted and unquoted):  
 Please see note 3 below

Category	Market Vale/Break up or fair value or NAV	Book value (Net of provisions)
Rs. in Lakhs		
**		
1. Related Parties		
(a) Subsidiaries	758.94	502.11
(b) Companies in the same group	....	....
(c) Other related parties	....	....
2. Other than related parties	1860.56	1765.17
Total	2619.50	2267.28

\*\* As per Accounting Standard of ICAI  
 (Please see Note 3)

(8) Other information:

Particulars	Amount
(i) Gross Non-performing Assets	
(a) Related parties	....
(b) Other than related parties	6022.11
(ii) Net Non-performing Assets	
(a) Related parties	....
(b) Other than related parties	1053.91
(iii) Assets acquired in satisfaction of debt	....

Notes:

- As defined in paragraph 2(1)(xii) of Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.

**Auditor's Report to the Board of Directors on the consolidated Financial Statements of  
 Maha Rashtra Apex Corporation Ltd and its subsidiaries.**

Auditor's Report to the Board of Directors on the consolidated Financial Statements of Maha Rashtra Apex Corporation Ltd and its subsidiaries.

- We have audited the attached consolidated Balance Sheet of Maha Rashtra Apex Corporation Ltd, (the company) and its subsidiaries as at 31st March 2011 and also the Consolidated Profit and Loss Account and also Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
- We conducted an 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 test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- We did not audit the financial statements of subsidiaries whose financial statements reflect total assets (net) of Rs. 209.78 lakhs as at 31st March 2011, the total revenue of Rs. 44.26 lakhs and net cash flows amounting to Rs. (143.26) lakhs for the year ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to amounts included in respect of the subsidiaries, is based on the report of the other auditors.
- We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standard AS 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.
- The company has prepared its accounts on going concern basis despite the erosion of its entire net worth, as the liabilities of the company have been restructured by the scheme of arrangement sanctioned by the Hon'ble High Court of Karnataka (refer note No.B(2) of Schedule N).
- The company has not made provisions after 1st April 2000 as required under Prudential Norms of RBI as the management is of the view that it will be able to monitor effectively the deficit in operation but we are unable to comment on the ultimate realisability of company's assets.
- The company has valued the liability in respect of leave encashment as per a actual valuation as per AS-15 (Revised). The gratuity recognised as per LIC actuarial valuation and EPF Contribution are debited to Profit and Loss Account. The employees benefits are recognised and disclosed as required under AS-15 (Revised).
- Further to our comments in para 5 and 6 above, we report that on the basis of the information and explanations given to us and on the consideration of the separate audit report on the individual audited financial statements of the subsidiaries, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - in the case of consolidated balance sheet, of the state of affairs of the company and its subsidiaries as at 31st March 2011;
  - in the case of consolidated Profit and Loss account, of the "Loss" for the year ended on that date and
  - in the case of consolidated Cash Flow Statement, of the Cash flows for the year ended on that date

for RAO & SWAMI  
 Chartered Accountants  
 FRN 003105S

UDUPI  
 August 16, 2011

P V SHENOY  
 Partner  
 Membership No.020205

**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2011**

Rs. in lakhs

	Schedule	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SOURCES OF FUNDS:</b>			
Share Capital	A	1442.70	1442.70
Minority interest		0.98	0.99
		<u>1443.68</u>	<u>1443.69</u>
<b>LOAN FUNDS</b>			
Secured Loans	C	12183.08	14024.70
Unsecured Loans	D	2.47	0.00
		<u>12185.55</u>	<u>14024.70</u>
Deffered Tax Liability		0.01	0.00
		<u>13629.24</u>	<u>15468.39</u>
<b>APPLICATION OF FUNDS:</b>			
<b>Fixed Assets:</b>			
Gross Block	E	1804.20	2093.69
Less: Depreciation		1294.52	1438.38
		<u>509.68</u>	<u>655.31</u>
Less: Lease Terminal Adj. Net Block		82.28	165.86
		<u>427.40</u>	<u>489.45</u>
Investments	F	1988.45	2172.37
<b>Current Assets and Loans and Advances</b>			
Current Assets	G	2992.17	3787.73
Loans and Advances	H	4269.63	4387.58
		<u>7261.80</u>	<u>8175.31</u>
Less: Current Liabilities & Provisions	I	4779.18	3914.67
		<u>2482.62</u>	<u>4260.64</u>
Miscellaneous Expenditure		8.20	0.00
Profit & Loss a/c		9807.47	9630.96
Less: Reserves	B	(1084.90)	(1085.03)
		<u>8722.57</u>	<u>8545.93</u>
<b>TOTAL</b>		<u><b>13629.24</b></u>	<u><b>15468.39</b></u>

For Notes on Accounts - Schedule N

 GAREGO  
 Executive Director

 KB SHETTY  
 Director

 SRGOWDA  
 Director

 J M PANDEY  
 Company Secretary

 Bangalore  
 August 16, 2011

 As per our attached  
 Report of even date,  
 for RAO & SWAMI  
 Chartered Accountants  
 FRN. 003105S

 P V SHENOY  
 Partner  
 Membership No. 020205  
 Udupi  
 August 16, 2011

**CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st MARCH, 2011**

Rs. in lakhs

	Schedule	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>INCOME :</b>			
Income from Operations	J	91.20	217.08
Other Income	K	1331.74	1291.12
		<u>1422.94</u>	<u>1508.20</u>
<b>EXPENSES:</b>			
Interest	L	602.02	535.14
Administrative Expenses	M	923.59	561.86
Depreciation		44.90	72.76
		<u>1570.51</u>	<u>1169.76</u>
<b>TOTAL</b>		<u><b>1570.51</b></u>	<u><b>1169.76</b></u>
Profit/(Loss) after Interest & Depreciation		(147.57)	338.44
Add/less: Lease Equalisation		12.20	22.30
		<u>(135.37)</u>	<u>360.74</u>
Profit/(Loss) before Tax		(135.37)	360.74
Provision for Current Tax		(4.80)	(44.32)
Income Tax for Earlier Years		(0.07)	0.00
Deferred Revenue Expenses Written off		(2.05)	0.00
Deferred Tax Liability		0.00	(0.01)
		<u>(142.29)</u>	<u>316.41</u>
Profit/(Loss) after Tax		(142.29)	316.41
Provision for Diminution in Value of Investments		(1.43)	(10.17)
Excess Provision on IT		0.19	0.00
Prior Period Expenses		(32.97)	(1.78)
Prior Period Adjustments		0.00	1134.57
		<u>(176.50)</u>	<u>1439.03</u>
Less: Minority interest		(0.01)	(0.66)
		<u>(176.51)</u>	<u>1438.37</u>
Profit/(Loss) after Minority Interest		(176.51)	1438.37
Add: Balance of Loss from previous year		(9630.96)	(11069.33)
		<u>(9807.47)</u>	<u>(9630.96)</u>
<b>Balance carried to Balance Sheet</b>		<u><b>(9807.47)</b></u>	<u><b>(9630.96)</b></u>

For Notes on Accounts - Schedule N

 GAREGO  
 Executive Director

 KB SHETTY  
 Director

 SRGOWDA  
 Director

 J M PANDEY  
 Company Secretary

 Bangalore  
 August 16, 2011

 As per our attached  
 Report of even date,  
 for RAO & SWAMI  
 Chartered Accountants  
 FRN. 003105S

 P V SHENOY  
 Partner  
 Membership No. 020205

 Udupi  
 August 16, 2011

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011**

Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SCHEDULE - A : SHARE CAPITAL</b>		
Authorised :		
20000000 Equity shares of Re. 10/- each	2000.00	2000.00
20000000 Redeemable cumulative preference shares of Rs. 10 each	2000.00	2000.00
(P.Y 200000000 Equity Shares of Rs. 1/- each and 200000000 Redeemable cumulate preference shares of Rs. 10/- each)	4000.00	4000.00
Issued:		
14150100 Equity shares of Re. 10/- each	1415.01	1415.01
1763500 17.5% Redeemable cumulative preference shares of Rs. 10 each	176.35	176.35
6236500 14% Redeemable cumulative preference shares of Rs. 10 each	623.65	623.65
	2215.01	2215.01
Subscribed and paid up:		
a) 14150100 Equity shares of Re. 10/- each, fully called up (P.Y 14150100 Equity Shares of Rs. 10/- each fully called up)	1415.01	1415.01
less: calls unpaid (Dues from Directors -nil-)	3.93	3.93
	1411.08	1411.08
Of the above:		
1) 11667 Equity shares of Rs. 10/- each were allotted as fully paid pursuant to terms of amalgamation without payment received in cash		
2) 400000 Equity shares of Re. 10/- each allotted as fully paid bonus shares on capitalisation of reserves.		
3) 408240 Equity shares of Rs. 10/- each allotted as fully paid bonus shares on capitalisation of share premium account		
316200 14% Redeemable cumulative preference shares of Rs. 10/- each	31.62	31.62
<b>TOTAL</b>	<b>1442.70</b>	<b>1442.70</b>

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011 (Contd.)**

Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010								
<b>SCHEDULE - B : RESERVES AND SURPLUS</b>										
a) Capital Reserve	77.99	78.12								
b) Capital Redemption Reserve	176.35	176.35								
c) Share Premium	997.48	997.48								
d) General Reserve	218.61	218.61								
e) Special Reserve	159.52	159.52								
Less: Goodwill	(545.05)	(545.05)								
<b>TOTAL</b>	<b>1084.90</b>	<b>1085.03</b>								
<b>SCHEDULE - C : SECURED LOANS</b>										
From others	12183.08	14024.70								
Unpaid Creditors being outstanding Bonds and Deposits maturing after 31.03.2002 and Inter Corporate Deposit (Secured by first charge of Co's financial assets, book debts and pledge of shares)										
<b>SCHEDULE - D : UNSECURED LOANS</b>										
From Banks (Overdrawn Balance in Current A/c)	2.47	0.00								
<b>SCHEDULE - E : FIXED ASSETS</b>										
	Rs. in lakhs									
	Gross Block (at cost)			Depreciation				Net Block		
<b>COMPANY ASSETS</b>	As on 01.04.10	Addition	Deletion	As on 31.03.11	Upto 31.03.10	For the Year	On Assets Sold	Upto 31.03.11	As on 31.03.11	As on 31.03.10
Land	37.34	0.00	0.00	37.34	0.00	0.00	0.00	0.00	37.34	37.34
Buildings	555.23	1.00	47.63	508.60	181.51	8.19	9.36	180.34	328.26	373.72
Office Furniture and Equipment	382.82	1.07	8.91	374.98	335.66	8.40	6.96	337.10	37.88	47.16
Motor Car and other Vehicles	13.47	0.00	0.70	12.77	7.79	1.05	0.69	8.15	4.62	5.68
<b>TOTAL</b>	<b>988.86</b>	<b>2.07</b>	<b>57.24</b>	<b>933.69</b>	<b>524.96</b>	<b>17.64</b>	<b>17.01</b>	<b>525.59</b>	<b>408.10</b>	<b>463.90</b>
<b>ASSETS ON LEASE</b>										
Plant and Machinery	1070.21	0.00	223.76	846.45	880.04	26.81	161.19	745.66	100.79	190.17
Motor Vehicles	15.67	0.00	10.56	5.11	15.66	0.00	10.56	5.10	0.01	0.01
Gas Cylinder	3.20	0.00	0.00	3.20	3.20	0.00	0.00	3.20	0.00	0.00
Furniture	15.75	0.00	0.00	15.75	14.52	0.45	0.00	14.97	0.78	1.23
<b>TOTAL</b>	<b>1104.83</b>	<b>0.00</b>	<b>234.32</b>	<b>870.51</b>	<b>913.42</b>	<b>27.26</b>	<b>171.75</b>	<b>768.93</b>	<b>101.58</b>	<b>191.41</b>
<b>GRAND TOTAL</b>	<b>2093.69</b>	<b>2.07</b>	<b>291.56</b>	<b>1804.20</b>	<b>1438.38</b>	<b>44.90</b>	<b>188.76</b>	<b>1294.52</b>	<b>509.68</b>	<b>655.31</b>

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011 (Contd.)**

Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SCHEDULE - F : INVESTMENTS</b>		
Long term:at cost		
a) Government securities		
6 year NSC at cost	0.14	0.14
b) Trustee securities		
83800 units of UTI- masterplus-91, of Rs. 10 each	14.41	14.41
6500 units of UTI- mastershare, of Rs. 10 each	0.92	0.92
c) Other Investments:		
1) Quoted Equity Shares		
20000 Voltas Ltd. shares of Re. 1/- each	2.92	2.92
2200 Tata Power Co. Ltd. shares of Rs. 10/- each	2.62	2.62
1931 HDFC Bank shares of Rs. 10/- each	6.83	6.83
16000 ICDS Ltd shares of Rs. 10/- each	6.59	6.59
25000 Parekh Platinum Ltd. shares of Rs. 10/- each	24.06	24.06
10000 India Cements Capital and Finance Ltd. shares of Rs. 10/- each	1.50	1.50
2) Unquoted Debentures		
750 Jay Rapid Roller Ltd. Debentures of Rs. 1000 each	7.50	7.50
3) Unquoted Equity Shares		
3000 GICC Ltd. shares of Rs. 10/- each	0.30	0.30
2000 Shamrao Vittal Co-op. Bank Ltd. - shares of Rs. 25/- each	0.50	0.50
36368 Rajmahal Hotels Ltd. shares of Rs. 10/- each	0.76	0.76
58436 Mangala Investments Ltd. shares of Rs. 10/- each	1.50	1.50
352000 Manipal Motors Pvt. Ltd. shares of Rs. 10/- each	35.28	35.28
250000 Manipal Home Finance Ltd. shares of Rs. 10/- each	25.27	40.30
65990 Manipal Springs Ltd. shares of Rs. 100/- each	66.32	66.32
4000 MPL Finance and Leasing Ltd. shares of Rs. 10 each	1.65	1.65
116102 Manipal E'Commerce Ltd. shares of Rs. 10/- each	11.61	11.61
5692804 Kurlon Ltd. shares of Re. 10/- each	1714.44	1714.44
171400 Premier Consolidated Capital Trust shares of Rs. 10/- each	25.05	25.05
Investment in immovable Property, Land & Building Partnership Firm	24.60	193.47
4900 Brookly Hills shares of Rs. 10/- each	4.26	4.26
	0.98	0.98
4) Mutual Funds		
54001.28 F T India - Balanced Fund (Growth) of Rs. 10/- each @ Rs. 15.62 each (Total market value of shares, trusty securities and mutual funds - Rs. 190.95 lakhs)	8.44	8.44
<b>TOTAL</b>	<b>1988.45</b>	<b>2172.37</b>

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011 (Contd.)**

Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SCHEDULE - G : CURRENT ASSETS</b>		
Considered good		
Interest accrued on Investments	2.29	1.60
Inventories	0.08	0.08
Unsecured and Considered good		
Commission and rent receivable		
Due for more than 6 months	159.35	398.40
Others	9.16	0.00
Sundry Debtors		
Due for more than 6 months	841.54	1005.29
Others	137.56	164.83
Motor vehicles/machineries given on Hp contract	1289.07	1691.63
Repossed Vehicle at cost	0.00	4.59
Stock of Deceerd Assets	95.44	98.40
Stock of Stationery on hand at cost	0.73	1.08
Stamps in hand	0.13	0.16
Cash in hand	3.89	7.22
With scheduled Bank in C/A	46.60	113.26
With scheduled Bank in Deposit A/c	406.33	301.19
<b>TOTAL</b>	<b>2992.17</b>	<b>3787.73</b>
<b>SCHEDULE - H : LOANS AND ADVANCES</b>		
A) Secured		
Demand loan	452.61	470.55
Bills discounted	33.15	33.15
B) Unsecured		
Bills discounted	201.46	241.67
Advances for which the Company holds no other security than Debtors Personal Security	2821.68	2924.38
Other Deposit	42.97	75.63
Advance to Riverdale Fashions (P) Ltd.	2.00	2.00
Advance recoverable in cash or kind	286.94	179.61
Advance income-tax and TDS (less provision)	423.19	459.75
Advance to Ex-Director	5.00	0.00
Advance FBT	0.63	0.84
<b>TOTAL</b>	<b>4269.63</b>	<b>4387.58</b>

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011 (Contd.)**  
 Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SCHEDULE - I: CURRENT LIABILITIES AND PROVISIONS</b>		
A)Current Liabilities		
Sundry Creditors	242.48	289.28
Matured Deposits with interest	124.83	127.63
Delayed Period Interest	1715.26	1358.56
Collection and other account	981.48	477.29
Liabilities for expenses	22.22	18.57
B)Provisions		
For NPA	1262.28	1262.28
For Reduction in value of Investments	328.71	327.28
Other liabilities	96.41	47.14
Provision for Gratuity	5.51	6.64
<b>TOTAL</b>	<b>4779.18</b>	<b>3914.67</b>
<b>SCHEDULE - J: INCOME FROM OPERATION</b>		
Income from Hirpurchase	59.27	169.76
Interest on Investments	14.46	31.45
Recovery from Deceerd Asset	3.99	6.41
Lodging Business	7.55	4.09
Job Receipts	5.93	5.37
<b>TOTAL</b>	<b>91.20</b>	<b>217.08</b>
<b>SCHEDULE - K: OTHER INCOME</b>		
Miscellaneous Receipts	4.62	4.09
Service Charges	2.47	3.74
Interest Received from Bank	0.76	0.53
Income from House Property	40.57	42.17
Dividend Income	143.62	115.02
Refund of Sales Tax	0.00	10.99
Bad Debts Recovered	42.54	67.31
Profit on sale of assets/investments	21.50	71.84
Interest Remission	1056.56	959.18
Compensation Charges	8.64	4.25
Profession Receipts	10.46	12.00
<b>TOTAL</b>	<b>1331.74</b>	<b>1291.12</b>

**SCHEDULES FORMING THE PART OF CONSOLIDATED BALANCE SHEET AS ON 31st MARCH, 2011 (Contd.)**  
 Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>SCHEDULE L: INTEREST EXPENDITURE</b>		
Others	602.02	535.14
<b>TOTAL</b>	<b>602.02</b>	<b>535.14</b>
<b>SCHEDULE M: ADMINISTRATION AND OTHER EXPENSES</b>		
Advertisement Charges	1.87	8.57
Bank Charges	0.53	0.69
Commission	13.71	20.44
Compensation Charges paid	1.41	1.41
Computer and other Service Charges	12.43	16.70
Contribution to Provident and other Funds	8.03	8.02
Donation	0.00	0.05
Electricity Charges	2.83	4.09
Filing Fees	0.41	0.34
Fire and other Insurance Premium	0.44	0.37
General Charges	26.63	20.74
Gratuity	0.89	0.59
Loss on sale of investment	58.87	0.00
Newspapers, Books and Periodicals	0.23	0.31
Office expenses	1.02	0.00
Other Repairs	5.68	1.73
Postage and Telephone Charges	6.04	7.31
Printing and Stationery	2.93	3.21
Professional and Legal Expenses	13.95	14.75
Directors Sitting Fee-SNC Meeting	0.13	0.15
Recovery expenses on Deceerd Assets	0.59	0.97
Reimbursement of Recovery Expenses	0.00	1.08
Remuneration to Auditors		
Audit Fees	2.75	2.46
Certification Charges	0.25	0.25
Out of Pocket Expenses	0.42	0.54
Rental Expenditure	8.54	10.71
Repairs to Buildings	8.01	6.38
Salary and Bonus	65.63	74.23
Accounting/other expenses	1.47	0.39
Staff Welfare Expenses	5.87	5.79
Taxes and License	7.12	3.51
Travelling Expenses	8.42	8.43
Bad Debts	651.67	321.07
Value Added Tax	0.00	11.77
Vehicle Maintenance	4.82	4.81
<b>TOTAL</b>	<b>923.59</b>	<b>561.86</b>

**SCHEDULE - N: ACCOUNTING POLICY AND NOTES FORMING PART OF THE ACCOUNTS FOR THE 12 MONTHS PERIOD ENDED 31ST MARCH, 2011:**
**A. SIGNIFICANT ACCOUNTING POLICIES**

## 1. Basis of preparation of Consolidated Financial Statements:

a) The Subsidiary Companies considered in consolidation are:

Name of the Company	Country of Incorporation	Extent of holding and voting powers on 31.03.2011
EL'DORADO INVESTMENTS CO. PVT.LTD.	India	76.00%
MAHARASHTRA APEX ASSET MANAGEMENT CO. LTD.	India	99.99%
CRIMSON ESTATE & PROPERTIES PVT.LTD.	India	99.99%

b) The following Fellow Subsidiary Companies have also been considered:

Name of the Company	Extent of holding by EL DORADO INVESTMENTS CO. PVT.LTD on 31.03.2011
EL'DORADO SHARE SERVICES PVT. LTD	89.98%
DAGNY INVESTMENTS PVT. LTD	99.82%

c) The Financial Statements of Maharashtra Apex Corporation Ltd, its subsidiaries and fellow subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Parent Co., i.e., year ended 31st March, 2011.

## 2. Principles of Consolidation:

The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-Company balances and transactions have been fully eliminated.

## 3. Accounting and Income recognition:

- The financial statements are prepared under the historic cost convention in accordance with the generally accepted accounting principles and provisions of the Companies Act, 1956.
- The income from Suit Filed Accounts and Non Performing Assets, Overdue compensation interest on debenture are recognised on receipt basis.
- Other incomes are recognised on the nature of activity when consideration can be reasonably measured and exists reasonable certainty of its recovery.
- Income from one time settlement of Deposit/Bonds (under Hardship Route) is credited to P&L A/c as and when the option is availed by the Deposit/Bond Holder during the year.

4. Fixed Assets are stated at original cost less depreciation after taking into consideration the lease adjustment account wherever necessary.

5. All expenses are accounted on accrual basis except interest for the year on deposits/bonds which are calculated upto 31.3.2002 as per the Scheme of Arrangement sanctioned by the Hon'ble High Court of Karnataka.

6. Investments are long-term investments and are valued at cost. The management is of the opinion that the diminution in the value are temporary and the provision already made to recognize the decline is sufficient

7. Depreciation is charged at the rates and in the manner specified in the Schedule XIV to the Companies Act, 1956.

## 8. Current Assets

- Stock on hire is valued at agreement values less amount received, unrealized, unmatured finance charges and future taxes and insurance.
- Repossessed Stock is valued at cost.

9. Cost of borrowings is charged to revenue except interest not accounted as per Note A (5).

10. Retirement Benefits: Contributions are made to the recognized Provident Fund in accordance with the rules. The Company's liability in respect of gratuity is covered by the Group Gratuity Policy of LIC of India.

11. Earning Per Share: The EPS is computed by dividing the Profit(Loss) after tax for the period by the weighted average number of equity shares outstanding during the period.

12. Contingent liabilities, if any, are disclosed by way of Notes on accounts.

**B. NOTES TO ACCOUNTS**

1. As per the Scheme of Compromise and Arrangement of the holding company sanctioned by the High Court of Karnataka under section 391 to 394 of the Companies Act, 1956 vide its order dated 08.10.2004 and filed with the Registrar of Companies, Karnataka on 15.12.2004, which is the effective date, the holding company:
  - a) has not carried on any business of non-banking financial company during the year except recoveries of advances done in earlier years and repayment of liabilities.
  - b) has started repaying the deposits/bonds as per the terms of the Scheme and the total reduction in liability during the year amounted to Rs.1844.42 lakhs.
  - c) All the instalments as per the scheme have fallen due on 15th September 2009 and 15th June 2009 and aggregate short fall in repayment as per the scheme upto 31.03.2011 amounts to Rs. 117.46 crores.
  - d) The Holding Company has sold investment aggregating 17,99,800 unquoted equity shares of two companies (except 8,49,800 shares which have been acquired and sold during the year) without the prior approval of the High Court of Karnataka as per the Scheme of Compromise and Arrangement sanctioned by the High Court of Karnataka vide its order dated 8th October, 2004. (Also refer Note 9 (b)) during the financial year 2009-10.

2. Though the holding company is incurring losses since 2001 and its substantial funds are blocked in non-performing assets, the accounts have been prepared on going concern basis, as it has started implementing the scheme sanctioned by the High Court of Karnataka and the management is of the view that the company will be able to recover its dues from most of the borrowers/debtors and monitor effectively the deficit in operations.

3. The holding company has not made the provisions as required under the RBI prudential norms after 1st April, 2000 since the management is hopeful of recovery and is of the view that the provisions already made in the books are sufficient to meet the loss. When compared to the previous year, there is reduction in total provisions at the end of the year as detailed below:

(Rs. in lakhs)

a) Provision for non-performing assets	(1048.96)
b) Provision for diminution in the value of investments	(229.12)
c) De-recognition of Income on Non-Performing Assets	(106.67)

Total short provision as on 31.03.2011 : Rs. 5230.25

4. Current assets, Loans & Advances and Sundry Debtors include:

Dues from Private Limited Companies in which Directors are interested  
 Sundry Debtors of Rs.2.08 lakhs(PY Rs.2.08 lakhs).

5. Contingent Liabilities:

- i) Suits against the holding company for damages not acknowledged as debt Rs.0.28 lakhs.
- ii) No provision is made in the accounts for disputed income-tax liability aggregating to Rs.126.58 lakhs for the assessment years 1994-95 to 2008-09 as the appeals filed by the Company are pending disposal. The same has been adjusted by the Department towards refund due.

- iii) No provision is made in the accounts for the disputed sales tax liability amounting to Rs.17.54 lakh for the Assessment Year 1995-96 to 1996-97 as the appeal filed by the Company is pending disposal.
- iv) Arrears of Cumulative Fixed Dividend from 31.03.2001 to maturity date for redemption Rs.17.14 lakhs.

6. Deferred Tax

The holding company has not accounted Deferred Tax Asset resulting from accumulated losses and excess depreciation claimed in Income-tax, because of uncertainty of availability of sufficient future taxable income. Deferred tax liability represent that of the Subsidiaries.

7. Related Party Disclosures

Key Management Personnel : Sri GARego

8. Earning Per Share

(Rs.in lakhs)

Description	March 31, 2011	March 31, 2010
a) Net profit/loss available for equity shareholders (in lakh) numerator used for calculation	(117.23)	1431.78
b) Weighted Average no. of Equity Shares used as denominator for calculation of Earning per Share	(Nos.) 1,41,50,100	(Nos.) 1,41,50,100
Basic/Diluted- EPS	(0.83)	10.12

9. During the year M/s Riviera Steels Pvt. Ltd. a subsidiary of holding company has closed its business and the company is voluntarily winding up.

10. Figures for the previous year have been regrouped and rearranged wherever necessary.

G A REGO  
 Executive Director

K B SHETTY  
 Director

Report of even date,  
 for RAO & SWAMI  
 Chartered Accountants  
 FRN 003105S

S R GOWDA  
 Director

J M PANDEY  
 Company Secretary

P V SHENOY  
 Partner  
 Membership No.020205

Bangalore  
 August 16, 2011

Udupi  
 August 16, 2011



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011**

Rs. in lakhs

	CURRENT YEAR 31.03.2011	PREVIOUS YEAR 31.03.2010
<b>A. Cash flow from Operating Activities :</b>		
Profit/(Loss) before Tax	(135.37)	360.74
Adjustments for :		
Depreciation	44.90	72.77
Lease Equalisation	(12.20)	(22.30)
Interest on Investments	(14.46)	(31.45)
Bank Interest	(0.76)	(0.09)
Dividend Income	(143.62)	(115.02)
Profit on Sale of Assets	(21.50)	(71.83)
Interest Remission	(0.00)	(1.27)
Deferred Revenue exp written off	(2.05)	0.00
Expense of earlier years	(32.97)	0.00
Loss on sale of Investments	58.87	0.00
Operating Profit Before Working Capital Changes	(259.16)	191.55
Increase/(Decrease) in Loans and Advances	81.18	254.83
Increase/(Decrease) in Stock on Hire and Other Current Assets	830.71	301.44
Increase/(Decrease) in Current Liabilities and Provisions	510.60	5.85
Cash Generated from Operations	1163.34	753.67
Direct Taxes Paid	41.45	(9.03)
Net cash from Operating Activities	1204.78	744.64
<b>B. Cash flow from Investing Activities</b>		
Purchase/Sale of Fixed Assets	48.70	(17.26)
Sale Proceeds of Investments (Net)	3.10	256.14
Dividend Income	143.62	115.02
Interest Received	13.77	41.79
Net Cash from Investing Activities	209.20	395.69
<b>C. Cash Flow from Financing Activities</b>		
Bank Interest	0.76	0.09
Outstanding Deposits Paid off	(1,487.72)	(1,144.13)
Proceeds from unsecured loans	2.47	0.00
Net Cash From Financing Activities	(1,484.49)	(1,144.04)
Net Increase/(Decrease) in Cash and Equivalents (A+B+C)	(70.51)	(3.71)
Opening Balance of Cash and Equivalents	121.00	124.70
Closing Balance of Cash and Equivalents	50.49	121.00

 Bangalore  
 August 16, 2011

 G A REGO  
 Executive Director

 S R GOWDA  
 Director

 K B SHETTY  
 Director

 J M PANDEY  
 Company Secretary

**Maharashtra Apex Asset  
 Management Company Limited**
**NOTICE**

NOTICE is hereby given that the 16th Annual General Meeting of the Members of Maha Rashtra Apex Asset Management Co. Ltd., will be held on Monday, the 29th August, 2011 at 4.00 p.m. at No.5, Ground Floor, 'Brigade Links Apartments', No.54/1, 1st Main Road, Seshadripuram, Bangalore 560 020 to transact the following business:

- To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011 and the Balance Sheet as at that date and the Report of the Board of Directors and Auditors thereon.
- To appoint a Director in the place of G A Rego who retires by rotation, and being eligible, offers himself for reappointment.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual Meeting and to fix their remuneration.

By Order of the Board,

 Place: Bangalore  
 Date: 02.08.2011

Director

**Note:**

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- The proxy in order to be effective must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

**DIRECTORS' REPORT**

 To  
 The Members,  
 Your Directors have pleasure in presenting herewith the Fourteenth Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2011.

**WORKING**

Your Directors are to report that during the year the operation of the Company results in a Net Profit of Rs.3.99 lakhs (PY: Profit of Rs.3.52 lakhs).

**DIRECTORS**

Sri GARego, Director retires in the ensuing AGM and being eligible, offers himself for reappointment.

**DIVIDEND**

Your Directors do not recommend any dividend for the year in order to conserve the resources.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2000, in the Companies Act, 1956, your directors confirm that:

- That in the preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 the end of the financial year and of the loss of the Company for the year under review;
- That 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;
- That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

**DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**  
 The Company has no activities relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under consideration.

**PARTICULARS OF EMPLOYEES:**

The Company had no employees of the category mentioned in Section 217(2A) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 1988.

**AUDITORS:**

M/s. Vasudev Pai &amp; Co., Chartered Accountants, Auditors of the Company hold the office till the conclusion of forth coming Annual General Meeting and are eligible for reappointment.

On Behalf of the Board of Directors

Director

 Place : Bangalore  
 Dated :02.08.2011

 VASUDEV PAI & CO.,  
 Chartered Accountants,  
 S-401, Manipal Centre, 47, Dickenson Road, Bangalore 560042

**AUDITOR'S REPORT**

To the Members of Maharashtra Apex Asset Management Company Limited

We have audited the attached Balance Sheet of Maharashtra Apex Asset Management Company Limited as at 31st March 2011 and also the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.

We have 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.

**We report as follows:**

- As required by the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order to the extent applicable to the Company during the year.

- Further to our comments in the Annexure referred to above, we report that;

- 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;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
- The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- On the basis of the written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts in Schedule 'H', 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:
  - in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011; And
  - in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date
  - in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

 for VASUDEV PAI & CO.  
 Chartered Accountants  
 Firm Registration No. 004560S

 T. VASUDEV PAI  
 Proprietor  
 Membership No. 020906

 Place: Bangalore  
 Date: 02.08.2011

**ANNEXURE TO THE AUDITOR'S REPORT**

Referred to in paragraph 1 of our Report of even date

Referred to in paragraph 1 of our Report of even date

- The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - All the Fixed Assets have been physically verified by the management during the year. No material discrepancy was noticed on such verification.
  - During the year, the Company has not disposed substantial portion of its fixed assets, which will affect the Company as a going concern.
- In our opinion, the Company has maintained proper records showing the details of stock of decree debts, which have been reflected under the head Current Assets. The Company does not have any other inventory, hence clauses ii (a) to ii (c) are not applicable.
- (a) The Company has not granted secured or unsecured loans to Firms or Other Parties covered under Section 301 of the Companies Act 1956, except interest free advance to its Holding Company and to a Company in which one of the Director is interested. The balance outstanding as receivable as at 31st March 2011 and the maximum balance outstanding during the year are Rs. 231.90 lakhs and Rs. 231.90 lakhs respectively (PY: Rs. 225.14 lakhs and Rs. 225.14 lakhs).
  - The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.
  - There is no stipulation in respect of repayment of the above-referred advance.
  - In the absence of the repayment terms and conditions, we are unable to form an opinion about its recoverability.
  - The Company has not taken secured or unsecured loan from companies, firms or other parties listed in the Register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of Clause 4(iii)(e)

# Maharashtra Apex Asset Management Company Limited



to (g) of the Companies (Auditors Report) Order, 2003 is not applicable to the Company.		Balance Sheet as at 31.03.2011		
DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)	
<b>SOURCE OF FUNDS</b>				
a) Share Capital	A	50,258,000	50,258,000	
b) Reserve & Surplus	B	1,471,275	1,471,275	
i) General Reserve		1,063	1,093	
c) Deferred Tax Liability				
		51,730,368	51,730,368	
<b>APPLICATION OF FUNDS</b>				
a) Fixed Assets		16,500	16,500	
i) Software		(10,419)	(6,365)	
Less: Depreciation Reserve				
		6,081	10,135	
b) Investments	C		1,840	
c) Current Assets	D	11,081,523	10,904,469	
d) Loans & Advances	E	23,387,792	22,917,134	
		34,469,314	33,821,603	
		(921,846)	(677,826)	
e) Current Liabilities & Provisions	F			
		33,547,468	33,143,777	
NET CURRENT ASSETS		18,174,949	18,574,616	
f) Profit & Loss Account				
		51,730,338	51,730,368	
<b>SIGNIFICANT ACCOUNTING POLICIES</b>				
<b>NOTES TO THE ACCOUNTS</b>				
For and on behalf of Board of Directors		As per our report of even date For VASUDEV PAI & CO Chartered Accountant Firm Registration No. 004560S		
Director	Director	(T. Vasudev Pai) Proprietor Membership No. 020906		
PLACE: Bangalore. DATE: 02.08.2011				
<b>Profit &amp; Loss Account for the year ended 31.03.2011</b>				
DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)	
<b>INCOME</b>				
a) Income from Recovery of Deceased Assets		398,827	641,208	
b) Interest received on Bank Deposits		8,966	8,673	
c) Supervision charges received		371,740	422,875	
d) Misc. Income		25,055	-	
		804,588	1,072,756	
<b>EXPENDITURE</b>				
a) Administrative Expenses	G	218,712	273,218	
b) Bad Debts written-off		80,870	176,245	
c) Depreciation		4,054	6,365	
		303,636	455,828	
Profit before Tax / (Loss)		500,952	616,927	
Less: Provision for Taxation		(94,000)	(88,000)	
Less: Current Deferred Tax debit		30	(1,093)	
		406,982	527,834	
Less: Expenses of earlier years		-	(175,354)	
Less: Income Tax of earlier years		(7,315)	-	
Add/ (Less) : Balance b/f from previous year		(18,574,616)	(18,927,096)	
		(18,174,949)	(18,574,616)	
<b>SIGNIFICANT ACCOUNTING POLICIES</b>				
<b>NOTES TO THE ACCOUNTS</b>				
For and on behalf of Board of Directors		As per our report of even date For VASUDEV PAI & CO Chartered Accountant Firm Registration No. 004560S		
Director	Director	(T. Vasudev Pai) Proprietor Membership No. 020906		
PLACE: Bangalore. DATE: 02.08.2011				

# Maharashtra Apex Asset Management Company Limited



SCHEDULE AS AT 31.03.2011			DESCRIPTION	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)
<b>SCHEDULE - A</b>			<b>SCHEDULE - G</b>		
<b>SHARE CAPITAL</b>			<b>ADMINISTRATIVE EXPENSES</b>		
a) Authorised Share Capital 55,00,000 Equity Shares of Rs. 10/- each	55,00,000	55,00,000	a) Book Keeping charges	6,000	6,250
b) Issued, Subscribed & Paid-up Capital 50,25,800 Equity Shares of Rs. 10/- each* (* out of the above, 50,25,100 Equity Shares are held by the Holding Company.)	50,258,000	50,258,000	b) Bank charges	11,805	820
	50,258,000	50,258,000	c) Computer Maintenance	8,630	9,260
			d) Filing Fees paid	3,640	3,620
			e) Deceased Assets Recovery Expenses	58,781	96,910
			f) Office Expenses	16,708	53,147
			g) Printing & Stationeries	6,765	6,237
			h) Professional Charges	27,000	20,358
			i) Rates & Taxes	5,280	-
			j) Rental Expenditures	21,000	21,600
			k) Telephone charges reimbursed	4,125	4,350
			l) Travelling expenses reimbursed	1,350	1,230
			m) Compensation Charges Paid	21,000	21,000
			n) Audit Fees	26,628	28,436
				218,712	273,218
<b>SCHEDULE - B</b>			<b>SCHEDULE - H:</b>		
<b>RESERVES &amp; SURPLUS</b>			<b>NOTES FORMING PART OF THE PROFIT &amp; LOSS ACCOUNT AND BALANCE SHEET AS AT 31ST MARCH 2011:</b>		
a) General Reserve	1,471,275	1,471,275	<b>1. SIGNIFICANT ACCOUNTING POLICIES:</b>		
	1,471,275	1,471,275	a. System of Accounting: The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.		
			b. Recognition of Income and Expenditures: All items of income and expenditure having a material bearing on the financial statements are recognised on accrual basis. However dividend is accounted on receipt basis.		
			c. Fixed Assets: Fixed assets are stated at original cost less depreciation. Depreciation is provided at the rates in the manner laid down in Schedule XIV to the Companies Act, 1956 on Written Down Value method. Depreciation on additions during the year is provided on pro-rata basis.		
			d. Investments: All investments are long term in nature and carried at cost. Provision for diminution in the value of long term investment is made only if such decline is other than temporary in the opinion of the management.		
			e. Provision for Income Tax and Deferred Tax: Provision for Income Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961. Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.		
			2. In the opinion of the Board, current assets, loans and advances are of the value stated, and realisable in the ordinary course of business. Provisions have been made for all known liabilities and are adequate.		
			3. Contingent Liability - Nil		
			4. Related party disclosure:		
			a) List of Related parties and Relationship:		
			Relationship	Related Parties	
			Holding Company	a) Maha Rashtra Apex Corporation Ltd	
			Company in which Director is interested	a) Riverdale Fashions Pvt Ltd	
			Key Management Personnel	a) Shri G A Rego b) Shri S R Gowda	
<b>SCHEDULE - C</b>					
<b>INVESTMENTS</b>					
a) Unquoted (at cost)					
i) 32000 Equity Shares of Rs. 100/- each of Manipal Springs Pvt. Ltd.	3,216,000	3,216,000			
ii) 152000 Equity Shares of Rs. 10/- each of Manipal Motors Pvt. Ltd.	1,527,600	1,527,600			
	4,743,600	4,743,600			
iii) Less: Provision for Diminution in value of Investments.	(4,741,760)	(4,741,760)			
	1,840	1,840			
<b>SCHEDULE - D</b>					
<b>CURRENT ASSETS</b>					
a) Stock of Deceased Assets	9,543,736	9,840,170			
b) Sundry Debtors	-	-			
i) Over Six months	626,221	506,915			
c) Cash in hand	27,701	17,624			
d) Cash with schedule Bank	883,864	539,760			
i) In Current Accounts	11,081,523	10,904,469			
<b>SCHEDULE - E</b>					
<b>LOANS &amp; ADVANCES</b>					
a) Advance Recoverable from Holding Company	22,990,479	22,514,036			
b) Advance to Riverdale Fashions Pvt Ltd	200,000	200,000			
c) Advance Tax & TDS	197,313	203,098			
	23,387,792	22,917,134			
<b>SCHEDULE - F</b>					
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>					
<b>A CURRENT LIABILITIES :</b>					
i) Liability for Expenses	55,926	49,558			
ii) Other Liabilities	771,920	540,268			
	827,846	589,826			
<b>B PROVISIONS:</b>					
i) Provision for Taxation	94,000	88,000			
	921,846	677,826			



Related Party	Relationship	Nature of Transaction	2010-11 Dr./ (Cr.) Rs.	2009-10 Dr./ (Cr.) Rs.
MRAC Ltd.	Holding Company	Reimbursement of recovery expenses (net)	107681	159735
		*Unsecured Advances recoverable	22990479	22514036
Riverdale Fashions Pvt Ltd	Company in which a Director is interested	*Unsecured Advances recoverable	200000	200000

\*Outstanding as of 31st March 2011  
Related Party relationships are as identified by the Company on the basis of the information available. No amount is has been written off or written back during the year in respect of debts due from or to related party.

5. The Deferred tax during the year for timing difference is accounted using tax rates/laws that have been enacted, the net difference arising thereon debited to Profit & Loss Account.

Particulars	Deferred Tax (Asset)/ Liability as at 01.04.2010 Rs.	Current Year Charge/(Credit) Rs.	Deferred Tax (Asset)/ Liability as at 31.03.2011 Rs.
Difference between the Book and Tax: Depreciation	1093/-	(30/-)	1063/-

6. There are no separate reportable segments as per Accounting Standard on Segment Reporting (AS 17) as the Company's present business activity is business support services.

7. Earning per Share:

Earning per Share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares as under:

	2010-11 (Rs.)	2009-10 (Rs.)
Net Profit/(Loss) after Tax	406982	527834
Add(+)/Less(-) Prior Year Adjustments	(7315)	(175354)
Net Profit/(Loss) attributable to Equity Share Holders	399667	352480
Number of equity shares used as denominator for calculating Basic EPS	5025800	5025800
Earning Per Share of Rs.10/- each	0.08	0.07

8. There are no dues to Micro, Small and Medium Enterprises during the year. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2011, is not applicable.

9. Figures for previous year have been regrouped/ rearranged, wherever necessary.

For and on behalf of Board of Directors		As per our report of even date For VASUDEV PAI & CO., Chartered Accountants, Firm Registration No. 004560S
Director	Director	T. VASUDEV PAI Proprietor Membership No. 020906

Place : Bangalore  
Dated : 02.08.2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

1. REGISTRATION DETAILS:		
Registration No.	:	16881
State Code	:	08
Balance Sheet date	:	31.03.2011
2. CAPITAL RAISED DURING THE YEAR:		
Public Issue	:	Nil
Rights Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	Nil
Further Issue	:	Nil
3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:		(Rs. in lakhs)
Total Liabilities:	:	517.30
Total Assets:	:	517.30
Sources of Funds:		
Paid-up Capital	:	502.58
Reserves & Surplus	:	14.71
Deferred Tax Liability	:	0.01
Application of funds:		
Fixed Assets	:	0.06
Investments	:	0.02
Net Current Assets	:	335.47
Accumulated Losses	:	181.75
4. PERFORMANCE OF COMPANY:		
Turnover	:	8.05
Total Expenditure	:	3.04
Profit/(loss) before Tax	:	5.01
Profit/(loss) after Tax	:	4.00
Earning per Share (Rs.)	:	0.08
Dividend Rate	:	-
5. Generic names of three principal products/ services of Company	:	Services - Others

For and on behalf of Board of Directors

DIRECTOR DIRECTOR

Place : Bangalore  
Dated : 02.08.2011



**NOTICE**

NOTICE is hereby given that the Twenty Forth Annual General Meeting of the Members of CRIMSON ESTATE & PROPERTIES PRIVATE LIMITED will be held on Wednesday, the 3rd day of August 2011 at 2.00 p.m. at the Registered Office of the Company at 315, Dalamal Towers, Nariman Point, Mumbai to transact the following business:

**AGENDA**

- To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended on that date together with the Report of Directors and the Auditors thereon.
- To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual Meeting and to fix their remuneration.

By Order of the Board of Directors,

Director

Place: Mumbai  
Date: 16.05.2011

**Note:**

- A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
- The proxy in order to be effective must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.

**DIRECTORS' REPORT**

To The Members,  
Your Directors have pleasure in presenting herewith the Twenty Third Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2011.

**WORKING**

During the year under review, the operation of the Company results in a Net Profit of Rs. 6.07 lacs (PY: Rs. 1.30 lakhs) after meeting necessary expenditure and provision for taxation.

Your Directors do not recommend any dividend for the year in order to conserve the resources.

Your Directors continue their efforts to improve the working of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:**

In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2008, in the Companies Act, 1956, your directors confirm that:

- That in the preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 the end of the financial year and of the Profit of the Company for the year under review;
- That 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;
- That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.

**SECRETARIAL COMPLIANCE CERTIFICATE:**

In terms of Section 383(A) of the Companies Act, 1956, the Company has obtained a Secretarial Compliance Report from a Practising whole time Company Secretary and same is enclosed.

**DEPOSITS:**

The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.

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

The Company has no activities relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under consideration.

**PARTICULARS OF EMPLOYEES:**

In terms of notification dated 31.03.2011 issued by the Ministry of Corporate Affairs, Government of India, there are no Employees of the category mentioned in Section 217(2A) of the Companies Act, 1956, in respect of whom the particulars are required to be given.

**AUDITORS:**

M/s. VASUDEV PAI & CO., Chartered Accountants, Auditors of the Company who retire at the forthcoming Annual General Meeting are eligible for reappointment and have expressed their willingness to accept office if re-appointed. Your Directors recommend their appointment.

On Behalf of the Board of Directors

Director Director

Place : Mumbai  
DATED : 16.05.2011

VASUDEV PAI & CO.,  
CHARTERED ACCOUNTANTS  
S-401, Manipal Centre, Dickenson Road, Bangalore 560 042

**AUDITOR'S REPORT**

To The Members of Crimson Estate and Properties Pvt. Ltd.

We have audited the attached Balance Sheet of CRIMSON ESTATE AND PROPERTY PRIVATE LIMITED as at 31st March 2011 and also the Profit and Loss Account for the year ended on that date annexed thereto. 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.

We have 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.

We report as follows:

- As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
- Further to our comments in the Annexure referred to above, we report that:
  - 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;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;
  - The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
  - In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - On the basis of the written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts in Schedule '10', give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India:
    - In the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011; And
    - In the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.
    - In the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date

for VASUDEV PAI & CO.  
Chartered Accountants  
Firm Registration No. 004560S

T. VASUDEV PAI  
Proprietor  
Membership No. 020906

Place: Bangalore  
Dated: 16.05.2011

**ANNEXURE TO THE AUDITOR'S REPORT**

Referred to in paragraph 1 of our Report of even date

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed asset.
  - Fixed asset has been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed asset.
  - During the year, the Company has not disposed of any part of fixed asset, which would affect the going concern of the Company.
- As explained to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - On the basis of our examination of the records of inventory, the Company has maintained proper records of inventory. No material discrepancies were noticed on physical verification of inventory as compared to book records.
- The Company has not granted loans secured or unsecured to Companies or Firms covered in the Register maintained under Section 301 of the Companies Act, 1956. However, an advance of Rs. 5.00 lakhs (PY: Rs. 5.00 lakhs) is outstanding from Ex-Director covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance outstanding is Rs. 5.00 lakhs (PY: Rs. 5.00 lakhs).
  - There is no stipulation in respect of repayment of principal amount of the advance due from Ex-Director amounting to Rs. 5.00 lakhs.
  - The terms and conditions of advance to Holding Company are not, in our opinion, prima facie, prejudicial to the interest of the Company.
  - In the absence of the repayment of terms and conditions of advance made to Ex-Director, we are unable to form an opinion about its recoverability.



(e) The Company has not taken any loans secured or unsecured from firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, except interest free unsecured advance from Holding Company and the balance outstanding payable as at 31st March, 2011 is Rs. 41.18 lakhs and the maximum balance outstanding during the year is Rs. 44.18 lakhs.

(f) The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.

(g) There is no stipulation in respect of repayment of the above-referred advances.

4. In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief:

a) The transactions that needed to be entered into the register have been so entered.

5. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of goods and services. During the course of Audit we have not observed any major weakness in internal controls.

6. The Company has not accepted any deposits from the public and consequently the provisions of Section 58A & 58AA of the Companies Act, 1956 and rules framed there under and directions issued by the Reserve Bank of India are not applicable.

7. The Internal audit functions have been carried out during the year by the staff of the Holding Company appointed by the management, which has been commensurate with the size of the Company and nature of its business.

8. According to the information and explanations given to us Central Government has not prescribed maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956.

9. i) The Company has been regular in depositing undisputed statutory dues including Income-Tax dues with the appropriate authorities and there were no arrears under the above head which were due for more than six months from the date they became payable as at the close of the year.

ii) Keeping in view the present operations of the Company the statutes relating to Sales Tax, Provident Fund, Employees State Insurance, Wealth-Tax, Customs Duty, Excise Duty, Investors Education and Protection Fund and Cess are not applicable to the Company.

iii) There are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Service Tax and Cess have been disputed and lying pending as at the close of the year.

10. The Company does not have accumulated losses exceeding 50% of its net worth as at the end of the year and has not incurred cash losses during the current financial year and also in the immediate preceding financial year.

11. In our opinion and according to the explanations given to us, the Company has not borrowed any amounts from banks, financial institutions or from debentures holders during the year under Audit.

12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion the Company is not a Chit Fund, Nidhi or Mutual Benefit Fund/Society. Therefore Clause 4(xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.

14. During the year, the Company has not dealt or traded in shares, securities, debentures and other investments. Therefore the provisions of Clause 4(xiv) of the Companies (Auditors Report) Order 2003 as amended are not applicable to the Company.

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from any banks or financial institutions.

16. In our opinion and according to information and explanations given to us, the Company has not availed any term loan during the year accordingly Clause 4(xv) of the Companies (Auditors Report) Order 2003 is not applicable.

17. According to the information and explanations given to us, during the year, no funds have been raised on short-term basis, which have been used for any long-term investment.

18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures and hence no securities required to be created in respect thereof.

20. The Company has not raised any money through public issue during the year.

21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

BALANCE SHEET AS AT 31ST MARCH 2011			
DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)
<b>SOURCE OF FUND:</b>			
a) Share Holders' Funds:			
Share Capital	1	18,000,000	18,000,000
		18,000,000	18,000,000
<b>APPLICATION OF FUNDS</b>			
a) Fixed Assets	2		
Gross Block		1,812,937	1,812,937
Less: Depreciation		(1,282,296)	(1,254,367)
Net Block		530,641	558,570
b) Investments	3	3,050,320	3,103,120
<b>c) Current Assets, Loans &amp; Advances:</b>			
Inventories	4	7,800	7,800
Sundry Debtors	5	9,330,834	9,330,834
Cash & Bank Balance	6	1,303,478	1,501,882
Loans & Advances	7	7,331,558	2,392,601
		17,973,670	13,233,117
<b>Less:</b>			
Current Liabilities & Provisions:	8	(4,817,620)	(968,178)
Current Liabilities		(487,000)	(283,500)
Provisions			
Net Current Assets		12,669,051	11,981,439
d) Profit & Loss Account		1,749,988	2,356,871
		18,000,000	18,000,000
Significant Accounting Policies & Notes to the Accounts	10		
For and on behalf of Board of Directors			
Director		Director	
PLACE: Mumbai		PLACE: Bangalore	
DATE: 16.05.2011		DATE: 16.05.2011	
As per our report of even date for VASUDEV PAI & CO., Chartered Accountant Firm Registration No: 0045605			
<b>Profit &amp; Loss Account for the year ended 31.03.2011</b>			
DESCRIPTION	SCH	31.03.2011 (Rupees)	31.03.2010 (Rupees)
<b>INCOME</b>			
a) Rental Income		1,336,800	1,336,800
(TDS: Rs. 1,33,680/-, PY: Rs. 2,62,241/-)			
b) Misc. Income		2,175	-
c) Interest received on Bank Deposits		64,920	43,705
(TDS: Rs. 6,492/-, PY: Rs. 4,371/-)		7,800	7,800
d) Closing Stock		1,411,695	1,388,305
		548,513	120,005
<b>EXPENDITURE</b>			
a) Opening Stock		7,800	7,800
b) Administrative expenses	9	512,784	82,807
c) Depreciation		27,929	29,398
		548,513	120,005
Profit before Tax		863,182	1,268,300
Provision for diminution in value of investments		(52,800)	(906,000)
Provision for Taxation		(203,500)	(232,000)
Profit after Tax		606,882	130,300

for VASUDEV PAI & CO.  
Chartered Accountants  
Firm Registration No. 0045605

T. VASUDEV PAI  
Proprietor  
Membership No. 020906

Place: Bangalore  
Dated: 18.05.2011



Balance brought forward from previous year		(2,356,871)	(2,487,171)
Profit/Loss Carried forward to Balance Sheet		(1,749,988)	(2,356,871)
Significant Accounting Policies & Notes on Accounts	10		
For and on behalf of Board of Directors			
Director		Director	
PLACE: Mumbai		PLACE: Bangalore	
DATE: 16.05.2011		DATE: 16.05.2011	
As per our report of even date for VASUDEV PAI & CO., Chartered Accountant Firm Registration No: 0045605			
<b>SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT AS AT 31ST MARCH 2011</b>			
SCH	DESCRIPTION	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
1	SHARE CAPITAL Authorised 20,00,000 equity shares of Rs.10/- each	20,000,000	20,000,000
	Issued, Subscribed and Paid-up: 18,00,000 equity shares of Rs.10/- each fully paid-up (of the above 1799950 Eq. Shares are Held by the holding Company)	18,000,000	18,000,000
2	<b>FIXED ASSETS</b>	<b>GROSS BLOCK</b>	<b>DEPRECIATION</b>
	Description	As on 1-Apr-10	As on 31-Mar-11
	Office Premises	1,812,937	1,812,937
		1,812,937	1,812,937
		1,254,367	27,929
		1,282,296	530,641
		1,812,937	558,570
		1,254,367	27,929
		1,282,296	530,641
		1,812,937	558,570
3	INVESTMENTS: (Non Trade) Shares	31.03.11 Qty.	31.03.10 Qty.
	(a) Quoted	Face Value	31.03.11 Rs.
	India Cements Capital & Finance Ltd.	10,000	150,000
	Parekh Platinum Ltd	25,000	2,406,250
	(b) Unquoted		
	El Dorado Investments Co. Pvt.Ltd.	240,000	2,400,000
	Premier Consolidated Capital Trust (I) Ltd.	95,000	950,000
	(c) Investments in immovable property Land & Building		
		545,120	545,120
		6,451,370	6,451,370
		(3,401,050)	(3,348,250)
	Less: Provision for Diminution in value of Investments		
		3,050,320	3,103,120
	Market value of Quoted Investments	104,250	148,500
4	INVENTORIES: (As taken valued and certified by the Management at lower of cost or market value)	7,800	7,800
5	SUNDRY DEBTORS (Considered Good) More than Six months	9,330,834	9,330,834
6	CASH AND BANK BALANCES: Cash on hand Balance with Scheduled Bank In Current Account FD with Corporation Bank	27,654	97,589
		278,062	464,959
		997,762	939,334
		1,303,478	1,501,882

SCH	DESCRIPTION	AS AT 31.03.11 Rs.	AS AT 31.03.10 Rs.
7	LOANS AND ADVANCES: (Unsecured, Considered good) Advance to Ex-Director Advance recoverable in cash or in kind or for value to be received Advance to Holding Company Deposits with others Advance Tax & TDS	500,000	500,000
		5,253,105	348,548
		1,091,100	1,091,100
		487,353	347,181
		7,331,558	2,392,602
8	CURRENT LIABILITIES & PROVISIONS Current Liabilities: Other Liabilities Advance from Holding Company Creditors for Expenses	672,800	945,390
		4,118,275	-
		26,545	22,788
		4,817,620	968,178
	Provisions: Provision for taxation	487,000	283,500
		487,000	283,500
9	ADMINISTRATIVE, FINANCIAL & OTHER EXPENSES Secretarial Charges Professional Fees Auditors Remuneration Maintenance Charges Accounting charges Office Expenses Property Tax paid Salary paid Filing Fees Paid	8,500	8,000
		49,000	4,920
		16,545	13,788
		67,768	33,765
		10,000	9,000
		3,580	2,426
		281,310	10,908
		72,000	-
		4,080	-
		512,784	82,807

**Schedule - 10  
NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.**

A) Significant Accounting Policies:

a) Accounting Concepts: The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.

b) Recognition of Income and Expenditure:

i. All items of income and expenditure have a material bearing on the financial statements are recognised on accrual basis.

ii. Dividend income is accounted on receipt basis.

c) Investments: Investments are stated at cost. Provision for diminution in the value of long-term investment is made only, if such decline is other than temporary in the opinion of the Management.

d) Fixed Assets: Fixed Assets are capitalized at cost inclusive of legal and / or installation expenses.

e) Depreciation: Depreciation is provided under the "Written Down Value Method" at rates provided by Schedule XIV to the Companies Act, 1956.

f) Stock-in-Trade: Shares, Debentures & Securities are valued at lower of the cost or market value.

g) Provision for Income Tax and Deferred Tax: Provision for Income tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961.

Deferred tax resulting from "timing difference" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on the balance sheet date. The Deferred tax asset is recognised and carried forward only if it is significant.

B. NOTES ON ACCOUNTS:

1. In the opinion of the Board, the Current Assets, Loans and Advances are realisable in the ordinary course of business. The provisions for all known liabilities have been made and are adequate.

2. Quantitative information in pursuance of Part II of Schedule VI of the Companies Act, 1956.

	31.03.11		31.03.10	
	Qty.	Amount Rs.	Qty.	Amount Rs.
Opening Stock				
Equity Shares-quoted	1088	7800	1088	7800
Closing Stock				
Equity Shares-quoted	1088	*7800	1088	*7800

\*As taken valued and certified by the Management at lower of cost or market value.



3. As per Accounting Standard 18 as notified under the Companies (Accounting Standards) Rules, 2006, the disclosures of transaction with the related parties are given below:-				
a. List of Related parties and Relationship:				
Key Management Personnels :	i) Mr. S. R. Gowda ii) Mr. G. A. Rego iii) Mr. Pranav Sanghvi (Ex-Director)			
Holding Company :	i) MahaRashtra Apex Corporation Limited			
b. Related Party transactions: (Amount in lakhs)				
<b>Particulars</b>	<b>Key Management Personnel</b>		<b>Holding Company</b>	
	31.03.2011	31.03.2010	31.03.2011	31.03.2010
Advance Recoverable	5.00	5.00	Nil	1.06
Advance Payable	Nil	Nil	41.18	Nil
4. Basic Earning per Share:				
Earning per Share is calculated by dividing the profit attributable to the equity shareholders by number of equity shares as under:				
	2010-11 (Rs.)		2009-10 (Rs.)	
Net Profit/(Loss) after Tax	606882		130300	
Add(+)/Less(-) Prior Year Adjustments	Nil		Nil	
Net Profit/(Loss) attributable to Equity Share Holders	606882		130300	
Number of equity shares used as denominator for calculating Basic EPS	1800000		1800000	
Basic Earning Per Share of Rs. 10/- each	0.34		0.7	
5. There is no Deferred Tax Liability on timing difference as at 31.03.2011.				
6. The requirement of Accounting Standard 17 on Segment Reporting is not applicable to the Company for the year ended 31st March 2011.				
7. There are no dues to Micro, Small and Medium Enterprises during the year. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2011, is not applicable.				
8. The figures of previous year have been suitably regrouped and/or rearranged wherever necessary.				
for and on behalf of the Board		As per our report of even date for VASUDEV PAI & CO. Chartered Accountants, Firm Registration No.:004560S		
Director	Director	T. VASUDEV PAI Proprietor M.No:020906		
Place : Mumbai DATE : 16.05.2011	Place: Bangalore DATE : 16.05.2011			
ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956				
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:				
1. REGISTRATION DETAILS:				
Registration No.	: 42955			
State Code	: 11			
Balance Sheet date	: 31.03.2011			
2. CAPITAL RAISED DURING THE YEAR:				
Public Issue	: Nil			
Rights Issue	: Nil			
Bonus Issue	: Nil			
Private Placement	: Nil			
Further Issue	: Nil			
3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:				
Total Liabilities	: 180.00			
Total Assets	: 180.00			
Sources of Funds:				
Paid-up Capital	: 180.00			
Reserves & Surplus	: -			
Application of funds:				
Net Fixed Assets	: 5.31			
Investments	: 30.50			
Net Current Assets	: 126.69			
Profit & Loss Account	: 17.50			
4. PERFORMANCE OF COMPANY:				
Turnover	: 14.12			
Total Expenditure	: 5.49			
Profit/(loss) before Tax	: 8.63			
Profit/(loss) after Tax	: 6.07			
Earning per Share (Rs.)	: 0.34			
Dividend Rate	: -			
5. Generic names of three principal products/ services of Company : Services - Others				
For and on behalf of Board of Directors				
DIRECTOR		DIRECTOR		
Place: Mumbai Date : 16.05.2011				



<p align="center"><b>NOTICE</b></p> <p>NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of E'l Dorado Investments Co. Pvt. Ltd. will be held on Friday, the 5th day of August 2011 at 4.00 p.m. at the Registered Office of the Company at 507, Vardhaman Chambers, 5th Floor, 17/G, Cawasji Patel Street, Mumbai 400023 to transact the following business:</p> <p>AGENDA</p> <ol style="list-style-type: none"> <li>To receive, consider, approve and adopt the audited Balance Sheet as at 31st March 2011 and Profit and Loss Account for the year ended on that date together with the Report of Directors and the Auditors thereon.</li> <li>To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual Meeting and to fix their remuneration.</li> </ol> <p align="right">By Order of the Board of Directors, Director</p> <p>Place: Mumbai Date : 05.07.2011</p> <p>Note:</p> <ol style="list-style-type: none"> <li>A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.</li> <li>The proxy in order to be effective must be deposited at the Registered Office of the Company at least 48 hours before the commencement of the meeting.</li> </ol> <p align="center"><b>DIRECTORS' REPORT</b></p> <p>To The Members,</p> <p>Your Directors have pleasure in presenting herewith the Twenty Forth Annual Report together with the Audited Accounts of the Company for the year ended on 31st March 2011.</p> <p>WORKING</p> <p>Your Directors are to report that the operational results of the Company for the FY: 2010-11 are given below:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>31.03.2011 Rs. in lakhs</th> <th>31.03.2010 Rs. in lakhs</th> </tr> </thead> <tbody> <tr> <td>Net Profit / (Loss) before Tax</td> <td>2.40</td> <td>6.94</td> </tr> <tr> <td>Less / (Add) : Provision for Taxation</td> <td>(1.60)</td> <td>(2.90)</td> </tr> <tr> <td>Less / (Add) : Provision for diminution in value of investment</td> <td>(0.90)</td> <td>(0.63)</td> </tr> <tr> <td>Net Profit / (Loss) after Tax &amp; Provisions</td> <td>(0.10)</td> <td>3.41</td> </tr> </tbody> </table> <p>DIRECTORS RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 217(2AA) OF THE COMPANIES ACT, 1956:</p> <p>In compliance of Section 217 (2AA), as incorporated by the Companies (Amendment) Act, 2008, in the Companies Act, 1956, your directors confirm that:</p> <ol style="list-style-type: none"> <li>That in the preparation of the accounts for the financial year ended 31st March 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;</li> <li>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 the end of the financial year and of the Profit of the Company for the year under review;</li> <li>That 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;</li> <li>That the Directors have prepared the accounts for the financial year ended 31st March 2011 on a 'going concern' basis.</li> </ol> <p>AUDITORS REPORT:</p> <p>The observations of Auditors are self-explanatory in nature, and therefore these do not call for any further comments.</p> <p>SECRETARIAL COMPLIANCE CERTIFICATE:</p> <p>In terms of Section 383(A) of the companies Act, 1956, the Company has obtained a Secretarial Compliance Report from a Practising whole time Company Secretary and it is enclosed.</p> <p>DEPOSITS:</p> <p>The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956 and the Rules made there under.</p> <p>CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:</p> <p>The Company has no activities relating to conservation of energy or technology absorption. There were no foreign exchange earnings or outgo during the year under consideration.</p> <p>PARTICULARS OF EMPLOYEES:</p> <p>In terms of notification dated 31.03.2011 issued by the Ministry of Corporate Affairs, Government of India, there are no Employees of the category mentioned in Section 217(2A) of the Companies Act, 1956, in respect of whom the particulars are required to be given.</p> <p>AUDITORS:</p> <p>M/s. VASUDEV PAI &amp; CO., Chartered Accountants, Auditors of the Company hold office till the conclusion of forth coming Annual General Meeting and are eligible for reappointment.</p> <p align="right">On Behalf of the Board of Directors</p> <p align="right">Director                      Director</p> <p>Place : Mumbai DATED : 05.07.2011</p>			Particulars	31.03.2011 Rs. in lakhs	31.03.2010 Rs. in lakhs	Net Profit / (Loss) before Tax	2.40	6.94	Less / (Add) : Provision for Taxation	(1.60)	(2.90)	Less / (Add) : Provision for diminution in value of investment	(0.90)	(0.63)	Net Profit / (Loss) after Tax & Provisions	(0.10)	3.41	<p>VASUDEV PAI &amp; CO., CHARTERED ACCOUNTANTS S-401, Manipal Centre, Dickenson Road, Bangalore 560 042</p> <p align="center"><b>AUDITOR'S REPORT</b></p> <p>To The Members of E'l Dorado Investments Co. Pvt. Ltd.</p> <p>We have audited the attached Balance Sheet of E'L DORADO INVESTMENTS CO. PVT. LTD. as at 31st March 2011 and also the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. 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.</p> <p>We have 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.</p> <p>We report as follows:</p> <ol style="list-style-type: none"> <li>As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order 2004 issued by the Central Government of India, in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.</li> <li>Further to our comments in the Annexure referred to above, we report that;             <ol style="list-style-type: none"> <li>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;</li> <li>In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of the books;</li> <li>The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;</li> <li>In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;</li> <li>On the basis of the written representations received from the Directors as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;</li> <li>In our opinion, and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and the Notes on Accounts as detailed in Schedule 10, give the information required by the Companies Act, 1956 in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India;                 <ol style="list-style-type: none"> <li>in the case of the Balance Sheet, of the State of Affairs of the Company as at 31st March 2011; And</li> <li>in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date.</li> <li>in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.</li> </ol> </li> </ol> </li> </ol> <p align="right">for VASUDEV PAI &amp; CO., Chartered Accountant Firm Registration No. 004560S</p> <p align="right">T. VASUDEV PAI Proprietor Membership No. 020906</p> <p>Place: Mumbai Date: 05.07.2011</p> <p align="center"><b>ANNEXURE TO THE AUDITOR'S REPORT</b> Referred to in paragraph 1 of our Report of even date:</p> <ol style="list-style-type: none"> <li>The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.             <ol style="list-style-type: none"> <li>All the Fixed Assets have been physically verified by the management during the year. No material discrepancy was noticed on such verification.</li> <li>During the year, the Company has not disposed substantial portion of its fixed assets, which will affect the Company as a going concern.</li> </ol> </li> <li>The Company does not have any inventory at the end of the year, hence Clauses ii (a) to ii (c) are not applicable.</li> <li>(a) The Company has not granted secured or unsecured loans to Firms or Other Parties covered under Section 301 of the Companies Act 1956, except interest free unsecured advance to its Holding Company and Subsidiary Companies and the balance outstanding as receivable as at 31st March 2011 are Rs. 0.40 lakhs (PY: Rs. 110.49 lakhs) and Rs. 49.99 lakhs (PY: Rs. 24.90 lakhs) and the maximum balance outstanding during the year are Rs. 110.49 lakhs and Rs. 49.99 lakhs respectively (PY: Rs. 110.49 lakhs and Rs. 24.90 lakhs).             <ol style="list-style-type: none"> <li>The terms and conditions of such advances are not, in our opinion, prima facie, prejudicial to the interest of the Company.</li> <li>There is no stipulation in respect of repayment of the above-referred advances.</li> <li>In the absence of the repayment terms and conditions, we are unable to form an opinion about its recoverability from subsidiary Companies.</li> </ol> </li> <li>(e) The Company has not taken secured or unsecured loans from Companies, Firms or Other Parties covered under Section 301 of the Companies Act 1956. Therefore, the provisions of Clauses 4(iii)(e) to (g) of the Companies (Auditor's Report) Order, 2003, as amended, are not applicable to the Company.</li> <li>In our opinion and according to the information and explanations given to us, there is adequate internal control procedure commensurate with the size of the Company and nature of its business with regard to the purchase of fixed assets and sale of goods and services. During the course of audit, we have not observed any major weakness in the internal controls.</li> <li>In respect of transactions entered in the register maintained in pursuance of Section 301 of the Companies Act 1956, to the best of our knowledge and belief:             <ol style="list-style-type: none"> <li>The transactions that needed to be entered into the register have been so entered.</li> <li>In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.</li> </ol> </li> </ol>
Particulars	31.03.2011 Rs. in lakhs	31.03.2010 Rs. in lakhs																
Net Profit / (Loss) before Tax	2.40	6.94																
Less / (Add) : Provision for Taxation	(1.60)	(2.90)																
Less / (Add) : Provision for diminution in value of investment	(0.90)	(0.63)																
Net Profit / (Loss) after Tax & Provisions	(0.10)	3.41																

# E'l Dorado Investments Company Pvt. Ltd.



BALANCE SHEET AS AT 31ST MARCH 2011			
DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)
<b>SOURCE OF FUND:</b>			
a) Share Capital	1	10,020,000	30,020,000
b) Reserves & Surplus	2	9,788,258	9,788,258
		19,808,258	39,808,258
<b>APPLICATION OF FUNDS</b>			
a) Fixed Assets	3	10,510,530	10,410,530
Gross Block		10,510,530	10,410,530
Less: Depreciation		(7,339,758)	(7,173,769)
Net Block		3,170,772	3,236,761
b) Investments	4	3,420,413	3,510,427
c) Current Assets, Loans & Advances:			
Cash & Bank Balance	5	148,772	174,672
Loans & Advances	6	15,642,572	35,018,516
		15,791,344	35,193,188
Current Liabilities & Provisions:			
Liabilities	7	(7,840,725)	(3,091,607)
Provisions	8	(449,370)	(647,370)
Net Current Assets		7,501,249	31,454,211
d) Miscellaneous Expenditure (to the extent not written off or adjusted)	9	820,000	-
Deferred Revenue Expenses		820,000	-
e) Profit and Loss Account		4,895,824	1,606,859
		19,808,258	39,808,258
<b>Significant Accounting Policies &amp; Notes to the Accounts</b>			
	11		
For and on behalf of Board of Directors As per our report of even date for VASUDEV PAI & CO., Chartered Accountant Firm Registration No. 004560S			
Director	Director		T. VASUDEV PAI Proprietor Membership No. 020906
PLACE: Mumbai DATE: 05.07.2011			
<b>Profit &amp; Loss Account for the year ended 31.03.2011</b>			
DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)
<b>INCOME</b>			
a) Compensation Charges received		864,000	425,000
b) Rent Receipts (TDS: NIL, PY: Rs. 48240/-)		84,000	84,000
c) Miscellaneous Income		116	39,870
d) Professional receipts (TDS: Rs. 104625/-, PY: Rs. 120000/-)		1,046,250	1,200,000
		1,994,366	1,748,870
<b>EXPENDITURE</b>			
a) Administrative expenses	10	1,383,878	910,871
b) Deferred Revenue Expenses written off		205,000	-
c) Depreciation		165,989	144,112
		1,754,867	1,054,983

# E'l Dorado Investments Company Pvt. Ltd.



DESCRIPTION	SCH	AS AT 31.03.2011 (Amount in Rupees)	AS AT 31.03.2010 (Amount in Rupees)	31.03.11 Rs.	31.03.10 Rs.
Profit/(Loss) before tax		239,500	693,887		
Provision for Taxation		(160,000)	(290,000)		
Provision in diminution in the value of investments		(90,014)	(62,986)		
Profit after tax		(10,515)	340,901		
Excess provision of IT		18,874	-		
Prior Year Expenses (Susp)		(3,297,325)	(2,500)		
Balance brought forward from previous year		(1,606,859)	(1,945,260)		
Profit/(Loss) Carried forward to Balance Sheet		(4,895,824)	(1,606,859)		
Significant Accounting Policies & Notes on Accounts	11				
For and on behalf of Board of Directors for VASUDEV PAI & CO., Chartered Accountant Firm Registration No. 004560S					
Director	Director		T. VASUDEV PAI Proprietor Membership No. 020906		
PLACE: Mumbai DATE: 05.07.2011					
<b>SCHEDULES FORMING PART OF THE BALANCE SHEET AND PROFIT &amp; LOSS ACCOUNT AS ON 31.03.2011</b>					
Rs. in Lakhs					
		31.03.11 Rs.	31.03.10 Rs.		
1 SHARE CAPITAL					
Authorised		10,000,000	10,000,000		
10,00,000 equity shares of Rs.10/- each					
3,05,000 13.5% Redeemable Cumulative Preference Shares of Rs.100/- each		30,500,000	30,500,000		
Issued, Subscribed and Paid-up:		40,500,000	40,500,000		
10,00,000 equity shares of Rs.10/- each fully paid-up.		10,000,000	10,000,000		
(of the above 760000 Eq Shares are held by the holding Company)					
2,00,200 13.5% Redeemable Non Cumulative Preference Shares 'B' of Rs.100/- each fully paid-up		20,000,000	20,020,000		
		10,020,000	30,020,000		
2 RESERVE AND SURPLUS:		9,788,258	9,788,258		
Capital Redemption Reserve Account		9,788,258	9,788,258		
3 FIXED ASSETS:					
		GROSS BLOCK		DEPRECIATION	
		NET BLOCK			
Description	As on 1-Apr-10	Additions	As on 31.03.11	As on 1-Apr-10	For the year
	As on 31-Mar-11	As on 31-Mar-11	As on 31-Mar-11	As on 31-Mar-10	As on 31-Mar-11
Office Premises	10,410,530	100,000	10,510,530	7,173,769	165,989
				7,339,758	3,170,772
				3,170,772	3,236,761
Previous Year	9,910,530	500,000	10,410,530	7,029,657	144,112
				7,173,769	3,236,761
				2,880,873	
4 INVESTMENTS: (Non Trade) (Long term at cost)	31.03.11 No.	31.03.10 No.	Face Value Rs.		
Shares: (Unquoted) Brooklyn Hills & Properties Pvt. Ltd.	490	490	100 49,000	49,000	49,000
Premier Consolidated Capital Trust (I) Ltd	76,400	76,400	10 1,554,800	1,554,800	1,554,800
Subsidiary Companies: E'L Dorado Shares Services Pvt. Ltd.	89,980	89,980	10 899,800	899,800	899,800
Daghy Investments Pvt. Ltd	170,000	170,000	10 1,700,000	1,700,000	1,700,000
Immovable Property				1,915,248	1,915,248
Partnership Firm: Think & Grow Rich Co.				426,205	426,205
Less: Provision for diminution in value of investments				6,545,053 (3,124,640)	6,545,053 (3,034,626)
				3,420,413	3,510,427
5 CURRENT ASSETS:					
Cash in hand				101	1,571
Balance with Scheduled Bank in Current Account				148,671	173,1011
				148,772	174,672
6 LOANS AND ADVANCES: (Unsecured, Considered good)					
Advance recoverable in cash or in kind or for value to be received:				7,945,125	2,233,325
Advance recoverable form Holding Company				40,080	11,948,926
Advance recoverable form Subsidiary Company				4,999,499	2,490,359
Deposits with Subsidiary Company				-	13,500,000
Deposits with others				1,194,260	4,320,010
Advance Tax & TDS				1,463,608	1,425,896
				15,642,572	35,018,516
7 CURRENT LIABILITIES:					
Other Liabilities				7,766,165	3,030,945
Creditors for expenses				74,560	60,662
8 PROVISIONS:					
Provision for Taxation				449,370	647,370
9 MISCELLANEOUS EXPENDITURE: (to the extent not written off or adjusted)				449,370	647,370
Deferred Revenue Expenses				1,025,000	-
Less: Written off for the year				(205,000)	-
				820,000	-
10 ADMINISTRATIVE, FINANCIAL & OTHER EXPENSES					
Bank Charges & Interest				746	1,828
Brokerage paid				105,888	-
Filing fees				10,690	4,030
Office Expenses				32,164	10,276
Compensation charges paid				120,000	120,000
Accounting Charges				24,000	18,000
Legal & Professional charges paid				174,620	86,018
Salaries paid				130,050	198,600
Reimbursement of Expenses				179,300	252,000
Repairs & Maintenance Charges				464,656	109,672
Society Charges paid				99,241	74,645
Repairs & Maintenance Charges - Let out property				13,212	13,212
Property Tax paid - Let out property				3,288	3,288
Audit Fees				26,023	19,302
				1,383,878	910,871

# E'l Dorado Investments Company Pvt. Ltd.



Schedule - 11

NOTES FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011.

**A) Significant Accounting Policies:**

- Accounting Concepts: The accounts are prepared under the historical cost convention and also in accordance with the accounting standard issued by the Institute of Chartered Accountants of India and the Provisions of the Companies Act, 1956 as adopted consistently by the Company on the basis of a going concern.
- Recognition of Income and Expenditure: All items of income and expenditure have a material bearing on the financial statements are recognised on accrual basis. However, dividends on investments in shares are accounted as and when received.
- Investments: Investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such decline is other than temporary in the opinion of the Management.
- Fixed Assets: Fixed Assets are capitalized at cost inclusive of legal and/or installation expenses.
- Depreciation: Depreciation is provided under the "Written Down Value Method" at rates provided by Schedule XIV to the Companies Act, 1956.
- Provision for FBT and Income Tax: Provision for FBT & Income tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act 1961.

**B. NOTES ON ACCOUNTS:**

- In the opinion of the Board, the Current Assets, Loans and Advances are realizable in the ordinary course of business. The provisions for all known liabilities have been made and are adequate.
  - The Income Tax Department has served the order of attachment of immovable property on the Company towards the tax demand against which the Company has preferred an appeal with the Appellate Authority.
  - Related party disclosure:

Maha Rashtira Apex Corporation Ltd. Dagny Investments Pvt.Ltd. Eldorado Share Services Pvt. Ltd. Sri S R Gowda Sri GARego	Holding Company Subsidiary Company Subsidiary Company Key Management Personnel Key Management Personnel	
---	---	--
- | Nature of Transaction                     | Balance as at<br>31.03.2011<br>Rs. | Balance as at<br>31.03.2010<br>Rs. |
|---|------------------------------------|------------------------------------|
| Advance Recoverable - Holding Company*    | 40048/-                            | 11048926/-                         |
| Advance Recoverable - Subsidiary Company* | 4999499/-                          | 2490359/-                          |
| Security Deposit to Subsidiary Company*   | -                                  | 13500000/-                         |
- ? \*Outstanding as of 31st March 2011  
 ? Related Party relationships are as identified by the Company on the basis of the information available.  
 ? No amount is has been written off or written back during the year in respect of debts due from or to related party.
- Earning per Share is calculated by dividing the profit attributable to the equity shareholders by the number of equity shares as under:

	2010-11 (Rs.)	2009-10 (Rs.)
Net Profit/(Loss) after Tax	(10515)	340901
Add (+)/Less (-) Prior Year Adjustments	(3278451)	(2500)
Net Profit/(Loss) attributable to Equity Share Holders	(328966)	338401
Number of equity shares used as denominator for calculating Basic EPS	1000000	1000000
Basic Earning Per Share of Rs. 10/- each	(3.29)	0.34
  - An agreement of sale cum transfer of property situated at Goa has been registered with appropriated authority and a sum of Rs. 25.00 lakhs has been received towards part consideration. The management confirms that the possession of property has yet to be handed over to the Purchaser only after receipt of balance sale consideration which is still pending as at 31.03.2011.
  - The requirement of Accounting Standard 17 on Segment Reporting is not applicable to the Company for the year ended 31st March 2011.
  - The Profit/Loss from the Partnership Firm has not been accounted in the absence of availability of information from the Firm.
  - There is no Deferred Tax Liability on timing difference as at 31.03.2011.
  - During the year, the Company has paid to Rs. 1025000/- to the Society towards major repairs and treated as Deferred Revenue Expenses and written off over for a period of five years.
  - During the year, the Company has redeemed 200000 13.5% Redeemable Non Cumulative Preference Shares of Rs. 100/- each at par.
  - There are no dues to Micro, Small and Medium Enterprises during the year. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31st March 2011, is not applicable.
  - The figures of previous year have been suitably regrouped and/or rearranged wherever necessary.

For and on behalf of the Board

As per our report of even date  
For VASUDEV PAI & CO.,  
Chartered Accountants,  
Firm Registration No. 004560S

Director

T. VASUDEV PAI  
Proprietor  
Membership No. 020906

Place : Mumbai  
Dated : 05.07.2011

**ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**

**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE:**

<b>1. REGISTRATION DETAILS:</b>	
Registration No.	39904
State Code	11
Balance Sheet date	31.03.2011
<b>2. CAPITAL RAISED DURING THE YEAR:</b>	
Public Issue	Nil
Rights Issue	Nil
Bonus Issue	Nil
Private Placement	Nil
Further Issue	Nil
<b>3. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS:</b>	
	(Rs. in lakhs)
Total Liabilities:	198.08
Total Assets:	198.08
<b>Sources of Funds:</b>	
Paid-up Capital	100.20
Reserves & Surplus	97.88
<b>Application of funds:</b>	
Net Fixed Assets	31.71
Investments	34.20
Net Current Assets	75.01
Miscellaneous Expenditure	8.20
Profit & Loss Account	48.96
<b>4. PERFORMANCE OF COMPANY:</b>	
Turnover	19.94
Total Expenditure	17.55
Profit/(loss) before Tax	2.39
Profit/(loss) after Tax	(32.89)
Earning per Share (Rs.)	(3.29)
Dividend Rate	-
<b>5. Generic names of three principal products/ services of Company</b>	: Not applicable

For and on behalf of Board of Directors

DIRECTOR

DIRECTOR

Place: Mumbai  
Date: 05.07.2011

## Notes

