



# Martin Burn Limited

ANNUAL REPORT 2011-2012



# Corporate Information

## Board of Directors

Shri Kedar Nath Fatehpuria	<i>Chairman &amp; Managing Director</i>
Shri Kailash Nath Fatehpuria	<i>Deputy Managing Director (resigned w.e.f. 31.01.2012)</i>
Shri Vijay Kumar Fatehpuria	<i>Director</i>
Shri Ram Karan Tiwari	<i>Independent Director</i>
Shri Kailash Prasad Dhanuka	<i>Independent Director (resigned w.e.f. 31.01.2012)</i>
Shri Sanjay Kumar Bhartiya	<i>Independent Director (resigned w.e.f. 10.08.2011)</i>
Shri Pawan Murarka	<i>Independent Director</i>

## Statutory Auditors

M/s D. P. Sen & Co.  
22, Ashutosh Chowdhury Avenue  
2nd Floor, Flat No. 22  
Kolkata - 700 019

## Bankers

The Federal Bank Ltd.  
HDFC Bank Ltd.  
Indian Overseas Bank  
State Bank of India

## Registered Office

“Martin Burn House”  
1, R. N. Mukherjee Road  
Kolkata - 700 001  
Phone : (033) 2230-3371/3022-5780/81  
Fax : (033) 2248-8416  
E-mail : martinburn@rediffmail.com

## Branches

40-42, Janpath,  
New Delhi - 110 001

“Esplanade House”  
29, Hazarimal Somani Marg  
Mumbai - 400 001

## Solicitors

Shri R. L. Mitra  
6, Old Post Office Street  
“Temple Chambers” 2nd Floor  
Kolkata - 700 001  
Phone : (033) 2248-3255

## Registrars & Share Transfer Agent

Maheshwari Datamatics (P) Ltd.  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001  
Phone : (033) 2243-5029/5809  
Fax : (033) 2248- 4787

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## NOTICE

**NOTICE** is hereby given that the 65th Annual General Meeting of the Company will be held at Kala Kunj" 48, Shakespeare Sarani, Kolkata - 700 017, on Saturday, the 8th September, 2012 at 11:00 A.M. to transact the following business :

### ORDINARY BUSINESS

1. To consider, approve and adopt the audited Balance Sheet as at 31st March, 2012, the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri Pawan Kumar Murarka who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint retiring Auditors of the Company, M/s D.P. Sen & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification the following resolution as special resolution :-

**"RESOLVED THAT** consent of the Company be and is hereby accorded for the re-appointment of Shri Kedar Nath Fatehpuria, as Chairman and Managing Director of the Company with effect from 29th April, 2012, for a further period of 42 months, in accordance with the provisions of Sections 198, 269 and 309 read with Schedule XIII and other application provisions of the Companies Act, 1956, including any statutory modification or re-enactments thereof, on the terms and conditions as set out in the Agreement dated 30th April, 2012, as entered into by the Company with Shri Kedar Nath Fatehpuria."

By Order of the Board of Directors  
For **MARTIN BURN LIMITED**

**K. N. Fatehpuria**  
*Chairman & Managing Director*

Place : Kolkata

Date : May 31, 2012

### NOTES :

- I. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND VOTE INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. HOWEVER, THE PROXY FORMS DULY FILLED UP MUST BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
- II. Corporate Members intending to send their authorised representative(s) to attend the Annual General Meeting are advised to send a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.
- III. The Register of Members and the Share Transfer Books of the Company shall remain closed from 02nd September, 2012 to 8th September, 2012 (both days inclusive).
- IV. Members who are holding shares in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation which includes easy liquidity; savings in stamp duty, facility of freeze/unfreeze of holding, auto credit of shares through corporate action, prevention of forgery etc.
- V. All documents referred to in the Notice and accompanying explanatory statement, as well as the Annual Accounts of the subsidiary company are open for inspection at the Registered Office of the Company on all working days, except Saturday, Sunday and other holidays, between 11.00 A.M. and 1.00 P.M. upto the date of Annual General Meeting.
- VI. The Explanatory Statement pursuant Section 173(2) of the Companies Act 1956, setting out the material facts in respect of special business under item no. 4 is annexed hereto.



## NOTICE Contd.

VII. Members are requested to bring their Annual Report along with them at the meeting,

VIII. Information pursuant to clause 49 of the Listing Agreement in connection with the Directors to be reappointed at the 65th Annual General Meeting.

Name of Director	Shri Kedar Nath Fatehpuria	Shri Pawan Kumar Bhartiya
Date of Birth	01.11.1940	01.03.1970
Date of Appointment	04.03.1985	29.09.2003
Qualifications	B.Sc	B.Com
Expertise in specific functional areas	Has 53 years of vast experience in Account, Finance, Company Management, Construction and Real Estate Development.	Expertise in Construction Industry
Directorship in other Public Ltd. Companies	NIL	NIL
Chairman / Membership of the Committees	NIL	NIL
No. of Shares held	2488864	NIL

IX. Members are requested to :

- a. Notify change of address, if any,
- b. Send Query (ies), if any, regarding audited accounts at least 10 days before the meeting.
- c. Bring with them their copy of the Annual Report in the meeting.
- d. Carry their identity proof to produce at the venue for security reasons.

X. Securities and Exchange Board of India (SEBI) vide its circular dated April 27, 2007 has made it mandatory effective July 2, 2007 for every participant in the securities/capital market to furnish Income Tax Permanent Account Number (PAN No.). Members holding shares in physical mode are requested to furnish photocopy of the PAN card to the Company or the Registrar and the members holding shares in Demat mode are requested to record the details of PAN Card with their Depository Participant.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.****Item no. 4.**

The Remuneration Committee of the Board and the Board of Director at their respective meetings held on 28.04.2012 decided to re-appoint Shri Kedar Nath Fatehpuria as Managing Director of the Company for a further period 42 months w.e.f. 29th April 2012 subject to your approval at the next Annual General Meeting. The terms and conditions of re-appointment is as under:-

- i) **SALARY** : ₹ 2,00,000 (Rupees Two Lac only) per month.
- ii) **COMMISSION** : Not exceeding 1% of the Net Profit of the Company in particular year subject to a ceiling of 50% of the salary.
- iii) **PERQUISITES & ALLOWANCE** : The perquisites and allowances, shall include accommodation (furnished or unfurnished) or house rent allowance in lieu thereof, house maintenance allowance together with reimbursement of expenses, and / or allowances, for utilization of gas, electricity, water furnishing and repairs, medical reimbursement leave travel concession for self and family including dependents, medical insurance and such other perquisites and / or allowance. The said perquisites and allowances shall be evaluated wherever applicable, as per the provision of Income Tax Act, 1961 or any rules there under or any statutory modifications(s) or re-enactments thereof, in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The provision for use of Company's car for official duties and telephone at residence (including payment for local calls and long distance official calls) shall not be included in the computation of perquisites for the purpose of calculating the ceiling. The salary and perquisites payable to Shri Kedar Nath Fatehpuria, as may be determined by the Board in the meeting of Directors and / or the Remuneration Committee of the Board, is not to be included for the purpose of computation of the aforesaid ceiling of remuneration provided that such payment shall be within the overall ceiling of remuneration permissible under the Act or Schedule XIII to the Companies Act, 1956.
- iv) **MINIMUM REMUNERATION** : In the event of loss or inadequacy of profits of the Company in any financial year, remuneration and perquisites / benefits payable to him in the basis of determined minimum remuneration by the Board within the limit specified in section II of Part B of Schedule XIII to the Companies Act, 1956, as modified from time to time.
- v) **SITTING FEES** : The Director shall not be paid any sitting fees for attending the meeting of the Board or any committee thereof.

The Draft agreement as entered in this connection shall be available for inspection to the members on the weekdays at the Registered Office of the Company during office hours of the office upto the date of the meeting.

None of the Directors, except Shri Kedar Nath Fatehpuria, in his personal capacity and Shri Vijay Kumar Fatehpuria - Director being his relative is concerned or interested in the aforesaid appointment.

On behalf of the Board

Place : Kolkata

Date : 31st May, 2012.

**K. N. Fatehpuria**  
Chairman & Managing Director



## DIRECTORS' REPORT

*Dear Members,*

Your Directors are pleased to present the 65th Annual Report together with Audited Statements of Accounts of the Company for the Financial Year ended March 31, 2012.

### FINANCIAL RESULTS

(₹ In lakh)

	2011-2012	2010-2011
Profit before Interest, Depreciation and Taxation	<b>202.27</b>	246.50
Less : Interest Expense	<b>111.93</b>	92.25
Less : Depreciation	<b>20.21</b>	17.34
Profit/(Loss) before taxation	<b>70.13</b>	136.91
Add/(Less) : Provision for taxation	<b>17.79</b>	18.23
Profit/(Loss) after taxation	<b>52.34</b>	118.68
Unappropriated Profit brought forward from previous years	<b>1044.64</b>	925.96
Profit available for appropriations	<b>1096.98</b>	1044.64

### DIVIDEND

Directors regret that they are unable to recommend any dividend for the year under review.

### PERFORMANCE REVIEW & FUTURE OUTLOOK

The Company has earned a Post Tax Profit of ₹ 52.34 Lacs against the corresponding Profit of ₹ 118.68 Lacs, as reported last year.

We are pleased to report that the Company achieved a good growth in sales and has seen a remarkable improvement in construction activities. We hope to maintain this trend during the current year too.

The Company owns a premium plot of land at Chowringhee Road, the commercial hub of Kolkata. The market value of the same has appreciated in recent time. Your Company hopes to exploit the same both commercially and residentially in the near future. The Project is expected to pay huge dividend to its shareholders

### PUBLIC DEPOSIT

The Company has no outstanding Public Deposit as on March 31, 2012. The Company has complied with the provisions of Section 58A of the Companies Act, 1956. The Company is not accepting any new Deposits.

### HUMAN RESOURCES

One of the key success factors for the sustainable growth of the organization has been our employees. The Company firmly believes that human resources and knowledge capital are vital for business success and creating value for the stakeholders.

### DIRECTORS

Shri Pawan Kumar Murarka - Director of the Company, retire at the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

Sri Kailash Nath Fatehpuria - Dy. Managing Director of the Company has resigned from the Board of Directors with effect from 31.01.2012. and Sri Sanjay Kumar Bhartiya and Sri Kailash Prasad Dhanuka - Independent Non-Executive Director of the Company has resigned from the Board of Directorship with effect from 10.08.2011 and 31.01.2012. The Board place our records its appreciation for the valuable contribution made to the Company during the tenure as a Director.

### STATUTORY INFORMATION

- (1) The statement under sub - section (2A) of Section 217 of the Companies Act, 1956, read with the Companies (Particulars of in the Report of the Board of Directors) Rules, 1988, is not applicable, as the remuneration payable to any employee does not exceed the prescribed limit.

## DIRECTORS' REPORT Contd.

- (2) The Company does not have any activity related to conservation of energy or technology absorption.
- (3) The Company's foreign exchange outgoing and the foreign exchange earning during the year is Nil.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 [2AA] of the Companies Act, 1956, the Directors state as follows :

1. in the preparation of the annual accounts, the applicable accounting standards had been followed by the Company;
2. appropriate accounting policies have been selected and applied consistently and such judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company for the Financial Year ended 31st March, 2012.
3. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with provisions of the Companies Act, 1956. for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the annual accounts have been prepared on a going concern basis.

### LISTING

The Company's shares are listed at The Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd.

### CORPORATE GOVERNANCE

A Report on Corporate Governance and Management Discussion and Analysis, as required under Clause 49 of the Listing Agreement are annexed and forms part of this Annual Report.

A certificate from the Auditors of the Company, M/s A. K. Labh & Co. confirming compliance with the conditions of the Corporate Governance is also annexed.

### COMPLIANCE CERTIFICATE

Compliance Certificate given by M/s. A.K. Labh & Co., Company Secretaries in terms of proviso to Sub-section (1) of Section 383A of the Companies Act, 1956 is attached and forms part of our report.

### AUDITORS' OBSERVATIONS

In respect of the reference to the Notes on Accounts in the Auditors' Report, your Directors have to state that the same are self explanatory and do not need further clarification.

### AUDITORS

The Company Auditors, M/s D.P. Sen & Co., Chartered Accountants, (Firm Registration no. 301054E). Hold office upto the conclusion of the ensuing Annual General Meeting. The Company has received the requisite certificate from them pursuant to Section 224(1B) of the Companies Act, 1956, confirming their eligibility for re-appointment as Auditors of the Company.

### ACKNOWLEDGEMENT

We wish to acknowledge the understanding, support and the services, sincerity of the workers, staffs and executives of the Company, which have contributed to the efficient operations and Management of the Company. Your Directors also wish to place on record the valuable co-operation and support received from The Federal Bank Ltd, HDFC Bank Ltd, Indian Overseas Bank, State Bank of India. Last but certainly by no means least, your Directors would like to thanks various departments of Central and State Government, its shareholders, customers and the public at large for their continued support and confidence.

We would also like to express sincere thanks to our shareholders & stakeholder for their confidence and understanding.

On behalf of the Board

**K. N. Fatehpuria**  
Chairman & Managing Director

Place : Kolkata  
Date : 31st May, 2012.



## MANAGEMENT DISCUSSION AND ANALYSIS

### Industry Structure and Development

The rapid economic growth has placed an increasing pressure on the physical infrastructure of the country, reflected in a growing deficit terms of their existing capacities and the growing demand. Our country is competing with the advanced countries in terms of infrastructural facilities and there is a thrust to improve in every aspect of it and a huge turnaround in the economy in terms of demand for higher qualitative infrastructural facilities is expected.

### Opportunities and Threats :

India's infrastructure deficiency and rising infrastructure requirements portends rapid growth over the next decade for Indian Construction industry. Whilst real estate development and industrial capital Expenditure are also the drivers for the construction industry infrastructure will be the key demand driver over the years to come.

As a results of being present in several verticals, the Company in not over dependent on any other particular sector. The judicious mix of the various construction segment / verticals enables the Company to protect its margin in bad times and improve the same in good times.

### Risk and Concern

The real estate business is impacted by, interalia, regulatory and monetary policies and investment outlook. The identified risks and opportunities are interrogated into rolling and annual plans. The Company has put in place a risk management policy to identify the nature and magnitude of risk associated with Company and to take steps for mitigating the impact of such risks.

### Outlook

We are pleased to report that the company achieved a good growth in sales and has seen a remarkable improvement in construction activities. We hope to maintain this trend during the current year too.

The company owns a premium plot of land at Chowringhee Road, the commercial hub of Kolkata. The market value of the

same has appreciated in recent time. Your company hopes to exploit the same both commercially and residentially in the near future. The Project is expected to pay huge dividend to its shareholders

### Internal Control and System

The Company has in place effective systems of internal control ensuring accurate, reliable and speedy compilation of financial statements management information reports safeguarding the assets and interests of the company and ensuring with compliance with company policies laws and regulations.

The company has an independent internal audit that conducts regular audit to ensure adequacy of the internal control system, adherence to the management instructions and its compliances. Audit plans are prepared well in advance based on risk assessment. Internal audit also conducts reviews to ensure implementation of the recommendations and suggestions. The audit committee of the board of directors periodically reviews the audit plans, observations and recommendations of internal auditor with reference to the significant risk areas and adequacy of internal controls.

### Human Resource Management

One of the key successes for the growth of the organization has been our employees. Several work instructions were reviewed and made more employees friendly, more practical and supported quick decision making. The management & the employee are dedicated to achieve the mission corporate object and goals for the organization.

### Cautionary Statement

Statements in this "Management Discussion and Analysis" describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. These pertain to the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements.



# CORPORATE GOVERNANCE REPORT

As required by Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in the prescribed format is given below :

## A. MANDATORY REQUIREMENTS

### 1. Company's philosophy on Code of Governance:

The Company's philosophy of Corporate Governance ensures that Company's business strategy and plans take care of the welfare of all its stakeholders. The Company adheres to the highest ethical standard which is combined with an unwavering commitment to core values - transparency, fairness in all dealings, honesty of purpose, quality consciousness and customer satisfaction.

### 2. Board of Directors

The composition of Board of Directors is in conformity with the provisions of the Companies Act, 1956, the Articles of Association of the Company and Clause 49 of the Listing Agreement. It comprises of 4(Four) directors of which there are 2(Two) promoter and 2(Two) independent directors as on 31st March, 2012. All directors are in non-executive capacity except that of the Chairman and Managing Director of the Company. All the Independent Directors on the Board are qualified, highly experienced and respected individuals from their respective fields. They take active part in the Board and Committee Meetings. Independent Directors do not fall under any criteria as stipulated vide Clause 49.I.A.(iii) of the listing agreement The Chairman of the Board is a Promoter Director in Executive capacity and the total number of Independent Directors is half of the total strength of the Board.. Shri Kedar Nath Fatehpuria and Shri Vijay Kumar Fatehpuria being relatives are related with each other. All Directors are above 21 years of age.

The composition of the Board and the attendance at the Board Meetings held during the year under review and the last Annual General Meeting and also number of other Directorship and Committee membership and Chairmanship are given below :

Sl. No.	Name of Director	Category of Directorship	No of Board Meetings held during the year	No of Board Meetings attended	Last AGM attended	No. of Directorship in other Public Ltd. Companies *	No. of Committee Membership in other Public Ltd. Companies *	No. of Committee Chairmanship in other Public Ltd. Companies *
1.	Shri Kedar Nath Fatehpuria	Chairman & Managing Director/Promoter	7	7	Yes	–	–	–
2.	Shri Kailash Nath Fatehpuria (resigned w.e.f. from 31.01.2012)	Deputy Managing Director/Promoter	7	1	No	–	–	–
3.	Shri Vijay Kumar Fatehpuria (acted as Deputy Managing Director till 06.03.2012)	Director/Non-Executive/Promoter	7	6	Yes	1	–	–
4.	Shri Ram Karan Tiwari	Independent Non-Executive Director	7	7	Yes	1	–	–
5.	Shri Kailash Prasad Dhanuka (resigned w.e.f. 31.01.2012)	Independent Non-Executive Director	7	3	Yes	–	–	–
6.	Shri Sanjay Kumar Bhartiya (resigned w.e.f. 10.08.2011)	Independent Non-Executive Director	7	–	No	–	–	–
7.	Shri Pawan Kumar Murarka	Independent Non-Executive Director	7	7	Yes	–	–	–
8.	Shri Om Prakash Fatehpuria (resigned w.e.f. 30.05.2011)	Jt. Managing Director/Promoter	7	–	N.A.	–	–	–



## CORPORATE GOVERNANCE REPORT Contd.

\* Number of Directorships/Memberships held in other Companies exclude Directorship /Memberships in Private Limited Companies, Foreign Companies, Membership of various Committees of various Chambers/Bodies and Companies under Section 25 of the Companies Act, 1956 and Alternate Directorships whereas the Membership or Chairmanship of any committee includes Audit Committee of any committee and Shareholders'/Investors Grievance Committee only.

The Board met Seven times during the year and the time gap between Board Meeting is not more than three months. Details of Board Meeting held during the year 2011-12 are as under :

Date of Board Meeting	25.04.2011	30.05.2011	09.07.2011	02.08.2011	11.11.2011	24.01.2012	31.01.2012
Board Strength	8	7	7	6	6	6	4
No. of Directors present	4	5	5	5	4	4	4

**Brief resumes of the Directors proposed to be appointed/re-appointed :**

### Mr. Pawan Kumar Murarka - Independent Non-Executive Director

Date of Birth	20.04.1971
Date of appointment	29.09.2003
Qualification	B.Com.
Experience	20 years experience in Construction and real estate business
Directorship in other body Corporate apart from this Companies	Nil
Chairman/Member of the Committee in which he is Director apart from this Company	Nil

**Shares of the Company held by Mr. Pawan Murarka, own or for other persons on beneficial basis, as on 31st march, 2012 :**

- 1) Own : Nil
- 2) On beneficial Basis : Nil

### 3. Audit Committee

The Audit Committee comprises of three Directors namely Sri Ram Karan Tiwari, Sri Pawan Kumar Murarka and Sri Vijay Kumar Fatehpuria as on 31.03.2012. Two third of the composition comprises of independent directors whereas all the directors are non-executive. The committee is chaired by Mr. Ram Karan Tiwari, an independent non-executive director. All the members are eminent in their respective fields and financially literate with sufficient accounting or related financial management expertise.

The Committee has met six times during the year and the time gap between two meetings are not more than four months. Details of Committee Meetings held during the year 2011-2012 are as under :

Name of the Committee Members	30.05.2011	02.08.2011	17.08.2011	11.11.2011	15.11.2011	24.01.2012
Shri Kailash Prasad Dhanuka - Chairman (Resigned w.e.f. 31.01.2012)	Yes	Yes	Yes	Yes	Yes	Yes
Shri Ram Karan Tiwari- Member	Yes	Yes	Yes	Yes	Yes	Yes
Shri Pawan Kumar Murarka- Member	Yes	Yes	Yes	Yes	Yes	Yes
Shri Vijay Kumar Fatehpuria- Member	No	Yes	Yes	Yes	Yes	Yes

The Committee acts as a link between the management, auditors and the Board of Directors of the Company and has full access to financial information. The terms of reference of the Audit Committee are in line with Clause 49 II (C) and (D) of the Stock Exchange listing agreement coinciding with the provisions under Section 292A of the Companies Act, 1956 and, inter alia, includes:

## CORPORATE GOVERNANCE REPORT Contd.

**Functions of the Committee**

1. Review with the management and / or Internal Audit Department and / or Statutory Auditors:
  - a. Company's financial statements and reports;
  - b. Disclosure of company's financial information to ensure that the same are correct, sufficient and credible
  - c. Changes / Improvements in Financial / Accounting practices;
  - d. Adequacy of Internal Audit Function and Systems; and
  - e. Charter of Audit Committee.
2. Hold discussion with :
  - a. Statutory Auditors, before and after audit on the scope and area of Concern;
  - b. Internal Audit Department on its significant findings and also failure of Internal Control Systems, if any; and
  - c. Management before submission of financial statements to the Board.
3. Compliance with Accounting Standards, Legal requirements and Ethical Code

**4. Remuneration Committee**

The Broad terms of reference of the remuneration committee are to recommend the company's policy on remuneration package for the Managing Director/Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

Remuneration Committee comprises of Mr. Ram Karan Tiwari as Chairman and Mr. Vijay Kumar Fatehpuria and Mr. Pawan Kumar Murarka as other members of the Committee.

During the financial year under review, no remuneration Committee meeting was held during the year.

Details of remuneration paid to the Executive Directors during the year 2011-12.

Name	Designation	Salary (₹)	Perquisites or Allowances (₹)	Contribution to PF & Others (₹)	Commission (₹)
Shri Kedar Nath Fatehpuria	Chairman and Managing Director	7,05,000	–	63,000	Nil
Shri Kailash Nath Fatehpuria (resigned w.e.f. 31.01.2012)	Deputy Managing Director	Nil	Nil	Nil	Nil

No sitting fees was paid to any Non Executive Directors for attending the meetings of the Board of Directors of the Company or any Committee thereof.

\* Shares/Convertible Instruments held by Non-Executive Directors as on 31.03.2012.

Name of Non-Executive Directors	No. of Shares of the Company	Convertible Instruments
Shri Ram Karan Tiwari	Nil	Nil
Shri Kailash Prasad Dhanuka (resigned w.e.f 31/01/2012)	Nil	Nil
Shri Pawan Kumar Murarka	Nil	Nil
Shri Sanjay Kumar Bhartiya (resigned on 10.08.2011)	Nil	Nil

**5. Shareholders'/Investors' Grievance Committee**

The Shareholders'/Investors' Grievance Committee reviews and monitors the grievances of shareholders and investors. It comprises of 3 (Three) Directors and is headed by Independent Non-Executive Director - Shri Pawan Kumar Murarka, as Chairman of the Committee. The other two member of the Committee is Shri Ram Karan Tiwari and Kedar Nath Fatehpuria. The terms of reference of the Committee is in terms of the Listing Agreement.



## CORPORATE GOVERNANCE REPORT Contd.

Mr. Vikash Dinodia is the Compliance Officer as per Clause 47(a) of the Listing Agreement with the Stock Exchanges and is inter alia responsible for establishing direct liaison with the authorities such as SEBI, Stock Exchanges, Registrar of Companies etc., and investors with respect to implementation of various clauses, rules, regulations and other directives of such authorities as well as investor service and complaints related matters.

The particulars of investors complaints received during the year 2011-12 were published along with the quarterly results, pursuant to Clause 41 of the Listing Agreement with the Stock Exchanges. The Company has not received any complaints during the financial year 2011-12.

The Committee met 16 times under the Chairmanship of Shri Pawan Kumar Murarka on 03.05.2011, 03.06.2011, 04.07.2011, 18.07.2011, 08.08.2011, 21.08.2011, 22.09.2011, 19.10.2011, 23.11.2011, 06.12.2011, 22.12.2011, 06.01.2012, 23.01.2012, 10.02.2012, 24.02.2012, 05.03.2012.

The Company maintains an exclusive e-mail ID viz, martinburn\_investor.grievance@rediffmail.com and martinburn@rediffmail.com to enable the investors to lodge their complaints/grievances, if any.

### 6. General Body Meeting

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2010-11	"Kal Kunj" 48, Shakespeare Sarani, Kolkata - 700 017	10.09.2011	11.00 A.M.
2009-10	"Martin Burn House", 1, R. N. Mukherjee Road, Kolkata - 700 001	18.09.2010	11.00 A.M.
2008-09	"Martin Burn House", 1, R. N. Mukherjee Road, Kolkata - 700 001	22.09.2011	11.00 A.M.

No special resolution was put through Postal ballot during the year under review nor is proposed at the ensuing Annual General Meeting to be passed through Postal ballot.

An Extra-ordinary General Meeting was held during the year under review on 23.05.2011.

### 7. Disclosure

#### a) Related party transactions

Related party transactions are defined as transactions of the Company of material nature, with promoters, Directors or with their relatives, its subsidiaries etc. that may have potential conflict with the interest of the Company at large. Details on material significant related party transactions are given in the appended financial statement under notes to the accounts annexed to the financial statement.

#### b) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to capital market during the last 3 years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities. The Company has complied with all the mandatory requirements of the revised Clause 49 of the Listing Agreement. The extents of compliance of the non-mandatory requirements are given below :

- i. With regard to training of Board Members, the directors of the Company are continuously trained in the business model of the Company and the risk profile of business parameters through various presentations at Board/Committee Meetings.
- ii. There is no formal Whistle-blower policy but the Company takes cognizance of complaints made and suggestions given by employees and others. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

#### c) Code of Conduct

The Company has formulated and implemented a code of conduct for all Board Members and Senior Management of the Company in compliance with Clause 49 of the Listing Agreement. All board members and senior management personnel have affirmed compliance with the code on an annual basis. A declaration to this effect duly signed by Managing Director of the Company is annexed alongwith this report.

## CORPORATE GOVERNANCE REPORT Contd.

### d) **Disclosure of Accounting treatment**

In the preparation of the financial statement the Company has followed accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable.

### e) **Disclosure of Risk Management**

The Company has initiated the risk assessment and minimization procedure.

### f) **CEO/CFO Certification**

The CEO, i.e., the Chairman & Managing Director of the Company and also the person heading the finance function has certified to the Board the particulars as stipulated vide Clause 49 V of the listing agreement.

### g) **Review of Directors' Responsibility Statement**

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2012 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

## 8. **Means of Communication**

The quarterly, half yearly and audited results are regularly published in a leading English Daily Newspaper (Business Standard) and a Bengali Daily (Dainik Lipi) whereas the printed Annual Report along with statement of accounts and notice convening the Annual General Meeting are mailed to the shareholders. At present the Company does not make presentation to institutional investors and Analysis.

## 9. **Management Discussion and Analysis Report**

Management Discussion and Analysis Report is separately attached and forms part of the Corporate Governance Report.

## 10. **General Shareholder Information**

### i) **Annual General Meeting**

65th A.G.M. to be held on Saturday the 8th September, 2012. at 11.00 A.M at "Kala Kunj", 48, Shakespeare Sarani, Kolkata - 700 017.

### ii) **Financial Calendar : 2012-2013 (Tentative)**

Results for the quarter ending June 30, 2012 - by 14th August, 2012

Results for the quarter ending September 30, 2012 - by 14th November, 2012.

Results for the quarter ending December 31, 2012 - by 14th February, 2013.

Results for the quarter ending March 31, 2013 - by 30th May, 2013.

Annual General Meeting (next year) September, 2013.

### iii) **Book Closure**

The Register of Members and Share Transfer Register will remain closed from 02.09.2012 to 08.09.2012 (both days inclusive).

### iv) **Listing of Equity Shares**

a. The Calcutta Stock Exchange Association Ltd.  
7, Lyons Range, Kolkata - 700 001.

b. Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.

Annual Listing Fee has been paid up to year ended March 31, 2012 to The Calcutta Stock Exchange Association Ltd. and Bombay Stock Exchange Ltd.

The Company has made the application for delisting of its shares from Delhi and Uttar Pradesh Stock Exchanges.



## CORPORATE GOVERNANCE REPORT Contd.

v) **Stock Code**

Bombay Stock Exchange Ltd. - 523566

The Calcutta Stock Exchange Association Ltd-10023179

vi) **Stock Market Price data for the year 2011-2012**

Market Price (Average High and Low) and the volume of transactions of the shares of the Company at Bombay Stock Exchange Limited (for the period April, 2011 to March, 2012.)

Month	High (₹)	Low (₹)	Volume of Trunover (₹)	BSE Sensex	
				High	Low
April 2011	41.85	33.10	1076576	19,811.14	18,976.19
May 2011	42.85	31.65	521288	19,253.87	17,786.13
June 2011	43.70	33.00	127363	18,873.39	17,314.38
July 2011	44.90	35.55	83050	19,131.70	18,131.86
August 2011	40.00	33.70	211065	18,440.07	15,765.53
September 2011	40.00	29.00	287947	17,211.80	15,801.01
October 2011	35.50	29.05	50190	17,908.13	15,745.43
November 2011	32.10	27.05	108037	17,702.26	15,478.69
December 2011	29.60	22.85	150112	17,003.71	15,135.86
January 2012	32.30	23.40	93354	17,258.97	15,358.02
February 2012	29.20	24.15	100230	18,523.78	17,061.55
March 2012	30.25	22.75	101775	18,040.69	16,920.61

vii) **Name and Address of the Registrar and Share Transfer Agent (RTA)**

**M/s. Maheshwari Datamatics Pvt. Ltd.**

6, Mangoe Lane, 2nd Floor

Kolkata - 700 001

Phone : 033 2243 5029/5809

Fax : 033 2248 4787.

Email : [mdpl@cal.vsnl.net.in](mailto:mdpl@cal.vsnl.net.in).

viii) **Share Transfer System**

All shares sent for transfer in physical form are registered by the Registrar and Share Transfer Agents within 30 days of the lodgment, if documents are found in order. Shares under objection are returned within two weeks. During the financial year 2011-12. 24 case of Share Transfer Deeds comprising of 1927 shares were received for physical transfer and 6 cases of share transfer deeds comprising of 282 shares were received for transmission of shares.

## CORPORATE GOVERNANCE REPORT Contd.

## ix) Shareholding Pattern as on 31st March, 2012

Category of Shareholder	No. of Shares	Percentage of Shareholding
<b>A. Shareholding of Promoter &amp; Promoter Group</b>		
<b>1) Indian</b>		
a) Individual/HUF	30,08,821	70.139%
b) Bodies Corporate	33	0.0007%
<b>Sub Total A(1)</b>	<b>30,88,854</b>	<b>70.1397%</b>
<b>2) Foreign</b>	Nil	Nil
<b>Sub Total A(2)</b>	Nil	Nil
<b>Total Promoters Shareholding A(1) + A(2)</b>	<b>30,88,854</b>	<b>70.1397%</b>
<b>B. Public Shareholding</b>		
<b>1) Institutions</b>		
a) Mutual Funds/UTI	1,366	0.0310%
b) Financial Institutions/Banks	10,408	0.2363%
c) Central/State Government(s)	1,420	0.0322%
d) Insurance Companies	200	0.0045%
e) Any Other	75	0.0017%
<b>Sub Total B(1)</b>	<b>13,469</b>	<b>0.3058%</b>
<b>2) Non-Institutions</b>		
a) Bodies Corporate	1,34,842	3.0619%
b) Individuals holding		
i) Nominal Share Capital up to ₹ 1 Lakhs	8,85,928	20.1171%
ii) Nominal Share Capital in excess of ₹ 1 Lakhs	2,22,018	5.0414%
c) Any Other		
i) Non Resident Individual	55,512	1.2605%
ii) Trust	1,206	.0274%
iii) Custodian of Enemy Property	1,532	0.0348%
iv) Clearing members	498	.0113%
<b>Sub Total B(2)</b>	<b>13,01,536</b>	<b>29.5544%</b>
<b>Total Public Shareholding B(1) + B(2)</b>	<b>13,15,005</b>	<b>29.8601%</b>
<b>Total</b>	<b>4,40,38,509</b>	<b>100.00%</b>

## xi) Distribution of Shares as on March 31, 2012.

Share Holding	Number of Shareholders	% of Share-holders	No. of Shares	% of Shares
1 to 500	8771	96.3952	592988	13.4652
501 to 1000	186	2.0442	141659	3.2167
1001 to 2000	80	0.8792	119831	2.7210
2001 to 3000	25	0.2748	61247	1.3908
3001 to 4000	8	0.0879	29050	0.6596
4001 to 5000	4	0.0440	18690	0.4244
5001 to 10000	7	0.0769	53997	1.2261
10001 & above	18	0.1978	3386397	76.8961
<b>Grand Total</b>	<b>9099</b>	<b>100.0000</b>	<b>4403859</b>	<b>100.00</b>



## CORPORATE GOVERNANCE REPORT Contd.

xii) Summary report of Shareholding as on March 31, 2012.

Particulars	Shareholders		No. of Shares	% of Share Holdings
	No.	%		
Physical	6879	75.61%	595910	13.5315
NSDL	1550	17.03%	3592029	81.5655
CDSL	670	7.36%	215920	4.9030
<b>Total</b>	<b>9099</b>	<b>100.0000</b>	<b>4403859</b>	<b>100.0000</b>

xiii) **Dematerialization of shares**

The Equity shares of the Company are traded on Bombay Stock Exchange Ltd. All requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e. National Securities Depositories Limited (NSDL) and Central Depository Services Limited within 15 days. During the year total number of shares dematerialized were NSDL 4693 and CDSL 1303.

xiv) **Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on equity**

Your Company has not issued any ADRs, GDRs, Warrants or any convertible instruments.

xv) **Compliance Certificate**

The Company has obtained Compliance Certificate from Shri A. K. Labh, Practicing Company Secretary of M/s. A. K. Labh & Co., Company Secretaries regarding compliance of conditions on Corporate Governance and the same is attached to this report.

On behalf of the Board

**K. N. Fatehpuria**

*Chairman & Managing Director*

Place : Kolkata

Date : 31st May, 2012



CORPORATE GOVERNANCE REPORT Contd.**CERTIFICATION BY CHAIRMAN & MANAGING DIRECTOR AND DIRECTOR**

We in our official capacity do hereby confirm and certify that :

- a) We have reviewed financial statements and the Cash Flow Statement for the year ended March 31, 2012 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 Company's affairs
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2011-12 which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls and state that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of internal controls, if any of which we are aware and steps have been taken or proposed to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee.
  - i) Significant changes in internal control during the year ended March 31, 2012.
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii) Instance of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For **MARTIN BURN LIMITED**

**Kedar Nath Fatehpuria**  
*Chairman & Managing Director*

Place : Kolkata  
Date : 31st May, 2012

**Vijay Kumar Fatehpuria**  
*Director*



## CORPORATE GOVERNANCE REPORT Contd.

### CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**MARTIN BURN LIMITED**

We have examined the compliance of conditions of Corporate Governance by M/S. MARTIN BURN LIMITED for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above-mentioned Listing Agreement.

We have been explained that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the share transfer agent.

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

For **A. K. LABH & CO.**  
*Company Secretaries*

**(C.S. A. K. LABH)**  
*Proprietor*  
CP - 3238

Place : Kolkata  
Dated : 31st May, 2012

### CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY

This is to confirm that the Company has received declarations affirming compliance of the Code from the persons concerned for the Financial Year ended 31st March, 2012. The same has also been noted by the Board in its Meeting held on 31st May, 2012.

Place : Kolkata  
Date : 31st May, 2012

**K. N. Fatehpuria**  
*Chairman & Managing Director*

# COMPLIANCE CERTIFICATE

To the Members  
**MARTIN BURN LIMITED**  
 1, R. N. Mukherjee Road  
 Kolkata - 700 001

Registration No. : 21-13641  
 Authorised Capital : ₹ 6,00,00,000  
 Paid up Capital : ₹ 4,40,38,590

We have examined the registers, records, books and papers of Martin Burn Limited (the company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2012. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year :

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and rules made there under and all entries therein have been duly recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies (ROC) as prescribed under the Act and the rules made there under.
3. The Company is a Public Limited Company.
4. The Board of Directors duly met 7 (Seven) times on 25.04.2011, 30.05.2011, 09.07.2011, 02.08.2011, 11.11.2011, 24.01.2012 and 31.01.2012 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The register of members and share transfer books were closed from 05.09.2011 to 10.09.2011 (both days inclusive) and the provisions of Section 154 of the Act was duly complied with.
6. The Annual General Meeting for the financial year ended on 31.03.2011 was held on 10.09.2011 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One extra-ordinary general meeting was held during the year on 23.05.2011 after giving due notice to the members of the Company and the resolutions passed there was duly recorded in Minutes Book maintained for the purpose.
8. The provisions of Section 295 of the Act are not attracted.
9. The provisions of Section 297 of the Act are not attracted.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act for the disclosures made by the Directors pursuant to the provisions of the Section 299 of the Act.
11. The provisions of Section 314 of the Act are not attracted.
12. Duplicate share certificate was issued during the year under report.
13. The Company has :
  - (i) issued the share certificate within time after processing the request for transfer of shares received during the year.
  - (ii) not declared any dividend during the year under report;
  - (iii) no amount of unpaid/unclaimed dividend due for transfer to the Investor Education & Protection Fund during the year under report;
  - (iv) complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no new appointment of additional, casual or alternative director during the year under report.
15. The provisions of Section 269 of the Act are not attracted
16. No sole-selling agent was appointed during the year.
17. The Company was not required to obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and rules made there under.
19. The Company has issued 10,00,000 (Ten Lac) Equity Share Warrants of ₹ 10/-each at premium of ₹ 30/- each and necessary compliances were duly made.



## COMPLIANCE CERTIFICATE Contd.

20. The Company has not bought back any shares during the year.
21. The Company does not have any preference shares/debentures.
22. The Company has not issued any right/bonus shares etc. during the year.
23. The company has not accepted/renewed any fresh deposits attracting the provisions of Section 58A of the Act.
24. The borrowings made by the Company are within the statutory limit.
25. The investments, loans and advances made by the Company are in compliance with the provisions of the Act.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered the provisions of the Articles of Association of the Company during the year under scrutiny.
31. The Company has not received any show cause notice for any alleged offence during the year under report
32. The Company has not received any security from its employees during the year under certification.
33. The provisions of Section 418 of the Act were not attracted.

For **A. K. LABH & CO.**  
Company Secretaries

**CS A. K. Labh**  
Proprietor  
C. P. No. 3238

Place : Kolkata

Date : 31.05.2012

### Annexure - A

Registers as maintained by the Company

1. Register of Members u/s 150
2. Register of Index of Members u/s 151
3. Register of transfer of shares u/s 108
4. Register of charges u/s 143
5. Register of Directors, Manager, etc. u/s 303
6. Register of Directors' shareholding u/s 307
7. Minutes of Board Meeting
8. Minutes of General Meeting
9. Books of Accounts u/s 209

### Annexure - B

Forms and Returns as filed by the Company with the Registrar of Companies, during the financial year ending on 31st March, 2012 :

1. Form 20B u/s 159 ( doct. dated 10.09.2011 filed on 29.11.2011)
2. Form 23AC & ACA u/s 220 (doct. dated 31.03.2011 filed on 19.12.2011)
3. Form 66 u/s 383A (doct. dated 30.05.2011 filed on 30.11.2011)
4. Form 23 u/s 192 (doct. dt. 23.05.2011 filed on 10.06.2011)
5. Form 32 u/s 283 (doct.date 10.08.2011 filed on 01 09.2011)
6. Form 32 u/s 283 (doct date 30.05.2011 filed on 08.06.2011)
7. Form 32 u/s 283 (doct date 31.01.2012 filed on 09.02.2011)
8. Form 32 u/s 303(2) (doct date 06.03.2012 filed on 29.03.2012)

# AUDITORS' REPORT

To  
The Shareholders of **MARTIN BURN LIMITED**

We have audited the attached Balance Sheet of MARTIN BURN LIMITED, as at 31st March 2012, and also the Profit and Loss Account and 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 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.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) order 2004 ("Order") issued by the Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, ("Act") and on the basis of such checks as we considered appropriate, and according to the information and explanation given to us, we enclose in the **Annexure** a statement on the matters specified in paragraphs 4 & 5 of the said Order.
2. Attention is drawn to the Notes No. 2 & 4 of the Notes on Accounts (Schedule 21).
3. Further, to our comments in para 1 & 2 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 purpose of our audit.
4. Subject to remarks in Para 1-3 above, in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
5. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
6. In our opinion *excepting as stated in Point No. 8 of Schedule 21*, the Balance Sheet and the Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of the section 211 of the Companies Act, 1956.
7. On the basis of written representations received from the Directors of the Company which were taken on record by the Board of Directors of the Company and the information and explanations as made available, none of the Directors of the Company is disqualified as on 31st March, 2012 from being appointed as a director in terms of Clause (g) of sub-Section (1) of section 274 of the Companies Act, 1956.
8. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules 1 to 21 give the information required by the Companies Act, 1956 in the manner so required and subject to the effect of notes as referred in Paragraph 2 above and read together with the other notes thereon, give a true and fair view in conformity with the accounting principles and standards generally accepted in India,
  - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 and
  - b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date.
  - c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

22, Ashutosh Chowdhury Avenue,  
2nd Floor, Flat No. 22,  
Kolkata - 700 019  
Date : May 31, 2012.

For **D. P. Sen & Co.**  
Chartered Accountants

**D. Bhattacharyya**  
Partner  
Membership No. 012726  
Firm Registration No. 301054E



## ANNEXURE TO THE AUDITORS' REPORT

### AS REQUIRED BY THE COMPANIES (AUDITOR'S REPORT) ORDER, 2003

#### (As amended)

(Referred to in serial no. 1 of our report of even date)

- 1 (a) The Company has maintained records showing full particulars including quantitative details and situation of fixed assets which, however, needs improvement.  
(b) The management during the year under audit has physically verified the fixed assets of the company.  
(c) During the year no substantial part of fixed assets has been disposed off by the company. Therefore, the provisions of paragraph 4(i) (c) of the aforesaid order, in our opinion, are not applicable to the company.
- 2 Construction materials for Projects are directly debited to Construction Work in progress as and when purchased.
- 3 (a) As informed, the Company has not granted / taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956.  
(b) In view of our comment in paragraph 3(a) above, the paragraphs 4(iii)(b) to 4(iii)(d) of the aforesaid order are not applicable to the Company.  
(c) In view of our comment in paragraph 3(a) above, the paragraphs 4 (iii)(f) and 4 (iii)(g) of the aforesaid order are not applicable to the company.
4. In our opinion and according to the information and explanations given to us, there are internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of construction materials and fixed assets and for the sale of real estate properties and services. In our opinion the internal control system needs further improvement. Further, during the course of our audit, we have neither come across nor have we been informed of any continuing failure to correct major weakness in internal control.
5. According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
6. During the course of our audit we have not come across any receipt of Public Deposit or any balance under this account.
7. The Company has internal audit system commensurate with the nature of business and activities of the company.
8. The Central Government has not prescribed maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 for the company.
9. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.  
(b) There are no dues outstanding of Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess on account of any dispute except for ₹ 5,664,240 against Sales Tax and ₹ 46,981,720 against Income Tax.
10. The Company has no accumulated losses. The company has not incurred any cash loss during the financial year covered by our report and the immediately preceding financial year.
11. According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
13. In our opinion, the company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provisions of clause (xiii) of paragraph 4 of the aforesaid order are not applicable to the company.

## ANNEXURE TO THE AUDITORS' REPORT Contd.

14. In our opinion the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of paragraph 4 (xiv) of the aforesaid order are not applicable to the company.
15. The Company has not given any guarantee for the loan taken by others from bank or financial institutions during the year.
16. According to the information and explanations given to us, the term loans raised by the company have been applied for the purpose for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the balance sheet and cash flow of the company, we report that no fund raised on short term basis has been used for long term investment.
18. The Company has raised money by issue of Preferential Equity Share Warrants during the year. Provisions of paragraph 4 (xviii) of the aforesaid order are not applicable.
19. The Company has not issued any debentures. Accordingly, the provisions of paragraph 4 (xix) of the aforesaid order are not applicable to the company.
20. The Company has not raised any money by public issue during the year. Therefore, the provisions of paragraph 4 (xx) of the aforesaid order are not applicable to the company.
21. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices, we have neither come across any instance of fraud on or by the company nor have we been informed of such case by the management.

22, Ashutosh Chowdhury Avenue,  
2nd Floor, Flat No. 22,  
Kolkata - 700 019  
Date : May 31, 2012.

For **D. P. Sen & Co.**  
*Chartered Accountants*

**D. Bhattacharyya**  
*Partner*  
Membership No. 012726  
Firm Registration No. 301054E



## BALANCE SHEET as at 31st March, 2012

	Notes	As at 31st March, 2012		As at 31st March, 2011	
		₹	₹	₹	₹
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
Share Capital	1	44,038,590		44,038,590	
Reserves and Surplus	2	326,686,570		322,303,137	
Money received against share warrants		17,500,000	388,225,160	–	366,341,727
<b>Non-Current Liabilities</b>					
Long Term Borrowings	3	75,110,492		78,714,593	
Deferred Tax Liability (Net)	4	5,295,078	80,405,570	5,073,438	83,788,031
<b>Current Liabilities</b>					
Trade Payables	5	42,140,249		41,849,696	
Other Current Liabilities	6	358,086,833		290,465,074	
Short Term Provisions	7	46,116,859	446,343,941	43,492,116	375,806,886
<b>TOTAL</b>			<b>914,974,671</b>		<b>825,936,644</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Fixed Assets					
Tangible Assets	8	224,345,947		223,577,534	
Capital Work-in-Progress	8	751,956		–	
Non-Current Investments	9	10,006		2,694,490	
Long Term Loans and Advances	10	591,924,857	817,032,766	523,142,259	749,414,283
<b>Current Assets</b>					
Inventories	11	7,733,838		5,988,861	
Trade Receivables	12	22,758,882		33,533,133	
Cash and Bank Balances	13	4,164,300		1,829,737	
Short Term Loans and Advances	14	881,787		885,816	
Other Current Assets	15	62,403,098	97,941,905	34,284,814	76,522,361
<b>TOTAL</b>			<b>914,974,671</b>		<b>825,936,644</b>
Significant Accounting Policies	20				
Notes on Accounts	21				

Schedule referred to above form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

For **D. P. SEN & CO.**  
Chartered Accountants

For and on behalf of the Board

**D. Bhattacharyya**  
Partner  
Membership No. 012726  
Firm Registration No. 301054E  
Place : Kolkata  
Date : May 31, 2012

**Kedar Nath Fatehpuria**  
Chairman & Managing Director

**Vijay Kumar Fatehpuria**  
Director

**Pawan Murarka**  
Director



## STATEMENTS OF PROFIT &amp; LOSS for the year ended 31st March, 2012

	Notes	As at 31st March, 2012	As at 31st March, 2011
		₹	₹
<b>INCOME</b>			
Sales		32,672,890	27,498,323
Other Income	16	43,492,221	33,753,128
Increase / (Decrease) in Stock of Work - In Progress and Finished Construction	17	1,744,977	(5,159,069)
<b>TOTAL REVENUE</b>		<b>77,910,088</b>	<b>56,092,382</b>
<b>EXPENDITURE</b>			
Real Estate Purchase and Construction Expenses	18	35,655,821	9,669,533
Other Expenses	19	33,219,736	30,997,721
Depreciation		2,868,190	2,627,126
Transfer to Fixed Assets Revaluation Reserve		(846,960)	(893,063)
<b>TOTAL EXPENSES</b>		<b>70,896,787</b>	<b>42,401,317</b>
<b>PROFIT / (LOSS) BEFORE TAXATION</b>		<b>7,013,301</b>	<b>13,691,065</b>
Taxation			
Current Tax		1,557,865	2,348,190
Deferred Tax		221,640	(525,328)
<b>PROFIT / (LOSS) AFTER TAXATION</b>		<b>5,233,796</b>	<b>11,868,203</b>
Add : Profit brought forward from last account		104,463,916	92,595,713
<b>PROFIT / (LOSS) CARRIED TO BALANCE SHEET</b>		<b>109,697,712</b>	<b>104,463,916</b>
Basic and Diluted Earning Per Share		1.19	2.69
(In ₹) Face Value ₹ 10/- (Note No. 9 )			
Number of Equity Shares		4,403,859	4,403,859
Significant Accounting Policies	20		
Notes on Accounts	21		

Schedule referred to above form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date.

For **D. P. SEN & CO.**  
Chartered Accountants

For and on behalf of the Board

**D. Bhattacharyya**  
Partner  
Membership No. 012726  
Firm Registration No. 301054E  
Place : Kolkata  
Date : May 31, 2012

**Kedar Nath Fatehpuria**  
Chairman & Managing Director

**Vijay Kumar Fatehpuria**  
Director

**Pawan Murarka**  
Director



## CASH FLOW STATEMENT for the year ended 31st March, 2012

CASH FLOW STATEMENT PREPARED PURSUANT TO CLAUSE 32 OF LISTING AGREEMENT FOR THE YEAR ENDED 31st MARCH, 2012.

	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
<b>(A) Cash Flow arising from Operating Activities</b>		
Net Profit/ (Loss) before tax	7,013,301	13,691,065
<b>Adjustments for :</b>		
Depreciation	2,868,190	2,627,126
Bad Debts and Advances Written off	4,606,367	2,357,450
Recovery of Bad Debts	(72,961)	(228,630)
Profit on sale of Fixed Assets	(200,476)	(498,426)
Liabilities no longer required Written Back	(1,714,514)	(4,769,677)
Interest Expenses	11,192,593	9,225,166
Interest and Dividend Income	(19,083,975)	(9,120,367)
Transfer from Fixed Assets Revaluation Reserve	(846,960)	(893,063)
<b>Operating Profit before Working Capital Changes</b>	<b>3,761,565</b>	<b>12,390,644</b>
<b>Adjustments for :</b>		
Trade and Other Receivables	8,435,234	13,501,289
Inventories	(1,744,977)	5,159,069
Trade Payables	48,044,615	(2,191,608)
<b>Cash generated from Operations :</b>	<b>58,496,436</b>	<b>28,859,395</b>
Income Tax & Service Tax Paid	(4,000,000)	-
<b>NET CASH FROM OPERATING ACTIVITIES :</b>	<b>54,496,436</b>	<b>28,859,395</b>
<b>(B) Cash Flow arising from Investing Activities</b>		
Purchase of Fixed Assets	(4,540,576)	(2,646,085)
Sale of Fixed Assets	349,000	902,406
Dividend Received	20	-
Sale of Investment	2,684,484	-
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>(1,507,072)</b>	<b>(1,743,679)</b>

## CASH FLOW STATEMENT (Contd.)

	For the year ended 31st March, 2012 ₹	For the year ended 31st March, 2011 ₹
<b>(C) Cash Flow arising from Financing Activities</b>		
Proceeds from Share Application (Pending allotment)	17,500,000	–
Proceeds from Borrowings		
Long Term	50,147,471	110,007,973
Loans and Advances Given		
Long Term	(112,538,981)	(148,858,601)
Interest Paid	(11,192,593)	(9,225,166)
Bad Debt Recovery	72,961	228,630
Interest Received	5,356,341	9,120,367
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(50,654,801)</b>	<b>(38,726,797)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>2,334,563</b>	<b>(11,611,081)</b>
<b>CASH AND CASH EQUIVALENTS-OPENING BALANCE</b>	<b>1,829,737</b>	<b>13,440,818</b>
<b>CASH AND CASH EQUIVALENTS-CLOSING BALANCE</b>	<b>4,164,300</b>	<b>1,829,737</b>

**Note :**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in Accounting Standard - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
2. Cash and Cash Equivalents consist of Cash and Bank balances.
3. Previous year's figures have been regrouped / rearranged where necessary.

This is the Cash Flow Statement referred to in our report of even date.

For **D. P. SEN & CO.**  
Chartered Accountants

**D. Bhattacharyya**  
Partner  
Membership No. 012726  
Firm Registration No. 301054E  
Place : Kolkata  
Date : May 31, 2012

**Kedar Nath Fatehpuria**  
Chairman & Managing Director

For and on behalf of the Board

**Vijay Kumar Fatehpuria**  
Director

**Pawan Murarka**  
Director



## NOTES TO THE FINANCIAL STATEMENTS

	As at 31st March, 2012	As at 31st March, 2011
<b>1 SHARE CAPITAL</b>	₹	₹
<b>Authorised :</b>		
5,990,000 Ordinary Shares of ₹10 each	59,900,000	59,900,000
1,000 5% Redeemable Preference Shares of ₹100 each	100,000	100,000
	<b>60,000,000</b>	<b>60,000,000</b>
<b>Issued, Subscribed and Paid Up</b>		
4,403,859 Ordinary Shares of ₹10 each fully paid	44,038,590	44,038,590
	<b>44,038,590</b>	<b>44,038,590</b>

	As at 31st March, 2012	As at 31st March, 2011
<b>2 RESERVES AND SURPLUS</b>	₹	₹
<b>Capital Reserve</b>		
As per last Account	3,587,974	3,587,974
Add : Addition during the year	– 3,587,974	
<b>Fixed Assets Revaluation Reserve</b>		
As per last Account	91,157,799	92,050,862
Less : Adjustment	3,403	–
Less : Transfer to Profit and Loss Account	846,960 90,307,436	893,063 91,157,799
<b>Capital Redemption Reserve</b>		
As per last Account	–	1,600,000
Less : Transfer to General Reserve	– –	1,600,000 –
<b>General Reserve</b>		
As per last Account	123,093,448	121,493,448
Add : Transfer from Capital Redemption Reserve	– 123,093,448	1,600,000 123,093,448
Profit & Loss Account	109,697,712	104,463,916
	<b>326,686,570</b>	<b>322,303,137</b>

## NOTES TO THE FINANCIAL STATEMENTS Contd.

	As at 31st March, 2012	As at 31st March, 2011
<b>3 LONG TERM BORROWINGS</b>	₹	₹
<b>Secured</b>		
Term Loan from Banks	72,143,538	76,140,404
Term Loan from Others	569,463	–
	<b>72,713,001</b>	<b>76,140,404</b>
<b>Unsecured</b>		
Interest accrued and due on		
Short Term Loan	2,397,491	2,397,491
Overdraft from Bank	–	176,698
	2,397,491	2,574,189
<b>TOTAL</b>	<b>75,110,492</b>	<b>78,714,593</b>

**NOTES :**

- 1 Term Loans from ICICI Bank and HDFC Bank are secured by hypothecation of specific assets acquired under Mobile Finance Scheme.
- 2 Term Loan from Federal Bank is secured against assignment of future rent receivables on rented premises, occupied by the bank, collaterally secured by equitable mortgage of immovable property of the company located at Kolkata and by personal guarantees of Promoter Directors of the Company.

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>4 DEFERRED TAX</b>	₹	₹
<b>Deferred Tax Assets :</b>		
Gratuity Provision	1,129,142	1,260,213
Accrued Expenses deductible on payment	127,433	151,041
	1,256,575	1,411,254
<b>Deferred Tax Liability :</b>		
Depreciation	(6,551,653)	(6,484,692)
Net Deferred Tax Assets / (Liabilities)	<b>(5,295,078)</b>	<b>(5,073,438)</b>

<b>5 TRADE PAYABLES</b>		
Sundry Creditors for Goods	42,140,249	41,849,696
	<b>42,140,249</b>	<b>41,849,696</b>

<b>6 OTHER CURRENT LIABILITIES</b>		
Sundry Creditors - Expenses	63,145,837	67,188,315
Deposits from Customers	155,396,934	123,996,108
Advance from Customers	71,406,000	80,125,946
Other Liabilities	68,138,062	19,154,705
	<b>358,086,833</b>	<b>290,465,074</b>



## NOTES TO THE FINANCIAL STATEMENTS Contd.

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>7 SHORT TERM PROVISIONS</b>	₹	₹
Gratuity	3,654,182	4,078,359
Taxation	42,177,317	38,838,866
Fringe Benefit Tax	–	213,131
Leave Encashment	285,360	361,760
	<b>46,116,859</b>	<b>43,492,116</b>

### 8 FIXED ASSETS (Amount in ₹)

PARTICULARS	ORIGINAL COST/REVALUATION				DEPRECIATION				NET BLOCK	
	As at 31st March, 2011	Additions during the year	Sale/Adjust- ments during the year	As at 31st March, 2012	As at 31st March, 2011	Applicable to Sales/Adjust- ments during the year	For the year	Total upto 31st March, 2012	Written down Value as at 31st March, 2012	Written down Value as at 31st March, 2011
<b>A. TANGIBLE ASSETS</b>										
Freehold Land	157,066,355	–	–	157,066,355	–	–	–	–	157,066,355	157,066,355
Freehold Buildings	97,818,982	–	–	97,818,982	62,686,746	–	1,756,613	64,443,359	33,375,623	35,132,236
Leasehold Land	23,785,726	–	–	23,785,726	–	–	–	–	23,785,726	23,785,726
Leasehold Land & Building	7,565,941	–	227,964	7,337,977	4,815,329	227,964	145,910	4,733,275	2,604,702	2,750,612
Plant and Machinery	16,092,585	2,882,172	674,031	18,300,726	12,712,087	667,071	498,157	12,543,173	5,757,553	3,380,498
Furniture and Fittings	4,339,650	5,500.00	78,567	4,266,583	4,110,415	78,567.00	42,154	4,070,002	192,581	229,235
Vehicles	2,839,546	900,948	899,230	2,841,264	1,606,674	754,173	425,356	1,277,857	1,563,407	1,232,872
<b>Fixed Assets Given on Lease :</b>										
Plant and Machinery	3,950,422	–	3,950,422	–	3,950,422	3,950,422	–	–	–	–
Vehicles	2,586,943	–	2,586,943	–	2,586,943	2,586,943	–	–	–	–
<b>Total (A)</b>	<b>316,046,150</b>	<b>3,788,620</b>	<b>8,417,157</b>	<b>311,417,613</b>	<b>92,468,616</b>	<b>8,265,140</b>	<b>2,868,190</b>	<b>87,071,666</b>	<b>224,345,947</b>	<b>223,577,534</b>
<b>B. Capital work-in-progress</b>		751,956	–	751,956	–	–	–	–	751,956	–
Total (B)	–	751,956	–	751,956	–	–	–	–	751,956	–
<b>Total (A+B)</b>	<b>316,046,150</b>	<b>4,540,576</b>	<b>8,417,157</b>	<b>312,169,569</b>	<b>92,468,616</b>	<b>8,265,140</b>	<b>2,868,190</b>	<b>87,071,666</b>	<b>225,097,903</b>	<b>223,577,534</b>
Previous Year	313,643,466	3,305,090	902,406	316,046,150	90,368,822	527,332	2,627,126	92,468,616	223,577,534	

## NOTES TO THE FINANCIAL STATEMENTS Contd.

	As at 31st March, 2012	As at 31st March, 2011
<b>9 NON CURRENT INVESTMENTS (Long Term Investments)</b>	₹	₹
Fully paid Shares and Debentures		
Ordinary Shares	10,006	2,694,490
	10,006	2,694,490
Aggregate amount of Unquoted Investments	10,006	2,694,490
<b>Shares -</b>		
10078 Ordinary Shares of ₹ 10 each of Upper Ganges Valley Electric Supply Company Ltd. (in liquidation)	1	1
22550 Ordinary Shares of ₹ 10 each of Upper Jumna Valley Electric Supply Company Ltd. (in liquidation)	1	1
211 Ordinary Shares of ₹ 100 each of Futwah Islampur Light Railways Company Ltd. (in liquidation)	1	1
2700 Ordinary Shares of ₹ 100 each of Arrah Sasaram Light Railways Company Ltd. (in liquidation)	1	1
4723 Ordinary Shares of ₹ 100 each of Agra Electric Supply Company Ltd. (in liquidation)	1	1
36594 Ordinary Shares of ₹ 10 each of Benaras Electric Light & Power Company Ltd. (in liquidation)	1	1
1000 Equity Share of ₹ 10 each of Martin Burn Edutech Pvt. Ltd.	10,000	10,000
95900 Equity Share of ₹ 10 each of Step Two Corporation Ltd.	-	584,484
2000 Equity Shares of ₹ 100/- each at a premium of ₹ 200/ Trinetra Capital Services Pvt.Ltd.	-	600,000
15000 Equity Share of ₹ 10 each of Divij Finance Pvt.Ltd.	-	1,500,000
	<b>10,006</b>	<b>2,694,490</b>



## NOTES TO THE FINANCIAL STATEMENTS Contd.

	As at 31st March, 2012	As at 31st March, 2011
<b>10 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)</b>	₹	₹
Loans to Bodies Corporate	183,077,722	214,460,597
Loans to Others	61,833,702	166,585,702
Advance payment of Tax and Tax deducted at Sources	52,769,729	41,116,429
Other Advances	294,243,704	100,979,531
	<b>591,924,857</b>	<b>523,142,259</b>
<b>11 INVENTORIES</b>		
Finished Construction (Unsold)		
At lower of cost or net realisable value		
Work-in-Progres at sots or cost plus estimated profit where appropriate	7,733,838	5,988,861
	<b>7,733,838</b>	<b>5,988,861</b>
<b>12 TRADE RECEIVABLES (Unsecured and Considered Good)</b>		
Over Six Months	17,267,751	17,985,640
Others	5,491,131	15,547,493
	<b>22,758,882</b>	<b>33,533,133</b>
<b>13 CASH AND BANK BALANCES</b>		
Balance with Banks	1,094,889	137,815
Cash in hand	9,208	103,494
Fixed Deposits with Banks	3,060,203	1,588,428
	<b>4,164,300</b>	<b>1,829,737</b>
<b>14 SHORT TERM LOANS AND ADVANCES</b>		
Deposits	775,952	779,981
Others	105,835	105,835
	<b>881,787</b>	<b>885,816</b>
<b>15 OTHER CURRENT ASSETS</b>		
Interest Accured :		
On Loans	62,336,810	34,284,814
On Deposits	66,288	-
	<b>62,403,098</b>	<b>34,284,814</b>



## NOTES TO THE FINANCIAL STATEMENTS Contd.

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>16 OTHER INCOME</b>	₹	₹
Interest on Deposit and Loans to Companies and Others (Gross) [Tax deducted at source ₹ 1,813,586/- Previous year ₹ 773,055]	19,083,975	9,120,367
Profit on Sale of Fixed Assets (Net)	200,476	498,426
Liabilities no longer required written back	1,714,514	4,769,677
Rent	12,848,313	14,260,531
Recovery of Maintenance Charges	6,821,553	3,871,623
Recovery of Bad & Doubtful Debts	72,961	228,630
Miscellaneous Income	2,750,429	1,003,874
	43,492,221	33,753,128

<b>17 INCREASE/(DECREASE) IN STOCK OF WORK-IN-PROGRESS AND FINISHED CONSTRUCTION</b>		
<b>Closing Stock</b>		
Work-in-Progress	7,733,838	5,988,861
Finished Construction (Unsold)	–	–
	7,733,838	5,988,861
<b>Deduct : Opening Stock</b>		
Work-in-Progress	5,988,861	5,288,737
Finished Construction (Unsold)	–	6,049,572
Transferred to Fixed Assets	–	(190,379)
	5,988,861	11,147,930
Increase/(Decrease)	1,744,977	(5,159,069)

	As at 31st March, 2012	As at 31st March, 2011
<b>18 REAL ESTATE PURCHASE AND CONSTRUCTION</b>	₹	₹
<b>EXPENSES</b>		
<b>A PURCHASES</b>		
Construction Materials	122,824	2,248,092
Purchase of Flat	–	2,495,000
Purchase of Office Space	27,130,455	–
	27,253,279	4,743,092



## NOTES TO THE FINANCIAL STATEMENTS Contd.

	As at 31st March, 2012	As at 31st March, 2011
<b>18 REAL ESTATE PURCHASE AND CONSTRUCTION</b>	₹	₹
<b>B CONSTRUCTION EXPENSES</b>		
Salaries, Wages and Bonus	535,432	665,388
Contribution to Provident and Other Funds	53,220	59,029
Workmen and Staff Welfare Expenses	7,500	11,315
Payment to Labour Contractors	3,243,979	448,467
Power and Fuel	–	466,315
Brokerage & Commission	–	110,560
Architects' Fees	15,000	35,000
Compensation	607,900	–
Repairs and Maintenance - Others	724,284	1,102,256
Security Charges	–	175,874
Other Job Expenses	46,713	429,799
Telephone & Telex Charges	12,578	25,636
Travelling & Conveyance	7,445	15,100
Car Running Expenses	–	69,883
Insurance	–	30,000
Bad Debts	3,148,491	1,281,819
	<b>8,402,542</b>	<b>4,926,441</b>
<b>Total (A + B)</b>	<b>35,655,821</b>	<b>9,669,533</b>

## NOTES TO THE FINANCIAL STATEMENTS Contd.

	Year ended 31st March, 2012	Year ended 31st March, 2011
<b>19 OTHER EXPENSES</b>	₹	₹
Salaries, Wages and Bonus	4,944,201	6,193,159
Gratuity paid / provided	1,350,746	840,586
Contribution to Provident and other funds	445,819	508,780
Workmen and Staff Welfare Expenses	683,129	908,906
Power and Fuel	280,555	50,400
Rent	2,861,216	4,179,340
<b>Repair and Maintenance :</b>		
Buildings	287,196	358,108
Plant and Machinery	686,259	–
Others	1,462,465	–
Insurance	109,436	60,954
Rates and Taxes	1,134,198	826,076
Sales Tax	381,466	–
Advertisement	97,631	87,187
<b>Interest on :</b>		
Bank Overdraft / Cash Credit	–	2,413
Term Loans	10,744,049	9,129,589
Others	448,544	93,164
Travelling Expenses	213,665	416,329
Telephone and Telex Charges	105,842	119,908
Bank Charges	121,966	26,792
Car Running Expenses	147,580	261,280
Auditors' Remuneration		
Statutory Audit Fees	160,000	160,000
Tax Audit Fee	20,000	20,000
Other Services	20,000	20,500
Internal Audit Fees	20,000	40,000
Professional Fees (Legal)	721,924	1,821,229
Donation	74,100	29,300
Bad Debts and Advances Written Off	1,457,876	1,075,631
Miscellaneous Expenses	3,997,899	3,458,776
Listing Fees/Filing Fees	169,326	23,112
Loan Processing Charges	4,500	275,474
Bank Guarantee Charges	68,058	10,728
Fixed Assets Written Off	90	–
	<b>33,219,736</b>	<b>30,997,721</b>



## NOTES TO THE FINANCIAL STATEMENTS Contd.

### 20 SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with the accounting standards specified by the Institute of Chartered Accountants of India.

#### ACCOUNTING CONVENTION

The financial statements are prepared in accordance with historical cost convention except for Revalued Fixed Assets.

#### FIXED ASSETS

Fixed assets are stated at cost of acquisition inclusive of taxes, freight and other incidental expenses related to acquisition / installation except in case of revaluation of such assets where it is stated at revalued amount.

Fixed assets given on lease are stated at cost less accumulated depreciation.

#### DEPRECIATION

Depreciation on fixed assets including revalued assets is provided on "Written Down Value Method" at the rates, which are in conformity with the requirements of the Companies Act, 1956. Additional depreciation for the year attributable to the revalued assets is transferred to the credit of Profit and Loss Account by debiting Fixed Assets Revaluation Reserve.

Leasehold land is not amortized over the life of the respective lease where these are expected to be renewed for further long-term period on their expiry.

Depreciation on assets given on lease is provided over the 'Primary Lease Period' on the basis of internal rate of return implicit in the lease or on written down value method at the rates specified in schedule XIV of the Companies Act, 1956, whichever is higher.

#### INVESTMENTS

- (a) Current Investments (quoted) are carried at cost and quoted / fair value, computed category wise.  
(b) Current Investments (unquoted) are carried at cost.
- Long Term Investments are stated at cost.

#### INVENTORIES

Inventories are valued as under:

- Work-in-progress - At cost or cost plus profit where appropriate depending upon the stage of completion and / or as per the terms of the contract. Cost includes direct material, cost of labour and include other general administrative expenses.

#### TAXES ON INCOME

Provision for Current tax is made on the taxable income for the year after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date.

The deferred tax charge or credit is recognized using current tax rates. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent of reasonable certainty of realization in future. Deferred tax assets/ liabilities are reviewed as at each Balance Sheet date based on developments during the year to reassess realization/ liabilities.

#### RETIREMENT BENEFITS

- Gratuity is provided in the books of accounts on accrual basis based on actuarial valuation.
- Leave encashment liability is provided in the books of accounts on accrual basis based on actuarial valuation.

## NOTES TO THE FINANCIAL STATEMENTS Contd.

### REVENUE RECOGNITION

- i) The company is mainly engaged in construction/development of properties- some on behalf of others as developer / contractor and some on own account for eventual sale. Profit on construction/development of properties on behalf of others is accounted for according to the stage of completion and in case of properties developed on own account, only on handing over possession.
- ii) Other revenue is recognized on completion of sale of assets and rendering of services.
- iii) Lease rentals are recognized as income throughout the period on accrual basis as per lease agreement.
- iv) Dividend income is recognized on receipt basis.
- v) Interest on loans/advances is normally recognized on accrual basis. In case of default, the same is recognized as income on receipt basis.

### BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are included in cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its sale / intended use. All other borrowing costs are charged to revenue.

### CONTINGENT LIABILITY

Full disclosure is made in the accounts of any contingent liability. Provision for the same is however made when such liability crystallizes.

## 21 NOTES ON ACCOUNTS

1. The amount of rent payable by the company to Kolkata Port Trust in respect of Kidderpore Stock Yard is under dispute and the matter is sub-judice with the Hon'ble District Judge, Alipore Judges Court, Kolkata. The Company had been paying rent to Kolkata Port Trust at the demanded rate without prejudice since February, 2007 by cheque, which had since been accepted by Kolkata Port Trust and duly encashed till July, 2011, when the outstanding came down to ₹ 60,271,802.80.

In the month of August, 2011 Port Trust has revised their demand for Rent upwardly to ₹ 765,315.00 per month as against their earlier demand of ₹ 419,640.00 per month. The Company, thereafter, stopped paying the rent and submitted before the Hon'ble Court for inclusion of this matter in the original petition. Hence, no provision for rent has been made in the accounts.

2. Certain credit balances in various liabilities account lying unclaimed over a period of time have been reviewed by the management and being satisfied about the remote possibility of their claims, have written back the same aggregating to ₹ 1,714,514 in the current year's account.
3. **Remuneration paid/payable to Whole time Directors :**

	Amount (₹)	
	2011-2012	2010-2011
Salary	705,000	1,407,000
Contribution to provident fund	63,000	154,440
	<b>768,000</b>	<b>1,561,440</b>

4. Year end balance confirmation letters from some parties in respect of Sundry Debtors, Advances (both debit & credit), Sundry Creditors, Security Deposits etc. were obtained. Steps are being taken by the company for obtaining the same, from the rest of the parties.
5. None of the suppliers informed the company that they are small-scale industrial undertakings. Accordingly, particulars of indebtedness to such undertakings as on March 31, 2012, in terms of Part I of Schedule VI to the Companies Act, 1956 are not furnished.



## NOTES TO THE FINANCIAL STATEMENTS Contd.

### 6. Sales :

Amount (₹)

	2011-2012	2010-2011
a. Construction/Property Development (Net of returns)	24,630,015	16,166,532
b. Services	8,042,875	11,331,791
	32,672,890	27,498,323

7. The provisions of Employees State Insurance Act, 1948 are applicable to the Company.

8. The company is in the process of creating of Gratuity Fund as required under A.S.15 of I.C.A.I. Pending funding, adequate provision towards gratuity liabilities has been made in the accounts on the basis of Actuarial Valuation.

### 9. Earnings Per Share :

Amount (₹)

	2011-2012	2010-2011
Profit/(Loss) after taxation as per Profit & Loss Account	5,233,796	11,868,203
Weighted average number of Equity Shares outstanding	4,403,859	4,403,859
Basic and diluted earnings per share in Rupees (face value - ₹ 10/- each)	1.19	2.69

10. The company has raised fund of ₹ 1.75 Crore during the year by way of Application Money on 10 Lac Equity Share Warrants of ₹ 10 each and a premium of ₹ 30 each as per Special Resolution, dated 23.05.2011.

11. Income and direct expenses in relation to segments is categorised based on items that are individually identifiable to that segment. Certain expenses such as staff related expenses, travelling, telephones etc., which form a significant component of total expenses, are not specifically allocable to particular segments as the underlying services are used interchangeably. The Company believes that it is not practicable to provide segment disclosures relating to these costs and expenses, and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income. Similarly depreciation is not specifically allocable to particular segments.

Amount (₹)

	Construction/ Property Development Business	Rent and its related activities	Total
Segment Revenue	24,630,015	27,712,741	52,342,756
Less : Segment Expenses	30,762,353	6,821,325	37,583,678
Segment Results	(6,132,338)	20,891,416	14,759,078
Less : Unallocated corporate expenses net of unallocated income			(13,747,942)
Less : Depreciation			(2,021,230)
Operating Profit / (Loss)			(1,010,094)
Less : Bad Debts and Advances written off			(4,606,367)
Add : Profit on Sale of Fixed Assets			200,476
Add : Liabilities written back			1,714,514
Profit/(Loss) before Interest and taxation			(3,701,471)
Less : Interest expenses			(11,192,593)
Add : Interest / Dividend Income			19,083,995
Add : Other Income			2,823,370
Net Profit before tax			7,013,301
Less : Provision for Income Tax (Includes Deferred Tax)			1,779,505
Net Profit/(Loss) after tax			5,233,796

## NOTES TO THE FINANCIAL STATEMENTS Contd.

## 12. RELATED PARTY DISCLOSURES

## 1. OTHER RELATED PARTIES WITH WHOM THE COMPANY HAD TRANSACTIONS ETC.

**Key Management Personnel**

Kedar Nath Fatehpuria - Chairman &amp; Managing Director

Vijay Kumar Fatehpuria - Director

**Relatives :**

Sunil Fatehpuria -Son of Kedar Nath Fatehpuria

Manish Fatehpuria -Son of Kedar Nath Fatehpuria

**DISCLOSURE OF TRANSACTIONS BETWEEN THE COMPANY AND RELATED PARTIES AND THE STATUS OF OUTSTANDING BALANCES AS ON MARCH 31, 2012.** Amount (₹)

Sl. No.	Particulars	Details of transactions		Amount Outstanding as on 31.03.2011
		Enterprises where control exists	Key Management Personnel & Relatives	
1.	Rent paid	Nil	Nil	Nil
2.	Remuneration to Key Management Personnel - Directors	Nil	768,000	Nil

13. Liabilities in respect of (a) Sales Tax Demand amounting to ₹ 5,664,240 and (b) Income Tax Demand amounting to ₹ 46,981,720 are under appeal and hence have not been provided for as the same are contingent in nature.
14. Previous year's figures have been regrouped, recast and rearranged wherever necessary to make them comparable with those of current year.







**ATTENDANCE SLIP**

**MARTIN BURN LIMITED**

**Regd. Office :** "Martin Burn House", 1, R. N. Mukherjee Road, Kolkata – 700 001

I certify, that I am the registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 65th Annual General Meeting at "Kala Kunj" 48, Shakespeare Sarani, Kolkata - 700 017, on Saturday, the 8th day of September, 2012 at 11:00 A.M.

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

Member's Folio Number \_\_\_\_\_

Name of Proxy (in Block letters to be filled in if the Proxy attends instead of the member) \_\_\_\_\_

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

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

\* To be signed at the time of handing over this slip.

PLEASE CUT HERE AND BRING THE ABOVE ATTENDANCE SLIP AT THE MEETING  
NO DUPLICATE WILL BE ISSUED



**PROXY FORM**

**MARTIN BURN LIMITED**

**Regd. Office :** "Martin Burn House", 1, R. N. Mukherjee Road, Kolkata – 700 001

I/We \_\_\_\_\_ of \_\_\_\_\_

being a member/members of Martin Burn Limited, hereby appoint \_\_\_\_\_

of \_\_\_\_\_ or failing him \_\_\_\_\_

of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the 65th Annual General Meeting at "Kala Kunj" 48, Shakespeare Sarani, Kolkata - 700 017, on Saturday, the 8th day of September, 2012 at 11:00 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

Signature \_\_\_\_\_

**Note :** The Proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the time of the Meeting.





# Martin Burn Limited

## BOOK POST

*If undelivered, please return to :*

**Martin Burn Ltd.**

Martin Burn House

1 R N Mukherjee Road, Kolkata - 700 001

Phone : (033) 3022 5780/81, Fax : (033) 2248 8416

E-mail : martinburn@rediffmail.com