

SUCHAK TRADING

2011-12

| Annual Report

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### Board of Directors

Mr. N.K Patel  
Mr. Anand Pardesi  
Mr. Ketan Sorathiya

### Registered Office

29/A, Nalanda Shopping Centre  
Station Road, Goregaon West,  
Mumbai 400062

### Statutory Auditors

S.Chandulal & Co.  
Mumbai

### RTA

Adroit Corporate Services  
Private Limited  
19/20, Jaferbhoy Ind. Estate  
1<sup>st</sup> Floor, Makwana Road  
Marol, Andheri East  
Mumbai 400059

## DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited Accounts of the Company for the year ended 31<sup>st</sup> March, 2012.

### 1. FINANCIAL RESULTS

Your Company financial performance during the year 2011-12 is summarized below:

(Rs. In Lacs)

Particulars	2011-2012	2010-2011
Profit Before Depreciation	7.75	8.09
Less: Depreciation	4.80	5.39
Profit Before Tax	2.95	2.70
Less: Taxation	0.91	0.83
Profit After Tax	2.04	1.87

### 2. OPERATIONS

The Company's revenue for the financial year ended March 31, 2012 stood at Rs. 19.07 lacs as compared to Rs. 27.37 lacs in the previous year. The Net Profit for the Financial Year ended March 31, 2012 stood at Rs. 2.04 lacs as against Rs. 1.87 lacs in the previous year.

### 3. DIVIDEND

Your Directors have considered it prudent not to recommend any dividend on equity shares for the year ended March 31, 2012 in order to conserve the resources for future.

### 4. PUBLIC DEPOSITS

During the year, the Company has not accepted any deposit u/s. 58A of the Companies Act, 1956.

### 5. AUDITORS

M/s. S. Chandulal & Co., Chartered Accountants, Mumbai, Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received confirmation that their appointment, if made, would be within the prescribed limit specified u/s. 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. Your Directors recommend re-appointment of M/s. S. Chandulal & Co. as the Statutory Auditors of the Company for the current financial year and fixation of their remuneration.

### 6. AUDITORS' REPORT

The Auditors' Report on the financial statement for the current year is self-explanatory, therefore does not require any further explanation.

### 7. DIRECTORS

In accordance with the Companies Act, 1956, Mr. Anand Pardesi, who is liable to retire by rotation and being eligible, have offered himself for re-appointment. The proposal regarding re-appointment of Mr. Anand Pardesi, as Director is placed for your approval.

### 8. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has no activities relating to conservation of energy and technology absorption. There are no foreign exchange transactions during the year.

## 9. PARTICULARS OF EMPLOYEES

The Company does not have any employee who is in receipt of remuneration aggregating to the sum prescribed u/s. 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended till date.

## 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements u/s. 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- (i) In preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures, if any
- (ii) They have selected the accounting policies 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 at the end of the financial year under review and for the profit of the Company for the same period.
- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) They have prepared the Annual Accounts on "GOING CONCERN" basis.

## 11. LISTING

The equity Shares of the Company is listed at the Bombay Stock Exchange Limited (BSE).

## 12. CORPORATE GOVERNANCE

During the year, the Company has increase share capital from Rs.14,923,500/- to Rs.69,673,500/- vide allotment dated 27<sup>th</sup> March, 2012 [previous year share capital of Company was less than three crores, hence clause 49 of the Listing agreement was not mandatory but the Company has voluntarily adopted the same to the extent possible]. The Company is persistent in following best practices and hence adopted all mandatory provisions of Clause 49 of the Listing agreement. A report on Corporate Governance along with a certificate from the Auditors of the Company regarding the compliance of conditions of Corporate Governance and also the Management Discussion and Analysis Report forms part of the Annual Report.

## 13. ACKNOWLEDGEMENTS

Your Directors takes opportunity to show gratitude towards the assistance and co-operation received from Banks and other Agencies and Shareholders resulting in good performance during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the dedicated services rendered by Executives, staff and workers of the Company.

For and on Behalf of the Board of Directors of  
**SUCHAK TRADING LIMITED**

**Ketan Sorathiya**  
Director

**N.K Patel**  
Director

Place: Mumbai

Date: September 01, 2012

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian warehousing and logistic market is undoubtedly a key sector for propelling the growth of Indian economy, on one end Government expenditure is rising and on other end public & private entities are forging relationships to make things happen. The private sector is likely to play an increasingly important role in India's transportation and logistics industry in the future.

India's GDP growth rate for 2011-12 stood at 6.5%. Given the current adverse global circumstances and high Inflation to boot, the expected growth rate is 5.5%.

### 2. OPPORTUNITIES AND THREATS

The Indian logistics and warehousing industry is expected to grow at 15-20% a year to reach around USD350bn by 2015 from its current size of around USD80bn.

The Indian logistics industry is expected to sustain its growth momentum despite the recent slowdown in the Indian economy. Slower GDP growth for the quarter ended September 2011 to below 7% prompted the government to revise its fiscal 2012 (to end-March 2012) economic growth forecast to 7.0% from the previous target of 8.5%. However, the impact of this slowdown is likely to be offset by the rise in outsourced logistics.

Driven by growth in production and consumption, organized retail, logistics outsourcing, modern assets and the likely rollout of Goods and Service Tax (GST), the demand for warehousing space is estimated to grow from ~ 391 mn sq. ft. in 2010 to 476 mn sq. ft. in 2013, growing at ~ 6.8 percent CAGR during this period.

Among the key sectors, the highest growth is expected from Engineering Goods and IT, Electronics & Telecom domains since their warehousing demand is estimated to respectively grow at CAGR ~ 8.6 and 8.2 percent during 2010-13. The other sectors are estimated to witness growth rates in the range of 5.7 to 7.1 percent CAGR.

However, the overall growth potential is limited by several key challenges. While high price sensitivity of customers and infrastructure connectivity limit a service providers capabilities to offer world-class services, the usually underdeveloped state of industry-specific customization capabilities, asset-heavy nature of the business, need for large capital and issues related to land acquisition make things all the more difficult for service providers.

The strategic location of our warehouse is one of its core benefits. It is important for any Industrial unit to have hassle free connectivity to commercial centers, ports, raw materials, man power and technology. Our warehouses enjoy few benefits for its location:

- a. The warehouses is connected through State Highway called Palanpur – Ahmedabad Highway which is a 4 Lane Highway matching with the features of an express Highway.
- b. Our warehouses are well connected with major cities and business hubs of India, key amongst them is Ahmedabad City. The commercial hub – Unjha is only 35 km. from our warehouses. Unjha is known for its world famous spice “jeera” (cumin-seed) and “isabghol” (ispaghula – an Indian Herb) market. Unjha has a strong export and local distribution network of its products. Our warehouses acts as a transit storage shed for these products both in the case of export and domestic market.
- c. Our warehouses in Palanpur are centrally located around various small villages. The requirement of cattle feed is met by the Cattle feed vendors of Palanpur. Our warehouses are also used as a storage house of Cattle feed.

- d. The nearest sea Port is Kandla Sea Port which gives a boost to the export market. The closest railway station is Palanpur Junction. The Junction has its own container Depot .The proximity to the railway station helps our clients to use the container facility for the transportation of its goods from one city to another.
- e. Deesa Airport, the proposed Airport which is closest to our warehouses and we have a firm belief that our Company will be benefited by it. Most of the products are seasonal and its harvesting depends upon the behavior of nature. Shortage of rainfall adversely affects the farming as well as production of various herbs etc. Also certain part of the year, especially during the month of monsoon, the market experiences a slump in export sales, hence affecting the usability of our warehouses. The change in Export Policy by the Government and non completion of infrastructural projects by the Government as expected might hamper the connectivity and hence future growth of the Company, to some extent.

Despite the long term positive growth and prospects in the Indian Economy, there have been signs of tightening of interest rates, increasing inflation, political uncertainties, and rising commodity and oil prices. These along with the frequent changes in regulations, cost pressures and market uncertainties have made the business environment very challenging for the year and years ahead

### **3. SEGMENT WISE PERFORMANCE**

The Company is engaged in the business of warehousing and logistics. The market value of Investments as on the date of Balance Sheet has increased approx double to the cost of acquisition. The revenue from warehousing is mainly through the storage of various spices, bi-products of castor oil, cattle feed etc. In future, Company's focus area would be to enhance its income by adding up more warehouses.

### **4. OUTLOOK**

The outlook for the warehousing & logistics looks positive. The Company is also proposing to raise funds for investment in warehouses and expand the business. In view of the strengths and initiative discussed above, the outlook for the Company's business is positive.

### **5. RISK AND CONCERNS**

The recessionary trend and tight liquidity position across the globe is a concern.

### **6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

Internal controls have been found to be adequate. These are reviewed periodically by the Audit Committee and found the performance satisfactory.

### **7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

There has been infusion of fresh capital and as there is substantial growth in the industry sector, your Directors is confident of performing better in long run.

### **8. DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is not required to be given as no employee falls under it. The Company continued to have cordial relations with all the employees.

## CORPORATE GOVERNANCE

The Company firmly believes that Corporate Governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, the good reputation of the Company and the unquestioned integrity of all personnel involved with the Company.

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government and lenders.

### 2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and vision to the management and supervises the functioning of the Company. In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of stakeholders.

The Composition of the Board of Directors of the Company and their attendance is as follows:

Sr. No.	Name of the Director	Category	Attendance in Board Meeting		Attendance at last AGM	No. of Directorship and Committee memberships / Chairmanships in other Listed Co.	
			Held	Attended		Directorships	Committee Member / Chairman
1	Mr. N. K. Patel	ED	8	8	YES	0	0
2	Mr. Anand Pardesi	NEID	8	8	YES	2	2
3	Mr. Ketan Sorathiya	NEID	8	8	YES	4	4

ED=Executive Director, NEID = Non-executive Independent Director

Note: None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director.

During the accounting year 2011-2012, eight (8) Board Meetings were held. The Annual General Meeting of the Company was held on September 30, 2011.

### 3. AUDIT COMMITTEE

The terms of reference of the Audit committee include the matters specified under Clause 49(II) (D) and (E) of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee, inter alia, include the following:

- a. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Reviewing with the management the financial statements at the end of the quarter, half year and the annual statements before submission to the Board for approval with reference to :
  - i. Matters required being included in the Director's responsibility statement which form part of the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - ii. Changes, if any, in the accounting policies and practices and reason for the same.
  - iii. Major accounting policies and practices and reason for the same.
  - iv. Significant adjustments made in the financial statements arising out of audit findings.
  - v. Compliance with the listing and other legal requirements relating to financial statements.
  - vi. Disclosure of any related party transactions.
  - vii. Qualifications, in the draft audit report.

- c. Recommending the appointment and removal of external auditors, fixation of audit fees and also approval for payment of any other expenses.

The Audit Committee presently comprises of Mr. Anand Pardeshi as Chairman, Mr. N.K Patel and Mr. Ketan Sorathiya as Member.

The Audit Committee met six times during the year ended March 31, 2012. Meetings and attendance of each member for Audit Committee are as follows:

Name of the Member	No. of Meeting	
	Held	Attended
Mr. Anand Pardeshi	6	6
Mr. Ketan Sorathiya	6	6
Mr. N. K. Patel	6	6

#### 4. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

- a. The Committee looks into issues relating to shareholders / investors, including complaints relating to transfer / transmission of shares, issue of duplicate share certificates, non-receipt of annual report etc. and their redressal.
- b. The Shareholders' / Investors' Grievance Committee presently comprises of three Members, namely :
- a) Mr. N. K. Patel - Chairman  
b) Mr. Ketan Sorathiya - Member  
c) Mr. Anand Pardeshi - Member
- c. Mr. Ketan Sorathiya is the Compliance Officer and acts as a Secretary to this Committee.
- d. The Board has delegated power of approving transfer of shares to RTA.
- e. During the year under review, no complaints were received from Shareholders / Investors.

#### 5. GENERAL BODY MEETINGS

The details of Annual General Meetings (AGM) of the Company held in last 3 years are as under:

AGM	Date	Time	Venue
2008-09	29/09/2009	11 a.m.	Registered Office
2009-10	30/09/2010	11 a.m.	Registered Office
2010-11	30/09/2011	11 a.m.	Registered Office

During the year under review, one EGM was held on March 12, 2012. In the EGM, the resolution was passed for the issue and allotment of preferential shares to the non promoters of the Company.

#### 6. DISCLOSURES

- a. No transaction of material nature has been entered into by the Company with its Directors or Management and their relatives, etc. that may have a potential conflict with the interest of the Company.
- b. The Register of Contracts/ Statement of related party transactions is placed before the Board/ Audit Committee regularly.
- c. The Company has implemented all the applicable mandatory requirement of Clause 49 of the Listing Agreement.
- d. There has been no instance of non compliance by the Company of any matter related to capital markets. Hence, the question of penalties being imposed by SEBI or the Stock exchanges or any other authority does not arise.

- e. Listing Fees for the financial year 2012-13 have been paid to the Stock Exchange on which the shares of the Company are listed.
- f. The Clause 49 states that the non-mandatory requirement may be implemented as per the discretion of the Company. It disclosure of compliance with non-mandatory requirement and adoption (and compliance)/ non adoption of the non-mandatory requirement shall be need based.

## 7. MEANS OF COMMUNICATION

- a. The financial results of the Company are faxed / sent to the Bombay Stock Exchange Limited on which the Company's shares are listed.
- b. The results and official news are generally available on [www.suchaktrading.com](http://www.suchaktrading.com)

## 8. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report forms part of the Annual Report.

## 9. GENERAL SHAREHOLDER INFORMATION

### a. Annual General Meeting

Date : September 29, 2012  
Time : 11 a.m  
Venue: 29/A Nalanda Shopping Centre  
Station Road  
Goregaon West  
Mumbai – 400062

### b. Financial Calendar (tentative dates of declaration of Quarterly results)

1 <sup>st</sup> Quarter	:	Within 45 Days from end of respective quarter.
2 <sup>nd</sup> Quarter	:	Within 45 Days from end of respective quarter.
3 <sup>rd</sup> Quarter	:	Within 45 Days from end of respective quarter.
4 <sup>th</sup> Quarter	:	Within 45 Days from end of respective quarter.

- c. Date of Book Closure: 28<sup>th</sup> September, 2012 to 29<sup>th</sup> September, 2012 (both days inclusive)
- d. Dividend : No dividend is recommended for the financial year ended on 31<sup>st</sup> March, 2012.
- e. Listing on Stock Exchange: The equity Shares of the Company is listed at the Bombay Stock Exchange Limited (BSE).
- f. Stock Code (Equity Shares): 512075
- g. ISIN No. for Dematerialization of Equity Shares: INE035G01015
- h. Market Price Data: There is no trading in the entire year under review.
- i. Registrar and Transfer Agent  
Adroit Corporate Services Private Limited  
19/20 Jaferbhoy Ind. Estate,  
1<sup>st</sup> Floor, Makwana Road,  
Marol, Andheri (E) Mumbai 400 059.

- j. Share Transfer System: Share Transfer in physical form are generally registered and returned within 15 days from the date of receipt in case if documents are complete in all respects.
- k. Distribution of shareholding as on March 31, 2012.

No of Shares Held	No of Shareholders	%	No. of Shares	%
Upto 500	116	40.28	12550	0.18
501 to 1000	3	1.04	2400	0.03
1001 to 3000	8	2.78	13850	0.20
3001 to 4000	1	0.35	4000	0.06
4001 to 5000	10	3.47	49500	0.71
5001 to 10000	52	18.06	469700	6.74
10001 and above	98	34.03	6415350	92.08
<b>Total</b>	<b>288</b>	<b>100.00</b>	<b>6967350</b>	<b>100.00</b>

- l. Dematerialization of shares: 96.37% of the shares are held in physical form. Company has DMAT connectivity with CDSL & NSDL.
- m. Categories of Shareholding as on March 31, 2012

Category	No. of Shares	% of Total
Promoters/Persons Acting in Concert	182800	2.62
Bodies Corporate	332450	4.77
Individuals	6452100	92.61
<b>Total</b>	<b>6967350</b>	<b>100.00</b>

- n. Address for communication:  
The Investors can send all correspondence to the Registered Office of the Company at the following address

29/A Nalanda Shopping Centre  
 Station Road  
 Goregaon West  
 Mumbai – 400062  
 Email id: suchaktrading@rediffmail.com

## 10. COMPLIANCE CERTIFICATE BY AUDITORS

The Company has obtained a certificate from the Statutory Auditors regarding compliances of conditions of Corporate Governance which is annexed herewith.

## 11. CODE OF CONDUCT

The Company's Board of Directors has adopted the code of conduct which governs the conduct of all Directors / Employees. All Directors and senior management personnel have affirmed compliance with respective codes for the year ended on March 31, 2012. The Declaration by Board of Directors to this effect is reproduced below.

## 12. CEO/CFO CERTIFICATION

A certificate signed by Mr. N. K. Patel, Director is attached with this report.

## DECLARATION

It is hereby declared that all the Board Members and Senior Managerial Personnel have affirmed compliance of code of conduct, pursuant to Corporate Governance, for the year ended 31<sup>st</sup> March 2012.

For and on Behalf of the Board of Directors of  
**SUCHAK TRADING LIMITED**

Place: Mumbai  
Date: September 01, 2012

**Ketan Sorathiya**  
Director

**N.K.Patel**  
Director

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
**SUCHAK TRADING LIMITED**

1. We have examined the compliance of the conditions of Corporate Governance by **SUCHAK TRADING LIMITED** for the financial year ended 31<sup>st</sup> March 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).
2. The compliance of condition of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
3. In our opinion & to the best of our information & according to the explanation given to us, we certify that the Company has adopted Clause 49 as a good management practice. The Company has complied with all the conditions of Corporate Governance.

For **S. Chandulal & Co.**  
Chartered Accountants  
Firm Registration No.:101701W

Place: Mumbai  
Date: September 01, 2012

**Suresh C. Shah**  
Proprietor  
M. No.: 037266

## CHIEF EXECUTIVE OFFICER (CEO) CERTIFICATION

To  
The Board of Directors,  
**SUCHAK TRADING LIMITED**

I, N. K. Patel, Director of the Company, do hereby certify that:

1. I have reviewed the financial statements and the cash flow statement for the year 2011-12 and to the best of my knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b. These statements present a true and fair view of the Company's affair and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the auditors and the Audit committee:
  - a. Significant changes in internal control over financial reporting during the year;
  - b. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c. Instances 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 over financial reporting

For and On Behalf of the Board of Directors of  
**SUCHAK TRADING LIMITED**

Place : Mumbai  
Date : September 01, 2012

**N K Patel**  
Director

## AUDITORS' REPORT

To,  
The members

1. We have audited the attached Balance Sheet of **SUCHAK TRADING LIMITED** ('the Company') as at 31st March, 2012 and the statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with 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 mis-statement. 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 used 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.
3. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) amendment Order, 2004 (together with the order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex here to a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred in paragraph (3) The Management Discussion and Analysis Report forms part of the Annual report as above and information and explanations provided to us, 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 the audit;
  - b. In our opinion, proper books of accounts as required by law have been kept by the Company as far as it appears from our examination of those books.
  - c. The Balance Sheet, statement of Profit and Loss account and Cash Flow statement referred to in this report are in agreement with the books of account of the Company.
  - d. In our opinion, these financial statements comply with the Accounting Standard referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 except as stated in para f (i) and (ii) below.
  - e. On the basis of the written representation received from the Directors as on 31<sup>st</sup> March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 from being appointed as Director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f. In our opinion, and to the best of our information and according to the explanations given to us, the accounts together with the notes thereon of schedule 1 and in particular give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - I. In the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2012 and
    - II. In the case of the statement of Profit and Loss, of the Profit for the year ended on 31<sup>st</sup> March, 2012.
    - III. In the case of the Cash Flow Statement, of the Cash Flow for the year ended on 31<sup>st</sup> March, 2012.

**For S. Chandulal & Co.**  
**Chartered Accountants**  
**Firm Registration No.:101701W**

**Suresh C. Shah**  
**Proprietor**  
**M. No. : 37266**

Place: Mumbai  
Date: September 01, 2012

**Annexure referred to in paragraph 3 of our report even date:**

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in term of Section 227(4A) of the Companies Act, 1956 and in our opinion and on the basis of such checks as we considered appropriate, we further report that:

1. a. The Company has maintained proper records showing full particulars including quantitative details & situation of fixed assets.  
b. As explained to us, Fixed Assets have been physically verified during the year by the Management at the reasonable interval and no material discrepancies were noticed on such verification as compared with the available records.  
c. During the year, the Company has not disposed off any substantial part of its fixed assets which has affected going concern status of the Company.
2. As the Company does not have stock of inventory, paragraph 4(ii) of the said Order is not applicable.
3. According to the information & explanation given to us, the Company has not granted or taken loans, secured or unsecured to/from companies or other parties listed in the register maintained u/s. 301 of the Companies' act 1956. According, sub-clause 4(iii) (b), (c), (d), (e), (f) & (g) are not applicable to the Company.
4. According to the information & explanations given to us, there is generally adequate internal control procedure commensurate with the size of the Company and the nature of its business with regard to the purchase of fixed assets, inventories & sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.
5. The Company has not entered into any transaction covered by section 297 and 299 of the Act and so paragraphs 4(v) (a) and (b) of the said Order is not applicable.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public within the meaning of Section 58A and 58AA or any other provision of the Companies Act, 1956.
7. The Company has neither formal internal audit department nor internal auditors. However, Company's control procedure ensures reasonable internal checking of its financial and other records.
8. In our opinion and according to the information and explanation given to us, maintenance of cost records has not been prescribed by the Central Government under clause (d) of the Section 209(1) of the Companies Act,1956, hence the question of reporting under clause 4(viii) of the said Order does not arise.
9. a. In our opinion and according to the records of the Company, the Company is regular in depositing with the appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax , Custom Duty, Excise Duty, Cess & other material statutory dues applicable to it. We have been informed by the Company, provision of Provident Fund, Employees State Insurance Scheme is not applicable and also provisions of Investor Education & Protection Fund are not applicable.  
b. As per records of the Company and according to the information & explanation given to us, generally no undisputed amount payable in respect of Income Tax, Wealth Tax, Service Tax , Sales Tax, Customs Duty, Excise Duty, Cess were outstanding as at 31.03.2012 for a period more than six months from the date they become payable.

- c. According to the information & explanation given to us there are no dues of Sales Tax, Income Tax, Customs duty, Service Tax, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses at the end of the financial year and in the immediate preceding financial year.
11. According to information & explanations given to us, the Company has not defaulted in the repayment of dues to financial institution & Banks. The Company has not borrowed any sums through Debentures.
12. Based on our examination of the records and 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 or a nidhi / mutual benefit fund / society. Therefore, the provision of clause 4 (xiii) of the said Order, 2003 is not applicable to the Company.
14. In respect of dealing in Shares, Securities, Debentures and other Investments, in our opinion and according to information and explanations given to us, proper records have been maintained of the transaction and contracts and timely entries have been made therein. The Shares, Securities, Debentures and other Investments have been held by the Company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from a Bank or Financial Institutions.
16. The Company has not obtained any term loans. Accordingly, the question of reporting on its applications does not arise.
17. According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, we report that generally no funds raised on short term basis have been used during the year for the long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained u/s. 301 of the Companies Act, 1956.
19. There are no debentures issued or outstanding during the year.
20. The Company has not raised any money by public issue during the year; accordingly paragraph 4(xx) of the said Order is not applicable.
21. According to the information & explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our Audit.

**For S. Chandulal & Co.  
Chartered Accountants  
Firm Registration No.:101701W**

**Suresh C. Shah  
Proprietor  
M.No:037266**

Place: Mumbai  
Date: September 01, 2012

**Suchak Trading Limited**  
**Balance Sheet As at 31st March, 2012**

Particulars	Notes	As At 31-Mar-12 Amount in Rs.	As At 31-Mar-11 Amount in Rs.
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share capital	2	6,96,73,500	1,49,23,500
(b) Reserves and surplus	3	32,69,612	30,65,194
		<b>7,29,43,112</b>	<b>1,79,88,694</b>
<b>(2) Non-current liabilities</b>			
(a) Long-term borrowings	4	5,84,31,570	5,82,66,570
(b) Deferred tax liabilities (Net)	5	6,88,204	6,57,912
		<b>5,91,19,774</b>	<b>5,89,24,482</b>
<b>(3) Current liabilities</b>			
(a) Other current liabilities	6	5,92,177	5,35,039
		<b>5,92,177</b>	<b>5,35,039</b>
<b>TOTAL</b>		<b>13,26,55,063</b>	<b>7,74,48,215</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Fixed assets	7		
(i) Tangible assets		1,30,00,261	1,23,44,767
(b) Non-current investments	8	6,39,70,907	6,39,70,907
(c) Long-term loans and advances	9	5,27,56,945	8,46,945
		<b>12,97,28,113</b>	<b>7,71,62,619</b>
<b>(2) Current assets</b>			
(a) Trade receivables	10	19,300	34,500
(b) Cash and cash equivalents	11	29,07,650	2,51,096
		<b>29,26,950</b>	<b>2,85,596</b>
<b>TOTAL</b>		<b>13,26,55,063</b>	<b>7,74,48,215</b>

Summary of Significant accounting policies  
 Notes forming part of the financial statements

1

As per our report of even date

**For S.Chandulal & Co.**

Chartered Accountants

Firm Registration No: 101701W

**For and on behalf of the Board of Directors****Suresh C.Shah**

Proprietor

M.No: 037266

**Ketan Sorathiya**

Director

**N.K Patel**

Director

Place : Mumbai

Date: 01/09/2012

**Suchak Trading Limited**

**Statement of profit and loss for the year ended 31st March, 2012**

Particulars	Note No	For the year ended 31-Mar-12 Amount in Rs.	For the year ended 31-Mar-11 Amount in Rs.
<b>INCOME</b>			
Revenue from operations	12	19,07,332	27,37,100
<b>Total</b>		<b>19,07,332</b>	<b>27,37,100</b>
<b>EXPENDITURE</b>			
Employee Benefits Expenses	13	4,25,019	3,66,735
Finance Cost	14	3,864	1,450
Depreciation/Amortisation	7	4,79,506	5,38,660
Administrative and Other Expenses	15	7,03,103	15,60,066
<b>Total</b>		<b>16,11,492</b>	<b>24,66,911</b>
<b>Profit before Tax</b>		<b>2,95,840</b>	<b>2,70,189</b>
<b>Less : Provision for Taxation</b>			
- Current tax - Current Year		61,130	49,150
- Deferred tax liability		30,292	34,339
<b>Net Profit / (loss) for the year</b>		<b>2,04,418</b>	<b>1,86,700</b>
<b>Earnings per share [Equity Shares par value Rs.10 each]</b>			
Basic and Diluted Earnings per Share		<b>0.03</b>	<b>0.13</b>

Summary of Significant accounting policies  
Notes forming part of the financial statements

1

As per our report of even date  
**For S.Chandulal & Co.**  
Chartered Accountants  
Firm Registration No: 101701W

**For and on behalf of the Board of Directors**

**Suresh C.Shah**  
Proprietor  
M.No: 037266

**Ketan Sorathiya**  
Director

**N.K Patel**  
Director

**Suchak Trading Limited**  
**Notes to financial statements for the year ended 31st March 2012**

**1. Significant Accounting Policies****a. Accounting Conventions**

I. The accompanying financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

II. All Income & Expenditure items having material bearing on the financial statements are recognized on accrual basis except material uncertainty.

**b. Fixed Assets**

Fixed Assets are stated on cost less depreciation.

**c. Depreciation**

Depreciation on fixed assets is provided on written down value method at the rates prescribed in schedule XIV to the Companies Act, 1956. Depreciation on additions during the years have been provided on pro-rata basis

**d. Valuation Of Investments**

Long Term Investment is quoted at cost. No provision has been made for diminution in the value of the investments as all the investments are long-term & in the opinion of the management diminution in the value of the shares, if any, is not of a permanent nature hence no provision has been made for such diminution.

**e. Retirement Benefits**

Liability on account of gratuity & other retirement benefits is accounted when paid.

**f. Taxation**

The provision for taxation is ascertained profit computed in accordance with the provisions of Income Tax Act, 1961. Deferred tax is recognized subject to the consideration of prudence, on timing difference, being the difference taxable income & accounting income that originate in one period and are capable of reversal in one or more subsequent period.

**2: Share Capital**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
<b>Authorised</b> 120,00,000 Equity Shares of Rs 10/- each	12,00,00,000	12,00,00,000
<b>Issued, Subscribed and Paid up</b> 69,67,350 [Previous year 14,92,350] Equity Shares of Rs. 10/- each fully paid up	6,96,73,500	1,49,23,500
<b>Total</b>	<b>6,96,73,500</b>	<b>1,49,23,500</b>

**a: Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Equity shares	AS AT 31-Mar-12	AS AT 31-Mar-11	AS AT 31-Mar-12	AS AT 31-Mar-11
1. Alkaben Pravinbhai Thakkar	7.18%	0.00%	5,00,000	-
2. Dhvani Jateen Gupta	7.18%	0.00%	5,00,000	-
3. Jateen M Gupta	7.18%	0.00%	5,00,000	-
4. Kavtaben Jayeshbhai Kotak	7.18%	0.00%	5,00,000	-
5. Thakkar Pravinbhai Talkshibhai HUF	7.18%	0.00%	5,00,000	-

**b: Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period Amt in Rs.**

Equity shares	AS AT 31-Mar-12	AS AT 31-Mar-11
<b>No. of shares at the beginning of the year</b>	14,92,350	<b>14,92,350</b>
Add: Issue of Shares during the year	54,75,000	-
<b>No. of shares at the end of the year</b>	<b>69,67,350</b>	<b>14,92,350</b>

**c: Terms / Rights attached to equity shares**

The Company has only one class of equity shares having par value at Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution all preferential amounts. The Distribution will be in proportion to the number of equity shares held by the shareholders.

<b>3: Reserves and Surplus</b>			Amount in Rs.	
Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11		
<b>Statutory Reserves</b>	2,47,870	2,47,870		
<b>Profit and Loss Account:</b>				
Opening Balance	28,17,324	26,30,624		
Add: Profits for the year	2,04,418	1,86,700		
<b>Closing Balance</b>	<b>30,21,742</b>	<b>28,17,324</b>		
<b>Balance carried forward</b>	<b>32,69,612</b>	<b>30,65,194</b>		

<b>4: Long Term Borrowings</b>			Amount in Rs.	
Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11		
From Others	3,30,25,000	3,28,60,000		
From Company	2,54,06,570	2,54,06,570		
<b>Total</b>	<b>5,84,31,570</b>	<b>5,82,66,570</b>		

**5: Deferred tax liability (Net)**

As per Accounting Standard 22-“Accounting for Taxes on Income” issued by the ICAI, the Company has recorded Deferred Taxes in respect of the following

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
<b>Opening balance</b>	6,57,912	6,23,573
Add: Provision during the year	30,292	34,339
<b>Closing Balance</b>	<b>6,88,204</b>	<b>6,57,912</b>

**6: Other Current Liabilities**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
Provision for Tax	5,22,677	4,61,547
<b>Others</b>		
Creditors for Expenses	19,500	23,492
For Others expenses	50,000	50,000
<b>Total</b>	<b>5,92,177</b>	<b>5,35,039</b>

**7: Fixed Assets**

(Amount in Rs.)

DESCRIPTION OF ASSETS	GROSS BLOCK			DEPRECIATION / AMORTISATION			NET BLOCK	
	As at April 1, 2011	Additions / (Deductions)	As at Mar 31, 2012	Up to March 31, 2011	For the year	As at Mar 31, 2012	As at Mar 31, 2012	As at March 31, 2011
<b>a) Tangibles</b>								
Plot Of Land	45,76,500	11,35,000	57,11,500	-	-	-	<b>57,11,500</b>	<b>45,76,500</b>
Computers	3,19,500	-	3,19,500	2,87,784	12,686	3,00,470	<b>19,030</b>	<b>31,716</b>
Corporate Office	20,12,340	-	20,12,340	3,86,523	81,291	4,67,814	<b>15,44,526</b>	<b>16,25,817</b>
Furniture & Fixture	4,37,330	-	4,37,330	2,51,578	33,621	2,85,199	<b>1,52,131</b>	<b>1,85,752</b>
Warehouses	92,32,358	-	92,32,358	35,73,814	2,82,927	38,56,741	<b>53,75,617</b>	<b>56,58,544</b>
Motor Car	8,76,550	-	8,76,550	6,10,112	68,981	6,79,093	<b>1,97,457</b>	<b>2,66,438</b>
<b>Total</b>	<b>1,74,54,578</b>	<b>11,35,000</b>	<b>1,85,89,578</b>	<b>51,09,811</b>	<b>4,79,506</b>	<b>55,89,317</b>	<b>1,30,00,261</b>	<b>1,23,44,767</b>
Previous Year	-	-	-	-	5,38,660	-	-	-

**8: Non-current investments**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
<b>Shares - Quoted (at cost &amp; fully paid-up)</b>		
	No. of Units	
	Current Year	Previous Year
Amradeep Industries Ltd. of Re.1/- each	27,19,000	27,19,000
Amraworld Agrico Ltd. of Re.1/- each	49,54,000	49,54,000
Simplex Trading & Agency Ltd. of Rs.10/- each	1,14,000	1,14,000
Sun and Shine Worldwide Ltd. Rs.10/- each	2,04,700	2,04,700
Sun Techno Overseas Ltd [Well Worth Overseas	3,50,00,000	3,50,00,000
XO Infotech Ltd. Rs.10/- each	20,00,000	20,00,000
<b>TOTAL</b>	<b>6,39,70,907</b>	<b>6,39,70,907</b>
Note : Aggregate Market Value of Quoted Investment Rs.7,47,20,800 (PY was Rs.7,18,75,385)		

**9: Long-term loans and advances**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
(Unsecured, considered good)		
Advance For Capital Assets	-	6,00,000
Advance For Land	5,25,00,000	-
Advance Tax (net of provision of taxation)	96,945	96,945
Deposits	1,60,000	1,50,000
<b>Total</b>	<b>5,27,56,945</b>	<b>8,46,945</b>

**10: Trade Receivables**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
Debts outstanding for a period exceeding six months		
Unsecured, considered good	-	-
Other debts - considered good	19,300	34,500
<b>Total</b>	<b>19,300</b>	<b>34,500</b>

**11 : Cash and Cash Equivalents**

Amount in Rs.

Particulars	AS AT 31-Mar-12	AS AT 31-Mar-11
Cash in hand	5,46,633	1,27,976
Balances with banks: - in current accounts	23,61,017	1,23,120
<b>Total</b>	<b>29,07,650</b>	<b>2,51,096</b>

**12: Income From Operations**

Amount in Rs.

Particulars	For the year ended 31-Mar-12	For the year ended 31-Mar-11
Warehousing Income	16,72,934	24,16,800
Miscellaneous Income	2,34,398	3,20,300
<b>Total</b>	<b>19,07,332</b>	<b>27,37,100</b>

**13: Employee Benefits Expenses**

Amount in Rs.

Particulars	For the year ended 31-Mar-12	For the year ended 31-Mar-11
Salary, bonus and other allowances	3,99,200	3,48,000
Staff Welfare	25,819	18,735
<b>Total</b>	<b>4,25,019</b>	<b>3,66,735</b>

**14: Financial Expenses**

Amount in Rs.

Particulars	For the year ended 31-Mar-12	For the year ended 31-Mar-11
Bank and other financial charges	3,864	1,450
<b>Total</b>	<b>3,864</b>	<b>1,450</b>

**15: Administrative and Other Expenses**

Amount in Rs.

Particulars	For the year ended 31-Mar-12	For the year ended 31-Mar-11
AuditOr's Remuneration	27,000	19,500
Books & Periodicals	19,625	10,078
Conveyance Expenses	51,209	52,755
Electricity Expenses	36,000	36,000
Legal & Professional Fees	54,050	52,100
Listing & Processing Fees	1,28,139	11,030
Miscllaneous Expenditure	87,518	-
Motor Car Hire Charges	18,747	20,757
Motor Car Petrol Expenses	11,792	12,800
Office Maintanance	24,000	18,000
Office Rent	53,000	60,000
Postage & Courier	14,543	15,706
Printing & Stationary	27,215	21,268
Registration & Stamp Duty Charges	2,100	-
Repairs & Maintanance	20,835	21,930
Reinstatement Fees	-	3,60,000
ROC Fees	10,250	7,35,500
Share Transfer Department Expenses	60,665	69,651
Sundry Expenses	25,343	22,259
Telephone Expenses	26,072	20,732
Website Charges	5,000	-
	<b>7,03,103</b>	<b>15,60,066</b>

16. There are no creditors as defined under the Micro, Small and Medium Enterprises Development Act, 2006.

17. In our opinion the current assets, Loans & Advances are approximately of the value stated, if realized in the ordinary course of business. Investment is valued at cost of acquisition.

18. Provision for all known liabilities are adequate and are not in excess of the amount considered reasonably necessary.

19. Expenditure incurred in foreign currency is NIL.

20. Additional information pursuant to part IV of the Schedule VI of Companies Act, 1956 are as per annexure enclosed.

21: As per AS-18, notified in the Companies (Accounting Standards) Rules 2006, there is no related party transaction during the year.

22: Claim against the Company not acknowledge as debts : Rs.Nil

23: Earning Per Share:

Particulars	31-03-2012	31-03-2011
Average Number of Equity Shares outstanding	69,67,350	14,92,350
Net Profit After Tax for the Year ( In Rs.)	2,04,418	1,86,700
Basic & Diluted Earning Per Share ( In Rs.)	0.03	0.13

24: Payments to Auditor:

Particulars	31-03-2012	31-03-2011
Auditors Remuneration	27,000	19,500
Audit Fee	19,500	
Certification Fee	7,500	
<b>Total</b>	<b>27,000</b>	<b>19,500</b>

25: As the Company is not a manufacturing company, information required under Paragraphs 3 and 4 of Part II of the Schedule VI of the Companies Act, 1956 is not given.

26: Previous year figures have been re-grouped and re-arranged if required making them comparable with current year figures.

As per our report of even date  
**For S.Chandulal & Co.**  
Chartered Accountants  
Firm Registration No: 101701W

**For and on behalf of the Board of Directors**

**Suresh C.Shah**  
Proprietor  
M.No: 037266

**Ketan Sorathiya**  
Director

**N.K Patel**  
Director

Place : Mumbai  
Date: September 01, 2012

## SUCHAK TRADING LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31<sup>st</sup> MARCH, 2012

PARTICULARS	2011-12 Amount (Rs.)	2010-11 Amount (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Profit /(Loss) before tax	2,95,840	2,70,189
<b>Adjustment for :</b>		
Depreciation	4,79,506	5,38,660
Operating Profit before working Capital Changes	7,75,346	8,08,849
<b>Adjustment For:</b>		
Increase in Loans (Liabilities)	1,65,000	3,36,60,000
Loans & Advances and Deposits	(5,19,10,000)	-
Trade Receivable	15,200	(9,000)
Trade Payables	(3,992)	(30,520)
<b>Cash Generation From Operations</b>	(5,09,58,446)	3,44,29,329
Direct taxes Paid	-	(96,945)
<b>Net Cash Flow From Operating Activities</b>	(5,09,58,446)	3,43,32,384
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(11,35,000)	
Purchase of Investment	-	(3,50,00,000)
<b>Net Cash Flow From Investing Activities</b>	(11,35,000)	(3,50,00,000)
<b>C. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Share Application Money received	5,47,50,000	-
<b>Net Cash Flow From Financial Activities</b>	5,47,50,000	-
Net Increase (Decrease) in cash & cash equivalent (A+B+C)	<b>26,56,554</b>	<b>(6,67,616)</b>
Opening Cash & Cash equivalents	2,51,096	9,18,712
Closing Cash & Cash equivalents	29,07,650	2,51,096

As per our report of even date attached

**For S. Chandulal & Co.**  
Chartered Accountants

**Suresh C. Shah**  
Proprietor  
M.ship No. 37266  
Place : Mumbai  
Date : September 01, 2012

**For & On Behalf of Board of Directors**

Ketan Sorathiya  
**Director**

N. K. Patel  
**Director**



