

19<sup>th</sup>

**ANNUAL REPORT**

**2012-2013**



**MARUTI SECURITIES LIMITED**



**BOARD OF DIRECTORS**

|                 |          |
|-----------------|----------|
| K.Satyanarayana | Director |
| B.Srinivas      | Director |
| A.Rakesh        | Director |

**BANKERS**

Bank of India  
HDFC Bank  
Bank of Baroda  
Oriental Bank of Commerce  
The Royal Bank of Scotland

**AUDITORS**

M/S P.Murali & Co.,  
Chartered Accountants,  
6-3-655/2/3,  
Somajiguda, Hyderabad - 500 082.

**REGISTERED OFFICE**

Plot No:66, Parkview Enclave  
Manovikas Nagar,  
Secunderabad - 500 009.  
Phone No: 040-2775 6556  
Mail ID: [msl\\_1994@rediffmail.com](mailto:msl_1994@rediffmail.com)

**REGISTRARS**

M/s Aarthi Consultants Pvt Ltd.,  
1-2-285, Domalguda,  
Hyderabad- 500 029.

**STOCK EXCHANGE WHERE COMPANY SHARES ARE LISTED**

Bombay Stock Exchange Ltd



## NOTICE TO THE SHARE HOLDERS

Notice is hereby given that the Nineteenth Annual General Meeting of M/S MARUTI SECURITIES LIMITED will be held on Monday, the 23rd September, 2013 at 10.00 A.M. at the Registered Office of the Company at Plot No.66, Parkview Enclave, Manovikas Nagar, Secunderabad 500 009 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2013, the Profit and Loss Account for the year ended on that date and Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Sri B.Srinivas who retires by rotation and being eligible, offer himself for re-appointment.
3. To appoint a Director in place of Sri.A.Rakesh who retires by rotation and being eligible, offer himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and for this purpose to consider and, if thought fit to pass the following resolution as an Ordinary Resolution:

" Resolved that Pursuant to the Provisions of Section 224 and other applicable Provisions, if any, of the Companies Act, 1956, M/s P.Murali & Co., Chartered

Accountants, Hyderabad, the retiring Auditors be and are hereby reappointed Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be fixed by the Board of Directors."

Place: Secunderabad  
Date: 08-07-2013

By Order of the Board

B.SRINIVAS  
DIRECTOR

#### NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company.  
Proxies, to be effective must be received by the Company at its registered office not later than 48 hours before commencement of the meeting.
2. The register of members and the share transfer books of the Company will remain, closed from 14<sup>th</sup> September, 2013 to 23<sup>rd</sup> September, 2013 (Both Days inclusive) in connection with the Annual General Meeting.
3. Members are requested to notify the Company immediately any change of address, if any and also write to the Company about corrections, if any, in name, pin code etc.

4. Members / proxies should bring the enclosed attendance slip duly filled in, for attending the Meeting, along with the Annual Report.
5. A member desirous of getting any information in respect of the contents of the Annual Report is required to forward the queries to the Company atleast seven days prior to the Meeting so that the required information can be made available at the Meeting.
6. Corporate Members are required to forward a certified copy of the Board Resolution authorising their representatives to attend and vote at the Annual General Meeting.
7. Particulars of Directors reappointed/ appointed :  
  
The information pertaining to Sri.B.Srinivas and Sri.A.Rakesh to be provided in terms of Clause 49 of the Listing Agreement with the Stock Exchanges is furnished in the statement on Corporate Governance published in this Annual Report.
8. Pursuant to the provisions of Section 109A of the Companies Act, 1956, every member or joint holders may nominate in the prescribed manner, a person to whom all the rights in the shares shall vest in the event of death of the sole holder or all the jointholders. Members holding shares in electronic form may contact their respective depository participant ( DP)for availing this facility.

INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING APPOINTED/ RE-APPOINTED.

As required under the Listing Agreement, the particulars of Directors who are proposed to be re-appointed are given below:

1. Name : Sri B.SRINIVAS  
Age : 42 years  
Qualification : Diploma in Electrical Engineering  
Experience : 17 years  
Other Directorships : NIL
  
2. Name : Sri A.RAKESH  
Age : 29 years  
Qualification : B.Com.,  
Experience : 11 years  
Other Directorships : NIL

Place : Secunderabad  
Date : 08-07-2013

By Order of the Board

B.SRINIVAS  
DIRECTOR

## DIRECTORS' REPORT

To  
The Members,  
Maruti Securities Limited.

Your Directors have pleasure in presenting the Nineteenth Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

## OPERATIONS

Your Directors report that your Company has reported a NIL income from the operations and a Gross Loss before tax of Rs.5.34 Lakhs as against Gross Loss before tax of Rs.5.60 Lakhs in the previous year respectively.

## Financial Results:

| Particulars   | 2012-2013<br>in Rupees | 2011-2012<br>in Rupees |
|---|------------------------|------------------------|
| Gross Income  | NIL                    | NIL                    |
| Profit before Tax: (+)/Loss(-)                              | (5,34,010)             | (5,60,774)             |
| Provision for Tax:  | NIL                    | NIL                    |
| Profit after Tax( )/Loss(-)                                 | (5,34,010)             | (5,60,774)             |
| Deferred Income Tax Assets<br>/Liabilities during the year  | 2,371                  | 4,378                  |
| Profit/(Loss) from the period from<br>Continuing operations | (5,31,639)             | (5,56,396)             |
| Profit/(Loss) at the beginning of the year                  | (19,93,33,999)         | (19,87,77,603)         |
| Profit/(Loss) for the period                                | (19,98,65,638)         | (19,93,33,999)         |

## FINANCIAL PERFORMANCE

There has been no Capital market Operations during the year, hence no income in view of SEBI Order preventing the Company in accessing the Securities Market vide Order No: WTM/KMA/78/ISD/06/2009 dated 04-06-2009. However SEBI Order: WTM/RKA/1/D/ID-4/39/2012 dated 25-09-2012 has communicated that the ban on the Company expires on 04-06-2013 and permitted the company to do trading in the Capital Market with effect from 05-06-2013.

The Loss reported is only on account of administrative expenses and expenses related to compliances of the regulatory/ statutory authorities.

#### **DIVIDEND**

In view of the loss reported for the financial year, your Directors regret their inability to recommend payment of dividend on equity shares to the members and on preference shares to the preference share holders.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

##### **Overall Review**

The Capital Market Operations during the Year has been nil in view of the order imposed by the Securities and Exchange Board of India with effect from 04-06-2009, besides Income Tax authorities have also attached the Bank accounts of the Company for non payment of tax arrears for the Asst. Year 2005-06 pending disposal of appeal filed before the tribunal, Income Tax Department.

Vide letter dated 19-01-2010 of Reserve Bank of India, had imposed restriction on the Company, not to carry out the business of non banking financial institutions due to negative net worth till such time, the company meets minimum statutory net worth requirement of Rs.25 lakhs.

The Company has surrendered the Registration of Non- Banking Finance Company Certificate to RBI, Hyderabad on 23-02-2011 for cancellation.

##### **SEBI Order**

SEBI Order : WTM/RKA/IVD/ID-4/39/2012 dated 25-09-2012 has communicated that the ban on the Company expires on 04-06-2013 and permitted the company to do trading in the Capital Market with effect from 05-06-2013.

#### **OPPORTUNITIES, CONCERNS AND THREATS**

The Country's economic scenario continues to be on the slow growth path with the growth rate expected to be around 6% to 7% for the current financial year. Global Economy has also contributed for a slow growth due to recession in some segment of the economy.



The Government's thrust on infrastructure and growth in the industrialization with huge investments, the economic activity continuous to grow at a single digit growth.

The volatility in prices of shares due to high fluctuation of the market behaviour which can have a direct bearing on the operations of the Company resulting into low margins and may affect the working of the Company.

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

The Company has adequate internal control systems commensurate with the size of its operations and for the purpose of exercising adequate controls on the day-to-day operation systems are regularly reviewed to ensure effectiveness.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

The Human Relations in the organization have been cordial. Your Company believes that man power is its greatest asset and endeavours to improve employee welfare at all times.

#### **DISCLOSURES**

Being a non manufacturing company, inclusion of particulars with respect to conservation of energy and technology absorption as required under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures of particulars in the Report of the Board of Directors) Rules, 1988 regarding conservation of energy and Technology absorption, does not arise. However efforts are made in every aspect of operation wherever possible to conserve energy and also technology absorption, adaptation and innovations.

Foreign exchange earnings and outflows are: NIL

#### **PARTICULARS OF EMPLOYEES**

In pursuance of the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 2011, the Directors are to report that no employee was in receipt of remuneration of Rs.60, 00,000/- or more per annum or Rs.5,00,000/- or more per month where employed for a part of the year.

## **DIRECTORS**

Sri A.Rakesh retires by rotation and being eligible offers himself for re-appointment.

Sri.B.Srinivas retires by rotation and being eligible offers himself for re-appointment.

## **PUBLIC DEPOSIT**

During the year, the Company has not accepted any fixed deposits under Section 58A of the Companies Act, 1956.

## **AUDITORS' REPORT**

The Auditors' Report to the members read together with the relevant notes thereon are self explanatory and hence do not warrant any comments under Section 217 of the Companies Act, 1956.

## **AUDITORS**

M/s. P.Murali & Co., Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the said Act.

## **CORPORATE GOVERNANCE**

Pursuant to Clause 49 of the Listing Agreements entered into with the Stock Exchanges, Corporate Governance report and Auditors' Certificate regarding Compliance of conditions of Corporate Governance are made a part of the Annual Report as per the Annexure - A.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956, with respect to Directors responsibilities Statement it is hereby confirmed:

- i) That in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures ;
- ii) That the directors have selected such 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 ended 31st March, 2013 and of the profit and loss of the company for that period;
- iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the directors have prepared the annual accounts on a going concern basis.

## DEMATERIALISATION OF SECURITIES

As Members are aware, your Company's equity shares are compulsorily tradable in electronic form. As on March 31, 2013, 38.21% of your Company's paid up Capital representing 19,10,455 equity shares are in dematerialized form. In view of numerous advantages emanating from the depository system. Members holding equity shares in physical mode are requested to avail the facility of dematerialization of the Company's shares on either of the depositories i.e. CDSL/NSDL.

**ACKNOWLEDGEMENTS**

Your directors have pleasure in recording their appreciation of co-operation extended to the Company by the Bankers and employees.

for and on behalf of the Board

B.SRINIVAS  
Director

K.SATYANARAYANA  
Director

Place:Secunderabad  
Date : 08-07-2013

## ANNEXURE - A TO THE DIRECTORS' REPORT

### COMPLIANCE REPORT ON CORPORATE GOVERNANCE AS PER CLAUSE 49 OF THE LISTING AGREEMENT

#### 1. Company's Objective on Corporate Governance

Your Company is committed to good Corporate Governance against the prescribed standards. As the objective of Corporate Governance is the enhancement of value and protecting the interests of shareholders, your company aimed at assisting the management in efficient conduct of the business of the company and in meeting its obligations to share holders and others.

#### 2. Board of Directors

##### a) Composition of the Board

The Company's Board consists of Three Independent Directors.

None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 committees as specified in Clause 49, across all the Companies in which he is a Director.

Necessary disclosures regarding committee position in other public Companies as at 31st March, 2013 have been made by the Directors.

A brief resume of the Directors being re-appointed at the Annual General Meeting, the nature of their expertise in specific functional areas and names of the Companies in which they hold Directorship and Membership of the Committees of the Board is annexed to the notice.

##### b) Attendance of each director at nine Board Meetings held and at the last Annual General Meeting held during the financial year 2012-2013.

| Sl.No | Name of the Director | Category of Directorship | No.Of Board Meetings Attended | Attendance at the last AGM |
|-------|----------------------|--------------------------|-------------------------------|----------------------------|
| 1     | Mr.A.Rakesh          | Independent Director     | 9                             | Yes                        |
| 2     | Mr.B.Srinivas        | Independent Director     | 9                             | Yes                        |
| 3     | Mr.K.Satyanarayana   | Independent Director     | 9                             | Yes                        |

No Extraordinary General Meetings were held during the financial year.

c) Pecuniary relationship or transactions of the non-executive Directors vis-a-vis the Company

The Company's non-executive Directors do not have any pecuniary relationship or transactions with the Company.

d) Number of Boards/Board Committees each Director (being a Director of the Company as at the end of the financial year) is a Director/chairman of

| Sl.No | Name of the Director | No.of Companies | No.of Committees those Companies constituted by the Company in which member |
|-------|----------------------|-----------------|---|
| 1     | A.Rakesh             | 1               | 3   |
| 2     | K.Satyanarayana      | 1               | 3   |
| 3     | B.Srinivas           | 1               | 3   |

e) Number of Board Meetings held during the financial year and the dates of the Board meetings:

Nine Board meetings were held during the financial year 2012-2013.

The dates on which the above Board meetings were held are as follows;

2<sup>nd</sup> April 2012, 23<sup>rd</sup> May 2012, 9<sup>th</sup> July 2012, 23<sup>rd</sup> July, 2012, 24<sup>th</sup> September 2012, 25<sup>th</sup> October 2012, 31<sup>st</sup> December 2012, 28<sup>th</sup> January 2013, and 30<sup>th</sup> March 2013.

## SHAREHOLDING OF THE DIRECTORS

NIL

## CEO/CFO Certification

As required by the revised Clause 49 of the Listing Agreement, the certificate from Mr.B.Srinivas, Director and CEO was placed before the Board of Directors at the meeting held on 29<sup>th</sup> , May 2013.

## Code of Conduct

The Company has adopted the code of conduct for all the Board members and senior management personnel. All the Board members and Senior Management personnel have affirmed compliance with the respective Code of conduct for the year 2012-13. The text of the declaration signed by the Director (CEO) confirming compliance of Code of conduct forms a part of this report.

## 3. Audit Committee

### a) Brief description of terms of reference

The terms of reference of the Audit Committee are comprehensive and covers the matters specified for Audit committee under the Listing Agreement with Stock Exchanges.

### b) Composition, Names of members and chairperson

A qualified and an independent Audit Committee consisting of three members, all being independent Directors, was constituted and the Committee consists of Mr.B.Srinivas an independent Director is the Chairman of the Committee while Mr.K.Satyanarayana and Mr.A.Rakesh are its members.

The constitution of Audit Committee also meets with the requirements under Section 292A of the Companies Act, 1956 and Clause 49(II)(D) of Listing Agreement and the terms of reference stipulated by the Board for the Audit Committee, covers the matters specified which are as under;

A. The Audit Committee shall have the following powers:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employees.
- 3) To obtain outside legal or other professional advices.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. The Role of the Audit Committee shall include the following:

1. Overseeing the Company's Financial Reporting process and disclosure of its financial information to ensure that the Financial Statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, Re-appointment and if required, the Replacement or Removal of Statutory Auditors and fixation of audit fee.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the Annual Financial Statement before submission to the Board for approval, with particular reference to
  - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
  - b. Changes if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustment made in the financial statements arising out of audit findings.
  - e. Compliance with Listing and other legal requirements relating to financial statements.
  - f. Disclosure of related party transactions.
  - g. Qualification in draft Audit Report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board approval.



6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control System.
7. Reviewing the adequacy of Internal Audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading of the department, reporting structure, coverage and frequency of Internal Audit.
8. Discussion with Internal Auditors, any significant findings and follow up thereon.
9. Reviewing the finding of any Internal investigations by the Internal Auditors into the matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
11. Carrying out such other functions may be specifically referred to the committee by the Board of the Directors and / or other Committee of the Directors of the Company.
12. To review the following information:
  - o The management discussion and analysis of financial condition and result of operations
  - o Statement Significant Related Party Transaction (as defined by the Audit Committee) submitted by Management,
  - o Management letter/letters of internal Control weakness issued by the Statutory Auditors, Internal Audit Reports relating to Internal Control weakness and
  - o To appoint, removal and terms of remuneration of Internal Auditors.

### C) Meetings and attendance during the year

Four meetings of the Audit Committee were held on 23<sup>rd</sup> May 2012, 23<sup>rd</sup> July 2012, 25<sup>th</sup> October 2012 and 28<sup>th</sup> January 2013 and all the members of the committee attended the meeting.

| Sl.No | Name of Director   | No.Of Meetings Attended |
|-------|--------------------|-------------------------|
| 1     | Mr.B.Srinivas      | 4                       |
| 2     | Mr.K.Satyanarayana | 4                       |
| 3     | Mr.A.Rakesh        | 4                       |

The Statutory Auditors are permanent invitees to the audit committee meetings. The audit committee invites senior executives, whom it considers appropriate to be present at the meetings.

The Chairman of the Audit Committee, Mr.B.Srinivas was present at the last Annual General Meeting of the Company held on 24-09-2012.

## 4. Remuneration of Directors

### a) Remuneration to Non-Executive Directors

Presently, the non-executive directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board.

The Remuneration Committee comprises of three members out of which, all the three are independent Directors. Mr. K.Satyanarayana is the Chairman and Mr. A.Rakesh and Mr. B. Srinivas are the other members.

### Terms of reference

To apprise the performance of Managing Director. To determine and recommend to the Board compensation payable to the Managing Director.

### Meeting and Attendance

No Remuneration Committee meeting was held during the financial year 2012-13.

### Remuneration Policy

The remuneration of the Managing Director is decided by the remuneration committee based on certain criteria such as company's performance, industry benchmarks, track record etc., and the same is reported to the Board of Directors. The Company pays remuneration by way of salary to the Managing Director as decided by the remuneration committee and approved by the Board and the shareholders at the Annual General Meeting and subject to approval of Central Government wherever required.

b) Details of the remuneration paid to Directors are given below:

| Name of Director             | Relationship With other Director | Loan & Advances from company | Remuneration paid to Executive Directors | Sitting fee paid to independent Directors for attending Board Meeting | Commission paid | Total     |
|------------------------------|----------------------------------|------------------------------|--|---|-----------------|-----------|
| Mr. A.Rakesh Director        | None                             | NIL                          | NIL                                      | Rs.4500/-   | NIL             | Rs.4500/- |
| Mr. B.Srinivas Director      | None                             | NIL                          | NIL                                      | Rs.4500/-   | NIL             | Rs.4500/- |
| Mr. K.Satyanarayana Director | None                             | NIL                          | NIL                                      | Rs.4500/-   | NIL             | Rs.4500/- |

Presently the Company does not have any scheme for the grant of Stock options either to the Managing Director or employees.

### 5. Shareholders / Investors Grievances Committee

The Board of Directors designated an "Investor Grievance Committee" as a measure of good corporate Governance and to strengthen the investor relations. The following Directors of the Company have been constituted as members of the above committee.

1. Mr.A.Rakesh - Director
2. Mr.B.Srinivas - Director

3. Mr.K.Satyaharayana - Director

a) Name of the Non- Executive Director heading the committee:

The committee functions under the Chairmanship of Mr. A. Rakesh non-executive and independent director.

The function of the committee are inter-alia, oversees and reviews all matters connected with the securities and looks into shareholders' complaints like transfer of shares, non receipt of balance sheet etc., The Committee also oversees the performance and working of M/s Aarthi Consultants Pvt Ltd., the registrar and transfer agent and also takes steps for overall improvement in the quality of investor services.

During the year 2012-13, the shareholder's/investor's Grievance committee met on 23<sup>rd</sup> May, 2012, 23<sup>rd</sup> July 2012, 25<sup>th</sup> October 2012 and 28<sup>th</sup> January 2013.

All the members of the Grievance Committee have attended all the meetings.

b) Status of Investor Complaints received during the financial year 2012-2013.

| Nature of Complaint  | Received | Cleared |
|--|----------|---------|
| Non receipt of share certificates sent for Transfer          | --       | --      |
| Non receipt of dividend warrant                              | --       | --      |
| Change of address  | --       | --      |
| Non Receipt of Duplicate share certificates                  | --       | --      |
| Request to stop transfers                                    | --       | --      |
| Registration of power of attorney                            | --       | --      |
| Non receipt of share certificates after split/ Consolidation | --       | --      |
| Demat request pending  | --       | --      |
| Non receipt of refund order                                  | --       | --      |
| Any other Complaint  | --       | --      |

## c) Number of pending share transfer

There were no share transfers pending as at the end of the financial year.

## d) Name and the designation of the compliance officer

Mr. B.Srinivas, Director

## 6.General Body Meetings

## a) Details of the location and time of the last three Annual General Meetings (AGMs) of the Company.

The Details in respect of the last three Annual General Meetings of the Company are as follows:

| Date                            | Venue of the Meeting  | Time of Meeting |
|---------------------------------|---|-----------------|
| 27 <sup>th</sup> September,2010 | Plot No:66, Parkview Enclave<br>Manovikas Nagar<br>Secunderabad- 500009 | 10.00 A.M.      |
| 26 <sup>th</sup> September,2011 | Plot No:66, Parkview Enclave<br>Manovikas Nagar<br>Secunderabad- 500009 | 10.00 A.M.      |
| 24 <sup>th</sup> September,2012 | Plot No:66, Parkview Enclave<br>Manovikas Nagar<br>Secunderabad- 500009 | 10.00 A.M.      |

## b) Information on Directors seeking Appointment/Re-appointment under clause 49VI(A) of the Listing Agreement with Stock Exchanges.

This information is provided separately immediately after the "NOTICE" about the Directors recommended for appointment/seeking re-appointment at the ensuing Annual General Meeting.

- c) Whether Special Resolutions were put through postal ballot last year, details of voting pattern, person who conducted the postal ballot exercise, proposed to be conducted through Postal Ballot and procedure for Postal Ballot

Not applicable.

None of the resolutions had been proposed to be passed through postal ballot.

#### 7. Disclosure

- a. Disclosures on materially significant Related Party Transactions i.e., transactions of the company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc., that may have potential conflict with the interests, of the company at large.

None

- b. Details of non compliance by the company, penalties, strictures imposed on the company by stock exchange or SEBI or any statutory authority/ on any matter related to capital.

None

#### 8. Means of Communication

- a) Quarterly results are being published in two news papers as per norms.
- b) The Management and Analysis report forms part of the Directors Report.



9. General Shareholders Information.
- a) As indicated in the Notice to our Shareholders, the Annual General Meeting of the Company will be held on Monday, the 23<sup>rd</sup> September, 2013 at 10.00 A.M. at Plot No.66, Parkview Enclave, Manovikas Nagar, Secunderabad -500 009.
- b) The Financial Year of the Company is 1st April to 31st March. The quarterly results will be adopted by the Board of Directors, as per the following tentative schedule.

Financial Calendar 2013 -14

|  |                |
|--|----------------|
| Unaudited Quarterly Results ending June 30, 2013           | : July 2013    |
| Unaudited Quarterly Results ending September 30, 2013      | : October 2013 |
| Unaudited Quarterly Results ending December 31, 2013       | : January 2014 |
| Annual Results for the Financial Year ending on 31-03-2014 | : May 2014     |

- c) Date of book closure from 14<sup>th</sup> September, 2013 to 23<sup>th</sup> September 2013 (both days inclusive) for the purpose of the Annual General Meeting.
- d) The shares of the Company are listed in  
The Bombay Stock Exchange Ltd., Mumbai - Non Regional Stock Exchange
- e) Stock Code  
Scrip Code - 531319  
Trading Symbol - MARSEC  
Bombay Stock Exchange (Demat Segment)  
Demat ISIN Number in BSE : INE368C01019

## f) Stock Market Data

## Monthly High and Low Quotes at BSE

| Month     | Year | Share Price of the Company |        | Volume |
|-----------|------|----------------------------|--------|--------|
|           |      | Highest                    | Lowest |        |
| April     | 2012 | 4.15                       | 3.63   | 164    |
| May       | 2012 | 4.29                       | 4.00   | 853    |
| June      | 2012 | 4.41                       | 3.85   | 807    |
| July      | 2012 | 4.45                       | 2.90   | 4188   |
| August    | 2012 | 3.61                       | 2.66   | 7306   |
| September | 2012 | 4.78                       | 3.78   | 2289   |
| October   | 2012 | 5.95                       | 3.99   | 2538   |
| November  | 2012 | 5.78                       | 4.48   | 2047   |
| December  | 2012 | 4.47                       | 2.84   | 4632   |
| January   | 2013 | 2.82                       | 2.28   | 42489  |
| February  | 2013 | 2.75                       | 2.14   | 10381  |
| March     | 2013 | 2.35                       | 2.03   | 5360   |

## g) Registrars and Share Transfer Agents for both physical and Depository

M/s Aarhi Consultants Pvt Ltd  
1-2-285, Domalguda, Hyderabad-500 029,

## h) Share Transfer System

The Shareholders are advised to contact the Registrar and Share Transfer Agents at their address for effecting transfer of shares both in physical and electronic form.



## i) Distribution of shareholding as on 31-03-2013

| No. of Equity Shares Held | Folios      | %          | No. of shares  | % to share capital |
|---------------------------|-------------|------------|----------------|--------------------|
| upto 5000                 | 2605        | 85         | 343393         | 6.87               |
| 5001-10000                | 153         | 5          | 130962         | 2.62               |
| 10001-20000               | 77          | 2          | 116922         | 2.34               |
| 20001-30000               | 42          | 1          | 109464         | 2.19               |
| 30001-40000               | 71          | 2          | 253599         | 5.07               |
| 40001-50000               | 54          | 2          | 243032         | 4.86               |
| 50001-100000              | 17          | 1          | 126635         | 2.53               |
| 10001- & ABOVE            | 46          | 2          | 3676293        | 73.52              |
| <b>TOTAL</b>              | <b>3065</b> | <b>100</b> | <b>5000300</b> | <b>100.00</b>      |

The company has not issued any GDRs/ ADRs/Warrants or any convertible instrument.

According to categories of share holders as on 31<sup>st</sup> March, 2013.

| CATEGORY   | No. of Shares Held | % of Share Holding |
|--|--------------------|--------------------|
| <b>A PROMOTERS HOLDING</b>   |                    |                    |
| 1 Promoters  |                    |                    |
| -- Indian Promoters  | 3715700            | 74.31              |
| -- Foreign Promoters   | NIL                | NIL                |
| 2 Persons acting in concert  | NIL                | NIL                |
| <b>B. NON PROMOTERS HOLDING</b>  |                    |                    |
| 3. Institutional Investors   |                    |                    |
| a. Mutual Funds  | NIL                | NIL                |
| b. Banks, Financial Institutions   | NIL                | NIL                |
| Insurance Companies(Central /State Govt, Institutions/ Non Govt. Institutions) |                    |                    |
| C FIs  | NIL                | NIL                |
| 4 OTHERS   |                    |                    |
| a. Private Corporate Bodies  | 101895             | 2.04               |
| b. Indian Public   | 1182534            | 23.65              |
| c. Foreign Individuales  | 161                | --                 |
| d. Any Other(Clg Members)  | 10                 | --                 |
| <b>TOTAL</b>   | <b>5000300</b>     | <b>100.00</b>      |

J) Dematerialisation of Shares

The Shares are traded in dematerialised form. The International Securities Identification Number (ISIN) allotted to the Company's scrip is INE368C01019.

1910455 Equity shares (38.21%) of the Company have been dematerialised by NSDL and CDSL as on 31-03-2013.

k) Outstanding GDRs / ADRs / Warrants or any other convertible instruments so far.

NIL

L) Business Location

The Company does not own any permanent office premises. It is doing business in leased premises and if any changes in the office premises will be intimated to Stock Exchange and through public announcement.

m) Address for Correspondence

MARUTI SECURITIES LIMITED  
Plot No 66, Park View Enclave,  
Manovikas Nagar, Secunderabad -500 009  
Disclosure under Clause 43(2) of the Listing Agreement

The Equity Shares of the Company are listed in the following Stock Exchanges. The listing fee for the year 2013-2014 is paid for the Mumbai Stock Exchange Limited.

For and on behalf of the Board

B.Srinivas      K.Satyanarayana  
Director      Director

Place: Secunderabad



Date : 08-07-2013

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT.

I, B.Srinivas, Director of Maruti Securities Limited hereby declare that all the Board members and Senior managerial personnel have affirmed for the year ended 31 March, 2013 compliance with the code of the Company laid down for them.

B.Srinivas  
DIRECTOR

Place : Secunderabad

Date : 08-07-2013

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER(CFO)

I,B.Srinivas, Director of M/s Maruti Securities Limited certify:

1. That we have reviewed the Financial Statements and the Cash Flow Statement for the year ended 31st, March 2013 and to the best of our knowledge and belief:
  - ❖ These statements do not contain any materially untrue statements nor omit any material fact nor contain statements that might be misleading, and.
  - ❖ These statements present a true and fair view of the Company's affair and are in compliance with the existing Accounting Standards, applicable laws and regulations
2. That there are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
3. That we accept responsibility for establishing and maintaining Internal Controls, we have evaluated the effectiveness of the Internal Control Systems of the company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or the operation of Internal Controls, if any, of which we are aware and the steps that we have taken or purpose to take and rectify the deficiencies and;
4. That we have informed the Auditors and the Audit Committee of:
  - a) Significant changes in the Internal Control 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 of an employee having a significant role in the company's Internal Control System.

B.Srinivas  
DIRECTOR

Place : Secunderabad  
Date : 08-07-2013



COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
MARUTI SECURITIES LIMITED  
Hyderabad.

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance condition of Corporate Governance of M/s. Maruti Securities Limited ("the company") for the year ended 31st March, 2013 as stipulated in clause 49 of the listing agreement of the said company with the Stock Exchanges.

The compliance of the conditions of the Corporate Governance is the responsibility of the Management. Our examination, conducted in the manner described in the Guidance note on Certification of Corporate Governance issued by the institute of Chartered Accountants of India was limited to procedures and implementation thereof adopted by the company for ensuring Compliance with the conditions of Corporate Governance, Our examination was neither an audit nor was it conducted to express an opinion on the Financial Statements of the company,

In our opinion and to the best of our information and explanations given to us and on the basis of our examination described above, the company has complied with the conditions of Corporate Governance as stipulated in clause 49 the above mentioned Listing Agreement.

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

for P. MURALI & CO.,  
CHARTERED ACCOUNTANTS

M.V. JOSHI  
PARTNER

PLACE: HYDERABAD  
DATE :29/5/2013.

## AUDITOR'S REPORT

To  
The Members, Maruti Securities Limited

### Report on the Financial Statements:

We have audited the accompanying financial statements of Maruti securities Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance and Cash Flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of Internal Control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers Internal Control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

(b) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

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

b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books

c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account

d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P. Murali & Co.,  
Chartered Accountants  
Firm's Regn. No:007257S

(M.V.JOSHI)  
Partner  
M.No.024784

Place : Hyderabad  
Date : 29/05/2013



ANNEXURE TO THE AUDITORS'S REPORT

- I. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.  
  
(b) As explained to us, the Fixed Assets have been physically verified by the management at reasonable intervals and no material discrepancies between the book records and the physical inventory have been noticed on such verification.  
  
(c) The Company has not disposed off substantial part of the Fixed Assets during the year.
- II. (a) The Company has no Inventory hence this clause is not applicable.
- III. (a) The Company has not granted any loans, secured or unsecured to Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act, 1956.  
  
(b) As the Company has not granted any loans ,the clause of whether the rate of interest & other terms and conditions on which loans have been granted to parties listed in the register maintained under section 301 is prejudicial to the interest of company, is **not applicable**.  
  
(c) As no loans are granted by company, the clause of receipt of interest & principal amount from parties is **not applicable** to the company.  
  
(d) No loans have been granted to Companies, Firms & other parties listed in the register U/s.301 of the Companies Act, 1956 , hence overdue amount of more than rupees One Lac does not arise and the clause is **not applicable**.  
  
(e) The Company has not taken any loans, secured or unsecured from Companies, Firms or other Parties covered in the register maintained U/s.301 of the Companies Act. 1956.

- (f) As the Company has not taken any loans, the clause of whether the rate of interest & other terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 is prejudicial to the interest of company, is not applicable.
- (g) As no loans are taken by the company, the clause of repayment of interest & principal amount to parties is not applicable to the company. -
- IV. In our opinion and according to the information and explanations given to us, there are generally Adequate Internal Control Systems commensurate with the size of the company and the nature of its business with regard to purchase of Inventory and Fixed Assets and for sale of goods and services. There is no continuing failure by the company to correct any major weaknesses in Internal Control.
- V. (a) In our opinion and according to the information and explanation given to us. since no contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been made by the company in respect of any party in the financial year, the entry in the register U/s.301 of the Companies Act, 1956 does not arise.
- (b) According to the information and explanations given to us, as no such contracts or arrangements made by the company, the applicability of the clause of charging the reasonable price having regard to the prevailing market prices at the relevant time does not arise.
- VI. The Company has not accepted any deposits from the public and hence the applicability of the clause of directives issued by the Reserve Bank of India and provisions of section 58A, 58AA or any other relevant provisions of the Act and the rules framed there under does not arise. As per information and explanations given to us the order from the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal has not been received by the Company.
- VII. In our opinion, the company is having Internal Audit System, commensurate with its size and nature of its business.

- VIII. In respect of the Company, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (l) of section 209 of the Companies Act, 1956.
- IX. a) The Company is regular in depositing statutory dues including Income Tax, Cess and any other Statutory Dues with the appropriate authorities and at the last of the financial year there were no amounts outstanding which were due for more than 6 months from the date they became payable.
- b) According to the information and explanations given to us, no undisputed amounts are payable in respect of Income Tax, Cess and any other Statutory dues as at the end of the period, for a period more than six months from the date they became payable.
- X. The Company has been registered for a period of not less than 5 years, and its accumulated losses at the end of the Financial Year is more than fifty percent of its net worth and the Company has incurred a cash losses in this Financial Year and in the immediately preceding Financial Year.
- XI. According to information and explanations given to us, the Company has not taken any loans from Banks or Financial Institutions. Hence this clause of repayment of dues to financial Institutions or banks or debenture holders and the defaulted payment therein is **not applicable** to the Company.
- XII. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities and hence the applicability of the clause regarding maintenance of adequate documents in respect of loans does not arise.
- XIII. This clause is not applicable to this Company as the Company is not covered by the provisions of special statute applicable to Chit Fund in respect of Nidhi / Mutual Benefit Fund/Societies.

- XIV. According to the information and explanations given to us, the company is dealing in trading of shares, securities, Debentures and other investments and proper records have been maintained for the transactions and contracts and timely entries therein have been made by the Company. The Shares Securities, Debentures and other investments are held by the Company in its own name except to the extent of the exemption if any, granted under section 49 of the Companies Act, 1956.
- XV. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions, and hence the applicability of this clause regarding terms and conditions which are prejudicial to the interest of the company does not arise.
- XVI. According to the information and explanations given to us, the company has not obtained any Term Loans; hence this clause is not applicable.
- XVII. According to the information and explanations given to us, no funds are raised by the Company on short-term basis. Hence the clause of short term funds being used for long-term investment does not arise.
- XVIII. According to the information and explanations given to us, the Company has not made any preferential allotment of Shares to parties and Companies covered in the Register maintained under section 301 of the Companies Act, 1956 and hence the applicability of the clause regarding the price at which shares have been issued and whether the same is prejudicial to the interest of the Company does not arise.
- XIX. According to the information and explanations given to us, the company does not have any debentures and hence the applicability of the clause regarding the creation of security or charge in respect of debentures issued does not arise.
- XX. According to information and explanations given to us, the company has not raised money by way of public issues during the year; hence the clause regarding the disclosure by the management on the end use of money raised by Public Issue is not applicable.



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

For P.MURALI&CO.,

CHARTEREDACCOUNTANTS

FRN : 007257S

M.V. JOSHI

PARTNER

PLACE : HYDERABAD

DATE : 29/5/2013.

Balance Sheet As at 31<sup>st</sup> March 2013

| PARTICULARS   | Note No         | AS AT                          |               |
|---|-----------------|--------------------------------|---------------|
|   |                 | 31-03-2013                     | 31.03.2013    |
| <b>1. EQUITY AND LIABILITIES</b>  |                 |                                |               |
| (1) Shareholder's Funds   |                 |                                |               |
| (a) Share Capital   |                 |                                |               |
| (a) Share Capital   | 1               | 250,003,000                    | 250,003,000   |
| (b) Reserve and Surplus   |                 |                                |               |
| (c) Money received against share warrants                               | 2               | (197,397,677)                  | (197,397,677) |
| (2) Share application money pending allotment                           |                 |                                |               |
| (3) Non-Current Liabilities   |                 |                                |               |
| (a) Long Term Borrowings  |                 |                                |               |
| (b) Other Long Term Liabilities   |                 |                                |               |
| (c) Long Term Provisions  |                 |                                |               |
| (4) Current Liabilities   |                 |                                |               |
| (a) Short-Term Borrowings   |                 |                                |               |
| (b) Trade Payables  | 3               | 275,494,155                    | 275,104,155   |
| (c) Other Current Liabilities   | 4               | 474,961                        | 429,437       |
| (d) Short-Term Provisions   | 5               | 333,205                        |               |
| Total   |                 | 328,907,644                    | 328,678,554   |
| <b>II. ASSETS</b>   |                 |                                |               |
| (1) Non-Current assets  |                 |                                |               |
| (a) Fixed assets  |                 |                                |               |
| (i) Tangible assets   | 6               | 82,982                         | 184,196       |
| (ii) Intangible assets  |                 |                                |               |
| (iii) Capital work-in-progress  |                 |                                |               |
| (iv) Intangible assets under development                                |                 |                                |               |
| (b) Non-current Investments   |                 |                                |               |
| (c) Deferred tax assets (net)   | 7               | 7,681                          | 5,310         |
| (d) Long Term Loans and advances  |                 |                                |               |
| (e) Other Non-Current assets  | 8               | 9,176,754                      | 8,919,825     |
| (2) Current assets  |                 |                                |               |
| (d) Current Investment  |                 |                                |               |
| (h) Inventories   |                 |                                |               |
| (e) Trade receivables   | 9               | 126,846,731                    | 126,846,731   |
| (j) Cash and Bank Balances  | 10              | 212,140                        | 213,136       |
| (f) Short-Term Loans and Advances                                       | 11              | 192,581,356                    | 192,581,356   |
| (g) Other Current Assets  |                 |                                |               |
| Total   |                 | 328,907,644                    | 320,670,554   |
| Summary of Significant Accounting Policies                              |                 |                                |               |
| The accompanying Notes are an Integral Part of the Financial Statements |                 |                                |               |
| AS PER OUR REPORT OF EVEN DATE  |                 | FOR AND ON BEHALF OF THE BOARD |               |
| For P.MURALI & CO.,   |                 | For MARUTI SECURITIES LIMITED  |               |
| Firm Regn. No: 0672515  |                 |                                |               |
| CHARTERED ACCOUNTANTS   |                 |                                |               |
|   | Sd/-            | Sd/-                           |               |
| SD/-  | K.SATYANARAYANA | B. SRINIVAS                    |               |
| M.V.JOSHI   | DIRECTOR        | DIRECTOR                       |               |
| PARTNER   |                 |                                |               |
| M.No. 2d784   |                 |                                |               |
| PLACE: HYDERABAD  |                 |                                |               |
| DATE: 23-05-2013  |                 |                                |               |

MARUTI SECURITIES LIMITED

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2013

| PARTICULARS   |                  | YEAR ENDED<br>31-03-2013<br>Rs.                       | YEAR ENDED<br>31-03-2012<br>Rs. |
|---|------------------|---|---------------------------------|
| <b>INCOME</b>   |                  |   |                                 |
| I. Revenue from Operations  |                  |   |                                 |
| II. Other Income  |                  |   |                                 |
| III. Total Revenue (I+II)   |                  |   |                                 |
| <b>IV. EXPENSES</b>   |                  |   |                                 |
| Cost of materials consumed  |                  |   |                                 |
| Purchase of Stock-in-Trade  |                  |   |                                 |
| Changes in inventories of Finished goods,<br>WIP and Stock-in-Trade       |                  |   |                                 |
| Employee Benefit expenses   | 12               | 221,400   | 210,000                         |
| Other Operating Expenses  | 13               | 104,589   | 105,817                         |
| Administrative Expenses   | 14               | 186,244   | 195,754                         |
| Financial costs   | 15               | 563   | 1,052                           |
| Depreciation and amortization expense                                     | 6                | 21,214  | 48,151                          |
| Total Expenses  |                  | 534,010   | 560,774                         |
| V. Profit before exceptional and extraordinary items and tax (III - IV)   |                  | (534,818)   | (560,774)                       |
| VI. Exceptional items   |                  | --  | --                              |
| VII. Profit before extraordinary items and tax (V. VI)                    |                  | 534,010   | 560,774                         |
| VIII. Extraordinary Items   |                  |   |                                 |
| IX. Profit Before Tax (VII - VIII)  |                  | 534,010   | 560,774                         |
| X. Tax Expenses:  |                  |   |                                 |
| (1) Current tax   |                  |   |                                 |
| (2) Deferred tax  |                  | 2,371   | 4,378                           |
| XI. Profit (Loss) from the period from Continuing Operations ( VII. VIII) |                  | (531,639)   | (556,396)                       |
| XII. Profit/(Loss) at the Beginning of the Year                           |                  | (199,333,999)   | (198,777,683)                   |
| XIII. Profit (Loss) for the period (XI + XIV)                             |                  | (199,865,638)   | (199,333,999)                   |
| XIV. Earning per equity share:  |                  |   |                                 |
| (1) Basic   |                  | (8.11)  | (0.11)                          |
| (2) Diluted   |                  |   |                                 |
| Summary of Significant Accounting Policies                                |                  |   |                                 |
| The accompanying notes are an integral part of the Financial statements   |                  |   |                                 |
| AS PER OUR REPORT OF EVEN DATE  |                  |   |                                 |
|   |                  | For AND ON BEHALF OF THE BOARD<br>For P.MURALI & CO., |                                 |
| Firm Regn. No: 8072575<br>CHARTERED ACCOUNTANTS                           |                  |   |                                 |
|   | Sd/-             | Sd/-  |                                 |
|   | K. SATYANARAYANA | B. SRINIVAS   |                                 |
| Sd/-  | DIRECTOR         | DIRECTOR  |                                 |
| M.V JOSHI   |                  |   |                                 |
| PARTNER<br>M.No:24784<br>PLACF.: HYDERABAD<br>Date:29-05-2013             |                  |   |                                 |

MARUTI SECURITIES LIMITED  
CASH FLOW STATEMENT FOR THE YEAR 2012-13

|   | PARTICULARS   | 31-03-2013<br>(Rs. In Lakhs) | 31-03-2012<br>(Rs. In Lakhs) |
|---|---|------------------------------|------------------------------|
| A | <b>CASH FLOW FROM OPERATING ACTIVITIES</b>          |                              |                              |
|   | Net profit before taxation, and extraordinary items |                              |                              |
|   | Adjustments for :                                   |                              |                              |
|   | Depreciation  | (5.34)                       | (5.61)                       |
|   | W/o. expenses                                       | 0.21                         | 0.48                         |
|   | Loss on sale of assets                              | --                           | --                           |
|   | Prior period adjustments                            | --                           | --                           |
|   | Interest  | --                           | --                           |
|   | Operating Profit before working capital changes     | (5.13)                       | (5.12)                       |
|   | Trade and other receivables                         | --                           | --                           |
|   | Inventories   | --                           | --                           |
|   | Trade Payables                                      | 3.90                         | 4.19                         |
|   | Loans & Advances                                    | --                           | --                           |
|   | Other Current Liabilities                           | 0.45                         | 0.9                          |
|   | Other Non Current Assets                            | (2.56)                       | --                           |
|   | Short term provisions                               | 3.33                         | --                           |
|   | Cash generated from operations                      | 5.12                         | 5.09                         |
|   | Interest paid                                       | --                           | --                           |
|   | Cash flow before extraordinary items                | 5.12                         | 5.09                         |
|   | <b>NET CASH FLOW OPERATING ACTIVITIES</b>           | (0.01)                       | (0.03)                       |
| B | <b>CASH FLOW FROM INVESTING ACTIVITIES</b>          |                              |                              |
|   | Miscellaneous expenses                              | --                           | --                           |
|   | Sale of long term investments                       | --                           | --                           |
|   | Sale of assets                                      | --                           | --                           |
|   | <b>NET CASH USED IN INVESTING ACTIVITIES</b>        | --                           | --                           |
| C | <b>CASH FLOW FROM FINANCING ACTIVITIES</b>          |                              |                              |
|   | PREFERENCE SHARE                                    | --                           | --                           |
|   | UNSECURED LOANS RECEIVED                            | --                           | --                           |
|   | <b>NET CASH USED IN FINANCING ACTIVITIES</b>        | --                           | --                           |
|   | Net increase in cash and cash equivalents           | (0.01)                       | (0.03)                       |
|   | Cash and Cash equivalents (Opening Balances)        | 2.13                         | 2.16                         |
|   | Cash and Cash equivalents (Closing Balances)        | 2.12                         | 2.13                         |

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD

For P.MURALI & CD.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S

MARUTI SECURITIES LIMITED

M.V. JOSHI  
PARTNER  
M.No:24784  
Place : Hyderabad  
Date : 29/05/2013

K.SATYANARAYANA      B. SRINIVAS  
DIRECTOR                      DIRECTOR



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## NOTES FORMING PART OF THE ACCOUNTS

### A. SIGNIFICANT ACCOUNTING POLICIES

#### **1.General:**

Basis of preparation of financial statements:

The financial statements have been prepared to comply in all material respects in with the Indian Generally Accepted Accounting Principles(IGAAP) in India under the historical cost basis.IGAAP comprises mandatory accounting standards as specified in Companies Accounting Standards Rules, 2006, relevant guidelines issued by Securities Exchange Board of India, and relevant provisions of Companies Act, 1956 as issued from time to time.The financial statements are prepared under the historical cost convention and accrual basis and in accordance with the Generally Accepted Accounting Principles in India and the requirements of the Companies Act, 1956.

#### **2.Revenue Recognition:**

- (i) The Company follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.
- (ii) Revenue is not recognized on the grounds of prudence, until realised in respect of liquidated damages, delayed payments as recovery of the amounts are not certain.

#### **3.Fixed Assets:**

- (i) Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition of fixed assets is inclusive of freight, duties, taxes and incidental expenses thereto.

#### **4.Depreciation and Amortisation:**

- (i) Depreciation is provided on straight line method on pro-rata basis and at the rates and manner specified in the Schedule XIV of the Companies Act, 1956.

#### **5.Inventories:**

Inventories i.e., shares are valued at cost or market price whichever is lower.

Notes to Financial Statements for the year ended March 31, 2013  
Note No.1 Share Capital

| S.No | Particulars   | AS AT                     | AS AT              |
|------|---|---------------------------|--------------------|
|      |   | 31.03.2013                | 31.03.2012         |
|      | <b>Equity Share Capital</b>   |                           |                    |
| a.   | (a) Authorised<br>(202,50,000 Equity Shares of Rs.10/- Each - Current Year)<br>(202,50,000 Equity Shares of Rs.10/- Each - Previous Year) | 202,500,000               | 202,500,000        |
|      | (b) Issued<br>(50,00,300 Equity Shares of Rs.10/ Each - Current Year)   | 50,003,000                | 50,003,000         |
|      | (c) Subscribed & Fully Paid Up<br>( 50,00,300 Equity Shares of Rs.10/ - Each - Current Year)  | 50,003,000                | 50,003,000         |
|      | (d) Subscribed & not fully paid up  |                           |                    |
|      | (e) Par Value per share Rs. 10/-  |                           |                    |
|      | <b>Total Equity Share capital</b>   | <b>50,003,000</b>         | <b>50,003,000</b>  |
| b.   | <b>Preference Share Capital</b>   |                           |                    |
|      | (a) Issued<br>(2,00,000 Equity Shares of Rs.100/- Each Current Year)  | 200,000,000               | 200,000,000        |
|      | (b) Subscribed & Fully Paid Up<br>(2,00,000 Equity Shares of Rs.100/- Each Current Year)  | 200,000,000               | 200,000,000        |
|      | (c) Subscribed and not fully paid up  |                           |                    |
|      | (d) Par Value Per Share Rs. 10/-  |                           |                    |
|      | <b>Total Preference Share Capital</b>   | <b>200,000,000</b>        | <b>200,000,000</b> |
|      | <b>Total Share Capital ( Equity &amp;Preference )</b>   | <b>250,003,000</b>        | <b>250,003,000</b> |
| c.   | <u>A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period.</u>                      |                           |                    |
|      | Equity Shares of Rs.10/- Each, Fully paid up  |                           |                    |
|      | At the Beginning  | 5,000,300                 | 3,000,300          |
|      | Issued during the year  |                           |                    |
|      | At the end  | 5,000,300                 | 5,000,300          |
| d.   | Preference Shares of Rs.100/- Each, Fully paid up   |                           |                    |
|      | At the beginning  | 2,000,000                 | 2,000,000          |
|      | Add: Additional Shares Issued. During the year  |                           |                    |
|      | At the end  | 2,000,000                 | 2,000,000          |
| e.   | <u>Details of Shareholder holding more than 5% shares of the company:</u>   | <b>% of Share Holding</b> |                    |
|      | Equity Shares of Rs. 10/- each Held By  |                           |                    |
|      | MSL Constructions(p) 7,00,000 Shares (C.Y.), 7,00,000 Shares (P.Y.)   | 14%                       | 14%                |
|      | Alpa Software Services(p) Ltd- 7,00,000 Shares (C.Y.), 7,00,000 Shares (P.Y.)   | 14%                       | 14%                |
|      | Varsha Jain 2,50,000(C.Y.),.....,2,50,000 Shares (P.Y.)   | 5%                        | 5%                 |
|      | Pawan Kumar Agarwal- 2,50,000(C.Y.).....,2,50,000 Shares (P.Y.)   | 5%                        | 5%                 |
|      | Sunil Kumar 2,50,000(C.Y.).....,2,50,000 Shares (P.Y.)  | 5%                        | 5%                 |
|      | Preference Shares of Rs. 100/- each Held By   |                           |                    |
|      | Prabal Investrade (p) Ltd.10,00,000 Shares (C.Y.) 10,00,000 Shares (P.Y.)   | 50%                       | 50%                |
|      | IND Arts Exports (p) Ltd.10,00,000 Shares (C.Y.) 10,00,000 Shares (P.Y.)  | 50%                       | 50%                |

MARUTI SECURITIES LIMITED

Notes to Financial Statements for the year ended March 31, 2012

NOTE NO.2: RESERVES AND SURPLUS

| S.No | PARTICULARS                                | AS AT<br>31.03.2013<br>Rs. | AS AT<br>31.03.2012<br>Rs. |
|------|--|----------------------------|----------------------------|
| I    | Reserve Fund                               |                            |                            |
|      | As at the commencement of the year         | 2,467,961                  | 2,467,961                  |
|      |  | 2,467,961                  | 2,467,961                  |
| II   | Surplus                                    |                            |                            |
|      | Opening Balance: Profit & (Loss) Account   | (199,333,999)              | (198,777,603)              |
|      | Add: Transfer from Profit & (Loss) Account | (531,639)                  | (556,396)                  |
|      |  | (199,865,638)              | (199,333,999)              |
|      | Total Reserves and Surplus                 | (197,397,677)              | (196,866,038)              |

NOTE NO.3: TRADE PAYABLES

| S. No. | PARTICULARS          | AS AT<br>31.03.2013<br>Rs. | AS AT<br>31.03.2012<br>Rs. |
|--------|----------------------|----------------------------|----------------------------|
| I      | Trade Payables       | 275,494,155                | 275,104,155                |
|        | Total Trade Payables | 275,494,155                | 275,104,155                |

NOTE NO.4: OTHER CURRENT LIABILITIES

| S.No. | PARTICULARS                     | AS AT<br>31.03.2013<br>Rs. | AS AT<br>31.03.2012<br>Rs. |
|-------|---------------------------------|----------------------------|----------------------------|
|       | Other Payables                  |                            |                            |
|       | i) Audit Fee Payable            | 11,236                     | 11,236                     |
|       | (ii) AGM Expenses & Others      | 240,225                    | 194,701                    |
|       | (iii) Salary Outstanding        | 223,500                    | 223,500                    |
|       | Total Other Current Liabilities | 474,961                    | 429,437                    |

NOTE NO.5: SHORT TERM PROVISIONS

| S.No. | PARTICULARS                 | AS AT<br>31.03.2013<br>Rs. | AS AT<br>31.03.2012<br>Rs. |
|-------|-----------------------------|----------------------------|----------------------------|
| I.    | Others                      |                            |                            |
|       | (i) Statutory Liabilities   | 333,205                    | -                          |
|       | Total Short Term Provisions | 333,205                    | -                          |

| Sl. No. | Particulars      | Gross Block      |                           |                                | Depreciation/Amortization |                       |                             | Net Block as at 31.03.2013 | Net Block as at 31.03.2012 |                    |
|---------|------------------|------------------|---------------------------|--------------------------------|---------------------------|-----------------------|-----------------------------|----------------------------|----------------------------|--------------------|
|         |                  | As on 01.04.2012 | Additions during the year | Sale/Deletions during the year | As At 31.03.2013          | Dep. As on 01.04.2012 | Dep. For the year 2012-2013 |                            |                            | Total Depreciation |
| 1       | Office Equipment | 446,608          | -                         | -                              | 446,608                   | 342,412               | 21,214                      | 363,626                    | 82,982                     | 104,156            |
| 2       | Computers        | 222,685          | -                         | -                              | 222,685                   | 222,685               | -                           | 222,685                    | -                          | -                  |
| 3       | Furniture        | 860,756          | -                         | -                              | 860,756                   | 860,756               | -                           | 860,756                    | -                          | -                  |
|         | TOTAL            | 1,530,049        | -                         | -                              | 1,530,049                 | 1,425,853             | 21,214                      | 1,447,067                  | 82,982                     | 104,156            |
|         | PREVIOUS YEAR    | 1,530,049        | -                         | -                              | 1,530,049                 | 1,377,702             | 49,151                      | 1,425,853                  | -                          | 104,156            |

Notes to Financial Statements for the year ended March 31, 2013

NOTE NO.7: Deferred TAX ASSET (NET)

| S.N | PARTICULARS  | AS AT      | AS AT      |
|-----|--|------------|------------|
|     |  | 31.03.2013 | 31.03.2012 |
|     |  | Rs.        | Rs.        |
| I   | Opening Deferred tax Liability/(Asset)                           | (5,310)    | (932)      |
|     | Add:   |            |            |
|     | Deferred Tax Asset for the year ( Due to SLM and WDV Difference) | (2,371)    | (4,378)    |
|     | Deferred Tax Liability/ ( Asset) - Net                           | (7,681)    | (5,310)    |

NOTE NO.8: OTHER NON CURRENT ASSETS

| S.N | Particulars           | Non Current      |                  |
|-----|-----------------------|------------------|------------------|
|     |                       | As At 31.03.2013 | As At 31.03.2012 |
|     |                       | Rs.              | Rs.              |
| I   | Income Tax Paid & TDS | 9,176,754        | 8,919,825        |
|     | Total Other Assets    | 9,176,754        | 8,919,825        |

NOTE NO. 9 : TRADE RECEIVABLES

| S.N | PARTICULARS  | AS AT       | AS AT       |
|-----|--|-------------|-------------|
|     |  | 31.03.2013  | 31.03.2012  |
|     |  | Rs.         | Rs.         |
| I   | Outstanding for a period exceeding six months from the date they are due for payment |             |             |
|     | Unsecured and Considered Good  | 126,846,731 | 126,846,731 |
|     | Total Trade Receivables  | 126,846,731 | 126,846,731 |

NOTE NO. 10: CASH AND BANK BALANCES

| S.N | Particulars                | AS AT      | AS AT      |
|-----|----------------------------|------------|------------|
|     |                            | 31.03.2013 | 31.03.2012 |
|     |                            | Rs.        | Rs.        |
| I   | Cash and cash equivalents: |            |            |
|     | a) Balances with banks:    |            |            |
|     | On Current Accounts        | 210,845    | 211,308    |
|     | b) Cash on hand            | 1,295      | 1,828      |
|     | Cash and Cash Equivalents  | 212,148    | 213,136    |

NOTE NO.11: SHORT TERM LOANS AND ADVANCES

| S.N | Particulars                             | Non Current      |                  |
|-----|---|------------------|------------------|
|     |   | As At 31.03.2013 | As At 31.03.2012 |
|     |   | Rs               | Rs               |
| I   | Advances Recoverable in Cash or in kind |                  |                  |
|     | Unsecured, Considered Good              | 192,581,356      | 192,581,356      |
|     | Total Short Term Loans and Advances     | 192,581,356      | 192,581,356      |

Notes to Financial Statements for the year ended March 31, 2012

NOTE NO.12 : EMPLOYEE BENEFIT EXPENSES

| S.No. | PARTICULARS                     | YEAR ENDED | YEAR ENDED |
|-------|---------------------------------|------------|------------|
|       |                                 | 31.03.2013 | 31.03.2012 |
|       |                                 | Rs.        | Rs.        |
| I     | (a) Salaries & Wages            | 221,488    | 210,088    |
|       | Total Employee Benefit Expenses | 221,488    | 218,888    |

NOTE NO. 13 : OTHER OPERATING EXPENSES

| S.No. | PARTICULARS                              | YEAR ENDED | YEAR ENDED |
|-------|--|------------|------------|
|       |  | 31.03.2013 | 31.03.2012 |
|       |  | Rs.        | Rs.        |
| I     | (a) Power & Fuel                         | 26,841     | 24,643     |
|       | (b) Rates & Taxes (excluding Income Tax) | 65,449     | 64,708     |
|       | (c) Miscellaneous Expenditure            | 1,863      | 5,238      |
|       | (d) Payment to Auditors:                 |            |            |
|       | (i) Auditors                             | 11,236     | 11,236     |
|       | Total Other Expenses                     | 104,589    | 105,817    |

NOTE NO. 14 : ADMINISTRATIVE EXPENSES

| S.no. | PARTICULARS                              | YEAR ENDED | YEAR ENDED |
|-------|--|------------|------------|
|       |  | 31.03.2013 | 31.03.2012 |
|       |  | Rs.        | Rs.        |
| I     | (a) Telephone, Postage and Other         | 3,888      | 3,457      |
|       | (b) Conveyance                           | 712        | 15,801     |
|       | (c) Office Maintenance                   | 165,582    | 155,219    |
|       | (d) Printing & Stationery Expenses       | 650        | 871        |
|       | (e) Rates & Taxes (excluding Income Tax) | 2,880      | 7,786      |
|       | (f) Director Sitting Fee                 | 13,508     | 13,508     |
|       | Total Administrative Expenses            | 186,244    | 195,754    |

NOTE NO. 15: FINANCE COST

| S.No. | PARTICULARS        | YEAR ENDED | YEAR ENDED |
|-------|--------------------|------------|------------|
|       |                    | 31.03.2013 | 31.03.2012 |
|       |                    | Rs.        | Rs.        |
| I     | (a) Interest       |            |            |
|       | Bank Charges       | 563        | 1,852      |
|       | Total Finance Cost | 563        | 1,852      |

## 16. Notes to Financial Statements

### a) Taxation :

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the Company. Deferred tax asset and liability is recognised for future tax consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the financial statements.

Deferred tax liability & Asset are measured as per the tax rates/laws that have been enacted or substantively enacted by the Balance Sheet date.

### b) EPS

The Earning considered in ascertaining the Company's earning per share comprises net profit after Tax. The number of shares used in computing basic earning per share is weighted average number of shares outstanding during the year.

### c) Gratuity

No provision for gratuity has been made as no employee has put in qualifying period of service for entitlement of this benefit.

d) Particulars of Employees in accordance with Sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rule 1975.

NIL

|   |                    |                     |
|---|--------------------|---------------------|
| e) Director's Remuneration:   | Current Year (Rs.) | Previous Year (Rs.) |
|   | Nil                | Nil                 |
| f) Auditor's Remuneration   | Current Year (Rs.) | Previous Year (Rs.) |
|   | 11,236/-           | 11,236/-            |
| g) Detailed information regarding quantitative particulars under part II of Schedule VI to the Companies Act, 1956. |                    |                     |

NIL

- h) The Company is engaged in investment in Capital Market. The production and sale of such services cannot be expressed in any Generic Unit. Hence, it is not possible to give the quantitative details of sales and the information as required under Paragraphs 3 and 4c of part II of Schedule VI to the Companies Act, 1956.
- i) There are no dues to SSI Units outstanding for more than 30 days.
- j) Confirmations were obtained from debtors / creditors as to the Balances receivable from/payable to them as at year end.
- k) a) Income Tax authorities have levied tax liability of Rs.2,04,49,720/- for the Asst.Year 2005-06 and the Company has filed an appeal before the Commissioner of Income Tax ( Appeals) and the appeal is Confirmed as per Assessing Officer views except some relief. The company has paid Rs 80.10 Lakhs and Appeal is pending before the Tribunal.
- b) An order U/s 263 of Income Tax Act 1961 was passed by the Commissioner of Income Tax IV Hyderabad on 26/3/2012 for the Asst Year 2007-08 setting aside the assessment order passed by the Assessing Officer is erroneous. The Company taking steps to file an appeal before the tribunal.
- The Provision has not been made for accounts the above tax amounts.
- l) As there is timing difference of depreciation during the year, deferred income tax Asset/Liability for the current year provided in accordance with Accounting Standard 22(AS-22) issued by the ICAI. (Previous year Rs.5310/- towards deferred income tax Asset).

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Differed Income Tax Asset(opening)   | = Rs         | 5,310        |
| Add: Current year deferred Tax Asset | = Rs         | 2,371        |
|                                      |              | -----        |
| Deferred Income Tax Asset(closing)   | = <u>Rs.</u> | <u>7,681</u> |
|                                      |              | -----        |

- m) Securities and Exchange Board of India vide its letter dt 26/09/2012, reference:WTM/RKA/IVD/ID-4/39/2012 dated 25-09-2012 has communicated



the 4 years ban expires, completes on 04-06-2013 and permitted the company to do trading in the Capital Market with effect from 05-06-2013.

- n) The company has surrendered the registration of Non- Banking finance company to RBI Hyderabad on 23/02/2011 due to negative net Worth
- o) The Income tax authorities had attached Bank Accounts of the Company for non Payment of tax arrears for the Asst. year 2005-06 and as on date the Appeal is Pending before Hon'ble Income Tax Appellate Tribunal, Hyderabad for its Disposal.
- p) Previous years figures have been regrouped wherever necessary.

**SIGNATURES TO SCHEDULES 1 To 16**

**AS PER OUR REPORT OF EVEN DATE FOR AND ON BEHALF OF THE BOARD**

**For P.MURALI & CO.,  
CHARTERED ACCOUNTANTS  
FRN: 007257S**

**MARUTI SECURITIES LIMITED**

**M.V. JOSHI  
PARTNER  
M.No: 24784**

**K.SATYANARAYANA  
DIRECTOR**

**B. SRINIVAS  
DIRECTOR**

**PLACE : HYDERABAD  
DATE : 29/05/2013**



MARUTI SECURITIES LIMITED  
Plot No, 66, Parkview Enclave,  
Manovikas Nagar, Secunderabad- 500 009.

**PROXYFORM**

Regd. Folio No.....No. of Shares.....Serial No.....  
I /We ..... of .....in the district  
of.....being a member/ members of the above named company  
hereby appoint.....of..... in the district of  
.....or failing him ..... of  
.....in the district of.....,as my /our proxy  
to vote for me /us and on my/our behalf at the 19<sup>th</sup> ANNUAL GENERAL MEETING  
of the Company at Registered office of the Company held on Monday 23<sup>rd</sup>  
September, 2013 at 10.00 A.M. and at any adjournment thereof. Signed this  
the.....day of .....2013.

Note: The proxy Form duly completed should be deposited at the Registered  
Office of the Company not later than 48 (FORTY EIGHT) hours before the time  
fixed for holding the aforesaid meeting.

A PROXY NEED NOT BE A MEMBER

Signature-----

Please  
affix  
Rs.1/-  
Revenue  
Stamp

**ATTENDANCE SLIP**

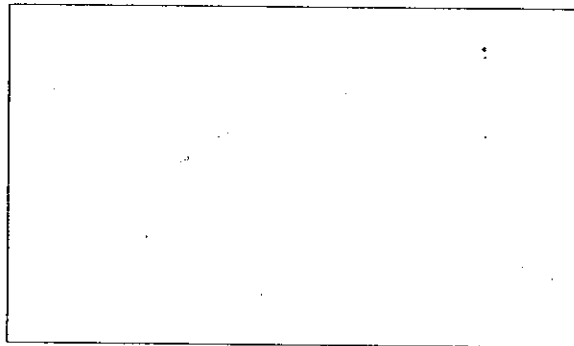
I hereby record my presence at the 19<sup>th</sup> Annual General Meeting of Maruti  
Securities Limited held at Registered office of the company on Monday, the  
23<sup>rd</sup> September, 2013 at 10.00 A.M.

Name of the Share holder.....Name of the  
Proxy.....

Signature of the Member/ Proxy ..... ..Regd.Folio  
No.....

Notes :To be signed and handed over at the entrance of the Meeting venue  
MARUTI SECURITIES LIMITED  
Plot No. 66, Parkview Enclave,Manovikas Nagar, Secunderabad - 500 009.

PRINTED MATTER BOOK POST



If undelivered please return to:  
MARUTI SECURITIES LIMITED  
Plot No:66, Parkview Enclave,  
Manovikas Nagar, Secunderabad- 9.



# Maruti Securities Limited

## FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

|    |  |  |
|----|--|--|
| 1. | Name of the company                            | MARUTI SECURITIES LIMITED  |
| 2. | Annual financial statements for the year ended | 31 <sup>st</sup> March 2013  |
| 3. | Type of Audit observation                      | Un-qualified   |
| 4. | Frequency of observation                       | NOT APPLICABLE   |
| 5. | To be signed by                                |  |
|    | CEO/Managing Director                          | For MARUTI SECURITIES LIMITED<br>   |
|    | CFO  | For MARUTI SECURITIES LIMITED<br>K. Satyan<br>DIRECTOR   |
|    | Auditor of the company                         | For P. MURALI & CORALI & Co.<br>Chartered Accountants<br><br>Hyderabad<br>Chartered Accountants |
|    | Audit Committee Chairman                       | For MARUTI SECURITIES LIMITED<br><br>DIRECTOR   |