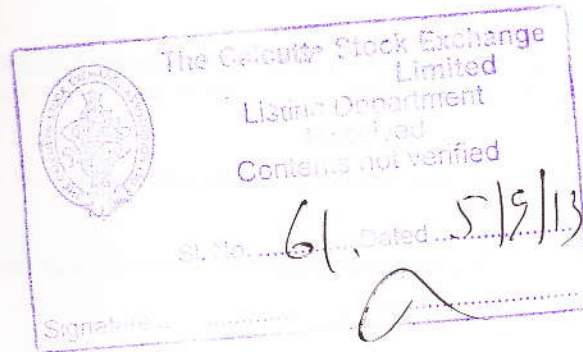




Varanasi  
Commercial  
Limited

September 05, 2013

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



Dear Sir,

**Clause 31 of the Listing Agreement**

Pursuant to Clause 31 of Listing Agreement, we enclose herewith six (6) copies of Annual Accounts & Reports for the year ended 31<sup>st</sup> March, 2013 together with three (3) copies of Notice convening the 34<sup>th</sup> Annual General Meeting of the Company scheduled to be held on **Saturday, the 28<sup>th</sup> day of September, 2013.**

Thanking you,

Yours faithfully,  
For **Varanasi Commercial Limited**

**Director**

Encl : As above

# VARANASI COMMERCIAL LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of the Company will be held on **Saturday, the 28<sup>th</sup> day of September, 2013** at the Registered Office of the Company at P-46A, Radha Bazar Lane, 4<sup>th</sup> floor, Kolkata - 700 001 at 11.45 a.m. to transact the following business :

### Ordinary Business :

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a director in place of Mr. P. K. Lohia who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Patni & Co., Chartered Accountants, as Auditors and to authorise the Board to fix their remuneration.

### Regd. Office :

P-46A, Radha Bazar Lane, 4<sup>th</sup> Floor  
Kolkata - 700 001

Dated: 29.05.2013

By order of the Board



(K.P. Prabhakaran)  
Director

### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY IN ORDER TO BE EFFECTIVE, MUST BE SUBMITTED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF MEETING:
2. The Register of Members and the Share Transfer Books of the Company shall remain closed from Thursday, 26<sup>th</sup> September, 2013 to Saturday, 28<sup>th</sup> September, 2013 (both days inclusive).
3. Members are requested to bring their copy of Annual Report to the meeting.
4. Members are requested to notify immediately any change in their address to the Company.
5. Members desirous of getting any information about the accounts are requested to address their query to the company well in advance so that the same may reach at least seven days before the date of the meeting to enable the management to keep the information required readily available at the meeting.
6. Company's shares are listed on Calcutta Stock Exchange and the annual listing fee has been paid to the Exchange for 2013-14.



# VARANASI COMMERCIAL LIMITED

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## DIRECTORS' REPORT

To  
The Members of  
Varanasi Commercial Limited

Your Directors have pleasure in presenting the 34<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Financial Accounts for the year ended 31<sup>st</sup> March, 2013.

### FINANCIAL RESULTS

	(Amt. in ₹)	
	Year ended March 31, 2013	Year ended March 31, 2012
Profit before Tax	43,455,817	32,852,942
Less: Tax Expenses:		
a) Current Tax	556,677	583,308
b) Deferred Tax	7,328	3,917
Profit after Taxation	42,891,812	32,265,717
Balance brought forward from previous year	186,401,084	160,735,367
	229,292,896	193,001,084
Appropriations:		
Transfer to Statutory Reserve	8,700,000	6,600,000
Balance Carried to Balance Sheet	220,592,896	186,401,084
	229,292,896	193,001,084

### OPERATIONAL REVIEW

Your Company's Profit after tax stood at Rs. 428.91 lacs during the year as against Rs. 322.66 lacs in the previous year.

### FUTURE OUTLOOK

Your Directors are hopeful of a better performance during the current financial year too.

### RBI REGULATION - COMPLIANCE

Your Company continues to comply with all the applicable rules & regulations of RBI including the Prudential Accounting Norms for income recognition, asset classification, provisioning for risky assets, credit concentration norms, statutory reserves, liquid assets, capital adequacy etc.

### DIVIDEND

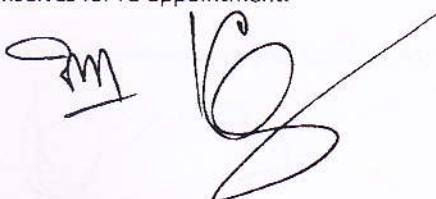
Considering the need for ploughing back the available resources into the business, your Directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2013.

### DIRECTORS

Mr. P.K.Lohia retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

### AUDITORS

M/s Patni & Co, Chartered Accountants, the Statutory Auditors of the Company, retire at the forthcoming Annual General Meeting and being eligible have offered themselves for re-appointment.



### AUDITORS' REPORT

The comments by the Auditors in their report are self explanatory and in the opinion of the Board do not require any further clarification.

### CORPORATE GOVERNANCE

The Company strongly believes in better Corporate Governance and all efforts have been made to adhere to the same. A separate report on Corporate Governance along with the Auditors' Certificate on its compliance, Certificate on financial statements and a Declaration from the Director under Clause 49(1)(D) are annexed.

### PARTICULARS OF EMPLOYEES

During the year under review no employee was in receipt of remuneration of/or in excess of the amount prescribed under Section 217 (2A) of the Companies Act, 1956.

### CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

The Company is not carrying on any manufacturing activities, hence information regarding conservation of energy and technology absorption is not furnished.

### FOREIGN EXCHANGE EARNINGS & OUTGO

Foreign Exchange earnings	Nil
Foreign Exchange outgo	Nil

### DIRECTORS RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

The Directors hereby confirm:

- (i) that in the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- (ii) that the Directors had 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 and of the profit of the Company for that period ;
- (iii) that the Directors had 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 irregularities ;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

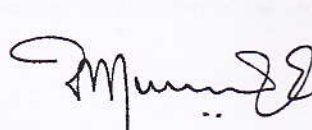

### APPRECIATION

Your Directors wish to express their gratitude to the Shareholders, Bankers, Customers, Employees and all other well wishers for their continued support and patronage.

For and on behalf of the Board

Place: Kolkata

Dated: 29<sup>th</sup> day of May, 2013

	
Sanjay Bhuwalka	K P Prabhakaran



## **Report on Corporate Governance**

### **Company's Philosophy on Corporate Governance:**

The Company's philosophy of Corporate Governance is to achieve excellence and growth through efficient management, transparency, trust and accountability. The Company's management believes in better governance and implemented the same in true spirit with an objective to ensure that the available resources are fully utilized to meet the aspirations of the stakeholders.

Your company has complied with the requirements of Code of Corporate Governance as mentioned in Clause 49 of the Listing Agreement and the disclosures are as follows:

### **Board of Directors:**

The Board of Directors is constituted in compliance with Clause 49 of the Listing Agreement. There are three Non-Executive Independent Directors.

Five meetings of the Board have been held during the year on 14.05.2012, 23.07.2012, 13.08.2012, 08.11.2012 and 13.02.2013.

The details of Directors, Directorships and Committee Positions held in other public limited companies, attendance at Board Meetings and Annual General Meeting etc. are provided herein below:

Name of the Director	Director Identification Number	Category	No. of other Director-ships*	No. of other Committee Positions held		No. of Board Meetings attended	Attendance at the last Annual General Meeting
				Chairman	Member		
Mr. K. P. Prabhakaran Director	00056818	Independent Non-Executive	-	Nil	Nil	5	Yes
Mr. P.K.Lohia Director	00056706	Independent Non-Executive	10	1	Nil	5	Yes
Mr.Sanjay Bhuwalka Director	00056587	Independent Non-Executive	2	Nil	1	5	Yes

\* This does not include Directorship in Private Companies.

### **Details of Directors seeking appointment/ reappointment**

Mr P K Lohia aged about 47 years is a Chartered Accountant with sound financial and commercial knowledge and experience of more than 23 years in the related field and is retiring by rotation and being eligible seeking re-appointment..

### **Disclosure on relationship between Directors**

The Directors have no relationship between themselves except as Board colleagues.

### **Remuneration of Directors**

Presently the Non-Executive Directors do not receive any remuneration from the Company.



### Directors' Shareholding

As on 31<sup>st</sup> March, 2013 Mr K. P. Prabhakaran, holds 370 and Sanjay Bhuwarka holds 760 Equity Shares of the Company.

### Code of Conduct

All Board Members and Senior Management personnel of the Company have affirmed compliance with the Code of conduct for the year ended 31<sup>st</sup> March, 2013.

### Audit Committee

The Audit Committee has been set up comprising three Non-Executive Independent Directors having sound financial and accounting knowledge:

Shri K. P. Prabhakaran	- Independent Director	- Chairman
Shri P. K. Lohia	- Independent Director	- Member
Shri Sanjay Bhuwarka	- Independent Director	- Member

Five meetings of the Board have been held during the year on 14.05.2012, 23.07.2012, 13.08.2012, 08.11.2012 and 13.02.2013

Name	Number of Attendance
Mr. K. P. Prabhakaran	5
Mr. P.K.Lohia	5
Mr. Sanjay Bhuwarka	5

The Audit Committee was entrusted with the following powers:

1. To investigate any activity within the terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if considers necessary.

The role of the Audit Committee has been defined by the Board, which includes the matters prescribed in Clause 49(II)(D) of the Listing Agreement. The Audit Committee is also empowered to review the following informations:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by the management;
3. Management letters/letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

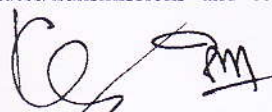
### Remuneration Committee:

The Company does not have a Remuneration Committee. The Board of Directors determines the remuneration of Directors, subject to the approval of shareholders, if necessary.

### Shareholders'/ Investors' Grievance Committee :

The Company has a Shareholders'/Investors' Grievance Committee comprising of three Non-Executive Independent Directors. The Committee address the grievances of shareholders. During the year , no complaint has been received by the Company.

To expedite the process of share transfers, Mr. K. P. Prabhakaran, Director has been delegated the power by the Board of Directors, to approve the share transfers/transmissions and redressal of grievances of





shareholders. If any of the complaints cannot be redressed by Mr. Prabhakaran, the same shall be placed before the Committee and resolved.

**General Body Meetings:**

**Particulars of General Body Meetings for the last three years :**

Financial Year Ended	Day & Date	Venue	Time	No. of Special Resolutions Passed
31 <sup>st</sup> March, 2010 AGM	Thursday, 30 <sup>th</sup> September, 2010	Regd. office P-46A, Radha Bazar Lane 4 <sup>th</sup> Floor Kolkata – 700001.	11:45 a.m.	Nil
31 <sup>st</sup> March 2011 AGM	Friday, 30 <sup>th</sup> September, 2011	Regd. office P-46A, Radha Bazar Lane 4 <sup>th</sup> Floor Kolkata – 700001	11:45 a.m.	Nil
31 <sup>st</sup> March 2012 AGM	Saturday, 15 <sup>th</sup> September, 2012	Regd. office P-46A, Radha Bazar Lane 4 <sup>th</sup> Floor Kolkata – 700001	11:45 a.m.	Nil

No special resolutions were passed in the last year through postal ballot.

None of the business required to be transacted at the ensuing AGM is proposed to be passed through postal ballot.

**Disclosures:**

1. There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or the management or their relatives etc. during the year, that may have potential conflict with the interest of the Company at large.
2. There were no non-compliance by the Company during the last three years on any matter related to the capital markets and no penalties or strictures imposed on the Company by Stock Exchanges or SEBI or any other statutory authority.
3. No treatment different from the prescribed Accounting Standard has been followed in the preparation of the financial statements.
4. The Board assesses the risk on a regular basis and advises the steps and procedures for its minimization.
5. The Company has not raised any amount through public issues, rights issues, etc. during the year.
6. A Management Discussion and Analysis Report is added to the directors report and forms part of this Annual Report.

**Means of communication:**

The details of publication of Quarterly Results are as under:

Business Standard	-	Kolkata
Dainik lipi (Regional)	-	Kolkata

The Quarterly Results have also been sent to the Stock Exchanges pursuant to the listing agreement.



**General Shareholder Information:**

1. The 34<sup>th</sup> Annual General Meeting is scheduled to be held on or before 30<sup>th</sup> September, 2013. The date, time and place of the meeting shall be intimated along with notice of AGM.
2. Financial Year : April to March
3. Financial Calendar :

1	First Quarter Results	Within 45 days from June 30, 2013
2	Second Quarter and Half-Yearly Results	Within 45 days from September 30, 2013
3	Third Quarter Results	Within 45 days from December 31, 2013
4	Fourth Quarter	Within the time prescribed under the Listing Agreement (as amended).

4. Date of Book closure : To be intimated along with notice of AGM
5. Dividend payment date : Not Applicable
6. Listing on Stock Exchanges : The Calcutta Stock Exchange Association Limited  
7, Lyons Range, Kolkata – 700001.
7. Stock Code - The Calcutta Stock Exchange Association Limited - 032166
8. Market Price Data : \*NIL

\* The Market Price Data is not available because the shares of the Company have not been traded in Stock Exchange during the financial year ended 31<sup>st</sup> March, 2013.

**Note:** Annual Listing Fees for the year 2013-14 have been paid to the Stock Exchange as mentioned above.

9. Registrar and Transfer Agents : Niche Technologies Pvt. Limited  
D-511, Bagree Market  
71, B.R.B.B. Road  
Kolkata – 700001.  
Tel : (033) 22357270 / 22357271  
Fax : (033) 22156823

10. Share Transfer System :

The share transfers in physical form are processed within 15 days from the date of receipt of the valid documents complete in all respect.





11. (i) Distribution of Shareholding as on 31<sup>st</sup> March, 2013 :

Slab	No. of Shareholders		No. of Shares	
	Number	Percentage (%)	Number	Percentage (%)
1 - 500	31	55.36	2640	0.13
501 - 1000	4	7.14	3580	0.17
1001 - 5000	1	1.79	2500	0.12
5001 - 10000	1	1.79	9000	0.44
10001 - 50000	6	10.71	202600	9.86
50001 - 100000	5	8.93	379500	18.46
100001 & Above	8	14.28	1456000	70.82
<b>Total</b>	<b>56</b>	<b>100.00</b>	<b>2055820</b>	<b>100.00</b>

(ii) Shareholding Pattern as on 31<sup>st</sup> March, 2013:

Shareholders (Category)	No. of Shares held	% of Total Shares
Promoters	1506700	73.29
Private Corporate Bodies	542900	26.41
Indian Public	6220	0.30
Non-Resident Indians (NRIs)	NIL	NIL
Others ( Clearing Members)	NIL	NIL
<b>Total</b>	<b>2055820</b>	<b>100.000</b>

- 12 The Shares of the Company are tradable in dematerialized form with both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The ISIN of the Company's Shares is INE776B01015.

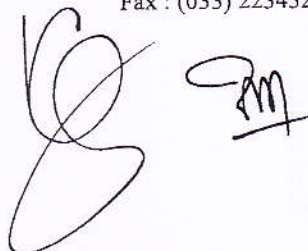
Details of dematerialization of shares are given below:-

Name of the Depository	No. of Shares	% of Total Share Capital
National Securities Depository Limited	1873020	91.11
Central Depository Services (India) Limited	Nil	Nil

13. The Company has not issued any GDRs / ADRs / Warrants or any Convertible Instruments.

14. Plant Locations : Not Applicable.

15. Address for Correspondence : Varanasi Commercial Limited  
P-46A, Radha Bazar Lane  
Kolkata – 700001.  
Tel : (033) 22254304, 22254093  
Fax : (033) 22343264



**Compliance with Non-Mandatory Requirements:**

- (1) **The Board :** The Company does not have a Non-Executive Chairman. No tenure has been specified for the Independent Directors. At present one Director on the Board have tenure in aggregate exceeding nine years.
- (2) **Remuneration Committee :** The Company does not have a Remuneration Committee. The Board of Directors shall determine the remuneration of Directors, subject to the approval of shareholders, if necessary.
- (3) **Shareholders Rights :** Half-yearly declaration of financial performance including summary of the significant events are presently not being sent to the shareholders.
- (4) **Audit Qualifications :** There was no audit qualifications in the Company's financial statements during the year.
- (5) **Training of Board Members :** Presently the Company does not have such training programme.
- (6) **Mechanism for evaluating Non-executive Board Members:** Non-Executive Directors were being evaluated by their own peer in the Board Meetings.
- (7) **Whistle Blower Policy Mechanism:** The Company does not have a Whistle Blower Mechanism at present but access to the Audit Committee has not been denied to any executive/personnel.

A handwritten signature in black ink, consisting of a large, stylized 'G' followed by a smaller, more complex mark that appears to be 'AM' or similar initials.



## PATNI & CO.

### CHARTERED ACCOUNTANTS

H.O. 1, INDIA EXCHANGE PLACE, 2<sup>ND</sup> FLOOR, R. NO. 219, KOLKATA-700 001,  
PHONE : 2231 4112 / 4111, 2230 0556 / 0557  
E-mail : octal1@cal2.vsnl.net.in

#### JAIPUR OFFICE :

GANAPATI PLAZA, M. I. ROAD  
4<sup>TH</sup> FLOOR, R. NO. - 421, JAIPUR - 302 001  
PHONE : 237 4836

#### NEW DELHI OFFICE :

4D/14, OLD RAJENDRA NAGAR  
BASEMENT, NEW DELHI - 110 060  
PHONE : 2582 6174

### CERTIFICATE

To the Members of  
Varanasi Commercial Limited

We have examined the compliance of conditions of code of Corporate Governance by Varanasi Commercial Limited, for the year ended 31<sup>st</sup> March, 2013, as stipulated in Clause 49 of the Listing Agreement with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the company's management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an express of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing agreement.

As required by the Guidance Note issued by The Institute of Chartered Accountants of India, we have to state that based on the report given by the Registrars of the Company and placed before the Investors' Grievance Committee, as on 31<sup>st</sup> March, 2013, there are no investor grievance matters against the Company remaining unattended/pending for more than 30 days.

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 PATNI & CO.  
CHARTERED ACCOUNTANTS  
(Reg.No.320304E)

Place : 1, India Exchange Place,  
Kolkata - 700 001

Dated: The 29th Day of May 2013

*R K Mundhra*

R K MUNDHRA  
(Partner)

Membership No. 067469

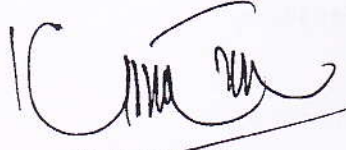


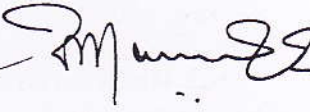
**Certificate on Financial Statements under Clause 49 of the Listing Agreement.**

We, Sanjay Bhuwalka and K.P. Prabhakaran Directors of Varanasi Commercial Limited hereby certify that :

- (a) We have reviewed the Financial Statements and the Cash Flow Statement for the financial year ended 31<sup>st</sup> March, 2013 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the 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 internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors that :
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year; and
  - iii. there have been no 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.

Place : Kolkata  
Date : 29<sup>th</sup> May, 2013

  
K. P. Prabhakaran  
Director

  
Sanjay Bhuwalka  
Director



**Declaration under Clause 49(I)(D) of the Listing Agreement**

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and Senior Management personnel of Varanasi Commercial Limited have affirmed compliance with the Code of Conduct for the year ended 31<sup>st</sup> March, 2013.



**K. P. Prabhakaran**  
*Director*

Place : Kolkata  
Date : 29<sup>th</sup> May, 2013

## **Management Discussion and Analysis**

### **i) Industry Structures and Developments :-**

The Indian Capital Market has shown substantial decline in the year under review due to global economic slowdown which has adversely affected the performance of the company.

### **ii) Opportunities and Threats :-**

In spite of lots of ups and down in the securities market during the year there is lots of opportunities for a systematic and disciplined planning of Investment in the market.

### **iii) Segment-wise Performance :-**

The Company operates in a single business segment i.e. financing and Investment in the securities market.

### **iv) Future Outlook :-**

The Govt. of various countries have taken steps to stabilize the world economy and the recovery process has already been started. Your Directors are hopeful of better performance of the Company during the current financial year.

### **v) Risks and Concerns :-**

Nature of Capital Market, in which Company is mainly operating, has shown high volatility in the recent past and consequently increased the risk for the Company. Hence, a conservative and disciplinary & research based investment approach is required to mitigate the risk.

### **vi) Internal Control Systems and their adequacy :-**

The Company has an adequate internal control system commensurate with its size and nature of its business with regard to buy and sale of securities in the market according to market condition. The system is upgraded continuously to meet the statutory requirements and changing business conditions.

### **vii) Financial Performance :-**

During the year, the company's Profit after tax stood at Rs. 428.91 lacs during the year as against Rs. 322.66 lacs in the previous year.

### **viii) Human Resource Development and Industrial Relations :-**

Harmonious relationships have been maintained between the employees and the management at all levels and locations.

### **ix) Cautionary Statement :-**

Statements in the Management Discussion and analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. The factors that could make a difference to the Company's operations inter-alia includes the economic conditions, Government policies and other related / incidental factors.





**K. C. KHOWALA**  
Practising Company Secretary

27, Weston Street  
Room No. 205  
Kolkata - 700 012  
Phone: 2211-4023

**COMPLIANCE CERTIFICATE**

To,  
The Members  
**M/S VARANASI COMMERCIAL LTD**

I have examined the registers, records, books and papers of **M/S Varanasi Commercial Ltd** (the Company) as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **31<sup>st</sup> March, 2013** (financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made thereunder and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in **Annexure 'B'** to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities.
3. The company being a public limited company has the minimum prescribed paid-up capital.
4. The Board of Directors duly met **5 (five)** times respectively on **14.05.2012, 23.07.2012, 13.08.2012, 08.11.2012** and **13.02.2013** in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The company closed its Register of Members from **Thursday, 13<sup>th</sup> September, 2012 to Saturday, 15<sup>th</sup> September, 2012 (both days inclusive)** and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31<sup>st</sup> March 2012 was held on **15<sup>th</sup> September, 2012** after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The company has not advanced any loans to its directors and/or persons or firms or companies referred to under section 295 of the Act.
9. The company has not entered into any contracts falling within the purview of section 297 of the Act.
10. As there were no transactions to enter into in the register maintained under section 301 of the Act, the Company did not make any entries therein during the year.
11. As informed by the Company there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or Central Government as the case may be.
12. The Company has not issued any duplicate share certificates during the financial year.





**K. C. KHOWALA**  
*Practising Company Secretary*

27, Weston Street  
Room No. 205  
Kolkata - 700 012  
Phone: 2211-4023

13. The Company has:

- (i) delivered all the certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
- (ii) not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- (iii) not posted warrants to any member of the company as no dividend was declared during the financial year.
- (iv) not transferred the amounts in unpaid dividend account since no amounts remained unclaimed or unpaid for a period of seven years in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon, to Investor Education and Protection Fund.
- (v) duly complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted. There was no appointment of directors during the financial year.

15. The Company has not appointed any Managing Director/Whole-time Director/ Manager during the financial year.

16. The Company has not appointed any sole-selling agents during the financial year.

17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and / or such other authorities prescribed under the various provisions of the Act.

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.

19. The company has not issued any shares/debentures/other securities during the financial year.

20. The company has not bought back any share/s during the financial year.

21. There was no redemption of preference share(s)/debenture(s) during the financial year.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividends, rights shares and bonus shares pending registration of transfer of shares.

23. The company has not accepted / invited deposits coming under the purview of Section 58A of the Companies Act, 1956 and Companies (Acceptance of Deposit) Rules, 1975.

24. The company has not made any borrowings during the financial year.

25. The company has made loans and investments to/in other bodies corporate in compliance with the provisions of the Act.

26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the financial year.





**K. C. KHOWALA**  
Practising Company Secretary

27, Weston Street  
Room No. 205  
Kolkata - 700 012  
Phone: 2211-4023

27. The company has not altered the provisions of the Memorandum with respect to the objects of the company during the financial year.
28. The company has not altered the provisions of the Memorandum with respect to name of the company during the financial year.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the company during the financial year.
30. The company has not altered its Articles of Association during the financial year.
31. As informed by the company, there were no prosecution initiated against or show cause notices received by the company during the financial year, for offences under the Act.
32. The company has not received any money as security from its employees during the financial year.
33. The company is not required to be registered under the provisions of the Employees Provident Fund Act, 1952 since the number of employees employed by the Company are below the numbers prescribed under the Act.

Place: Kolkata

Date: 29.05.2013



Signature:

K.C. Khowala  
C.P. No. : 2421

**ANNEXURE 'A'**  
**REGISTERS AS MAINTAINED BY THE COMPANY**

Registers as maintained by the Company

- |  |          |
|--|----------|
| 1. Register of Investments   | u/s 49   |
| 2. Register of Charges   | u/s 143  |
| 3. Register & Index of Members   | u/s 150  |
| 4. Register of Particulars of Contract in which directors are interested | u/s 301  |
| 5. Register of Directors, Managing Director, Manager and Secretary       | u/s 303  |
| 6. Register of Directors' Shareholdings                                  | u/s 307  |
| 7. Register of Share Transfers   |          |
| 8. Minutes Book for meeting of the Board and General Meeting             | u/s 193  |
| 9. Books of Accounts   | u/s 209  |
| 10. Register of Loans & Investments                                      | u/s 372A |

**ANNEXURE 'B'**

As reported by the Management, Returns / Forms / Documents filed with the R.O.C. during the financial year **31<sup>st</sup> March 2013**.

1. Compliance Certificate for the year ended 31.03.2012 u/s 383A (1) in Form 66 was filed on 10.10.2012.
2. Audited Balance Sheet and Profit & Loss Account for the year ended 31.03.2012 u/s 220 in Form 23AC and 23ACA were filed on 02.11.2012.
3. Annual Return u/s 159 for A.G.M. held on 15.09.2012 in Form 20B was filed on 25.11.2012 with additional fees.

# PATNI & CO.

CHARTERED ACCOUNTANTS

H.O. 1, INDIA EXCHANGE PLACE, 2<sup>ND</sup> FLOOR, R. NO. 219, KOLKATA-700 001.

PHONE : 2231 4112 / 4111, 2230 0556 / 0557

E-mail : octall@cal2.vsnl.net.in

**JAIPUR OFFICE :**

GANAPATI PLAZA, M. I. ROAD

4<sup>TH</sup> FLOOR, R. NO. - 421, JAIPUR - 302 001

PHONE : 237 4836

**NEW DELHI OFFICE :**

4D/14, OLD RAJENDRA NAGAR

BASEMENT, NEW DELHI - 110 060

PHONE : 2582 6174

## AUDITORS' REPORT

TO  
THE MEMBERS OF  
VARANASI COMMERCIAL LIMITED

### Report of the Financial Statements

We have audited the accompanying financial statements of Varanasi Commercial Limited, which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss 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 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 Standard 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.





# PATNI & CO.

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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 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 Statement of Profit and Loss, of the profit 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 and Statement of Profit and Loss, dealt with by this Report are in agreement with books of account;



# PATNI & CO.

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- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards referred to in sub-section (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 directors 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.

1, India Exchange Place  
Kolkata - 700 001

For PATNI & CO.  
CHARTERED ACCOUNTANTS  
(Reg.No.320304E)

Dated: The 29<sup>th</sup> Day of May 2013

*R K Mundhra*  
R K MUNDHRA  
(Partner)  
Membership No. 067469





# PATNI & CO.

## CHARTERED ACCOUNTANTS

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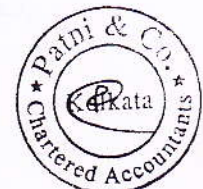
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### ANNEXURE TO THE AUDITOR'S REPORT

(This is the Annexure referred to in our Report of even date)

- i) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets. These fixed assets were physically verified by the management during the year. We have been informed that no discrepancies were noticed on such physical verification. There was no substantial disposal of fixed assets during the year ended 31<sup>st</sup> March, 2013.
- ii) The Stock of inventory has been physically verified during the year by the Management at reasonable intervals. In our opinion the procedures of physical verification of inventory followed by the Management are reasonable and adequate to the size of the company and the nature of its business. The Company is maintaining proper records of inventory. No discrepancies were noticed on physical verification of stock as compared to book records.
- iii) The Company has neither granted nor taken any loans secured or unsecured to/from Companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently clauses (b), (c), (d), (f) and (g) of paragraph 4 of the order are not applicable to the Company.
- iv) In our opinion, there is adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. In our opinion, there is no continuing failure to correct major weaknesses in internal control system.
- v)
  - a) Based on the examination of the books of account and related records and according to the information and explanations provided to us, there are no contracts or arrangements with the companies, firms or other parties which need to be listed in the register maintained under section 301 of the Act.
  - b) In view of clause (v) (a) above, the clause (v) (b) is not applicable.
- vi) The company has not accepted any deposits from the public during the year.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.





# PATNI & CO.

## CHARTERED ACCOUNTANTS

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- viii) The Central Government has not prescribed the maintenance of cost records by the company under section 209(1)(d) of the Companies Act, 1956 for any of its products.
- ix) a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues as applicable to it. There are no undisputed statutory dues as referred to above as at 31<sup>st</sup> March, 2013 outstanding for a period of more than six months from the date they became payable.
- b) As at 31<sup>st</sup> March 2013, according to the records of the company and the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
- x) The Company has no accumulated losses. The Company has not incurred cash losses in the financial year under report and in the immediately preceding financial year.
- xi) According to records of the company, the company has not borrowed from financial institutions, banks or issued debentures till 31.03.2013. Hence, in our opinion, the question of reporting on defaults in repayment of dues to financial institutions or banks or debenture holders does not arise.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The Company is not a chit fund, nidhi or mutual benefit fund/society.
- xiv) Based on our examination of the records and evaluation of the internal control, we are of the opinion that proper records have been maintained of the transactions and contracts in respect of shares, securities, debentures and other investments and timely entries have been made in those records. We also report that the company has held the shares, securities, debentures and other investments in its own name.
- xv) As per information and explanations given to us, the Company has not given any guarantee for loan taken by the others from bank or financial institution.





## PATNI & CO.

### CHARTERED ACCOUNTANTS

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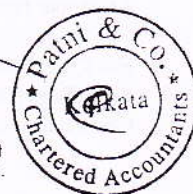
- xvi) The Company has not availed any term loan facilities.
- xvii) On an overall examination of the financial statement of the Company, we report that no funds raised on short term basis have been used for long term investment.
- xviii) The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- xix) The Company has not issued any debentures.
- xx) The Company has not raised any money by Public Issue during the year.
- 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 report.

For PATNI & CO.  
CHARTERED ACCOUNTANTS  
(Reg.No.320304E)

Place : 1, India Exchange Place,  
Kolkata - 700 001

Dated: The 29th Day of May 2013

*R K Mundhra*  
R K MUNDHRA  
(Partner)  
Membership No. 067469



# VARANASI COMMERCIAL LIMITED

Balance Sheet as at 31<sup>st</sup> March, 2013

	Note	As at 31st March, 2013		As at 31st March, 2012	
<b><u>EQUITY &amp; LIABILITIES</u></b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	1	20,558,200		20,558,200	
(b) Reserves & Surplus	2	<u>380,542,155</u>	401,100,355	<u>337,650,343</u>	358,208,543
<b>Non Current Liabilities</b>					
Long-term Provisions	3		7,998,287		7,998,287
<b>Current Liabilities</b>					
Other Current Liabilities	4		39,326		47,245
Short Term Provisions	5		87,500		-
<b>TOTAL</b>			<u><u>409,225,468</u></u>		<u><u>366,254,075</u></u>
<b><u>ASSETS</u></b>					
<b>Non-Current Assets</b>					
(a) Fixed Assets					
(i) Tangible Assets	6	321,043		420,601	
(b) Non-Current Investments	7	351,615,596		318,869,096	
(c) Deferred tax assets (net)	8	117,881		125,209	
(d) Long term loans and advances	9	<u>8,482,562</u>	360,537,082	<u>9,235,560</u>	328,650,466
<b>Current Assets</b>					
(a) Inventories	10	12,887,302		163,862	
(b) Cash and Cash equivalents	11	787,111		7,418,898	
(c) Short-term Loans and Advances	12	<u>35,013,973</u>	48,688,386	<u>30,020,849</u>	37,603,609
<b>TOTAL</b>			<u><u>409,225,468</u></u>		<u><u>366,254,075</u></u>

Significant Accounting Policies

A

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For PATNI & COMPANY

Firm Registration No. 320304E

Chartered Accountants

*R.K. Mundhra*

R.K. Mundhra

Partner

M. No. 067469



For and on behalf of the Board

*[Signature]*

*[Signature]*

Directors

Place : Kolkata

Dated : 29th May, 2013



# VARANASI COMMERCIAL LIMITED

Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2013

	Note	Year ended 31st March, 2013	Year ended 31st March, 2012
I. Revenue from operations			
Sale of Products	13	87,260,583	191,640,113
II. Other Income	14	43,170,727	32,781,878
III. Total Revenue (I + II)		130,431,310	224,421,991
IV. Expenses:			
(a) Purchases of stock-in-trade	15	97,200,000	139,826,357
(b) Changes in Inventories of Stock-in-trade	16	(12,723,440)	49,209,262
(c) Employee Benefits Expense	17	1,789,082	1,643,352
(d) Depreciation and amortization expense	18	99,558	132,273
(e) Other expenses	19	610,293	757,805
Total expenses		86,975,493	191,569,049
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		43,455,817	32,852,942
VI. Exceptional Items		-	-
VII. Profit before Extraordinary Items and Tax (V - VI)		43,455,817	32,852,942
VIII. Extraordinary Items		-	-
IX. Profit before Tax (VII - VIII)		43,455,817	32,852,942
X. Tax Expenses			
(a) Current Tax		556,677	583,308
(a) Deferred Tax		7,328	3,917
XI. Profit/(Loss) for the Period (IX - X)		42,891,812	32,265,717
XII. Earning per Equity Share ( nominal value of share Rs.10)			
(a) Basic		20.86	15.69
(b) Diluted		20.86	15.69

Significant Accounting Policies

A

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For PATNI & COMPANY  
Firm Registration No. 320304E  
Chartered Accountants

*R.K. Mundhra*

R.K. Mundhra  
Partner  
M. No. 067469



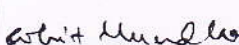


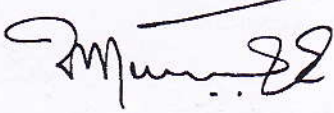
For and on behalf of the Board

*[Signature]*  
*[Signature]*

Directors

Place : Kolkata  
Dated : 29th May, 2013

**VARANASI COMMERCIAL LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013**

	2012 - 2013 (Rs.)	2011 - 2012 (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before tax and extra-ordinary items	43,455,817	32,852,942
Adjustment for :		
Depreciation	99,558	132,273
Provision for Standard Asset	87,500	-
Profit on Sale of Investments	-	(1,841,396)
<b>Operating Profit before working Capital Change</b>	<b>43,642,875</b>	<b>31,143,819</b>
Adjustment for :		
Inventories	(12,723,440)	49,209,262
(Increase)/Decrease in Loans & Advances	(4,993,124)	(27,493,806)
Trade Payables	(7,919)	34
Cash generated from operations	25,918,392	52,859,309
Security Transaction Tax	-	-
Direct Taxes	196,321	(1,067,455)
<b>Net Cash generated from Operating Activities</b>	<b>26,114,713</b>	<b>51,791,854</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(32,746,500)	(79,595,138)
Sale of Investments	-	3,472,914
<b>Net Cash generated from Investing Activities</b>	<b>(32,746,500)</b>	<b>(76,122,224)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Secured Loans	-	-
Unsecured Loans	-	-
<b>Net Cash generated from Financing Activities</b>	<b>-</b>	<b>-</b>
Net change in cash and cash equivalents (A + B + C)	(6,631,787)	(24,330,370)
Cash and cash equivalents as at 1st April, 2012 (Opening Balance)	7,418,898	31,749,268
Cash and cash equivalents as at 31st March, 2013 (Closing Balance)	787,111	7,418,898
As per our report of even date For PATNI & CO. Chartered Accountants Firm Regn. No. 320304E		For and on behalf of the Board
 <b>R.K. Mundhra</b> Partner M. No. 067469		 
Place : Kolkata Dated : 29th May, 2013		Directors



## VARANASI COMMERCIAL LIMITED

### 6. FIXED ASSETS

Description	Gross Block			Accumulated depreciation/ amortisation			Net book value			
	As at 31 March, 2012	Additions	Sales / Adjustment s	As at 31 March, 2013	Upto 31 March, 2012	For the Period	Sales / Adjustment s	Upto 31 March, 2013	As at 31 March, 2013	As at 31 March, 2012
Tangible Assets										
Air Conditioner	330,165	-	-	330,165	281,490	6,771	-	288,261	41,904	48,675
Furniture	63,159	-	-	63,159	58,707	806	-	59,513	3,646	4,452
Typewriter	2,721	-	-	2,721	2,569	21	-	2,590	131	152
Motor Car	2,088,084	-	-	2,088,084	1,746,977	88,313	-	1,835,290	252,794	341,107
Generator	121,825	-	-	121,825	106,809	2,089	-	108,898	12,927	15,016
Office Equipment	29,000	-	-	29,000	17,801	1,558	-	19,359	9,641	11,199
Total	2,634,954	-	-	2,634,954	2,214,353	99,558	-	2,313,911	321,043	420,601
Previous Year's figures	2,634,954			2,634,954	2,082,080	132,273	-	2,214,353	420,601	-

*[Signature]*



# VARANASI COMMERCIAL LIMITED

## A. Significant Accounting Policies

Significant accounting policies adopted in the preparation and presentation of the accounts are as under :

### 1 Method of Accounting

The Accounts have been prepared in accordance with Historical Cost Basis as a going concern and are consistent with generally accepted Accounting Principles. The Company follows the mercantile system of accounting and recognises income and expenditure on accrual basis.

### 2 Fixed Assets

All fixed assets are stated at acquisition cost less accumulated depreciation.

### 3 Depreciation

Depreciation on fixed assets has been provided on Written Down Value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

### 4 Investments & Stock-in-Trade

- i) The Securities acquired with the intention of short-term holding and trading positions are considered as stock-in-trade and shown as Current Assets. Other securities acquired with the intention of long-term holdings are considered as Non Current Investments.
- ii) The Cost of investment includes brokerage, fees, duties etc. but does not include Securities Transaction Tax.
- iii) The Securities held as stock-in-trade under current assets are valued at cost or market/net realisable value whichever is lower on aggregate basis for each category.
- iv) Investments are shown in the Balance Sheet at cost. In case of investments, provision for diminution in value of investments is made, if such diminution is other than temporary in nature in the opinion of Management.

### 5 Retirement Benefit

Payment of Gratuity Act, Provident Fund & E.S.I. Acts are not applicable to the Company as number of employees are less than minimum required for applicability of respective Acts.

### 6 Taxation

Current Tax is determined on the basis of the amount payable for the year under Income Tax Act, 1961. Deferred Tax is calculated at current statutory income tax rate and is recognised on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustment of future income tax liability and is considered and recognized as an asset in the Balance Sheet when it is probable that such benefits will flow to the Company in future years and the same can be measured reliably.

### 7 Leave Encashment

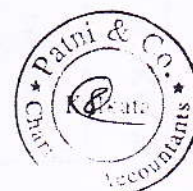
The Company does not have the policy to carry forward the unutilised leave. So, no provision has been made in this respect.

### 8 Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

### 9 Employees Benefit

Short term employee benefits are recognised as an expenses at the undiscounted amount in the Profit and Loss Account of the year in which the related service is rendered.





## B. Notes on Financial Statements for the Year ended 31st March, 2013

1. <u>Share Capital</u>	31st March, 2013 Rs	31st March, 2012 Rs
a) <u>Capital Structure</u>		
Authorised		
2,400,000 Equity Shares of Rs. 10/- each	24,000,000	24,000,000
10,000 Preference Shares of Rs. 100/- each	1,000,000	1,000,000
	<u>25,000,000</u>	<u>25,000,000</u>
Issued, Subscribed and Fully Paid Up		
2,055,820 Equity Shares of Rs. 10/- each	20,558,200	20,558,200
	<u>20,558,200</u>	<u>20,558,200</u>

b) Share Capital Reconciliation

## Equity Shares

	Nos.	Amount	Nos.	Amount
Opening balance	2,055,820	20,558,200	2,055,820	20,558,200
Issued during the period	-	-	-	-
Closing Balance	<u>2,055,820</u>	<u>20,558,200</u>	<u>2,055,820</u>	<u>20,558,200</u>

c) Particulars of Equity Shareholders holding more than 5% Shares at Balance Sheet date - Annexure Ad) Rights, Preferences & Restrictions attached to the Shares:

The Equity Shares of the Company of nominal value of Rs. 10/- each rank pari-passu in all respects including voting rights & entitlement to dividend.

2. Reserves & Surplus

## Amalgamation Reserve

As per last Balance Sheet

97,318,562

97,318,562

## General Reserve

As per last Balance Sheet

6,011,697

6,011,697

## Statutory Reserve

As per last Balance Sheet

47,919,000

41,319,000

Add : Addition during the Year

8,700,000

56,619,000

6,600,000

47,919,000

## Profit &amp; Loss Account

As per last Balance Sheet

186,401,084

160,735,367

Add : Profit/(Loss) for the year

42,891,812

32,265,717

229,292,896

193,001,084

Less : Transferred to Statutory Reserve

8,700,000

220,592,896

6,600,000

186,401,084

## Total Reserves &amp; Surplus

380,542,155337,650,3433. Long-Term Provisions

Provision for NPA

7,998,287

7,998,287

7,998,2877,998,287

# VARANASI COMMERCIAL LIMITED

## 4. Other Current Liabilities

### Other payables

Liabilities for Expenses

TDS Payable

39,326

-

39,326

7,919

39,326

47,245

## 5. Short-Term Provisions

Provision for Standard Asset

87,500

87,500

-

-

## 7. Non-Current Investments

### Other Investments (Non Trade) - Annexure B

Investments in Equity Instruments

Quoted

314,804,156

314,804,156

314,804,156

314,804,156

Unquoted

36,811,440

36,811,440

4,064,940

4,064,940

Total Quoted & Unquoted Investment

351,615,596

318,869,096

Market Value of Quoted Investments

1,978,936,668

2,437,561,285

## 8. Deferred tax assets (net)

On Accumulated Depreciation

117,881

117,881

125,209

125,209

## 9. Long term loans and advances

### Other loans and advances

Advances ag. Bills Financing

Unsecured, considered doubtful

7,998,287

7,998,287

Advance Income Tax (Net of Provision)

484,275

(Net of provisions Rs. 10,83,158/- P.Y. Rs. 23,55,038/-)

1,237,273

8,482,562

9,235,560

31 March, 2012

Rs

31 March, 2011

Rs

## 10. Inventories

### Stock-in-trade

Shares & Securities

Mutual Funds

163,862

12,723,440

12,887,302

163,862

-

163,862

Detail as per Annexure C

## 11. Cash and Cash Equivalents

### Cash and Cash equivalents

#### Balances with Banks

In Current Accounts

Cash in hand

763,255

23,856

787,111

7,390,265

28,633

7,418,898



*[Signature]*

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# VARANASI COMMERCIAL LIMITED

## 12. Short-term Loans and Advances (Unsecured, considered good)

### Loans

Unsecured

35,000,000

### Other loans and advances

Share Application Money

30,000,000

Prepaid Expenses

13,973

20,849

35,013,973

30,020,849

## 13. Revenue from Operations

Sale of Products

Mutual Funds

86,169,363

191,351,103

Interest

Interest on Loan

1,091,220

289,010

87,260,583

191,640,113

## 14. Other Income

Interest Income

Interest on IT Refund

37,429

Dividend Income

Dividend on Stock in Trade

1,470

1,960

Dividend on Investments

43,030,019

30,901,093

Other Non Operating Income

Profit / (Loss) on Sale of Investments (Net)

1,841,396

Misc. Income

139,238

43,170,727

32,781,878

## 15. Purchases of stock-in-trade

Purchases

Mutual Funds

97,200,000

139,826,357

97,200,000

139,826,357

## 16. Changes in Inventory of Stock-in-trade

### Inventories at the beginning of the year

Shares & Securities

163,862

163,862

Mutual Funds

-

49,209,262

163,862

49,373,124

### Inventories at the end of the year

Shares & Securities

163,862

163,862

Mutual Funds

12,723,440

12,887,302

-

163,862

(12,723,440)

49,209,262

## 17. Employee Benefits Expense

Salary, Wages & Bonus

1,758,476

1,614,916

Staff Welfare

30,606

28,436

1,789,082

1,643,352



# VARANASI COMMERCIAL LIMITED

## 18. Depreciation & Amortisation Expenses

Depreciation	99,558	132,273
	<u>99,558</u>	<u>132,273</u>

## 19. Other expenses

### Auditors' Remuneration

Audit Fees	16,854	16,854
Tax Audit	5,618	5,618
Miscellaneous expenses	273,591	241,520
Motor Car Expenses	220,873	285,057
Rates & Taxes	4,350	4,400
Provision for Standard Asset	87,500	
I. T. / F.B.T. for earlier years	1,507	103,513
Security Transaction Tax	-	100,843
	<u>610,293</u>	<u>757,805</u>

20. 20%(approx.) of Profit after Tax has been transferred to Statutory Reserve as per Section 45-IC of the RBI Act.

21. The Company has complied with the Prudential Norms as per NBFC's (Reserve Bank) Directions, 2007 with regards to Income Recognition, Asset Classification, Accounting Standards and Provision for Bad & Doubtful Debts, as applicable to it.

22. The Company has issued letters to all suppliers of goods and services, none of the suppliers of the Company has confirmed that they are micro enterprise or small enterprise under the Micro, Small and Medium Enterprises Development Act, 2006. Therefore, disclosure under Section 22 of the said Act are not necessary.

23. The Company has maintained general provision towards outstanding Standard Assets @ 0.25% amounting to Rs 87,500 as per Circular No. DNBS.PD.CC.No. 207/03.02.2002/2010-11 dated 17th January 2011, issued by Reserve Bank of India.

24. At the Balance Sheet date, the Company has reviewed the carrying amount of its assets and found that there is no indication that those assets have suffered any impairment loss. Hence, no such impairment loss has been provided.

## 25. Related Party Disclosures

As per Accounting Standard 18 'Related Party Disclosures' issued by ICAI, the disclosure of transactions with related parties are given below:

### i) Names of the related parties and description of relationship

#### Associates

Bargarh Green Power Generating Co. Ltd.  
North Dinajpur Power Ltd  
Rajgarh Bio-Power Ltd  
Techno Birbhum Green Power Generating Co. Ltd  
Techno Ganganagar Green Power Generating Co. Ltd

### ii) Transactions during the period with related parties:

	Associates	
	2012-13	2011-12
There are no transactions with related parties during the year. The closing balances are as below		
Closing Balance:		
Year end Investments	689,940	589,940

26. Being a Non Banking Finance Company, it has no Business other than Financial Activities, so segment reporting as defined in Accounting Standard - 17 is not applicable to the Company

## 27. Earning per share (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

	31 March, 2013	31 March, 2012
Net Profit / (Loss) attributable to equity shareholders	42,891,812	32,265,717
Weighted average number of equity shares in calculating EPS	2,055,820	2,055,820
Nominal value of Equity Shares	10	10
Basic & Diluted EPS	20.86	15.69

*[Handwritten Signature]*





# VARANASI COMMERCIAL LIMITED

## 28. Details of Purchases, Turnover and Stock:

	Shares & Securities		Mutual Funds	
	Qty (Nos.)	Amount (Rs)	Units	Amount (Rs)
Opening Stock	80,375	1,63,862	-	-
Purchases	-	-	2,100,563.796	97,200,000
Sales/Write-off	-	-	2,067,703.544	86,169,363
Closing Stock	80,375	1,63,862	32,860.252	12,723,440

The Cost of closing stock is Rs. 12,887,302/- (P.Y. Rs. 1,63,862/-)

29. Previous year figures have been reclassified wherever appropriate to confirm to current year's presentation.

30. All the figures in these notes are in 'Rs' except otherwise stated.

As per our report of even date

For and on behalf of the Board

For PATNI & COMPANY  
Firm Registration No. 320304E  
Chartered Accountants

R.K. Mundhra  
Partner  
M. No. 067469



Place : Kolkata  
Dated : 29th May, 2013

*[Signature]*  
*[Signature]*

Directors

# **VARANASI COMMERCIAL LTD**

Schedule to the Balance Sheet of a non-deposit taking non-banking financial company(2012-13)  
(As required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding)  
Companies Prudential Norms (Reserve Bank) Directions, 2007)

Rupees In Lacs

PARTICULARS	AMOUNT	
	Outstanding	Overdue
<b>Liabilities Side</b>		
1 Loans and advances availed by the NBFC inclusive of interest thereon but not paid		
(a) Debenture Secured	-	-
Unsecured	-	-
(Other than falling within the meaning of Public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter - corporate loans and borrowing	-	-
(e) Commercial Paper	-	-
(f) Public Deposits	-	-
(g) Other Loans (Specify nature)	-	-
<b>Assets Side</b>		
2 Break-up of Loans and Advances including bills receivables [other than those includes in (4) below]:	Amount Outstanding	
(a) Secured		-
(b) Unsecured		430.12
3 Break-up of Leased Assets and stock on hire and other assets counting towards AFC activities		
i) Lease assets including lease rentals under sundry debtors		
(a) Financial lease		-
(b) Operating lease		-
ii) Stock on hire including hire charges under sundry debtors		
(a) Assets on hire		-
(b) Repossessed Assets		-
iii) Other loans counting towards AFC activities		
(a) Loans where assets have been repossessed		-
(b) Loans other than (a) above		-
4 Break-up of Investments		
Current Investments		
1 Quoted		
i) Shares		
(a) Equity		1.64
(b) Preference		-
ii) Debenture and Bonds		-
iii) Units of Mutual Funds		-
iv) Government Securities		-
v) Others (Please specify)		-
2 Unquoted		
i) Shares		
(a) Equity		-
(b) Preference		-

*[Handwritten signature]*





**VARANASI COMMERCIAL LTD**

	ii) Debenture and Bonds (At Cost)	-
	iii) Units of Mutual Funds	127.23
	iv) Government Securities	-
	v) Others (Please specify)	-
	Long Term Investments	-
	1 Quoted	
	i) Shares	
	(a) Equity	3,148.04
	(b) Preference	-
	ii) Debenture and Bonds	-
	iii) Units of Mutual Funds	-
	iv) Government Securities	-
	v) Others (Please specify)	-
	2 Unquoted	
	i) Shares	
	(a) Equity	368.11
	(b) Preference	-
	ii) Debenture and Bonds	-
	iii) Units of Mutual Funds	-
	iv) Government Securities	-
	v) Others (Please specify)	-
5	Borrower group-wise classification of assets financed as in (2) and (3) above :	
	Category	Amount net of provisions
		SecuredUnsecuredTotal
	1 Related Parties	
	(a) Subsidiaries	- - -
	(b) Companies in the same group	- - -
	(c) Other related parties	- - -
	2 Other than related parties	- 350.14 350.14
	Total	- 350.14 350.14
6	Investor group-wise classification of all investments (current and long term) shares and securities (both quoted and unquoted)	
	Category	Book Value (net of provisions)Market Value/Break-up or fair value or NAV
	1 Related Parties	
	(a) Subsidiaries	- - -
	(b) Companies in the same group	- - -
	(c) Other related parties	6.90 6.22
	2 Other than related parties	3,638.12 20,319.86
	Total	3,645.02 20,326.08
7	Other Information	
	Particulars	Amount Outstanding
	i) Gross Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	79.98
	ii) Net Non-performing assets	
	(a) Related Parties	-
	(b) Other than related parties	-
	iii) Assets acquired in satisfaction of debt	-

