

**AAR COMMERCIAL COMPANY
LIMITED**

**ANNUAL
REPORT**

2012-13

AAR COMMERCIAL CO. LIMITED

NOTICE

Notice is hereby given that the Next Annual General Meeting of AAR Commercial Co. Limited will be held on Monday 30th September, 2013 at 1.30 P.M. at - the Registered Office of the Company at 23A, N. S. Road, Seventh Floor, Room No. 34A, Kolkata - 700001 to transact the following business:

ORDINARY BUSINESS:

1. To consider, approve and adopt the Audited Balance Sheet as on 31st March, 2013, Statement of Profit and Loss for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To reappoint Mr. Navdeep Sharma, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Agrawal S. Kumar & Associates, Chartered Accountants, be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors of the Company."

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to note that the company's equity shares are under compulsory demat trading for all investors. Members are, therefore, requested to dematerialise their shareholding to avoid inconvenience.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 24th September, 2013 to 30th September, 2013 (both days inclusive)

Registered Office:
23A, N. S. Road,
Seventh Floor, Room No. 34A,
Kolkata - 700 001.

Date: August 05, 2013

By Order of the Board
Ravi Agarwal
Director

AAR COMMERCIAL CO. LIMITED

Ravi Agarwal

Director

23A, N. S. Road Seventh Floor, Room No. 34A, Kolkata - 700001

AAR COMMERCIAL COMPANY LIMITED

23A, N. S. ROAD, 7TH FLOOR, ROOM NO. 34A,
KOLKATA-700001

DIRECTORS' REPORT

TO,
THE MEMBERS,

The directors of the company are pleased to place the auditors' report along with audited statement of accounts of the company for the year ended 31st March 2013.

- 1) **Financial Review:** The Company has incurred a loss of Rs. 486063.64/- before tax during the year as compared to a loss of Rs.3196959.80/- before tax incurred during the previous year. The directors are hopeful to achieve better results in coming years.
- 2) **Auditors:** M/s. Agrawal S. Kumar & Associates, *Chartered Accountants*, is appointed as the auditors of the company who will retire at ensuing Annual General Meeting, being eligible offers for reappointment.
- 3) **Director's responsibility statement:** Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors Responsibility Statement, it is hereby confirmed:
 - i) That in the preparation of the accounts for the financial year ended 31st March, 2013, 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 were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year under review;
 - iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
 - iv) That the Directors have prepared the annual accounts for the financial year ended 31st March 2013 on a going concern basis.
- 4) **Dividend:** The Company has not declared any dividend during the year.
- 5) **Employees:** None of the employees were in the category of limits specified U/S 217(2A) of the company's act 1956.
- 6) **Energy Conservation, Technology Observation, Foreign Exchange earnings and outgo:** Not Applicable.

Place: Kolkata

Dated: The 5th Day of August, 2013

For and on behalf of the Board

AAR COMMERCIAL COMPANY LTD

Ran Agarwal

Director

AAR COMMERCIAL COMPANY LTD

Shri K. K. Kishor

Director



Independent Auditor's Report

To the Members of
AAR COMMERCIAL COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Aar Commercial Company 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 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; and
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date.
- 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

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.

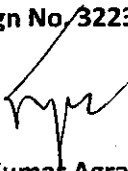
As required by section 227(3) of the Act, we report that:

- 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet and 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, AGRAWAL S. KUMAR & ASSOCIATES.

(Chartered Accountants)

Firm Regn No. 322324E



(Sushil Kumar Agrawal)

Partner

M. No. 054232

Place: Kolkata

Dated: The 5th Day of August, 2013

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Aar Commercial Company Limited on the accounts of the company for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

1. The Company does not have any Fixed Assets hence requirement under para 4 (i) does not arise.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.

3. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), iii(c) and iii (d) of the order are not applicable to the Company.

(e) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Thus sub clauses (f) & (g) are not applicable to the company.

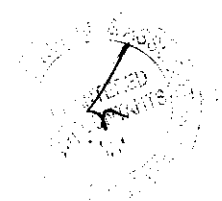
4. In our opinion and according to the information and explanations given to us, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.

5. a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

b) As per information & explanations given to us and in our opinion, the transaction entered into by the company with parties covered u/s 301 of the Act does not exceeds five lacs rupees in a financial year therefore requirement of reasonableness of transactions does not arises.

6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. According to the information and explanations provided by the management, the Company is not engaged in production, processing, manufacturing or mining activities. Hence the provision of Section 209(1)(d) does not apply to the Company. Hence in my opinion, no comment is required on maintenance of cost record.
9. (a) According to the records of the company, 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 to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there is no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to us, the Company is trading in Shares, Mutual funds & other Investments. Proper records & timely entries have been maintained in this regard & further investments specified are held in their own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution.



16. Based on our audit procedures and on the information given by the management, we report that the company has not raised any term loans during the year.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, we report that no funds raised on short-term basis have been used for long-term investment by the Company.
18. Based on the audit procedures performed and the information and explanations given to us by the management, we report that the Company has not made any preferential allotment of shares during the year.
19. The Company has no outstanding debentures during the period under audit.
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

For, AGRAWAL S. KUMAR & ASSOCIATES.

(Chartered Accountants)

Firm Regn No. 322324E



(Sushil Kumar Agrawal)

Partner

M. No. 054232

Place: Kolkata

Dated: The 5th Day of August, 2013

AAR COMMERCIAL COMPANY LIMITED**23A, N. S. ROAD, 7TH FLOOR, ROOM NO. 34A,****KOLKATA-700001****BALANCE SHEET AS ON 31ST MARCH, 2013**

PARTICULARS	Note No.	Figures As At 31/03/2013 (Rs.)	Figures As At 31/03/2012 (Rs.)
<u>I. EQUITY AND LIABILITIES</u>			
(1) <u>Shareholders' Funds</u>			
(a) Share Capital	2	100,140,000.00	100,140,000.00
(b) Reserves & Surplus	3	380,096,368.44	380,582,432.08
		480,236,368.44	480,722,432.08
(2) <u>Non-Current Liabilities</u>		-	-
		-	-
(3) <u>Current Liabilities</u>			
(a) Other Current Liabilities	4A	16,833,389.00	19,896,942.26
(b) Short Term Provisions	4B	322,009.00	322,009.00
		17,155,398.00	20,218,951.26
<u>TOTAL (1 TO 3)</u>		497,391,766.44	500,941,383.34
<u>II. ASSETS</u>			
(1) <u>Non Current Assets</u>			
(a) Non Current Investments	5A	390,123,840.57	311,216,643.94
(b) Long Term Loans & Advances	5B	1,384,000.00	1,384,000.00
(c) Other Non-Current Assests	6	559,000.00	559,000.00
(2) <u>Current Assets</u>			
(a) Inventories	7A	12,157,703.00	12,944,377.90
(b) Trade Recievable	7B	57,910,019.60	29,390,200.00
(c) Cash & Cash Equivalents	7C	704,448.27	2,434,623.81
(d) Short Term Loans & Advances	7D	33,391,170.00	141,895,652.69
(e) Other Current Assets	7E	1,161,585.00	1,116,885.00
<u>TOTAL (1 TO 2)</u>		497,391,766.44	500,941,383.34
Significant Accounting Policies	1		
Notes to Financial Statements	2-12	-	-

As per Report of even date

For **AGRAWAL S. KUMAR & ASSOCIATES** **AAR COMMERCIAL COMPANY LTD**
Chartered Accountants**SUSHIL KUMAR AGRAWAL**

Partner

M. No. 054232

Ravi Agarwal
Director**AAR COMMERCIAL COMPANY LTD**Shrawan Kumar Chatterjee
Director

Place : Kolkata

Dated : The 5th Day of August, 2013

Directors