

MALABAR TRADING COMPANY LIMITED

C-1, FIRST FLOOR, EVEREST BUILDING,
OPP. B.M.C. SCHOOL, DATTAPADA ROAD,
BORIVALI (E), MUMBAI – 400001

ANNUAL REPORT

FOR THE YEAR ENDED
31ST MARCH 2013

AUDITORS

KATARIYA & CO.
CHARTERED ACCOUNTANTS

BOARD OF DIRECTORS

BOARD OF DIRECTORS	Mr. Viral Kapadia	Chairman & Managing Director
	Mr. Vivek Agrawal	Additional Director (Independent)
	Mr. Manish Kumar Pokherna	Director (Independent)
	Mr. Keval Shah	Director (Independent)
STATUTORY AUDITORS	M/S. KATARIYA & CO. Chartered Accountants	
BANKERS	Axis Bank	
REGISTERED OFFICE	C-1, 1st Floor, Everest Building Opp. BMC School, Dattapada Road, Borivali-(E), Mumbai-400066, Maharashtra, India. Tel:022-28706523 E-mail: malabartrading@rediffmail.com	
REGISTRAR AND SHARE TRANSFER AGENTS	Purva Sharegistry (India) Pvt. Ltd. Unit no. 9, Shiv Shakti Ind.Estt. J.R.Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai-400011. Tel: 91-22-2301 6761/ 8261 Fax: 91-22-2301 2517 Email: busicomp@vsnl.com	

33RD ANNUAL GENERAL MEETING**Monday, the 26th day of August, 2013 at 9.30 a.m.**At C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road,
Borivali (East), Mumbai – 400 066.

Shareholders are requested to kindly bring copy of Annual Report in the Meeting.

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NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the members of the Company will be held on 26th August, 2013 at 09.30 AM at the Registered Office of the Company at C-1, 1st Floor, Everest Building, Opp. BMC School, Dattapada Road, Borivali (East), Mumbai – 400 066, to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt audited Balance Sheet of the Company as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended as on that date together with the report of the Auditors and the Directors thereon.
2. To declare dividend @ 1% on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.
3. To appoint a Director in place of Mr. Vivek Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

Appointment of Mr. Keval Shah as a Director of the Company

“RESOLVED THAT Mr. Keval Shah who was appointed by the Board of directors as an Additional Director of the Company with effect from 19th March, 2013 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed as a Director of the Company and who shall be liable to retire by rotation.”

6. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as an Ordinary Resolution:

Appointment of Mr. Viralo Kapadia as a Director of the Company

“RESOLVED THAT Mr. Viral kapadia who was appointed by the Board of directors as an Additional Director of the Company with effect from May 7, 2013 and who holds office upto the date of the forthcoming Annual General meeting of the Company in terms of Section 260 of the Companies Act, 1956 (“the Act”) be and is hereby appointed as a Director of the Company and who shall be liable to retire by rotation.”

7. To consider and, if thought fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

Appointment of Mr. Viral Kapadia, as Managing Director of the Company

“RESOLVED that pursuant to the provisions of sections 269, 198, 309, 310, 311, Schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), and subject to such other, approval, permissions and sanctions, as

may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the Authorities in granting such approvals, permissions and sanctions, approval of the Company be and is hereby accorded to the appointment of Mr. Viral Kapadia as Managing Director of the Company for a period of 3 (Three) years with effect from 7th May, 2013 without any remuneration.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to pay, vary, alter, increase, enhance or widen the scope of remuneration and perquisites, to the extent specified in schedule XIII and other applicable provisions, if any, of the Act as amended from time to time.

RESOLVED FURTHER that where in any Financial Year during the currency of the tenure of the MD, the Company has no profits or its profits are inadequate, the Company may, with the approval of the Board of Directors, pay to the MD the remuneration within the permissible limits in accordance with Section 198 read with Schedule XIII as the minimum remuneration by way of salary subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER that for the purpose of giving effect to this resolution, any Director of the Company be authorised to do all acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

By order of the Board

Registered Office:

C-1, 1st Floor, Everest Building,
Opp. BMC School, Dattapada Road,
Borivali (East), Mumbai – 400 066.

VIRAL KAPADIA

Managing Director

Date: July 26, 2013

Place: Mumbai

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. THE PROXY NEED NOT BE A MEMBER. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE TIME OF THE MEETING.
2. The explanatory statement as required under section 173(2) of the Companies Act, 1956 in respect of special business mentioned in the above notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the company will remain closed from 22nd August, 2013 to 26th August 2013 (both days inclusive).

4. Members are requested to intimate to the company, quoting Registered Folio, change in address, if any, with the Pin Code number.
5. In all correspondence with the company, members are requested to quote their account/folio number.
6. Members desirous of obtaining and information concerning the accounts and operations are requested to send their queries to the company at least seven days before the date of the meeting so that the information required by the members may be made available at the meeting.
7. Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the hall.

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

In conformity with the provisions of section 173(2) of the Companies Act, 1956, the following explanatory statement sets out material facts relating to the Business mentioned under Item Nos. 5 to 6 of the accompanying Notice.

Item No. 5

Mr. Keval Shah was appointed as an Additional Director of the Company at the meeting of the Board of Directors held on 19th March, 2013. Mr. Shah aged about 23 years, is a young and enthusiastic person being commerce graduate.

The Board of directors recommends as a Special resolution for your approval.

None of the Directors are concerned or interested in the aforesaid resolution

Item No. 6 & 7

The Board of Directors has appointed Mr. Viral Kapadia as an Additional Director of the Company with effect from 7th May, 2013. Mr. Kapadia has rich and extensive experience in the field of business management, finance, accounts and taxation. He is aged about 43 years and is a post graduate with a rich experience of about 13 years in the field of finance. Briefly, the terms and conditions of the appointment and remuneration of Mr. Kapadia are as follows:

1. He shall carry out such duties as may be entrusted to him subject to the supervision of the Board of Directors.
2. Remuneration : No remuneration is payable to Mr. Kapadia as MD of the Company for a period of 3 years with effect from 7th May, 2013 to 6th May, 2016.
3. However, he shall be entitled to reimbursement of out of pocket expenses including travelling expenses actually and properly incurred by him for the business of the company. The Director will also be entitled to expenses incurred for meeting business expenditure on behalf of the Company.

The proposed resolution is required to be passed as a Special Resolution as required under the amended Schedule XIII to the Companies Act, 1956 and as such, the Directors commend your approval.

Copy of the terms and conditions governing the appointment is available for inspection by members during business hours on any working day before the date of the Annual General Meeting

The relevant abstract, as required under Section 302 of the Companies, 1956 has already been circulated to the members within 21 days of his appointment.

The Board therefore recommends the Ordinary Resolution at item no. 6 for his appointment as a Director and the Special Resolution at item no. 7 for his appointment as Managing Director for your approval.

The above information be considered as a relevant abstract, as required under Section 302 of the Companies, 1956.

The Board therefore recommends this resolution as Special Resolution for your approval.

None of the directors of the Company, except Mr. Viral Kapadia, is interested or concerned in passing of the proposed resolution.

By order of the Board

VIRAL KAPADIA

Managing Director

Registered Office:

C-1, 1st Floor, Everest Building,
Opp. BMC School, Dattapada Road,
Borivali (East), Mumbai – 400 066.
Phone : 022 28706523

Date: July 26, 2013

Place: Mumbai

DIRECTORS' REPORT

To,
The Members,
Malabar Trading Company Limited

Your Directors have pleasure in presenting the Annual Report of the Company together with the Audited Statement of Accounts for the accounting period ended on 31st March, 2013.

FINANCIAL RESULTS

(Rs. In Lacs)

Description	For the Year ended 31.03.2013	For the Year ended 31.03.2012
Total Income	33.99	40.24
Total Expenditure	13.82	13.44
Operating Profit(PBDT)	20.17	26.8
Depreciation	0.25	0.49
Profit before Taxation	19.92	26.31
Add: Net Deferred Tax Assets/Reversal of DTL	0.00	0.00
Add: MAT Credit Entitlement	0.00	0.79
Less: Interest paid on Income Tax	0.00	0.00
Less: Provision for MAT	0.00	0.00
Less: Current Tax	6.41	5.02
Less: Deferred tax made/(reversed)	0.03	3.99
Profit after Taxation	13.48	18.09
Proposed Dividend	10.85	10.85
Provision for Dividend Tax	1.84	1.76
Net Profit after Tax and Dividend	0.79	5.48
Amount B/F from Last year	42.03	36.55
Balance C/F to Balance Sheet	42.82	42.03

During the year under review the company's Profit after Tax stood at Rs. 13.48 Lacs.

The Directors expects a further growth in the current year due to the new activities being taken up in the current year.

DIVIDEND

The Board has recommended 1% dividend on equity shares, i.e., Rs. 0.10 per share of the face value of Rs. 10/- each.

AUDITORS

M/s Katariya & Co., Chartered Accountants, retire as the auditors of the Company and have confirmed that their re-appointment, if made, would be within the limits specified under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment.

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

DIRECTORS

Mr. Rajnath Shukla retired under Section 255 as a Director of the Company with effect from 20th November, 2012. Your Board places on record his sincere appreciation of the services rendered by him.

The Board has, with effect from 30th January, 2013, appointed Mr. Rajeev Agnihotri as Managing Director of the Company for a period of 3 years. However he ceased from Directorship w.e.f 7th May, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Motilal Laxkar ceased to be the Managing Director of the Company with effect from 30th January, 2013 & continued to be the Director of the Company and he resigned from directorship with effect from 19th March, 2013. Your Board places on record its sincere appreciation of the services rendered by him.

Mr. Keval Shah was appointed as an Additional Director w.e.f. 19th March, 2013. Notice in writing under section 257 of the Companies Act, 1956 have been received from members of the Company proposing the candidature of Mr. Shah.

The Board has appointed Mr. Viral Kapadia as an Additional Director designated as Managing Director of the Company w.e.f. 7th May, 2013 for a period of 3 years.

Mr. Vivek Agarwal retires by rotation at the forthcoming Annual General Meeting and being eligible offer himself for re-appointment. Directors commend their re-appointment.

AUDITORS' REPORT

Observations made in the Auditors' Report are self explanatory, and therefore, do not call for comments under section 217(3) of the Companies Act, 1956.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, management Discussion & Analysis Report is appended to this Report.

CORPORATE GOVERNANCE

A separate section on Corporate Governance and certificate from the auditors of the Company regarding compliance of conditions of Corporate Governance pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report.

INCREASE IN AUTHORISE SHARE CAPITAL

During the year under review, the Company had increased Authorised Share Capital of the Company from Rs. 11,00,00,000 to Rs. 31,00,00,000 by creation of 2,00,00,000 equity shares of INR 10 each aggregating to INR 20,00,00,000

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company is not manufacturing unit hence, information pertaining to conservation of energy and technology absorption is not applicable to the Company.

There are no transactions pertaining to Foreign exchange earning and outgo during the year under review.

PARTICULARS OF EMPLOYEES

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of the section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217(2AA), which was introduced by the Companies (amendment) Act, 2000 you're Directors confirm that:-

- i. **In the preparation of the annual accounts, the applicable accounting standards have been followed.**