

**MORGAN VENTURES LIMITED**

**24th ANNUAL REPORT**

**2010-2011**



# MORGAN VENTURES LIMITED

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# MORGAN VENTURES LIMITED

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## **BOARD OF DIRECTORS**

Mr. S. C. Goyal	Chairman
Mrs Meera Goyal	Managing Director
Mr. M. K. Doogar	Director
Mr. P. K. Gupta	Director
Mr. R. K. Pandey	Director

## **COMPANY SECRETARY**

Mr. Shahzeb Khan

## **AUDITORS**

K, K, Jain & Co.  
Chartered Accountants,  
184A, Garud Apartments, Pocket-IV,  
Mayur Vihar Phase-1, Delhi-110091

## **REGISTERED OFFICE**

53, Friends Colony (East)  
New Delhi - 110 065

## **CORPORATE OFFICE**

A-38, 1<sup>st</sup> Floor, Mohan Co-operative Industrial Estate  
Main Mathura Road, New Delhi-110044  
Web-site: [www.morganventures.net](http://www.morganventures.net)  
e-mail id: [morgan@morganventures.net](mailto:morgan@morganventures.net)

## **BANKERS**

HDFC Bank Limited, K.G. Marg, New Delhi  
ICICI Bank Limited, K.G. Marg, New Delhi

## **REGISTRAR & SHARE TRANSFER AGENTS**

M/s Skyline Financial Services Pvt. Ltd.  
D-153 A, 1<sup>st</sup> Floor Okhla Industrial Area, Phase - I  
New Delhi-110 020

# MORGAN VENTURES LIMITED

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## NOTICE

NOTICE is hereby given that the **Twenty Fourth Annual General Meeting** of the members of **Morgan Ventures Limited** will be held on **Friday, the 30<sup>th</sup>** day of **December, 2011** at **10.00 A.M** at the **Registered Office** of the Company at **53, Friends Colony(East), New Delhi-110065** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited Balance Sheet as at 30<sup>th</sup> June, 2011 and Profit & Loss Account for the year ended on that date together with report of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. S. C. Goyal, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. R. K. Pandey, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company to hold office until the conclusion of the next Annual General Meeting on remuneration plus out of pocket expenses in connection with the Company's audit to be fixed by the Board of Directors.

**By order of the Board of Directors  
For Morgan Ventures Limited**

**Shahzeb Khan  
Company Secretary**

**Place: New Delhi  
Date: 15/11/2011**

### **NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED WITH THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FIXED FOR COMMENCEMENT OF THE MEETING.**
2. Member/ Proxy holder must bring the Attendance Slip to the meeting and hand it over at the entrance after duly signing the same.
3. Members are requested to bring copies of Annual Report at the meeting as a measure of economy.
4. The Register of members and Share Transfer Books of the Company shall remain closed from Tuesday the 27<sup>th</sup> December, 2011, to Friday the 30<sup>th</sup> December, 2011 (both days inclusive).
5. Members desiring any information on the accounts of the Company and its operation may write to the Company at its Registered Office at least 7 days before the meeting so that the desired information may be conveniently provided at the meeting.
6. Corporate members intending to send their authorized representative are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. **Appointment of Directors:** A brief profile of Directors seeking re-appointment at the Annual General Meeting is given in the Corporate Governance section of the Annual Report.

# MORGAN VENTURES LIMITED

## DIRECTORS' REPORT

To The Members of Morgan Ventures Limited

Your Directors are pleased to present the 24<sup>th</sup> Annual Report and audited accounts for the financial year ended June 30, 2011.

### FINANCIAL RESULTS

PARTICULARS	(Rs. In Lakhs)	
	FOR THE YEAR ENDED 30.06.2011	PREVIOUS YEAR ENDED 30.06.2010
Gross Income	535.25	1227.93
Profit before Depreciation & Tax	321.05	246.44
Less: Depreciation	110.69	112.46
Profit before Tax	210.36	133.98
Less: Income Tax	41.92	22.77
Add: Deferred Tax	37.15	37.39
Profit after tax	205.60	148.60
Adjustment Relating to earlier year	10.37	0.71
Net Profit	215.97	147.89

### **OPERATIONS:**

The performance of your Company during the year under review has been satisfactory. The total income of the Company for the period under review was Rs 535.25 lakhs as against Rs. 1227.93 lakhs in the last year and the net profit after tax and adjustment relating to earlier years for the period under review was Rs. 215.97 lakhs as against Rs 147.89 lakhs in the last year.

### **DIVIDEND**

With a view to conserve the resources to meet the fund requirement of the Company, your directors express their inability to recommend dividend for the year under report.

### **DIRECTORS**

During the period under review, Mr. Prakash Agarwal resigned from the Board of Directors of the Company with effect from August 30, 2011. The Board places on record its sincere appreciation for valuable services rendered by Mr. Prakash Agarwal as a director of the Company.

Mr. S. C. Goyal and Mr. R. K. Pandey, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment. The Board recommends their appointment at ensuing Annual General Meeting.

### **PUBLIC DEPOSITS**

The Company has not accepted, invited or renewed any public deposits during the period under review. The Company has no deposit, which is due or unclaimed at the end of the year.

# MORGAN VENTURES LIMITED

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## AUDITORS

The Statutory Auditors M/s K. K. Jain & Co., Chartered Accountants, New Delhi retire at the conclusion of ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from them to the effect that their appointment, if made, would be in conformity within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956 and also that they are not otherwise disqualified within the meaning of sub-section (3) of Section 226 of the Companies Act, 1956 for such appointment.

## AUDITORS' REPORT

The notes to accounts referred to in the Auditors' Report are self-explanatory. Auditors' remarks at sub-para (f) of para 3 of the Auditors' Report dated 30.08.2011 have been explained at note no. 1 (D) of the notes to account of even date, which in the opinion of the Board of Directors, are explanatory in nature and may be treated as explanation furnished by them under section 217 (3) of the Companies Act, 1956.

## COMPLIANCE WITH THE ACCOUNTING STANDARDS

The company prepares its accounts and other Financial Statements in accordance with the relevant Accounting Principles and also complies with the Accounting Standards issued by the Institute of Chartered Accountants of India.

## SUBSIDIARIES

A Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies is attached to the Financial Statements of your Company. In terms of general Circular no. 2/11, Ministry of Corporate Affairs under section 212 (8) of the Companies Act, 1956, copies of the Balance Sheet, Report of Board of Directors and the Report of the Auditors of the subsidiary companies viz, Sattlej Real Estate Private Limited, Sattlej Infotech Private Limited and Sudama Technologies Private Limited have not been attached with the Balance Sheet of the Company. The Company will make available these documents and related detailed information upon request by any shareholder of the Company. As per requirement of the Listing Agreement and in accordance with the Accounting Standard 21 (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statement is attached to the Annual Accounts.

## STOCK EXCHANGE LISTING

The Equity Shares of your Company are continued to be listed on Bombay Stock Exchange Limited, Mumbai (BSE). The Company confirms that the annual listing fee to Bombay Stock Exchange Ltd, has been paid and is up to date.

## PARTICULARS OF EMPLOYEES

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

## DIRECTORS' RESPONSIBILITY STATEMENT

As per provision of Section 217(2AA) of the Companies Act, 1956 your Directors confirm as under:-

- I that in the preparation of 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 the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- IV that the Directors had prepared the annual accounts on a going concern basis.



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## CORPORATE GOVERNANCE

Your Company is committed to maintain the highest standards of Corporate Governance. Your Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices and have implemented all the stipulations prescribed.

A separate report each on corporate governance and management discussions and analysis is given elsewhere in the annual report and annexed hereto as part of Annual Report along with Auditors' Certificate on its due compliance.

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

- a. **Conservation of Energy & Technology Absorption:** Since the Company is engaged in NBFC activities & generation of electricity by wind power in which no energy is consumed, information relating to conservation of energy and technology absorption are not applicable under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors).
- b. **Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

## APPRECIATION & ACKNOWLEDGEMENT

Your Directors appreciate the valuable co-operation extended by the Company's Bankers, monitoring agency & other Central and State Government departments, SEBI, RBI, Banks, TNEB (Tamil Nadu Electricity Board) and Clients for their continued support. Your Directors also express its deep gratitude for wholehearted and continuous support extended by the members who have always been a source of strength for the Company.

For and on behalf of Board of Directors

Place: New Delhi  
Date: 15/11/2011

S. C. Goyal  
Chairman

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

### OPERATIONS

#### (a) Treasury Operations & Fund Based Activities

The Company in its treasury division carries out activities relating to placement of funds with other Bodies Corporate by way of Inter Corporate Deposits/ Bill Discounting Facilities. During the year under review, Treasury operations of the Company remain non functional.

#### (b) Windmill Operation

Windmill operation is seasonal in nature and generation of power depends upon the velocity and density of wind in the area. Company's wind power projects consisting of 4,275 MW power generation capacity has been registered as CDM Project under United Nations Framework Convention on Climate Change (UNFCCC) eligible for earning carbon credit.

During the year under review, the Company has earned an income from sale of electricity from windmill operations amounting to Rs. 467.98 lakhs as compared to Rs. 404.81 lakhs in the previous year.

#### (c) Investment Activities

During the year under review, investment activities of the Company remained non functional.

## MORGAN VENTURES LIMITED

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### (d) Trading of Capital Equipment

5 Units of Jhalani Tools (India) Ltd, (in liquidation) acquired by the Company in court auction and treated as stock-in-trade. During the year under review, Plant /scrap valuing Rs. 65.71 Lakhs has been sold as against 809.48 Lakhs Lakhs during the previous year.

### ADEQUACY OF INTERNAL CONTROL

Proper and adequate internal control systems are in place to ensure that all the business dealings are performed on sound business ethics and all assets are protected against loss of unauthorized use or disposition and that the transactions are authorized, recorded and properly reported.

The internal control system is designed to ensure that financial and other records are reliable for all purposes.

### HUMAN RESOURCES

The Company regards its human resource as a valuable asset. The Company has a team driven work process with completely flat organization system. This not only help us nurture leaders but also give us capable and assured colleagues at all levels.

### CORPORATE GOVERNANCE

The Company follows principle of effective Corporate Governance. The endeavor of the Company is not only to comply with regulatory requirements but also to practice Corporate Governance principles that lay emphasis on integrity, transparency and overall accountability.

The Company adheres to most of the recommendations made by the SEBI and incorporated by the Stock Exchanges in the Standard Listing Agreement.

### OUTLOOK

Non-banking financial companies (NBFCs) form an integral part of the Indian financial system. NBFCs have evolved from being mere adjuncts to monetary and credit policy to active participation in the mainstream financial sector, establishing themselves as worthy complements to the banking industry. The Company would try to look for more opportunities in NBFC activities.

The Company would place its focus on its windmill operation and trading of capital equipments. The Company through its prudent financial management policy with emphasis on cost control and elimination of non-productive expenditure believes to have healthy growth in this critical phase of economic crisis.

### DISCLAIMER

Readers are cautioned that this discussion and analysis contains forward-looking statements that involve risks and uncertainties. When used in this discussion, the words "anticipate", "believe", "estimate", "intend", "will", and "expected" and other similar expressions as they relate to the Company or its business are intended to identify such forward looking statements. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of performances or achievements and risks and opportunities could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their date. The following discussion and analysis should be read in conjunction with the Company's financial statements included and notes thereto.

# MORGAN VENTURES LIMITED

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The philosophy of the company on Corporate Governance envisages, inter-alia, attainment of the highest levels of accountability and equity in all its actions and enhancement of shareholders' value keeping in view the needs and interests of the stakeholders.

Your company believes that the Corporate Governance Code will enhance the growth of benefits to all the stakeholders. Your company has complied with the requirements of the Code of Corporate Governance as implemented by the regulatory authorities. The broad disclosures as required by the Stock Exchanges and Regulatory Authorities are given below:

### **BOARD OF DIRECTORS**

The Board of Directors of the Company consists of 5 Directors, one of whom is Executive Director and four are Non-Executive Directors, the details of which are given below:

<b>Names of Directors</b>	<b>Designation</b>	<b>Category</b>
Mr. S. C. Goyal	Non-Executive Chairman	Promoter Non-Executive
Mrs. Meera Goyal	Managing Director	Promoter Executive
Mr. P. K. Gupta	Director	Independent Non-Executive
Mr. M. K. Dooqar	Director	Independent Non-Executive
Mr. R. K. Pandey	Director	Independent Non-Executive
Mr. Prakash Agarwal *	Director	Promoter Non-Executive

\* Resigned from the Board of Directors with effect from 30.08.2011.

**A.** None of the non-executive Directors of the Company was paid any remuneration other than sitting fee for attending the Board/Committee meetings.

### **B. Board meetings**

The Board meets at least once in every quarter. The meetings are generally held at the corporate office of the Company. The Notice and the Agenda for all meetings are delivered in advance to the Board members as a corporate practice.

### **C. Board Committees**

Currently, the Board has two Committees viz, the Audit Committee and Shareholders / Investor's Grievances & Share Transfer Committee. The Board, from time to time, decides the terms of reference of the Committees. The Committee Meetings are held at regular intervals.

## MORGAN VENTURES LIMITED

### D. Number of Board Meetings, attendance at Board Meetings and previous Annual General Meeting

The Attendance of Directors in the Board Meeting AGM is given below:

Name of Director	Board Meeting held during the Year: 4 Attendance at Board Meeting	Attended Last AGM held on 24.12.2010	No. of Other Directorship( including Private Limited Company)	No. of Other Companies Board Committee	
				Member	Chairman/ Chairperson
Mr. S. C. Goyal	3	No.	19	1	1
Mrs. Meera Goyal	4	Yes	20	-	-
Mr. Prakash Agarwal	NIL	No.	-	-	-
Mr. P. K. Gupta	4	Yes	13	1	1
Mr. M. K. Doogar	4	No.	9	4	3
Mr. R. K. Pandey	4	NA	14	4	2

- Mr. Prakash Agarwal resigned from the Directorship with effect from 30.08.2011.

During the financial year ended 30<sup>th</sup> June, 2011 Four Board Meetings were held on 30.08.2010,15.11.2010,10.02.2011,and 14.05.2011.

### **BOARD COMMITTEES:**

#### **I. AUDIT COMMITTEE**

The Company has Audit Committee comprising of three Directors who are Non-Executive and majority of them are independent Directors. The terms of reference stipulated by the Board to the Audit Committee covers area mentioned under clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 besides other terms as may be referred to by the Board of Directors.

The Audit Committee met five times during the year. The representative of the Statutory Auditors is invited to the Audit Committee meetings. The details of attendance of the Members at the meetings are as under:-

SL No.	Name of the member	Position	Category	Attendance at Audit Committee Meetings
1.	Mr. P.K Gupta	Chairman	Non-Executive – Independent	4
2.	Mr. S.C. Goyal	Member	Non-Executive	4
3.	Mr. M.K. Doogar	Member	Non-Executive – Independent	4

Mr. Shahzeb Khan, Company Secretary of the Company acts as secretary to the Audit Committee.

#### **II. SHARE TRANSFER –CUM SHAREHOLDERS' GRIEVANCE COMMITTEE**

The Board has delegated the powers of redressal of investors' grievances and complaints and share transfers to the share transfer –cum- Shareholders' Grievance Committee consisting of the following members:

Mr. S.C. Goyal	Non-Executive - Chairman
Mr. P. K Gupta	Non-Executive – Independent
Mr. Shahzeb Khan (Member Secretary)	

All share transfer work was completed by our share transfer agent within the statutory period. During the year, Company has received 2 complaints and all the complaints were resolved.

## MORGAN VENTURES LIMITED

### DISCLOSURES

1. Save and except what has been disclosed under sub-item No. 6 of item P of notes to the Accounts, forming part of the Accounts of your Company for the year ended 30<sup>th</sup> June, 2011 there was no materially significant related party transaction, which may have potential conflicts with the interest of your Company at large.
2. Your Company has complied with all the requirements including the provisions of Clause 49 of the Listing Agreement with Stock Exchange as well as regulations and Guidelines of SEBI.
3. SEBI vide order dated 11.01.2011 imposed a penalty of Rs. 40 Lacs on your Company for violating regulation 10 of the SEBI (Substantial Acquisition of shares and takeover) Regulation 1997. However, hon'ble S A T vide order dated 29.08.2011 set aside SEBI order dated 11.01.2011 in Appeal 7/2011 filed by your Company.
4. All accounting standards, mandatorily required were followed in preparation of the financial statements and no deviation was made in compliance of the same.

### INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information with the Company, inter alia, the information as required under the revised clause 49 of the listing agreement is regularly provided to the Board as part of the agenda.

### MEANS OF COMMUNICATION

The Un-Audited Quarterly Financial Results were sent to the Stock Exchanges immediately after Board approved them. The results of the Company are published in one English daily Newspaper "Pioneer" and one Regional Local Regional Hindi Newspaper "HariBhoomi".

The results were posted on the website of the Company at [www.morganventures.net](http://www.morganventures.net)

### SUBSIDIARY COMPANIES

The Company has non-listed Indian subsidiary companies i.e, Satlej Real Estate Private Limited, Sudama Technologies Private Limited and Satlej Infotech Private Limited (Subsidiary of Satlej Real Estate Private Limited). None of these subsidiaries is material non-listed Indian subsidiary as per Listing Agreement. The minutes of the Board of Directors of all the subsidiary companies are placed before the Board of Directors of the Company.

### COMPLIANCE

A certificate dated 15.11.2011 obtained from the Statutory Auditors is annexed with the Annual Report and forms part of this report on Corporate Governance.

### REMUNERATION PAID TO DIRECTORS

Particular	Mrs. Meera Goyal, Managing Director
Gross Salary	Rs. 13,20,000.00
Outstanding	
Remuneration Payable	Rs. 1,20,000.00

None of the non-executive Directors of the Company was paid any remuneration other than sitting fee for attending the Board/Committee meetings.

### GENERAL SHAREHOLDERS INFORMATION

#### i) GENERAL MEETINGS (AGMs, EGMs & Class Meetings)

## MORGAN VENTURES LIMITED

Details of last three Annual General Meetings held, are given below:-

Financial Year	Date	Time	Venue
2007-2008	05.12.2008	10.00 A.M.	62, Friends Colony (East), New Delhi – 110065
2008-2009	24.12.2009	10.00 A.M.	53, Friends Colony (East) New Delhi-110065
2009-10	23.12.2010	10.00 A.M.	53, Friends Colony (East) New Delhi-110065

- a) No Special Resolution passed in the AGM held on 23.12.2010
- b) One Special Resolution passed in the AGMs held on 24.12.2009
- c) No Special Resolution passed in the AGM held on 05.12.2008
- d) No Special Resolution passed last year through postal ballot
- e) No Special Resolution requiring postal ballot is proposed at this Annual General Meeting.

- ii) Date of forthcoming Annual General Meeting & Venue : 30<sup>th</sup> December, 2011  
: 53, Friends Colony (East),  
New Delhi-110 065
- iii) Financial Calendar : 1<sup>st</sup> July to 30<sup>th</sup> June.
- iv) Period under review : 1<sup>st</sup> July, 2010 to  
30<sup>th</sup> June, 2011
- v) Date of book closure : 27<sup>th</sup> December, 2011  
to 30<sup>th</sup> December, 2011
- vi) Dividend payment date : NOT APPLICABLE
- vii) Listing on Stock Exchange : The shares of the Company are listed at: -  
BOMYAY STOCK EXCHANGE LTD.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 023
- viii) Stock Code : 526237 (BSE)
- ix) **Stock Market Data\***: Monthly high & low values (in Rs.) at BSE of company's share are as follows:

Month	BSE Share Price (Rs.)		
	High	Low	Volume
July, 2010	10.13	8.12	16942
August, 2010	9.76	7.89	30769
September, 2010	9.76	8.00	20625
October, 2010	11.25	8.80	32030
November, 2010	12.30	9.10	15464
December, 2010	9.97	7.95	4096
January, 2011	9.63	7.72	6985
February, 2011	9.00	7.34	2863
March, 2011	7.50	6.80	2632
April, 2011	9.45	6.85	1761
May, 2011	10.40	9.00	1213
June, 2011	9.11	8.80	111

\* Source: www.bseindia.com

## MORGAN VENTURES LIMITED

### x) Distribution Schedule of Shareholding as on 30<sup>th</sup> June, 2011

(On the Basis of Category)

Category	No. of Shares held	% age to total Shares
Promoters/Associates	7404700	74.05
Mutual Funds	200000	2.00
Bodies Corporate	676450	6.76
Non-Resident Indians	49880	0.49
Directors' Relatives	10000	0.01
Individuals	1668970	16.69
<b>TOTAL</b>	<b>10000000</b>	<b>100.00</b>

### xi) Dematerialization of Shares and Share Transfer System:

Up to 30<sup>th</sup> June, 2011 71.60 % of Equity Shares of the Company stands dematerialized. The shares of the company are compulsorily traded in the Demat form. For physical transfers the valid share transfers are registered and dispatched to the shareholders within the prescribed time.

xii) Outstanding GDRs/ADRs/Warrants or any convertible Instruments Conversion date and likely impact on Equity: The Company has not issued any GDRs/ADRs Warrants or any convertible instrument.

xiii) Plant Location : Chennai, Coimbatore, Erode Wind Farms  
Dasarapatti Village, Udumalpet,  
Kanyakumari Wind Farms (Tamil Nadu)

xiv) Address for Correspondance : A-38, 1<sup>st</sup> Floor, Mohan Co-operative  
Industrial Estate, Main Mathura Road  
New Delhi-110044  
Phone: 011-26991470/72/73  
Fax: 011-26991479/41628144

xv) Registrar & Share Transfer Agent : M/s Skyline Financial Services Pvt, Ltd,  
D-153 A , 1st Floor Okhla Industrial Area, Phase - I  
New Delhi-110 020

## MORGAN VENTURES LIMITED

### xvi) Re-appointment of Directors:

Two Non-Executive and Independent Directors are due for retirement by rotation at this Annual General Meeting and are eligible for re-appointment. The brief particulars of the Directors retiring by rotation are given below:

Name of Director	Sh. S.C. Goyal	Sh. R.K. Pandey
Date of Birth	26 <sup>th</sup> January, 1946	20 <sup>th</sup> January, 1940
Date of Appointment	5 <sup>th</sup> April, 2000	30 <sup>th</sup> January, 2009
Qualification	B.E., Master in Engineering Massachusetts (USA)	M. Com, FCS, LLB
Expertise in specific functional area	Industrialist with diversified business experience.	Corporate Law Affairs
List of Companies in which Directorships held	<ol style="list-style-type: none"> <li>1. Poysha Fincorp Pvt. Ltd.</li> <li>2. Virgin Securities &amp; Credits Pvt. Ltd.</li> <li>3. Poysha Oxygen Pvt. Ltd.</li> <li>4. Poysha Power Generation Pvt. Ltd.</li> <li>5. Poysha Power Projects Ltd.</li> <li>6. Peacock Chemicals Pvt. Ltd.</li> <li>7. Gas Supply Co. Pvt. Ltd.</li> <li>8. Morgan Finvest Pvt. Ltd.</li> <li>9. Morgan Securities &amp; Credits Pvt. Ltd.</li> <li>10. Morgan Trade &amp; Commerce Ltd.</li> <li>11. Goyal Udyog India Pvt. Ltd.</li> <li>12. Hibra Power Pvt. Ltd.</li> <li>13. Dhamwari Power Co. Pvt. Ltd.</li> <li>14. Live Life Buildcon Pvt. Ltd.</li> <li>15. Poysha Electric Supply Co. Pvt. Ltd.</li> <li>16. Poysha Power Transmission Ltd.</li> <li>17. Goyal MG Gases Pvt. Ltd.</li> <li>18. Kollam Gases Pvt. Ltd.</li> <li>19. Messer Holdings Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Welcure Drugs &amp; Pharmaceuticals Ltd.</li> <li>2. Ricoh India Ltd.</li> <li>3. Hanung Toys &amp; Textile Ltd.</li> <li>4. PTC Industries Ltd.</li> <li>5. British Health Products (India) Ltd.</li> <li>6. Preciso Laboratories Pvt. Ltd.</li> <li>7. Jindal Polyfilms Ltd.</li> <li>8. Sea T V Network Limited</li> <li>9. Shree Rajasthan Syntax Limited</li> <li>10. Mefcom Capital Market Limited</li> <li>11. Kamdhenu Ispat Ltd.</li> <li>12. Jaypee Uttar Bharat Vikas Pvt. Ltd.</li> <li>13. Kanpur Fertilizers &amp; Cement Ltd.</li> <li>14. Uninet Infra Technologies Private Ltd.</li> </ol>
Chairman/Member of the Committees of the Board of Directors of the Company	<ol style="list-style-type: none"> <li>1. Audit Committee Member</li> <li>2. Share Transfer/ Investors Grievance Committee-Chairman</li> <li>3. Stock Trading &amp; Investment Committee-Chairman</li> </ol>	
Chairman/Member of the Committees of Directors of other Companies		<p>Welcure Drugs &amp; Pharmaceuticals Ltd. - Chairman</p> <p>Hanung Toys &amp; Textile Ltd. - Chairman</p> <p>Kamdhenu Ispat Limited-Member</p>
a) Audit Committee	NIL	
b) Shareholders/ Investors Grievance Committee	NIL	<p>Welcure Drugs &amp; Pharmaceuticals Ltd. -Member</p>

### DECLARATION BY MANAGING DIRECTOR

To The Members of Morgan Ventures Ltd,

I, Meera Goyal, Managing Director of the Company, hereby certify that the Board members and senior management have affirmed compliance with the rules of Code of Conduct for the financial year ended 30<sup>th</sup> June, 2011 pursuant to the requirement of the clause 49 of the listing agreement as amended.

For Morgan Ventures Ltd,

Place: New Delhi  
Date: 15/11/2011

Meera Goyal  
Managing Director



## MORGAN VENTURES LIMITED

### Statement pursuant to Section 212 of the Companies act, 1956 Related to Subsidiary Companies

S.No.	Particulars	Satlej Real Estate Pvt. Ltd.	Sudama Technologies Pvt. Ltd.
1	<b>Name of the Subsidiary</b>	<b>Satlej Real Estate Pvt. Ltd.</b>	<b>Sudama Technologies Pvt. Ltd.</b>
2	Financial year of the subsidiary ending on	<b>31st March, 2011</b>	<b>31st March, 2011</b>
3	Shares of the Subsidiary held by the Company on the above date		
	a. Number of shares	9,990	9,990
	b. Face value per share	Rs. 10	Rs. 10
	c. Extent of holding	99.90%	99.90%
4	The net aggregate amount of profit/(loss) of the subsidiary for the above financial year of the subsidiary so far as they concerns the members of the Company		
	a. Dealt with in the accounts of the Company for the financial year ended on June 30, 2011	NA	NA
	b. Not dealt in the accounts of the Company for financial years ended June 30, 2011	NA	NA
5	The net aggregate amount of profit/(loss) for previous year of the subsidiary since it became a subsidiary so far as they concern member of the Company		
	a. Dealt with in the accounts of the Company for the financial year ended on June 30, 2011	NA	NA
	b. Not dealt in the accounts of the Company for financial years ended June 30, 2011	NA	NA
6	Changes in the holding Company's interest in the Subsidiary between the end of financial year of the subsidiary and the end of the holding Company's financial year	No Change	No Change
7	Material changes which have occurred between the end of the aforesaid financial year of the subsidiary and the end of the holding Company's financial year in respect of :	NA	NA
	a. the subsidiary's fixed assets		
	b. its investments		
	c. monies lent by the Subsidiary Company		
	d. the money borrowed by it for any purpose other than that of meeting current liabilities		

**For and on behalf of Board of Directors  
Morgan Ventures Limited**

Place: New Delhi  
Date: 30.08.2011

**Shahzeb Khan  
Company Secretary**

**S. C. Goyal  
Director**

**Meera Goyal  
Managing Director**

## MORGAN VENTURES LIMITED

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### Auditors' Certificate on Corporate Governance

**To The Members of  
Morgan Ventures Ltd.**

We have reviewed the implementation of Corporate governance Procedure by Morgan Ventures Limited during the year ended June 30, 2011 as stipulated in clause 49 of the Listing Agreement with Stock Exchanges, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementation thereof adopted by the company for ensuring the compliance of the condition of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in corporate Governance Clause of the Listing Agreement(s) with the Stock Exchanges have been substantially complied with by the company and no investor grievance(s) is /are pending for a period exceeding one month against the company as per the records maintained by the Investors Grievance Committee.

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 K.K. Jain & Co.  
Chartered Accountants**

**C.A. Simmi Jain  
Partner  
M. No. 86946  
F.R. No. 002465**

**Place: New Delhi  
Date: 15/11/2011**

## MORGAN VENTURES LIMITED

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### TO THE BOARD OF DIRECTORS OF MORGAN VENTURES LIMITED

As required by the Non Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 1998 issued by the Reserve Bank of India in terms of section 45MA (1A) of the Reserve Bank of India Act, 1934, we report below on the matters specified in paragraph 3 of the said order.

1. The Company has been granted a Certificate of Registration by the Reserve Bank of India in terms of Section 45-1A of the Reserve Bank of India Act, 1934.
2. We have verified the minutes of the meeting of the Board of Directors of the Company wherein a resolution for non-acceptance of any public deposit has been passed.
3. As per the information and explanation given to us, the Company has not accepted any public deposits during the year under review.
4. As informed to us, the Company has furnished all the statements, information or particulars called for by the Reserve Bank of India.
5. In our opinion and to the best of our information and according to the explanations given to us, the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification, and provision for bad and doubtful debts as applicable to it.

**For K.K. Jain & Co.  
Chartered Accountants**

**C.A. Simmi Jain  
Partner  
M. No. 86946  
F.R. No. 002465**

**Place: New Delhi  
Date: 30/08/2011**

## MORGAN VENTURES LIMITED

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### AUDITORS' REPORT TO THE MEMBERS OF MORGAN VENTURES LIMITED

We have audited the attached Balance Sheet of **MORGAN VENTURES LIMITED, NEW DELHI** as at 30<sup>th</sup> June 2011 and the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We have conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said Orders.
3. Further to our comments in the Annexure referred to above, 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 the books.
  - c) The said Balance Sheet, Profit and Loss Account & Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, Profit & Loss Account & Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
  - e) Based on the written representation received from the directors, we report that none of the directors are prima facie disqualified, as on 30<sup>th</sup> June, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said account read with the Schedules and the Notes thereon and subject to Note No. 1 (D) (i) regarding depreciation on plant and machinery at the rates as per technical report and not as per schedule XIV to the Companies Act, 1956 give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
    - (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30<sup>th</sup> June, 2011.
    - (ii) In the case of the Profit and Loss Account of the profit for the year ended on that date.
    - (iii) In the case of cash flow statement of the cash flow for the year ended on that date.

For K.K. Jain & Co.  
Chartered Accountants

C.A. Simmi Jain  
Partner  
M. No. 86946  
F.R. No. 002465

Place: New Delhi  
Date: 30/08/2011

## MORGAN VENTURES LIMITED

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**Annexure referred to in paragraph 2 of our Report of even date to the Members of Morgan Ventures Limited on the accounts for the year ended 30<sup>th</sup> June 2011.**

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies between the book records and the physical inventory were noticed in respect of the assets physically verified.  
(c) In our opinion, the company has not disposed of substantial part of fixed assets during the year and the going concern status of the company is not affected.
2. (a) Inventories have been physically verified by the management at reasonable intervals during the year.  
(b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) On the basis of our examination of records of inventory produced to us, in our opinion, the company has maintained proper records of inventories. There were no material discrepancies noticed on physical verification of inventory as compared to the book record.
3. (a) The company has not granted any loan, secured or unsecured, to companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.  
(b) The company has not taken unsecured loan from parties covered in the register maintained under section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.
5. (a) According to the information and explanations given to us, all the transactions that need to be entered in the register required to be maintained under section 301 has been entered.  
(b) In our opinion and according to the information and explanation given to us, the company has not entered into any transaction in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakh rupees during the year in respect of any party.
6. The company has not accepted any deposit from the public. Therefore, the provisions of Section 58A and 58AA of the Companies Act, 1956, and the Rules framed there under do not apply.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The Central Government has prescribed for maintenance of cost records under section 209 (1)(d) of the Companies Act, 1956 in respect of power generation. These accounts and records have been made and maintained by the company.
9. (i) 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 have been regularly deposited with the appropriate authorities.  
(ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were outstanding at the year end for a period of more than six months from the date they become payable.

## MORGAN VENTURES LIMITED

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- (iii) According to the record of the company and information and explanation given to us, there were no disputed dues as on 30<sup>th</sup> June, 2011 in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, Excise Duty and Cess.
10. The company has no accumulated losses as at 30<sup>th</sup> June, 2011 nor it has incurred any cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per the information and explanation given by the management we are of the opinion that the company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. According to the information and explanations given to us and based on the documents and records produced to us the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the company has maintained proper records and made timely entries therein, in respect of the transactions of dealing or trading in shares, securities, debentures and other investment made by the company.
15. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from bank or financial institution.
16. The company has not taken any term loan during the year.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet and Cash Flow Statement of the company, we report that no funds raised on short-term basis have been used for long-term.
18. The company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year.
19. No secured debentures were issued by the company. Therefore, no securities have been created.
20. The company has not raised any money by a public issue during the year.
21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For K.K. Jain & Co.**  
**Chartered Accountants**

**Sd/-**  
**C.A. Simmi Jain**  
**Partner**  
**M. No. 86946**  
**F.R. No. 002465**

**Place: New Delhi**  
**Date: 30/08/2011**

**MORGAN VENTURES LIMITED**

**BALANCE SHEET AS AT 30,06,2011**

	Schedule	As at 30.06.11 ( Rs.)	As at 30.06.10 ( Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	A	98,985,000	98,985,000
Reserves & Surplus	B	279,298,922	257,701,719
Secured Loan		53,372,227	61,090,019
Deferred Tax Liability		9,061,806	12,777,501
		<b>440,717,955</b>	<b>430,554,239</b>
 <b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets</u></b>			
Gross Block	C	224,350,929	224,350,929
Less : Accumulated Depreciation		96,989,958	85,921,202
Net Block		127,360,971	138,429,727
<b>Investments</b>	D	68,452,382	54,702,382
 <b><u>Current Assets, Loans &amp; Advances</u></b>			
Stock in Trade		171,883,236	178,454,386
Cash & Bank Balances	E	51,600,446	59,892,336
Sundry Debtors	F	22,190,059	10,439,142
Loans & Advances	G	93,729,197	81,248,181
		339,402,938	330,034,044
Less Current Liabilities & Provisions	H	94,498,336	92,611,914
Net Current Assets		244,904,602	237,422,130
		<b>440,717,955</b>	<b>430,554,239</b>
 NOTES TO THE ACCOUNTS	 K		

Schedules A to J and K referred to above form an integral part of the Balance Sheet.

As per our report of even date attached  
For K.K.Jain & Co.  
Chartered Accountants

For and on behalf of the board Directors

(SIMMI JAIN)

(SHAHZEB KHAN)

(S.C.GOYAL)

(MEERA GOYAL)

PARTNER

COMPANY SECRETARY

DIRECTOR

MANAGING DIRECTOR

M.NO. 86496

F.R. NO. 002465

Date : 30,08,2011

Place : New Delhi

# MORGAN VENTURES LIMITED

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2011

	Schedule	For the Year ended 30.06.2011	For the Year ended 30.06.2010
<b><u>INCOME</u></b>			
Sale of Electricity		46,798,316	40,481,106
Sale of Plant		6,571,150	80,948,665
Other Income		155,438	1,363,355
Increase/(Decrease) in Stock		(6,571,150)	(80,948,665)
		<b>46,953,754</b>	<b>41,844,461</b>
<b><u>EXPENDITURE</u></b>			
Establishment Expenses		2,936,465	2,652,757
Administrative & Other Expenses	I	5,077,224	6,820,010
Financial Charges	J	6,834,913	7,726,834
Depreciation		11,068,756	11,246,555
		<b>25,917,358</b>	<b>28,446,156</b>
<b>Profit Before Tax</b>		21,036,396	13,398,305
Provision for Taxation			
-Income Tax		(4,192,554)	(2,277,042)
-Deferred Tax		3,715,695	3,739,661
<b>Profit after Tax</b>		<b>20,559,538</b>	<b>14,860,924</b>
Adjustment relating to earlier years		1,037,665	(71,460)
<b>Net Profit</b>		21,597,203	14,789,464
Balance brought forward		257,701,719	242,912,255
Balance Available for Appropriation		<b>279,298,922</b>	<b>257,701,719</b>
<b><u>Appropriations</u></b>			
-Proposed Dividend		-	-
-Tax on Proposed Dividend		-	-
Balance Carried Forward		<b>279,298,922</b>	<b>257,701,719</b>
Earning Per Share Basic and Diluted		2.06	1.49

### NOTES TO THE ACCOUNTS

K

Schedules I and J referred to above form an integral part of the Profit & Loss Account.

As per our report of even date attached  
For K.K.Jain & Co.  
Chartered Accountants  
(SIMMI JAIN)

For and on behalf of the board  
Directors

(SHAHZEB KHAN)

(S.C.GOYAL)

(MEERA GOYAL)

**PARTNER**  
M.NO. 86496  
F.R. NO. 002465

**COMPANY SECRETARY**

**DIRECTOR**

**MANAGING DIRECTOR**

Date : 30.08.2011

Place : New Delhi



## MORGAN VENTURES LIMITED

### CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE,2011

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>JUNE 30,2011 (Rs.)</b>	<b>JUNE 30,2010 (Rs.)</b>
Net Profit before Tax and Extraordinary items	21,036,396	13,398,305
Adjustments for :		
Depreciation	11,068,756	11,246,555
Operating Profit before Working Capital Changes	<u>32,105,152</u>	<u>24,644,860</u>
Adjustments for :		
(Increase)/Decrease in Current Assets	(17,660,783)	38,511,192
Increase/(Decrease) in Current Liabilities	<u>1,886,422</u>	<u>(12,644,517)</u>
(Increase)/Decrease in Net Current Assets	(15,774,361)	25,866,675
Cash generated from operations	16,330,791	50,511,535
Provision Adjustment	<u>(3,154,889)</u>	<u>(2,348,502)</u>
<b>Net cash from Operating Activities</b>	<u><b>13,175,902</b></u>	<u><b>48,163,033</b></u>
 <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Investments	(13,750,000)	-
(Purchase)/Sale of Fixed Assets	-	(816,000)
Purchase of Plant		
<b>Net Cash Inflow from Investing Activities</b>	<u><b>(13,750,000)</b></u>	<u><b>(816,000)</b></u>
 <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Calls in Arrear money Received	-	-
Receipt/(Repayment) of unsecured loans	-	(34,680,335)
Receipt/(Repayment) of Secured loan	<u>(7,717,792)</u>	<u>(10,637,981)</u>
<b>Net Cash from Financing Activities</b>	<u><b>(7,717,792)</b></u>	<u><b>(45,318,316)</b></u>
 Net increase (decrease) in Cash and Cash equivalents	(8,291,890)	2,028,717
Cash and Cash equivalents at the beginning of the Year	59,892,336	57,863,619
 <b>Cash and Cash equivalents at the close of the year</b>	<b>51,600,446</b>	<b>59,892,336</b>

As per our report of even date attached

**For K.K.Jain & Co.**

Chartered Accountants

**(SIMMI JAIN)**

**PARTNER**

M.No.86496

F.R. NO. 002465

Place : New Delhi

Date : 30.08.2011

**(SHAHZEB KHAN)**

**COMPANY SECRETARY**

**(S.C.GOYAL)**

**DIRECTOR**

**(MEERA GOYAL)**

**MANAGING DIRECTOR**

## MORGAN VENTURES LIMITED

### SCHEDULES TO THE BALANCESHEET

	AS AT 30,06,11 (Rs.)	AS AT 30,06,10 (Rs.)
<b><u>SCHEDULE - A</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b>AUTHORISED</b>		
40000000 Equity Shares of Rs. 10/- each	400,000,000	400,000,000
	<b>400,000,000</b>	<b>400,000,000</b>
<b><u>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</u></b>		
10000000 Equity Shares of Rs 10/- each	100,000,000	100,000,000
Less : Calls in arrear	1,015,000	1,015,000
	<b>98,985,000</b>	<b>98,985,000</b>
<b><u>SCHEDULE - B</u></b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
Surplus Balance in Profit & Loss A/c	279,298,922	257,701,719
	<b>279,298,922</b>	<b>257,701,719</b>
<b><u>SCHEDULE - D</u></b>		
<b><u>INVESTMENTS</u></b>		
<b>I) AT COST - QUOTED</b>		
At Cost – Quoted (in Shares)	24,714,162	24,714,162
Mutual Fund	88,420	88,420
<b>Total (I)</b>	<b>24,802,582</b>	<b>24,802,582</b>
<b>II) AT COST - UNQUOTED</b>		
	43,649,800	29,899,800
	-	-
<b>TOTAL (I+II)</b>	<b>68,452,382</b>	<b>54,702,382</b>
<b><u>SCHEDULE - E</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash and Bank Balances	51,600,446	59,892,336
	<b>51,600,446</b>	<b>59,892,336</b>
<b><u>SCHEDULE - F</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
(Unsecured considered good by the management)		
Outstanding for a period exceeding six months	-	-
Others	22,190,059	10,439,142
	<b>22,190,059</b>	<b>10,439,142</b>

**MORGAN VENTURES LIMITED**

**SCHEDULE - C**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 01,07,10	Additions	Deductions	As at 30,06,11	As at 01,07,10	For The Year	Adjustment	As at 30,06,11	As at 30,06,10
Land	2,694,575	-	-	2,694,575	-	-	-	2,694,575	2,694,575
Building Windmill	76,320	-	-	76,320	13,895	2,549	16,444	59,876	62,425
Plant & Machinery	218,086,925	-	-	218,086,925	84,346,961	10,767,990	95,114,351	122,972,574	183,740,564
Vehicles	2,513,717	-	-	2,513,717	1,506,492	238,803	1,745,295	768,422	1,007,225
Capacitor Panel	163,392	-	-	163,392	15,820	7,761	23,581	139,811	147,572
Furniture & Fixtures	916,000	-	-	916,000	38,633	51,653	90,286	725,714	777,367
<b>TOTAL</b>	<b>224,350,929</b>	<b>-</b>	<b>-</b>	<b>224,350,929</b>	<b>85,921,202</b>	<b>11,068,756</b>	<b>-</b>	<b>127,360,971</b>	<b>138,429,727</b>
<b>PREVIOUS YEAR</b>	<b>223,534,929</b>	<b>816,000</b>	<b>-</b>	<b>224,350,929</b>	<b>74,674,647</b>	<b>11,246,555</b>	<b>-</b>	<b>138,429,727</b>	<b>148,860,282</b>

## MORGAN VENTURES LIMITED

	AS AT 30.06.11 (Rs.)	AS AT 30.06.10 (Rs.)
<b><u>SCHEDULE - G</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(Unsecured considered good by the management)		
Advances recoverable in cash or in kind for value to be received	92,825,216	80,373,016
Income Tax Recoverable	806,628	806,628
Prepaid Expenses	97,353	68,537
	<b>93,729,197</b>	<b>81,248,181</b>
<b><u>SCHEDULE - H</u></b>		
<b><u>CURRENT LIABILITIES &amp; PROVISIONS</u></b>		
<b><u>A. CURRENT LIABILITIES</u></b>		
TDS Payable	29,569	26,748
Other Liabilities	90,276,213	90,308,124
<b>TOTAL A</b>	<b>90,305,782</b>	<b>90,334,872</b>
<b><u>B. PROVISIONS</u></b>		
Income Tax	4,192,554	2,277,042
<b>TOTAL B</b>	<b>4,192,554</b>	<b>2,277,042</b>
<b>TOTAL (A + B)</b>	<b>94,498,336</b>	<b>92,611,914</b>
<b><u>SCHEDULE - I</u></b>		
<b><u>ADMINISTRATIVE AND OTHER EXPENSES</u></b>		
Repairs & Maintenance Plant & Machinery	1,671,373	1,706,451
Repairs & Maintenance (Other)	-	15,448
Electricity Exps.	40,212	56,859
Office Maintenance	48,000	104,107
Insurance	62,767	171,669
Professional Exps	1,724,533	3,090,505
Advertisement & Business Promotion	46,137	56,031
Rates & Taxes	46,860	46,297
Travelling & Conveyance	140,354	102,846
Postage & Telegram	3,713	11,348
Communication Exps.	51,113	18,162
Printing & Stationary	28,465	14,307
Director Sitting Fee	39,000	65,000
Audit Fees	13,236	13,236
Security Charges	601,571	1,041,837
Miscellaneous Expences	559,891	305,908
	<b>5,077,224</b>	<b>6,820,010</b>
<b><u>SCHEDULE - J</u></b>		
<b><u>FINANCIAL CHARGES</u></b>		
Interest	6,829,349	7,678,961
Bank Charges	5,564	47,873
	<b>6,834,913</b>	<b>7,726,834</b>

# MORGAN VENTURES LIMITED

## **SCHEDULE - I**

### **NOTES TO THE ACCOUNTS**

#### **1. STATEMENT OF ACCOUNTING POLICY**

##### **A. GENERAL:**

The accounts have been prepared under the historical cost convention as a going concern basis and are in accordance with applicable accounting standards. Revenue is recognized and expenses are accounted for on accrual basis.

##### **B. USE OF ESTIMATES**

The preparation of the financial statements requires estimates and assumptions to be made that affect the reporting amount of assets and liabilities on the date of financial statements and the reporting amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known materialized.

##### **C. FIXED ASSETS**

Fixed Assets are valued at cost less accumulated depreciation.

##### **D. DEPRECIATION**

- (i) **PLANT & MACHINERY (OLD WIND MILL)** : At written down value method at the rates as per technical report.
- (ii) **PLANT & MACHINERY (NEW WIND MILL)**: At Straight line method as per rates prescribed in schedule XIV of Companies Act, 1956
- (iii) **OTHER FIXED ASSETS**: On straight-line method at the rates prescribed under Schedule XIV of the Companies Act. 1956.

##### **E. INVESTMENTS**

All the Investments of the Company are Long term investment and the same are valued at cost.

##### **F. PURCHASE OF PLANT**

The Company had purchased five units of Jhalani Tools India Ltd.(in Liquidation) during Accounting year ended 30.06.2006 through Court Auction. The Company /management had no intention to run these units; therefore, these units were treated as a part of Stock in Trade in the financial statements with an intention to use them for trading purpose. At the end of Accounting year ended 30.06.2011, there is only one unit appearing as a part of Stock in trade in financial statements.

##### **G. STOCK-IN-TRADE**

Stock-in-Trade is valued lower of cost or net realizable value.

##### **H. RECOGNITION OF INCOME**

Revenue is recognized on accrual basis. Revenue on Sale of Electricity is recognized as per the Billing Cycle recommended by the TNEB for the particular Wind Farm.

##### **I. TAXES ON INCOME**

- a) Provision for Income tax is made in accordance with the Income tax Act-1961.
- b) Deferred Tax resulting from timing differences between the book and the tax profit is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax liabilities are reviewed as at each balance sheet date.

##### **J. IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. In the opinion of the management no provision for the impairment of the Fixed Assets of the company is required to be made during the year as per AS-28 issued by the ICAI on "Impairment of assets".

##### **K. EMPLOYEE BENEFITS**

The Company is providing benefits to employees in accordance with relevant applicable Statutes on the subject.

## MORGAN VENTURES LIMITED

**L. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES**

There are no dues to Micro, Small and Medium Enterprises.

**M. BORROWING COSTS**

Borrowing Cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that takes necessary substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**N. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

The Company is in litigation relating to termination of Agreement to Sell with Goldendreams Buildcon Private Limited for sale of a plot at Aurangabad, part of 5 units of Jhalani Tools India Ltd acquired through Court Auction. The claim under dispute is for Specific Performance of agreement to sell and interest accrued, Goldendreams Buildcon Private Limited has also claimed compensation for alleged loss and damages suffered by them which has not been quantified by them. The Directors are of the opinion that the Company can protect its interest successfully. Contingent Assets are neither recognized nor disclosed in the Financial Statement.

**O. SECURED LOANS**

Punjab National Bank (Large Corporate Branch) Delhi has first charge on all moveable and immoveable assets related to 25 Wind Mills known as Kanyakumari Wind Farm, Erode Wind Farm, Chennai Wind Farm and Coimbatore Wind Farm situated at Tamilnadu and first charge on all receivables/payment to be received from Tamil Nadu Electricity Board (TNEB) related to these Wind Mills as security for its outstanding Term Loan of Rs 533 Lacs (Previous Year Rs 610 Lacs).

**P. OTHERS**

**1. Segment wise Revenue, Results and Capital Employed under Clause 41 of the Listing Agreement**

	(Rs. in lacs)	
	For the year ended 30th June, 2011	For the year Ended 30th June, 2010
<b>Segment Revenue</b>		
Trading on capital Equipments	65.71	809.49
Fund Based Activities	1.55	13.63
Investments	0.00	0.00
Windmill Operation	167.99	104.81
<b>Total Segment Revenue</b>	<b>535.25</b>	<b>1227.93</b>
Less : Inter Segment Revenue	0.00	0.00
<b>Net Sales/Income form Operations</b>	<b>535.25</b>	<b>1227.93</b>
<b>Segment Results</b>		
<b>(Profit before Interest and Tax)</b>		
Trading on capital Equipments	0.00	0.00
Fund Based Activities	-55.57	-59.39
Investments	0.00	0.00
Windmill Operation	335.37	271.32
<b>Total Segment Results</b>	<b>279.80</b>	<b>211.93</b>
Less : Interest Expense	68.29	76.79
Less : Unallocable Expenditure	1.15	1.16
<b>Total Profit Before Tax</b>	<b>210.36</b>	<b>133.98</b>
<b>Capital Employed (Segment Assets less Segment Liabilities)</b>		
Capital Equipments	1328.40	1443.33
Fund Based Activities	-92.02	55.77
Investments	684.52	547.02
Windmill Operation	2186.28	2259.12
<b>Total Capital Employed in Segments</b>	<b>4407.18</b>	<b>4305.54</b>
Add : Unallocable Corporate Assets	0.00	0.00
<b>Total Capital Employed in the Company</b>	<b>4407.18</b>	<b>4305.54</b>

## MORGAN VENTURES LIMITED

**Notes :**

1. Segments have been identified in line with the Accounting Standard on Segment Reporting.
2. Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Unallocable expenditure includes expenses incurred at a corporate level which relate to the company as a whole.
2. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.
3. Share Allotment Money receivable from shareholders is subject to reconciliation with the share transfer agent.
4. **Earning Per Share (EPS):**

(a)	Calculation of Weighted Average Number of Equity Shares of Rs.10/- each	Current Year	Previous Year
	- Number of equity share at the beginning of the year	10000000	10000000
	- Share issued during the year	NIL	NIL
	-Total Number of equity shares outstanding at the end of the year	10000000	10000000
	- Weighted average number of equity shares	10000000	10000000
(b)	Net Profit after tax	20559538	14860924
(c)	Basic and diluted Earning (in Rupees) per share	2.06	1.49

**5. Deferred Tax Liability**

	Deferred Tax Asset/(Liability) as at 30.06.2010	Current Year (Charge)/Credit	Deferred Tax Asset/(Liability) as at 30.06.2011
Difference between Book & Tax Depreciation	(1,27,77,501)	37,15,695	(90,61,806)
<b>Total</b>	<b>(1,27,77,501)</b>	<b>37,15,695</b>	<b>(90,61,806)</b>

In accordance with Accounting Standard 22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax during the year.

**6. Related Parties Disclosures are as under: -**

**1. Names of related party and nature of related party relationship**

- i) Subsidiary: Satlaj Real Estate Pvt, Ltd., Satlaj Infotech Private Limited and Sudama Technologies Private Limited
- ii) Key Management Personnel & their relatives (also exercising significant influence over the Company)

Mrs. Mokra Goyal, Managing Director (relative Mr, S, C, Goyal, Director of the Company)

Enterprise in which the persons referred in (ii) above alongwith their relatives exercises significant influence:

Goyal MG Gases Private Limited, Dhamwari Power Company Private Limited, Hibra Power Private Limited, Peacock Chemicals Private Limited, Morgan Infrastructures Developers Private Limited and Morgan Signature Towers Private Limited.

**2. Transactions carried out with related parties referred in 1 above in ordinary course of business:**

Nature of transaction	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Remuneration Outstanding	13,20,000	13,20,000
Remuneration payable	1,20,000	1,20,000

**7. Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):**

## MORGAN VENTURES LIMITED

### CAPACITY (as per Management)

Class of Goods	Licensed Capacity	Installed Capacity
Power Generation	Not required	5.63 MW

### PRODUCTION, PURCHASE, TURNOVER & STOCK

Year	Opening Stock	Production Quantity	Sale		Closing Stock
			Qty.	Value	
2010-2011	NIL	8967140	8967140	46798316	NIL
2009-2010	Nil	9422073	9422073	40481106	NIL
2008-2009	NIL	8537484	8537484	40384065	NIL
2007-2008	NIL	9606920	9606920	59496099	NIL
2006-2007	NIL	9329940	9329940	39093497	NIL

Transmission loss has not been considered in sales.

8. Particulars in respect of Opening Stock, Purchase, Sales and Closing Stock for Stock in Trade,

	Quantity		Value	
	Current Year	Previous Year	Current Year	Previous Year
<b>Opening Stock</b>				
Equity Shares	-	-	-	-
Plant	--	--	17,84,54,386	25,94,03,041
<b>Purchases</b>				
Equity Shares	-	-	-	-
Plant	-	-	-	-
<b>Sales</b>				
Equity Shares	-	-	-	-
Plant	-	-	65,71,150	8,09,48,065
<b>Closing Stock</b>				
Equity Shares	-	-	-	-
Plant	--	--	17,18,83,236	17,84,54,386

9. Other information pursuant to para 3, 4c & 4d of part II of Schedule VI of the Companies Act, 1956, either NIL or not applicable.

10. Auditor's Remuneration

	Current Year (Rs.)	Previous Year (Rs.)
- As Auditor	9,000	9,000
- For Tax Audit	3,000	3,000
- Service Tax	1,236	1,236
	<u>13,236</u>	<u>13,236</u>

As per our report of even date attached

**For K.K. JAIN & CO.**  
Chartered Accountants

for and on behalf of the Board of Directors

**(SIMMI JAIN)**  
PARTNER  
M.No. 86496  
F.R. No. 002465

**(SHAHZEB KHAN)**  
COMPANY SECRETARY

**(S.C. GOYAL)**  
DIRECTOR

**(MEERA GOYAL)**  
MANAGING DIRECTOR

Date: 30/08/2011  
Place: New Delhi



# MORGAN VENTURES LIMITED

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I Registration Details

 Registration No. 

0	2	5	8	4	1
---	---	---	---	---	---

 State Code 

5	5
---	---

(Refer Code List)

 Balance Sheet Date 

3	0	0	6	2	0	1	1
---	---	---	---	---	---	---	---

### II Capital raised during the year

 Public Issue 

			N	I	L
--	--	--	---	---	---

 Right Issue 

			N	I	L
--	--	--	---	---	---

 Bonus Issue 

			N	I	L
--	--	--	---	---	---

 Private Placement Bond 

			N	I	L
--	--	--	---	---	---

### III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

 Total Liabilities 

4	4	0	7	1	7
---	---	---	---	---	---

 Total Assets 

4	4	0	7	1	7
---	---	---	---	---	---

#### Sources of Funds

 Paid-up capital 

	9	8	9	8	5
--	---	---	---	---	---

 Reserve & surplus 

2	7	9	2	9	8
---	---	---	---	---	---

 Secured Loans 

	5	3	3	7	2
--	---	---	---	---	---

 Unsecured Loans 

			N	I	L
--	--	--	---	---	---

#### Application of Funds

 Net Fixed Assets 

1	2	7	3	6	0
---	---	---	---	---	---

 Investment 

	6	8	4	5	2
--	---	---	---	---	---

 Net Current Assets 

2	4	4	9	0	4
---	---	---	---	---	---

 Misc. Expenditure 

			N	I	L
--	--	--	---	---	---

 Loan & Advances 

	9	3	7	2	9
--	---	---	---	---	---

 Accumulated Losses 

			N	I	L
--	--	--	---	---	---

### IV Performance of Company (Amount in Rs. Thousand)

 Turnover 

	5	3	5	2	4
--	---	---	---	---	---

 Total Expenditure 

	2	5	9	1	7
--	---	---	---	---	---

 Profit/Loss before tax 

	2	1	0	3	6
--	---	---	---	---	---

 Profit/Loss Tax after tax 

	2	0	5	5	9
--	---	---	---	---	---

 Earning per share 

	2	.	0	6
--	---	---	---	---

 Dividend rate % 

0	0
---	---

### GENERAL NAMES OF THREE PRINCIPAL PRODUCTS OF THE COMPANY (AS PER MONETARY TERMS)

1) Item Code No. (ITC CODE)

Product Description

N	O	T		A	P	P	L	I	C	A	B	L	E			
C	O	R	P	O	R	A	T	E		F	I	N	A	N	C	E

2) Item Code No. (ITC CODE)

Product Description

N	O	T		A	P	P	L	I	C	A	B	L	E
W	I	N	D		P	O	W	E	R				

3) Item Code No. (ITC CODE)

Product Description

N	O	T		A	P	P	L	I	C	A	B	L	E
I	N	V	E	S	T	M	E	N	T				

For and on behalf of the Board of Directors

 Date : 30.08.2011  
Place : New Delhi

(SHAHZEB KHAN)  
COMPANY SECRETARY

(S.C. GOYAL)  
DIRECTOR

(MEERA GOYAL)  
MANAGING DIRECTOR

## MORGAN VENTURES LIMITED

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### AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

The Boards of Directors  
Morgan Ventures Limited  
New Delhi

1. We have audited the attached Consolidated Balance Sheet of Morgan Ventures Limited and its subsidiaries at 30<sup>th</sup> June, 2011 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An Audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of subsidiaries. The financial statements of Satlej Infotech (P) Ltd. reflect total assets of Rs.58,409,607/- as at 31<sup>st</sup> March, 2011 and total revenue of Rs. 1,90,000/- for the period ended on that date. The financial statements of Satlej Real Estate (P) Ltd. reflect total assets of Rs. Nil as at 31<sup>st</sup> March, 2011 and total revenue of Rs. Nil for the period ended on that date. The financial statements of Sudama Technologies Pvt. Ltd. reflect total assets of Rs. 86,92,547/- as at 31<sup>st</sup> March, 2011 and total revenues of Rs. Nil for the period ended on that date. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the reports of the other auditors.
4. We report that the Consolidated Financial Statements have been prepared by the Company's Management in accordance with requirements of Accounting Standards (AS) 21 Consolidated Financial Statements issued by The Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on other financial information of the components, and to the best of our information and according to the explanations given to us, and the fact that depreciation on plant and machinery (old windmill) has been provided at the rates as per technical report and not as per schedule XIV to the Companies Act, 1956, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the Accounting Principles generally accepted in India.
  - a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 30<sup>th</sup> June, 2011
  - b) In the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
  - c) In the case of the Consolidated Cash Flow Statements, of the cash flows for the year ended on that date.

For K.K. Jain & Co.  
Chartered Accountants

Date: 30.08.2011  
Place: New Delhi

(SIMMI JAIN)  
PARTNER  
M. NO. 86496  
F.R. NO. 002465

# MORGAN VENTURES LIMITED

## CONSOLIDATED BALANCE SHEET AS AT 30.06.2011

	Schedule	As at 30,06,11 ( Rs.)	As at 30,06,10 ( Rs.)
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	A	98,985,000	98,985,000
Share Application money Pending Allotment		8,129,502	8,266,002
Reserves & Surplus	B	279,270,788	257,701,719
Secured Loan		53,372,227	61,090,019
Unsecured Loans	C	58,172,652	55,907,320
Minority Interest		220	220
Deferred Tax Liability		9,061,806	12,777,501
		<b>507,592,195</b>	<b>494,727,781</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets</u></b>			
Gross Block	D	280,312,654	280,174,748
Less : Accumulated Depreciation		97,042,985	85,964,647
Net Block		183,269,669	194,210,101
Capital Working Progress		7,004,504	4,472,561
		<b>190,274,173</b>	<b>198,682,662</b>
<b>Investments</b>	E	68,252,582	54,502,582
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Stock in Trade		171,883,236	178,151,386
Cash & Bank Balances	F	52,180,339	60,313,133
Sundry Debtors	G	22,190,059	10,439,142
Loans & Advances	H	97,593,661	85,029,397
		343,847,295	334,236,057
Less Current Liabilities & Provisions	I	94,818,138	92,733,970
Net Current Assets		249,029,157	241,502,087
<b><u>Miscellaneous Expenditures</u></b>			
Preliminary Expenses		36,283	40,450
		<b>507,592,195</b>	<b>494,727,781</b>

**NOTES TO THE ACCOUNTS**

L

Schedule A to I and L referred to above form and integral part of the Consolidated Balance Sheet

As per our report of even date attached

For and on behalf of the Board of Directors

For K.K.Jain & Co.

Chartered Accountants

(SIMMI JAIN)

PARTNER

M.NO. 86496

F.R. NO. 002465

(SHAHZEB KHAN)

COMPANY SECRETARY

(S.C.GOYAL)

DIRECTOR

(MEERA GOYAL)

MANAGING DIRECTOR

Date : 30,08,2011

Place : New Delhi

## MORGAN VENTURES LIMITED

### CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2011

	Schedule	For the Year ended 30.06.2011	For the Year ended 30.06.2010
<b><u>INCOME</u></b>			
Sale of Electricity		46,798,316	40,481,106
Sale of Plant		6,571,150	80,948,665
Other Income		345,438	1,363,355
Increase/(Decrease) in Stock		(6,571,150)	(80,948,665)
		<b>47,143,754</b>	<b>41,844,461</b>
 <b><u>EXPENDITURE</u></b>			
Establishment Expenses		2,938,255	2,652,757
Administrative & Other Expenses	J	5,299,361	6,820,010
Financial Charges	K	6,836,123	7,726,834
Depreciation		11,068,756	11,246,555
		<b>26,142,495</b>	<b>28,446,156</b>
<b>Profit Before Tax</b>		<b>21,001,259</b>	<b>13,398,305</b>
Provision for Taxation			
-Income Tax		(4,185,551)	(2,277,042)
-Deferred Tax		3,715,695	3,739,661
<b>Profit after Tax</b>		<b>20,531,403</b>	<b>14,860,924</b>
Adjustment relating to earlier years		1,037,665	(71,460)
<b>Net Profit</b>		<b>21,569,068</b>	<b>14,789,464</b>
Balance brought forward		257,701,719	242,912,255
Balance Available for Appropriation		<b>279,270,786</b>	<b>257,701,719</b>
 <b><u>Appropriations</u></b>			
-Proposed Dividend		-	-
-Tax on Proposed Dividend		-	-
Balance Carried Forward		<b>279,270,786</b>	<b>257,701,719</b>
 Earning Per Share Basic and Diluted		<b>2.05</b>	<b>1.49</b>

#### NOTES TO THE ACCOUNTS

L

Schedule J and K referred to above form and integral part of the Consolidated Profit & Loss Account,

As per our report of even date attached

For and on behalf of the Board of Directors

For K.K.Jain & Co.

Chartered Accountants

(SMM) JAIN)

(SHAHZEB KHAN)  
COMPANY SECRETARY

(S.C.GOYAL)  
DIRECTOR

(MEERA GOYAL)  
MANAGING DIRECTOR

PARTNER

M.NO. 86496

F.R. NO.002465

Date : 30.08.2011

Place : New Delhi

# MORGAN VENTURES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE,2011

<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>JUNE 30,2011 (Rs.)</b>	<b>JUNE 30,2010 (Rs.)</b>
Net Profit before Tax and Extraordinary items	21,001,259	13,398,305
Adjustments for :		
Depreciation	11,068,756	11,246,555
Operating Profit before Working Capital Changes	<b>32,070,015</b>	<b>24,644,860</b>
Adjustments for :		
(Increase)/Decrease in Current Assets	(17,744,031)	38,746,890
Increase/(Decrease) in Current Liabilities	2,084,168	(12,727,856)
(Increase)/Decrease in Net Current Assets	(15,659,863)	26,019,034
Cash generated from operations	16,410,152	50,663,894
Provision/Adjustment	(3,147,886)	(2,348,502)
<b>Net cash from Operating Activities</b>	<b>13,262,266</b>	<b>48,315,392</b>
 <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Purchase)/Sale of Investments	(13,750,000)	-
(Purchase)/Sale of Fixed Assets	(2,653,100)	(57,497,536)
<b>Net Cash Inflow from Investing Activities</b>	<b>(16,403,100)</b>	<b>(57,497,536)</b>
 <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Application Money	160,500	518,165
Calls in Arrear money Received	-	-
Receipt/(Repayment) of unsecured loans	2,565,332	21,226,985
Receipt/(Repayment) of Secured loan	(7,717,792)	(10,637,981)
<b>Net Cash from Financing Activities</b>	<b>(4,991,960)</b>	<b>11,107,169</b>
Net increase/(decrease) in Cash and Cash equivalents	(8,132,794)	1,925,025
Cash and Cash equivalents at the beginning of the year	60,313,133	58,388,108
<b>Cash and Cash equivalents at the close of the year</b>	<b>52,180,339</b>	<b>60,313,133</b>

As per our report of even date attached  
**For K.K.Jain & Co.**  
Chartered Accountants

**(SHAMMI JAIN)**  
**PARTNER**  
M.No.86496  
Place : New Delhi  
Date : 30.08.2011

**(SHAHZEB KHAN)**  
**COMPANY SECRETARY**

**(S.C.GOYAL)**  
**DIRECTOR**

**(MEERA GOYAL)**  
**MANAGING DIRECTOR**

## MORGAN VENTURES LIMITED

	AS AT 30.06.11 (Rs.)	AS AT 30.06.10 (Rs.)
<b><u>SCHEDULE - A</u></b>		
<b><u>SHARE CAPITAL</u></b>		
<b>AUTHORISED</b>		
40000000 Equity Shares of Rs. 10/- each	401,200,000	401,200,000
	<b>401,200,000</b>	<b>401,200,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP SHARE CAPITAL</b>		
10000000 Equity Shares of Rs 10/- each	100,000,000	100,000,000
Less : Calls in arrear	1,015,000	1,015,000
	<b>98,985,000</b>	<b>98,985,000</b>
<b><u>SCHEDULE - B</u></b>		
<b><u>RESERVES &amp; SURPLUS</u></b>		
Surplus Balance in Profit & Loss A/c	279,270,788	257,701,719
	<b>279,270,788</b>	<b>257,701,719</b>
<b><u>SCHEDULE - C</u></b>		
<b><u>UNSECURED LOAN</u></b>		
Company	58,472,652	55,907,320
	<b>58,472,652</b>	<b>55,907,320</b>
<b><u>SCHEDULE - E</u></b>		
<b><u>INVESTMENTS</u></b>		
<b>I) AT COST - QUOTED</b>		
In Shares	24,714,162	24,714,162
Mutual Fund	88,420	88,420
<b>Total (I)</b>	<b>24,802,582</b>	<b>24,802,582</b>
<b>II) AT COST - UNQUOTED</b>		
	43,450,000	29,700,000
<b>TOTAL (I+II)</b>	<b>68,252,582</b>	<b>54,502,582</b>
<b><u>SCHEDULE - F</u></b>		
<b><u>CASH &amp; BANK BALANCES</u></b>		
Cash and Bank Balances	52,180,339	60,313,133
	<b>52,180,339</b>	<b>60,313,133</b>
<b><u>SCHEDULE - G</u></b>		
<b><u>SUNDRY DEBTORS</u></b>		
(Unsecured considered good by the management)		
Outstanding for a period exceeding six months	-	-
Others	22,190,059	10,439,142
	<b>22,190,059</b>	<b>10,439,142</b>
<b><u>SCHEDULE - H</u></b>		
<b><u>LOANS &amp; ADVANCES</u></b>		
(Unsecured considered good by the management)		
Advances recoverable in cash or kind for value to be received	96,689,680	84,154,232
Income Tax Recoverable	806,628	806,628
Prepaid Expenses	97,353	68,537
	<b>97,593,661</b>	<b>85,029,397</b>

# MORGAN VENTURES LIMITED

**SCHEDULE - D  
FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.07.10	Additions	Deductions	As at 30.06.11	As at 01.07.10	For The Year	Adjustment	As at 30.06.11	As at 30.06.10
Land	2,694,575	-	-	2,694,575	-	-	-	2,694,575	2,694,575
Land (SIFL)	55,756,420	137,906	-	55,894,326	-	-	-	55,894,326	55,756,420
Building Windmill	76,320	-	-	76,320	13,895	2,519	-	59,876	62,125
Plant & Machinery	218,086,925	-	-	218,086,925	84,346,361	10,767,990	-	95,14,351	133,740,564
Vehicles	2,513,717	-	-	2,513,717	1,506,492	238,803	-	1,745,295	1,007,225
Capacitor Pannal	163,392	-	-	163,392	15,820	7,761	-	23,581	147,572
Furniture & Fixtures (MVL)	816,000	-	-	816,000	38,633	51,653	-	90,286	-
Computer	67,399	-	-	67,399	43,145	9,582	-	1,372	23,957
Furniture & Fixtures	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>280,174,748</b>	<b>137,906</b>	<b>-</b>	<b>280,312,654</b>	<b>85,964,647</b>	<b>11,078,338</b>	<b>-</b>	<b>97,042,985</b>	<b>183,269,669</b>
<b>PREVIOUS YEAR</b>	<b>228,625,498</b>	<b>56,572,420</b>	<b>28,170</b>	<b>280,174,748</b>	<b>74,704,429</b>	<b>11,264,098</b>	<b>-</b>	<b>85,964,647</b>	<b>148,921,069</b>

## MORGAN VENTURES LIMITED

### **SCHEDULE - I**

#### **CURRENT LIABILITIES & PROVISIONS**

##### **A. CURRENT LIABILITIES**

Creditors	131,620	16,925
TDS Payable	29,569	26,718
Other Liabilities	90,471,398	90,413,255
<b>TOTAL A</b>	<b>90,632,587</b>	<b>90,456,928</b>

##### **B. PROVISIONS**

Income Tax	4,185,551	2,277,042
Fringe Benefit Tax	-	-
<b>TOTAL B</b>	<b>4,185,551</b>	<b>2,277,042</b>
<b>TOTAL (A + B)</b>	<b>94,818,138</b>	<b>92,733,970</b>

### **SCHEDULE - J**

#### **ADMINISTRATIVE AND OTHER EXPENSES**

Repairs & Maintenance Plant & Machinery	1,512,685	1,547,763
Repairs & Maintenance (Other)	158,688	174,136
Electricity Exps.	40,212	56,859
Office Maintenance	115,760	104,107
Insurance	62,767	171,669
Professional Exps	1,724,533	3,090,505
Advertisement & Business Promotion	46,137	56,031
Rates & Taxes	47,184	46,297
Traveling & Conveyance	144,000	102,846
Postage & Telegram	3,713	11,348
Communication Exps.	53,513	18,162
Printing & Stationary	30,120	14,306
Director Sitting Fee	39,000	65,000
Audit Fees	17,648	13,236
Security Charges	734,071	1,041,837
Preliminary Exps. Written off	4,167	
Miscellaneous Expences	565,164	305,908
	<b>5,299,362</b>	<b>6,820,010</b>

### **SCHEDULE - K**

#### **FINANCIAL CHARGES**

Interest	6,829,349	7,678,961
Bank Charges	6,774	47,873
	<b>6,836,123</b>	<b>7,726,834</b>



# MORGAN VENTURES LIMITED

## **SCHEDULE – L** **NOTES TO THE ACCOUNTS**

### **STATEMENT OF ACCOUNTING POLICY**

#### **A. GENERAL:**

The accounts have been prepared under the historical cost convention as a going concern basis and are in accordance with applicable accounting standards. Revenue is recognized and expenses are accounted for on accrual basis.

#### **B. PRINCIPLES OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements which relate to Morgan Ventures Ltd, its various subsidiary companies have been prepared on the following basis:

a. The financial statements of the company and its subsidiaries are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income & expenditure, after fully eliminating intra group balances, intra group transactions and any unrealized profit / loss incurred therein.

b. The consolidated financial statements have been prepared using uniform accounting policies, except stated otherwise, for like transactions and are presented, to the extent possible, in the same manner as the company's separate financial statements.

c. The subsidiary companies considered in the financial statements are as follows:

Name	Country of Incorporation	% of voting power as on 30-06-2011
Sudama Technologies (P) Ltd	India	99.90
Sallej Real Estate Pvt, Ltd	India	99.90
Sallej Infotech (P) Ltd	India	99.98

(Subsidiary of Sallej Real Estate Pvt, Ltd.)

d. Subsidiary companies are following the financial year which does not coincide with the financial year of the holding company whose accounting year ends on 30<sup>th</sup> June. Hence latest available audited financial statements of the subsidiary companies as on 31-03-2011 have been considered for consolidation purpose.

e. Subsidiary companies have not yet started business operations; hence there is no Profit & Loss a/c available for consolidation purpose, except Sallej Infotech Pvt. Ltd, a subsidiary of Sallej Real Estate Pvt, Ltd, who has rented out some portion for limited period and earned income from rent on immoveable property and the same has been considered for preparing consolidated Profit & Loss a/c of the company.

#### **C. RECOGNITION OF INCOME**

Revenue is recognized on accrual basis. Revenue on Sale of Electricity is recognized as per the Billing Cycle recommended by the TNEB for the particular Wind Farm.

#### **D. TAXES ON INCOME**

a) Provision for Income tax is made in accordance with the Income tax Act-1961.

b) Deferred Tax resulting from timing differences between the book and the tax profit is accounted for, at the current rate of tax, to the extent that the timing differences are expected to crystallize. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax liabilities are reviewed as at each balance sheet date.

#### **E. IMPAIRMENT OF ASSETS**

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. In the opinion of the management no provision for the impairment of the Fixed Assets of the company is required to be made during the year as per AS-28 issued by the ICAI on "Impairment of assets".

## MORGAN VENTURES LIMITED

### F. EMPLOYEE BENEFITS

Employees Benefits are provided in accordance with relevant applicable Statute.

### G. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

There are no dues to Micro, Small and Medium Enterprises.

### H. BORROWING COSTS

Borrowing Cost that is attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that takes necessary substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

### L. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company is in litigation relating to termination of Agreement to Sell with Goldendreams Buildcon Private Limited for sale of a plot at Aurangabad, part of 5 units of Jhalani Tools India Ltd acquired through Court Auction. The claim under dispute is for Specific Performance of agreement to sell and interest accrued. Goldendreams Buildcon Private Limited has also claimed compensation for alleged loss and damages suffered by them which has not been quantified by them. The Directors are of the opinion that the Company can protect its interest successfully. Contingent Assets are neither recognized nor disclosed in the Financial Statement.

### J. SECURED LOANS

Punjab National Bank (Large Corporate Branch) Delhi has first charge on all moveable and immovable assets related to 25 Wind Mills known as Kanyakumari Wind Farm, Erode Wind Farm, Chennai Wind Farm and Coimbatore Wind Farm situated at Tamilnadu and first charge on all receivables/payment to be received from Tamil Nadu Electricity Board (TNEB) related to these Wind Mills as security for its outstanding Term Loan of Rs 533 Lacs (Previous Year Rs 610 Lacs).

### K. OTHERS

1. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.

2. Share Allotment Money receivable from shareholders is subject to reconciliation with the share transfer agent.

### 3. Earning Per Share (EPS):

(a)	Calculation of Weighted Average Number of Equity Shares of Rs.10/- each	Current Year	Previous Year
	- Number of equity share at the beginning of the year	10000000	10000000
	- Share issued during the year	NIL	NIL
	-Total Number of equity shares outstanding at the end of the year	10000000	10000000
	- Weighted average number of equity shares	10000000	10000000
(b)	Net Profit after tax	20531403	14860924
(c)	Basic and diluted Earning (in Rupees) per share	2.05	1.49

### 4. Deferred Tax Liability

	Deferred Tax Asset/(Liability) as at 30.06.2010	Current Year (Charge)/Credit	Deferred Tax Asset/(Liability) as at 30.06.2011
Difference between Book & Tax Depreciation	(1,27,77,501)	37,15,695	(90,61,806)
<b>Total</b>	<b>(1,27,77,501)</b>	<b>37,15,695</b>	<b>(90,61,806)</b>

In accordance with Accounting Standard 22, 'Accounting for Taxes on Income' issued by the Institute of Chartered Accountants of India, the company has provided for deferred tax during the year.

### 5. Related Parties Disclosures are as under: -

1. Names of related party and nature of related party relationship

## MORGAN VENTURES LIMITED

i) **Subsidiary:** Satej Real Estate Pvt. Ltd., Satej Infotech Private Limited and Sudama Technologies Private Limited

ii) **Key Management Personnel & their relatives (also exercising significant influence over the Company)**

Mrs. Meera Goyal, Managing Director (relative Mr. S. C. Goyal, Director of the Company)

Enterprise in which the persons referred in (ii) above along with their relative's exercises significant influence:

Goyal MG Gases Private Limited, Dhamwari Power Company Private Limited, Hibra Power Private Limited, Peacock Chemicals Private Limited, Morgan Infrastructures Developers Private Limited and Morgan Signature Towers Private Limited.

2. Transactions carried out with related parties referred in 1 above in ordinary course of business:

Nature of transaction	Current Year Amount (Rs.)	Previous Year Amount (Rs.)
Remuneration Outstanding	13,20,000	13,20,000
Remuneration payable	1,20,000	1,20,000

6. Additional information pursuant to the provisions of Part II of Schedule VI to the Companies Act, 1956 (to the extent applicable):

### CAPACITY (As per Management)

Class of Goods	Licensed Capacity	Installed Capacity
Power Generation	Not required	5.63 MW

### PRODUCTION, PURCHASE, TURNOVER & STOCK

Year	Opening Stock	Production Quantity	Sale		Closing Stock
			Qty.	Value	
2010-2011	NIL	8967140	8967140	46798316	NIL
2009-2010	NIL	9422073	9422073	40481106	NIL
2008-2009	NIL	8537481	8537481	40384065	NIL
2007-2008	NIL	9606920	9606920	59496099	NIL
2006-2007	NIL	9329940	9329940	39093497	NIL

Transaction loss has not been considered in sales.

7. Particulars in respect of Opening Stock, Purchase, Sales and Closing Stock for Stock in Trade.

	Quantity		Value	
	Current Year	Previous Year	Current Year	Previous Year
<b>Opening Stock</b>				
Equity Shares	-	-	-	-
Plant	-	-	17,84,54,386	25,94,03,041
<b>Purchases</b>				
Equity Shares	-	-	-	-
Plant	-	-	-	-
<b>Sales</b>				
Equity Shares	-	-	-	-
Plant	-	-	65,71,150	8,09,48,665
<b>Closing Stock</b>				
Equity Shares	-	-	-	-
Plant	-	-	17,18,83,236	17,84,54,386

8. Other information pursuant to para 3, 4c & 4d of part II of Schedule VI of the Companies Act, 1956, either NIL or not applicable.

## MORGAN VENTURES LIMITED

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9. Auditor's Remuneration

	<b>Current Year (Rs.)</b>	<b>Previous Year (Rs.)</b>
-- As Auditor	9,000	9,000
-- For Tax Audit	3,000	3,000
-- Service Tax	1,236	1,236
	<u>13,236</u>	<u>13,236</u>

As per our report of even date attached  
For **K.K. JAIN & CO.**  
Chartered Accountants

for and on behalf of the Board of Directors

**(SMM JAIN)**  
PARTNER  
M. No. 86496  
F.R.NO. 002465

**(SHAHZEB KHAN)**  
COMPANY SECRETARY

**(S.C. GOYAL)**  
DIRECTOR

**(MEERA GOYAL)**  
MANAGING DIRECTOR

Date: 30/08/2011  
Place: New Delhi

**MORGAN VENTURES LIMITED**

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**MORGAN VENTURES LIMITED**  
Regd. Office: 53, Friends Colony (East), New Delhi-110065.

DPID No.		L.F. No.	
Client ID No.		No. of shares held	

**ATTENDANCE SLIP**

I/we hereby record my/our presence at the 24<sup>th</sup> Annual General Meeting to be held on 30<sup>th</sup> December, 2011.

NAME OF THE SHAREHOLDER (IN BLOCK LETTERS)	
SIGNATURE OF THE SHAREHOLDER	
NAME OF THE PROXY (IN BLOCK LETTERS)	
SIGNATURE OF THE PROXY	

**Notes:**

1. You are requested to sign and hand over this slip at the entrance of the Meeting venue.
2. This attendance is valid only in case shares are held on date of the meeting.

----- TEAR HERE -----

**MORGAN VENTURES LIMITED**  
Regd. Office: 53, Friends Colony (East), New Delhi-110065.

DPID No.		L.F. No.	
Client ID No.		No. of shares held	

**FORM OF PROXY**

I/We .....of.....  
in the district of.....being a member/members of Morgan Ventures Limited  
hereby appoint.....of.....in the district of  
.....or failing .....of.....in the district of  
.....as my/our proxy to vote for me/us on my/our behalf at the Twenty Fourth General  
Meeting of the Company to be held 30<sup>th</sup> December, 2011 and at any adjournment thereof.  
Signed this.....day of .....2011.

**Affix 1  
Rupee  
Revenue  
Stamp**

**Notes:**

1. The Proxy Form signed across revenue stamp should reach the Company's Registered Office at least 48 hours before the scheduled time of the meeting.
2. The Company reserves the right to ask for identification of the Proxy.
3. A Proxy cannot speak at the meeting and / or vote on a show of hands.





**BOOK POST**

If undelivered Please Return to:

**MORGAN VENTURES LIMITED**

A-38, First Floor, Mohan Co-operative Industrial Estate,  
Main Mathura Road, New Delhi-110044