

MORGAN VENTURES LIMITED

25th ANNUAL REPORT
2011-2012

MORGAN VENTURES LIMITED

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MORGAN VENTURES LIMITED

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, 1st Floor, Mohan Co-operative Industrial Estate
Main Mathura Road, New Delhi-110044
Web-site: www.morganventures.net
e-mail id: 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, 1st Floor Okhla Industrial Area, Phase - I
New Delhi-110 020

MORGAN VENTURES LIMITED

NOTICE

NOTICE is hereby given that the **Twenty Fifth Annual General Meeting** of the members of **Morgan Ventures Limited** will be held on Thursday, the 27th day of December, 2012 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 30th June, 2012 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. P.K. Gupta, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. M.K. Doogar, 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: 14/11/2012

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 24th December, 2012, to Friday the 27th December, 2012 (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. 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.
7. **No gift/coupon will be distributed at Annual General Meeting.**

MORGAN VENTURES LIMITED

DIRECTORS' REPORT

To The Members of Morgan Ventures Limited

Your Directors are pleased to present the 25th Annual Report and audited accounts for the financial year ended June 30, 2012.

FINANCIAL RESULTS

(Rs. In Lakhs)

PARTICULARS	FOR THE YEAR ENDED 30.06.2012	PREVIOUS YEAR ENDED 30.06.2011
Gross Income	398.67	535.24
Profit before Depreciation & Tax	241.50	321.05
Less: Depreciation	108.89	110.68
Profit before Tax	132.61	210.37
Less: Income Tax	26.42	41.92
Add: Deferred Tax	35.80	37.15
Profit after tax	141.99	205.60

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 398.67 lakhs as against Rs. 535.24 lakhs in the last year and the net profit after tax for the period under review was Rs.141.99 lakhs as against Rs 205.60 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

Mr. P.K. Gupta and Mr. M.K. Doogar, 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.

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AUDITORS

The Statutory Auditors M/s K. K. Jain & Co., Chartered Accountants, New Delhi retires 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 29.08.2012 have been explained at note no. 2 (E) 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

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, Satej Real Estate Private Limited, Satej 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

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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.

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 are 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: 14/11/2012**

**S. C. Goyal
Chairman**

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

OPERATIONS

(a) Treasury Operations & Fund Based Activities

The Company in its treasury division is carrying 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 operation 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.398.18 lakhs as compared to Rs.467.98 lakhs in the previous year.

(c) Investment Activities

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

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

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mainstream financial sector, establishing themselves as worthy complements to the banking industry. The Company would try to look for more opportunities in NBFC activities.

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.

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:

Names of Directors	Designation	Category
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. Doogar	Director	Independent Non-Executive
Mr. R. K. Pandey	Director	Independent Non-Executive

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.

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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 30.12.2011	No. of Other Directorship (Including Private Limited Company)	No. of Other Companies Board Committee	
				Member	Chairman/Chairperson
Mr. S. C. Goyal	4	No.	21	1	1
Mrs. Meera Goyal	4	Yes	20	-	-
Mr. P. K. Gupta	4	Yes	18	-	-
Mr. M. K. Doogar	4	No.	12	3	3
Mr. R. K. Pandey	4	NA	18	4	2

During the financial year ended 30th June, 2012 Four Board Meetings were held on 30.08.2011,15.11.2011,14.02.2012,and 15.05.2012.

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 four 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.

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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 not received any complaint.

DISCLOSURES

1. Save and except what has been disclosed under item No E. of Note No. 21 to notes to the Financial Statement forming part of the Accounts of your Company for the year ended 30th June, 2012 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. No penalty and strictures were imposed by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital market non-compliance during the year.
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

III SUBSIDIARY COMPANIES

The Company has non-listed Indian subsidiary companies i.e. Satej Real Estate Private Limited, Sudama Technologies Private Limited and Satej Infotech Private Limited (Subsidiary of Satej 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.

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IV COMPLIANCE

A certificate dated 14.11.2012 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)

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

Financial Year	Date	Time	Venue
2008-09	24.12.2009	10.00 A.M.	53, Friends Colony (East), New Delhi – 110065
2009-10	28.12.2010	10.00 A.M.	53, Friends Colony (East) New Delhi-110065
2010-11	30.12.2011	10.00 A.M.	53, Friends Colony (East) New Delhi-110065

- a) No Special Resolution passed in the AGM held on 30.12.2011
- b) No Special Resolution passed in the AGMs held on 28.12.2010.
- c) One Special Resolution passed in the AGM held on 24.12.2009.
-To amend Article 96 and 97 of the Articles of Association of Company.
- 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 | : 27 th December, 2012
: 53, Friends Colony (East),
New Delhi-110 065 |
| iii) Financial Calendar | : 1 st July to 30 th June. |
| iv) Period under review | : 1 st July, 2011 to
30 th June, 2012 |
| v) Date of book closure | : 24 th December, 2012
to 27 th December, 2012 |
| 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)

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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, 2011	9.00	8.56	406
August, 2011	9.77	7.74	1273
September, 2011	10.23	7.20	68737
October, 2011	7.80	6.50	215
November, 2011	6.50	5.47	906
December, 2011	5.40	4.53	3544
January, 2012	5.08	4.35	4178
February, 2012	5.75	4.24	3958
March, 2012	9.60	6.00	5627
April, 2012	7.76	4.50	11216
May, 2012	4.72	4.08	8837
June, 2012	4.29	2.95	710

* Source: www.bseindia.com

x) **Distribution Schedule of Shareholding as on 30th June, 2012**
(On the Basis of Category)

Category	No. of Shares held	% age to total Shares
Promoters/Associates	7405300	74.05
Mutual Funds	200000	2.00
Bodies Corporate	668232	6.68
Non-Resident Indians	49780	0.50
Directors' Relatives	40927	0.41
Individuals	1635761	16.36
TOTAL	10000000	100.00

xi) Dematerialization of Shares and Share Transfer System:

Up to 30th June, 2012, 85.68 % 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, 1st 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 (P) Ltd.
D-153A, 1st Floor, Okhla Industrial Area, Phase-1,
New Delhi-110020

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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. M.K. Doogar	Sh. P.K. Gupta
Date of Birth	01 st July, 1951	14 th November, 1951
Date of Appointment	23 rd October, 1986	28 th July, 2000
Qualification	B.Com, FCA, A.I.I.A (USA)	Graduate in Science (B.Sc.)
Expertise in specific functional area	Mr. M.K. Doogar is an eminent Chartered Accountant and has vast experience in Corporate Finance & Tax Planning, Public Issue, Capital Market, Strategic Planning, & Management, Merger & Acquisition etc.	Mr. P.K. Gupta has rich experience of 33 years in varied area of functional management, legal, finance & taxation etc.
List of Companies in which Directorships held	<ol style="list-style-type: none"> 1. Image Insurance Brokers Pvt. Ltd. 2. Morgan Ventures Ltd. 3. D and A Financial Services Pvt. Ltd. 4. Doogar and Associates Securities Ltd. 5. Bhilwara Processors Ltd. 6. PHD Chamber of Commerce & Industry 7. Indo Alusys Industries Ltd. 8. Kamdhenu Ispat Ltd. 9. Radico Khaitan Ltd. 10. Sri Natraj Ceramic and Chemical Industries Ltd. 11. BSL Ltd. 12. Frick India Limited 	<ol style="list-style-type: none"> 1. Poysha Communications Systems Pvt. Ltd. 2. Poysha Air Product Pvt. Ltd. 3. Poysha Leasing Pvt. Ltd. 4. Morgan Ventures Ltd. 5. Morgan Signature Towers Pvt. Ltd. 6. Poysha Power Transmission Pvt. Ltd. 7. Hibra Power Pvt. Ltd. 8. Prithvi Realbuild Pvt. Ltd. 9. M.H. Buildcon Pvt. Ltd. 10. Espark Builders Pvt. Ltd. 11. Idyllic Solutions Pvt. Ltd. 12. Riya Buildtech Pvt. Ltd. 13. Adept Realcon Pvt. Ltd. 14. Moon Light Softech Pvt. Ltd. 15. Experience Projects Pvt. Ltd. 16. Experience Infraprojects Pvt. Ltd. 17. Aashish Constructions Pvt. Ltd. 18. Dikhsa Windsor Computers Pvt. Ltd.
Chairman/Member of the Committees of the Board of Directors of the Company	<ol style="list-style-type: none"> 1. Audit Committee Member 2. Share Transfer/ Investors Grievance Committee-Chairman 3. Stock Trading & Investment Committee-Chairman 	
Chairman/Member of the Committees of Directors of other Companies		
a) Audit Committee	<ol style="list-style-type: none"> 1. Radico Khaitan Ltd.-Chairman 2. Indo Alusys Industries Ltd.-Chairman 3. Kamdhenu Ispat Ltd.- Chairman 	Nil
b) Shareholders/ Investors Grievance Committee	Nil	Nil

MORGAN VENTURES LIMITED

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 30th June, 2012 pursuant to the requirement of the clause 49 of the listing agreement as amended.

For Morgan Ventures Ltd.

**Meera Goyal
Managing Director**

**Place: New Delhi
Date: 14/11/2012**

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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, 2012 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
FRN-002465N**

**C.A. Simmi Jain
Partner
M. No. 86946**

**Place: New Delhi
Date: 14/11/2012**

MORGAN VENTURES LIMITED

AUDITORS' REPORT

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
FRN-002465N**

**C.A. Simmi Jain
Partner
M. No. 86946**

**Place: New Delhi
Date: 14/11/2012**

MORGAN VENTURES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF MORGAN VENTURES LIMITED

We have audited the attached Balance Sheet of **MORGAN VENTURES LIMITED, NEW DELHI** as at 30th June 2012 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 30th June, 2012, 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. (2)(e) 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 30th June, 2012.
 - (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
FRN No.002465N

C.A. Simmi Jain
Partner
M. No. 86496

Place: New Delhi
Date: 29.08.2012

MORGAN VENTURES LIMITED

AUDITORS' REPORT TO THE MEMBERS OF MORGAN VENTURES LIMITED

We have audited the attached Balance Sheet of **MORGAN VENTURES LIMITED, NEW DELHI** as at 30th June 2012 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 30th June, 2012, 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. (2)(e) 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 30th June, 2012.
 - (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
FRN No.002465N

C.A. Simmi Jain
Partner
M. No. 86496

Place: New Delhi
Date: 29.08.2012

MORGAN VENTURES LIMITED

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 30th June 2012.

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 any loan, secured or unsecured, from companies, firms or other parties listed in the register maintained u/s 301 of the Companies Act, 1956.
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.

MORGAN VENTURES LIMITED

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.
 - (iii) According to the record of the company and information and explanation given to us, there were no disputed dues as on 30th June, 2012 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 30th June, 2012 nor has it 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

MORGAN VENTURES LIMITED

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
FRN 002465N**

**C.A. Simmi Jain
Partner
M. No. 86496**

**Place: New Delhi
Date: 29.08.2012**

MORGAN VENTURES LIMITED

Balance Sheet as at 30th June, 2012

(Amount in Rupees)

Particulars	Note No.	June 30,2012	June 30,2011
Equity and liabilities			
Shareholders' funds			
Share capital	3	99,488,500	98,985,000
Reserves and surplus	4	<u>297,690,237</u>	<u>279,298,922</u>
		397,178,737	378,283,922
Non-current liabilities			
Long-term borrowings	5	25,961,169	39,920,227
Deferred tax liabilities (net)	6	5,481,457	9,061,806
Other long-term liabilities	7	<u>90,000,000</u>	<u>90,000,000</u>
		121,442,626	138,982,033
Current liabilities			
Other current liabilities	8	13,848,112	13,757,782
Short-term provisions	9	<u>2,642,999</u>	<u>4,192,554</u>
		16,491,111	17,950,336
Total Equity & Liabilities		<u><u>535,112,474</u></u>	<u><u>535,216,291</u></u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	<u>116,419,171</u>	<u>127,360,972</u>
		116,419,171	127,360,972
Non-current investments	11	75,327,382	68,452,382
Long-term loans and advances	12	<u>143,058,345</u>	<u>93,139,209</u>
		218,385,727	161,591,591
Current assets			
Inventories		171,883,236	171,883,236
Trade receivables	13	25,516,797	22,190,059
Cash and cash equivalents	14	2,411,519	51,600,446
Short-term loans and advances	15	496,024	589,987
		<u>200,307,576</u>	<u>246,263,728</u>
Total Assets		<u><u>535,112,474</u></u>	<u><u>535,216,291</u></u>

Significant accounting policies

2

The notes referred to above form an integral part of these financial statements.

As per our report of even date

For K.K. Jain & Co.

Chartered Accountants

FRN : 02465N

For and on behalf of the Board of Directors

(Simmi Jain)

Partner

Membership No:- 88946

(Shahzeb Khan)

Company Secretary

(S.C. Goyal)

Director

(Meera Goyal)

Managing Director

Date : 29.08.2012

Place : New Delhi

MORGAN VENTURES LIMITED

Statement of Profit & Loss for the Year ended 30th June, 2012

(Amount in Rupees)

Particulars	Note No.	June 30,2012	June 30,2011
Revenue from operations			
Sales	16	39,818,817	46,798,316
Other income	17	48,147	155,438
Total revenue		<u><u>39,866,964</u></u>	<u><u>46,953,754</u></u>
Expenses			
Employee benefits expense	18	3,221,710	2,936,465
Finance costs	19	6,585,524	6,834,913
Depreciation and amortisation expense		10,889,444	11,068,756
Other expenses	20	5,908,874	5,077,224
Total expenses		<u><u>26,605,552</u></u>	<u><u>25,917,358</u></u>
Profit / (Loss) before tax		13,261,412	21,036,396
Tax expense:			
Current tax expense for current year		(2,642,999)	(4,192,554)
Deferred tax		3,580,349	3,715,695
		<u>937,349</u>	<u>(476,858)</u>
Profit /(loss) for the period		14,198,761	20,559,538
Adjustment relating to earlier years		4,192,554	1,037,665
Net Profit		<u><u>18,391,315</u></u>	<u><u>21,597,203</u></u>
Earning Per Share Basic and Diluted		1.42	2.06

Significant accounting policies

2

The notes referred to above form an integral part of these financial statements

As per our report of even date

For and on behalf of the Board of Directors

For K.K. Jain & Co.

Chartered Accountants

FRN : 02465N

(Simmi Jain)

Partner

Membership No:- 88946

(Shahzeb Khan)

Company Secretary

(S.C. Goyal)

Director

(Meera Goyal)

Managing Director

Date : 29.08.2012

Place : New Delhi

MORGAN VENTURES LIMITED

Notes to Financial Statements for the year ended 30th June, 2012

1. Corporate Information

Morgan Ventures Limited is a Public Limited company incorporated under the provisions of Companies Act, 1956. The Company is a Non – Banking Financial Company registered with Reserve Bank of India. Equity Shares of the Company is listed at Bombay Stock Exchange. The Company is also engaged in power generation from windmills.

2. 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. CHANGE IN PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENT

During the year ended 30th June 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

C. 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.

D. FIXED ASSETS

Fixed Assets are valued at cost less accumulated depreciation.

E. 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.

F. INVESTMENTS

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

MORGAN VENTURES LIMITED

G. PURCHASE OF PLANT

The Company had purchased five units of Jhalani Tools India Ltd. (in Liquidation) during Accounting year ended 30th June 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 30th June 2012, there is only one unit appearing as a part of Stock in trade in financial statements.

H. STOCK-IN-TRADE

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

I. 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.

J. 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.

K. 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".

L. EMPLOYEE BENEFITS

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

M. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

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

N. 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

O. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

MORGAN VENTURES LIMITED

MORGAN VENTURES LTD.
Notes to the financial statements

Particulars	June 30, 2012	(Amount in Rupees) June 30, 2011
3 Share capital		
Authorised		
40000000 Equity shares of Rs.10 each	400,000,000	400,000,000
	<u>400,000,000</u>	<u>400,000,000</u>
Issued and Subscribed		
10000000 Equity shares of Rs.10/- each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Paid up Capital	100,000,000	100,000,000
10000000 Equity shares of Rs.10/- each		
Less : Call in arrear	(511,500)	(1,015,000)
	<u>99,488,500</u>	<u>98,985,000</u>

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Description	As on 30.06.2012		As on 30.06.2011	
	No of shares	Amount, Rs	No of shares	Amount, Rs
No. of Shares fully paidup	9,897,700	98,977,000	9,797,000	97,970,000
No. of Shares partly paidup	102,300	511,500	203,000	1,015,000
Total	10,000,000	99,488,500	10,000,000	98,985,000

(b) The Equity shares of the company have rights and restrictions as prescribed under companies Act ' 1956.

(c) Details of shareholder holding more than 5% shares :

Name of shareholder	No of shares	% ge	No of shares	% ge
Equity shares with voting rights				
Poysha Oxygen Pvt. Ltd.	2,036,600	20.37%	2,036,600	20.37%
Gas supply Co. Pvt. Ltd.	1,490,000	14.90%	1,490,000	14.90%
Goyal Udyog (India) Pvt. Ltd.	1,475,000	14.75%	1,475,000	14.75%
Poysha Fincorp Pvt. Ltd.	1,000,000	10.00%	1,000,000	10.00%
Yield Securities & Credits Pvt. Ltd.	960,000	9.60%	960,000	9.60%

4 Reserves and surplus

Surplus in Statement of Profit & Loss ;		
Balance as at the beginning of the year	279,298,922	257,701,719
Add: Profit / (Loss) for the year	18,391,315	21,597,203
Balance as at the end of the year	<u>297,690,237</u>	<u>279,298,922</u>

5 Long Term Borrowings

Secured

Term loans (P.N.B.)	39,413,169	53,372,227
Less : Current Maturities of Long Term Debts (See Note 8)	13,452,000	13,452,000
	<u>25,961,169</u>	<u>39,920,227</u>

Note :

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). Term Loans is repayable in 48 monthly installment spreadover 8 years. The payment of installment started from 30th April '2007 and last installment is payable in 30th September 2015, rate of Interest was 14.50% p.a.

MORGAN VENTURES LIMITED

MORGAN VENTURES LTD.
Notes to the financial statements

Particulars	June 30, 2012	(Amount in Rupees) June 30, 2011
6 Deferred tax assets (Liab)		
- At the benning	9,061,806	12,777,501
- Addition during the year	3,580,349	3,715,695
	<u>5,481,457</u>	<u>9,061,806</u>
7 Other long-term liabilities		
- Advance Received from Customer	90,000,000	90,000,000
	<u>90,000,000</u>	<u>90,000,000</u>
8 Other Current Liabilities		
- Current Maturities of Long Term Debts	13,452,000	13,452,000
- Expenses Payable	364,919	276,213
- TDS Payable	31,193	29,569
	<u>13,848,112</u>	<u>13,757,782</u>
9 Short Term Provision		
Provision for Tax	2,642,999	4,192,554
	<u>2,642,999</u>	<u>4,192,554</u>

MORGAN VENTURES LIMITED

Note 10 : Fixed Asset

Particulars	Leasehold Land	Building W.M.	Plant & Mach.	Furniture & Fixture	Capacitor Pannel	Vehicles	Total	Previous Year
GROSS BLOCK								
Opening Balance as on 1st July, 2011	2,694,575	76,320	218,086,925	816,000	163,392	2,513,717	224,350,929	224,350,929
Addition During the Year	-	-	-	-	-	-	739,315	-
Sold During the Year	-	-	-	-	-	1,774,402	739,315	-
Balance as on 30th June, 2012	2,694,575	76,320	218,086,925	816,000	163,392	1,774,402	223,611,614	224,350,929
DEPRICIATION								
Opening Balance as on 1st July, 2011	-	16,444	95,114,351	90,286	23,581	1,745,295	96,989,957	85,921,202
Addition During the Year	-	2,549	10,624,898	51,653	7,761	202,583	10,889,444	11,068,756
Deduction During the Year	-	-	-	-	-	686,959	686,959	-
Balance as on 30th June, 2012	-	18,993	105,739,249	141,939	31,342	1,260,919	107,192,443	96,989,958
NET BLOCK								
Balance as at 30th June, 2012	2,694,575	57,327	112,347,676	674,061	132,050	513,483	116,419,171	127,360,971
Balance as at 30th June, 2011	2,694,575	59,876	122,972,574	725,714	139,811	768,422	127,360,972	138,429,727

MORGAN VENTURES LIMITED

MORGAN VENTURES LTD.

Notes to the financial statements

(Amount in Rupees)
June 30, 2011

Particulars	June 30, 2012		June 30, 2011		
11 Non-current investments					
- Carried at cost					
Investment in Equity					
At Cost -Quoted	Face Value	Nos. of Shares	Amount	Nos. of Shares	Amount
Blue Coast Hotels & Resort Ltd.	10.00	287,561	24,685,045	287,561	24,685,045
Bhagwati Gases Ltd.	10.00	3,300	11,649	3,300	11,649
Fresenius kabi on cology Ltd.	1.00	100	6,406	100	6,406
U-Flex Ltd.	10.00	67	3,357	67	3,357
Lumax Automative Systems	10.00	100	7,705	100	7,705
			24,714,162		24,714,162
Investment in Mutual Fund					
PNB Principal Dividend Yield Fund	10.00	6,128	88,420	6,128	88,420
Aggregate Value of Quoted Investment			24,802,582		24,802,582
Aggregate Mkt Value of Quoted Investment (Rs. 4,41,32,851)					
At Cost -Unquoted					
a) Investment in Associates					
- Morgan Securities & Credits Pvt Ltd.	10.00	270,000	2,700,000	270,000	2,700,000
- Peacock Chemicals Pvt. Ltd.	10.00	158,750	47,625,000	135,834	40,750,000
b) Investment in Subsidiary companies					
- Satej Real Estate Pvt. Ltd.	10.00	9,990	99,900	9,990	99,900
- Sudama Technologies Pvt. Ltd.	10.00	9,990	99,900	9,990	99,900
Aggregate Value of Unquoted Investment			50,524,800		43,649,800
			75,327,382		68,452,382
12 Long Term Loans & Advances					
- Security deposits			35,825		35,825
- Income Tax Recoverable			806,628		806,628
Unsecured, Considered good					
- Capital advances to related parties			70,678,369		34,320,627
- Others			71,537,523		57,976,129
			143,058,345		93,139,209
13 Trade Receivables					
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			20,547,014		12,824,468
Unsecured, considered good			4,969,783		9,365,591
			25,516,797		22,190,059
14 Cash and cash equivalents					
(a) Balances with banks in current accounts					
HDFC Bank Ltd.			27,513		262,411
ICICI Bank Ltd.			1,556,164		142,822
Punjab National Bank - Escrow A/c			8,399		24,465
(b) Cash In hand			819,443		51,170,748
			2,411,519		51,600,446
15 Short Term Loans & Advances					
Unsecured, considered good					
Others			449,674		492,634
Prepaid expenses					
- Prepaid Expenses			46,350		97,353
			46,350		97,353
			496,024		589,987

MORGAN VENTURES LIMITED

Notes to the financial statements

Particulars	June 30, 2012	(Amount in Rupees) June 30, 2011
16 Sales		
Sale of Electricity	39,818,817	46,798,316
Sale of Plant		6,571,150
Increase / (Decrease) in Stock		(6,571,150)
	<u>39,818,817</u>	<u>46,798,316</u>
17 Other Income		
Other non-operating income		
Profit on sales of Vehicle	47,644	-
Dividend Received	503	335
Insurance Claim	-	155,103
	<u>48,147</u>	<u>155,438</u>
18 Employees Benefit Expenses		
Salaries & Wages	3,221,710	2,936,465
	<u>3,221,710</u>	<u>2,936,465</u>
19 Finance Expenses		
Interest expense on:		
- Interest on Long Term borrowing to Bank	6,416,818	6,829,349
- Other Financial Charges	168,706	5,564
	<u>6,585,524</u>	<u>6,834,913</u>
20 Other Expenses		
Repairs & Maintenance Plant & Machinery	2,576,046	1,671,373
Electricity Exps.	49,690	40,212
Office Maintenance	44,000	48,000
Insurance	154,206	62,767
Professional Exps	1,898,312	1,724,533
Advertisement & Business Promotion	49,144	46,137
Rates & Taxes	7,950	46,860
Travelling & Conveyance	135,105	140,354
Postage & Telegram	96,917	3,713
Communication Exps.	41,945	51,113
Printing & Stationary	64,501	28,465
Director Sitting Fee	130,000	39,000
Audit Fees	13,236	13,236
Security Charges	398,757	601,571
Miscellaneous Expences	249,065	559,886
	<u>5,908,874</u>	<u>5,077,224</u>

21. OTHER INFORMATION

- A.** Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/ rearranged wherever necessary.
- B.** Share Allotment Money receivable from shareholders is subject to reconciliation with the share transfer agent.
- C. Disclosure as per Accounting Standard-17 on "Segment Reporting"**
- (i) Segments have been identified in line with the Accounting Standard-17 on Segment Reporting.
- (ii) 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.

MORGAN VENTURES LIMITED

	(Rs.in lacs)	(Rs.in lacs)
	For the year	For the year
	ended	ended
	30th June, 2012	30th June, 2011
Segment Revenue		
Trading on capital Equipments	0.00	65.71
Fund Based Activities	0.48	1.55
Investments	0.00	0.00
Windmill Operation	398.19	467.99
Total Segment Revenue	398.67	535.25
Less : Inter Segment Revenue	0.00	0.00
Net Sales/Income from Operations	398.67	535.25
Segment Results		
(Profit before Interest and Tax)		
Trading on capital Equipments	0.00	0.00
Fund Based Activities	-58.67	-55.57
Investments	0.00	0.00
Windmill Operation	256.07	335.37
Total Segment Results	197.40	279.80
Less : Interest Expense	64.17	68.29
Less : Unallocable Expenditure	0.62	1.15
Total Profit Before Tax	132.61	210.36
Capital Employed (Segment Assets less Segment Liabilities)		
Capital Equipments	823.81	1328.4
Fund Based Activities	591.47	-92.02
Investments	753.27	684.52
Windmill Operation	2252.18	2486.28
Total Capital Employed in Segments	4420.73	4407.18
Add : Unallocable Corporate Assets	0.00	0.00
Total Capital Employed in the Company	4420.73	4407.18

D. 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	14198761	20559538
(c)	Basic and diluted Earnings (in Rupees) per share	1.42	2.06

MORGAN VENTURES LIMITED

E. Related Parties Disclosures are as under: -

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

- i) Subsidiary: Satlej Real Estate Pvt. Ltd., Sudama Technologies Private Limited and Satlej Infotech Private Limited (Subsidiary of Satlej Real Estate Pvt. Ltd.)
- 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 alongwith 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.

II. 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.)
Transaction during the year		
Expense		
Remuneration (referred in 1(ii))	13,20,000	13,20,000
Capital Advance	36,357,742	34,320,627
Outstanding at the end of year		
Remuneration payable	1,20,000	1,20,000
Capital Advances	70,678,369	34,320,627

F. Contingent Liabilities:

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.

G. (i) Expenditure in Foreign Currency	-	-
(ii) Earnings in Foreign Exchange	-	-
(iii) C I F Value of Import	-	-

MORGAN VENTURES LIMITED

- H. 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	
2011-2012	NIL	7114903	7114903	39818817	NIL
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

Transmission loss has not been considered in sales.

- I. 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
Opening Stock				
Equity Shares	--	--	--	--
Plant (Stock-in -Trade)	--	--	17,18,83,236	1784,54,386
Purchases				
Equity Shares	--	--	--	--
Plant	--	--	--	--
Sales				
Equity Shares	--	--	--	--
Plant	--	--	--	65,71,150
Closing Stock				
Equity Shares	--	--	--	--
Plant	--	--	17,18,83,236	17,84,54,386

- J. 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
	13,236	13,236

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
FRN-002465N

(SHAHZEB KHAN)
COMPANY SECRETARY

(S.C. GOYAL)
DIRECTOR

(MEERA GOYAL)
MANAGING DIRECTOR

Date: 29/08/2012
Place: New Delhi

MORGAN VENTURES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

A. CASH FLOW FROM OPERATING ACTIVITIES

	JUNE 30,2012 (Rs.)	JUNE 30,2011 (Rs.)
Net Profit before Tax and Extraordinary items	13,261,412	21,036,396
Adjustments for :		
Depreciation	10,889,444	11,068,756
Operating Profit before Working Capital Changes	<u>24,150,856</u>	<u>32,105,152</u>
Adjustments for :		
(Increase)/Decrease in Current Assets	(53,151,905)	(17,660,783)
Increase/(Decrease) in Current Liabilities	<u>(1,459,225)</u>	<u>1,886,422</u>
(Increase)/Decrease in Net Current Assets	(54,611,130)	(15,774,361)
Cash generated from operations	(30,460,274)	16,330,791
Provision/Adjustment	1,549,555	(3,154,889)
Net cash from Operating Activities	<u>(28,910,719)</u>	<u>13,175,902</u>

B. CASH FLOW FROM INVESTING ACTIVITIES

(Purchase)/Sale of Investments	(6,875,000)	(13,750,000)
(Purchase)/Sale of Fixed Assets	52,356.00	-
Net Cash Inflow from Investing Activities	<u>(6,822,644)</u>	<u>(13,750,000)</u>

C. CASH FLOW FROM FINANCING ACTIVITIES

Calls in Arrear money Received	503,500	-
Receipt/(Repayment) of unsecured loans	-	-
Receipt/(Repayment) of Secured loan	(13,959,058)	(7,717,792)
Net Cash from Financing Activities	<u>(13,455,558)</u>	<u>(7,717,792)</u>
Net increase/(decrease) in Cash and Cash equivalents	(49,188,921)	(8,291,890)
Cash and Cash equivalents at the beginning of the year	51,600,446	59,892,336
Cash and Cash equivalents at the close of the year	2,411,525	51,600,446

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

(SIMMI JAIN)
PARTNER
M.No.86496
Place : New Delhi
Date : 29.08.2012

(SHAHZEB KHAN)
COMPANY SECRETARY

(S.C.GOYAL)
DIRECTOR

(MEERA GOYAL)
MANAGING DIRECTOR

MORGAN VENTURES LIMITED

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 30th June, 2012 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 Real Estate (P) Ltd. reflect total assets of Rs. 1 lac as at 31st March, 2012 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. 93,73,755/- as at 31st March, 2012 and total revenues of Rs. NIL for the period ended on that date. The financial statements of Satlej Infotech (P) Ltd. (subsidiary of Satlej Real Estate (P) Ltd.) reflect total assets of Rs.58,411,105/- as at 31st March, 2012 and total revenue of Rs.5,34,000/- 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 30th June, 2012
 - 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
FRN-002465N

Date: 29.08.2012
Place: New Delhi

(SIMMI JAIN)
PARTNER
M. NO. 86496

MORGAN VENTURES LIMITED

Consolidated Balance Sheet as at 30th June, 2012

(Amount in Rupees)

Particulars	Note No.	June 30,2012	June 30,2011
Equity and liabilities			
Shareholders' funds			
Share capital	2	99,488,500	98,985,000
Share Application Money Pending Allotment		8,429,502	8,429,502
Reserves and surplus	3	297,935,281	279,270,787
Minority Interest	4	(16,153)	220
		405,837,130	386,685,509
Non-current liabilities			
Long-term borrowings	5	85,536,130	98,282,234
Deferred tax liabilities (net)	6	3,580,349	9,061,806
Other long-term liabilities	7	90,128,620	90,128,620
		179,245,099	197,472,660
Current liabilities			
Trade payables			
Other current liabilities	8	14,172,435	13,903,567
Short-term provisions	9	2,643,000	4,185,551
		16,815,435	18,089,118
		601,897,664	602,247,287
Total Equity & Liabilities			
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	174,517,913	183,269,669
Capital work-in-progress		5,173,127	7,004,504
		179,691,040	190,274,173
Non-current investments	11	75,127,582	68,252,582
Long-term loans and advances	12	146,139,243	96,840,628
Other non-current assets		32,116	36,283
		221,298,941	165,129,493
Current assets			
Inventories		171,883,236	171,883,236
Trade receivables	13	25,516,797	22,190,059
Cash and cash equivalents	14	3,011,626	52,180,339
Short-term loans and advances	15	496,024	589,987
		200,907,683	246,843,621
		601,897,664	602,247,287
Total Assets			

Significant accounting policies

1

The notes referred to above form an integral part of these financial statements.

As per our report of even date

For K.K. Jain & Co.

Chartered Accountants

FRN : 02465N

For and on behalf of the Board of Directors

(Simmi Jain)

Partner

Membership No:- 88946

(Shahzeb Khan)

Company Secretary

(S.C. Goyal)

Director

(Meera Goyal)

Managing Director

Date : 29.08.2012

Place : New Delhi

MORGAN VENTURES LIMITED

Consolidated Statement of Profit & Loss for the Year ended 30th June, 2012

Particulars	Note No.	June 30,2012	June 30,2011
(Amount in Rupees)			
Revenue from operations			
Sales	16	39,818,817	46,798,316
Other income	17	582,147	345,438
Total revenue		40,400,964	47,143,754
Expenses			
Employee benefits expense	18	3,351,870	2,938,255
Finance costs	19	6,587,546	6,836,123
Depreciation and amortisation expense	20	10,893,611	11,072,923
Other expenses	21	7,943,820	5,295,195
Total expenses		28,776,847	26,142,496
Profit / (Loss) before tax		11,624,117	21,001,258
Tax expense:			
Current tax expense for current year		(2,316,687)	(4,185,551)
Deferred tax		3,580,349	3,715,695
		1,263,661	(469,855)
Profit /(loss) for the period		12,887,778	20,531,403
Adjustment relating to earlier years		4,192,554	1,037,665
Net Profit		17,080,332	21,569,068
Earning Per Share Basic and Diluted		1.29	2.05

Significant accounting policies

1

The notes referred to above form an integral part of these financial statements.

As per our report of even date

For K.K. Jain & Co.

Chartered Accountants

FRN : 02465N

For and on behalf of the Board of Directors

(Simmi Jain)

Partner

Membership No:- 88946

(Shahzeb Khan)

Company Secretary

(S.C. Goyal)

Director

(Meera Goyal)

Managing Director

Date : 29.08.2012

Place : New Delhi

MORGAN VENTURES LIMITED

Notes to Consolidated Financial Statements for the year ended 30.06.2012

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. CHANGE IN PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENT

During the year ended 30th June 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

D. 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. 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 30-06-2012
Sudama Technologies (P) Ltd	India	99.90
Satlej Real Estate Pvt. Ltd	India	99.90
Satlej Infotech (P) Ltd (Subsidiary of Satlej Real Estate Pvt. Ltd.)	India	99.98

- 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 30th June. Hence latest available audited financial statements of the subsidiary companies as on 31-03-2012 have been considered for consolidation purpose.

MORGAN VENTURES LIMITED

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

D. 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.

E. 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.

F. 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".

G. EMPLOYEE BENEFITS

Employees Benefits are provided in accordance with relevant applicable Statute.

H. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES

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

I. 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.

J. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

MORGAN VENTURES LIMITED

Consolidated Notes to the financial statements

(Amount in Rupees)

Particulars	June 30, 2012	June 30, 2011
2 Share Capital		
Authorised		
40000000 Equity shares of Rs.10 each	400,000,000	400,000,000
	<u>400,000,000</u>	<u>400,000,000</u>
Issued Subscribed and fully paid up		
10000000 Equity shares of `Rs.10 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Paid up Capital		
10000000 Equity shares of `Rs.10 each	100,000,000	100,000,000
Less : Call in arrear	(511,500)	(1,015,000)
	<u>99,488,500</u>	<u>98,985,000</u>

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Description	As on 30.06.2012		As on 30.06.2011	
	No of shares	Amount, Rs	No of shares	Amount, Rs
No. of Shares fully paidup	9,897,700	98,977,000	9,797,000	97,970,000
No. of Shares partly paidup	102,300	511,500	203,000	1,015,000
Total	10,000,000	99,488,500	10,000,000	98,985,000

(d) The Equity Shares of the companies have rights and restrictions as per prescribed under companies Act, 1956.

(c) Details of shareholder holding more than 5% shares :

Name of shareholder	No of shares	% ge	No of shares	% ge
Equity shares with voting rights				
Poysha Oxygen Pvt. Ltd.	2,036,600	20.37%	2,036,600	20.37%
Gas supply Co. Pvt. Ltd.	1,490,000	14.90%	1,490,000	14.90%
Goyal Udyog (India) Pvt. Ltd.	1,475,000	14.75%	1,475,000	14.75%
Poysha Fincorp Pvt. Ltd.	1,000,000	10.00%	1,000,000	10.00%
Yield Securities & Credits Pvt. Ltd.	960,000	9.60%	960,000	9.60%

3 Reserves and surplus

Surplus in Statement of Profit & Loss ;		
Balance as at the beginning of the year	279,263,781	257,701,719
Add: Profit / (Loss) for the year	17,080,332	21,569,068
Less : Minority Intererst	(16,373)	-
Balance as at the end of the year	<u>296,327,741</u>	<u>279,270,787</u>

MORGAN VENTURES LIMITED

Consolidated Notes to the financial statements

(Amount in Rupees)

Particulars	June 30, 2012	June 30, 2011
4 Minority Interest		
Share capital		
Sudama Technologies Pvt. Ltd.	100	100
Satlej Real Estate Pvt. Ltd.	20	20
Satlej Infotech Pvt. Ltd.	100	100
Profit & Loss Transferred	(16,373)	-
	<u>(16,153)</u>	<u>220</u>
5 Long Term Borrowings		
Secured		
Term loans (P.N.B.)	39,413,169	53,372,227
Less : Current Maturities of Long Term Debts	13,452,000	13,452,000
	<u>25,961,169</u>	<u>39,920,227</u>
Unsecured		
From Group of companies	59,574,961	58,362,007
	<u>59,574,961</u>	<u>58,362,007</u>
	<u>85,536,130</u>	<u>98,282,234</u>
Note :		
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). Term Loans is repayable is 48 monthly installment spreadover 8 years. The payment of installment started from 30th April '2007 and last installment is payable in 30th September 2015, rate of Interest was 14.50% p.a.		
6 Deferred tax assets (Liab)		
- At the benning	9,061,806	12,777,501
- Addition during the year	3,580,349	3,715,695
	<u>5,481,457</u>	<u>9,061,806</u>
7 Other long-term liabilities		
- Advance Received from Customer	90,000,000	90,000,000
- Advance (others)	128,620	128,620
	<u>90,128,620</u>	<u>90,128,620</u>
8 Other Current Liabilities		
- Current Maturities of Long Term Debts	13,452,000	13,452,000
- Expenses Payable	687,395	419,705
- TDS Payable	33,040	31,862
	<u>14,172,435</u>	<u>13,903,567</u>
9 Short Term Provision		
Provision for Tax	2,316,687	4,185,551
	<u>2,316,687</u>	<u>4,185,551</u>

MORGAN VENTURES LIMITED

Consolidated Notes to the financial statements

Sub Note:-1 Fixed Asset

Particulars	Leasehold Land	Free hold Land	Building W.M.	Plant & Mach.	Furniture & Fixture	Capacitor Pannel	computer	Vehicles	Total	Previous Year
GROSS BLOCK										
Opening Balance as on 1st July, 2011	2,694,575	55,894,326	76,320	218,086,925	816,000	163,392	67,399	2,513,717	280,312,654	280,174,748
Addition During the Year	-	2,195,793	-	-	-	-	-	-	2,195,793	137,906
Sold During the Year	-	-	-	-	-	-	-	739,315	739,315	-
Balance as on 30th June, 2012	2,694,575	58,090,119	76,320	218,086,925	816,000	163,392	67,399	1,774,402	281,769,132	280,312,654
DEPRECIATION										
Opening Balance as on 1st July, 2011	-	-	16,444	95,114,351	90,286	23,581	53,027	1,745,295	97,042,984	85,964,647
Addition During the Year	-	-	2,549	10,624,898	51,653	7,761	5,749	202,583	10,895,193	11,078,338
Deduction During the Year	-	-	-	-	-	-	-	686,959	686,959	-
Balance as on 30th June, 2012	-	-	18,993	105,739,249	141,939	31,342	58,776	1,260,919	107,251,219	97,042,985
NET BLOCK										
Balance as at 30th June, 2012	2,694,575	58,090,119	57,327	112,347,676	674,061	132,050	8,623	513,483	174,517,913	183,269,669
Balance as at 30th June, 2011	2,694,575	55,894,326	59,876	122,972,574	725,714	139,811	14,372	768,422	183,269,670	194,210,101

MORGAN VENTURES LIMITED

Consolidated Notes to the financial statements

(Amount in Rupees)

Particulars	June 30, 2012		June 30, 2011		
11 Non-current investments					
- Carried at cost					
Investment in Equity					
At Cost -Quoted	Face Value	No. of Shares	Amount	Nos. of Shares	Amount
Blue Coast Hotels & Resort Ltd.	10.00	287,561	24,685,045	287,561	24,685,045
Bhagwati Gases Ltd.	10.00	3,300	11,649	3,300	11,649
Fresenius kabi on cology Ltd.	1.00	100	6,406	100	6,406
U-Flex Ltd.	10.00	67	3,357	67	3,357
Lumax Automative Systems	10.00	100	7,705	100	7,705
			<u>24,714,162</u>		<u>24,714,162</u>
Investment in Mutual Fund					
PNB Principal Dividend Yield Fund	10.00	6,128	88,420	6,128	88,420
Aggregate Value of Quoted Investment			<u>24,802,582</u>		<u>24,802,582</u>
Aggregate Mkt Value of Quoted Investment (Rs. 4,41,32,851)					
At Cost -Unquoted					
a) Investment in Associates					
- Morgan Securities & Credits Pvt Ltd.	10.00	270,000	2,700,000	270,000	2,700,000
- Peacock Chemicals Pvt. Ltd.	10.00	158,750	47,625,000	135,834	40,750,000
Aggregate Value of Unquoted Investment			<u>50,325,000</u>		<u>43,450,000</u>
			<u><u>75,127,582</u></u>		<u><u>68,252,582</u></u>
12 Long Term Loans & Advances					
- Security deposits			35,825		35,825
- Income Tax Recoverable			878,996		806,628
Unsecured, Considered good					
- Capital advances to related parties			70,678,369		34,320,627
- Others			74,546,053		61,677,548
			<u>146,139,243</u>		<u>96,840,628</u>
13 Trade Receivables					
Trade receivables outstanding for a period exceeding six months from the date they were due for payment			20,547,014		12,824,468
Unsecured, considered good			4,969,783		9,365,591
			<u>25,516,797</u>		<u>22,190,059</u>
14 Cash and cash equivalents					
(a) Balances with banks in current accounts					
HDFC Bank Ltd.			32,165		271,475
ICICI Bank Ltd.			1,556,164		142,822
State Bank of India			410,113		292,982
Punjab National Bank - Escrow A/c			14,367		30,733
(b) Cash In hand			998,817		51,442,327
			<u>3,011,626</u>		<u>52,180,339</u>
15 Short Term Loans & Advances					
Unsecured, considered good					
- Others			449,674		492,634
Prepaid expenses					
- Prepaid Expenses			46,350		97,353
			<u>496,024</u>		<u>589,987</u>
			<u><u>496,024</u></u>		<u><u>589,987</u></u>

MORGAN VENTURES LIMITED

Consolidated Notes to the financial statements

Particulars	June 30, 2012	June 30, 2011
16 Sales		
Sale of Electricity	39,818,817	46,798,316
Sale of Plant		6,571,150
Increase / (Decrease) in Stock		(6,571,150)
	<u>39,818,817</u>	<u>46,798,316</u>
17 Other Income		
Other non-operating income		
Profit on sales of Vehicle	47,644	-
Rent Received	534,000	190,000
Dividend Received	503	335
Insurance Claim	-	155,103
	<u>582,147</u>	<u>345,438</u>
18 Employees Benefit Expenses		
Salaries & Wages & other Benefits	3,351,870	2,938,255
	<u>3,351,870</u>	<u>2,938,255</u>
19 Finance Expenses		
Interest expense on:		
- Interest on Long Term borrowing to Bank	6,416,818	6,829,349
- Other Financial Charges	170,728	6,774
	<u>6,587,546</u>	<u>6,836,123</u>
20 Depreciation & Amortisation Expenses		
- Depreciation for the year	10,895,193	11,078,338
Less : Transferred to Pre-operative Exps	5,749	9,582
	<u>10,889,444</u>	<u>11,068,756</u>
- Preliminary Expenses Written Off	4,167	4,167
	<u>10,893,611</u>	<u>11,072,923</u>
21 Other Expenses		
Repairs & Maintenance Plant & Machinery	2,576,046	1,671,373
Electricity Exps.	49,690	40,212
Office Maintenance	100,790	115,760
Insurance	154,206	62,767
Professional Exps	1,898,312	1,724,533
Advertisement & Business Promotion	49,144	46,137
Rates & Taxes	102,571	47,184
Travelling & Conveyance	136,586	144,000
Postage & Telegram	96,917	3,713
Communication Exps.	48,015	53,513
Printing & Stationary	66,993	30,120
Director Sitting Fee	130,000	39,000
Audit Fees	18,180	17,648
Security Charges	726,657	734,071
Water Charges Services	1,526,394	-
Miscellaneous Expences	263,319	565,164
	<u>7,943,820</u>	<u>5,295,195</u>

MORGAN VENTURES LIMITED

22. OTHER INFORMATION

- A. Figures have been rounded off to the nearest rupee and previous year figures have been regrouped/rearranged wherever necessary.
- B. Share Allotment Money receivable from shareholders is subject to reconciliation with the share transfer agent.
- C. **Disclosure as per Accounting Standard-17 on "Segment Reporting"**
- (i) Segments have been identified in line with the Accounting Standard-17 on Segment Reporting.
- (ii) Segment Revenue, Results and Capital Employed figures include the respective amounts identifiable to each of the segments. Unallocable expenditure includes expenses incurred at a which relate to the company as a whole corporate level

	(Rs.in lacs)	(Rs.in lacs)
	For the year	For the year
	ended	ended
	30th June, 2012	30th June, 2011
Segment Revenue		
Trading on capital Equipments	0.00	65.71
Fund Based Activities	0.48	1.55
Investments	0.00	0.00
Windmill Operation	398.19	467.99
Total Segment Revenue	398.67	535.25
Less : Inter Segment Revenue	0.00	0.00
Net Sales/Income from Operations	398.67	535.25
Segment Results		
(Profit before Interest and Tax)		
Trading on capital Equipments	0.00	0.00
Fund Based Activities	-58.67	-55.57
Investments	0.00	0.00
Windmill Operation	256.07	335.37
Total Segment Results	197.40	279.80
Less : Interest Expense	64.17	68.29
Less : Unallocable Expenditure	0.62	1.15
Total Profit Before Tax	132.61	210.36
Capital Employed (Segment Assets less Segment Liabilities)		
Capital Equipments	823.81	1328.4
Fund Based Activities	591.47	-92.02
Investments	753.27	684.52
Windmill Operation	2252.18	2486.28
Total Capital Employed in Segments	4420.73	4407.18
Add : Unallocable Corporate Assets	0.00	0.00
Total Capital Employed in the Company	4420.73	4407.18

MORGAN VENTURES LIMITED

D. 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	12,887,778	20,051,403
(c)	Basic and diluted Earnings+ (in Rupees) per share	1.29	2.05

E. Related Parties Disclosures are as under: -

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

- a. Subsidiary: Satlej Real Estate Pvt. Ltd., Sudama Technologies Private Limited and Satlej Infotech Private Limited
- b. 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 alongwith 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.

II. 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.)
Transaction during the year		
Expense		
Remuneration (referred in 1(ii))	13,20,000	13,20,000
Capital Advance	36,357,742	34,320,627
Outstanding at the end of year		
Remuneration payable	1,20,000	1,20,000
Capital Advances	70,678,369	34,320,627

F. Contingent Liabilities:

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.

MORGAN VENTURES LIMITED

G. (i) Expenditure in Foreign Currency	-	-
(ii) Earnings in Foreign Exchange	-	-
(iii) C I F Value of Import	-	-

**H. 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	
2011-2012	NIL	7114903	7114903	3981881 7	NIL
2010-2011	NIL	8967140	8967140	4679831 6	NIL
2009-2010	Nil	9422073	9422073	4048110 6	NIL
2008-2009	NIL	8537484	8537484	4038406 5	NIL
2007-2008	NIL	9606920	9606920	5949609 9	NIL

Transmission loss has not been considered in sales.

I. 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
Opening Stock				
Equity Shares	--	--	--	--
Plant (Stock-in -Trade)	--	--	17,18,83,236	1784,54,386
Purchases				
Equity Shares	--	--	--	--
Plant	--	--	--	--
Sales				
Equity Shares	--	--	--	--
Plant	--	--	--	65,71,150
Closing Stock				
Equity Shares	--	--	--	--
Plant	--	--	17,18, 83, 236	17,84,54,386

MORGAN VENTURES LIMITED

J. 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
FRN-002465N

for and on behalf of the Board of Directors

(SIMMI JAIN)
PARTNER
M.No. 86496

(SHAHZEB KHAN)
COMPANY SECRETARY

(S.C. GOYAL)
DIRECTOR

(MEERA GOYAL)
MANAGING DIRECTOR

Date: 29/08/2012
Place: New Delhi

MORGAN VENTURES LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE,2012

A. CASH FLOW FROM OPERATING ACTIVITIES	JUNE 30,2012 (Rs.)	JUNE 30,2011 (Rs.)
Net Profit before Tax and Extraordinary items	11,624,117	21,001,259
Adjustments for :		
Depreciation	10,893,611	11,068,756
Operating Profit before Working Capital Changes	22,517,728	32,070,015
Adjustments for :		
(Increase)/Decrease in Current Assets	(52,527,223)	(17,744,031)
Increase/(Decrease) in Current Liabilities	(1,599,996)	2,084,168
(Increase)/Decrease in Net Current Assets	(54,127,219)	(15,659,863)
Cash generated from operations	(31,609,491)	16,410,152
Provision/Adjustment	1,875,867	(3,147,886)
Net cash from Operating Activities	(29,733,624)	13,262,266
 B. CASH FLOW FROM INVESTING ACTIVITIES		
(Purchase)/Sale of Investments	(6,875,000)	(13,750,000)
(Purchase)/Sale of Fixed Assets	(301,112)	(2,653,100)
Net Cash Inflow from Investing Activities	(7,176,112)	(16,403,100)
 C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Application Money	-	160,500
Minority Interest	(16,373)	-
Calls in Arrear money Received	503,500	-
Receipt/(Repayment) of unsecured loans	1,212,954	2,565,332
Receipt/(Repayment) of Secured loan	(13,959,058)	(7,717,792)
Net Cash from Financing Activities	(12,258,977)	(4,991,960)
Net increase/(decrease) in Cash and Cash equivalents	(49,168,713)	(8,132,794)
Cash and Cash equivalents at the beginning of the year	52,180,339	60,313,133
 Cash and Cash equivalents at the close of the year	3,011,626	52,180,339

As per our report of even date attached

For K.K.Jain & Co.

Chartered Accountants

(SIMMI JAIN)

PARTNER

M.No.86496

Place : New Delhi

Date : 29.08.2012

(SHAHZEB KHAN)

COMPANY SECRETARY

(S.C.GOYAL)

DIRECTOR

(MEERA GOYAL)

MANAGING DIRECTOR

MORGAN VENTURES LIMITED

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 25th Annual General Meeting to be held on 27th December, 2012.

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/Weof.....
in the district of.....being a member/members of Morgan Ventures Limited
hereby appoint.....of.....in the district of
.....or failingof.....in the district
ofas my/our proxy to vote for me/us on my/our behalf at the Twenty Fourth
General Meeting of the Company to be held 27th December, 2012 and at any adjournment thereof.
Signed this.....day of2012.

**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