

Kanak Project Limited

34th
Annual Report
2012-13



Kanak Building, 41 Chowringhee Road, Kolkata - 700071

KANAK PROJECT LIMITED

NOTICE

NOTICE is hereby given that the Annual General Meeting of the members of the Company will be held on Saturday the 27th September, 2013 at the Registered Office at 41, Chowringhee Road, Kolkata – 700071 at 11.30 AM to transact the following business :-

1. To receive, consider and adopt the Profit & Loss Account for the year ended 31st March, 2013 together with the Balance Sheet as at that date and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Sri Surya Prakash Chaurasia, who retires by rotation and is being eligible offer himself for re-election.
3. To appoint a Director in place of Sri. Anshuman Prakash, who retires by rotaion and is being eligible himself for re-election.
4. To appoint Auditor and to fix their remuneration.
5. To discuss any other business.

Reg. Office:

By the Order of the Board

41, Chowringhee Road

Kolkata – 700071

Aditya Vikram Rungta

Dated : 2nd September, 2013

Director

NOTES

- a) A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him/her self and proxy need not be a member of the Company.
- b) The Register of Members and Share Transfer Book of the Company will remain closed from 23rd September, 2013 to 27th September, 2013 (both days inclusive)
- c) Information about the Director proposed to be appointed/re-appointed at the Annual General Meeting to be held on Friday the 27th September, 2013 is enclosed herewith in Annexure-A.

ANNEXURE-A

Information about Directors proposed to be appointed/re-appointed as require under clause-49 of the listing agreement with the stock exchange

1.Mr. Surya Prakash Chaurasia, aged about 83 years is a dynamic leader having wide experience in Business.

Date of Birth : 04.07.1930

Date of Appointment : 09.10.2000

2. Mr. Anshuman Prakash, aged 40 years is a dynamic leader having wide experience in Tea plantation and Tourism business.

Date of Birth : 09.03.1973

Date of Appointment : 21.11.1996

He is also Director in the following companies

- Sonitpur Solvex Limited
- Devanshi Finvest Pvt. LTd
- Darshanlal Anand Prakash & Sons Pvt Ltd
- Kanak Projects Ltd
- North East Builders Pvt. LTd
- Glenburn Technologies Pvt. LTd
- Vinex Resources Pvt. LTd
- Arihant Solvex Pvt. Ltd
- Datamet Ecommerce Services Ltd
- Purbanchal Concast Pvt. Ltd
- Megapix Strips & Tubes Pvt. Ltd
- Mangalam software pvt. Ltd

Reg. Officer:
Board

41, Chowringhee Road

Kolkata – 700071

Dated : 2nd September, 2013

By the Order of the

Aditya Vikram Rungta

Director

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the 34th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2013. The summarized financial results for the year ended 31st March, 2013 are as under:

Financial Results

		2013		2012
Profit before Tax		7,54,05,713		9,49,76,295
Tax Expenses:				
(1) Current Tax	2,00,00,000		2,52,40,000	
(2) Deferred Tax	63,186		(67,799)	
(3) Tax in respect of earlier years	-----	2,00,63,186	-----	2,51,72,201
Profit for the year		5,53,42,527		6,98,04,094
Less: Transfer to				
Statutory Reserve	1,10,68,505		1,39,60,819	
General Reserve	3,50,00,000	4,60,68,505	4,50,00,000	5,89,60,819
Balance carried to balance sheet		92,74,022		1,08,43,275

Working Result

The working result of the year is considered satisfactory.

Share Capital

At present the Authorized Share Capital of the Company is Rs 5,00,00,000 [Five Crore] divided into 50,00,000 [Fifty Lacs] Equity Shares of Re.10/- each.

Dividend

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any dividend for the year ended 31st March, 2013.

Director

Mr. Anshuman Prakash and Mr. Surya Prakash Chaurasia, Director of the company are liable to retire by rotation at the ensuring Annual General Meeting and being eligible, offer himself for re-appointment. The necessary particulars of the Director seeking re-appointment is furnished along with the notice calling for the Annual General Meeting.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. The Directors had selected such Accounting Policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

4. The Directors had prepared the Annual Accounts on a going concern basis.

Deposit

The Company has not accepted any deposit from the public.

Disclosures under Section 217(1)(d) of the Companies Act, 1956

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of the Company occurred between the end of the financial year of the Company and date of this report.

Particulars of Employees

There is no employee in the Company whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended.

Corporate Governance

The Company has complied with all the mandatory requirements as prescribed under clause 49 of the Listing Agreement with Calcutta Stock Exchange (CSE). The report on Corporate Governance duly certified confirming compliance with the conditions stipulated under Clause 49 of the Listing Agreement, which forms part of the Annual Report, is attached to this Report.

Auditors

M/s. S.C. Soni & Co., Chartered Accountants, having its office at 9, India Exchange Place, 5th Floor, R.No. 7, Kolkata-700001, will retire at the ensuing Annual General meeting of the Company and being eligible offer themselves for re-appointment.

Your directors recommends their re-appointment as Statutory Auditors of the Company.

Auditors' Report

The observations of the auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Your Company is a Property & Investment Co. and not engaged in any manufacturing activity and as such has no particulars to disclose under the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988, as regards conservation of energy or technology absorption. Further, during the year under review, your Company has neither earned nor made any payment in foreign exchange.

Acknowledgements

The Directors wish to place on record their sincere appreciation for the committed and dedicated services of the employees of the Company, who have ensured that the company continues to grow at a faster pace. The Board also wishes to thank Government of India, various State Governments and the Company's Bankers for all the help and encouragement they extend to the Company. Your Director deeply acknowledge the continued trust and confidence that the Shareholders, Customers, the Dealers and the Suppliers have placed in your company.

For and on behalf of the Board

Date: 16th August 2013

Place: Kolkata

Aditya Vikram Rungta
CHAIRMAN

KANAK PROJECT LIMITED

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on the Code of Governance

Introduction

Corporate Governance essentially is the system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company.

Further, the Company ensures that its Board is accountable to the shareholders. This, in turn, helps to assure that the Company operates for the benefit of society as a whole. While large profits can be made taking advantage of the asymmetry between stakeholders in the short run, balancing the interests of all stakeholders alone will ensure survival and growth in the long run. This includes, for instance, taking into account societal concerns about labor and the environment.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the stock exchanges, the details are set out below:

2. Board of Directors

Composition

The Board has an optimum combination of Executive and Non-Executive Directors, and is in conformity with Clause 49 of the Listing Agreement entered into with the stock exchanges in which the Company's Ordinary Shares are listed. The composition of the Board as on March 31, 2013 was as under:

Category of Directors	Number of Directors	Percentage to the Board
Promoter, executive	2	40%
Independent, Non-Executive (including Chairman)	3	60%

None of the Directors on the Board is a Member on more than 10 Committees and Chairman of more than 5 Committees (as per Clause 49(I)(C)(ii)) across all the companies in which he is a Director. All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies.

Meetings held

The Board met 7 (seven times) on the following dates during the financial year 2012-2013.

May 14, 2012	August 25, 2012
August 06, 2012	November 10, 2012
August 14, 2012	February 14, 2013
August 25, 2012	

Board Procedure

The annual calendar of Board Meetings is agreed upon at the beginning of the year.

The Agenda is circulated well in advance to the Board members. The items in the Agenda are backed by comprehensive background information to enable the Board to take appropriate decisions. In addition to the information required under Annexure IA to Clause 49 of the Listing Agreement, the Board is also kept informed of major events/items and approvals taken wherever necessary..

Category and Attendance of Directors

The names and categories of the Directors on the Board, their attendance at Board Meetings held during the financial year 2012-2013 and at the last Annual General Meeting (AGM), as also the number of Directorships and Committee positions held by them in other public limited companies as on March 31, 2013 are as follows:

Name	Category	No. of Board Meetings attended during the financial year 2012-2013	Whether attended AGM held on Sept. 29, 2012	Number of Directorships in other public limited companies*		No. of Committee positions held in other public limited companies*	
				Chairman of the Board	Board Member	Chairman of the Committee	Member
Mr. Sudhir Prakash	Executive Director	7	Yes	-	5	-	-
Mr. Anshuman Prakash	Executive Director	7	Yes	-	3	-	-
Mr. Aditya Vikram Rungta Chairman	Non-Executive Director	7	Yes	-	NIL	-	-
Mr. Surya Prakash Chaurasia	Independent Director	3	Yes	-	1	-	-
Mr. Rajendra Kumar Bader	Independent Director	3	Yes	-	1	-	-

Details of the Directors seeking appointment/re-appointment at the Annual General Meeting, pursuant to Clause 49 of the Listing Agreement, have been given alongwith the Notice of Annual General Meeting.

3. Audit Committee

Meetings held:

During the financial year 2012-2013, 5 (five) Audit Committee meetings were held on the following dates:

May 22, 2012	December 20, 2012
September 03, 2012	February 04, 2013
	March 28, 2013

Composition and Attendance :

Name of Director	Composition as on March 31, 2013	No. of meetings Attended
Mr. Surya Prakash Chaurasia	Chairman	5
Mr. Rajendra Kumar Bader	Member	5
Dr. Anshuman Prakash	Member	5

The composition of the Committee is in conformity with Clause 49 (II) (A) of the Listing Agreement.

Terms of Reference

The terms of reference of the Audit Committee, broadly are as under:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are true and fair.
2. Recommending to the Board, the appointment, re-appointment of the statutory auditors, fixation of audit fees and fees for other services.
3. Reviewing, with Management, the quarterly and annual financial statements before submission to the Board for approval.
4. Reviewing the adequacy of internal control systems and internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
5. Discussion with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
6. In addition to the above, all items listed in Clause 49 (II) (D) of the Listing Agreement.

4. Shareholders'/Investors' Grievance Committee

During the financial year 2012-2013, 2 (two) meetings were held on June 12, 2012 and February 07, 2013. The committee has been constituted under Chairmanship Surya Prakash Chaurasia and Sri Anshuman Prakash being the other member of the Committee.

Name, Designation and address of Compliance Officer

Mr. Anshuman Prakash
Director-Executive
Kanak Project Limited

5. Details on General Body Meetings:

Location, date and time of General Meetings held during the last 3 years:

Annual General Meeting (AGM):

Year	Location	Date	Day	Time
2011-12	41, Chowringhee Road Kolkata – 700 071,	September 29, 2012	Saturday	11.00 a.m.
2010-11	41, Chowringhee Road Kolkata – 700 071,	September 29, 2011	Tuesday	11.00 a.m.
2009-10	41, Chowringhee Road Kolkata – 700 071,	September 30, 2010	Tuesday	11.00 a.m.

No special resolution was passed during the last three year.

No resolution was passed by the way of Postal ballot during the last three years.

6. Disclosures

Related Party Transactions

During the financial year 2012-2013 there were no materially significant transactions entered into between the Company and its promoters, directors or the management, subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large.

Statutory Compliance, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchanges/SEBI and Statutory Authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed on the Company by these authorities.

7. Means of Communication:

The Quarterly Results are usually published in the Arthiklipi and Echo of India. These are submitted to the Stock Exchange in accordance with the Listing agreement regularly to enable them to put it on their website.

8. General Shareholder Information**Annual General Meeting**

Date and Time : September 27, 2013 at 11.30 a.m.
Venue : 41, Chowringhee Road,
Kolkata – 700 071
Financial year : 1st April, 2012 to 31st March, 2013
Book Closure Date : 23.09.2013 to 27.09.2013

Dividend : The Board of Directors have not recommended any dividend for the year 2012-13.

Listing on Stock Exchanges : The Company's Ordinary Shares are listed on the Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700 001. The code no. is 21178.

The Company has paid the Annual Listing fees, for the financial year 2012-13 to The Calcutta Stock Exchange Association Ltd..

ISIN allotted : INE 928E01016

Registrar and Shre Transfer Agent : Niche Technologies Pvt. Ltd
D-511 Bagree Market, 5th floor, 71, B.R.B. Basu Road,
Kolkata – 700 001

Share Transfer Process:

Share in physical forms are processed by the Registrar and Share transfer agent within 15-20 days from the date of receipt, if the documents are complete in all respects. The Directors have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2013.

Category	No. of Shares	Percentage	No. of Shareholders	Percentage
1 - 500	3390	.08	13	61.90
501 - 1000	-	-	-	-
1001 - 2000	1350	.03	1	4.76
2001 - 3000	-	-	-	-
3001 - 4000	-	-	-	-
4001 - 5000	-	-	-	-
5001 - 10000	10000	.22	1	4.76
Greater than 10000	4437660	99.67	6	28.57
Total	4452400	100	21	100

Category of shareholding as on March 31, 2013

Shareholders Category	No. of Shares	Percentage
Indian Promoters	3272600	73.50
Mutual Funds & UTI	-	-
Banks, Financial Institution, Insurance Companies	-	-
FII's	-	-
Private Corporate Bodies	1153610	25.91
Indian Public	26190	.59
NRI's/OCB's	-	-
Total	4452400	100.00

Shareholder Enquiries

: Mr. Anshuman Prakash
Kanak Building,
41, Chowringhee Road,
Kolkata – 700 071.

Registered Office
41, Chowringhee Road,
Kolkata – 700 071

Dated : 16th August, 2013

By Order of the Board

Aditya Vikram Rungta
Chairman

Annexure-1

Declaration as required under Clause 49 of the Listing Agreement

All the Directors and the Core Management of the Company have affirmed compliance with the Company's 'Code of Conduct' for the financial year ended 31.03.2013.

Kolkata-700071

(Anshuman Prakash)

Dated: 16th August, 2013

Compliance Officer

COMPLIANCE CERTIFICATE

In accordance with the proviso to sub-section (1) of section 383A of the Companies Act, 1956 and the Companies (Compliance Certificate) Rules, 2001

CIN : L67020WB1979PLC031867

Date of Incorporation : 05/12/1979

Authorised Capital : Rs.5,00,00,000/-

To,

The Members

M/S KANAK PROJECTS LIMITED

41, Chowringhee Road,

Kolkata, West Bengal

India - 700 071.

I have examined the registers, records, books and papers of M/S KANAK PROJECTS LIMITED of 41, Chowringhee Road, Kolkata - 700 071, West Bengal, as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of association of the company for the financial year ended 31st March, 2013. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year :

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns, as stated in Annexure 'B' to this certificate, with the Registrar of Companies, within the time prescribed under the Act and the rules made there under. No forms and returns were filed with the Regional Director, Central Government, Company Law Board or other authorities. This certificate is not a certificate of correctness of the forms filed and the same can be determined only after the approval of the concerned authority.
3. The company being a public limited company has the minimum prescribed paid up Capital.
4. The Board of Directors duly met Seven times on 14/05/2012, 06/08/2012, 14/08/2012, 25/08/2012, 25/08/2012, 10/11/2012 and 14/02/2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed in the Minutes Book maintained for the purpose.
5. The company has closed its Register of Members during the period from 22/09/2012 to 30/09/2012 and necessary compliance of section 154 of the Act has been made.



6. The Annual General Meeting for the financial year ended 31st March 2012 was held on 29th September, 2012 after giving due notice to the members of the Company and the resolutions passed there at were duly recorded in the Minutes Book maintained for the purpose.
7. No Extra Ordinary General Meeting was held during the financial year.
8. The Company has not made any loans to its Directors or persons or firms or companies in which directors are interested as referred to under section 295 of the Act.
9. The Company has complied with the requirements of provisions of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. As there were no instances falling within the purview of section 314 of the Act, the company has not obtained any approvals from the Board of Directors, Members or the Central Government, as the case may be.
12. The Company has not issued any duplicate share certificates during the period.
13. The Company :
 - a. has delivered all the share certificates to the shareholders for transfer of shares lodged with the company in accordance with the provisions of the Act. The Company has not made any allotment/transmission of securities during the financial year.
 - b. has not deposited any amount in a separate bank account as no dividend was declared during the period.
 - c. has not posted warrants to any member of the company as no dividend was declared during the period.
 - d. has duly complied with the requirement of Section 217 of the Act
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors or directors to fill casual vacancies during the financial year.
15. There was no appointment of Managing Director/Whole Time Director/Manager made during the financial year.
16. The company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies and/ or such other authorities prescribed under the various provisions of the act.
18. The Directors have disclosed their interest in other firms / companies to the board of directors pursuant to the provisions of the act and the rules made there under.



19. The Company has not issued any shares, debentures or securities during the financial year.
20. The Company has not bought back shares during the financial year.
21. The Company has not issued any Preference shares / Debentures and so the redemption of the same was not applicable.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited / accepted any public deposit including any unsecured loans falling within the purview of section 58A during the financial year.
24. The amount borrowed by the company from directors, members, public, financial institutions, banks and others during the financial year ending 31/03/2013 is within the borrowing limits of the company as complied with the requirements of the provisions of sections 293(1)(d) of the Act.
25. The Company's principal business being dealing in shares, provisions of section 372A are not applicable to the Company.
26. The Company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one to another state during the financial year under scrutiny.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year.
28. The Company has not altered the provisions of the memorandum with respect to name of the company during the financial year under scrutiny.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company during the financial year under scrutiny.
30. The Company has not altered its articles of association during the financial year.
31. I have been informed by the management that there was no prosecution initiated against or show cause notices received by the company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the act.
32. The company has not received any sum as security from its employees during the financial year under certification.
33. The company has deposited both employer and employee's contribution towards provident fund during the financial year in accordance with the provisions of section 418 of the Companies Act, 1956.

Place : Kolkata
Dated : 14/08/2013

ANAND KHANDELLIA
C.P. No. 3841

Annexure - 'A'

Registers Maintained by the Company :

1. Register of Members under section 150
2. Register of Transfer under section 108
3. Minutes book of Board of Directors Meeting and General Meeting under section 193.
4. Register of Contracts under section 301.
5. Register of Directors under section 303.
6. Register of Directors shareholding under section 307.
7. Registers of charges under section 143.
8. Index of Members under section 151.

Annexure - 'B'

List of forms & return filed by the Company with the Registrar of Company, Regional Directors, Central Government & other authorities during the financial year ended 31st March, 2013.

1. Form 23AC & ACA for the year ended 31/03/2012 filed u/s 220 on 22/11/2012.
2. Form 66 for the year ended 31/03/2012 filed u/s 383A on 09/10/2012.
3. Form 20B for the year ended 31/03/2012 filed u/s 159 on 27/11/2012.
4. Form 22B for the year ended 31/03/2012 filed u/s 187D on 23/07/2012.



KANAK PROJECTS LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of Kanak Projects Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Kanak Projects Limited** (the "Company"), which comprise the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 (the "Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by 'the Act' in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003', ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

Kolkata
16th August, 2013



For S. C. Soni & Co.
Chartered Accountants
Firm Regn.No.326770E

(S. C. Soni)
Proprietor
M.No. 50515

Statement referred to in paragraph 1 of the Auditors' Report of even date to the Members of KANAK PROJECTS LIMITED on the accounts for the year ended 31st March, 2013.

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state as under :

- 1(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The management at reasonable intervals carried out the physical verification of fixed assets. Which in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancy was noticed on such verification.
- (c) During the year, in our opinion, the Company has not disposed off any major part of fixed assets and there by does not affects the going concern status of the Company.
- 2(a) The stock of Traded goods have been verified during the year by the management at regular intervals. In our opinion, the frequency of the verification is reasonable having regard to the size of the Company and nature of its business.
- (b) In our opinion, the Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- 3(a) The Company has granted loan to two parties covered in the register maintained under section 301 of the Companies Act, 1956. The terms and conditions of the loan given by the Company are prima facie not prejudicial to the interest of the Company. The amount involved is Rs. 2,84,93,637/-. The parties are regular in payment of principal and interest as stiputed.
- (b) The Company has not taken unsecured loan from any party listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and as explained to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of shares and fixed assets and fixed and for the sale of shares and services. During the course of our audit, no major weakness have been noticed in the internal control system and there is no continuing failure for the same.
- 5(a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act 1956, have been so entered.



- (b) In our opinion and according to the information and explanation given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under section 301 of the Companies Act, 1956 exceeding the value of rupees five lakh in respect of each party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from public.
 7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
 8. The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies act, 1956.
 - 9) According to the information and explanation given to us and the records as produced and examined by us, in our opinion, the Company is regular in depositing with appropriate authorities the undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth-Tax, Service Tax, Custom Duty, Excise-Duty, Cess and other statutory dues and there are no arrears of outstanding statutory dues outstanding as at 31st March 2013, for a period of more than six months from the date they became payable.
 10. The company does not have any accumulated losses as on 31st March 2013 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
 11. Based on the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of any dues to financial institutions and banks.
 12. Based on our examination of the records and documents, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. In our opinion, the activities of the company do not attract any special statute applicable to chit fund, nidh/mutual benefit fund / societies.
 14. In respect of dealing in securities and other investment, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made in records. Investments are held by the Company in its own name.
 15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
 16. According to the information and explanations given to us, no term loans have been raised by the Company during the year.

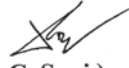


17. As explained to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis which have been used for long-term investment by the Company.
18. According to the information and explanation given to us, the Company has not made during the year, any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
19. During the period covered by our audit report, the Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit .

Kolkata
16th August, 2013



For S. C. Soni & Co.
Chartered Accountants
Firm Regn.No.326770E


(S. C. Soni)
Proprietor
M.No. 50515

KANAK PROJECTS LTD.
BALANCE SHEET AS AT 31ST MARCH 2013

	Note No.	As at 31.3.2013 Rupees	As at 31.3.2012 Rupees
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Fund</u>			
(a) Share Capital	3	44,524,000	4,45,24,000
(b) Reserves and Surplus	4	411,226,999	35,58,84,472
<u>Current Liabilities</u>			
(a) Short Term Borrowings	5	--	1,27,740
(b) Other Current Liabilities	6	312,850,719	31,76,61,951
(c) Short Term Provisions	7	128,340,000	10,83,40,000
TOTAL		896,941,718	82,65,38,163
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
<u>(a) Fixed Assets</u>			
Tangible	8	40,684,201	3,66,69,166
(b) Non-Current Investments	9	293,586,267	25,01,72,267
(c) Deferred Tax Assets (Net)	10	328,071	3,91,257
(d) Long Term Loans and Advances	11	32,523,103	3,55,37,064
<u>Current Assets</u>			
(a) Inventories	12	14,895,991	1,35,39,378
(b) Trade Receivables	13	5,565,055	56,53,869
(c) Cash and Bank Balances	14	338,626,522	34,57,65,501
(d) Short Term Loans and Advances	15	160,576,748	13,22,72,738
(e) Other Current Assets	16	10,155,760	65,36,923
TOTAL		896,941,718	82,65,38,163

Significant Accounting Policies 2

The notes form an integral part of these Financial Statements

For KANAK PROJECTS LIMITED

Director

Kolkata
16th August, 2013



As per our Report of even date

For S.C.Soni & Co.
Chartered Accountants
Firm Regn No. 326770E

(S. C. Soni)
Proprietor
M.No.50515

Sudhin Kundu
Sanjiv Kumar
Directors

KANAK PROJECTS LTD.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

	Note No.	For the year ended 31.3.2013 Rupees	For the year ended 31.3.2012 Rupees
<u>INCOME</u>			
Revenue from Operations	17	79,603,759	7,24,79,064
Other Income	18	36,392,947	4,28,59,977
Total Revenue		115,996,706	11,53,39,041
<u>EXPENSES</u>			
Purchases	19	15,440,424	22,87,918
Changes in Inventories in Stock - in Trade	20	(1,356,613)	(8,97,854)
Employee Benefit Expense	21	4,272,311	18,11,450
Finance Costs	22	12,645	50,383
Depreciation	8	2,257,743	17,34,063
Other Expenses	23	19,964,483	1,53,76,786
Total Expenses		40,590,993	2,03,62,746
Profit Before Tax		75,405,713	9,49,76,295
<u>Tax Expense:</u>			
(i) Current Tax	20,000,000		2,52,40,000
ii) Deferred Tax	63,186	20,063,186	(67,799)
Profit for the year		55,342,527	6,98,04,094
<u>Earnings per Equity Share:</u>			
Basic and Diluted	24	12.43	15.68

Significant Accounting Policies 2

The notes form an integral part of these Financial Statements

For KANAK PROJECTS LIMITED

Director

Kolkata
16th August, 2013



As per our Report of even date

For S.C.Soni & Co.
Chartered Accountants
Firm Regn No. 326770E

(S. C. Soni)
Proprietor
M.No.50515

Sudhin Prasad
Anshu Reddy

Directors

KANAK PROJECTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

	For the year ended 31st March, 2013		For the year ended 31st March, 2012	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before Tax & Extraordinary Items		75,405,713		94,976,295
Adjustments for :				
Depreciation	2,257,743		1,734,063	
Profit on sale of Investments	(83,562)		(32,900)	
Dividend Received	(1,055,587)		(4,850,949)	
Interest Received	(27,667,139)		(32,971,550)	
Interest Paid	12,645		50,383	
Gain / Loss on sale of Mutual Fund	(3,004,549)	(29,540,449)	2,592,710	(33,478,243)
Operating Profit before Working Capital Changes		45,865,264		61,498,052
Adjustments for :				
Debtors	88,814		4,494,590	
Current Liabilities	(4,811,232)		(2,443,889)	
Advances Given	(1,731,337)		19,221,808	
Deposits	304,163		(83,500)	
Interest accrued on Fixed Deposit	(3,618,838)	(9,768,430)	(3,850,549)	17,338,460
Cash Generated from Operation		36,096,834		78,836,512
Less : Tax adjustments		21,704,554		27,514,687
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		14,392,280		51,321,825
		=====		=====
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase / Sale of Fixed Assets (Net)		(6,272,778)		(3,276,948)
Purchase / Sale of Investments (Net)		(44,770,612)		(98,708,765)
Dividend Received		1,055,587		4,850,949
Investment in Fixed Deposit		890,000		(7,690,000)
Interest Received		27,667,139		32,971,550
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		(21,430,664)		(71,853,214)
		=====		=====
C. CASH FLOW FROM FINANCING ACTIVITIES				
Loans Taken/Repayment of Loans (Net)		(127,740)		(434,385)
Interest Paid		(12,645)		(50,383)
Loans given		(2,158,321)		(3,336,978)
Gain / Loss on sale of Mutual Funds		3,004,549		(2,592,710)
Profit on sale of Investments		83,562		32,900
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		789,405		(6,381,556)
		=====		=====
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		(6,248,979)		(26,912,945)
		=====		=====



CASH & CASH EQUIVALENTS

Cash & Bank Balances (Opening)	11,997,198	38,910,143
Cash & Bank Balances (Closing)	5,748,219	11,997,198
NET (DECREASE) / INCREASE IN CASH & CASH EQUIVALENTS	----- (6,248,979) =====	----- (26,912,945) =====

Note : Previous year figures have been regrouped / rearranged as per revised schedule VI, wherever necessary

Signed for Identification

For S. C. SONI & CO.
Chartered Accountants
Firm Regn.No. 326770E



Kolkata
16th August, 2013

(S. C. Soni)
Proprietor
M.No.50515

DIRECTORS

1) CORPORATE INFORMATION

Kanak Projects Limited is Limited Company domiciled in India and Incorporated under the provisions of the Companies Act, 1956. The Equity shares of the Company are listed & traded on Calcutta Stock Exchange. The Company primarily focus on Real Estate business. Trading in Equity Shares, Investments in Mutual Funds, Advancing Loans and Investment in Fixed Deposits etc.

2) SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation of Financial Statements

The financial statements are prepared under historical cost convention on accrual basis of accounting and in accordance with generally accepted accounting principles.

(b) Use of Estimates

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

(c) Fixed Assets

Fixed Assets are carried at cost less accumulated depreciation and impairment loss if any. Cost includes all expenses incurred to bring the assets to its present location and condition. Capital Advances comprises outstanding advances paid to acquire fixed assets, and the cost of fixed assets that are not yet ready for their intended use at the reporting date.

(d) Depreciation

Depreciation on Fixed Assets are provided on written down value method as per the classification and in the manner specified in Schedule XIV of the Companies Act. 1956.

(e) Investments

Investments are stated at cost. Dividend is accounted for as and when received Profit / Loss on sale of Investments are credited / debited to Revenue.

(f) Accounting for Employee Benefit :-

i) DEFINED CONTRIBUTION PLAN :-

- (1) Contribution to Provident Fund is in the nature of defined contribution plan and are made to a recognised fund.
- (2) Contribution to Defined Contribution Plan, recognised as expense for the year and Employer's contribution to Provident Fund is Rs.1,36,925/- (P.Y. Rs.1,18,111/-)



ii) DEFINED BENEFIT PLAN

GRATUITY

Gratuity is defined benefit obligation. The liability is provided for on the basis of Actuarial valuation made at the end of each financial year. The actuarial valuation is made by Life Insurance Corporation of India and the company contribute such fund to the LIC.

(g) Inventories

The closing stock are valued at cost or market value whichever is lower.

(h) Taxes on Income

Current tax is determined as per the provisions of the Income Tax Act in respect of Taxable Income for the year. Deferred Tax liability is computed as per AS-22. Deferred tax asset and Deferred tax liability are computed by applying tax rates and tax laws that have been enacted or substantively enacted by the Balance sheet date.

(i) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An Impairment loss is charged for when an asset is identified as impaired. The Impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable value.

(j) Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised in respect of present obligations arising out of past events where there are reliable estimate of probable outflow of resources. Contingent liabilities are the possible obligation of the past events, the existence of which will be confirmed only by the occurrence or non-occurrence of a future event. These are not provided for but are disclosed by way of Notes on Accounts. Contingent assets are not provided for or disclosed.

(k) Segment Reporting

In terms of Accounting Standard 17 pertaining to "Segment Reporting" segment information has not been given as the Company's activity falls within a single business segment.

(l) Cash and Cash Equivalent

In the Cash Flow Statement, Cash and cash equivalents include Cash in hand and deposits with bank.



3) SHARE CAPITAL	31.03.2013 Rupees	31.03.2012 Rupees
(a) AUTHORISED		
50,00,000 Equity Shares of Rs. 10/- each	50,000,000	50,000,000
ISSUED, SUBSCRIBED AND PAID-UP		
44,52,400 Equity Shares of Rs.10/- each	44,524,000	44,524,000

(b) Reconciliation of number of Equity Shares of each class outstanding at the beginning and at the end of the year

PARTICULARS	31.03.2013	31.03.2012
	No. of Shares	No. of Shares
Outstanding at the beginning of the year	4,452,400	4,452,400
Outstanding at the end of the year	4,452,400	4,452,400

(c) Details of shareholder(s) holding more than 5% of Share Capital

Name of Shareholders	31.03.2013		31.03.2012	
	No. of share held	% of share capital	No. of share held	% of share capital
Mr. Sudhir Prakash	1350	0.03	1,866,350	41.92
Mrs. Radhika Prakash	214850	4.83	1,120,650	25.17
Mr. Anshuman Prakash	3027580	68.00	36,390	0.82
Ahinsha Properties Ltd.	645000	14.49	645,000	14.49
Noida Estates Ltd.	--	--	391,610	8.79
R & R Tech Mach Pvt. Ltd.	337000	7.60	337,000	7.60

(d) Rights, preference and restrictions attached to shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets, of the Company after distribution of all preferential amounts in proportion of their shareholding.

(e) No shares have been allotted or has been bought back by the Company during the period of 5 years preceding the date as at which the Balance Sheet is prepared.



4) RESERVE AND SURPLUS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Statutory Reserve		
At the beginning of the year	70,293,642	56,332,823
Add : Addition during the year	11,068,505	13,960,819
Closing Balance	81,362,147	70,293,642
General Reserve		
At the beginning of the year	227,666,469	182,666,469
Add : Addition during the year	35,000,000	45,000,000
Closing Balance	262,666,469	227,666,469
Surplus in Statement of Profit and Loss		
At the beginning of the year	57,924,361	47,081,086
Add : Profit for the year	55,342,527	69,804,094
	113,266,888	116,885,180
Less : Transfer to Statutory Reserve	(11,068,505)	(13,960,819)
Transfer to General Reserve	(35,000,000)	(45,000,000)
Closing Balance	67,198,383	57,924,361
Total	411,226,999	355,884,472

5) SHORT TERM BORROWINGS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
(Secured considered good)		
Term Loan		
(Secured against the hypothecation of Motor Car)	--	127,740
Total	--	127,740

6) OTHER CURRENT LIABILITIES

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Statutory Dues	627,718	66,378
Liabilities for Expenses	1,171,983	326,755
Security Deposit from Tenants	309,636,136	315,853,936
Excess Amount Received from Tenants (Refundable)	1,414,882	1,414,882
Total	312,850,719	317,661,951

7) SHORT TERM PROVISIONS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Provision for Income Tax	128,340,000	108,340,000
Total	128,340,000	108,340,000



8) FIXED ASSETS

Tangible Assets			GROSS BLOCK		DEPRECIATION			NET BLOCK	
Particulars	As at 1.4.2012	Additions/ (Deduction)	Total 31.3.2013	Upto 31.3.2012	For the year	Deduction / Adjustments during the Yr.	Total 31.3.2013	As at 31.3.2013	As at 31.3.2012
Freehold Land	24,477,000	--	24,477,000	--	--	-	--	24,477,000	24,477,000
Building	17,981,790	--	17,981,790	12,328,347	282,672	-	12,611,019	5,370,771	5,653,443
Tubewell	331,014	--	331,014	54,795	38,422	-	93,217	237,797	276,219
Plant & Machinery	3,789,744	--	3,789,744	2,775,608	141,066	-	2,916,674	873,070	1,014,136
Motor Car	7,021,097	(62,534)	6,958,563	4,192,424	717,858	2,300	4,910,282	2,048,281	2,828,673
Computer	1,409,668	--	1,409,668	1,376,927	13,096	-	1,390,023	19,645	32,741
Office Equipments	322,790	209,550	532,340	194,345	26,499	-	220,844	311,496	128,445
Air Conditioner	405,136	177,400	582,536	196,137	30,018	-	226,155	356,381	208,999
Water Tank	118,300	--	118,300	95,210	4,179	-	99,389	18,911	23,090
Furniture & Fixtures	2,347,915	--	2,347,915	894,651	263,042	-	1,157,693	1,190,222	1,453,264
Electric Installation	619,086	458,813	1,077,899	45,930	81,579	-	127,509	950,390	573,156
D. G. Set	--	5,070,186	5,070,186	--	631,664	-	631,664	4,438,522	--
Water Treatment Plant	--	419,363	419,363	--	27,648	-	27,648	391,715	--
TOTAL	58,823,540	6,272,778	65,096,318	22,154,374	2,257,743	2,300	24,412,117	40,684,201	36,669,166
PREVIOUS YEAR	55,546,592	3,276,948	58,823,540	20,420,311	1,734,063	-	22,154,374	36,669,166	35,126,281

9) NON CURRENT INVESTMENTS
(At Cost) (Other - than - trade)

PARTICULARS	Face Value Rupees	31.3.2013		31.3.2012	
		Nos	Rupees	Nos	Rupees
<u>Investment in Equity Shares</u>					
<u>(A) Quoted</u>					
Aditya Birla Nuvo Ltd.	10/-	277	8437	277	8437
Blue Diamond Securities Ltd. (*)	10/-	23800	238000	23,800	238000
Devaki Hospital Ltd. (*)	10/-	1000	9050	1,000	9050
Digjam Ltd.	100/-	40	550	40	550
Dunlop India Ltd. (*)	10/-	100	4060	100	4060
E I Forge Ltd.	10/-	50	--	50	--
Gillanders Arbuthnot Co. Ltd.	10/-	24	365	24	365
GMMCO Ltd. (*)	10/-	15	7575	15	7575
Gujrat Heavy Chemicals Ltd. (*)	10/-	500	6275	500	6275
Haileyburia Tea Estate Ltd. (*)	10/-	7195	137037	7,195	137037
Haryana Petrochemicals Ltd. (*)	10/-	500	20100	500	20100
Himatsingka Seide Ltd.	10/-	800	92000	800	92000
J.K.Cement Ltd.	10/-	49	4517	49	4517
Jalpac India Ltd. (*)	10/-	300	3000	300	3000
Kakatiya Textiles Ltd. (*)	10/-	1000	18100	1,000	18100
KCP Ltd.	10/-	25	5100	25	5100
KCP Sugar & Industries Ltd.	1/-	250	5100	250	5100
Kilkotagiri Tea & Coffee Ltd. (*)	10/-	33	2587	33	2587
Mahindra Gesco Developers Ltd. (*)	10/-	2	114	2	114
Manjushree Plantation Ltd.	10/-	600	81000	600	81000
Mcleod Russell India Ltd.	5/-	1314	7260	1,314	7260
Methoni Tea Company Ltd. (*)	10/-	400	4020	400	4020
Midland Rubber & Produce Co. Ltd. (*)	10/-	200	12860	200	12860
Nelliamapalthy Tea & Produce Co. Ltd. (*)	10/-	100	6230	100	6230
Peria Karamalai Tea & Produce Co. Ltd. (*)	10/-	328	20714	328	20714
R. K. Commercial Ltd. (*)	10/-	285760	2018256	285,760	2018256
Saurashtra Chemicals Ltd. (*)	10/-	700	2485	700	2485
Sunflag Iron & Steel Co. Ltd.	10/-	755	1586	755	1586
The Great Eastern Shipping Co Ltd	10/-	25	786	25	786
Unimers India Ltd.	10/-	75	1550	75	1550
United Nilgiri Tea Estates Ltd.	10/-	450	10631	450	10631
Uniworth India Ltd.	10/-	350	542	350	542
Vikash W.S.P Ltd.	1/-	1000	6500	1,000	6500
TOTAL			2736387 =====		2736387 =====



(B) Unquoted					
(i) Equity Shares					
Amrita Media Pvt. Ltd.	10/-	150000	3000000	150,000	3000000
Kanak Investments Pvt. Ltd. ✕	10/-	2510	25100	2,510	25100
Laojan Tea Co. Pvt. Ltd.	100/-	8000	800000	8,000	800000
Mangalam Softwares Pvt. Ltd.	10/-	185100	1710600	185,100	1710600
Mangalmayee Vyapar Pvt. Ltd.	10/-	525000	5250000	525,000	5250000
(ii) Preference Shares					
6% Non Cumulative Redeemable Preference Shares of DLX Ltd	100/-	300000	30000000	300,000	30000000
0.01% Non Cumulative Redeemable Preference Shares of Laojan Tea Co. Pvt. Ltd.	100/-	85000	8500000	85,000	8500000
12% Optionally Convertible Cumulative Preference Shares of Form Enterprises Ltd.	10/-	6	60	6	60
5% Non Cumulative Optionally Convertible Preference Shares of Ahinsha Properties Ltd.	10/-	220000	110000000	220,000	110000000
TOTAL			159285760		159285760
(C) Mutual Funds					
		Units		Units	
Birla Sunlife Midcap Fund		88501	25000000	649,440	14564847
Birla Sunlife- Income Plus		299925	15244656	--	--
Kotak Mahindra - Bond Plan A		917221	30000000	--	--
Reliance - MIP		198626	4000000	198,626	4000000
FT India Dynamic PE Ratio Fund		--	--	143,643	6013390
DSP Black Rock Mutual Fund - Equity fund		--	--	11,154	2024344
UTI MIS Advantage Fund		775786	10334903	732,951	9789467
UTI Treasury Advantage Fund		--	--	3,347	3500931
SBI Premier Liquid Fund		585	587337		
TOTAL			85166896		39892979
(D) Bonds					
IRFC Tax Free Bond	1000/-	8,700	8,700,000	8,700	8,700,000
Zero Percent Fully Convertible Bonds of DLX Ltd.	100/-	225000	22500000	225,000	22500000
TOTAL			31200000		31200000
(E) Investment in Partnership Firm					
United Investment Corporation (Refer Note No.'27')			15197224		17057141
TOTAL (A to E)			293586267		250172267
MARKET VALUE OF QUOTED EQUITY SHARES			3404849		3359607
NAV OF MUTUAL FUNDS			87499166		40497115

(*) Market value of these shares not available therefore taken at cost for the purpose of calculation of Market value.



PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Difference between book values and written down values of Fixed Assets	391,257	323,458
Less / Add: Deferred Tax accounted for the year	63,186	67,799
Total	328,071	391,257

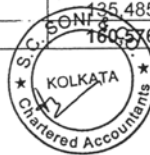
PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
(Unsecured, considered good)		
Capital Advances	16,596,417	25,371,319
Security Deposit	610,086	914,249
Other Advances	15,316,600	9,251,496
Total	32,523,103	35,537,064

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
(At lower of cost or realisable value)		
Building at Sanjeeva Town	12,641,524	12,641,524
Equity Shares of Joint Stock Companies		
(Refer Note No.'26')	2,254,467	897,854
Total	14,895,991	13,539,378

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Considered Good		
Debts for a period exceeding six months	4,188,284	4,449,277
Other Debts	1,376,771	1,204,592
Total	5,565,055	5,653,869

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Cash in hand	201,392	111,859
Balance with Schedule Banks		
On Current Accounts	5,546,827	11,885,339
On Fixed Deposit Accounts (*)	332,878,303	333,768,303
Total	338,626,522	345,765,501
(*) Fixed deposits with Banks includes deposits of Rs.3328.78 lacs with maturity of more than 12 months.		

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
(Unsecured, considered good)		
Loans	18,552,064	16,393,743
Staff Advances	328,278	413,129
Advances recoverable in cash or in kind	6,211,100	1,685,114
Tax payments	135,485,306	113,780,752
Total	160,576,748	132,272,738



16) OTHER CURRENT ASSETS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Interest Accrued on Fixed Deposits	10,155,760	6,536,923
Total	10,155,760	6,536,923

17) REVENUE FROM OPERATIONS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Rental Income	65,939,539	70,772,988
→ Sale of Shares	13,307,364	1,371,585
Service Charges	356,856	334,491
Total	79,603,759	72,479,064

18) OTHER INCOME

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Interest		
On Loan	2,008,481	2,763,628
On Fixed Deposits	25,191,805	30,077,298
On Deposit	466,853	130,624
Dividend on Long term Investments	1,055,587	4,850,949
Miscellaneous Income	4,506,647	4,896,831
Difference in F & O transaction	83,562	32,900
Gain on Sale of Mutual Fund	3,004,549	--
Profit on Sale of Motor Car	17,466	--
Licence Fees Received	48,000	100,000
Sundry Balances Written Back	9,997	7,747
Total	36,392,947	42,859,977

19) PURCHASES

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Purchase of Shares	15,440,424	2,287,918
Total	15,440,424	2,287,918

20) CHANGES IN INVENTORIES IN STOCK IN TRADE

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Equity Shares of Joint Stock Companies (Opening)	897,854	--
Equity Shares of Joint Stock Companies (Closing)	2,254,467	897,854
Total	(1,356,613)	(897,854)

21) EMPLOYEE BENEFIT EXPENSE

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Salaries, Bonus and Allowances	2,472,289	911,611
Contribution to Provident Fund	136,925	118,111
Gratuity	1,000,000	
Staff Welfare	585,272	667,070
Contribution to Gratuity Fund	77,825	114,658
Total	4,272,311	1,811,450



22) FINANCE COSTS

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Interest on Service Tax	--	5,133
Interest on Car Loan	3,220	44,517
Interest on Others	9,425	733
Total	12,645	50,383

23) OTHER EXPENSES

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
Rent, Rates & Taxes	1,080,575	1,045,285
Legal & Professional Charges	10,906,552	6,690,953
Electrical Expense	795,428	387,630
Sanitation Expense	419,970	576,132
Insurance Charges	92,227	76,762
Repairs to Building	980,515	687,277
Repairs to Others	1,155,950	153,008
Printing & Stationary	131,176	124,681
D. P. Maintenance Charges	17,696	17,373
Auditors Remuneration	89,888	89,888
Computer Expenses	46,783	49,179
Travelling & Conveyance	553,171	350,991
Office Maintenance	104,751	237,485
Motor Car Expenses	396,897	498,324
Miscellaneous Expenses	346,651	308,440
Telephone Expenses	500,737	459,791
Donations	--	125,500
Fire Protection Expenses	8,598	46,450
Advertisement & Publicity	41,024	13,578
Share Transaction Expenses	44,607	6,910
Service Tax	851,290	573,040
Security Service	797,577	--
Loss on sale of Mutual Fund	--	2,592,710
Share of loss of Partnership Firm	248,917	265,399
Bad Debts Written off	353,503	--
Total	19,964,483	15,376,786

24) EARNINGS PER SHARE (EPS)

PARTICULARS	31.03.2013 Rupees	31.03.2012 Rupees
(a) Net Profit for the year (Rs.)	55,342,527	69804094
(b) Weighted No. of Equity Shares of Rs. 10/- each outstanding during the year	4,452,400	4452400
(c) Basic & Diluted Earnings per share (a) / (b)	12.43	15.68



25) Related Party Transactions - (Pursuant to requirements of AS - 18)

NATURE OF RELATIONSHIP	NATURE OF TRANSACTIONS	31.3.2013		31.3.2012	
		(all figures in rupees)		(all figures in rupees)	
		VOLUME OF TRANSACTION	AMOUNT OUTSTANDING (Dr. / Cr.)	VOLUME OF TRANSACTION	AMOUNT OUTSTANDING (Dr. / Cr.)

(a) Key Management Personnel

- Sri Sudhir Prakash
- Sri Anshuman Prakash
- Sri Aditya Vikram Rungta

(b) Relative of Key Managerial Personal

- (i) Mrs. Shalini Agarwal - Sister of Mr. Sudhir Prakash
- (ii) Mr. Nikhil Prakash - Son of Mr. Sudhir Prakash
- (iii) Smt. Poonam Prakash - Wife of Sri Sudhir Prakash

(c) Where Key Managerial Personnel exercise significant influence

(i) Associates

Ahinsha Properties Ltd.	Rent & Advance	254000/-	Dr. 200000/-	2791035/-	NIL
Arihant Solvex Ltd.	Loan Given	9500000/-	Dr.8290734/-	14200000/-	8141106/-
DLX Ltd.	Rent & Others	8257565/-	NIL	1709519/-	NIL
S. M. Herbals Pvt. Ltd.	Loan Given	18993637/-	Dr. 7768940/-	2265934/-	NIL
R.K.Commercial Ltd.	Advance Given	636355/-	Dr.636335/-	NIL	NIL

(ii) Transaction with Related parties during the financial year

Name of Transaction	31.03.2013		31.03.2012	
	Key Managerial Personnel	Relative of Key Managerial Personnel	Key Managerial Personnel	Relative of Key Managerial Personnel
(a) Advance against Purchase of Property	2,596,425	7,789,275	--	--
(b) <u>Purbanchal Comcast Pvt. Ltd.</u>				
Loan	4,570,000	--	--	4,570,000
Share Application	2,600,000	--	--	--
Advances	360,900	--	--	--

26) Stock in Trade

(Equity Shares of Joint Stock Companies)
(At Cost or market value which ever is lower)

<u>Name of the Company</u>	<u>Face Value</u>	<u>No.of Shares</u>	<u>Rupees</u>
Bharat Immunological Ltd.	10/-	22500	273,150
Compucom Software Ltd.	2/-	5011	46,853
Florence Investech Ltd.	10/-	125	51,694
Goodyear India Ltd.	10/-	10	2,560
Goldman Liquid Bees	1000/-	950	951,900
Jai Corporation Ltd.	1/-	4450	242,302
Jyoti Structure Ltd.	2/-	7175	195,160
Store One Retail Industries Ltd.	10/-	2000	54,400
Varun Industries Ltd.	10/-	50	573
Strides Arcolab Ltd.	10/-	500	435,875
TOTAL			2,254,467

27) Name of the Partnership Firm:- United Investment Corporation :

Name of the Partners	Shares of	Balance in
	Profit/Loss	Capital Account
M/s. Kanak Projects Ltd.	(248,917)	15,197,224
Mr. Vinod Kumar Dugar	(64,007)	(780,170)
Mr. Anshuman Prakash	(42,672)	(42,672)



28) Gratuity Report Under AS-15 (Revised 2005)

Employees Gratuity Fund of Policy No. 209074

	<u>As on 31.3.2013</u>	<u>As on 31.3.2012</u>
<u>1. Assumption</u>		
Discount Rate	8.00%	8.00%
Salary Escalation	7.00%	7.00%
<u>2. Table Showing changes in present value of Obligation</u>		
Present value of obligations as at beginning of year	640,333	494,003
Interest cost	51,227	39,520
Current Service Cost	39,650	30,543
Benefits Paid	(45,822)	--
Actuarial (gain) / loss on obligations	30,778	76,267
Present value of obligations as at end of year	716,166	640,333
<u>3. Table Showing changes in the fair value of plan assets</u>		
Fair value of plan assets at beginning of year	731,252	569,650
Expected return on plan assets	62,412	51,269
Contributions	73,171	110,333
Benefits Paid	(45,822)	--
Actuarial gain / (loss) on Plan assets	--	--
Fair value of plan assets at the end of year	821,013	731,252
<u>4. Table Showing fair value of plan assets</u>		
Fair value of plan assets at beginning of year	731,252	569,650
Actual return on plan assets	62,412	51,269
Contributions	73,171	110,333
Benefits Paid	(45,822)	--
Fair value of plan assets at the end of year	821,013	731,252
Funded status	104,847	90,919
Excess of Actual over estimated return on plan assets	NIL	NIL
(Actual rate of return Estimated rate of return as ARD falls on 31st March)		
<u>5. Actuarial Gain / Loss</u>		
Actuarial (gain) / loss as on obligations	(30,778)	(76,267)
Actuarial (gain) / loss for the year plan assets	NIL	NIL
Actuarial (gain) / loss as on obligations	30,778	76,267
Actuarial (gain) / loss recognized in the year	30,778	76,267
<u>6. The amounts to be recognized in the balance sheet and statement's of profit and loss</u>		
Present value of obligations as at the end of year	716,166	640,333
Fair value of plan assets as at the end of the year	821,013	731,252
Funded status	104,847	90,919
Net assets / (liability) recognized in balance sheet	104,847	(90,919)
<u>7. Expenses Recognised in statement of profit and loss</u>		
Current Service cost	39,650	30,543
Interest Cost	51,227	39,520
Expected return of plan assets	(62,412)	(51,269)
Net Actuarial (gain) / loss recognized in the year	30,778	76,267
Expenses recognised in statement of Profit and Loss	59,243	114,658



- 29) No provisions has been made in these accounts for Interest on Loan amounting to Rs.45,70,000/- (P.Y.Same) given to Purbanchal Concast Pvt. Ltd.
- 30) Contingent Liability not provided for in respect of Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (net of advances) value not ascertained.
- 31) No provisions has been made in respect of Rental and service charges Income from tenants amounting to Rs.522575/- as the company has taken appropriate legal action against the tenants for eviction.
- 32) The Company has no amount due to suppliers under the Micro, Small and Medium Enterprises development Act , 2006 (MSMED) as at 31.3.2013.
- 33) Figures have been regrouped, rearranged and recasted wherever found necessary.

As per our Report of even date

For S.C.Soni & Co.
Chartered Accountants
Firm Regn No. 326770E



(S. C. Soni)
Proprietor
M.No.50515

Sudhin Prakash
Anshuman Laksh
Directors

Kolkata
16th August, 2013

