

KANAK PROJECTS LIMITED

35th Annual Report 2013-14



KANAK BUILDING, 41 CHOWRINGHEE ROAD, KOLKATA - 700 071

DIRECTORS

**SUDHIR PRAKASH
ANSHUMAN PRAKASH
ADITYA VIKRAM RUNGTA
SURYA PRAKASH CHAURASIA
RAJENDRA KUMAR BADER**

BANKERS

**CITY BANK N.A.
STANDARD CHARTERED BANK
HONKONG & SHANGHAI BANKING CORPORATION**

AUDITORS

**S. C. SONI & CO.
9, INDIA EXCHANGE PLACE,
KOLKATA - 700 001**

REGISTERED OFFICE

**41, CHOWRINGHEE ROAD
KANAK BUILDING, KOLKATA - 700 071
WEST BENGAL**

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTY FIFTH ANNUAL GENERAL MEETING OF KANAK PROJECTS LIMITED will be held on 26th September, 2014 at 3.00 p.m. at Kanak Building, 41 Chowringhee Road, Kolkata – 700071, to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss Account for the year ended 31st March, 2014 and Balance Sheet as at that date together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Sudhir Prakash (holding DIN 00434020), who retire by rotation and being eligible, offer himself for re-appointment.
3. Appointment of statutory auditors of the Company and fix their remuneration. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, S. C. Soni & Co., Chartered Accountants (Registration No.326770E), be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the Thirty Sixth (36th) AGM to be held in 2015 at such remuneration plus service tax, out of pocket and travelling expenses, etc; as case may be mutually agreed between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

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

RESOLVED THAT pursuant to Section 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Surya Prakash Chaurasia (DIN: 00503480), a Non-Executive Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment and also in respect of whom the Company has received notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director on the Board of Directors of the Company to hold office up to 5 (five) consecutive years up to 31st March, 2019, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors, be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such act, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.

NOTES

1. A member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the AGM.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
2. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
5. The Register of Members and the Share Transfer Books of the Company will be closed from 17th September, 2014 to 26th September, 2014, both days inclusive.
6. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agents. Members holding shares in electronic form may obtain the Nomination forms from their respective depository participants.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Share Transfer Agents.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment/re-appointment at the AGM are annexed hereto and forms an integral part of the Notice.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in order in name will be entitle to vote.
10. The Notice of Annual General Meeting will be sent to the members, whose name appear in the register of members/depositories as at closing hours of business, on Wednesday, 13th August, 2014.
11. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/depository participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who

have not registered their email address, physical copies of the Annual Report for 2013-14 is being sent in the permitted mode.

12. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Registrars/ Depositories.

VOTING THROUGH ELECTRONIC MEANS

13. I) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means. As an alternative to vote physically at the AGM, and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)
- II) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:
- III) The instructions for shareholders voting electronically are as under:
 - (a) The voting period begins on September 22, 2014 at 10.00 A.M. and ends on September 22, 2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 13, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
 - (b) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
 - (c) Click on "Shareholders" tab.
 - (d) Now, select the "Company Name:" from the drop down menu and click on "SUBMIT"
 - (e) Now Enter your User ID
For CDSL: 16 digits beneficiary ID,
For NSDL: 8 Character DP ID followed by 8 Digits Client ID, Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
 - (f) Next enter the Image Verification as displayed and Click on Login.
 - (g) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (h) If you are a first time user follow the steps given below :

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc. <p>Example:</p> <p>(1) Mr. A. B. Swami and Folio Number is S/0245, the PAN will be ab000S0245</p> <p>(2) M/s. Money Company Ltd. and Folio Number is C-0052 the PAN will be MO000C0052</p>
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.</p> <ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date) of August 13, 2014

- (j) After Entering these details appropriately, click on "SUBMIT" tab.
- (k) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (l) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (m) Click on the EVSN for the relevant KANAK PROJECTS LIMITED on which you choose to vote.
- (n) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (o) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (p) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (q) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (r) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (s) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (t) Note for Institutional Shareholders
 - * Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - * A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (u) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com

14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 13-August-2014.

15. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 13-August-2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.

15. Shri Arani Guha, Practising Company Secretary (Certificate of Practice Number 9572) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be placed on the website of CDSL and website of Kanak Projects Limited within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to The Calcutta Stock Exchange Limited.

STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013 ("the Act")

The following Statements set out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4.

Mr. Surya Prakash Chaurasia is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in October 2000. Mr. Surya Prakash Chaurasia is also the Chairman of Audit committee of the Board of Directors of the Company. Mr. Chaurasia is having rich experience in Business Management and Organization. He is a director whose period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013 Mr. Chaurasia being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years not liable to retire by rotation. A notice has been received from a member proposing Mr. Chaurasia as a candidate for the office of Director of the Company.

In the opinion of the board, Mr. Chaurasia fulfils the conditions specified in the Companies Act, 2013 and rules made there under for his appointment as an Independent Director of the Company and is independent of the management. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Chaurasia as an Independent Director. The Board recommends the resolution in relation to appointment of Mr. Chaurasia as an Independent Director, for the approval by the shareholders of the company. Except Mr. Chaurasia, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

By Order of the Board of Directors

Anshuman Prakash
Director

Kolkata, 29th August, 2014

Registered Office:

41 Chowringhee, Road

Kanak Building

CIN:- L67020WB1979PLC031867

Email: compliancesection@gmail.com

Website:- www.kanakprojectsltd.com

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. Sudhir Prakash, aged about 65 years is a dynamic leader having wide experience in Tea Plantation. He is also a Director in following companies

Precision Wraps & Flyers Pvt Ltd

Sonitpur Solvex Limited

Haileburia Tea Estates Limited

SM Herbals Private Limited

Darshanlal Anand Prakash & Sons Pvt Ltd

DLX Limited

Wep Solution Limited

R K Commercial Ltd

Ahinsha Properties Limited

Date of Birth: 05.01.1949

Date of Appointment: 01.11.1988

2. Mr. Surya Prakash Chaurasia, aged about 84 years is a dynamic leader having wide experience in Business Development and Administration. He does not hold directorship in other company.

Date of Birth: 04.07.1930

Date of Appointment: 09.10.2000

Regd. Office :
41, Chowringhee Road

Date:
Place:

For and on behalf of the Board

Anshuman Prakash
Director

DIRECTOR REPORT

The Directors have pleasure in presenting their Annual Report and Accounts for the year ended March 31, 2014.

Financial Review : The financial results of the Company for the ended 31st March 2014 are summarized below :

Particulars	2013-14 Rs. In Lakhs	2012-13 Rs. In Lakhs
Revenue from Operations	787.64	796.03
Other Income	383.95	363.92
Total Revenue	1171.59	1159.96
Profit Before Depreciation & Taxes	845.82	776.63
Depreciation and Amortisation	21.77	22.57
Profit Before Tax	824.04	754.05
Provision for Tax	226.15	200.63
Profit/(loss) for the Year	597.88	553.42
Earnings Per Share (Basic and Diluted)	13.43	12.43

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, 2014.

Director

The Company being a listed company, is required to have at least one third of the total number of Directors as Independent Directors according to Section 149(4) of the Companies Act, 2013('the Act'). In the opinion of the Board, Mr. Surya Prakash Chaurasia and Mr. Rajendra Kumar Bader, non-executive Directors, are also Independent Directors in terms of the Listing Agreements and meet the criteria of independence in terms of Section 149(6) of the Act, should be considered for appointment as Independent Director of the Company under Section 149, 150 and 152 read with Schedule IV of the Act. Accordingly resolution for appointment of Mr. Surya Prakash Chaurasai will be placed at the ensuing Annual General Meeting (AGM) for his appointment as Independent Director from the date of ensuing AGM upto the expiry of five consecutive years. After such appointment the said Director will no longer be liable to retire by rotation during their tenure as Independent Director.

In accordance with the provisions of the Articles of Association of the Company read with Section 152 of the Act, Mr. Sudhir Prakash will retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956 the Directors state as follows:

1. That in the preparation of the annual accounts for the financial year ended 31st March 2014, the applicable accounting standards had been followed with no material departures;
2. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. That the Directors had prepared the annual accounts on a going concern basis.

New Company Law

The Companies Act, 2013 ('the Act') has been passed replacing the age old Companies Act, 1956 and a large portion of the Act has already become effective. Yours Company is taking necessary steps to comply with the requirements of the new Act.

Public Deposit

Your Company has not accepted any deposits from the public during the year under review and there are no deposits which were due for repayment on or before March 31, 2014.

Corporate Governance Report

Your Company adheres to all the Corporate Governance Code as prescribed by the Stock Exchanges and Securities and Exchange Board of India (SEBI). 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.

Management Discussion & Analysis Report

Your Board of Directors continuously focused on discussion relating to

1. Industry Structure and Development
2. Opportunities and Threats in respect of company future Strategy
3. Performance of the Company on monthly basis
4. Outlook of the company while maintaining sustainable growth
5. Risks and Concerns
6. Internal Control System
7. Financial Performance and Operational Performance
8. Regarding Human Resources Development

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.

Personnel

Your Board of Directors wish to place on record its sincere appreciation for the dedicated services rendered by the executives, staff and workers at all levels and for the smooth functioning of the organization.

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

Your Company is 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.

Auditors

Messrs. S. C. Soni & Co., Chartered Accountants, hold office as the Auditors of the Company upto the conclusion of the forthcoming Annual General Meeting and are eligible, for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under the Companies Act, 2013 and that they are not disqualified for re-appointment.

Auditors' Report

The Auditors' Report to the Shareholders does not contain any disqualification.

Subsidiary Company

As on 31st March 2014, company has no subsidiary. Hence requirement of reporting the statement pursuant to Section 212 of the Companies Act, 1956 and other statutory financial statements of a subsidiary does not arise.

Other Disclosures

Pursuant to 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. Further the Company has not granted any ESOP option to its employees under the ESOP scheme 2011 during the year.

Acknowledgments

Your Directors take this opportunity to thank the customers, supply chain partners, Banks, Central and State Government authorities, Regulatory authorities, Stock exchange and various stakeholders for their continued co-operation and support to the Company.

For and on behalf of the Board

Anshuman Prakash
Director

Date:

Place:

CORPORATE GOVERNANCE REPORT

Company's Corporate Governance Philosophy

Corporate Governance is a set of principles, processes and systems which govern a company. The elements of Corporate Governance are independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically generate long term wealth and create value for all its stakeholders.

The Company continues to lay great emphasis on the highest standards of Corporate Governance. The Company believes that good Corporate Governance is essential for achieving long-term corporate goals and to enhance stakeholders' value. In this pursuit, the Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements entered into with the stock exchanges with regard to corporate governance.

Board of Directors

i. Composition

The Board of Directors of your Company as on 31st March 2014 consisted of five Directors as under:

* Three Non-Executive Directors including two as Independent Directors.

* Two Executive Director.

The Board has an optimum combination of Executive and Non-Executive Directors and One Third of the Board consisted of Independent Directors. No Directors is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956 except Mr. Anshuman Prakash is son of Mr. Sudhir Prakash.

ii. Meeting of the Board

The Meeting of the Board are generally held at the Registered Office of the Company at 41, Chowringhee Road, Kanak Building, Kolkata – 700071 and also if necessary, in other location. During the year under review, 12 Meetings were held on May 3, 2013, May 13, 2013, August 14, 2013, August 16, 2013, September 2, 2013, October 5, 2013, November 15, 2013, December 3, 2013, December 20, 2013, January 1, 2014, January 31, 2014, March 31, 2014.

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 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.

Name and category of the Directors on the Board, their attendance at Board Meetings held during the financial year ended 31st March 2014, number of Directorships and Committee Chairmanship/Membership held by them in other public limited companies are given below. Directorships do not include alternate Directorships, Directorships in Private Limited Companies and Companies under Section 25 of the Companies Act, 1956 and of the Companies incorporated outside India. Chairmanship/Membership of Board Committees relates to only Audit and Shareholders'/Investors' Grievance Committees.

Name of the Director	Category	No. of Board Meetings attended during the FY 2013-14	Whether attended AGM held on 27th September, 2013	Number of Directorships in other public limited		Number of Committee positions held in other public limited	
				Chairman of the Board	Board Member	Chairman of the Committee	Committee Member
Mr. Sudhir Prakash (Chairman) DIN-00434020	Non-Independent Executive	6	Yes	-	6	-	1
Mr. Anshuman Prakash DIN-00434909	Non-Independent Executive	9	Yes	-	3	-	1
Mr. Aditya Vikram Rungta DIN-00456092	Non-Independent, Non-Executive	5	No	-	-	-	-
Mr. Surya Prakash Chaurasia DIN-00503480	Independent Non-Executive	7	Yes	-	1	-	-
Mr. Rajendra Kumar Bader DIN-00010180	Independent, Non-Executive	5	No	-	1	-	-

None of the Directors on the Board is a Member of more than 10 Committees or Chairman/ Chairperson of more than 5 Committees as specified in Clause 49, across all the Companies in which he/she is a Director. The Directors have made necessary disclosures regarding Committee positions held in other public limited companies.

iii. Audit Committee

Terms of Reference

The role and terms of reference of the Audit Committee covers the areas mentioned under Clause 49 of the Listing Agreement and in Section 292A of the Companies Act, 1956. Brief descriptions of the terms of reference of the Audit Committee are as follows:

1. Review of the Company's accounting policies, internal accounting controls, financial and risk management policies.
2. Oversight of the Company's financial reporting process and disclosure of its financial information.
3. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board.
4. Hold timely discussions with external auditors regarding critical accounting policies and practices, significant reporting issues and judgements made, nature and scope of audit, etc. and evaluate auditors' performance, qualification and independence.
5. Recommend to the Board, the appointment, re- appointment, removal of the external auditors, fixation of audit fees and also approval for payment for audit and non-audit services.
6. Review the adequacy of internal audit and risk management function.

7. Review the adequacy of internal control systems and ensure adherence thereto.
8. Review the Company's compliance with the legal and regulatory requirements and effectiveness of the system for monitoring.
9. Review the Company's arrangements for its employees to raise concerns about possible wrongdoing in financial reporting, accounting, auditing or other related matters.
10. Review the significant related party transactions submitted by the management.
11. Discuss with the management, the Company's policies with respect to risk assessment and risk management.

Composition

The Audit committee of the Board as on 31st March 2014 consisted of Mr. Surya Prakash Chaurasia, a Non-Executive Independent Director, having adequate financial and accounting qualification and expertise, is the Chairman of the Audit Committee. The other members of the Committee such as Mr. Rajendra Kumar Bader and Mr. Anshuman Prakash are also financially literate.

Meetings and attendance during the year

Name of Directors	Category	No. of Meeting during the year	No. of Meetings held attended
Mr. Surya Prakash Chaurasia, Chairman	Non-Executive & Independent	4	4
Mr. Rajendra Kumar Bader	Non-Executive & Independent	4	4
Mr. Anshuman Prakash	Executive & Non-Independent	4	4

Four Meetings of the Audit Committee were held during the financial year ended 31st March 2014. The date on which the Audit Committee Meetings were held are as follows:

May 9, 2013, August 10, 2013, November 9, 2013 and January 28, 2014. The necessary quorum was present at all the Meetings.

iv. Shareholders'/Investors' Grievance Committee

Terms of Reference: The terms of reference of the committee are to look into redressal of Shareholders'/Investors' complaints relating to non-receipt of notices, share certificates, annual report, dividends, transfer of shares, dematerialization of shares and other grievances.

Composition: The Shareholders'/Investors' Grievance Committee of the Board as on 31st March 2014 consisted of Mr. Surya Prakash Chaurasia, a Non-Executive Independent Director, is the Chairman of the committee including Mr. Anshuman Prakash, Executive Director and Mr. Sudhir Prakash, Executive Director as members of the committee.

Meeting and attendance during the year: During the financial year two meeting of the Shareholders'/ Investors' Grievance Committee were held on 15th September 2013 and 10th February 2014 and the all committees members including chairman attended the meeting.

Name and Description of Compliance Officer:

Mr. Anshuman Prakash
Executive Director
Kanak Projects Limited
41, Chowringhee Road,
Kolkata – 70071.

During the financial year ended 31st March 2014 Shareholders'/Investors' Grievance Committee has not received any complaint from shareholders/investors.

v. Details on General Body Meeting

Location, date and time of General Meeting held during the last three years as under:

Year	Location	Date	Time
2012-13	41, Chowringhee Road, Kolkata – 71	September 27, 2013	11.30 AM
2011-12	41, Chowringhee Road, Kolkata – 71	September 27, 2012	11.00 AM
2010-11	41, Chowringhee Road, Kolkata – 71	September 29, 2011	11.00 AM

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.

vi. Disclosures

A. Related Party Transactions

During the financial year 2013-14 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.

B. Statutory compliance, Penalties and Strictures

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

vii. 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 in on their website. Financial Result, Shareholding Pattern and other quarterly returns are displayed on the Company's Website: www.kanakprojectsLtd.com

Viii. General Shareholders Information

35th Annual General Meeting	September 26, 2013 at 3.00 PM 41, Chowringhee Road, Kolkata – 700071
Financial year	1st April to 31st March
Book Closure Date	17th September 2014 to 26th September 2014.
Dividend	The Board of Directors have not recommended any dividend for the financial ended 2013-14.
Listing on Stock Exchange	The Company's Shares are listed on the Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700001. The code no. is 21178.
ISIN	INE 928E01016
Registrar and Shares Transfer Agent	Niche Technologies Pvt. Ltd D-511 Bagree Market, 5th Floor, 71, B.R.B. Road, Kolkata – 700001
Share Transfer Process	Shares 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 respect. The Directors have been severally empowered to approve transfers.

Distribution of Shareholding as on March 31, 2014.	Category	No. of Shares	Percentage	No. of Shareholder	Percentage (%)
	1-500	3390	.08	13	65
	501-1000	-	-	-	-
	1001-2000	1350	.03	1	5
	2001-3000	-	-	-	-
	3001-4000	-	-	-	-
	4001-5000	-	-	-	-
	5001-10000	-	-	-	-
	Greater than 10000	4447660	99.89	6	30
	Total	4452400	100	20	100

Category of Shareholding as on March 31, 2014	Category	No. of Shares	Percentage
	Promoters	3313600	74.42
	Mutual Fund & UTI	-	-
	Bank, Financial Institutions, Insurance Companies	-	-
	FII's	-	-
	Corporate Bodies - Public	1135510	25.50
	Individual - Public	3060	0.08
	NRI's/OCB's	-	-
	Total	4452400	100.00
Shareholder Enquiries	Mr. Anshuman Prakash, Kanak Building, 41, Chowringhee Road, Kolkata – 700071.		

For and on behalf of the Board

Anshuman Prakash
Director

Date:
Place:

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 March, 31.03.2014.

Anshuman Prakash
Compliance Officer

Date:
Place:

Auditors' Certificate Regarding Compliance of Conditions of Corporate Governance

To the members of Kanak Projects Limited

We have examined the compliance of conditions of Corporate Governance by Kanak Projects Limited, for the year ended 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

For S.C. Soni & Co.
Chartered Accountants

Dated:

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

**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, which comprise the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information,

Management's Responsibility for the Financial Statements

The Company's 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 notified under the Companies Act, 1956 (the "Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and the 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 considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, 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 the 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 aforesaid 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, 2014.
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company 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") issue by the Central Government in terms of Section 227 (4A) 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 Cash Flow Statement dealt with in 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 comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs)
 - (e) On the basis of written representations received from the directors as on 31st March, 2014 and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2014, from being appointed as a director in terms of Section 274 (I)(g) of the Act.

Dated:

For S.C. Soni & Co.
Chartered Accountants

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

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, 2014.

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 :

- (i) (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 part of fixed assets and thereby does not affect the going concern status of the Company.
- (ii) (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.
- (iii) (a) The Company has granted loan to three 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. 1,83,18,347/-. The parties are regular in payment of principal and interest as stipulated.
- (b) The Company has not taken unsecured loan from any party listed in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and as explained to us, there is an 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 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.
- (v) (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.
- (vi) The Company has not accepted any deposits from public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business.
- (viii) The maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies act, 1956.

- (ix) 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 2014, for a period of more than six months from the date they became payable.
- (x) The company does not have any accumulated losses as on 31st March 2014 and has not incurred any cash losses during the financial year covered by our Audit or in the immediately preceding financial year.
- (xi) The Company does not have taken any loan from financial institutions and banks.
- (xii) 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.
- (xiii) In our opinion, the activities of the company do not attract any special statute applicable to fund, nidh/mutual benefit fund / societies.
- (xiv) 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.
- (xv) 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.
- (xvi) According to the information and explanations given to us, no term loan has been raised by the Company during the year.
- (xvii) 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.
- (xviii) 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.
- (xix) During the period covered by our audit report, the Company has not issued any debentures.
- (xx) The Company has not raised any money by public issues during the year.
- (xxi) 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.

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

Kolkata
19th may, 2014

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

BALANCE SHEET AS AT 31ST MARCH 2014

	Note No.	As at 31.3.2014 ₹.	As at 31.3.2013 ₹.
<u>EQUITY AND LIABILITIES</u>			
<u>Shareholders' Fund</u>			
(a) Share Capital	3	44,524,000	44,524,000
(b) Reserves and Surplus	4	471,015,503	411,226,999
<u>Current Liabilities</u>			
(a) Other Current Liabilities	5	323,434,154	312,850,719
(b) Short Term Provisions	6	150,940,000	128,340,000
TOTAL		989,913,657	896,941,718
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
(a) Fixed Assets			
Tangible	7	42,783,136	40,684,201
(b) Non-Current Investments	8	335,087,073	293,586,267
(c) Deferred Tax Assets (Net)	9	312,307	328,071
(d) Long Term Loans and Advances	10	36,654,742	32,523,103
<u>Current Assets</u>			
(a) Inventories	11	14,906,984	14,895,991
(b) Trade Receivables	12	6,426,358	5,565,055
(c) Cash and Cash Equivalents	13	348,278,651	338,626,522
(d) Short Term Loans and Advances	14	191,105,745	160,576,748
(e) Other Current Assets	15	14,358,661	10,155,760
TOTAL		989,913,657	896,941,718

Significant Accounting Policies 2

The notes form an integral part of these Financial Statements

As per our Report of even date

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

Kolkata
19th may, 2014

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

DIRECTORS

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2014

	Note No.	As at 31.3.2014 ₹.	As at 31.3.2013 ₹.
INCOME			
Revenue from Operations	16	78,764,035	79,603,759
Other Income	17	38,395,146	36,392,947
Total Revenue		117,159,181	115,996,706
EXPENSES			
Purchases	18	4,964,478	15,440,424
Changes in Inventories	19	614,007	(1,356,613)
Employee Benefit Expense	20	4,531,876	4,272,311
Finance Costs	21	5,953	12,645
Depreciation	7	2,177,918	2,257,743
Other Expenses	22	22,460,681	19,964,483
Total Expenses		34,754,913	40,590,993
Profit Before Tax		82,404,268	75,405,713
Tax Expense:			
(i) Current Tax	22,600,000	20,000,000	
ii) Deferred Tax	15,764	22,615,764	63,186
Profit for the year		59,788,504	55,342,527
Earnings per Equity Share:	23		
Basic and Diluted		13.43	12.43

Significant Accounting Policies 2

The notes form an integral part of these Financial Statements

As per our Report of even date

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

Kolkata
19th may, 2014

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

DIRECTORS

Notes forming part of Financial Statements for the year ended 31st March, 2014**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) 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.

(f) Investments

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

(g) Accounting for Employee Benefit :-

Contribution to Provident Fund and Superannuation Fund, which are defined contribution schemes, are made to a government administered / approved Provident Fund (s) and an LIC administered fund respectively, and are charged to the Profit and Loss Account as incurred. The Company has no further obligations beyond its monthly contributions to these funds. Provision for gratuity under LIC administered fund (s), which are in the nature of defined benefit plans, are provided based on valuations, as at the balance sheet date, made by the administrators (LIC).

(h) Inventories

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

(i) 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.

(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

PARTICULARS	31.03.2014 Rupees	31.03.2013 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 Reporting year

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
	No. of Shares	No. of Shares
At the beginning of the Reporting year	4,452,400	4,452,400
At the end of the Reporting year	4,452,400	4,452,400

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

Name of Shareholders	31.03.2014		31.03.2013	
	No. of share held	% of share capital	No. of share held	% of share capital
Mr. Anshuman Prakash	3,027,580	68.00	3,027,580	68.00
Ahinsha Properties Ltd.	1,112,610	24.98	645,000	14.49
R & R Tech Mach Pvt. Ltd.	-	-	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	31.03.2014 Rupees	31.03.2013 Rupees
Statutory Reserve		
At the beginning of the year	81,362,147	70,293,642
Add : Addition during the year	11,957,701	11,068,505
Closing Balance	93,319,848	81,362,147

General Reserve		
At the beginning of the year	262,666,469	227,666,469
Add : Addition during the year	-	35,000,000
Closing Balance	262,666,469	262,666,469

Surplus in Statement of Profit and Loss		
At the beginning of the year	67,198,383	57,924,361
Add : Profit for the year	59,788,504	55,342,527
	126,986,887	113,266,888
Less Transfer to Statutory Reserve	(11,957,701)	(11,068,505)
Transfer to General Reserve	-	(35,000,000)
Closing Balance	115,029,186	67,198,383
Total	471,015,503	411,226,999

5) OTHER CURRENT LIABILITIES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Statutory Dues	968,466	627,718
Expenses Payable	1,255,856	1,171,983
Security Deposit from Tenants	319,794,950	309,636,136
Excess Amount Received from Tenants (Refundable)	1,414,882	1,414,882
Total	323,434,154	312,850,719

6) SHORT TERM PROVISIONS

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Provision for Income Tax	150,940,000	128,340,000
Total	150,940,000	128,340,000

7) FIXED ASSETS
Tangible Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As At 01.04.2013	Additions/ (Deduction)	Total As At 31.03.2014	Upto 31.03.2014	For the year	Deductions/- Adjustments During the Yr.	Total As At 31.03.2014	As At 31.03.2014	As At 31.03.2013
Freehold	24,477,000	-	24,477,000	-	-	-	-	24,477,000	24,477,000
Land	17,981,790	1,617,616	19,599,406	12,611,019	322,576	-	12,933,595	6,665,811	5,370,771
Building	331,014	-	331,014	93,217	33,078	-	126,295	204,719	237,797
Tubewell									
Plant &									
Machinery	3,789,744	-	3,789,744	2,916,674	121,444	-	3,038,118	751,626	873,070
MotorCar	6,958,563	-	6,958,563	4,910,282	530,299	-	5,440,581	1,517,982	2,048,281
Computer	1,409,668	57,600	1,467,268	1,390,023	16,381	-	1,406,404	60,864	19,645
Office									
Equipments	532,340	196,990	729,330	220,844	57,457	-	278,301	451,029	311,496
Air Conditioner	582,536	1,343,358	1,925,894	226,155	67,086	-	293,241	1,632,653	356,381
WaterTank	118,300	-	118,300	99,389	3,423	-	102,812	15,488	18,911
Furniture &									
Fixtures	2,347,915	700,000	3,047,915	1,157,693	210,237	114,203	1,482,133	1,565,782	1,190,222
Electric									
Installation	1,077,899	475,492	1,553,391	127,509	144,051	-	271,560	1,281,831	950,390
D. G.-Set	5,070,186	-	5,070,186	631,664	617,398	-	1,249,062	3,821,124	4,438,522
Water Treatment									
Plant	419,363	-	419,363	27,648	54,488	-	82,136	337,227	391,715
TOTAL	65,096,318	4,391,056	69,487,374	24,412,117	2,177,918	114,203	26,704,238	42,783,136	40,684,201
PREVIOUS YEAR	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

8) NON CURRENT INVESTMENTS

PARTICULARS	Face Value Rupees	31.3.2014		31.3.2013	
		Nos	Rupees	Nos	Rupees
Investment in Equity Shares					
(At Cost) (Other - than - trade)					
(A) Quoted					
Aditya Birla Nuvo Ltd.	10/-	277	8,437	277	8,437
Blue Diamond Securities Ltd. (*)	10/-	23,800	238,000	23,800	238,000
Devaki Hospital Ltd. (*)	10/-	1,000	9,050	1,000	9,050
Digjam Ltd.	100/-	40	550	40	550
Dunlop India Ltd.	10/-	100	4,060	100	4,060
El Porge Ltd.	10/-	50	-	50	-
Gillanders Arbuthnot Co. Ltd.	10/-	24	365	24	365
GMMCO Ltd. (*)	10/-	15	7,575	15	7,575
Gujrat Heavy Chemicals Ltd.	10/-	500	6,275	500	6,275
Haileyburia Tea Estate Ltd. (*)	10/-	7,195	137,037	7,195	137,037
Hariyana Petrochemicals Ltd. (*)	10/-	500	20,100	500	20,100
Himatsingka Seide Ltd.	10/-	800	92,000	800	92,000
J.K.Cement Ltd.	10/-	49	4,517	49	4,517
Jalpac India Ltd.	10/-	300	3,000	300	3,000
Kakatiya Textiles Ltd.	10/-	1,000	18,100	1,000	18,100
KCP Ltd.	10/-	-	-	25	5,100
KCP Ltd.	2/-	250	5,100		
KCP Sugar & Industries Ltd.	1/-	250	5,100	250	5,100
Kilkotagiri Tea & Coffee Ltd. (*)	10/-	33	2,587	33	2,587
Mahindra Gesco Developers Ltd. (*)	10/-	2	114	2	114
Manjushree Plantation Ltd.	10/-	600	81,000	600	81,000
McLeod Russell India Ltd.	5/-	1,314	7,260	1,314	7,260
Methoni Tea Company Ltd. (*)	10/-	400	4,020	400	4,020
Midland Rubber & Produce Co. Ltd. (*)	10/-	200	12,860	200	12,860
Nelliamapalthy Tea & Produce Co. Ltd. (*)	10/-	100	6,230	100	6,230
Peria Karamalai Tea & Produce Co. Ltd.	10/-	328	20,714	328	20,714
R. K. Commercial Ltd. (*)	10/-	108,310	1,024,536	285,760	2,018,256
Saurashtra Chemicals Ltd.	10/-	700	2,485	700	2,485
Sunflag Iron & Steel Co. Ltd.	10/-	755	1,586	755	1,586
The Great Eastern Shipping Co. Ltd.	10/-	25	786	25	786
Unimers India Ltd.	10/-	75	1,550	75	1,550
United Nilgiri Tea Estates Ltd.	10/-	450	10,631	450	10,631
Uniworth India Ltd.	10/-	350	542	350	542
Vikash W.S.P Ltd.	1/-	1,000	6,500	1,000	6,500
TOTAL			1,742,667		2,736,387

(B) Unquoted					
(i) Equity Shares					
Amrita Media Pvt. Ltd.	10/-	150,000	3,000,000	150,000	3,000,000
Kanak Investments Pvt. Ltd.	10/-	2,510	25,100	2,510	25,100
Laojan Tea Co.Pvt. Ltd.	100/-	8,000	800,000	8,000	800,000
Mangalam Softwares Pvt. Ltd.	10/-	185,100	1,710,600	185,100	1,710,600
Mangalmayee Vyapar Pvt. Ltd.	10/-	525,000	5,250,000	525,000	5,250,000
Purbanchal Concast Pvt. Ltd.	10/-	1,350,000	13,500,000	-	-
(ii) Preference Shares					
6% Non Cumulative Redeemable Preference Shares of DLX Ltd.	100/-	300,000	30,000,000	300,000	30,000,000
0.01% Non Cumulative Redeemable Preference Shares of Laojan Tea Co.Pvt. Ltd.	100/-	85,000	8,500,000	85,000	8,500,000
12% Optionally Convertible Cumulative Preference Shares of Form Enterprises Ltd.	10/-	6	60	6	60
5% Non Cumulative Optionally Convertible Redeemable Preference Shares of Ahinsha Properties Ltd.	10/-	220,000	110,000,000	220,000	110,000,000
TOTAL			172,785,760		159,285,760
(C) Mutual Funds					
		Units		Units	
Birla Sunlife Midcap Fund		-	-	88,501	25,000,000
Birla Sunlife-Income Plus		-	-	299,925	15,244,656
IDFC Equity Opportunity - Series 1		250,000	2,500,000	-	-
IDFC Equity Opportunity - Series 2		250,000	2,500,000	-	-
IDFC Money Manager Fund		814,793	16,152,616	-	-
Kotak Mahindra - Bond Plan A		-	-	917,221	30,000,000
Kotak Mahindra - Income Opp. Fund Growth		2,371,375	31,023,985	-	-
Reliance - MIP		-	-	198,626	4,000,000
DSP Black Rock - Dynamic Asset Allocation		264,466	2,644,657	-	-
ICICI Balance Advantage Fund		511,771	10,000,000	-	-
ICICI Prudential Savings Fund		21,735	4,091,480	-	-
ICICI Prudential Value Fund Series 2		250,000	2,500,000	-	-
ICICI Prudential FMP Series 73-407D		1,000,000	10,000,000	-	-
UTI MIS Advantage Fund		-	-	775,786	10,334,903
UTI Fixed Term Income Fund Series XVI-IV		3,000,000	30,000,000	-	-
UTI Floating Rate Fund		2,726	5,615,219	-	-
SBI Premier Liquid Fund		-	-	585	587,337
TOTAL			117,027,957		85,166,896

(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/-	225,000	22,500,000	225,000	22,500,000
TOTAL			31,200,000		31,200,000
(E) Investment in Partnership Firm					
United Investment Corporation (Refer Note No.'27')			12,330,689		15,197,224
TOTAL (A to E)			335,087,073		293,586,267
MARKET VALUE OF QUOTED EQUITY SHARES			2,463,642		3,404,849
NAV OF MUTUAL FUNDS			119,639,087		87,499,166

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

9) DEFERRED TAX ASSETS (NET)

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Difference between book values and written down values of Fixed Assets	328,071	391,257
Less : Deferred Tax accounted for the year	15,764	63,186
TOTAL	312,307	328,071

10) LONG TERM LOANS AND ADVANCES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
(Unsecured, considered good)		
Capital Advances	21,051,417	16,596,417
Security Deposit	639,006	610,086
Other Advances	14,964,319	15,316,600
TOTAL	36,654,742	32,523,103

11) INVENTORIES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
(At lower of cost or realisable value)		
Building at Sanjeeva Town	13,266,524	12,641,524
Equity Shares of Joint Stock Companies (Refer Note No.'25')	1,640,460	2,254,467
TOTAL	14,906,984	14,895,991

12) TRADE RECEIVABLES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Considered Good		
Debts for a period exceeding six months	3,819,382	4,188,284
Other Debts	2,606,976	1,376,771
Total	6,426,358	5,565,055

13) CASH AND CASH EQUIVALANTS

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Cash on hand	323,552	201,392
Balance with Schedule Banks		
On Current Accounts	15,076,796	5,546,827
On Term Deposit Accounts (*)	332,878,303	332,878,303
Total	348,278,651	338,626,522

(*) Fixed deposits with Banks includes deposits of Rs.2828.78 lacs with maturity of more than 12 months.

14) SHORT TERM LOANS AND ADVANCES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
(Unsecured, considered good)		
Loans	26,542,057	18,552,064
Staff Advances	524,695	328,278
Advances recoverable in cash or in kind	5,148,848	6,211,100
Tax payments	158,890,145	135,485,306
Total	191,105,745	160,576,748

15) OTHER CURRENT ASSETS

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Interest Accrued on Fixed Deposits	14,344,780	10,155,760
Interest Accrued on Security Deposits	13,881	-
Total	14,358,661	10,155,760

16) REVENUE FROM OPERATIONS

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Rental Income	72,612,681	65,939,539
Sale of Shares	5,802,101	13,307,364
Service Charges	349,253	356,856
Total	78,764,035	79,603,759

17) OTHER INCOME

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Interest		
On Loan	2,315,793	2,008,481
On Fixed Deposits	25,711,754	25,191,805
On Deposit	2,412,599	466,853
Dividend on Long term Investments	2,197,795	1,055,587
Miscellaneous Income	3,393,927	4,506,647
Difference in F & O transaction	-	83,562
Gain on Sale of Mutual Fund	2,295,057	3,004,549
Profit on Sale of Fixed Assets	5,797	17,466
Licence Fees Received	36,000	48,000
Sundry Balances Written Back	9,886	9,997
Liability no longer required Written Back	16,538	-
Total	38,395,146	36,392,947

18) PURCHASES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Purchase of Shares	4,964,478	15,440,424
Total	4,964,478	15,440,424

19) CHANGES IN INVENTORIES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Equity Shares of Joint Stock Companies (Opening)	2,254,467	897,854
Equity Shares of Joint Stock Companies (Closing)	1,640,460	2,254,467
Total	614,007	(1,356,613)

20) EMPLOYEE BENEFIT EXPENSE

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Salaries, Bonus and Allowances	3,252,052	2,472,289
Contribution to Provident Fund	172,168	136,925
Gratuity	406,506	1,077,825
Leave Encashment	56,070	-
Staff Welfare	645,080	585,272
Total	4,531,876	4,272,311

21) FINANCE COST

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Interest on Car Loan	-	3,220
Interest on Statutory Dues	5,953	9,425
Total	5,953	12,645

22) OTHER EXPENSES

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
Rent, Rates & Taxes	89,096	1,080,575
Legal & Professional Charges	3,407,440	10,906,552
Electrical Expense	868,123	795,428
Sanitation Expense	340,453	419,970
Insurance Charges	92,855	92,227
Compensation to Tenant	2,800,000	-
Repairs to Building	3,631,484	980,515
Repairs to Others	1,746,196	1,155,950
Printing & Stationary	144,513	131,176
D. P. Maintenance Charges	17,708	17,696
Auditors Remuneration	250,000	89,888
Computer Expenses	58,073	46,783
Travelling & Conveyance	644,664	553,171
Office Expenses	1,131,524	104,751
Motor Car Expenses	507,606	396,897
Miscellaneous Expenses	685,117	346,651
Telephone Expenses	389,435	500,737
Donations	2,000,000	-
Fire Protection Expenses	47,152	8,598
Advertisement & Publicity	23,229	41,024
Share Transaction Expenses	22,448	44,607
Service Tax (Including Rs. 5,27,276/- for earlier year)	1,477,817	851,290
Security Service	1,221,438	797,577
Difference in F & O transaction	269,492	-
Loss on Sale of Investment on Shares (See note no - 26)	328,283	
Share of loss of Partnership Firm	266,535	248,917
Bad Debts Written off	-	353,503
Total	22,460,681	19,964,483

23) EARNINGS PER SHARE (EPS)

PARTICULARS	31.03.2014 Rupees	31.03.2013 Rupees
(a) Net Profit for the year (Rs.)	59,788,504	55,342,527
(b) Weighted No. of Equity Shares of Rs. 10/- each outstanding during the year	4,452,400	4,452,400
(c) Basic & Diluted Earnings per share (a) / (b)	13.43	12.43

24) Related Party disclosures - (Pursuant to requirements of AS -18)**(a) Key Management Personnel**

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

(b) Relative of Key Managerial Personnel

- (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

Ahinsha Properties Ltd.
 Arihant Solvex Ltd.
 DLX Ltd.
 S. M. Herbals Pvt. Ltd.
 R.K.Commercial Ltd.
 Purbanchal Concast Pvt. Ltd.

Transaction with Related parties during the financial year

(a) Name	NATURE OF TRANSACTIONS	31.03.2014		31.03.2013	
		VOLUME OF TRANSACTION	AMOUNT OUTSTANDING	VOLUME OF TRANSACTION	AMOUNT OUTSTANDING
			(Dr. / Cr.)		(Dr. / Cr.)
Ahinsha Properties Ltd.	Rent	60,684/-	NIL	-	NIL
-Do -	Advance	2,89,650/-	NIL	2,54,000/-	Dr. 2,00,000/-
Arihant Solvex Ltd.	Loan Given	8,95,399/-	Dr. 91,86,133/-	95,00,000/-	Dr. 82,90,734/-
DLX Ltd.	Rent	6,46,104/-	NIL	-	NIL
-Do -	Loan Given	93,03,904/-	Dr. 93,03,904/-	-	NIL
-Do -	Advance	-	NIL	82,57,565/-	Cr. 15,944/-
S. M. Herbals Pvt. Ltd.	Loan Given	81,19,044/-	Dr. 80,52,020/-	1,89,93,637/-	Dr. 77,68,940/-
R.K.Commercial Ltd.	Advance Given	94,016/-	Dr. 7,30,351/-	6,36,355/-	Dr. 6,36,335/-
Megapix East Strips & Tubes Pvt. Ltd	Advance Given	-	Dr. 2,20,000/-	-	Dr. 2,20,000/-
Purbanchal Concast Pvt. Ltd.	Loan Given	-	Dr. 45,70,000/-	45,70,000/-	Dr. 45,70,000/-
-Do -	Share Investment	1,09,00,000/-	NIL	26,00,000/-	Dr. 26,00,000/-
-Do -	Advance Given	3,90,058/-	NIL	3,60,900/-	Dr. 3,60,900/-
 (b) Advance against Purchase of					
Property		-	Dr. 1,03,85,700/-	-	Dr. 1,03,85,700/-

25) Stock in Trade

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

Name of the Company	Face Value	No. of Shares	Rupees
Bharat Immunological & Biological Corp Ltd.	10/-	22,500	195,525
Compucom Software Ltd.	2/-	5,011	46,853
Florence Investech Ltd.	10/-	50	7,085
Goldman Sacs Ltd.	1000/-	1	808
HOV Services Ltd.	10/-	7,711	585,336
JK Agri Genetics Ltd.	10/-	328	126,952
JM Finance Ltd.	1/-	3,000	74,850
Just Dial Ltd.	10/-	100	151,791
Jyoti Structure Ltd.	2/-	7,175	195,160
Kesoram Industries Ltd.	10/-	2,000	144,200
Monsanto Chemicals Ltd.	10/-	50	61,100
Store One Retail Industries Ltd.	10/-	2,000	50,800
TOTAL			1,640,460

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

Name of the Partners	Shares of Profit/Loss	Balance in Capital Account
M/s. Kanak Projects Ltd.	(266,535)	12,330,689
Mr. Vinod Kumar Dugar	(68,537)	(848,707)
Mr. Anshuman Prakash	(45,692)	(88,363)

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

Employees Gratuity Fund - As per Certificate of L.I.C.		As on 31.3.2014	As on 31.3.2013
1.	<u>Assumption</u>		
	Discount Rate	8.00%	8.00%
	Salary Escalation	5.00%	7.00%
2.	<u>Table Showing changes in present value of Obligation</u>		
	Present value of obligations as at beginning of year	716,166	640,333
	Interest cost	57,293	51,227
	Current Service Cost	42,435	39,650
	Benefits Paid	-	(45,822)
	Actuarial (gain) / loss on obligations	(181,755)	30,778
	Present value of obligations as at end of year	634,139	716,166

3. Table Showing changes in the fair value of plan assets

Fair value of plan assets at beginning of year	821,013	731,252
Expected return on plan assets	71,839	62,412
Contributions	-	73,171
Benefits Paid	-	(45,822)
Actuarial gain / (loss) on Plan assets	-	-
Fair value of plan assets at the end of year	892,852	821,013

4. Table Showing fair value of plan assets

Fair value of plan assets at beginning of year	821,013	731,252
Actual return on plan assets	71,839	62,412
Contributions	-	73,171
Benefits Paid	-	(45,822)
Fair value of plan assets at the end of year	892,852	821,013
Funded status	258,713	104,847
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)		

5. Actuarial Gain / Loss

Actuarial (gain) / loss as on obligations	181,755	(30,778)
Actuarial (gain) / loss for the year plan assets	NIL	NIL
Actuarial (gain) / loss for the year	(181,755)	30,778
Actuarial (gain) / loss recognized in the year	(181,755)	30,778

6. The amounts to be recognized in the balance sheet and statements of profit and loss

Present value of obligations as at the end of year	634,139	716,166
Fair value of plan assets as at the end of the year	892,852	821,013
Funded status	258,713	104,847
Net assets / (liability) recognized in balance sheet	258,713	104,847

7. Expenses Recognised in statement of profit and loss

Current Service cost	42,435	39,650
Interest Cost	57,293	51,227
Expected return of plan assets	(71,839)	(62,412)
Net Actuarial (gain) / loss recognized in the year	(181,755)	30,778
Expenses recognised in statement of Profit and Loss	(153,866)	59,243

- 28) 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.
- 29) 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.
- 30) No provisions has been made in respect of Rental and service charges Income from tenants amounting to Rs.5,22,575/- as the company has taken appropriate legal action against the tenants for eviction.
- 31) The Company has no amount due to suppliers under the Micro, Small and Medium Enterprises development Act, 2006 (MSMED) as at 31.3.2014.
- 32) In the opinion of the Board of Directors the Current Assets, Loans and Advances are approximately of the value stated in accounts, if realised in ordinary course of business, unless otherwise stated. The provisions for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- 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

Kolkata
19th May, 2014

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

.....
Directors

Kanak Projects Limited

Regd. Office: 41, Chowringhee Road
Kanak Building – Kolkata 700071

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

I/We hereby record my/our presence at the Annual General Meeting of the Shareholders of the Company at the Registered Office at 41, Chowringhee Road, Kanak Building, Kolkata – 700071 on Friday, the 26th September 2014 at 3.00 pm.

Name of the Shareholders(s)----- Folio No.:-----

Name of Proxy/
Representative, if any -----

Signature of the
Shareholder(s) Proxy/Representative-----

Kanak Projects Limited

Regd. Office: 41, Chowringhee Road
Kanak Building – Kolkata 700071

PROXY

I/We-----

Of-----

Being a Member/Members of Kanak Projects Limited., hereby

Appoint-----

Of -----

Or failing him/her -----

Of-----

Or failing him/her-----

Of-----

As my/our Proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on 26th September 2014 and at any adjournment thereof.

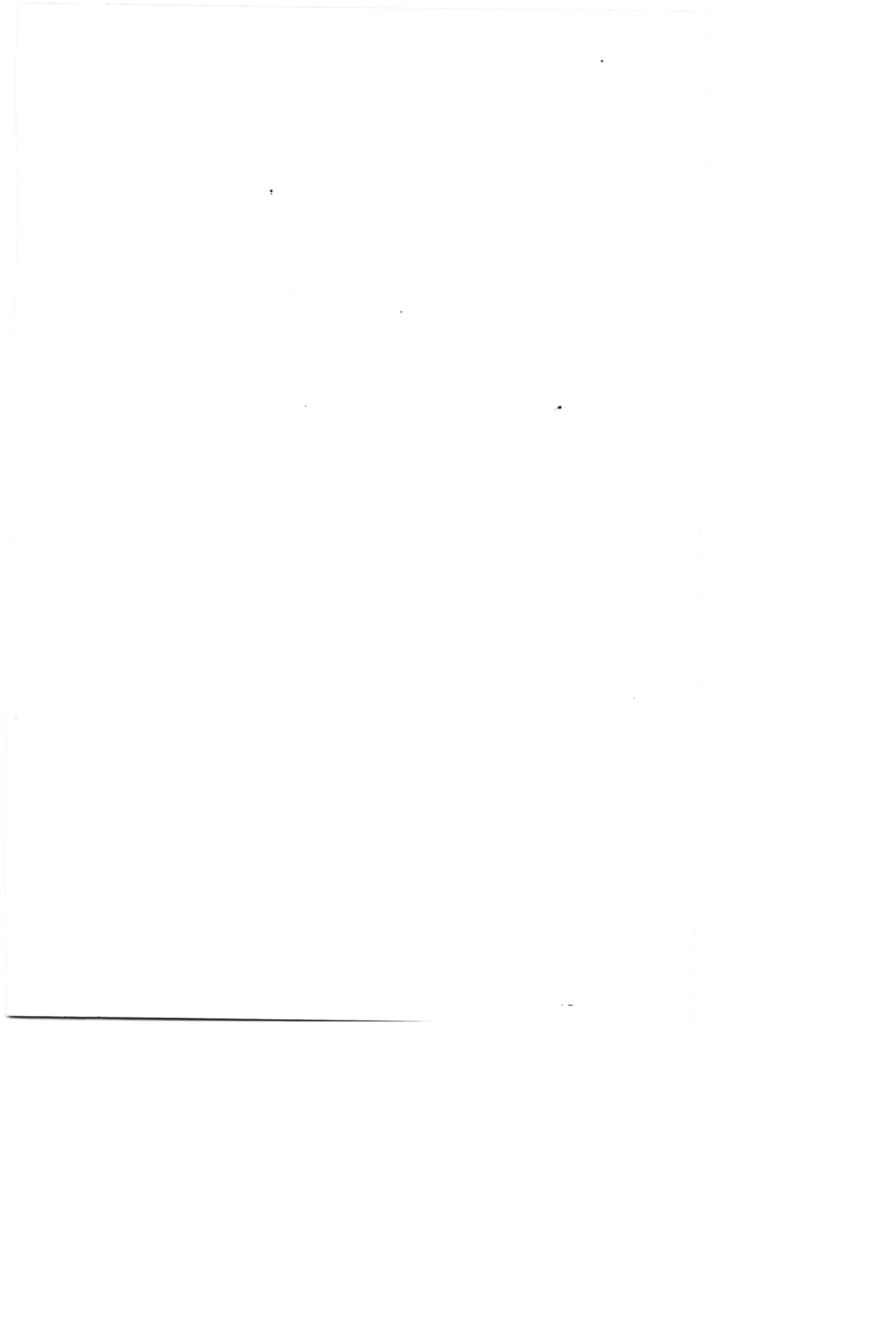
As witness my hand/our hands this ----- day of ----- 2014

Signature by the said

Revenue Stamp 30P

FOLIO NO.

NOTE: The proxy must be deposited at the Regd. Office of the Company at Kanak Project Limited, 41, Chowringhee Raod, Kanak Building, Kolkata – 700071.



KANAK PROJECT LIMITED
35th Annual Report 2013-14